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The Financial Situation

Four times a year the Securities and Exchange Commission startles the world, or at least those individuals in it who do not take the pains to do their own thinking, with figures of "gross" and "liquid" savings which have been accumulating in the hands of individuals since the outbreak of war. A few days ago it made the headlines comfortably with such estimates covering the first three months of the current year. The figures are always, of course, huge, and the latest addition to their series is no exception. "Individuals" have regularly been "saving" around eleven or twelve billions of dollars each quarter for more than a year past. During the first quarter of this year, they managed to put upwards of eleven billions aside for a rainy day, according to the SEC, against a somewhat smaller amount in the corresponding months last year. Of this sizeable sum, the Commission informs us, some \$9.4 billion are "liquid" against a corresponding figure of \$8.9 billion last year.

Misconceptions

Of course, the authorities—and some others who should think twice before they aid and abet in this business of spreading misapprehension concerning so important a matter—take pains to cumulate the figures. When they do they naturally obtain some very impressive totals—\$95.6 in gross savings since the beginning of 1942, and \$76.6 in liquid savings during the same period. Whether or not inspired by the SEC, many commentators regularly seize upon these data to prove many things which simply are not true. Like the Commission's figures on the working capital position of industry, they show large sums which will come in very handy when the war is over to provide a "back-log" of effective

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Has The Bretton Woods Conference Begun?

By HERBERT M. BRATTER

Has the Bretton Woods international monetary and financial conference already begun,—at Atlantic City? In view of the veil of secrecy that surrounds that gathering, one may be permitted to wonder just what is being done at the New Jersey resort.

It is known that a considerable group of "technicians" have gone to Atlantic City from the Treasury, the State Department, and the Federal Reserve Board.

They have been there since about the middle of June, and will leave only when it is time to open the Bretton Woods conference on July 1. Gathered at Atlantic City, we have been told, is the preparatory committee for the Bretton Woods conference.

The experts have, indeed, been preparing for that conference for a couple of years. Just what are they doing at Atlantic City, and who is with them? Some foreign representatives, we are informed, but no list of the foreigners has been published. We do not know who selected the countries to be represented at Atlantic City, or who called them together.

On the occasion of the last international monetary conference, that of 1933, which resulted from the Lausanne Agreement of July,



Herbert M. Bratter

1932, a preliminary examination of the agenda by a committee of experts was recommended. The preparatory committee met at Geneva and submitted its draft annotated agenda in January, 1933. That document of 37 pages contained the experts' recommendations. It was published by the League of Nations.

The circumstances today are not parallel. Before the present preparatory committee started its work at Atlantic City the Treasury Department had released a plan for an international monetary fund which, after numerous changes in the earlier White and Keynes proposals, was announced to have the approval of the experts of some 30 countries following prolonged discussions at the Treasury. Since this "preparatory committee" has been sitting for about a fortnight following agreement of the experts, and since its deliberations have been shrouded in silence, there is no way of knowing just what is going on.

If the Bretton Woods meeting is to be as open as the country has been led to expect, it has got off to a bad start at Atlantic City. For all we can tell, the major de-

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Small Business In Post-War World

By HON. JAMES E. MURRAY*
United States Senator from Montana

Sponsor Of The "Small Business Bill Of 1944" Points Out Part Played By Small Business In War Effort—Maintains That The Preservation Of Small Business Is Essential To Our System Of Competition And Democratic Way Of Life—Outlines Proposed Post-War Aid To Small Business

My talk this evening is on the problems of American small business. In using the term "small business," it is not to be understood that small



Sen. Jas. E. Murray

business is necessarily engaged in any conflict with big business. There are certain basic industries in our country which require big plants and enormous capital through which they are able to accomplish a high rate of production at low costs. These large enterprises

have played an important role in the history of American industry and the development of what has come to be known as "The American Way of Life."

At the outset, therefore, I wish it to be understood that there is a place in our country for both big and little business. During many years, however, we have been witnessing a trend in this country toward monopoly and the gradual elimination of the smaller business concerns through consolidations and concentration of industry in the hands of large industrial organizations. These combinations have a tendency to control prices and stifle competition. It is against this tendency

*An address made by Senator Murray before the meeting of the American Business Congress, in Pennsylvania Hotel, on June 19, 1944.

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which the Congress is aiming. These larger aggregations are able to direct and control markets and engage in many unfair business practices which drive the smaller concerns from the field. Now, the preservation of small business is essential to our system of free competition and democratic way of life.

The Congress is interested therefore in opposing this undue concentration of business and development of monopolies which seek through the exercise of great financial power and unfair practices to drive out of the field the smaller independent concerns and thus bring about a collectivistic or totalitarian economy in our country like they have in Germany.

America was built and grew to its present great power on the principle of free competition maintained through free markets. The wealth of our country has been wrought from her natural resources—her fertile lands—her

vast forests and rich mineral deposits—through our system of free competition carried on by independent business enterprise.

Fifty years ago, American business consisted almost entirely of small and medium-sized enterprises. Then America had a truly competitive economy. But the trend toward large combinations and monopolies in industry which I have mentioned began in the 1890's and by the 1930's had grown to such proportions that the continued existence of independent small business was seriously threatened along with our traditional American system of free enterprise itself.

It was the iron necessity of this global war which made us realize the enormous importance of small business to the national welfare. At first, the small plants were neglected. They were given no war work and many were compelled to close their doors. It soon became apparent, however, that without fully utilizing the small plant capacity of the country, our

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The International Monetary Fund

By BRIG. GENERAL LEONARD P. AYRES*
Vice-President, Cleveland Trust Company

Prominent Economist Holds Proposed Stabilization Fund Will Give Us A Dollar Chronically Afflicted With Exchange Restrictions—Says The First Requisite For Any Genuine Progress Toward Stabilization Of Exchanges Is A Stable Dollar, Free From Restrictions—Thinks Our Co-operation Desirable But Maintains The Proposed Plan Would Impair Our Relations With Foreign Nations And Make Co-operation Difficult

A week from tomorrow (July 1) the representatives of 42 United and Associated Nations will meet in conference at Bretton



Leonard P. Ayres

Woods in New Hampshire to talk about money. The basis of their discussions will be a joint statement which has been prepared by the financial technicians of more than 30 of the nations. That statement sets forth the principles which might govern the establishment and operation of an international fund designed to stabilize foreign exchanges.

It will help to simplify our thinking if we consider the proposed Fund as being in reality an international bank. It would have initially a paid-in capital of eight

billions dollars, which may later on be increased to 10 billions if all nations come in. The subscription of each nation would be according to a system of quotas based in part on the amount of its normal foreign trade, and partly on the size of its gold holdings.

Quotas

It is proposed that the quota of the United States might be about 2.75 billion dollars; that of Great Britain about 1.25 billions; Russia about one billion; China 600 millions, and Canada perhaps 300 millions. The total for these five nations would be about 5.9 billions, or nearly three-quarters of the total capital of eight billions.

*A lecture delivered by General Ayres before the student body of the Graduate School of Banking of the American Bankers Association at Rutgers University, New Brunswick, N. J., on June 23, 1944.

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Well Said

"In the first place, the complete statistics necessary to make such a statement [that corporations are exceptionally well provided with working capital] are not available. In the second place, the SEC interpretation of such figures as it has assembled is either unintelligent or done for some purpose not clear. If an industrial corporation, trying to sell stock, used the same methods of interpreting its financial position, the commission itself would charge it with trying to fleece the public.

"It is tragedy that the men who are fighting, and their families at home, get the idea that industry has plenty of money to reconvert to peacetime production and also to undertake considerable expansion and thus have jobs available when the men in the armed services come home.

"Business is going to need cash, and lots of it, when the war ends. We will have to put goods on the shelves of corner grocery and dry goods stores, and in addition we will have overhanging tax liabilities and many other risks. . . .

"Since the law does not allow the commission to pass on the merits of any security registered with it, why, then, should it undertake to pass judgment on the financial capacity of all industry? What is the purpose of it? This government bureau could much better spend its time in studying ways to encourage the flow of new capital into worthwhile industries and to simplify its procedures so that they will no longer hinder the formation of new capital. If we are to have more production and more jobs when the war is over, we will need more capital."

—Robert Gaylord, President of the NAM.

There are few outside of Washington, we feel certain, who will differ seriously with Mr. Gaylord.

The State Of Trade

Working capital is the life blood of trade and industry and upon the healthy condition of the capital structure of an enterprise depends its existence and well-being. In the years since the outbreak of the war in 1939, American trade and industry have shown a precipitate increase in working capital in the form of inventories, accounts receivable, U. S. Government securities and other items, while among the liabilities, notes and accounts

payable have moved upward, with the increase in Federal income taxes especially marked, in the years 1942 and 1943. Hand in hand with the future of business and industry in the post-war era must go the interests of millions of soldiers and workers who must find a worthy place in our economy if our nation is to prosper. To attain this objective and insure the common good no delay must be encountered in the change from war to peace. By assuring industry a speedy and equitable settlement of war contracts, disposal of surplus materials and a prudent tax policy, industry's working capital will be safeguarded, enabling industry to assume its responsibilities in the years ahead.

That manufacturers will have to resort to new financing in the changeover period to supplement capital needs is for the most part recognized, but in some quarters it is felt to be unnecessary. From a recent report of the SEC, citing the progressive growth of working capital from 1939 to 1943, the impression given is that American industry will not have to seek new capital funds in its conversion to peace time operations. Robert Gaylord, President of the National Association of Manufacturers, dissenting from the report declared, the impression conveyed was dangerously misleading, and further, that the Commission had overstepped its functions in rendering the report. Defining working capital of a manufacturer as funds on hand to meet payrolls, to buy raw materials, keep his plant in repair and other day-to-day expenses, Mr. Gaylord asserted that, actually, working capital is sound current assets less all current liabilities. Analyzing working capital as set forth in the report, he disclosed that the amount of cash a manufacturer is obliged to set aside to meet tax liabilities and the cash he has re-

ceived from government borrowings on V and VT loans is included and must be paid back. Employing the figures of the Commission, he continued, you will find the companies involved did not have quite enough government bonds and cash to pay their taxes, notes, accounts payable and to balance off advance payments made to them. These, Mr. Gaylord pointed out, must be paid for at the rate of 100 cents on the dollar, adding, the working capital the SEC statement makes so much of must come from inventories and receivables and any one knows that these are not worth 100 cents on the dollar and cannot be used in reconversion and to provide jobs unless they can be turned into cash promptly.

Concluding his remarks, Mr. Gaylord stated that if we are going to have more production and more jobs when the war is over we will need more capital, and that the interpretation indulged in by the SEC "can only be a further hindrance to this necessary investment in new enterprises that must be made if we are to have the kind of post-war world we all want."

Some inkling may be gleaned of the employment situation throughout the country by the recent report of the Department of Commerce. In war manufacturing industries employment has declined an average of 100,000 workers a month this year. In non-war industries the decline has approximated almost 50,000 a month, but the Department took pains to point out that while manpower shortages persist in some individual plants, the general trend is downward. This trend, it predicted, would continue in war industries but for non-war jobs would remain about the same in the second half of the current year. In accounting for

the decline in employment in war industries, the report attributed the result to a continued increase in efficiency coupled with more certain knowledge of the size of the working force required for war output.

The week's news was filled with events of great moment taking place all over the globe. Here in the United States the Republican convention in the huge stadium in Chicago sounded the death knell of the New Deal on Monday evening last, in the keynote address of Governor Earl Warren of California, pledging at the same time to bring the boys back home quickly and "victorious" to reopen the doors of opportunity to "all Americans," and to guard the peace in the future. All speculation regarding the nomination of Governor Thomas E. Dewey of New York had ceased 24 hours before the time set for the nominations with Mr. Dewey's first ballot topping 800, according to unofficial counts. Governor Earl Warren of California was slated as the candidate for the Vice - Presidency, Mr. Dewey's running mate.

Over in Europe the campaign continued to move along well and, following a siege of one week, the great port of Cherbourg fell into American hands. An official announcement to this effect was released on Tuesday morning of this week, just after 7 o'clock, double British time.

In the Pacific, the tide of war continued to run in our favor and on the Russian front the vanguard of the Red Army in its latest summer offensive penetrated to within 22 miles toward the key city of Minsk, capturing the fortress cities of Vitebsk and Zhlobin in White Russia. General gains marked the course of the stock market the past week with equities establishing new high levels, thought trading volume failed to sustain the 2,000,000 share days following the invasion of the continent. On the industrial front electric kilowatt output, car loadings and paper production advanced the past week, while scheduled output of steel ingots and castings, bituminous and anthracite coal and paperboard production showed some falling off. In New York City retail trade moved sharply upward with gains in department store sales ranging 25% to 40% higher than in the same week a year ago, while for the country as a whole the percentages were much lower.

With respect to electric production, results reveal that output of electricity increased to approximately 4,287,251,000 kwh. in the week ended June 17 from \$4,264,600,000 kwh. in the preceding week, as reported by the Edison Electric Institute. The latest figures represents a gain of 4.6% over one year ago, when output reached 4,098,401,000 kwh.

Consolidated Edison Company of New York reports system output of 163,400,000 kilowatt hours in the week ended June 18, 1944, and compares with 188,300,000 kilowatt hours for the corresponding week of 1943, or a decrease of 13.2%.

Local distribution of electricity amounted to 159,400,000 kilowatt hours, compared with 185,800,000 kilowatt hours for the corresponding week of last year, a decrease of 14.2%.

Reviewing the performance of the nation's steel industry in the four years of the present war, the American Iron and Steel Institute, in its booklet, "Steel's War Record," revealed that all records in its history were broken. Reading like a litany the industry's great accomplishments included production of 344,690,388 net tons of steel ingots, payment of \$5,379,413,000 to employees and \$2,209,314,000 in taxes, and after all expenditures, showed net earnings of \$1,030,392,000. Despite the heavy output, the booklet disclosed a steady decline in net income, while payrolls and taxes

From Chicago Ahead Of The News

By CARLISLE BARGERON

Old-time newspapermen like to recall, in the light of the current scene, Communist demonstrations of several years ago. They were the days when the Commies were forever screaming about how the cops were beating them up, denying their civil liberties and in general carrying out the orders of capitalists who were grinding the working man to death. It was seldom, if ever, that any Commies were struck. They were too clever.

They had the knack of starting a melee and then disappearing to leave poor innocent bystanders to fall under the cops' clubs. The cops, too, particularly those in New York, used to make these melees the occasion for venting their hate of reporters. Some of these cops eyeing the demonstration would have already picked out a particular reporter they wanted to club when the melee began. One of the funniest things in the world was to see W. Z. Foster harangue a crowd of yapping goons. After haranguing them up to the proper boiling point, he would announce:

"The parade on the City Hall will now begin."

Whereupon, he would step off the rostrum, into a cab and drive quietly away to his place of abode, leaving the poor fools to go marching off by themselves.

But these Commies are no laughing spectacle now. Given respectability, if that is what it is called, by the New Deal, they show much more finesse. Their conduct at the Republican convention was so reprehensible that it is wonder it did not provoke mob violence.

To understand their conduct you must first have a picture of a so-called press conference at a National political convention. Prominent men and women are pressed through a milling hotel throng into a suffocating room. There they face sweating, dishevelled newspapermen and women, probably 20 of whom are actually working, but there will be 200 or 300 onlookers jammed into the tight room. A press conference is an attraction at a political convention not to be missed by the

established all-time records. It also pointed out that the industry earned only 5.1% on its investment in 1943 as contrasted with 9.1% in the best peacetime year of 1929.

War needs continued to be the dominant factor in steel production the past week with pressure on steel mills for immediate delivery of most wanted material heavy. An increasing number of directives, "Steel" magazine in its current market summary states, "are taking precedence and forcing schedules back at many mills." A substantial amount of tonnage scheduled for June will not be available for several weeks, since some producers are more than a month behind in their schedules as a result of these directives. Washington, according to the summary, has taken cognizance of this condition and is making an effort to limit directives as much as possible. The magazine reports that the volume of shell tonnage building up on mill books is assuming such proportions that causes speculation as to whether a substantial portion of it ever will be rolled, "especially in view of encouraging military prospects and the fact that various recipients of shell contracts will require much time to tool up sufficiently to begin production." Mill bookings for most steel products, the magazine reveals, run for the better part of the year with sheared plates booked solidly into November and much tonnage beyond that period. Bar output runs into October and November with large rounds ex-

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visiting firemen just as Wall Street and the Empire State Building are in New York.

At this convention every press conference was dominated completely by five Communist writers, one a Negro and the other four of Eastern European origin. This writer saw few of the bona fide newspapermen get in more than a few questions at any conference. The five Commies monopolized them. They worked together, back-stopped each other, and invariably sat together. They were not seeking information, they sought to engage the speaker in an ideological discussion, or a debate, to put him on the spot. The recognized reporters merely wrote the story as it was developed and this was, of course, just what the Commies wanted. This is to say, the regular reporters wrote their stories based upon the answers of the speaker. They did not give a picture of the happening. Under the rules of the game these Commies were merely fellow newspapermen entitled to the same courtesies as any of them. The Commies have no circulation through their own sheets. Their medium, insofar as the convention is concerned, was that of every paper in the country. It is a little short of amazing that the American press, under the guise of a free press, would permit itself to be made such a tool.

Be it said to the credit of the Republicans, the Commies seemed to embarrass none of them but Bill Hutcheson, the A. F. of L. Vice-President, who was a candidate for the Republican vice-presidential nomination. They did a job on him. On the other hand, Clare Luce made monkeys of them, and Governor Warren seemed perfectly at ease. But it is an outrage that these two had to go through what they did. Your correspondent would gladly have given his earthly possessions had some speaker, in answer to some of the questions, turned on this quintet, and said:

"You know what I really stand for? A real good old-fashioned Eastern European purge."

In all seriousness, what we have written about was one of the most pronounced phases of the convention. It strikes us that it is something the bona fide newspapermen have got to do something about, particularly in those cities where there are so-called big press conferences with public men, notably New York and Chicago. It is nothing unusual at a Washington press conference for more than a hundred newspapermen to be present. Under the inspiration of the Commies they are coming more and more to be heckling sessions instead of an actual seeking of information. They are coming to be lively contests of dialectics out of which no light evolves on anything.

Another pronounced phase of the convention was its soberness, not necessarily a lcoholically speaking. A serious note hung over the gathering at all times. There was little or none of the usual convention antics and demonstrations. There were even few bands; a serenade occasionally, but never anything like the huge jubilee usually associated with political conventions. It is our guess that it pitched the tone for the campaign. There was optimism among the delegates but no cockiness. The Republicans still have a complex on Roosevelt, a fear he will be able to "pull something out of the hat."

Warren's Keynote Address Cites G.O.P. Aims For Victory, Peace

Would Bring Boys Home Speedily And Guard Peace—Finds "New Deal" Leading Away From Representative Government—Private Production Key To Prosperity

Defining the "job" of the Republicans in behalf of Americans, Gov. Earl Warren of California, in the keynote address on June 26 at the Republican National Convention in Chicago, essayed that this is our job:

To get our boys back home again—victorious and with all speed. To open the door for all Americans—to open it, not just to jobs but to opportunity!

To make and guard the peace so wisely and so well that this time will be the last time that American homes are called to give their sons and daughters to the agony and tragedy of war.

This convention and this election, said Gov. Warren, are part of that job. We are here to speed the cause—to help America to speed the cause—for which our fighting men are giving their lives. We are here to make the road on which America can march toward victory, toward opportunity, toward peace.

That is the biggest job Americans have ever undertaken together.

In his address Gov. Warren, also said:

We know what it is that makes jobs and opportunity. We know that private production makes them. We know that our productive system going full blast can make enough of them. It is the Republican party that has kept that knowledge alive in America. We have kept it alive against great odds. And now the country knows how important it is that the Republicans kept that knowledge alive.

But we Republicans also know that full-blast production—and the jobs and opportunity which it makes—can only come in a climate that is friendly to production. A climate that is friendly to production requires a government that is friendly to production. It requires a government which believes that our economic soil, far from being worn out, is still life-giving; a government which believes that those who work honorably and well to make that soil produce, far from being a threat to our well-being, are the hope of it; a government which, far from penalizing production, encourages it; a government which believes in an economy of plenty because its aim for all the people is abundance.

In such a climate, labor and management will not be set off—one against the other. They will realize—government can help them to realize—that they do not represent two different systems; that they are, rather, part of the same system. They will understand that they are partners in that system.

Gov. Warren essayed that to insure the future "this war must end in something better than an armistice." "This war," he said, "must end in peace." He added:

We want a peace that will be lasting. That means a peace that will be just. That means not only justice for the few and powerful, but justice also for the many and less powerful.

We want a peace that is based upon realities and not upon the insecure foundation of mere words or promises. That means a peace which, being mindful of the interest of other nations, does not neglect or sacrifice the interests of our own nation.

None of these aspirations can be realized under a leadership that plays power politics on a world-wide stage. They cannot be achieved under a leadership which neglects the interests of America.

Stating that "as Republicans, we are united in uncompromising opposition to aggression," Gov. Warren said: "We are prepared to

of us—is the ominous, gargantuan figure of an arrogant, power-intoxicated bureaucracy. . . .

These bureaucrats encumber the small business man with a multiplicity of rules, regulations, orders and decrees which entangle him, stifle his business and darken his future. They move in—like political commissars—to watch over the shoulders of our America and the happiness of our children depend on their industrialists—to say what, where and how industry can produce.

They have threatened our free press. They have intimidated our free radio. They are using every device and excuse to insinuate themselves into control over the public schools of our states. They have injected a low grade of politics into the administration of relief and social welfare.

They have by-passed the governments of the states in an effort to destroy state effectiveness and compel the people to rely solely upon the New Deal clique at Washington for the solution of all their problems.

Gov. Warren referred to the Republican party as having been born "in a great crisis." "The American people turned to it," he said, "because they wanted to get safely, speedily through that crisis and get on their way again." He continued:

"Then, as now, the Republican party was called by the people to displace a regime of men who had grown tired, complacent and cynical in the business of government. Then, as now, the Republican party was called upon to replace a party that was torn with dissension and in revolt against itself. Then, as now, the Republican party was called by the people to furnish youth and vigor and vision.

Now, as then, the Republican party will respond to that call. . . . It will function through established law and not through the caprice of bureaucratic regulation! There shall be one law for all men.

Gov. Warren's address, as given (Continued on page 2720)

take a definite stand against aggression, not merely to denounce it but to resist it and restrain it. That calls for effective cooperation with all the peace-loving nations of the world; for the establishment of a tribunal for the settlement of international disputes which otherwise might lead to war. We are agreed, too, that, if such a program is to be effective, the friendly cooperation of the war's principal Allied combatants—the United States, Great Britain, Russia and China—is as essential as the keystone of an arch.

The belief that "the New Deal is leading us away from representative government" was expressed by Governor Warren, who went on to say in part:

"We believe that its centralization of power in the numerous bureaus at Washington will eventually destroy freedom as Americans have always understood it—freedom in the home, freedom of individual opportunity in business and employment, freedom to govern ourselves locally."

We believe the New Deal is destroying the two-party system. . . .

Under this rule the Constitution has been short-circuited. The Cabinet has ceased to be a voice and has become an echo. Congress, wherever possible, has been circumvented by executive decree. Both Congress and the judiciary have been intimidated and bludgeoned to make them servile.

Over all of this—and over all

SEC Implication That Industry's Capital Is Sufficient For Reconversion Called Misleading

The charge that the Securities and Exchange Commission has overstepped its functions and has given the public a misleading impression in declaring that all industry has plenty of working capital to convert to peacetime operations without financial aid, was made on June 24 by Robert Gaylord, President of the National Association of Manufacturers.

"In the first place," said Mr. Gaylord, who is President of the Ingersoll Milling Machine Co. of Rockford, Ill., "the complete statistics necessary to make such a statement are not available. In the second place, the SEC interpretation of such figures as it has assembled is either unintelligent or done for some purpose not clear."

Mr. Gaylord declared that "it is a tragedy that the men who are fighting, and their families at home, get the idea that industry has plenty of money to reconvert to peace-time production and also to undertake considerable expansion and thus have jobs available when the men in the armed services come home." He goes on to say:

"Business is going to need cash, and lots of it, when the war ends. We will have to put goods on the shelves of corner grocery and dry-goods stores, and in addition we will have overhanging tax liabilities and many other risks.

"Working capital is what a manufacturer has on hand to meet his payrolls, to buy raw materials, to keep his plant in repair, and to meet the hundreds of other day-to-day expenses. Actually, it is sound current assets less all current liabilities.

"Included in the SEC estimates of working capital is the amount of cash the manufacturer is obliged to set aside to meet tax

liabilities and the amount of cash he has received from heavy borrowings from the Government on V and VT loans (all of which must be paid back).

"Taking the figures the SEC used, you will find that the companies involved did not have quite enough Government bonds and cash to pay their taxes, their notes, their accounts payable, and to balance off advance payments made them. All these must be paid for at the rate of 100 cents on the dollar. The working capital that the SEC statement makes so much of must come from inventories and receivables. Anyone knows that these are not worth 100 cents on the dollar. Just how much they are worth is a question. Furthermore, they cannot be used in reconversion, and to provide jobs, unless they can be turned into cash promptly."

"Since the law does not allow the Commission to pass on the merits of any security registered with it, why then," says Mr. Gaylord, "should it undertake to pass judgment on the financial capacity of all industry?" He adds:

"What is the purpose of it? This Government bureau could much better spend its time in studying ways to encourage the flow of new capital into worthwhile industries and to simplify its procedures so that they will no longer hinder the formation of

Warning To Employers

Roger W. Babson Says Some Are Shortsighted

During the past few weeks I have directed this column to various groups of people—colored workers, white workers, union labor, parents and investors. Permit me this week to give certain employers some good advice. This especially applies to the older men. There are many young forward-looking employers, but the stage has been stolen by the "die-hards."



Roger W. Babson

Installment Sales

As a part of my education, I attend group meetings of various kinds,—church, social, scientific, labor and employers. All these groups—with the exception of the latter—have a definite constructive legislative program to make a better nation. We employers, however, present little constructive legislation. We have asked only for "lower taxes and to be let alone." I am sure this is a mistake.

Some economists recently discussed whether installment sales—which have temporarily been restricted under Presidential Orders during the War—should be regulated after peace comes. They claim that to stabilize employment, installment purchases should be encouraged during depressions but retarded during booms. This would be sound practice; but what do most employers say? They reply, "No! The government should let us alone to handle our own credits as we d-mn please."

Accident Compensation

Labor has made an appeal for much more extensive accident compensation laws through a government insurance company. The argument is that employers will hesitate to employ returning soldiers who may have any defect of eyesight, hearing, lameness or otherwise, believing that such persons are more liable to acci-

new capital. If we are to have more production and more jobs when the war is over, we will need more capital.

"Such interpretation of statistics as the SEC has indulged in can only be a further hindrance to this necessary investment in new enterprises that must be made if we are to have the kind of post-war world we all want.

"Another point, as presented by the SEC, is the fact that in the original study released on June 9 it stated that industry's working capital has risen 70% over 1939. Yet when it issued detailed figures in a sample study on June 18 the increase in working capital over 1939 figures was 46%. Does the SEC consider 70% round figures for 46%? . . .

"The original story also indicated that the working capital ratio (which is the relationship between current assets and current liabilities) had remained unchanged at 1.8 to 1.0 for five consecutive years. It is incredible that this relationship could have been so steady during the tremendous upheaval of the war period. As a matter of fact, underlying sample studies released by the SEC show that this ratio is down. This is vitally important because if this ratio is down by so little as two-tenths of a point, the dollar figures will have to be adjusted by about \$10 billion.

"The SEC sample study released on June 18 showed a decline of more than a full point in this ratio—not merely two-tenths of a point—for the five-year period. The figure fell from 3.1 to 2.0 from 1939 to 1943."

dents. To encourage employers to employ such, labor leaders urge an extension of industrial insurance. Do most employers agree? No! They insist that the government should "keep hands off;" while their insurance friends yell "Communism." Is such an attitude by manufacturers and bankers wise?

Regulating Inventories

Credit men have suggested that legislation be enacted whereby inventories would be regulated in some way. One reason for unemployment is because stocks of raw materials and merchandise at times become so large that manufacturers and merchants suddenly stop buying. These credit men claim that normal inventories tend to keep employment normal. But here again, too many employers say, "No!" They demand "free enterprise," freedom to inflate or deflate and freedom to speculate or to hoard. Too many of us want freedom for ourselves without thinking of the other fellow's welfare.

Taxing Unused "Depreciation"

Accountants believe that some relation should exist between depreciation, replacements and corporation taxes. They say that during a depression employers continue to charge vast sums to depreciation to save taxes, but they do not spend the money. Hence, this policy makes the depression so much worse. They believe that during a depression, when depreciation money is not spent for replacements, it should be taxed; while during a boom, it should be taxed if it is spent. Well, this suggestion has caused some employers to set up a big howl. Perhaps the idea is crazy; but there is no harm in discussing it.

Just one more illustration: Many farsighted insurance men believe it is not healthy for the country to forbid savings banks, life insurance companies and other institutions from buying "equities." To force them to buy so many governments is keeping funds away from small businessmen and homebuilders. "It is O. K.," they say, "to forbid us from buying the stocks of corporations which have bonds outstanding but, in the interest of the public, we should be allowed to invest a certain proportion of our funds in the equities of companies having no debt—especially during depressions." This sounds sane to me. Certainly, this is something that employers could get behind.

The English Minister of Reconstruction, Lord Woolton, is now considering some very practical recommendations to stabilize unemployment by synchronizing and adjusting public works, exports, investments, taxes, interest charges and railroad rates to business conditions. His plan is to decrease the first three in booms and to increase them in depressions; but to increase the last three in booms and lower them during depressions. I understand that our U. S. Committee on Economic Development is busy making studies. But such studies have been made before. The library of the Department of Labor is full of them. But here is the rub: Too many manufacturers, employers and bankers seldom present these proposed employment aids to Congress as definite legislation. Furthermore, if labor submits them, the unemployers' associations usually fight them. I repeat that too many employers ask only for lower taxes and to be let alone!

The Financial Situation

(Continued from first page)

demand for goods. They often also reveal how poorly the rank and file are responding to bond selling campaigns, and, of course, provide a clear warning against inflation which must be in waiting just around the corner. And much more of the same sort.

It is time some one took these assertions and the data offered in support of them apart, and laid bare some of the slippery fallacies that lie beneath. Here are the figures upon which sweeping generalities are frequently based:

SAVINGS OF INDIVIDUALS
(In Billions of Dollars)

	1942	1943				1944
		Jan.-March	April-June	July-Sept.	Oct.-Dec.	
Gross saving	38.4	10.7	11.4	11.8	12.2	11.1
Liquid saving	29.2	8.9	9.3	9.8	10.0	9.4
Gross saving by type—						
1. Currency and bank deposits	+11.2	+3.6	+2.9	+2.9	+5.9	+2.1
2. Savings and loan associations	+3	+1	+2	+1	+2	+2
3. Insurance and pension reserves						
a. Private insurance	+2.5	+8	+8	+7	+8	+9
b. Government insurance	+2.4	+8	+1.0	+1.0	+1.0	+1.0
c. Total	+4.9	+1.6	+1.8	+1.7	+1.8	+1.8
4. Securities—						
a. U. S. savings bonds	+8.0	+2.6	+3.0	+3.4	+2.2	+3.9
b. Other U. S. Government	+1.9	0	+1.2	+1.6	-.2	+1.1
c. State and local governments	-.1	0	0	+1	0	-.1
d. Corporate and other	+3	+1	0	-.3	+2	-.1
e. Total	+10.1	+2.7	+4.1	+4.8	+2.2	+4.8
5. Non-farm dwellings—						
fa. Purchases	+1.6	+2	+2	+3	+3	+2
b. Change in debt	+1	-.2	-.1	-.1	-.1	-.1
c. Savings (a minus b)	+1.5	+4	+3	+4	+4	+4
6. Automobiles and other durable consumers' goods	+7.6	+1.6	+1.9	+1.8	+1.9	+1.5
7. Liquidation of debt, not elsewhere classified	+2.8	+7	+2	+1	-.2	+3

*Gross saving excluding purchases of homes as well as of automobiles and other durable consumers' goods.
†Does not include net purchases by brokers and dealers or by other individuals financed by bank loans.
‡New construction one to four family non-farm homes less net acquisition of properties by non-individuals.
§Purchases. Based on Department of Commerce data on commodity flow currently being revised. Figures shown include all new passenger cars sold in United States.
¶Largely attributable to purchases of automobiles and other durable consumers' goods, although including some debt arising from purchases of consumption goods. Other segments of individuals' debt have been allocated to assets to which they pertain, viz., savings in savings and loan associations, insurance, securities and homes.
Note—Figures are rounded and will not necessarily add to totals.

Let us note, to begin with, precisely what these "liquid savings" of which so many have so much to say really are.

Let it be distinctly understood, meanwhile, that these "savings" not only those of "individuals" in the ordinary sense of the word, but of business enterprises not taking the corporate form (including doctors, merchants, lawyers, and other professional men as well as farmers). But in what do these "liquid savings" of men and businesses consist? Apart from cash and bank deposits, they consist of "insurance and pension reserves, securities, cancelled notes representing debt paid off, and funds placed with savings and loan associations. "Savings" represented by homes, automobiles and other "durable consumers' goods" are eliminated to obtain this net figure of "liquid savings." Why the Commission should consider claims on an old-age pension (valid only when old-age is reached) or, for that matter, a government bond, or the cash value of an ordinary life insurance policy "liquid" while a home or an automobile is thought of as of a different nature is not clear.

Liquid?

If a buyer can be found for an automobile or a home, the owner can convert into cash; in no other circumstances can a holder of an ordinary security obtain cash for his property. There is, it is true, never any difficulty in obtaining the cash value of a life insurance policy issued by a sound and reputable company. The Treasury is obligated to convert war savings bonds into cash, and most other types of securities have

the advantage of an organized market. But—and here is the vital point—cash can be obtained upon the insurance policy, or for the bonds, either from the Treasury or from any one else, only if either (1) there is some one else who is willing to buy them or in some other way provide the cash against some investment claim, or (2) the banks under government pressure merely create the funds for the purpose.

The term "liquid" has been so variously and loosely used for so long that it now appears to mean almost anything that the user wishes it to mean, but to apply it as is done here is to run the risk of misleading the unthinking very, very seriously. It is to add to the mischief being done by selling war savings bonds on the plea that the buyer can very easily and very simply employ his funds now to win the war and later to buy what he really wants.

Now as to the item "currency and bank deposits." To deny that these are completely liquid would to most people appear simply silly. In a strictly technical sense this judgment would doubtless be fully warranted. Yet it may well be doubted if the money in the people's pockets and the funds standing to their credit at the banks is as fully available at a time like this as is usually the case. This situation may carry over into the early post-war era at least. In the first place, such funds so far as they belong to unincorporated business en-

terprises must often serve a larger volume of business than formerly. Again, the uncertainties of the times, the many extraordinary elements which intrude upon the lives of us all, and the higher level of prices—these and other related factors combine to lead most of us to feel more or less obliged to have a somewhat larger amount of cash on hand than is usual.

Savings?

Finally, in what sense are these funds to be regarded as "savings" at all? To be sure they are "savings" as that term is ordinarily employed and as regards the individuals in question. But they are for the most part inflationary funds in the first place which have not been expended. They have no counterpart for the most part in economic goods produced but not consumed. For the most part they can not in the nature of the case be converted quickly into goods—the goods do not exist and the process of bringing them into existence will create the funds with which they may be purchased.

WPB Creates Labor Advisory Committees

The War Production Board on June 17 announced the creation of an Office of Labor Advisory Committees and the establishment of administrative procedures through which WPB will consult with labor on problems of war output, production readjustments and planning for reconversion.

The new Office of Labor Advisory Committees, similar to the Office of Industry Advisory Committees, which was established June 24, 1941, will be set up as part of the WPB Office of Labor Production. The functions of the new office will be exercised jointly by a representative of the Office of Labor Production and by a representative of the Office of Manpower Requirements. Joseph D. Keenan is Vice-Chairman in charge of Labor Production and Clinton S. Golden is Vice-Chairman for Manpower Requirements. The two Vice-Chairmen will designate those who will direct the activities of the new office.

"It is the policy of the War Production Board, through the medium of labor advisory committees, to secure the assistance of labor in the solution of production programs and to promote maximum cooperation between the Government and labor in the formulation and execution of official program," Donald M. Nelson, WPB Chairman, said in an administrative order describing the new office and related operating procedures.

WPB already has 14 active labor advisory committees, it was explained in reporting the new order. The effect of the order will be to provide a formal place in the structure of WPB for the labor advisory committees, so that their status and functions will be clearly defined in the same way as the 769 existing industry advisory committees, WPB said.

An important provision of the new administrative order reads as follows: "Whenever any proposed War Production Board order or program would, in the judgment of the Vice-Chairman for Labor Production or the Vice-Chairman for Manpower Requirements, result in a substantial curtailment, expansion, or other change in the rate of operation of any industry

Ford Advocates World Federation

Henry Ford, who has hated war all his life, said in Detroit on May 27 that this war will be just a rehearsal for a more terrible combat un-



Henry Ford

less: "Greeds are eliminated. "Disunity in religion is overcome. "National boundary barriers are leveled." These views of Mr. Ford were indicated in an Associated Press article by David J. Wilkie from Detroit, in which Mr. Ford was also quoted as saying: "We have progressed so rapidly in developing machinery for killing people that humanity could not survive another war." The article on "World Federation" went on to say: "Mr. Ford, who will be 81 years old July 30, saw greeds as the cause of wars and depressions and, without amplifying his view, said religious disunity fosters greed.

"The world," he said in an interview, "ought to have a universal currency for a universal economy with a universal market. This would level the boundary barriers between nations; it would be a long step toward a world federation, which we must have if there is to be peace and prosperity for these nations.

"We know all the ways a federation of the world cannot be achieved. We know it can't be done by force; it can't be done for greed and power. It can be done if a nation like ourselves will urge the idea and if the nations that are suffering for lack of a federation are given a free choice."

Last March the noted industrialist voiced a belief that the war might be over within two months. "I had reliable information at that time to warrant the belief it would be over now," he reiterated today. "I am sorry, as many other people must be, that it isn't, but I am sure its end is not far distant."

"One of the things we must look out for now," he said, "is that we don't have a depression after this war."

War Industries Show Drop In Employment

Employment in war manufacturing industries has dropped an average of 100,000 workers a month this year, the Commerce Department reported on June 20.

Jobs in non-war industries have declined almost 50,000 a month, the report said, adding:

"Manpower shortages in some individual plants persist, but the general trend is downward."

The Department predicted this trend would continue in war industries, but that employment in non-war jobs would remain about the same during the second half of this year.

In general, business activity during the second quarter of this year has maintained an even pace, the report said, with fluctuations among major industries largely cancelling one another.

affecting labor, such Vice-Chairman may recommend to the director of the industry division sponsoring the proposal consultation with the appropriate Labor Advisory Committee. After concurrence by the division director, the appropriate division labor assistant shall make arrangements for consultation with such labor advisory committee as soon as practicable in the development of the order or program.

"There can and should be," said Mr. Ford, "a peacetime use for all the factories built for war production. None of them need be idle and there need be no idleness anywhere after the war. I think there will be a job in the factory or on the farm for everybody who wants to work. The unhappiest man on earth is the one who has nothing to do."

Asserting that "every single thing grown can be used in industry," he said economic fluctuations could be leveled off by periodical shifts of workers from factory to farm, and added:

"We have not enough industry to serve America's needs or the world's needs. In this country we have done pretty well as far as we have gone, but there must be more and more industry. It is essential to political and economic freedom, and anything that hinders industry is harmful to the American ideal."

Speaking of his company's latest financial statement, showing an asset value in excess of \$1,000,000,000, Mr. Ford who started his company with an initial paid-in capital of \$28,000 nearly 41 years ago, said:

"A billion dollar empire? Money is just a part of a practical life; it saves time in exchanging goods, and is no good for anything else. All I care about is that we have money enough to do the work that lies ahead without borrowing. When you borrow somebody else takes over your business and no matter what sort of sleight-of-hand you use, debt is not wealth."

Noting that as a result of the war, there will be "more work to be done than ever before," Mr. Ford said:

"So long as there is no manipulation on the part of the greedy to prevent a proper day's pay being paid for a useful day's work, we shall enjoy greater production and greater consumption than ever.

"War has done much to teach greater use of machinery. Certainly it has developed the airplane as a means of transportation, and transportation is going to solve many of our postwar problems—and distribution of food and other essential goods. Moreover, it is going to develop into an even greater force for education—educating people to know and respect one another.

"One of the truly important things we must seriously plan for in the postwar period," he said, "is to put greater emphasis upon education—the kind of education that was taught in the William Holmes McGuffey Readers. We should try to teach our young folks, as McGuffey did, to be kind to all you chance to meet; in field, or lane, or crowded street."

"Hatreds and suspicions are rampant; it's going to be a tremendous task to remove them. The quickest way will be through education based upon truth. Among other things we must teach our young people the real causes of war. You know, no matter how hard you try, you can't get away with a lie very long."

Formal education, Mr. Ford added, "could be greatly facilitated if our churches were used as schools; they could and should be because they stand idle most of the week anyway."

He recalled that he had built seven churches in connection with Ford-supported educational projects. They are conducted on a non-sectarian basis and some are used as schools.

"If we could get all religions together on a common purpose—the elimination of jealousies and the things that make them covet another's belongings, we would be a long way toward the goal of outmoding war, depression and poverty."

Permanently Disarmed Japan Necessary For Enduring Peace In The Pacific: Wallace

Vice-President Ends Mission To China And Joint Statement Says U. S. And Chiang Kai-shek In Agreement On Basic Principles

The mission of Vice-President Henry A. Wallace to Chungking, China, was concluded on June 24 with the issuance of a joint Chinese-American press release that declared that enduring peace in the Pacific would depend on permanent demilitarization of Japan; understanding, friendship and collaboration among China, Russia, Great Britain and the United States, and recognition of the right of self-government for Asiatic peoples now dependent.

In reporting this from Chungking, the Associated Press said:

"The statement said that Mr. Wallace, Generalissimo Chiang Kai-shek and other Chinese officials who had held discussions in an informal, frank and friendly atmosphere, had found themselves in agreement on basic principles and objectives."

"It declared 'prosecution of the war against Japan in Asia is an urgent job and mutual assistance in every possible way to get that job done quickly and efficiently is fundamental in Chinese-American relations.'"

"In the five days of conferences since Mr. Wallace arrived Tuesday (June 20), it was said cognizance had been taken of 'the cornerstone position of China in Asia and the importance of China in any structure for peace in the Pacific area,' and 'it was assumed as axiomatic that an essential to such a peace structure would be continuation of the ties of friendship that have characterized American-Chinese relations for over a century, and maintenance of relations on a basis of mutual understanding between China and the Soviet Union.'"

Seven years of resistance to Japan, said the announcement, and three years of isolation had brought China face to face with serious economic and financial difficulties, but "the Chinese people are facing these difficulties with fortitude, confident of their ability to stand the strain until greater material assistance from abroad becomes feasible."

The statement said plans were being made "for the establishment of a constitution to guarantee individual rights and freedom and establish representative government."

It was disclosed that Vice-President Wallace had brought to China a scroll that President Roosevelt gave to the people of Chungking as his symbol of admiration for their bravery during enemy air raids. It was presented by the Mayor of Chungking to the city's Provincial Municipal Council, now in session.

The scroll paid tribute to the people of Chungking, who "held out firm and unconquered," saying they "proved gloriously that terrorism cannot destroy the spirit of a people determined to be free."

The following is the text of the joint press release issued by the Chinese News Service at the conclusion of Vice-President Wallace's visit in Chungking, as given in the New York "Times":

"During his visit in Chungking Vice-President Wallace has had an opportunity to discuss with President Chiang and officials of the Chinese Government, in an informal, frank and friendly atmosphere, matters of common interest and concern. They have exchanged views to mutual advantage and found themselves in agreement on basic principles and objectives."

"Prosecution of the war against Japan in Asia is an urgent job, and mutual assistance in every possible way to get that job done quickly and efficiently is fundamental in Chinese-American relations."

"The objective of victory in the Pacific is the establishment of a democratic peace based on political and social stability deriving

from government devoted to the welfare of the peoples.

"Enduring peace in the Pacific will depend upon: (1) effective permanent demilitarization of Japan; (2) understanding friendship and collaboration between and among the four principal Powers in the Pacific area, China, the Soviet Union, the United States and the British Commonwealth of Nations, and among all United Nations willing to share in the responsibilities of post-war international order; and (3) recognition of the fundamental right of presently dependent Asiatic peoples to self-government, and the early adoption of measures in the political, economic and social fields to prepare those dependent peoples for self-government within a specified practical time limit."

"Cognizance was taken of the cornerstone position of China in Asia and of the importance of China in any structure for peace in the Pacific area. It was assumed as axiomatic that essential to such a peace structure would be continuation of the ties of friendship that have characterized American-Chinese relations for over a century, and the maintenance of relations on a basis of mutual understanding between China and the Soviet Union—China's nearest great neighbor—as well as between China and her other neighbors. No balance of power arrangement would serve the ends of peace."

"Seven years of resistance to Japan, during the last three of which China has been virtually cut off from physical contact with the outside world, has resulted in serious economic and financial difficulties in Free China. The Chinese people are facing these difficulties with fortitude, confident of their ability to stand the strain until greater material assistance from abroad becomes feasible."

"The Chinese people and the Government are determined to implement and make real the three people's principles of Sun Yat-sen."

"The first of these principles, national sovereignty, is now a reality. The second, democracy, is implicit in plans being formulated for the establishment of a Constitution to guarantee individual rights and freedom and to establish representative government. Concrete consideration of the third, the people's livelihood, is inherent in plans for economic reconstruction."

"With regard to the people's livelihood, the fundamental importance of agricultural reconstruction in any plans for economic or industrial reconstruction was recognized. The lifelong interest of Vice-President Wallace in agricultural development gave him a special understanding of China's agrarian problem and enabled him to discuss with President Chiang realistic solutions."

"Vice-President Wallace was confident that President Chiang would find among the American people a willingness to cooperate in every practical way with the Chinese people in solving agricultural and related problems posed in Chinese plans for economic reconstruction, implementation of which would mean trade relations between Chinese and American business men on a mutually advantageous basis."

"President Chiang and Vice-

Savings Banks Life Ins. Fund Trustees

Elliott V. Bell, Superintendent of Banks, announced on June 22 the appointment of Fred. Gretsche, President of Lincoln Savings Bank of Brooklyn, and Adam Schneider, Jr., President of Roosevelt Savings Bank of Brooklyn, as trustees of the Savings Bank Life Insurance Fund for four-year terms beginning July 1, 1944. They will succeed Edward A. Richards, President of East New York Savings Bank of Brooklyn, and Richard A. Brennan, President of Brevoort Savings Bank of Brooklyn, whose terms as trustees of the Fund expire on July 1, 1944.

Organized on July 1, 1940, the Savings Bank Life Insurance Fund is managed by a board of seven trustees appointed by the Superintendent of Banks with the consent of the Governor. Under the Savings Banks Life Insurance Law the Fund provides a guaranty on life insurance policies issued by savings banks, prepares the standard forms on life insurance policies and annuity contracts, determines premium rates and unifies the mortality experience of the issuing banks. There are now 27 issuing banks and 19 agency banks for savings bank life insurance. More than \$39,000,000 of savings bank life insurance is now in force in New York State.

ABA Graduate School Of Banking Opens

The tenth annual summer session of the Graduate School of Banking, conducted by the American Bankers Association was opened on June 19 at Rutgers University, New Brunswick, N. J., with an enrollment of 472 bank executives from 37 States. The session lasts two weeks. Only men with officer rank in banks are accepted as students.

The course includes three summer sessions of two weeks each at Rutgers, plus two years of extension study at home. A faculty of 50 men, divided between university professors and bankers, gives the lectures at the summer session and directs the other study during the year.

SEC Orders Hearing

The Securities and Exchange Commission has ordered a hearing for July 10 to determine whether the registration of M. S. Wien & Co., New York City, should be revoked or suspended and whether the firm should be suspended or expelled from the National Association of Securities Dealers, Inc. Melville S. Wien, Joseph J. Lann and Irving S. Wynn were named as partners of the registrant.

The order stated that the hearing was ordered on the basis of information tending to show, if true, that the registrant engaged in acts and devices, in the sale and repurchase of Phoenix Silk Corp. debentures, to defraud public investors and also induced purchase and sales of such debentures "by means of manipulative, deceptive and other fraudulent devices and contrivances."

M. S. Wien & Co. issued a statement declaring the charges with respect to Phoenix Silk 5s of 1968 on which the complaint is based, are unfounded. The rise in the bonds was declared to be due to improved earnings and prospects of the company.

President Wallace were continually mindful of the fact that the fundamental purpose of their Governments is the promotion of the security and welfare of the peoples of China and the United States, respectively, and were in agreement in believing that pursuit of the broad objectives which they had discussed would be in line with accomplishment of that purpose."

Recognition Of Bolivia By US And Great Britain—Other Nations Also Accord Recognition

Recognition of the Government of Bolivia by the United States and 17 other American Republics was made known by the State Department at Washington on June 23. The action, it is noted, ended six months' diplomatic isolation of Bolivia. According to Associated Press advices from Washington June 23, one other nation, Uruguay, has agreed to extend recognition, but will not take the necessary technical step for a day or so.

The Associated Press further said:

Recognition by the neighbor countries followed a decision that the Bolivian regime definitely favors the United Nations. The United States' action was taken at La Paz, Bolivia, by Robert F. Woodward, Charge d'Affaires of the Embassy there, who presented a note to Foreign Minister Enrique Baldivieso announcing the resumption of diplomatic relations by the United States.

State Department officials said that they could not say immediately if Ambassador Pierre Boal would be returned to Bolivia. The Department made clear that the action to recognize Bolivia's regime resulted from at least six specific steps by the Government of Major Gualberto Villarroel evidencing Bolivia's desire to be restored to its place in the council of the United Nations.

From Washington June 23 advices to the New York "Herald Tribune" from George Polk, said that in addition to the United States, the 17 nations extending recognition to Bolivia were Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Venezuela.

The announcement of the State Department on June 23 said:

The U. S. Embassy in La Paz this morning, under instructions presented a note to the Foreign Minister of Bolivia renewing relations between the United States and Bolivia.

Between Jan. 24 and 28, 1944 19 American Republics, after full exchange of information and consultation with one another, declared their intention to withhold recognition from the Bolivian junta which came into power on Dec. 20, 1943. They concluded that recognition of the new Bolivian regime would not be in the usual interest of the security of the hemisphere and the success of the Allied cause. This was the criterion, and the only criterion, which they considered in passing upon the status of the Bolivian regime.

Since last January the Provisional Government of Bolivia has carried out a number of decisive and affirmative acts in support of hemisphere security and the cause of the United Nations. Accordingly the American Governments have reviewed the situation again by exchanging information and consulting with one another. The consensus of this consultation is that there is no longer reason for withholding recognition.

The exchange of information and consultation which led to the decision by the sovereign States concerned that the Bolivian Government should be recognized took place pursuant to Resolutions 22 and 23 of the Inter-American Emergency Advisory Committee for Political Defense, located at Montevideo, which has now been apprised of the decision of this Government.

Advices to the New York "Times" from Washington on June 23, by Bertram D. Hulen stated that "in addition to the United States, Great Britain also has recognized the Bolivian Government, Reuter announced Friday (June 23)."

Indications that the revolutionary Government of Bolivia, established six months ago by Major Villarroel would be recognized by the United States were contained in United Press accounts from Washington on June 18, which went on to say in part:

Official announcement of the decision, expected later this week, will end a controversy that has raged in the press and on the lecture platform and in U. S. labor circles. Discussions regarding Bolivia have intensified as the time approached for the July 2 elections to a constitutional assembly, with some urging Secretary of State Cordell Hull to hold off any action until after its results are known and others contending that Major Villarroel has shown enough disposition to cooperate with the United Nations to merit recognition.

Recognition up to now has been withheld, not because Major Villarroel took office by force, but cause it was felt that the bloody coup d'etat which resulted in the overthrow of General Enrique Penaranda last Dec. 20 was aided by pro-Nazi elements in Bolivia and Argentina.

The Bolivians, although displeased by lack of recognition, set about to rid the government of elements objectionable to the United States and other Allied nations.

Recently the United States sent its ambassador to Panama, Avra Warren, to investigate conditions in Bolivia, Mexico and Cuba also sent representatives. Their reports have not been made public but it is understood they attested to an improved situation in La Paz.

Associated Press advices from Washington on June 20 said that Edward D. McLaughlin, a native of Little Rock, Ark., will be in La Paz ready to take over United States business as charge d'affaires when this country recognizes the Villarroel Government in Bolivia.

Arabian Oil Project Reported Dropped

According to Associated Press dispatches from Washington, D. C., authoritative circles heard on June 20 that Secretary Ickes's plan for an Arabian pipeline has been definitely abandoned as a Government project, in favor of private construction.

The dispatches further added: "A spokesman at Mr. Ickes's Petroleum Reserves Corporation, which sponsored the original plan, stated there was nothing new to report, pending resumption of talks with the British."

"As an alternative to Federal construction of the projected 1,250-mile line, it was learned, the Government will offer loans to private companies to help defray the cost, estimated at between \$130,000,000 and \$165,000,000."

"Senator Moore (R.-Okla.) recently described the pipeline project as a dead duck, but said an official announcement probably would be delayed purely as a face-saving gesture."

"As now contemplated the line probably could not be built until after the war. Upon its completion this country, in cooperation with Great Britain, would supervise production, much as is now done in domestic fields. It was understood Russia would be asked to cooperate to prevent price-cutting and indiscriminate marketing."

"Britain controls 55% and this country the remainder of the Middle Eastern oil fields, estimated to contain a 26,000,000,000-barrel reserve."

Small Business In The Post-War World

(Continued from first page)

war production goals could not be met.

So it was, that in June, 1942, the Congress unanimously passed a law establishing a Government agency known as the Smaller War Plants Corporation, sponsored by the Senate Special Committee on Small Business Problems. That Act gave to the Smaller War Plants Corporation various powers to mobilize the productive capacity of the small concerns in the war effort.

That was pioneer legislation of its kind. Here the Congress recognized for the first time in our history that the nation's small business has an indispensable part to play in our system of free enterprise. We could not afford to permit it to be destroyed.

I am glad to report to you this evening that the war record of the smaller plants of the country has more than justified the expectations of the Congress.

The highest leaders in Government and industry have paid repeated tribute to the splendid contribution of small plants to our miraculous production record in this war. We have won the war of production largely through the cooperation of the small plants. They have performed thousands of contracts and sub-contracts calling for the most intricate parts, components, assemblies and sub-assemblies. They have shown exceptional aptitude in acquiring the necessary engineering skill and production "know-how."

In this record of performance, the Smaller War Plants Corporation has played a valuable and significant part. Under its present Chairman, Mr. Maury Maverick, I am confident that the corporation will prove equal to the urgent problems of reconversion that are now developing as we pass the peak of war production and begin to witness cut-backs and contract cancellations.

The small concerns at the outbreak of the war did not have the resources of capital and credit, or equipment and manpower that their larger competitors enjoyed. They were especially hard hit by the drastic reductions in civilian materials, the shortage of manpower and the many controls which were necessary in the conduct of the war. Shortage of civilian materials forced them out of civilian production and without war work they faced bankruptcy. When given an opportunity, however, as I have pointed out, they made an enviable record in war production. But now those small concerns which converted to war production are confronted with cut-backs and contract terminations with all the resulting hardships and uncertainties. The closing of the Brewster Aeronautical Corporation, which you have read about in the papers, is an example. This plant has hundreds of small sub-contractors affected by the cut-back.

It was to deal positively with these problems that on May 12, 1944 I introduced in the Senate, as Chairman of the Senate Small Business Committee, a bill known as the "Small Business Act of 1944," S. 1913. Any businessman who wishes a copy of this bill and the accompanying report should address the Senate Small Business Committee, Senate Office Building, Washington, D. C.

Let me give you a short summary of the "Small Business Act of 1944." First, it extends the life of the Smaller War Plants Corporation to July 1, 1947; to cover the expected reconversion period, and its name is to be changed to the "Small Business Corporation." It increases its capitalization from 150 million to a billion dollars. The corporation is to be the Government agency responsible for representing small business

interests in Government affairs generally and particularly in connection with the allocation of materials and equipment for the reconversion of small concerns to civilian operations.

The bill also establishes an Interdepartmental Committee of important Government agencies to consult on all policies and procedures affecting small business. It assures proper representation by small businessmen on the many trade and industry committees now functioning in the various Government agencies.

It further authorizes the Small Business Corporation to insure loans made by banks and other private financial institutions to small concerns for their reconversion to civilian operations and to reestablish those which have been forced to discontinue by war conditions. In this way, it is hoped to encourage the flow of private capital and credit to small concerns so that they can continue and eventually increase their production and employment.

It will enable small business concerns to obtain on fair terms a proper share of the estimated 75 billion dollars of surplus Government war property which ranges all the way from food and clothing to jeeps and heavy machinery. To accomplish this, the surplus disposal agencies are directed to consult with the Small Business Corporation and to fix the types and quantities of these surpluses for disposal to small concerns. Such a provision is essential to prevent these huge piles of surplus property from being disposed of in such a way as to encourage the expansion of larger concerns at the expense of the smaller ones.

The Small Business Act will give to small concerns a fair opportunity to participate in the use of the new industrial techniques and processes which the Government has acquired or developed during the war, including the 45,000 patents which have been seized from enemy aliens.

This Government agency is further authorized to make arrangements for providing small concerns with the research facilities of the Federal and State Governments and of educational and other private institutions.

In the administration of the Small Business Act, all honorably discharged war veterans are to be given suitable preferences according to methods which the Small Business Corporation is directed to work out with the appropriate Veteran authorities of the Government.

I have given you a very brief and hurried summary of the Small Business Act of 1944. In my opinion, it is the most important legislation on small business to be introduced during my ten years in the Senate. It is the result of extensive study by the Senate Small Business Committee and consultation with many experts and businessmen both in and outside the Government.

There are some people, of course, who while professing undying devotion to the cause of small business, are found attacking this measure as "socialistic" and "paternalistic." They say it would "wet-nurse" and "regiment" small business.

Of course, it would do nothing of the kind. It is, in fact, the very opposite of socialism or regimentation. Its entire purpose is to preserve that freedom of opportunity which is the foundation of our American system. It seeks to offset the swift war-time concentration of industry and protect the competitive position of small concerns in the reconversion period. It would aid small business without regimentation or interference.

My experience is that attacks of the kind just mentioned are made by those who wish to play politics with the problems of small business and wish to avoid any discussion of its concrete problems on their merits.

These same people did not cry "socialism" or "paternalism" when the Government in 1932, under Mr. Hoover's administration, established the Reconstruction Finance Corporation which doled out billions of Government money to the banks, railroads and public utilities and saved them from economic ruin. I make no criticism of that program, but it seems to me that when a modest measure of assistance to small business is proposed in the present crisis, it should be given the same consideration that was given to big business in the Hoover period.

I am confident that the many small businessmen who have suffered so deeply from the unavoidable dislocations of the war will not be fooled by this misrepresentation of their interests and welfare. Businessmen have demonstrated their support of the bill by a stream of letters to the Senate Small Business Committee. They realize that their own economic survival and the preservation of free enterprise itself require this Congress to adopt measures which will maintain their freedom of opportunity in the trying period of reconversion which lies ahead.

In conclusion, I should like to paraphrase the famous remark of Mark Twain about the weather:

"Everybody talks about small business, but nobody does anything about it."

This bill offers a real opportunity to do something about it. I appeal to all American businessmen in their own interest to make the most of this opportunity.

Has The Bretton Woods Conference Begun?

(Continued from first page)

Discussions may already have been made there.

One of the four Chinese participating in the work at Atlantic City is Mr. K. C. Li, a New York businessman well known for his connection with the Wah Chang Trading Corporation and the Commodity Exchange, Inc. Inquiry has failed to establish that any American of comparable status has been participating in the work of the preparatory committee.

China And Silver

China's Minister of Finance, H. H. Kung, who as the head of China's delegation to the Bretton Woods Conference, has flown here from Chungking, last week received the press in Secretary of the Treasury's Morgenthau's office. When asked to state whether China would like to see silver included in the proposed stabilization fund and whether China would go back to the silver standard after the war, Mr. Kung, after a quick glance at the Secretary, answered:

"Well, you know, gold is very useful. I sold a lot of silver to Mr. Morgenthau and he sold some gold to me."

To this, Secretary Morgenthau interjected: "Fair exchange!"

Asked whether China would have any use for half a billion ounces of silver after the war the Finance Minister, obviously having reference to subsidiary coins, answered that he thought China could use it, provided the United States would make it available. When a reporter asked whether China would want to borrow the silver on Lend-Lease, as India recently has done, Mr. Kung cryptically responded:

"You are broaching a big problem. I am not asking to borrow anything now."

Apology To British House—Lyttelton Remarks Unfounded, Cordell Hull Says

A personal apology to the House of Commons was made on June 21 by Capt. Oliver Lyttelton, British Minister of Production, who disclaimed any intention of saying in a speech the previous day that United States lend-lease aid to Britain had forced Japan into attacking Pearl Harbor because, he declared, such a statement was "manifestly untrue." The June 21 London advices (Associated Press) from which we quote further said:

Capt. Lyttelton explained that in an interpolation in a speech which he delivered before the American Chamber of Commerce he had merely tried to make clear Britain's gratitude for aid given her by the United States before the Jap attack upon Pearl Harbor. He concluded:

"I want to make it quite clear that I do not complain of being misreported and that my misunderstanding is entirely my own fault. I ask the House to believe that the fault was one of expression and not of intention, and I hope that this apology will undo any harm which the original words may have caused here or in the United States."

A demand that the British Government request Mr. Lyttelton's resignation for his "miserable" statement that the United States had provoked Japan into attacking Pearl Harbor was made in the U. S. Senate on June 21 by Senator Scott W. Lucas, Democrat, of Illinois.

Mr. Lucas' demand, said the Associated Press, was tempered somewhat by the Senate Democratic leader, Alben W. Barkley, who said that it was up to Parliament, not the United States Senate, to determine Mr. Lyttelton's "continuance in office." But Mr. Barkley himself termed Mr. Lyttelton's statement "a serious error in judgment."

The statement made on June 20 by Capt. Lyttelton that the United States had provoked Japan to attack Pearl Harbor, was "entirely in error as to the facts and fails to state the true attitude of the United States," Secretary of State Cordell Hull declared on the same day, according to a special dispatch from Washington, on June 20, to the New York "Times," from which we have also taken the following:

The United States, Mr. Hull said, was actuated by the "single policy of self-defense" and Japan's attack was "unprovoked."

[The United Press quoted the British Minister as follows: "Japan was provoked into attacking the Americans at Pearl Harbor. It is a travesty on history ever to say that America was forced into the war. Everyone knows where American sympathies were. It is incorrect to say that America was every truly neutral, even before America came into the war on an all-out fighting basis."]

Mr. Lyttelton made his remark as an extemporaneous interpolation in a prepared address he was delivering before the American Chamber of Commerce in London. Subsequently an official addition was made to his extemporaneous remark to the effect that Japan was distinctly the aggressor nation.

This addition, in the nature of a qualification, was not regarded here as changing essentially the point of his original remark, nor as a retraction of that remark.

When Secretary Hull had satisfied himself of the accuracy of the report of Mr. Lyttelton's address, which was directed in main to the theme of lend-lease, he issued his statement. It was intended to set the record straight from the American standpoint. It also reflected the considerable indignation in the State Department over the British Minister's remark.

Mr. Hull's statement follows: Unfortunately the statement of the British Minister of Production is entirely in error as to the facts and fails to state the true attitude of the United States both during the earlier stages of military preparation for world conquest by

Germany and Japan during the later aggressions by these two countries.

This Government from the beginning to the end was actuated by the single policy of self-defense against the rapidly increasing danger to this nation. The aid given to Great Britain and other countries who were resisting conquest was, in the words of the Lend-Lease Act, "vital to the defense of the United States."

Japan for years had notoriously pursued a program of the widest conquest. In 1931 she seized Manchuria; in 1937 she invaded China; in 1940 she entered Indo-China, and finally in 1941 she launched the unprovoked attack on the United States at Pearl Harbor.

The repudiation of Mr. Lyttelton's assertion was unprecedented in this war. Never before has a high official felt called upon to repudiate flatly an utterance of a ranking and responsible official of an Allied Government.

Secretary Hull's first reaction to the London report revealed that he would check its accuracy and that then something might be said here. When he held his press conference at noon he said he had just heard of the remark and so must reserve his views.

His statement this evening recalled to many his denunciation of the Japanese note handed him as Pearl Harbor was under attack on Dec. 7, 1941. Upon reading the note Mr. Hull denounced it to the Japanese envoys, Admiral Kichisaburo Nomura and Saburo Kuruu, as containing infamous falsehoods and distortions.

Last year the State Department issued its White Book on the diplomacy of the Pacific in the decade from 1931 to 1941 to show how Japan had long been bent upon aggression and would not stop at war.

Announces Amendments To Regulation W

The Board of Governors of the Federal Reserve System made known on June 23 the adoption of Amendments Nos. 12 and 13 to its Regulation W, relating to consumer credit. Amendment No. 12 becomes effective July 10, 1944, and Amendment No. 13 became effective June 22, 1944. The Board in its announcement says:

"Amendment No. 12 is occasioned by the adoption of price ceilings for used automobiles by the Office of Price Administration and is made effective on the same date that the price ceilings become effective. Heretofore it has been required that credits for the purpose of purchasing used automobiles shall not exceed two-thirds of the cash price or two-thirds of the average retail value as published in an automobile appraisal guide, whichever is lower. After July 10, reference to appraisal guides will no longer be required. A provision already in the regulation limits instalment sale credits to no more than two-thirds of the ceiling price.

"Amendment No. 13 clarifies the way in which mixed credits consisting in part of credit subject to the regulation and in part of credit not subject to the regulation shall be handled. Terms for the mixed credits must be such that the requirements of the regulation for the part subject to it are satisfied, but the part not subject may be treated in any way the creditor may choose."

The International Monetary Fund

(Continued from first page)

Before the subscriptions are actually made the representatives of the subscribing countries must confer with one another and decide what the currencies of the many nations are actually worth in terms of the dollar. They may decide, for example, that in our money the Canadian dollar is worth 90 cents. If the British pound is worth \$4.04, the South African pound may be worth \$3.98, the New Zealand pound \$3.25, and the Australian pound \$3.23. They may decide that the Cuban peso is worth one dollar, the Colombian peso 57 cents, the peso of Uruguay 53 cents, that of Argentine 25 cents, the Mexican peso 20 cents, and that of Chili three cents.

These values represent approximately the present exchange values of those currencies, and the task of the new Fund is to make them keep their relative values after agreement has been reached as to what those values ought to be. That is a formidable task, but it is rendered far more difficult by the condition that most of the currencies of the world are not quoted on regularly organized exchanges and have no generally recognized values of convertibility.

Gold

After agreement has been reached as to the values of all the currencies the member nations can subscribe their quotas, and at this point two monetary novelties appear. The first is that the nations do not make their full subscriptions merely in their own currencies, but in a combination of currencies and of gold. The plan provides that the gold subscription of a member country shall be 25% of its quota, or 10% of its holdings of gold and gold-convertible exchange, whichever is smaller.

Our gold contribution would be about 650 million dollars. It may well prove to be the case that our gold and our dollars will constitute not far from two-thirds of the genuinely dependable purchasing power of the Fund. Most of the currencies in the world are inconvertible in free exchanges, and most or at least many of them are destined to remain inconvertible for a long time to come. The American contribution will constitute most of the Fund's internationally valid cash.

It is a monetary novelty that the capital assets of this Fund should consist of currencies of every degree of quality, ranging from those that are gold or as good as gold, to those that are dubious scraps of paper. It is another novelty that the Fund will not have actual possession of its currency assets. They will be held by the central banks and treasuries of the member nations, who will be the only customers with whom the fund will do business. The plan does not say where the gold will be held.

Actual operations of the Fund will begin during the transitional period after the wars, but before fully settled conditions for international trade can have been worked out. During that transitional period of perhaps three years in duration member nations may retain such exchange regulations and restrictions as they have had in operation during the wars. They will be expected to withdraw by progressive stages, and as rapidly as possible, any restrictions which impede multi-lateral clearing on current account.

Management

Management of the Fund will be conducted by a board on which all member countries will be represented, and by an Executive Committee. The Executive Committee will consist of at least nine members, including the representatives of the five countries having the largest quotas. Voting

power on the board and on the Executive Committee will be closely related to the size of the quotas. All matters except two will be settled by a majority of the votes. The first exception is that changes in the amounts of the quotas will require a four-fifths vote, and no member's quota may be changed without its assent.

The second exception to settlement of all matters by a majority vote is that an agreed uniform change may be made in the gold value of member currencies, provided every member country having 10% or more of the aggregate quotas approves. This appears to mean that if the representatives of the United States, Great Britain and Russia approved they could change the gold content of our dollar.

Loans

Now comes the most important provision of the plan of the experts. It is that a member country shall be entitled to buy another member's currency from the Fund with its own currency in an amount not more than 25% of its own total quota in any one year, and in an amount never more than 100% of its own quota over a period of years, but the Fund may waive these limitations. With this provision the Fund turns out to be a kind of international bank, because the foreign currency which the member may buy with its own currency is in reality a loan.

In addition to the Fund we are discussing it is proposed that there shall be created a Bank of Reconstruction and Development of the United and Associated Nations. It would have a capital of 10 billion dollars of which about one-third would be subscribed by the United States. We are not discussing that proposed bank this evening. We are discussing the International Monetary Fund, which turns out to be a kind of bank because it is proposed that it shall take deposits and make loans. We may well inquire what kind of bank is being planned in this project for a Monetary Fund.

It is a bank with 40 or more stockholders who are also its directors. One of them is wealthy and he pays for his stock in gold and in gold currency. Most of the others are borrowers and some are poverty-stricken, and they make their subscriptions mostly in fiat currencies to which exchange values have been assigned. The directors have the privilege of making overdrafts for their own accounts. The policies of the bank are decided by votes of the members, and these votes are counted like those at our annual meetings of stockholders on the basis of the shares of the holders. The actual management is in the hands of the big stockholders who constitute the Executive Committee.

The aggregate of the shares of the borrowing and poverty-stricken shareholders is greater than the aggregate shares of the solvent and creditor members, so that members who would like to borrow from the Fund can out-vote those who do not need to borrow from it. The solvent nations whose currencies are subject to being borrowed are the ones who put up the heavy collateral. All of this is complicated by the fact that each shareholder keeps his subscription at home in his safety deposit box, which is in this case his own central bank or treasury. It is further complicated by the additional fact that any member can resign at any time by merely giving notice that he is doing so.

Flexible Parities

It is realized that mistakes may be made in assigning par values to some of the currencies because that must be done when the Fund is first organized for business, and

under conditions when extreme uncertainties will prevail. In order to correct such initial mistakes the plan provides that after consulting the Fund a member country may change the established parity of its currency by not more than 10%. The Fund may also permit subsequent changes of parity of not more than 10% at a time.

This description of the proposed plan is too greatly condensed to give a clear and adequate picture of its provisions, but it does set forth its most important characteristics. It is a plan which recognizes and makes use of the value of gold, but which does not in any sense restore a gold standard. It is a plan for a Fund to which the United States would subscribe perhaps two-thirds of the internationally valid cash. It provides for a form of administration which could place the balance of management in the power of the countries needing the largest loans.

Lord Keynes

Provisions of the plan which appear to many Americans to embody most serious shortcomings are regarded abroad as constituting some of its most admirable features. One month ago Lord Keynes explained and defended the plan in the British House of Lords. With respect to the gold standard he said: "I should say that this plan is the exact opposite of it. . . . In this country we have already dethroned gold as the fixed standard of value. The plan not merely confirms the dethronement but approves it by expressly providing that it is the duty of the Fund to alter the gold value of any currency if it is shown that this will be serviceable to equilibrium."

"My noble friend Lord Addison asks who fixes the value of gold. If he means, as I assume he does, the sterling value of gold, it is we ourselves who fix it initially in consultation with the Fund; and this value is subject to change at any time on our initiative, changes in excess of 10% requiring the approval of the Fund, which must not withhold approval if our domestic equilibrium requires it."

Lord Keynes also stated that, "The voting power of the British Commonwealth and that of the United States are expected to be approximately equal."

One provision of the plan is that when it becomes evident that the demand for a member country's currency may soon exhaust the Fund's holdings of that currency the other members affected shall be authorized to restrict the freedom of exchange operations in that currency, and to ration the limited supply among their nationals. Now I interpret that provision to mean that it is expected that there will develop so great a demand for dollars that the supply in the Fund will be nearly exhausted so that we shall be forced either to conform to restricted exchange operations in dollars or to lend the Fund additional supplies of dollars.

Lord Keynes appears to agree with that interpretation, but he regards it as one of the most admirable features of the plan, while I regard it as constituting the most important reason why we should not become a member of the Fund in its proposed form.

With respect to this feature of the plan Lord Keynes said in his speech, "There is another advantage to which I would draw your Lordships' special attention. A proper share of responsibility for maintaining equilibrium in the balance of international payments is squarely placed on the creditor countries. This is one of the major improvements in the new plan."

"The Americans, who are the most likely to be affected by this, have, of their own free will and honest purpose, offered us a far-reaching formula of protection against a recurrence of the main cause of deflation during the

inter-war years, namely the draining of reserves out of the rest of the world to pay a country which was obstinately borrowing and exporting on a scale immensely greater than it was lending and importing."

"Under the plan a country engages itself, in effect, to prevent such a situation from arising again, by promising, should it fail, to release other countries from any obligation to take its exports, or, if taken, to pay for them. I cannot imagine that this sanction would ever be allowed to come into effect. If by no other means, than by lending, the creditor country will always have to find a way to square the account on imperative grounds of its own self-interest. For it will no longer be entitled to square the account by squeezing gold out of the rest of us."

"Here we have a voluntary undertaking, genuinely offered in the spirit both of a good neighbor and, I should add, of enlightened self-interest, not to allow a repetition of a chain of events which between the wars did more than any other single factor to destroy the world's economic balance and to prepare a seed-bed for foul growths. This is a tremendous extension of international cooperation to good ends. I pray your Lordships to pay heed to its importance."

Dollar Scarcity

It appears to me to be inevitable that if the plan with its provisions for borrowing should be put into effect, the supply of dollars in the Fund would promptly become scarce. Then we should be faced with one of two alternatives. We could either agree that other nations should restrict the freedom of exchange operations in dollars, or we could lend more dollars to the Fund. Lord Keynes says that under the plan we promise in such a situation either to put in more dollars or to release other countries from any obligation to take our exports, or, if taken, to pay for them.

He goes on to say that he cannot imagine that this sanction would ever be allowed to come into effect. He says that, "If by no other means, than by lending, the creditor country will always have to find a way to square the account on imperative grounds of its own self-interest."

Now it appears to me to be fundamentally true that the first requisite for any genuine progress toward the stabilization of exchanges in a stable dollar free from all exchange restrictions, a dollar in which the world has full confidence. There must be some strong currency to serve as the steadying influence for the stabilization of exchanges, and so far as can now be foreseen that foundation currency must be the dollar.

Unless we deliberately plan now to put supplementary appropriations into the Fund the proposed plan would give us a dollar chronically afflicted with exchange restrictions. I believe we cannot tolerate either one of those prospects, and so I am opposed to the plan.

I fully believe that we should cooperate with other nations in setting up and supporting a world institution to help in the post-war stabilization of international exchanges. Moreover I am convinced that one of our most pressing post-war problems must be to enact tariff changes and to make alterations of policy which will result in expanding our imports and in extending our foreign investments. It is quite true that during the years between the two wars our policies in foreign trade have been detrimental to the development of international commerce because our imports of the goods of other countries have been too small as compared with the volume of our exports.

Nevertheless I am opposed to the plan as it is now formulated in outline. I oppose it because I am convinced that if put into operation it would shortly result

Repeal Or Revision Of Federal Auto Use Tax Is Asked By Group

The Automobile Club of New York, on June 19 asked for immediate Congressional repeal or revision of the \$5 Federal automobile "use tax" on the ground that it is unfair to auto owners who are limited to A gasoline rations, it was reported in the New York "Times" of June 20, which added: The new stamps must be pasted on car windshields by July.

In telegrams to Senator Walter F. George, Chairman of the Senate Finance Committee; Representative Robert L. Doughton, Chairman of the House Ways and Means Committee, and to Senators and Representatives from the metropolitan area, it was asserted that the tax was both "unsound in theory and inequitable in practice."

William A. Gottlieb, President of the Automobile Club, contended in the telegram that it was unfair to collect the same sum from the A card driver, who at best gets gasoline for 1,440 miles annually, as is asked of the C card holder, with no maximum mileage, and the taxi man, whose cab may operate 49,200 miles.

He compared the 1,440 miles with the 3,000 miles allowed to B ration holders in the East; the 4,800 miles for B card drivers in the West and the 5,700 miles allowed on B cards in the Midwest, pointing out further that trucks and buses with TT rations running up "huge mileages" are taxed no more than the A driver.

"Gross inequities in the present method of taxing are apparent, with all classes of users paying the same amount of tax though legal use permitted shows tremendous differences," Mr. Gottlieb said. "A rationed user is obviously taxed way out of proportion when based on the Government's established measures of use. B rationed users in the East must also pay more per mile than West and Midwest motorists."

"If outright repeal is not now possible, the tax should at least be amended to conform with use. 'A' rationed users should be exempt from the tax and other classes readjusted if this unreasonable tax must be continued."

He said a precedent for correcting an "unsound" tax had been established by Congress when it recently reduced the cabaret tax from 30 to 20% after a storm of protest resulted from the closing of hundreds of establishments throughout the country.

"We can find no parallel in State or Federal taxing systems which requires one citizen to pay several hundred per cent more in taxes than another for the right to use his property," he said. "Our position is, and has been, that this tax is unsound in theory and inequitable in practice."

"Further, we believe that for the Government to continue to collect a so-called 'use' tax on automobiles so severely restricted renders the tax ridiculous as well as unjust. What it actually amounts to is a 'pay-as-you-don't-go' tax."

in a scarcity of dollars available for our international transactions. That scarcity would have to be dealt with. We could deal with it either by accepting restrictions to trading in dollar exchange, or by making a series of huge dollar loans to the Fund. Either course would impair our relations with foreign nations and make it increasingly difficult and embarrassing for us to cooperate with them. We cannot afford to let that happen, and so I am opposed to this plan in its present proposed form.

Warren Stresses Jobs And Opportunity For All In Keynote Address At Republican Convention

(Continued from page 2715)

in United Press accounts from Chicago, follows:

We are here to do a job for the American people. And we mean business.

What is our job? Ask any American. Ask the anxious American mother and father. Ask the anxious wives and sweethearts of our fighting men. Ask our fighting men themselves. They will tell you what our job is.

They will give you the keynote for this convention. They will tell you out of their hearts, and what they say will be the same—East and West, North and South, it will be the same. For now the same anxieties are on every American heart—the same hour-to-hour concern for what the day may bring forth, the same steadfast courage to sustain them, the same dreams, the same hope that they will have a chance to make their dreams come true.

This is what is on their hearts. This is our job:

To get our boys back home again—victorious and with all speed.

To open the door for all Americans—to open it, not just to jobs but to opportunity!

To make and guard the peace so wisely and so well that this time will be the last time that American homes are called to give their sons and daughters to the agony and tragedy of war.

Isn't that a plain and homely story? But is there any other story which any American would put in place of it? Is there any other thing which, in his heart, any American wants more than these? Is there any American who would not give everything he has to bring these things to pass?

We know there is only one answer to these questions? We know, also, that that answer makes our job. To get that job done is why we are here. This convention and this election are not time out from the job of winning the war and the peace. This convention and this election are part of that job. We are here to speed the cause—to help America to speed the cause—for which our fighting men are giving their lives. We are here to make the road on which America can march toward victory, toward opportunity, toward peace.

That is the biggest job Americans have ever undertaken together. It is too big a job for little American—it is too big a job for a quarreling America. There is room for honest differences among us. There is no room for disunity. We can be of differing minds. But we must be of one heart.

That singleness of heart is not something we can wait for. Our boys in Normandy, in Italy, in India and China, in the far reaches of the South Pacific—they are not waiting for it. They are of one heart. What a highly courageous, steadfast heart it is!

What they ask of us—what they have the right to expect of us—is singleness of heart here at home. Freedom is in the balances. We dare not be found wanting.

For so great a venture together, we must be together. Here and now we can begin to get together. That is our purpose. It is the purpose of this convention to put the public welfare above private self-interest; to put the nation above the party; to put the progress of the whole American community above special privilege for any part of it; to put indispensable principles—once and for all—above indispensable men.

The choice of me as a keynote speaker was not made because of any personal attribute of mine. There were others far abler who could have been chosen.

The only good reason I was chosen was because I come from the great, hopeful, energetic West. Ours is the youngest part of

not as minorities or majorities but as fellow Americans.

No party that stands for less than that can unite America. A better world for others must begin with us. That is where in 26 of our States it has already begun.

In those States which are already Republican you will find the record of public administration is progressive, enlightened and in the public interest. In those States you will find increased emphasis upon the public health, upon free education, upon care for orphaned and neglected children, upon support for the aged, for the victims of industrial accidents, for those handicapped by physical disabilities and for the victims of economic misfortune.

Those are the States of this Union where labor has achieved its highest dignity; where labor and management have come to their best understanding; where they have learned to work together most effectively; where, together, they are doing the best job.

What is the result of that kind of government? I can tell you. I can tell you in terms that every American with a son fighting overseas will understand. To win the war in the air, those Republican States have been called on to produce more than 81% of all our airplanes. To win the war at sea, those States have been called on to produce more than 76% of all our ships. To win the war on land, those States have been called on to produce more than 87% of all our ordnance—and more than 83% of all our other fighting equipment.

The American people were introduced, not long ago, to Dr. Win-the-War. From the record of these States it is clear that Dr. Win-the-War is a Republican.

But this war cannot be fought and won as Republicans or Democrats. This is an all-American war. There is a place for every American in it. There is no place of honor for any American who is not in it.

In or out of office, Republicans and Democrats share the responsibility of winning the war. We want to share it in the same spirit in which the sons of all of us fight from the same foxholes, through the same jungles, across the same beaches, in the same ships at sea and in the air.

The generals who command our armies, the admirals who command our fleets are no more Republican or Democratic than the armies and the fleets which they command. They are not a product of politics. They are products of our non-political military establishment. Their concern is not with the party in power—whether it is Republican or Democratic. Their concern is how to get the men and the materials out where the war will be won. They know how to run the war and we will see to it that they have the opportunity to run it without political interference.

Our purpose is to see that the country is responsive to their military leadership; to stand back of them through good days and bad; to see to it that they get the materials needed for victory.

How well that victory can be won; how magnificently it can be won when government unites all the people to win it, is plainly written in the record of those 26 States whose government is now Republican. That is what needs to be done for the nation as a whole. To that we dedicate ourselves as our first objective; to keep the war out of politics and politics out of the war; to strengthen, among us, that spirit of single-mindedness, of unity, of self-forgetfulness that will hearten our military leaders, strengthen their hands and speed the day when, having bivouacked along the main streets of Germany and Japan, they will lead our boys victoriously home again.

But when the war is won, what then? We will have 11,000,000

men and women out of uniform. We will have millions of war workers whose war work has stopped. We will have tens of thousands of business men whose war contracts have been cancelled.

What will those millions of Americans want? They will want what is the right of every American to have. They will want jobs. By jobs, they do not mean made jobs—with the Government as employer. That is not what we mean, either. They mean money-making jobs in private industry. Those are the kind of jobs we mean.

But these young people will not be satisfied with just jobs. We will not be satisfied, either. These young people will want good jobs and a chance to get ahead. Hundreds of thousands of them will want to set up in small businesses for themselves; to be their own boss; to have their own farm; to own their own filling station; to run their own store, or operate their own little factory.

We will see to it that they get that chance. We can see to it because we know what it is that makes jobs and opportunity. We know that the Government does not make them—not the kind of jobs the people want and which we aim to help the people to get. Government-made jobs can be a crisis necessity. But such jobs are not good enough for the long pull. For the long pull, the American people want a highway, not a dead-end street.

The belief that we have come to the end of the road, that a dead-end street is all that we have ahead of us—that will not produce jobs and opportunity, either. That belief is defeatism. The fruit of defeatism is an economy of scarcity. We know what scarcity produces. It produces scarcity: of jobs, of opportunity, of the good things of life.

We know what it is that makes jobs and opportunity. We know that private production makes them. We know that our productive system going full blast can make enough of them. It is the Republican Party that has kept that knowledge alive in America. We have kept it alive against great odds. And now the country knows how important it is that the Republicans kept that knowledge alive. For that confidence in our productive system and the know-how to get that system into full-blast production made the difference, when war came, between life and death. The same knowledge and the same know-how will make the difference when the war is won.

But we Republicans also know that full-blast production—and the jobs and opportunity which it makes—can only come in a climate that is friendly to production. A climate that is friendly to production requires a government that is friendly to production. It requires a government which believes that our economic soil, far from being worn out, is still life-saving; a government which believes that those who work honorably and well to make that soil produce, far from being a threat to our well-being, are the hope of it; a government which, far from penalizing production, encourages it; a government which believes in an economy of plenty because its aim for all the people is abundance.

In such a climate, labor and management will not be set off—one against the other. They will realize—government can help them to realize—that they do not represent two different systems; that they are, rather, part of the same system. They will understand that they are partners in that system. If, for any reason, one partner fails, both will be destroyed. They will understand, also, that such a partnership system exists for more than profit; that its even more important reason for existence is the increasing security and well-being of all the people.

With such an understanding of their relationship to each other and their responsibility to the community, labor and management can reconcile their day-to-day differences in order, together, to make full production possible. It is a Republican responsibility to foster that climate and speed that understanding. That we will do.

In such a climate, also, the farm will no longer be set off against the city; the city against the farm. Farmer and city dweller will come to see that they do not represent two rival economic communities; that, in fact, they are partners in the same community. They will understand that bad times for one mean bad times for the other; that good times for one must include good times for the other. It is a Republican responsibility to speed that understanding and foster a climate in which prosperity is possible for both. That also we will do.

We know that this can be done. We know that the people expect us to do it. They have turned to us because—under the threat of war—they wanted to get along. When the war is won, they want to keep going—toward full, peacetime production that will insure, not jobs alone, but opportunity and a fair and increasing share of life's good things. To that we dedicate ourselves as our second objective.

But to insure such a future, this war must end in something better than an armistice. This war must end in peace. For our homes, our sons and our daughters, this time must be the last time.

In their hearts the American people know what kind of peace they want. They may differ upon details, but they are agreed upon the things that are really important. What is needed is effective leadership, honestly and vigorously to carry into realization the aspirations upon which our people are united.

We want a peace that will be lasting. That means a peace that will be just. That means not only justice for the few and powerful, but justice also for the many and less powerful.

We want a peace that is based upon realities and not upon the insecure foundation of mere words or promises. That means a peace which, being mindful of the interest of other nations, does not neglect or sacrifice the interests of our own nation.

None of these aspirations can be realized under a leadership that plays power politics on a world-wide stage. They cannot be achieved under a leadership which neglects the interests of America. No such leadership can hope to keep the world's respect or to unite America in helping to solve the world's problems. Nor can they ever be achieved by a leadership which holds itself superior to the wisdom of the people.

As Republicans, we are united in uncompromising opposition to aggression. We are prepared to take a definite stand against aggression, not merely to denounce it but to resist it and restrain it. That calls for effective co-operation with all the peace-loving nations of the world; for the establishment of a tribunal for the settlement of international disputes which otherwise might lead to war. We are agreed, too, that, if such a program is to be effective, the friendly co-operation of the war's principal Allied combatants—the United States, Great Britain, Russia and China—is as essential as the keystone of an arch. But beyond that is the task of establishing order, maintaining peace and extending prosperity. We stand ready to welcome every nation that is prepared in honesty and good will to join with us in the accomplishment of that purpose. And we know that if we are to maintain respect among the nations of the world, if we are to be able to keep our own commitments and

to compel recalcitrants to keep theirs, we must keep America ever strong and self-reliant. The Republican party has not waited to declare these principles. At the Mackinac Conference we blazed the way for them. The future of America and the happiness of our children depend on their establishment.

Whatever the exact procedures, on these principles the American people, in their hearts, agree. I do not believe that any sound American political party should say more. I am sure that in good conscience, no such political party can say less.

This is the job we are here to do. These are the things about which we mean business: To get the boys victoriously back home; to open the door to jobs and opportunity; to make a peace that this time will be lasting. This is too great an undertaking for petty politics; for name-calling or for hate-making. There is no place among us for malcontents. We are in no mood for torchlight jubilation. Whether we win as a party is of less importance to us than whether we win as a people.

There has been progress in every decade of American history. Progress is an American habit. We do not propose to deny the progress that has been made during the last decade. Neither do we aim to repeat it. Whatever its source, if it is good, we will acknowledge it. If it is sound, we will build on it. If it is forward looking, we will make use of it as we go forward from here.

Neither do we aim to turn the clock back and make an issue of every Administration mistake in the last 11 years. We are less concerned about these past errors than about the direction in which for the future we are going.

We believe the New Deal is leading us away from representative government. We believe that its centralization of power in the numerous bureaus at Washington will eventually destroy freedom as Americans have always understood it—freedom in the home, freedom of individual opportunity in business and employment, freedom to govern ourselves locally.

We believe the New Deal is destroying the two-party system. The New Deal is no longer the Democratic party. It is an incongruous clique within that party. It retains its power by patronizing and holding together incompatible groups. It talks of idealism and seeks its votes from the most corrupt political machines in the country. The leaders of its inner circle are not representatives of the people. They are the personal agents of one man. Their appointments to public office are not made on the basis of efficiency or public approval, but on the basis of loyalty to the clique. Under this rule, the Constitution has been short-circuited. The Cabinet has ceased to be a voice and has become an echo. Congress, wherever possible, has been circumvented by executive decree. Both Congress and the judiciary have been intimidated and bludgeoned to make them servile.

Over all of this—and over all of us—is the ominous, gargantuan figure of an arrogant, power-intoxicated bureaucracy. Nowhere in its vast domain has it been satisfied with merely one bureaucrat, if by hook or crook desks could be found for two. These bureaucrats of the New Deal tell the farmer what to sow and when to reap—sometimes without regard for either the seeds or the season. They require him to work in the fields all day and keep books for the government all night. These same bureaucrats tell the worker what union he shall join, what dues he shall pay, and to whom he must pay them. They soon will tell the worker where he can work and where he cannot work. Then the workers of America will be a long way down the road toward the kind of government

which our nation is now resisting with all its power.

These bureaucrats encumber the small business man with a multiplicity of rules, regulations, orders and decrees which entangle him, stifle his business and darken his future. They move in—like political commissars—to watch over the shoulders of our America, and the happiness of our children depends on their industrialists—to say what, where and how industry can produce.

They have threatened our free press. They have intimidated our free radio. They are using every device and excuse to insinuate themselves into control over the public schools of our states. They have injected a low grade of politics into the administration of relief and social welfare.

They have by-passed the governments of the states in an effort to destroy state effectiveness and compel the people to rely solely upon the New Deal clique at Washington for the solution of all their problems.

For years they have deprived entire regions of representation in the policy-making agencies of the Federal government.

To perpetuate themselves in power the New Deal clique has always capitalized upon some crisis. It has always had the indispensable man—the same man—for each succeeding crisis. The first time it was the depression. The second time it was the recession. Last time it was to keep us out of war. This time it will be to achieve peace. The next time—who knows what crisis it will be? That there will be one and that the indispensable man will still be indispensable, we can rely upon the New Deal clique to assert. The New Deal came to power with a song on its lips: "Happy days are here again." That song is ended. Even the melody does not linger on. Now we are being conditioned for a new song: "Don't change horses in the middle of a stream." That melody isn't likely to linger either. For 11 eleven long years we have been in the middle of the stream. We are not amphibious. We want to get across. We want to feel dry and solid ground under our feet again.

The life of a nation is a succession of crises. War and peace and economic and social adjustments have always followed each other in endless succession. No party, clique or individual can rightfully claim priority in government because a crisis occurs during its administration.

The Republican party was born in a great crisis. The American people turned to it because they wanted to get safely, speedily through that crisis and get on their way again. Then, as now, the Republican party was called by the people to displace a regime of men who had grown tired, complacent and cynical in the business of government. Then, as now, the Republican party was called upon to replace a party that was torn with dissension and in revolt against itself. Then, as now, the Republican party was called by the people to furnish youth and vigor and vision.

Now, as then, the Republican party will respond to that call. It will represent the nation, the whole nation and nothing but the nation. It will devote itself fervently to the problems of the people and in everything it does the Constitution of the United States of America will be its guiding star. It will function through established law and not through the caprice of bureaucratic regulation. There shall be one law for all men.

Its greatest concern will always be for those who have the greatest need. It will conduct government openly where the people can see, discuss and decide. It will operate less from the government down and more from the people up. It will make wise and careful use of the people's money. It will

The State of Trade

(Continued from page 2714) tending into 1945, while in sheets producers can guarantee no delivery before November and on galvanized before next year.

Pig iron, the summary discloses, enjoys an easy position with consumption balancing production and no inventory being piled. As to supply, the situation is regarded by melters as "so comfortable that most continue to contract for only a month at a time instead of by quarters."

Production of pig iron in May touched 5,342,866 net tons, of which 42,830 tons were ferromanganese and spiegeleisen as against 5,243 tons in April. The tonnage for May failed to reach the all-time high of 5,434,240 tons in March. Total production for the five months was 26,424,993 tons as compared with 25,508,035 tons in the corresponding period in 1943.

As for the rate of steel production, the American Iron and Steel Institute places scheduled output for the week beginning June 26 at 95.7% of rated capacity, equivalent to 1,714,300 net tons of steel ingots and castings. Scheduled output for the current week compares with operations at the rate of 97.3%, and output of 1,742,000 net tons a week ago. For the week beginning June 23, last year, steel output totaled 1,563,700 net tons, and the rate was 90.3% of capacity.

With respect to freight carried by the railroads, carloadings of revenue freight for the week ended June 17 totaled 879,161 cars, the Association of American Railroads announced. This was an increase of 4,968 cars, or 0.6% above the preceding week this year, and an increase of 10,875 cars, or 1.3% above the corresponding week of 1943. Compared with a similar period in 1942, an increase of 34,248 cars, or 4.1%, is shown.

Bituminous coal output for the

keep the public's books in such a way as to allow the people to see how their money is used. It will see that taxes are just, visible and designed to stimulate rather than punish. It will strengthen our great public school system, keep it under the control of state and local government, where it is responsive to the people, and prepare it to play a stronger part in the life of the Republic. It will promote peace in industry by stimulating good will between labor and management. It will free the agencies of public information from the domination of government. It will make fully effective the immeasurable strength of the nation by promoting good will and unity at home. It will not be cocksure in good times or depressed and cynical in bad times. It will direct our combined material and spiritual resources against the enemies of our country. It will make any sacrifice to achieve victory even one day sooner so our boys can come home. It will see to it that they are cared for when they do come home. It and we will honor them the rest of our lives.

But we will start building right now that finer America which during their night vigils they dream of as they look at the stars from their foxholes on land and from their gun turrets at sea and in the air; the America that to them spells happy homes and freedom of opportunity for all; the America that represents unity at home and peace with the countries of the world.

It takes faith to build such an America—a strong faith, the same faith that now sustains our fighting men; a faith that is truly "the substance of things hoped for, the evidence of things not seen."

With such a faith—which is our faith—we shall march under God toward victory, toward opportunity, toward peace.

week ended June 17 reflected a decrease of 280,000 net tons from the preceding week at 12,280,000 net tons, compared with 12,007,000 tons for the corresponding week last year, according to the National Coal Association. Output to date—Jan. 1 through June 10, 1944—aggregated 297,097,000 tons, as against 274,516,000 tons for a like period in 1943. The report of the Solid Fuels Administration placed production for the week ended June 10 at 12,460,000 net tons, against 11,870,000 tons in the preceding week.

As for production in the anthracite fields the U. S. Bureau of Mines reports estimated output of Pennsylvania anthracite at 1,319,000 tons for the week ended June 17, 1944, a decrease of 7,000 tons, or 0.5% from the preceding week. A decrease of 26,000 tons, or 1.9%, is noted when compared with output in the corresponding week of 1943. For the calendar year to date, however, an increase of 7.5% is shown over the similar period of 1943.

Paper output for the week ended June 17 was equal to 92.8% of capacity, against 91.5% in the preceding week, and 87% for the week ended June 19, 1943, the American Paper & Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 95% of capacity, against 96% in the preceding week.

A sharp upward swing in retail trade took place last week in contrast with the comparative lull apparent in earlier weeks of the month. Gains in department store sales ranged from 25 to 40%, or more, over a similar week last year, according to reports. Marked activity was noted in various types of soft goods and seasonal lines. In the wholesale markets covering of fall commitments continued active, although the peak of buyers' arrivals has now been passed. According to Federal Reserve Bank's index, sales in New York City for the weekly period to June 17 increased by 5% over the same period of last year. For the four weeks ending June 17 sales rose by 6%, and for the year to June 17 they improved by 7%, the same percentage of increase as in previous weeks.

Rainy weather the past week was again a factor in effecting a decrease in retail trade volume. However, Dun & Bradstreet, Inc., reported that in seasonal merchandise a wide variety of articles moved well. This was especially the case in accessories, notions, cosmetics and vacation equipment. Sports clothes, sun and swimming costumes, shantung suits and cotton dresses reflected some decrease in volume over that of preceding weeks, but in the plastic jewelry line demand continued high. In the men's department the trade review continued, men's wear varied notwithstanding Father's Day, while sales of infants' clothes and children's dresses and shoes were restricted due to shortages. In the furniture section, despite the limited stock on hand, summer furniture and curtain and drapery lines moved well, with a good supply of unpainted furniture on hand to meet the demand. Sales of furniture of better grade were restricted because of shortages, while gifts sold well. Food purchases were up 10% above the same period last year, the trade review pointed out, though shortages in meat and dairy products, especially beef and lamb were reported by some retailers. A lessened demand was noted for canned goods, while fresh vegetables and fruits were plentiful and prices steady.

As reported by the trade review regional increases were: New England, 2% to 4%; East, 3% to 6%; Middle West, 5% to 10%; Northwest, 3% to 7%; South, 10% to 13%; Southwest, 11% to 14%, and the Pacific Coast, 9% to 11%.

Department store sales on a

Community Counsel For War Veterans

Under the supervision of the United States Office of Education, community counsel services for war veterans and displaced war workers have been established in fifty towns and cities in seven States, it became known on June 20, it was disclosed in the New York "Times" of June 21 from which we also give the following:

Existing guidance, social, welfare and educational agencies within the different communities have been coordinated into one single organization to operate in the post-war period.

A pattern is being established, Harry A. Jager, chief of the occupational information and guidance services of the Office of Education, asserted, that is expected to be valuable to other cities throughout the country. Guidance, restraining and employment facilities are to be offered through the "commodity counseling service" to the 10,000,000 veterans and the 20,000,000 war workers who may need assistance to get back to civilian jobs when the war ends.

The counseling projects, on an experimental basis, rely on the community and State, rather than Federal Government, for financial support. Although the Office of Education was instrumental in getting the program started, and acts as a "clearing house" for the organizations, it does not exercise any direction or control, Mr. Jager emphasized.

Before organizing the counseling service, the communities made a thorough survey of their own resources and the possible demand on the projected organization. Projects were then started in Colorado, Arkansas, Kansas, Michigan, Maine, New York and Maryland. Each of the States is represented by the guidance supervisor, who is immediately responsible for the program.

According to Mr. Jager, the guidance projects will help the millions of men and women who are to be displaced after the war to get back on their feet. While the larger cities may have provisions for the veterans, the smaller communities may be without such services, unless plans are made in advance, he pointed out. The whole community, he said, is called in active cooperation to get the project started and then keep it going. Frequently the school teachers serve as volunteer counselors.

For example, in Millinocket Me., the vocational guidance counselor at the high school is responsible for the guidance work of the Community Counseling Service. He was selected by the State Director and approved by the community. According to the report received by the Office of Education, the school counsel "is one of the persons whom every returning young man would be glad to see, anyway."

A community advisory committee, chosen at Thurmont, Md., consists of the Selective Service Re-employment Committee, Lions Club, Red Cross, Woman's Club, American Legion, Veterans of Foreign Wars, cashier of the bank, secretary of the Welfare Board, county health officer and Chamber of Commerce. This committee will serve as an advisory committee to the adult counselor, who will refer appropriate cases to its members. The Mayor's office will be used as headquarters for the program.

country-wide basis, as taken from the Federal Reserve Board's index, moved upward by only 3% for the week ended June 17, compared with the same week a year ago, while sales for the four weeks' period ended June 17 advanced by 6% over a similar period a year ago. For the year to June 17 an increase of 6% was noted over a like period in 1943.

President Roosevelt Names Delegates To International Monetary Conference

The delegation which will represent the United States at the international monetary conference at Bretton Woods, N. H., which is to open on Saturday of this week (July 1) was named by President Roosevelt on June 23. An announcement by the President on May 26, (given in our issue of June 1, page 2282), indicated the list of Governments which had been invited to participate in the Conference.

In a letter to Secretary of the Treasury Morgenthau made public by the latter on June 23, the President reiterated that neither this nor any other Government would be bound by decisions of the Conference.

The President's letter also said that the American delegation would be expected to adhere closely to previously announced principles covering proposals for an \$8,000,000,000 currency stabilization fund and a \$10,000,000,000 international bank to finance reconstruction and development.

The United States delegation will be headed by Secretary Morgenthau and will include both Republican and Democratic members of the Senate and House Banking and Currency Committees.

Senator Tobey, Republican, New Hampshire, named as one of the delegates, said on June 23: "This Association of Nations is the first definite step for permanent world cooperation." We quote from an Associated Press account, Washington, which further said:

"In another statement, however, 21 House Republicans declared that while this nation has a 'moral and practical responsibility' to share in rebuilding war-ravaged nations, the Administration's world monetary plan is not the proper approach.

"They proposed instead as the first step the creation by Congress of an American Reconstruction Fund under the supervision of an American Board of Directors, confirmed by the Senate. The Fund would act separately or in joint account with foreign governments, individuals or corporations with all loans or credits made 'in consideration of approved plans seeking to balance the budget of the recipient country.'"

This statement was signed by Representatives Charles S. Dewey of Illinois, Charles A. Eaton and James C. Auchincloss of New Jersey, Walter H. Judd and Richard P. Gale of Minnesota, T. Roland Kinzer of Pennsylvania, Hal Holmes of Washington, Harris Ellsworth of Oregon, Joseph C. Baldwin, J. Lefevre, Clarence E. Hancock and James W. Wadsworth of New York, Charles M. Ea Follette of Indiana, Frank Carlson of Kansas, Thomas H. Jenkins and John M. Vorys of Ohio, Clare Booth Luce of Connecticut, Christian A. Herter and Edith Nourse Rogers of Massachusetts, Carl Hinshaw of California and Paul Cunningham of Iowa.

According to the press accounts,

the delegates serving with Secretary Morgenthau will be: Fred M. Vinson, Economic Stabilization Director, Vice-Chairman; Dean Acheson, Assistant Secretary of State; Edward E. Brown, President of the First National Bank of Chicago; Leo T. Crowley, Foreign Economic Administrator; Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System; Mabel Newcomer, Professor of Economics at Vassar College; Representative Brent Spence (Dem. Ky.), Chairman of the House Committee on Banking and Currency; Senator Charles W. Tobey (Rep.-N. H.), member of the Senate Committee on Banking and Currency; Senator Robert F. Wagner (Dem.-N. Y.), Chairman of the Senate Committee on Banking and Currency; Harry D. White, Assistant to the Secretary of the Treasury; Jesse P. Wolcott (Rep.-Mich.), member of the House Committee on Banking and Currency.

The President stated that technical experts who would advise the delegates will also be named.

The text of the President's letter to Mr. Morgenthau, dated June 9, as given in Washington advices to the New York "Herald Tribune" June 23 by Tom Twitty, follows: "My Dear Secretary:

"I am pleased that you will head the American delegation which will participate in the United Nations monetary and financial conference to be held at Bretton Woods, N. H., beginning July 1, 1944.

"It is my hope that this conference will formulate for presentation to the participating governments definite proposals for an international monetary fund and possibly a bank for reconstruction and development. In the invitation which I extended to these governments to participate in the conference, I stated that the agreement by the conference upon definite proposals will not be binding either morally or legally on the governments represented, but will be referred to the respective governments for adoption or rejection. You will, of course, be governed accordingly in your discussions and negotiations.

"In formulating a definite proposal for an international monetary fund, both you and the other delegates will be expected to adhere to the joint statement of principles of an international monetary fund announced April 21, 1944. You, as the head of the delegation, are authorized, however, after consultation with the

other delegates, to agree to modifications which, in your opinion, are essential to the effectuation of an agreement and provided that such modifications do not fundamentally alter the principles set forth in the joint statement.

"You will apply the same principles in your discussions and negotiations with respect to the proposed bank for reconstruction and development, except that you will be governed by the principles agreed upon by the American Technical Committee.

"As the head of the American delegation of the conference you will be the principal spokesman for this country and you will be expected to coordinate the activities and views of the other American delegates. You will, of course, work in close consultation with the Secretary of State.

"The responsibility which you and the other delegates of the American delegation will undertake is the responsibility for demonstrating to the world that international post-war cooperation is possible. I am confident that you will do your best to accomplish the purposes of the conference. Very sincerely yours,

"FRANKLIN D. ROOSEVELT."

Secretary Morgenthau had previously made known that the United States would not be bound by the conference, but that any agreements would be subject to Congressional approval; this was noted in our June 15 issue, page 2614; an item bearing on participation by Republican Congressmen appeared in the same issue, page 2499.

Time Has Come For Housecleaning In America, Says Archer

Chairman Gleason L. Archer, Chairman of the American Democratic National Committee, in a prepared address delivered on June 19 at the opening of a two-day caucus of the anti-administration organization, asserted that "the time has come for a housecleaning in America and the first house that should be cleaned is the White House in Washington, according to an Associated Press dispatch from Chicago on June 19, which also had the following to say:

Dr. Archer set forth that there had been talk of a coalition with the Republican party this year. He added:

"Surely in the hour of grave peril to the nation all believers in constitutional government should unite to destroy the forces of world revolution in our midst. But we have no right to assume that the Republicans will nominate candidates who are free from the contamination that has touched so many political leaders in the past ten years.

"We must, therefore, draft a Democratic platform, formulate plans for the campaign . . . and decide what candidates if nominated would be acceptable to the millions of followers of Thomas Jefferson throughout the nation."

FCC Hearings Adjourned

The Special House Committee investigating the Federal Communications Commission on June 21 ended hearings of rebuttal testimony by representatives of the Commission on phases of the inquiry developed at earlier sessions and adjourned to meet again in September when the licensing activities of the Commission will be taken up for consideration and discussion, according to a special dispatch to the New York "Times" from Washington, D. C.

More than 1,200 pages of prepared statements were said to have been presented for the records.

Further Slight Decline In Industrial Activity In May Reported By Federal Reserve Board

The Board of Governors of the Federal Reserve System in its summary of general business and financial conditions in the United States, based upon statistics for May and the first half of June, stated on June 23 that "industrial activity and employment declined slightly further in May." "Value of retail trade was maintained in May and the first three weeks of June and commodity prices showed little change," said the Board, which also reported:

Industrial Production

"Industrial production continued to decline in May and the Board's seasonally adjusted index was 237% of the 1935-39 average as compared with 239 in April. Small declines in output of metal products and non-durable goods accounted for most of the decrease in the total index.

"Steel production was maintained at a high rate. Supplies of aluminum and magnesium continued to exceed military requirements after further curtailment of output in May; and relaxation of restrictions on the use of these metals in civilian products was announced on June 18. Activity in munitions industries declined slightly in May. Aircraft production was at approximately the same daily average rate as in the preceding month. Deliveries of merchant ships declined somewhat from the April rate, reflecting curtailment of Liberty ship construction; the number of Victory ships delivered rose further in May.

"Output of lumber and of stone, clay, and glass products declined further in May. Additional Federal control was established over lumber consumption, effective in the third quarter, in order to assure sufficient supplies for essential requirements.

"Production of most non-durable goods was likewise somewhat lower in May than in April. Cotton consumption declined 6% from the rate prevailing earlier this year to a level 16% below May, 1943. Output of manufactured dairy products showed a large seasonal rise in May while manufacture of most other food products declined somewhat, after allowance for seasonal changes.

"Output of crude petroleum and coal continued to rise and iron ore production reached an exceptionally high level for this season of the year.

Distribution

"Department store sales in May were maintained at the April level, and the Board's seasonally adjusted index, as recently revised, was 173% of the 1935-39 average. During the first half of June sales continued at about the April-May rate and were 4% larger than in the corresponding period last year.

"Railroad freight traffic was maintained at a high level during May and the early part of June.

Commodity Prices

"Wholesale commodity prices continued to show little change in May and the early part of June. Retail prices showed a further slight increase in May. The wholesale price index and the cost of living index of the Bureau of Labor Statistics were both at the same level as they were in May, 1943.

Agriculture

"Crop prospects on June 1 were better than on the same date in the last ten years except 1942. The total wheat crop appeared likely to exceed a billion bushels as compared with a harvest of 836,000,000 bushels in 1943 and 974,000,000 in 1942. Prospects for other grains, however, were not as favorable and, with grain stocks reduced, it is expected that total supplies available to meet food, feed, and industrial needs will continue short. In recent months the feed situation has been eased by generally good conditions of the hay crops and pastures.

Bank Credit

In the five months from the beginning of the Fourth War Loan Drive to the beginning of the Fifth Drive, Federal Reserve Bank holdings of U. S. Government securities increased by more than \$3,000,000,000. Member bank borrowings at Federal Reserve Banks also increased somewhat during the period, and at times exceeded \$200,000,000 for the first time in more than a decade. These additions to Reserve Bank credit supplied the market with funds to meet a growth of nearly \$2,000,000,000 in money in circulation, an increase of \$700,000,000 in member bank required reserves, and a loss of gold of \$700,000,000. Excess reserves, which declined to as low as \$600,000,000 during the period, amounted to \$1,100,000,000 on June 14.

"During the Drive, purchases of Government securities by businesses and individuals will shift deposits to reserve-exempt Government war-loan accounts and reduce the amount of reserves that member banks are required to hold. This will result in some further increase in excess reserves and some repurchases of Government securities by member banks from the Reserve Banks.

"Adjusted demand deposits at member banks in leading cities have risen by about \$5,750,000,000 since the end of the Fourth Drive and are more than \$2,250,000,000 above the level prevailing prior to that Drive. Time deposits also increased steadily.

"Government security holdings at reporting banks declined by close to \$2,000,000,000 between mid-February and mid-June, following an increase of around \$3,000,000,000 during the Fourth Drive. Bill holdings declined substantially, paralleling increases in such holdings at the Reserve Banks. Loans to brokers and dealers in securities, which by the end of May had declined well below their early January levels, increased somewhat in the first two weeks of June preparatory to the Drive. Other loans for handling Government securities are close to their pre-Fourth Drive level. Again in the Fifth Drive, as in the previous one, borrowings for speculative purchases will be discouraged."

Result Of Treasury Bill Offering

The Secretary of the Treasury announced on June 26 that the tenders for \$1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated June 29 and to mature Sept. 28, 1944, which were offered on June 23, were opened at the Federal Reserve Banks on June 26.

The details of this issue are as follows:

Total applied for, \$2,308,882,000. Total accepted, \$1,207,842,000 (includes \$52,912,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price 99.905, equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids:

High, 99.910, equivalent rate of discount approximately 0.356% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

(43% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on June 15 in the amount of \$1,009,650,000.

Inflation And Idleness Threaten U. S. Maverick Declares In Report To Congress

Maury Maverick, director of the Smaller War Plants Corporation gave to Congress on June 20, a picture of the United States heading into inflationary pressures and unemployment troubles, said Associated Press advices from Washington which had the following to say about Mr. Maverick's report:

Mr. Maverick's report covered April and May and told of an excess of money in the hands of workers, with fewer commodities for them to buy.

War Production Chief Donald M. Nelson passed the report on to Congress with his approval.

"Increasing efficiency of war workers, requiring less labor to produce the same volume of goods, and cutbacks in war contracts, as schedules are reduced, are causing unemployment of both workers and facilities," Mr. Maverick said. "The situation in a few large plants has captured the headlines. But the unemployment that is developing and that will develop in small plants through the nation, even in tight

labor areas, does not receive adequate attention nor force remedial action."

Mr. Maverick said his agency is urging through every available channel the resumption of non-military production to the fullest extent possible without interference with the war effort. He added:

"The mobilization of small business for war work has now reached a critical stage. Although war production schedules are rising, others are going down. Opportunities for introducing small plants into war production are contracting rapidly."

Electric Output For Week Ended June 24, 1944 Shows 5% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended June 24, 1944, was approximately 4,325,417,000 kwh., compared with 4,120,038,000 kwh. in the corresponding week a year ago, an increase of 5%. The output for the week ended June 17, 1944, was 4.6% in excess of the similar period of 1943.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	June 24	June 17	June 10	June 3
New England	3.3	2.7	2.0	*1.2
Middle Atlantic	*1.3	*1.2	*1.9	*0.2
Central Industrial	5.2	4.8	5.7	4.4
West Central	6.2	3.9	6.3	5.7
Southern States	8.4	6.3	8.7	10.4
Rocky Mountain	*9.1	*8.5	*3.6	*11.2
Pacific Coast	15.4	16.5	15.7	16.0
Total United States	5.0	4.6	5.5	5.6

*Decrease under similar week in 1943.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	% Change over 1943				
	1944	1943	1942	1932	1929
March 4	4,464,686	3,946,630	+ 13.1	3,392,121	1,538,452
March 11	4,425,630	3,944,679	+ 12.2	3,357,444	1,687,229
March 18	4,400,246	3,946,836	+ 11.5	3,357,032	1,683,262
March 25	4,409,159	3,928,170	+ 12.2	3,345,502	1,480,208
April 1	4,408,703	3,889,858	+ 13.3	3,348,608	1,465,076
April 8	4,361,094	3,882,467	+ 12.3	3,320,858	1,480,738
April 15	4,307,498	3,916,794	+ 10.0	3,307,700	1,469,810
April 22	4,344,188	3,925,175	+ 10.7	3,273,190	1,454,505
April 29	4,336,247	3,866,721	+ 12.1	3,304,602	1,429,032
May 6	4,233,756	3,903,723	+ 8.5	3,365,208	1,436,928
May 13	4,238,375	3,969,161	+ 6.8	3,356,921	1,435,731
May 20	4,245,678	3,992,250	+ 6.3	3,379,985	1,425,151
May 27	4,291,750	3,990,040	+ 7.6	3,322,651	1,381,452
June 3	4,144,490	3,925,893	+ 5.6	3,372,374	1,435,471
June 10	4,264,600	4,040,376	+ 5.3	3,463,528	1,441,532
June 17	4,287,251	4,098,401	+ 4.5	3,433,711	1,440,541
June 24	4,325,417	4,120,038	+ 5.0	3,457,024	1,456,961

Steel Operations Decline—Volume Of New Bookings Off Slightly—War Needs Fill Mills

"While the influx of fresh steel orders this past week settled down to a slightly lower level than in previous weeks, this was more than offset by a decline in the steel ingot rate caused by heat, manpower shortages, strikes, and equipment repairs," the "Iron Age" states in its issue of today (June 29), further adding: "The slight decline in the volume of new bookings is not taken as an indication of a slowing up in the rate of ordering as most steel requirements are on a quarterly basis and the load changes upward and downward from week to week."

"With uneven product loads at various steel plants, WPB was said to be attempting this week to re-distribute production directives for flat rolled products during July. It is probable, however, that delivery schedules will not be met on substantial tonnages of material in the next few months due to the heavy carryovers on plates and sheets at some plants. No easing in orders is apparent and continued heavy requirements for the shell steel program and the Maritime Commission have the effect of further tightening a steel market which is now tighter than at any time during the past few years."

"The continued demand for plates from the Maritime Commission, a recent increase in the shell steel program, and further evidence of an unbalanced product mix are seen as factors which will make the steel situation more serious as the industry proceeds into the third quarter. About the only factors which could change this state of affairs would be substantial cutbacks or cancellations in certain war programs, both of which are unlikely unless news from Europe in the way of a German defeat materializes in the near future. Steel officials are not counting on this for the reason that orders are being placed and must be produced until instructions to the contrary have been issued."

"Railroad car requirements are said to be exceptionally heavy for the last quarter of this year and the first quarter of 1945. The War Department is taking bids this week on 34,666 freight cars of various types for 1945, and the Navy is asking quotations on 560 steel box cars. Heavy orders are being placed currently by the railroads for the final quarter of this year and the first quarter of next year." The American Iron and Steel Institute on June 26 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 95.7% of capacity for the week beginning June 26, compared with 97.3% one week ago, 97.5% one month ago and 90.3% one year ago. The operating rate for the week beginning June 26 is equivalent to 1,714,300 tons of steel ingots and castings, compared to 1,742,900 tons one week ago, 1,746,500 tons one month ago, and 1,563,700 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on June 26, stated in part as follows: "Pressure on steel mills for immediate delivery of most wanted material is heavy, supported by an increasing number of directives, which are taking precedence and forcing schedules back at many mills. "As a result substantial tonnage scheduled for June will not be available for several weeks, some producers being more than a month in arrears. Washington is seeking to limit directives as much as possible. Manpower, shell tonnage is being placed on mill books in volume that causes a question whether a substantial portion ever will be rolled, especially in view of the encouraging military prospects and the fact that various recipients of shell contracts will require much time to tool up sufficiently to begin production. "Other types of ordnance, including bombs, grenades and signal corps equipment, are taking substantial tonnages. "In most steel products mills are booked for most of the year, sheared plates into November solidly and much tonnage beyond that; bars into October and November, with large rounds into next year; in sheets most producers can offer no delivery before November and on galvanized before next year. "Pig iron production in May was 5,342,866 net tons, of which 42,830 tons were ferromanganese and spiegeleisen, compared with 5,243,410 tons in April. May tonnage fell short of the peak of March, 5,434,240 tons, the all-time high. For five months total production was 26,424,993 tons, com-

Moody's Bond Prices And Bond Yield Averages

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

1944— Daily Averages	MOODY'S BOND PRICES† (Based on Average Yields)									
	U. S. Govt. Bonds	Avg. Corporate rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Jun. 27	120.26	112.37	118.60	116.80	112.00	102.80	106.04	113.89	117.40	
26	120.26	112.37	118.40	117.00	112.00	102.80	106.04	113.89	117.40	
24	120.19	112.37	118.40	117.00	112.00	102.80	106.04	113.89	117.40	
23	120.13	112.19	118.40	116.80	112.00	102.63	106.04	113.89	117.20	
22	120.04	112.19	118.40	116.80	112.19	102.63	106.04	113.70	117.40	
21	120.05	112.19	118.40	116.80	112.19	102.63	106.04	113.89	117.40	
20	120.10	112.19	118.40	116.80	112.00	102.63	105.86	113.89	117.40	
19	120.01	112.19	118.40	116.61	112.00	102.63	105.86	113.70	117.20	
17	120.01	112.19	118.40	116.80	112.00	102.63	106.04	113.89	117.20	
16	119.95	112.19	118.40	116.80	112.00	102.63	105.86	113.89	117.20	
15	119.87	112.19	118.40	116.61	111.81	102.46	105.86	113.70	117.00	
14	119.87	112.00	118.40	116.61	111.81	102.46	105.86	113.70	117.00	
13	119.88	112.00	118.40	116.61	111.81	102.46	105.86	113.70	117.00	
12	119.88	112.00	118.40	116.61	111.81	102.46	105.86	113.70	117.00	
11	119.88	112.00	118.40	116.61	111.81	102.46	105.86	113.70	117.00	
10	119.88	112.00	118.40	116.61	111.81	102.46	105.86	113.70	117.00	
9	119.90	112.19	118.40	116.80	111.81	102.46	105.86	113.70	117.00	
8	119.90	112.19	118.40	116.80	111.81	102.46	105.86	113.70	117.00	
7	119.92	112.19	118.40	116.80	111.81	102.63	106.04	113.70	117.00	
6	120.02	112.19	118.40	116.61	111.81	102.63	105.86	113.70	117.00	
5	119.99	112.19	118.40	116.80	111.81	102.46	105.86	113.89	117.00	
4	119.75	112.19	118.40	116.80	111.81	102.46	105.86	113.70	117.00	
3	119.66	112.19	118.40	116.80	111.81	102.30	105.86	113.89	117.00	
2	119.59	112.00	118.40	116.80	111.81	102.13	105.86	113.89	116.80	
1	119.48	112.00	118.40	116.80	111.81	101.64	105.52	113.89	116.80	
May 26	119.48	111.81	118.40	116.61	111.62	101.47	105.52	113.70	116.41	
25	119.35	111.81	118.40	116.61	111.62	101.47	105.34	113.70	116.41	
24	119.75	111.62	118.40	116.41	111.62	101.31	105.17	113.70	116.41	
23	119.86	111.62	118.20	116.61	111.44	101.14	105.17	113.70	116.41	
22	119.81	111.44	118.20	116.61	111.44	100.98	104.83	113.89	116.22	
21	119.68	111.44	118.20	116.41	111.25	100.81	104.66	113.70	116.22	
20	119.86	111.44	118.20	116.61	111.44	100.81	104.66	113.89	116.41	
19	120.14	111.44	118.20	116.61	111.25	100.65	104.66	113.70	116.41	
18	120.26	111.44	118.20	116.41	111.25	100.81	104.48	113.70	116.41	
17	120.44	111.25	118.20	116.61	111.25	100.49	104.31	113.70	116.41	
16	120.21	111.25	118.20	116.41	111.07	100.32	104.31	113.50	116.22	
15	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
High 1944	120.44	112.37	118.80	117.00	112.19	102.80	106.04	113.89	117.40	
Low 1944	119.34	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02	
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40	
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46	
1 Year Ago	120.44	110.70	118.80	116.22	111.25	98.09	102.46	113.70	116.61	
June 26, 1943										
2 Years Ago	118.15	106.39	116.41	113.12	107.80	91.05	95.47	111.07	113.89	
June 27, 1942										

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

1944— Daily Averages	U. S. Govt. Bonds	Avg. Corporate rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Jun. 27	1.78	3.04	2.72	2.81	3.06	3.58	3.39	2.96	2.78
26	1.78	3.04	2.73	2.80	3.06	3.58	3.39	2.96	2.78
24	1.78	3.04	2.73	2.80	3.06	3.58	3.39	2.96	2.78
23	1.79	3.05	2.73	2.81	3.06	3.59	3.39	2.96	2.79
22	1.79	3.05	2.73	2.81	3.05	3.59	3.39	2.97	2.78
21	1.79	3.05	2.73	2.81	3.05	3.59	3.39	2.97	2.78
20	1.79	3.05	2.73	2.81	3.05	3.59	3.39	2.96	2.78
19	1.79	3.05	2.72	2.81	3.06	3.59	3.40	2.96	2.78
17	1.80	3.05	2.73	2.82	3.06	3.59	3.40	2.97	2.79
16	1.80	3.05	2.73	2.82	3.06	3.59	3.40	2.97	2.79
15	1.80	3.05	2.73	2.81	3.06	3.59	3.39	2.96	2.79
14	1.82	3.05	2.72	2.81	3.06	3.59	3.40	2.96	2.73
13	1.82	3.06	2.73	2.82	3.07	3.60	3.40	2.97	2.80
12	1.82	3.06	2.73	2.82	3.07	3.60	3.40	2.97	2.79
10	1.82	3.05	2.72	2.82	3.07	3.60	3.41	2.97	2.79
9	1.82	3.05	2.72	2.82	3.07	3.60	3.41	2.96	2.79
8	1.82	3.06	2.72	2.82	3.07	3.61	3.41	2.96	2.80
7	1.82	3.05	2.73	2.81	3.07	3.60	3.40	2.96	2.79
6	1.82	3.05	2.73	2.81	3.07	3.60	3.40	2.97	2.79
5	1.82	3.05	2.73	2.81	3.07	3.59	3.39	2.97	2.80
3	1.81	3.05	2.73	2.82	3.07	3.59	3.40	2.97	2.80
2	1.81	3.05	2.72	2.81</					

Bankers' Dollar Acceptances Outstanding On May 31 Decrease To \$113,129,000

The volume of bankers' dollar acceptances outstanding on May 31 amounted to \$113,129,000, a decrease of \$12,427,000 from the April 29 total, according to the monthly acceptance survey issued June 19 by the Federal Reserve Bank of New York. As compared with a year ago, the May 31 total represents a loss of \$22,676,000.

In the month-to-month comparison, imports, exports, domestic shipments, domestic warehouse credits, dollar exchange and those based on goods stored in or shipped between foreign countries were lower, while in the yearly analysis only credits for exports were higher.

The Reserve Bank's report follows:

BANKERS DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	May 31, '44	Apr. 29, '44	May 29, '43
1 Boston	\$18,960,000	\$21,161,000	\$25,187,000
2 New York	69,390,000	77,366,000	83,632,000
3 Philadelphia	5,826,000	6,015,000	6,050,000
4 Cleveland	894,000	865,000	1,272,000
5 Richmond	1,822,000	2,117,000	2,033,000
6 Atlanta	2,467,000	3,163,000	1,838,000
7 Chicago	3,752,000	4,867,000	3,882,000
8 St. Louis	567,000	598,000	689,000
9 Minneapolis	22,000	32,000	140,000
10 Kansas City			
11 Dallas	278,000	347,000	686,000
12 San Francisco	9,161,000	9,035,000	10,306,000
Grand Total	\$113,139,000	\$125,566,000	\$135,815,000
Decrease for month	\$12,427,000	Decrease for year	\$22,676,000

ACCORDING TO NATURE OF CREDIT

	May 31, '44	Apr. 29, '44	May 29, '43
Imports	\$70,893,000	\$76,644,000	\$78,537,000
Exports	10,340,000	12,177,000	8,497,000
Domestic shipments	10,060,000	10,565,000	13,164,000
Domestic warehouse credits	17,728,000	19,339,000	23,687,000
Dollar exchange	216,000	290,000	279,000
Based on goods stored in or shipped between foreign countries	3,902,000	6,551,000	11,651,000

BILLS HELD BY ACCEPTING BANKS

Own bills	\$48,786,000	Bills of others	\$40,755,000	Total	\$89,541,000
Decrease for month					\$6,534,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES, JUNE 19, 1944

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	3/8
60	1/2	3/8
90	1/2	3/8
120	1/2	3/8
150	1/2	3/8
180	1/2	3/8

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since June 30, 1941:

1941—	\$	1942—	\$	1943—	\$
June 30	212,932,000	June 30	162,849,000	June 30	139,846,000
July 31	209,899,000	July 31	156,302,000	July 31	138,692,000
Aug. 30	197,472,000	Aug. 31	139,304,000	Aug. 31	130,244,000
Sept. 30	176,801,000	Sept. 30	123,494,000	Sept. 30	117,016,000
Oct. 31	184,806,000	Oct. 31	118,587,000	Oct. 31	114,883,000
Nov. 29	193,590,000	Nov. 30	116,067,000	Nov. 30	111,289,000
Dec. 31	194,220,000	Dec. 31	118,039,000	Dec. 31	116,814,000
1942—		1943—		1944—	
Jan. 31	197,278,000	Jan. 30	119,682,000	Jan. 31	120,497,000
Feb. 28	190,010,000	Feb. 27	127,062,000	Feb. 29	134,772,000
Mar. 31	182,675,000	Mar. 31	129,818,000	Mar. 31	129,358,000
Apr. 30	177,293,000	Apr. 30	128,350,000	Apr. 29	125,586,000
May 29	173,906,000	May 29	135,815,000	May 31	113,139,000

Wholesale Prices Down 0.3% In Week Ended June 17, Labor Department Reports

Substantial declines in primary market prices for important agricultural commodities such as grains, livestock and poultry and fruits and vegetables brought the Bureau of Labor Statistics comprehensive index of nearly 900 price series down 0.3% during the week ended June 17. "At 103.7% of the 1926 average the all-commodity index is slightly lower than at this time last month and only 0.2% over the level for mid-June 1943." The department's announcement said and added:

"Farm Products and Foods—Average prices for farm products in primary markets dropped 1.7% during the week; they declined 0.3% during the past four weeks and are down more than 3% than at this time last year. Wheat declined more than 3 and rye 1.5% on favorable crop reports. A weak market caused prices for live poultry at New York to drop sharply. Cows declined nearly 3% and prices for heavy hogs continued to reflect the decrease in ceiling prices. Quotations for alfalfa hay were substantially lower as the new crop coming into the market was of poor grade. Seasonal declines were reported in prices for white potatoes in most markets and for onions. Prices for oranges were about 5% lower than for the preceding week and apples in the New York market were considerably lower. Higher prices were reported for cotton, for live poultry in the Chicago market, for eggs in most eastern markets, and for sweet potatoes.

"Seasonally lower prices for most fresh fruits and vegetables accounted for a decline of 0.5% in the foods group index during the week. Notwithstanding the decrease this week, average prices for foods at the wholesale level are fractionally higher than for the corresponding week of May but are nearly 4% lower than in mid-June a year ago.

"Industrial Commodities—Industrial commodity markets remained relatively stable. Minor declines were reported in prices for anthracite in some areas. The mercury market continued unsettled and prices again dropped about 8%. Common brick prices were slightly higher at a few yards as upward adjustments were made in ceiling prices to cover increased production costs. Quotations for rosin advanced 3% while turpentine prices were fractionally lower."

The department's announcement also contained the following notation:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject

to such adjustment and revision as required by later and more complete reports.

The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for May 20, 1944, and June 19, 1943, and the percentage changes from a week ago, a month ago, and a year ago and (2) percentage changes in subgroup indexes from June 10 to 17, 1944.

WHOLESALE PRICES FOR WEEK ENDED JUNE 17, 1944 (1926=100)

Commodity Groups—	6-17					Percentage change to June 17, 1944 from—					
	1944	1944	1944	1944	1943	6-10	5-20	6-19	1944	1944	1943
All commodities	103.7	104.0	103.9	103.8	103.5	-0.3	-0.1	+0.2			
Farm products	122.9	125.0	123.9	123.3	127.0	-1.7	-0.3	-3.2			
Foods	104.9	105.4	105.2	104.7	109.0	-0.5	+0.2	-3.8			
Hides and leather products	117.7	117.7	117.7	117.6	118.4	0	+0.1	-0.6			
Textile products	97.3	97.3	97.3	97.3	96.9	0	0	+0.1			
Fuel and lighting materials	83.7	83.7	83.7	83.9	81.4	0	-0.2	+2.8			
Metals and metal products	103.8	103.8	103.8	103.8	103.9	0	0	-0.1			
Building materials	115.8	115.8	115.7	115.6	110.4	0	+0.2	+4.9			
Chemicals and allied products	105.3	105.3	105.3	105.4	100.2	0	-0.1	+5.7			
Housefurnishing goods	106.0	106.0	106.0	106.0	104.3	0	0	+1.6			
Miscellaneous commodities	93.3	93.3	93.3	93.3	91.8	0	0	+1.6			
Raw materials	113.1	114.4	113.8	113.3	114.5	-1.1	-0.2	-1.2			
Semimanufactured articles	93.7	93.7	93.6	93.6	92.9	0	+0.1	+0.9			
Manufactured products	101.0	101.0	101.1	101.1	100.0	0	-0.1	+1.0			
All commodities other than farm products	99.5	99.5	99.6	99.6	98.4	0	-0.1	+1.1			
All commodities other than farm products and foods	98.7	98.7	98.7	98.7	96.9	0	0	+1.9			

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JUNE 10, 1944 TO JUNE 17, 1944

	Increases	Decreases
Other foods	0.3 Brick and tile	0.2
	Paint and paint materials	0.1
Fruits and vegetables	3.3 Other farm products	1.6
Grains	1.9 Anthracite	0.2
Livestock and poultry	1.7 Meats	0.1

Russians Told By Wallace That They And U. S. Must Work Together For Reconstruction

In an address to Russians at Novosibirsk on June 13, Vice President Wallace declared that "our two great peoples" must work together in peace as well as in war for the reconstruction of devastated areas. Mr. Wallace spoke in Russian, which he only recently learned, said Associated Press advices from Moscow appearing in the New York "Times" from which we also quote:

"The people of the northwestern United States, he declared, have much in common with those of Siberia, and the Northwest should understand how necessary it is to industrialize as well as you have industrialized Siberia.

"We in the Northwest," he said, referring to North Dakota, Montana, Washington and Alaska, "think we have achieved good work in the realm of agriculture, but you have achieved a perfect work in agriculture and industry.

"The Vice President, who is en route to China, said the people of the United States were inclined to associate Siberia with bitter cold, exile and suffering, and hardly ever in the light of the new industrialization that had increased Siberia's production ten times in the past fifteen years.

"The audience, composed of intellectuals and representatives of public bodies in that Siberian city, applauded the Vice President as he concluded."

Gain In Cash And Govt. Securities Of Insured Savings And Loan Associations In 1943

A gain of 96% in the cash and government securities of insured savings and loan associations took place during 1943, according to an article in the June issue of the Federal Home Loan Bank Review. Washington advices from the Home Loan Bank Administration report as follows in the matter:

"The volume of liquid assets held by these associations, whose investors' accounts are protected through the Federal Savings and Loan Insurance Corporation, totaled \$884,000,000 at the close of 1943, as compared with \$450,000,000 the year before and \$250,000,000 at the end of 1941. The rise in liquidity occurred despite the fact that \$114,000,000 in cash was used by the associations in the period to effect reductions in advances outstanding from their regional Federal Home Loan Banks and to retire earlier Government investments in their shares, the article said.

"Over the year, Government obligations held by the associations rose from \$193,452,100 to \$581,650,600, a trend still steadily increasing.

"Since 1938, insured savings and loan associations have experienced a steady growth in the ratio of cash and Government obligations to both share capital and assets. Compared with share capital, the total of cash and Government-bond accounts on Dec. 31, 1943 was 24.7%, or about three times the ratio of 8.8% which prevailed at the end of 1940, the Review said. Assets of the 2,450 associations now total more than \$4,200,000,000.

"The rapid growth in liquidity of the associations is attributed to contracted lending opportunities due to wartime restrictions on home building, together with a

high level of mortgage repayments and an increased inflow of investors' funds. Associations, too, have endeavored to contribute to the war financing program through continuous purchases of Government bonds and have encouraged wartime savings of all kinds in their communities, the Review pointed out.

"The unprecedented liquidity of thrift associations places them in an excellent position to resume leadership in financing the construction of homes as soon as restrictions on critical materials are lifted, the article said."

Hay To Be Deputy Ch'man Of WMC On July 1

Charles M. Hay of St. Louis, Mo., will be installed as Deputy Chairman and Executive Director of the War Manpower Commission during an informal ceremony on Saturday morning, July 1, in the auditorium of the Department of the Interior, WMC announced on June 24. Mr. Hay, who has served as general counsel of the Commission, will succeed Lawrence A. Appley, Paul V. McNutt, Chairman of WMC, will speak briefly at the ceremony, as will Mr. Appley and Mr. Hay. Members of the WMC staff will be present.

Post-War Construction Listed At \$9 1/2 Billion

Construction projects contemplated for execution in the post-war period have been reported by F. W. Dodge Corp. to the number of 41,805, with an estimated total cost of \$9,581,538,000. These projects are all contemplated for the 37 States east of the Rocky Mountains; similar listings for the 11 Western States would probably increase the total by some 20%, according to the Dodge organization. The project list has been accumulated during the past 21 months and additional project reports are being received daily. Forty per cent of the projects by number and 45% by value have been reported in the design stage, the Dodge report stated on June 25, and went on to say:

The largest classification, numerically, of contemplated post-war projects is private residential building, the number of projects being 19,606 and total estimated cost \$658,846,000; many of these projects consist of housing developments of varying numbers of buildings. Private non-residential building projects in contemplation number 6,796, with an estimated value of \$861,148,000. Public residential projects are listed to the number of 372 and a total value of \$251,619,000; public non-residential building projects number 6,274 with a total value of \$1,363,765,000.

Due principally to early and extensive planning activities by Federal, State and local public planning agencies, the largest dollar volume anticipated expenditures is in heavy engineering work, with 8,373 public projects and 384 private projects contemplated, amounting to \$6,245,959,000 and \$200,201,000, respectively.

Commenting on these figures, Thomas S. Holden, President of F. W. Dodge Corp., stated: "Statistical predominance of public building and engineering projects in this tabulation is far more indicative of widespread wartime planning activity of public bodies and of the greater publicity being given to public than to private projects than it is of the probable post-war pattern of actual construction. In normally prosperous peacetime years, private building expenditures are likely to run two to three times the dollar volume of public work. Furthermore, this tabulation of prospective construction projects includes no figures on deferred maintenance and repairs, demand for which is known to be very great, and probably represents the most immediately urgent need."

Ton-Miles Of Revenue Freight Up 4.6% In May

The volume of freight traffic handled by Class I railroads in May, 1944, exceeded the same month last year by 4.6%, the Association of American Railroads announced on June 21. Freight traffic, measured in ton-miles, amounted to approximately 65,000,000,000 ton-miles, according to preliminary estimates based on reports just received by the Association from Class I railroads.

Class I railroads in the first five months of 1944 performed approximately 5.3% more revenue ton-miles of service than in the same period of 1943, 30% more than in the same period of 1942, and 157% more than in the first five months of 1939.

The following table summarizes ton-mile statistics for the first five months of 1944 and 1943 (000 omitted):

Period—	1944	1943	Increase
1st 5 mos.	182,465,526	170,783,841	6.8%
Mo. of Apr.	60,100,000	59,052,370	1.8
Mo. of May	65,000,000	62,146,617	4.6

Total 307,565,526 291,982,828 5.3%
*Revised estimate. †Preliminary estimate.

Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended June 17, 1944 is estimated at 12,300,000 net tons, a decrease of 230,000 tons, or 1.8%, from the preceding week. Output in the corresponding week of 1943 amounted to 12,007,000 tons. Cumulative production of soft coal from Jan. 1 to June 17, totaled 297,187,000 tons, compared with 274,516,000 tons in the same period last year, a gain of 8.3%.

Production of Pennsylvania anthracite for the week ended June 17, 1944, as estimated by the U. S. Bureau of Mines, was 1,319,000 tons, a decrease of 7,000 tons, or 0.5%, from the preceding week. When compared with the output in the corresponding week of 1943, there was a decrease of 26,000 tons, or 1.9%. The calendar year to date shows an increase of 7.5% when compared with the same period of 1943.

The Bureau of Mines also reported that the estimated production of beehive coke in the United States for the week ended June 17, 1944 showed a decrease of 4,300 tons when compared with the week ended June 10, 1943, and was 10,400 tons less than for the corresponding week of 1943.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS

	Week Ended			January 1 to Date		
	June 17, 1944	June 10, 1944	June 19, 1943	June 17, 1944	June 19, 1943	June 19, 1937
Bituminous coal and lignite—	12,300,000	12,530,000	12,007,000	297,187,000	274,516,000	213,017,000
Daily average —	2,050,000	2,088,000	2,001,000	2,064,000	1,902,000	1,485,000

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

	Week Ended			Calendar Year to Date		
	June 17, 1944	June 10, 1944	June 19, 1943	June 17, 1944	June 19, 1943	June 22, 1929
Penn. anthracite—	1,319,000	1,326,000	1,345,000	30,812,000	28,653,000	34,160,000
*Total incl. coll. fuel	1,266,000	1,273,000	1,291,000	29,581,000	27,507,000	31,700,000
†Commercial produc.	1,266,000	1,273,000	1,291,000	29,581,000	27,507,000	31,700,000
Beehive coke—	148,100	152,400	158,500	3,613,400	3,703,100	3,200,600

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES (In Net Tons)

State—	Week Ended			
	June 10, 1944	June 3, 1944	June 12, 1943	June 12, 1937
Alabama	386,000	398,000	350,000	219,000
Alaska	5,000	4,000	5,000	3,000
Arkansas and Oklahoma	87,000	80,000	82,000	14,000
Colorado	134,000	121,000	135,000	87,000
Georgia and North Carolina	1,000	1,000	1,000	1,000
Illinois	1,538,000	1,407,000	1,416,000	561,000
Indiana	562,000	482,000	523,000	250,000
Iowa	47,000	41,000	48,000	16,000
Kansas and Missouri	161,000	162,000	150,000	75,000
Kentucky—Eastern	939,000	909,000	913,000	669,000
Kentucky—Western	402,000	387,000	309,000	115,000
Maryland	40,000	32,000	44,000	24,000
Michigan	3,000	3,000	2,000	3,000
Montana (bitum. & lignite)	83,000	68,000	86,000	39,000
New Mexico	33,000	27,000	30,000	27,000
North & South Dakota (lignite)	35,000	32,000	30,000	13,000
Ohio	712,000	621,000	654,000	453,000
Pennsylvania (bituminous)	3,133,000	2,946,000	2,800,000	1,939,000
Tennessee	148,000	126,000	135,000	97,000
Texas (bituminous & lignite)	3,000	3,000	3,000	17,000
Utah	127,000	115,000	109,000	34,000
Virginia	390,000	389,000	400,000	218,000
Washington	25,000	24,000	23,000	34,000
West Virginia—Southern	2,271,000	2,240,000	2,280,000	1,558,000
West Virginia—Northern	1,112,000	1,100,000	976,000	540,000
Wyoming	152,000	151,000	146,000	85,000
Other Western States	1,000	1,000	1,000	1,000
Total bituminous & lignite	12,530,000	11,870,000	11,651,000	7,090,000
Pennsylvania anthracite	1,326,000	1,204,000	1,317,000	1,136,000
Total, all coal	13,856,000	13,074,000	12,968,000	8,226,000

†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, California, Idaho and Oregon. *Less than 1,000 tons.

National Fertilizer Association Commodity Price Average Unchanged

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on June 26, stood at 137.3 in the week ending June 24, unchanged from the previous week. A month ago this index stood at 136.8 and a year ago at 135.0, based on the 1935-1939 average as 100. The Association's report went on to say:

The many price changes in the all-commodity index last week were sufficiently balanced to cause the index to remain unchanged from the previous week. The farm products group advanced fractionally. However, prices on grains were generally down as lower quotations were given for wheat, oats, and rye, causing the grains group to reach a new low for the period since November, 1943. The livestock group continued to advance as higher prices for hogs, lambs, and live fowls were more than sufficient to offset lower quotations for cattle and ewes. The foods group continued to advance for the fourth consecutive week as prices increased on eggs, peanut oil, and soybean oil. The only item to decline in this group was white potatoes. The textiles group advanced fractionally. There were slightly decreased prices on wool. However, cotton prices advanced reaching a new 16-year high which was attributed to the passage of the Price Control Bill. The average of all other commodities remained unchanged from the previous week.

During the week 8 price series advanced and 9 declined; in the preceding week there were 9 advances and 5 declines; and in the second preceding week there were 5 advances and 6 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

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

Each Group Bears to the Total Index	Group	Latest Preceding Month Year			
		Week Jun. 24, 1944	Week Jun. 17, 1944	Month Ago May 27, 1944	Year Ago Jun. 26, 1943
25.3	Foods	139.2	138.7	137.4	138.8
	Fats and Oils	145.1	144.9	143.0	145.1
	Cottonseed Oil	163.1	163.1	156.7	159.0
23.0	Farm Products	156.5	156.0	154.4	152.4
	Cotton	206.8	205.0	201.0	200.1
	Grains	159.9	162.5	164.6	142.5
	Livestock	146.7	145.4	143.1	146.6
17.3	Fuels	130.1	130.1	130.1	122.8
10.8	Miscellaneous commodities	132.2	132.2	132.2	130.1
8.2	Textiles	153.0	152.9	152.3	151.2
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	153.4	153.4	153.7	152.6
1.3	Chemicals and drugs	127.7	127.7	127.7	126.6
.3	Fertilizer materials	117.7	117.7	117.7	117.7
.3	Fertilizers	119.7	119.7	119.7	119.8
.3	Farm machinery	104.4	104.4	104.3	104.1
100.0	All groups combined	137.3	137.3	136.8	135.0

*Indexes on 1926-1928 base were: June 24, 1944, 107.0; June 17, 107.0, and June 26, 1943, 105.2.

Non-Ferrous Metals — Light Metal Orders Revoked—Lead Sales Up—Zinc Bookings Fair

"E. & M. J. Metal and Mineral Markets," in its issue of June 22, stated: "WPB recently announced that orders limiting consumption of aluminum and magnesium will be revoked immediately under its reconversion program, as both of these metals are in ample supply. The only hitch to the free use of the light metals at present is manpower. Relaxation of copper regulations is not yet possible, according to WPB officials. The Tin-Lead Division is moving slowly in regard to releasing common lead of foreign origin for July, owing to some uncertainty in reference to the duration of the strike in Mexico. The situation in zinc was unchanged. Quicksilver quotations were fairly stable." The publication further went on to say in part:

Copper

Sales divisions of copper producers were busy last week taking care of July allocations. Though next month will loom large in consumption of copper, the trade believes that deliveries will not be as heavy as those of May and June. Brass and wire mills will be quite active in July, in spite of some necessary "vacation" periods.

Lead

The Tin-Lead Division has not yet taken final actions on allotting foreign metal for July shipment to consumers. Consumers who asked for foreign corroding lead will obtain it without delay, the trade believes, but WPB will move slowly in regard to common lead, as the supply situation in the ordinary grade is tied in with developments in Mexico. Most observers still feel that settlement of the strike is not far off. Requests for foreign lead for delivery next month involve around 22,000 tons.

Sales of lead in the domestic market for the last week totaled 10,960 tons, against 7,782 tons in the week previous.

Zinc

July business in zinc was booked in fair volume last week. However, consumers experienced no difficulty in obtaining all of the metal asked for promptly. Labor shortages at smelters is reducing output.

Production of galvanized sheets in the first four months of 1944 totaled 406,559 tons, equivalent to 45.8% of capacity.

Aluminum-Magnesium

Donald M. Nelson issued instructions on June 17 to revoke the WPB orders limiting the use of aluminum and magnesium so that manufacturers will be able to obtain these metals and fabricate them into essential products whenever and wherever manpower is available. With the exception of castings, foil, and forgings, stocks of the light metals and production facilities are more than sufficient for war needs.

Production of primary aluminum in March amounted to 160,400,000 lb., against 148,800,000 lb. in February, the Aluminum and Magnesium Division of WPB reports. Production of secondary aluminum in March totaled 59,000.

It is made up of \$1,516,000 in State and municipal bond sales and \$2,206,000 in corporate security issues.

New construction financing for the year to date, \$439,838,000, is 12% below the \$497,066,000 reported for the 25-week period last year.

300,000 lb., which compares with 47,800,000 lb. in February.

Shipments of aluminum products to consumers continued to increase in March, reaching a peak of 232,000,000 lb., against 206,700,000 lb. in February. The totals cover both primary and secondary aluminum products.

Tin

Advices from Washington indicate that the United States is about to recognize the government of Bolivia, thereby reversing a position taken some six months ago. Whether recognition will lead to a move to stimulate tin mining operations is not known here. Output of the Bolivian producers has declined since the beginning of 1944.

Production of tin-plate in the United States during the first four months of 1944 totaled 741,243 tons, according to the American Iron and Steel Institute. Out of the total tonnage produced, 540,479 tons consisted of hot-dipped plate and 200,764 tons electrolytic.

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

	June	July	August
June 15	52.000	52.000	52.000
June 16	52.000	52.000	52.000
June 17	52.000	52.000	52.000
June 19	52.000	52.000	52.000
June 20	52.000	52.000	52.000
June 21	52.000	52.000	52.000

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

Quicksilver

Buying of quicksilver during the last week was in fair volume and this appears to have steadied the price structure. Quotations continued at \$100 to \$105 per flask, depending on quantity and delivery. There was less evidence of "distressed" metal overhanging the market, and it is believed that stocks in the hands of producers have been reduced.

Silver

A special Lend-Lease agreement has been reached that provides for the shipment of 100,000,000 oz. of silver to India. The metal will be used to maintain an adequate supply for coinage for United Nations operations in that war theatre.

The London market for silver was unchanged last week at 23 1/2 d. The New York Official for foreign silver continued at 44 3/4 c., with domestic silver at 70 3/4 c.

U. S. Gold Production

Production of gold in the United States during April amounted to 83,883 oz., against 83,809 oz. in March and 139,741 oz. in April last year, according to the American Bureau of Metal Statistics. Production in 1943 was 1,365,223 oz., which compares with 3,618,503 oz. in 1942 and 5,980,746 oz. in 1941.

Lumber Movement—Week Ended June 17, 1944

According to the National Lumber Manufacturers Association, lumber shipments of 496 mills reporting to the National Lumber Trade Barometer were 5.7% below production for the week ended June 17, 1944. In the same week new orders of these mills were 10.0% below production. Unfilled order files of the reporting mills amounted to 119.8% of stocks. For reporting softwood mills, unfilled orders are equivalent to 41 days' production at the current rate, and gross stocks are equivalent to 33 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 6.4%; orders by 10.0%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 34.4% greater; shipments were 36.2% greater, and orders were 31.1% greater.

Civil Engineering Construction \$27,975,000 For Week

Civil engineering construction volume in continental United States totals \$27,975,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 4% lower than the preceding week, 48% under the volume for the corresponding 1943 week as reported to "Engineering News-Record," and 9% below the previous four-week moving average. The report issued on June 22 added:

Private construction for the week is 41% lower than a week ago but climbs 6% above the 1943 week. Public work tops last week by 5% but is 51% under last year.

The current week's construction brings 1944 volume to \$857,353,000 for the 25 weeks, a decrease of 51% from the \$1,766,252,000 reported for the period in 1943. Private construction, \$195,975,000, is 12% below last year, and public construction, \$661,378,000, is down 57% due to the 61% drop in Federal volume.

Civil engineering construction volume for the 1943 week, last week and the current week are:

	June 24, '43	June 15, '44	June 22, '44
Total U. S. construction	\$53,742,000	\$29,222,000	\$27,975,000
Private construction	3,212,000	5,791,000	3,400,000
Public construction	50,530,000	23,431,000	24,575,000
State and municipal	4,544,000	7,877,000	3,879,000
Federal	45,986,000	15,554,000	20,696,000

In the classified construction groups, gains over the preceding week are in sewerage, commercial building and large-scale private housing, and public buildings. Increases over the 1943 week are in waterworks, sewerage, and industrial buildings. Subtotals for the week in each class of construction are: waterworks, \$1,011,000; sewerage, \$1,211,000; bridges, \$231,000; industrial buildings, \$774,000; commercial buildings, \$1,735,000; public buildings, \$1,170,000; earthwork and drainage, \$249,000; highways, \$4,150,000; unclassified, \$6,912,000.

New capital for construction purposes for the week totals \$3,722,-

Daily Average Crude Oil Production For Week Ended June 17, 1944 Increased 45,750 Barrels

The American Petroleum Institute estimated that the daily average gross crude oil production for the week ended June 17, 1944, was 4,568,250 barrels, an increase of 45,750 barrels over the preceding week and a gain of 602,100 barrels per day when compared with the corresponding week of last year. The current figure, however, was 17,350 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of June, 1944. Daily output for the four weeks ended June 17, 1944, averaged 4,531,900 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 4,752,000 barrels of crude oil daily and produced 14,398,000 barrels of gasoline, 1,489,000 barrels of kerosene, 4,870,000 barrels of distillate fuel oil and 9,489,000 barrels of residual fuel oil during the week ended June 17, 1944; and had in storage at the end of that week 95,268,000 barrels of gasoline, 9,024,000 barrels of kerosene, 34,137,000 barrels of distillate fuel and 52,017,000 barrels of residual fuel oil. The above figures apply to the country as a whole and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations June	*State Allowables begin June 1	Actual Production Week Ended June 17, 1944	Change from Previous Week	4 Weeks Ended June 17, 1944	Week Ended June 19, 1943
Oklahoma	332,000	332,000	†331,950	+ 1,600	331,800	334,100
Kansas	274,000	269,600	†284,200	+ 25,450	275,200	302,200
Nebraska	1,000	---	†1,000	+ 100	1,000	2,050
Panhandle Texas	---	---	92,150	---	91,700	90,100
North Texas	---	---	149,400	---	148,500	131,800
West Texas	---	---	447,900	---	440,500	228,950
East Central Texas	---	---	145,000	---	141,900	123,500
East Texas	---	---	360,550	---	361,200	334,900
Southwest Texas	---	---	312,950	---	310,800	207,350
Coastal Texas	---	---	528,450	---	525,100	380,200
Total Texas	2,039,000	†2,042,059	2,036,400	---	2,020,300	1,496,800
North Louisiana	---	---	74,050	+ 500	73,600	85,800
Coastal Louisiana	---	---	288,750	---	286,500	240,850
Total Louisiana	350,000	395,000	362,800	+ 500	360,100	326,650
Arkansas	78,000	77,991	80,300	— 350	80,500	75,750
Mississippi	42,000	---	42,950	— 350	42,100	53,400
Alabama	---	---	100	---	100	---
Florida	---	---	50	---	50	---
Illinois	220,000	---	205,650	+ 3,900	206,600	216,400
Indiana	14,000	---	12,400	+ 150	12,600	15,200
Eastern (Not incl. Ill., Ind., Ky.)	73,600	---	69,200	+ 900	69,800	77,900
Kentucky	23,000	---	19,250	— 850	20,500	21,400
Michigan	51,000	---	50,200	---	50,800	54,400
Wyoming	94,000	---	84,200	+ 2,950	83,500	93,300
Montana	24,400	---	21,300	---	21,300	20,900
Colorado	7,400	---	8,150	— 600	8,400	7,150
New Mexico	113,000	113,000	107,950	— 250	108,100	97,150
Total East of Calif	3,736,400	---	3,718,050	+ 33,150	3,692,700	3,194,750
California	849,200	†849,200	850,200	+ 12,600	839,200	771,400
Total United States	4,585,600	---	4,568,250	+ 45,750	4,531,900	3,966,150

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. June 15, 1944.

This is the net basic allowable as of June 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 1 to 15 days, the entire state was ordered shut down for 7 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 7 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, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JUNE 17, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

District	Daily Refining Capacity	Potential % Rate	Crude Runs to Still Average	% Op-erated	Gasoline Production			Stocks of Gas Oil and Distillate Fuel	Stocks of Residual Fuel Oil
					at Refineries	Finished and Un-finished	Blended		
Combin'd: East Coast Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas, and inland Texas	2,518	90.3	2,510	99.7	7,255	37,556	18,015	15,840	15,840
Appalachian	---	---	---	---	---	---	---	---	---
District No. 1	130	83.9	98	75.4	301	2,057	749	265	265
District No. 2	47	87.2	53	112.8	162	1,046	406	209	209
Ind., Ill., Ky.	824	85.2	779	94.5	2,686	18,604	5,431	3,201	3,201
Okla., Kans., Mo.	418	80.2	372	89.0	1,291	7,782	1,344	1,367	1,367
Rocky Mountain	---	---	---	---	---	---	---	---	---
District No. 3	13	17.0	13	100.0	36	68	4	29	29
District No. 4	141	58.3	106	75.2	405	2,469	339	610	610
California	817	89.9	821	100.5	2,262	15,686	7,849	30,496	30,496
Total U. S. B. of M. basis June 17, 1944.	4,908	87.2	4,752	96.8	14,398	†85,268	34,137	52,017	52,017
Total U. S. B. of M. basis June 10, 1944.	4,908	87.2	4,670	95.2	14,220	86,911	33,669	51,221	51,221
U. S. Bur. of Mines basis June 19, 1943.	---	---	3,899	---	11,410	79,591	31,751	66,931	66,931

*At the request of the Petroleum Administration for War. †Finished, 72,944,000 barrels; unfinished, 12,324,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Net including 1,489,000 barrels of kerosene, 4,870,000 barrels of gas oil and distillate fuel oil and 9,489,000 barrels of residual fuel oil produced during the week ended June 17, 1944, which compares with 1,586,000 barrels, 4,996,000 barrels and 9,008,000 barrels, respectively, in the preceding week and 1,565,000 barrels, 3,655,000 barrels and 8,091,000 barrels, respectively, in the week ended June 19, 1943.

Note—Stocks of kerosene at June 17, 1944 amounted to 9,024,000 barrels, as against 2,403,000 barrels a week earlier and 7,567,000 barrels a year before.

Trading On New York Exchanges

The Securities and Exchange Commission made public on June 17 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 June 3, 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 June 3 (in round-lot transactions) totaled 1,433,972 shares, which amount was 15.14% of the total transactions on the Exchange of 4,732,350 shares. This compares with member trading during the week ended May 27 of 1,571,894 shares, or 16.43% of the total trading of 4,782,560 shares. On the New York Curb Exchange, member trading during the week ended June 3 amounted to 275,290 shares, or 14.20% of the total volume on that exchange of 969,325 shares; during the May 27 week trading for the account of Curb members of 277,670 shares was 13.99% of total trading of 992,990 shares.

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

WEEK ENDED JUNE 3, 1944		
A. Total Round-Lot Sales:	Total for week	%
Short sales	130,380	
†Other sales	4,601,970	
Total sales	4,732,350	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	334,520	
Short sales	49,840	
†Other sales	323,970	
Total sales	373,810	7.48
2. Other transactions initiated on the floor—		
Total purchases	210,560	
Short sales	18,740	
†Other sales	193,130	
Total sales	211,870	4.46
3. Other transactions initiated off the floor—		
Total purchases	130,594	
Short sales	16,500	
†Other sales	156,118	
Total sales	172,618	3.20
4. Total—		
Total purchases	675,674	
Short sales	85,080	
†Other sales	673,218	
Total sales	758,298	15.14

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

WEEK ENDED JUNE 3, 1944		
A. Total Round-Lot Sales:	Total for week	%
Short sales	10,160	
†Other sales	959,165	
Total sales	969,325	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	70,105	
Short sales	6,585	
†Other sales	73,715	
Total sales	80,300	7.76
2. Other transactions initiated on the floor—		
Total purchases	22,970	
Short sales	1,900	
†Other sales	25,240	
Total sales	27,140	2.58
3. Other transactions initiated off the floor—		
Total purchases	35,115	
Short sales	950	
†Other sales	38,710	
Total sales	39,660	3.86
4. Total—		
Total purchases	128,190	
Short sales	9,435	
†Other sales	137,665	
Total sales	147,100	14.20
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
†Customers' other sales	39,945	
Total purchases	39,945	
Total sales	25,534	

*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."

Public Utility Rates Left To States, Says Secretary Morgenthau

Henry Morgenthau, Jr., announced on June 18 that the Treasury Department has "no intention" of opposing because of possible losses in Federal revenues, reductions in public utility rates, said the New York "Herald-Tribune" of June 19, which went on to say:

Mr. Morgenthau noted that utility rates rate under the jurisdiction of public regulatory bodies and said that if these agencies set rates which result in less revenue for the Federal Government, "the Treasury Department is prepared to accept that result."

The Treasury statement follows: "The Department does not wish to be considered as giving even tacit approval to the suggestion being made in some quarters that public utility rate reductions should not be put into effect because one result would be a loss of Federal revenues, particularly through reduction or elimination of Federal excess-profits taxes.

"Public utility rates are under the jurisdiction of public regulatory bodies, usually State public service commissions, set up for the purpose of protecting the public by seeing to it that the rates charged are reasonable. The responsibility is theirs, and if the setting of reasonable rates results in the Federal Government collecting less excess-profits taxes, the Treasury Department is prepared to accept that result."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on June 20 a summary for the week ended June 10 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 June 10, 1944	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week
Number of orders	20,491
Number of shares	566,602
Dollar value	\$22,449,862
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	165
*Customers' other sales	20,408
Customers' total sales	20,573
Number of Shares:	
Customers' short sales	5,746
*Customers' other sales	527,584
Customers' total sales	533,330
Dollar value	\$17,105,750

Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	100
†Other sales	143,440
Total sales	143,540

Round-Lot Purchases by Dealers:	
Number of shares	190,580

*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."

to persons not suffering from tornado damage, and it extends only to the counties named and to damage sustained on the date mentioned. Registrants who grant credit under the provisions of this designation should retain in their files written evidence or a signed statement of the obligor setting forth the basis for exemption of the particular credit from Regulation W."

Temporary Suspension Of Regulation W Applicable To Extension Of Credit In Pa. & W. Va.

President M. J. Fleming of the Federal Reserve Bank of Cleveland announced on June 24 the temporary suspension of Regulation W as it applies to extensions of credit for the replacement or repair of real or personal property damaged or lost as a result of the tornado which occurred in southwestern Pennsylvania and northern West Virginia on the night of June 23-24, 1944. The announcement states that "the areas affected include Allegheny, Washington, Westmoreland, Greene, Fayette, Indiana and Armstrong counties in Pennsylvania, and Brooke, Hancock, Marshall, Ohio, Tyler and Wetzel counties in West Virginia."

President Fleming said that while Regulation W is intended as a curb upon the inflationary aspects of credit, it was not designed to add to the difficulties of persons suffering from disasters of this type. His announcement adds: "In recognition of the fact that many families will have to repair property damage and replace personal and household effects without delay, the Bank announced this suspension order to permit extensions of credit on any terms which dealers or lenders may choose to grant in connection with the replacement of goods damaged or lost in the tornado. "This waiver does not extend

Revenue Freight Car Loadings During Week Ended June 17, 1944 Increased 4,968 Cars

Loading of revenue freight for the week ended June 17, 1944, totaled 879,161 cars, the Association of American Railroads announced on June 22. This was an increase above the corresponding week of 1943 of 10,875 cars, or 1.3%, and an increase above the same week in 1942 of 34,248 cars, or 4.1%.

Loading of revenue freight for the week of June 17 increased 4,968 cars, or 0.6% above the preceding week.

Miscellaneous freight loading totaled 387,435 cars, an increase of 4,041 cars above the preceding week, and an increase of 780 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 104,485 cars, an increase of 329 cars above the preceding week, and an increase of 6,275 cars above the corresponding week in 1943.

Coal loading amounted to 181,574 cars, a decrease of 1,027 cars below the preceding week, but an increase of 4,658 cars above the corresponding week in 1943.

Grain and grain products loading totaled 45,332 cars, an increase of 1,437 cars above the preceding week but a decrease of 4,376 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of June 17, totaled 29,551 cars, an increase of 215 cars above the preceding week but a decrease of 6,167 cars below the corresponding week in 1943.

Livestock loading amounted to 13,908 cars, a decrease of 235 cars below the preceding week, but an increase of 2,710 cars above the corresponding week in 1943. In the Western Districts alone loading of livestock for the week of June 17 totaled 9,938 cars, a decrease of 225 cars below the preceding week, but an increase of 2,145 cars above the corresponding week in 1943.

Forest products loading totaled 48,104 cars, an increase of 278 cars above the preceding week and an increase of 3,087 cars above the corresponding week in 1943.

Ore loading amounted to 83,020 cars, an increase of 19 cars above the preceding week but a decrease of 3,345 cars below the corresponding week in 1943.

Coke loading amounted to 15,303 cars, an increase of 126 cars above the preceding week, and an increase of 1,086 cars above the corresponding week in 1943.

All districts reported increases compared with the corresponding week in 1943, except Eastern, Pocahontas and Northwestern. All districts reported increases compared with 1942, except Pocahontas, Southern and Northwestern.

	1944	1943	1942
5 Weeks of January	3,796,477	3,531,811	3,858,479
4 weeks of February	3,159,492	3,055,725	3,122,942
4 weeks of March	3,135,155	3,073,445	3,174,781
5 weeks of April	4,068,625	3,924,981	4,209,907
4 weeks of May	3,446,252	3,363,195	3,311,637
Week of June 3	810,772	667,609	854,689
Week of June 10	874,193	854,486	832,635
Week of June 17	879,161	868,286	844,913
Total	20,170,127	19,339,538	20,209,983

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 17, 1944. During the period 69 roads showed increases when compared with the corresponding week a year ago when the coal miners were on strike.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JUNE 17

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1944	1943	1944	1943
Eastern District—	1944	1943	1944	1943
Ann Arbor	273	244	359	1,643
Bangor & Aroostook	1,074	936	924	316
Boston & Maine	6,913	6,335	5,766	14,602
Chicago, Indianapolis & Louisville	1,390	1,401	1,530	2,538
Central Indiana	24	44	29	34
Central Vermont	1,117	1,023	953	2,328
Delaware & Hudson	5,951	6,651	6,362	12,106
Delaware, Lackawanna & Western	8,061	8,209	7,983	10,143
Detroit & Mackinac	286	206	313	130
Detroit, Toledo & Ironton	1,780	1,904	1,638	1,271
Detroit & Toledo Shore Line	338	301	240	2,363
Erie	13,203	13,428	13,192	17,207
Grand Trunk Western	3,928	3,912	3,702	8,101
Lehigh & Hudson River	209	194	182	2,772
Lehigh & New England	2,225	2,142	2,072	1,961
Lehigh Valley	9,208	9,216	8,939	16,094
Maine Central	2,420	2,194	2,026	2,776
Monongahela	7,647	6,552	6,412	317
Montour	2,644	2,479	2,428	23
New York Central Lines	50,830	56,826	46,946	55,869
N. Y., N. H. & Hartford	9,308	9,995	9,722	18,773
New York, Ontario & Western	1,390	1,667	1,195	3,850
New York, Chicago & St. Louis	6,672	6,559	7,117	15,822
N. Y., Susquehanna & Western	419	557	525	2,377
Pittsburgh & Lake Erie	7,755	7,372	8,238	9,580
Pere Marquette	5,016	5,016	5,390	7,675
Pittsburgh & Shawmut	1,001	1,001	785	203
Pittsburgh, Shawmut & North	339	358	390	302
Pittsburgh & West Virginia	1,440	1,183	1,145	2,682
Rutland	373	331	326	1,208
Wabash	5,685	5,396	5,263	13,096
Wheeling & Lake Erie	6,087	6,584	6,227	4,271
Total	165,006	170,216	158,319	232,050

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1944	1943	1944	1943
Allgheny District—	1944	1943	1944	1943
Akron, Canton & Youngstown	698	846	632	1,262
Baltimore & Ohio	47,722	43,250	41,329	29,740
Bessemer & Lake Erie	7,058	6,595	7,488	2,314
Buffalo Creek & Gauley	1,333	930	284	5
Cambria & Indiana	1,659	1,626	2,052	3
Central R. R. of New Jersey	6,712	7,245	7,143	19,343
Cornwall	531	627	690	53
Cumberland & Pennsylvania	245	295	253	9
Ligonier Valley	178	152	151	54
Long Island	1,370	1,108	776	3,826
Penn-Reading Seashore Lines	1,744	1,753	1,729	2,512
Pennsylvania System	88,852	82,949	84,043	68,875
Reading Co.	15,304	14,690	13,864	28,055
Union (Pittsburgh)	20,315	12,374	21,344	7,359
Western Maryland	4,064	4,210	4,321	12,507
Total	196,786	187,010	186,099	175,917

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1944	1943	1944	1943
Pocahontas District—	1944	1943	1944	1943
Chesapeake & Ohio	28,864	29,840	28,697	14,363
Norfolk & Western	22,282	23,053	23,387	8,560
Virginian	4,542	4,890	4,747	2,149
Total	55,688	57,783	56,831	25,072

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southern District—	1944	1943	1942	1944	1943
Alabama, Tennessee & Northern	254	284	358	420	312
Ail & W. P.—W. R. R. of Ala.	719	573	654	2,681	2,680
Atlanta, Birmingham & Coast	845	746	772	1,450	1,275
Atlantic Coast Line	12,524	13,130	13,072	9,700	10,403
Central of Georgia	3,674	3,941	4,406	5,484	4,339
Charleston & Western Carolina	402	459	392	1,885	1,815
Clinchfield	1,803	1,733	1,723	2,953	2,692
Columbus & Greenville	243	329	286	265	133
Durham & Southern	124	102	136	695	765
Florida East Coast	983	1,689	799	1,559	1,860
Gainesville Midland	52	34	34	124	106
Georgia	1,343	1,181	1,453	2,637	3,044
Georgia & Florida	403	364	383	630	517
Gulf, Mobile & Ohio	4,136	3,512	4,017	4,403	4,233
Illinois Central System	28,576	25,349	25,561	16,318	19,315
Louisville & Nashville	25,252	25,042	26,395	12,277	12,436
Macon, Dublin & Savannah	165	199	160	973	766
Mississippi Central	216	195	174	593	351
Nashville, Chattanooga & St. L.	3,180	3,320	3,845	4,391	4,896
Norfolk Southern	1,342	1,448	2,799	1,615	1,554
Piedmont Northern	377	355	348	1,139	1,299
Richmond, Fred. & Potomac	426	833	517	10,749	11,045
Seaboard Air Line	9,835	10,232	11,446	8,305	7,843
Southern System	22,608	20,842	22,944	21,474	23,427
Tennessee Central	687	563	609	827	1,007
Winston-Salem Southbound	130	100	80	1,063	854
Total	120,299	116,555	123,453	114,611	118,967

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Northwestern District—	1944	1943	1942	1944	1943
Chicago & North Western	20,189	19,465	21,603	11,918	13,162
Chicago Great Western	2,264	2,878	1,977	3,227	2,959
Chicago, Milw., St. P. & Pac.	21,105	19,899	18,223	10,735	11,208
Chicago, St. Paul, Minn. & Omaha	3,365	3,155	3,329	3,491	3,688
Duluth, Missabe & Iron Range	27,881	27,422	28,422	263	403
Duluth, South Shore & Atlantic	1,023	1,230	1,809	511	537
Elgin, Joliet & Eastern	8,773	8,249	8,260	11,917	10,937
Fl. Dodge, Des Moines & South	434	441	523	90	146
Great Northern	22,954	26,203	25,476	6,715	6,212
Green Bay & Western	492	438	496	853	1,008
Lake Superior & Ishpeming	2,673	3,410	2,541	46	22
Minneapolis & St. Louis	2,150	1,912	2,048	2,416	2,219
Minn., St. Paul & S. S. M.	6,755	7,021	7,748	3,228	3,025
Northern Pacific	11,114	11,352	11,014	5,885	5,486
Spokane International	147	154	102	536	673
Spokane, Portland & Seattle	2,975	2,808	2,607	3,256	3,361
Total	134,294	136,037	137,810	65,087	65,050

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Central Western District—	1944	1943	1942	1944	1943
Atch., Top. & Santa Fe System	27,233	25,092	24,460	11,941	11,861
Alton	3,461	2,896	3,040	4,184	4,666
Bingham & Garfield	455	616	724	67	62
Chicago, Burlington & Quincy	18,736	17,930	15,545	12,002	11,536
Chicago & Illinois Midland	3,098	3,155	2,405	856	793
Chicago, Rock Island & Pacific	12,142	12,514	11,888	12,420	13,289
Chicago & Eastern Illinois	2,686	2,423	1,820	6,998	5,733
Colorado & Southern	3,629	3,275	3,243	2,510	1,795
Denver & Rio Grande Western	546	802	548	5,848	5,880
Denver & Salt Lake	730	675	566	39	18
Fort Worth & Denver City	1,096	1,310	1,398	1,770	2,338
Illinois Terminal	2,270	1,846	1,863	1,930	2,284
Missouri-Illinois	1,176	1,048	1,255	488	471
Nevada Northern	1,779	2,070	2,027	138	128
North Western Pacific	940	1,076	1,118	728	704
Peoria & Pekin Union	0	7	11	0	0
Southern Pacific (Pacific)	33,647	32,897	30,313	12,779	14,231
Toledo, Peoria & Western	317	232	257	2,335	1,800
Union Pacific System	14,405	12,919	12,546	16,138	17,001
Utah	526	494	597	9	5
Western Pacific	2,124	2,179	2,105	3,991	4,105
Total	130,996	125,456	117,882	97,171	98,936

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southwestern District—	1944	1943	1942	1944	1943
Burlington-Rock Island	423	1,041	177	397	200
Gulf Coast Lines	5,617	5,146	4,441	2,360	2,706
International-Great Northern	3,200	2,849	2,809	4,489	3,435
Kansas, Oklahoma & Gulf	261	244	345	1,111	938
Kansas City Southern	6,213	6,001	4,916	2,672	2,989
Louisiana & Arkansas	3,884	4,102	3,640	2,799	2,782
Litchfield & Madison	245	340	321	1,384	1,358
Midland Valley	630	714	682	393	250
Missouri &					

Items About Banks, Trust Companies

The Continental Bank & Trust Co. of New York announced on June 26 the election of Eugene L. Voss as a Vice-President. Mr. Voss, who has been an Assistant Vice-President of the bank for the last five years, will have supervision of the bank's business in several States in the Midwest and Northwest territory.

On June 22 the Continental Bank & Trust Co. announced the election of Michael J. G. Logan and James J. Mead Jr. as Assistant Treasurers. Mr. Logan entered the bank's employ in 1929 and had been in the securities department for several years. Mr. Mead had been with the Guaranty Trust Co. of New York continuously since 1928, with the exception of eight months in Army service. He was in the municipal bond department of the bank.

The election of Lucius Wilmerding as a trustee of The Bank for Savings in the City of New York is announced by Decoursey Fales, President of the bank. Mr. Wilmerding is a member of the firm of Harris, Upham & Co. He is also a trustee of the Bank of New York and a director of City and Suburban Home Co. and the Manhattan & Storage Warehouse Co.

The N. Y. State Banking Department announced on June 16 the filing of an application of General Electric Credit Corp., of New York City, for permission to open branch offices at 378 Stuart Street, Boston, and 700 Antoinette Street, Detroit, conditioned upon discontinuance of offices maintained at 581 Boylston Street, Boston, and 7310 Woodward Avenue, Detroit.

The N. Y. State Banking Department announced on June 16 that it has received applications of Crown Finance Co. of New York, Inc., 165 Broadway, New York, for permission to transact business as licensed lender at 10 South Franklin Street, Hempstead, L. I., and at 199 Main Street, White Plains, N. Y.

With the approval of the Banking Board of the State of New York, the Marine Midland Trust Co. of New York has established the first discretionary common trust fund in the State. Its purpose is to provide the same diversification for smaller trusts as has previously been available for larger trusts, with investments in carefully selected bonds, preferred stocks and common stocks. To assure liquidity, investments of the fund will be confined to marketable securities. No real estate mortgages or real estate will be purchased. Each participating trust will have an interest in the common fund proportionate to its investment. Investments are limited to a maximum of \$25,000 from each trust and are available only to trust accounts administered by the Marine Midland. Income will be distributed to the participating trusts at least quarterly. Trust investments may be withdrawn on the valuation dates, the last business days of January, April, July and October—when the withdrawing trust will receive an amount in cash equal to its proportionate interest in the value of the fund.

Central Savings Bank of New York, with offices at Broadway and 73rd Street and 14th Street and 4th Avenue, will observe its 85th anniversary on July 1st. In commenting on the occasion, James T. Lee, the Bank's President, announced that its total resources are now in excess of \$226,000,000, of which over 50% or \$114,278,000 is invested in Government bonds. "Despite wars, panics and depressions," Mr. Lee stated, "the Bank has paid dividends without interruption since the first dividend was credited to depositors, six months after the Bank opened its doors."

Now the fourth largest mutual savings bank in Manhattan and the seventh largest in the United States, Central has shown a growth in number of depositors from 44 on July 1, 1859, to more than 189,000 at the present time, and deposits have increased from \$7,670 to more than \$199,000,000.

The bank's first offices were opened in the Cooper Union Building where, several months later, Abraham Lincoln was to deliver his famous address, for the Civil War was then in the making. In 1864, to accommodate its needs for larger space, the bank purchased the southeast corner of 4th Avenue and 14th Street at a cost of \$61,513.67, which offers an interesting contrast with its value today. In 1928 the bank completed its uptown office at Broadway and 73rd Street in a vicinity which was farm land when the bank was founded.

Robert C. Ream, President and a Director of the American Re-Insurance Company and holding similar positions in Ream, Wrightson & Co., Inc., has been elected a trustee of The New York Trust Company, it was announced on June 27 by John E. Bierwirth, President of the bank. Mr. Ream, long identified with the insurance business, is a director of the Seaboard Air Line Railway, Clinchfield Coal Corp., and Matthews, Wrightson & Co., Ltd. He is also a member of the American Museum of Natural History. Mr. Ream is a son of the late Norman B. Ream who was a trustee of The New York Trust Company for many years.

It is announced that William G. Smith and Henry D. Mohr have been appointed Assistant Controllers of the Brooklyn Savings Bank. Mr. Smith and Mr. Mohr were previously Assistant Cashiers of the bank.

The resignation of Henry D. Rodgers as President of Albany Savings Bank of Albany, N. Y., effective Sept. 25, was announced on June 21 by Luther H. Tucker, Secretary of the board of trustees. At Mr. Rodgers's request the retirement date was set to coincide with his 65th birthday. He is leaving the post because of ill health, said an Albany dispatch to the New York "Herald Tribune."

Martin T. Nachtmann, President of the Albany Exchange Savings Bank of Albany, N. Y., died on June 20. He was 73 years of age on April 25. From the Albany "Times-Union" we quote:

"A graduate of the College of the City of New York, Mr. Nachtmann became associated in the practice of law with the late John DeWitt Peltz in Colorado Springs, Colo., in 1837. Upon the death of Mr. Peltz in 1904 Mr. Nachtmann, then a graduate of Albany Law School, established offices at 82 State Street, where he practiced his profession continuously thereafter.

"Besides being a trustee and President of the Albany Exchange Savings Bank, Mr. Nachtmann was a director of the South Texas Development Co. and its counsel. He was also a director of the Albany Title Co. and a voting trustee of the United Traction Co. He was Vice-President of the New York State Bar Association and a member of the Albany County Bar Association."

Holder of the common stock of the Springfield National Bank of Springfield, Mass., will receive "rights" to subscribe to an additional 30,000 shares of the stock at a price of \$15 per share, it was announced following a special meeting of the shareholders on June 20. Warrants permitting the purchase of three new shares for every 10 shares now held will expire on July 31. An underwriting group composed of Paine, Webber,

Jackson & Curtis, The First Boston Corp., and Estabrook & Co. have agreed to buy the balance of the issue, upon expiration of the warrants, for public distribution. The announcement in the matter also says:

"Proceeds of this offering, together with other funds, will be used to retire the entire outstanding \$500,000 of preferred stock held by the Reconstruction Finance Corporation. Upon completion of this financing the entire capital of the institution will be represented by 130,000 shares of common stock. The latest published report shows deposits of the bank on April 13, 1944, amounting to \$38,949,445, an increase of more than \$10,000,000 from the total at the close of 1942. Total resources on April 13, 1944, were over \$44,343,000.

"After giving effect to the new financing, the capital structure of the bank will consist of \$1,300,000 of common stock at par value of \$10 per share, surplus of \$1,100,000 and undivided profits of approximately \$100,000, bringing total capital funds to \$2,500,000.

"Dividends on the common shares were resumed with the declaration by the directors of 40 cents a share, payable June 20, 1944, on the common stock outstanding prior to the issue of the 'rights.'"

The First National Bank & Trust Co. of New Haven, Conn., announced on June 22 that it will redeem its 9,200 shares of outstanding convertible preferred stock on Aug. 1 at \$125, plus dividend of \$3 a share. Funds for the retirement, amounting to \$1,150,000, will be provided, it is announced, partly from funds set aside for this purpose and partly from proceeds received from the recent sale of 18,900 shares of common stock at \$53 per share. Preferred stockholders have the privilege of surrendering their certificates for immediate payment at any time after the date of the notice at the retirement price of \$125 per share, plus dividend of \$3 per share. Payment will be made at the bank. With the retirement of the convertible preferred stock the capital stock of the bank will consist solely of 44,100 shares of common stock in the amount of \$2,205,000.

Plans for increasing the common stock were referred to in these columns June 1, page 2296.

Kelley Graham, President of The First National Bank of Jersey City, N. J., announced on June 27 the adoption of a resolution by the directors of the bank authorizing the transfer on June 30, 1944, of \$625,000 from undivided profits and reserves to surplus account. This will increase the bank's surplus to \$2,225,000, an amount equal to its capital account, or a total for the capital and surplus accounts of \$4,450,000.

William C. Page, President of the Calvert Bank of Baltimore, died on June 22 after an illness of several months. Born in Frederick County in 1862, Mr. Page from 1915 to 1920 was city collector of Baltimore during the regime of the late Mayor James H. Preston. In the Baltimore "Sun" it is also stated:

"Mr. Page started his career in the insurance business in Baltimore in 1881. From 1885 to 1889 he had his headquarters in New York City. He returned to Baltimore in 1889.

"In 1900 he organized the Calvert Bank, and when it opened for business in 1901 Mr. Page was elected as President, and held the office until his death yesterday.

"In 1910 Mr. Page was instrumental in obtaining passage of a bill in the Maryland General Assembly establishing the State Banking Department. In 1913 he was elected President of the Maryland Bankers Association.

"That year he was a delegate to the monetary convention held in Chicago to consider features of

the Federal Reserve System.

"In addition to being a member of the executive committee of the Baltimore Clearing House, Mr. Page was a director on the boards of several banks and other corporations in the city."

The Wheeling Dollar Savings & Trust Co. of Wheeling, W. Va., announces the death on June 9 of Robert Hazlett, Chairman of the board of directors.

Holman D. Pettibone, President of Chicago Title & Trust Co. of Chicago, Ill., has announced the appointment of Irene J. Bliss as Assistant Secretary of the company.

At a meeting of the board of directors of the Live Stock National Bank of Omaha, Neb., on June 20, John R. Jirdon of Morrill, Neb., was appointed a member of the board to succeed the late Thomas E. Gledhill, one of the original directors of the bank. The advices from the bank state:

"Mr. Jirdon is an extensive lamb and cattle feeder in the North Platte Valley and is President of the Colorado-Nebraska Lamb Feeders Association, a member of the Joint Live Stock Committee, a member of the Advisory Committee to the War Meat Board of the United States, and is also a director of the First National Bank of Morrill, Neb. His interests in the North Platte Valley include the grain and milling business.

"He is considered one of Nebraska's outstanding live stock and grain men, and is well known throughout the entire United States in this field."

The Martin County Bank, Shoals, Ind., became a member of the Federal Reserve Bank of St. Louis on June 21, it is announced by the Reserve Bank, which states:

"The new member was chartered in 1887. It has a capital of \$25,000 and total resources of \$622,037. Its officers are: Charles W. Slates, President; John L. Sherfick, Vice-President; Edgar Witcher, Cashier, and Arthur M. Mollet, Assistant Cashier.

"The addition of the Martin County Bank brings the total membership of the Federal Reserve Bank of St. Louis to 467. These member banks hold over 70% of the net deposits of all banking institutions in the Eighth District."

The board of directors of Louisville Trust Co. of Louisville, Ky., have voted to retire \$150,000 of preferred stock held by the Reconstruction Finance Corporation, to add a quarter of a million dollars to the bank's surplus, and to pay a dividend of 25 cents a share on capital stock, Earl R. Muir, President of the institution, announced on June 21. This is learned from the Louisville "Courier-Journal" of June 22, in which it was also stated:

"The Reconstruction Finance Corporation originally bought \$1,000,000 of the bank's 3% preferred stock. In the last few years Louisville Trust had retired \$350,000. Redemption of the current \$150,000 of the issue thus cut the original million to a remainder of \$500,000.

"Louisville Trust Co. in its last statement showed a surplus of \$850,000. Transfer of an additional \$250,000 builds this account to a grand total of \$1,100,000. The combined surplus and capital now is \$2,600,000. This includes 100,000 shares of \$10 par common stock, or \$1,000,000, and \$500,000 of preferred still owned by the RFC.

"The bank earlier this year paid a dividend of 25 cents a share on common stock. The current dividend, totaling \$25,000, will be paid at a similar rate per share on July 17 to all stockholders of record July 1.

CIO Says WLB Causes Labor Unrest

In a resolution adopted at a meeting of the Congress of Industrial Organization Executive Board at Washington on June 18, condemned the War Labor Board and blamed the WLB policies for labor unrest and resentment across the nation, it was made known in a United Press dispatch from Washington on June 18, from which we have also taken the following about the resolution:

The resolution charged that employers were capitalizing on WLB shortcomings to "provoke labor and to cause political confusion and national unrest."

While the CIO board promised "complete support" of the WLB as an agency necessary to settle war-time labor disputes, it made this charge:

"The present policies of the National War Labor Board, instead of being streamlined and designed to meet the war-time problems, are actually causing the most intense unrest and resentment throughout the nation."

The specific complaints were made that:

1. The board was "blandly continuing the present national wage freeze" although the cost of living has risen above the 15% wage increase allowance of the "Little Steel" formula.

2. The "wage bracket" system resulted in rates much lower than those established through collective bargaining and threatened to destroy such bargaining.

3. The board had "abdicated its authority to the wage stabilization division which arrogantly has assumed final authority over all wage problems."

4. "Interminable delays in the board's procedure have made a mockery of any relief to be obtained through resort to the board."

The "wage bracket" system, revised after issuance of President Roosevelt's hold-the-line order last year, was created to cover mushrooming war industries to which the "Little Steel" formula could not be applied. It calls for surveys of "tested and going rates" in various areas for specific job classifications and allowed new industries to adopt the minimum rates thus established.

The CIO board authorized Philip Murray to appoint a committee of seven to submit a statement of the complaints and to demand relief.

43,444 New Freight Cars On Order on June 1, 1944

The Class 1 railroads on June 1, 1944, had 43,444 new freight cars on order, the Association of American Railroads announced today (June 22). This included 14,749 hopper, 4,820 gondolas, 700 flat, 18,507 plain box cars, 2,968 automobile box cars, 1,200 refrigerator and 500 stock freight cars. On June 1, last year, they had 33,537 cars on order. The roads also had 643 locomotives on order on June 1, this year, which includes 203 steam, two electric and 438 Diesel locomotives. Total on order June 1, 1943, was 937, including 418 steam, 7 electric and 512 Diesel locomotives one year ago.

The Class 1 railroads put 12,263 new freight cars in service in the first five months this year compared with 7,484 in the same period last year. Those installed in the first five months included 7,371 hopper, 709 gondola, 815 flat, 540 automobile box, 2,665 plain box and 162 refrigerator freight cars and one other car.

They also put 417 locomotives in service in the first five months of 1944, of which 166 were steam, one electric and 250 Diesel. Locomotives installed in the first five months of 1943 totaled 251, of which 178 were steam, 11 electric and 62 Diesel.