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The Financial Situation

President Truman both as Chief Executive of the nation and as leader of the Democratic party has an excellent opportunity to make it clear whether he is really a New Dealer at heart. That opportunity has been provided by Senator Wagner, who last week introduced a bill which would, if enacted into law, become the "Social Security Amendments of 1945." This proposed measure may well indeed serve an even broader purpose. The reaction of the President and of the members of his party should, if there is no evasion or side-stepping, indicate whether, and to what extent, the Democratic party—and possibly the Republican party likewise—have become victims of the strange notion that a new earth if not a new heaven can and should be created after the war by paternalism in partnership with profligacy.

An Inacceptable Program

It may be doubted whether Mr. Roosevelt, had he lived and had he remained under the spell of the day-dreamers in Washington, would have come forward with a more sweeping and a more impracticable and more wholly inadvisable measure. At any time prior to the astounding record of the New Deal, it would have appeared quite incredible to any intelligent person that the people of the United States would for a moment support any such measure as this. There is scarcely a tenet of good American tradition within reach of such a measure which is not transgressed by it. A government which has won a record of administrative incompetence would take over from the States the vast system of unemployment insurance. A regime which is responsible for conditions in the Veterans' hospitals which should bring a blush of shame to the cheeks of every American would be charged with the organization and administration of a sys-

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Krug Says America Can Build Strong Transitional Economy

Chairman of War Production Board Declares That Nation's War Program Has Reached Maturity and Outlines WPB Policy for Coming Months in Facilitating Industrial Reconversion to Peacetime Output. Avers Country Is in More Favored Position for Changeover to Partial Non-War Economy, Despite Need for Prosecuting Conflict Against Japan, Than It Was at End of First World War.

A staggering demand for civilian goods of all types both at home and abroad is "the foundation on which America can build a strong transitional economy" as it swings from munitions to peacetime production.



J. A. Krug

J. A. Krug, Chairman of the War Production Board, said on May 27 in a full report to the board on reconversion. Pointing to the pent-up demands that will provide a backlog for industrial plant expansion and renovation in this country, Mr. Krug cited statistics to show that in 1944, if goods had been available, Americans would have spent close to \$120 million. In addition, he said, 1943 and 1942 consumers were likewise unable to use their incomes as they normally would have.

The nation's war production chief outlined the policy of WPB in the months to come, saying:

"Although war will be the country's main job, we must do everything possible to provide opportunities for returning soldiers and discharged workers after the defeat of Japan. Toward that end it is necessary to get rid of regulations and production limitations as quickly as possible, and by doing so automatically lift the ceiling on initiative, imagination, and resourcefulness—the very qualities the country will need most if we are to have a resilient and expanding economy after the defeat of Japan.

"In this way the choice of what and how to produce, buy, and sell—after positive assistance to military and essential war supporting agencies—will be left to the decisions of thousands of manufacturers, wholesalers, retailers, farmers and ultimate consumers, rather than to Government agencies and officials.

"If we were to attempt in Washington to see that every manufacturer, wholesaler and retailer got his exact share of relaxed manpower and materials, we would be lost in a myriad of

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Keynes Contrived International Monetary Scheme

By HON. FREDERICK C. SMITH
Congressman from Ohio
Member, House Committee on Banking and Currency

PART II

Congressman Smith Compares the Keynes "Clearing Union" Plan With the Provisions of the International Monetary Fund and Contends That the Regulations Adopted for Quotas, for Borrowing, for Fixing Gold Prices, and for Rationing Currencies Follow Keynes' Ideas. Says Rationing Dollars Will Force U. S. to Either Invest Abroad or to "Give Exports Away." Holds Our Tariffs and the Gold Value of Dollar Will Be Placed Under Foreign Control, and That Rationing of Our Exports by Fund Will Give Britain an Advantage in International Trade and Finance Because She Will Be a Heavy Borrower of the Fund.

Editor's Note—In the first portion of his analysis of the Bretton Woods proposals, which appeared in the "Chronicle" of May 24, Con-

gressman Smith asserted that the International Monetary Fund was in line with Lord Keynes' monetary debase-ment schemes. He compared the original Keynes "Clearing Union" with the United States Treasury's monetary stabilization plan and the provisions of the Bret-



Frederick C. Smith

ton Woods Pact and drew the conclusion that the provisions will not only permit but may compel a debasement of our currency. The second part of Congressman Smith's analysis is given today and the concluding portion will appear in our issue of June 7.

Morgenthau's and Bretton Woods Provisions for Establishing Quotas Compared to a Similar Provision for Setting up Quotas in Lord Keynes' Clearing Union Plan.

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Fig. 7

Keynes' Clearing Union

Art. I. (e)

"We need an agreed plan for starting off every country after the war with a stock of reserves appropriate to its importance in world commerce."

Art. II, Sec. 6 (5)

"Each member State shall have assigned to it a quota, which shall determine the measure of its responsibility in the management of the Union and of its right to enjoy the credit facilities provided by the Union." Quotas are alterable. Measures provided to limit size of quota.

"(8)—(a). A member State may not increase its debit balance by more than a quarter of its quota

within a year without the permission of the Governing Board." Suitable collateral required to limit amount a member can borrow.

Fig. 8

Bretton Woods Agreement

Art. III, Sec. 1

"Each member shall be assigned a quota." Quota largely determines voting power. Quotas alterable. Borrowing limited to amount of quota and member cannot borrow more than 25% of quota in any year. Both of latter subject to waiver. Collateral may be required.

Both the Lord Keynes and Bretton Woods proposals, as seen in Fig's 4 and 5 above, provide for assigning quotas which shall determine the measure of a member's responsibility in the man-

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Great Changes Ahead

Roger W. Babson Gives Startling Advice to Youths

BABSON PARK, MASS.—There can be no question about it, we—in our day—have arrived at one of the great crises of history.



Roger W. Babson

The closest approach to present-day conditions is probably to be found in the Roman Empire of Jesus' time. There were many differences, of course, but also some startling similarities.

Let's Look at History

As in the world we have known, wealth was then, in general, the key to power. When the Roman Empire broke up under the blows of barbarian invasions, civil wars, political corruption, depressions and inflations, great wealth was destroyed and ceased to be the key to power. Power was seized by chieftains;—vigorous and dominating—who ruled by military might, but pretended to protect their peoples. Business fell into what we may properly call a drastic permanent depression.

This new way of life shook down into the feudal system. In the feudal period, power was based on control of the land and the serfs who worked it. And for centuries thereafter real power

was organized around the hereditary, land-holding, aristocracies of Europe. There continued to be an aristocracy, but it was a very different one from the prosperous Roman Days.

The discovery of America and of silver and gold which flowed from the mines of Mexico and Peru, plus the reopened trade with the East Indies, upset this feudal system. An economic and industrial revolution, with its political counterpart, the French Revolution, followed. This undermined the power of the landed aristocracy everywhere. Private enterprise, private capital, industrial and mechanical achievement again opened the field of economic opportunity to the individual. Again the accumulation of wealth became the road to power. Our country grew up and attained its outstanding position in the world under this system.

Freedom or Security

First formulated by Marx, socialist economy came to flower in the Russian Revolution following World War I. The essence of it is the exchange of freedom for a government-promised social security. Sad to say, too many people in this country seem to prefer an artificial security even at the cost of freedom.

This social revolution has already engulfed most of Europe

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"Our Economic System"

"We want a post-war America with high production, high levels of employment and high wages. All of these are attainable—provided we succeed in avoiding strikes, boycotts, jurisdictional conflicts and other types of industrial warfare. It hardly needs proving that our men in foreign fields will be deeply perplexed, and rightly angered, if they return to an America torn by labor-capital conflict. They know that we can safeguard the fruits of military victory only by making peace at home secure.



Eric A. Johnston

"Economic theorists may argue about the relative values of private enterprise and the state-controlled or "planned" society. But the average American has few if any doubts on this score. He is aware, in terms of direct personal experience, that the American system has given us the world's highest living standards, along with the world's highest standards of personal freedom. He likes our economic system, even though he wants to have it improved.

"We Americans think it is a good system, for all its shortcomings, because it is flexible and unlimited in its possibilities of expansion. It seems to us ideally suited to the American land and the American temperament. We are an adventurous, experimental, daring people, conditioned by our history to reject the "security" of serfdom. Our economic system springs from our peculiar national traits. It is the product of those traits.

"The extraordinary tests to which war has put the American system have been passed with flying colors. The no less serious tests that will come with peace can also be taken in our stride—if we have the fullest possible measure of industrial peace."—Eric Johnston.

Mr. Johnston, as President of the Chamber of Commerce of the United States, is commonly regarded as having done a most excellent piece of "public relations" work for American business. We believe that he deserves that rating.

He seems to us nonetheless at times to concede too much. "Industrial peace" is certainly of great value—but too much could be paid for it.

And "our economic system"—which barring human defects is essentially the laissez-faire system—is hardly the outgrowth of our "peculiar national traits." It has a far broader and more solid foundation—the normal traits of human nature—everywhere.

Senate Groups Study Curbing Cartels

A special Senate committee investigating oil resources and the Senate Judiciary Subcommittee, conducting joint hearings in a study of how to curb cartels, were told by Assistant Attorney General Wendell Berge that there is a willingness on the part of many companies in the United States to cooperate with the government in working out a proposed international agreement to solve the problem, the Associated Press reported from Washington, May 18.

Mr. Berge endorsed the proposed Foreign Contracts Act, requiring public registration of restrictive foreign trade contracts by business, which was the focal point of the hearing. But he said it would not entirely solve the cartel problem.

"A world partitioned by cartels breeds economic friction and disunity," Mr. Berge declared.

He related cases where he said American firms and foreign concerns agreed, by cartel, to divide markets in restraint of trade. In one instance, Berge said, the result was that I. G. Farbenindustrie of Germany was able to control the output of American magnesium. He said Standard Oil of New Jersey agreed to stay out of the chemical industry in exchange for I. G. Farben agreeing to stay out of petroleum.

Orville Harden, vice-president of Standard, said that deal made in 1929 benefited the country. By it, Standard got access to certain German technical developments which he said were far ahead of

American researches on the same subjects. It led directly, he contended, to U. S. development of high octane aviation fuel, synthetic toluene for the TNT in over half the nation's war explosives, and the technique for making synthetic rubber, especially from oil.

The opinion has been expressed informally by Attorney General Biddle that American firms entering into cartel agreements abroad, in a monopolistic sense, are "risking" a violation of the United States anti-trust laws, though the agreements are legal in the foreign country involved. In this connection, the Associated Press reported from Washington, May 21, two oil executives testified before the Senate committees that although they oppose the principle of foreign cartels and monopolies, United States business had to compete abroad on conditions existing there or die.

Orville Harden, vice-president of Standard Oil of New Jersey, told a Senate Oil Resources Investigating Committee: "We are

opposed to cartels; we know of no dissent in the American petroleum industry on this point. All of us would like to see the adoption of our American Philosophy of business, worldwide."

He said, however, that whatever the answer to the cartel, it cannot be the abandonment of "our foreign markets" which he described as vital to the United States in prosecuting this war or any future conflict.

Laurence B. Levi, director of the Socony-Vacuum Oil Company, Inc., testified that foreign governments encouraged cartel arrangements. Some of them, he said, grew directly out of Russia's "dumping" quantities of oil on the market at unusually low prices in order to obtain the foreign exchange. As a result, he said, "some countries enacted legislation providing for some form of market control, others were planning to adopt such measures; still others used pressure upon the industry to put its house in order." From all this, he said, evolved the cartel.

W. S. S. Rodgers, chairman of the Texas Company, told the committee, according to the Associated Press, that a bill requiring public filing of foreign contracts would lead to a spy system for the benefit of other nations.

"I predict that promptly upon passage of such a bill," Rodgers said, "a sort of international reporting service would be organized in Washington to flash this information quickly to interested business men throughout the world."

The result, he said, would be to put American industry at a disadvantage.

Rodgers said he also is opposed to monopolistic deals abroad. He proposed for the oil industry as a whole that the United States Government:

1. Promote voluntary agreements among all nations to eliminate monopolies and cartels.

2. Failing that, make it clear that American activities abroad are not subject to the anti-trust laws unless a definite restriction of trade here is shown.

The Government should take into consideration, he said, whether foreign agreements benefit the national economy, the security and "our foreign economic policy."

Rodgers said he had no objection to a bill requiring the filing of purely international contracts but the proposed legislation, he said, now is so worded as to cover every "local" and "routine" contract. The contract registration is, however, "secondary," he said. The real need is for clarification of the existing laws so Americans know where they stand in foreign trade he said.

Allen C. Phelps, director of export for the Federal Trade Commission, told the committees on May 18 that the cartel idea is so entrenched in Great Britain and the European nations, that any international agreement banning cartels as proposed faced many obstacles. He is reported by the Associated Press to have said:

"The idea of permitting, encouraging or sponsoring combinations in restraint of trade is rather well-entrenched in many countries, in Europe particularly.

"For example, in 1914," Great Britain had some 350 trade associations, apparently encouraged by the Government, devoted to the collective marketing of British exports."

In addition, he said, Russia may become a great exporter and, with all its foreign trade conducted by the Soviet Government, "provide very formidable competition to American exporters in many markets."

The State of Trade

A review of the steel industry for the past week affords some inkling of the obstacles that must be overcome before attaining civilian production in any appreciable degree in the months ahead. In its report of the steel trade covering activities for the previous week, "The Iron Age" points out that notwithstanding increasing signs of an upward trend in order cancellations, there was slight evidence last week that openings on steel mill schedules which are expected to materialize by July 1 would be sufficient to give much hope for even moderate scale resumption of civilian manufacture.

Discussing latest steel price revisions announced by the OPA on Tuesday of last week to be effective the following day, May 23, the magazine observed that the price increases on certain steel products, will probably satisfy no single company or group. Revealing the confusion and dismay that has entered into the steel-pricing picture this trade authority adds, that non-integrated steel makers comprising the smaller steel companies have already condensed the revisions as insufficient for them and that large steel companies are "worn out" after having attempted to get a healthy boost in prices. Fears were expressed that labor would use these increases as an argument for higher wages.

The OPA in conjunction with the price changes, released a long comprehensive "Statement of Considerations" which, according to the magazine, "will probably live to see the day when its price pattern will haunt it with claims and hues and cries that the whole steel price balance has been put out of kilter." What benefits the industry obtained from the increases seemed highly debatable and it was felt that arguments will continue on this score for months. The magazine noted, however, that one thing seemed certain from the OPA's statement of considerations and that was under controlled prices there is no chance for any company to obtain price relief until a more exhaustive and prolonged study of costs factors has been made.

Cancellations amounting to as high as 50% of gross bookings have, in most cases, failed to reduce net orders to a point where early openings in mill schedules are prevalent, states "The Iron Age." Net orders holding close to the moderate level reported throughout May, which is about 40% less than the peak weeks scored early in 1945, are in the cases of several principal producers only slightly less than shipments. Pressure has been heavy, notably from the automobile industry, to schedule unrated orders authorized for second half delivery by open ending of CMP.

Although cancellations have produced spot openings, the magazine adds, these have been filled with the exception of some plate tonnage by rated orders, and producers almost universally have declined to make firm commitments on unrated tonnage. Heavy carryovers of rated business, it is expected, will dominate, and order backlogs assure mill schedules at the current levels for several months. Some customers holding third and fourth quarter allotments have been unsuccessful in placing them with mills.

The long term picture presents several factors, according to the magazine, which could result in a partial thaw. The landing mat program for the second half of 1945, considered one of the keys to possible automotive sheet production, has been reduced from 450,000 tons to 300,000 tons. Steel requirements for armor piercing shot for the balance of this year are understood to be only 2,000 tons because of large inventories in the hands of contractors. This alone promises easing of the alloy steel picture. Cancellations at the contractor level continue to be reported for heavy caliber ammunition and gun components, tanks, vehicles and construction material for advanced bases. For the

first time, the critical hot topped steel production appears sufficient to fill essential needs. The cuts have been cushioned by WPB pressure to step up tin plate and rail production.

Steel Price Increases—Briefly summarized steel price increases allowed were as follows: Light rails which had been advanced \$3 a ton in January, have been advanced an additional \$2 a gross ton, making a total increase of \$5; tie plates are up \$3 per net ton; carbon steel hot rolled bars up \$2 a net ton; carbon steel wire rods up \$3 a net ton; manufacturers wire up \$3 a net ton; barbed wire up \$2 a net ton; bail ties up \$7 a net ton; carbon steel blooms, billets, slabs and sheet bars up \$2 per gross ton; and carbon steel tube rounds and tube billets, exclusive of billets not converted into seamless tube or pipe, up \$4 a gross ton.

Carbon steel plates subject to sheared and universal tolerances which were advanced \$2 a ton in January have received an additional boost of \$1 a ton making a total of \$3 a ton. Galvanized iron and steel sheets and zinc coated specialty sheets including roofing and siding which were advanced \$3 a ton in January have had an additional increase of \$1 a ton making a total increase of \$4 a ton. Nails and staples other than galvanized which were advanced \$5 a ton in January were increased another \$2 a ton making a total increase of \$7 a ton. Track spikes were advanced \$5 a net ton.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 91% of capacity for the week beginning May 28, compared with 92.9% one week ago. This week's operating rate represents a decrease of 1.9 points from last week's rate, and is equivalent to 1,666,800 net tons of steel ingots and castings, compared to 1,701,600 net tons last week and 1,746,500 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended May 19, 1945, totaled 868,634 cars, the Association of American Railroads announced. This was an increase of 30,127 cars, or 3.6% above the preceding week this year and 1,441 cars, or 0.2% below the corresponding week of 1944. Compared with a similar period of 1943, an increase of 24,792 cars, or 2.9%, is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,377,221,000 kwh. in the week ended May 19, 1945, from 4,302,381,000 kwh. in the preceding week. Output for the week ended May 19, 1945, was 3.1% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 163,000,000 kwh. in the week ended May 20, 1945, comparing with 180,400,000 kwh. for the corresponding week of 1944, or a decrease of 9.6%.

Local distribution of electricity amounted to 162,200,000 kwh., compared with 178,900,000 kwh. for the corresponding week of last year, a decrease of 9.3%.

Coal, Coke and Crude Oil Production—For weekly coal and coke production statistics and daily average crude oil production figures for the week ended May 19, 1945, see subsequent pages of this section.

(Continued on page 2431)

Propose to Broaden Social Security

A bill proposing a broadly expanded social security program calling for appropriations from the Treasury's general fund to meet benefits as well as an 8% payroll tax divided between employers and employees was introduced in Congress by Senator Robert F. Wagner (D-N. Y.) and Representative John D. Dingell (D-Mich.) the Associated Press reported from Washington, May 24.

Mr. Wagner, explaining the legislation in detail in a speech prepared for delivery in the Senate, listed these principal proposals:

1. Contributions of employers and employees are to be increased from 1 to 4 per cent each.

2. Every citizen would be eligible to health insurance similar to the present voluntary hospital insurance plans now in effect. None of the current plans would be affected; they could continue in business.

3. The Government would embark on a ten-year plan, with an appropriation of \$950,000,000 to help states build and improve hospitals and health centers, especially in rural areas. An additional \$5,000,000 would be provided to help the States make the necessary surveys.

4. The United States employment service would be established permanently. After the war it would take over the War Manpower Commission and other related services with the Social Security Board set-up.

5. Social security coverage would be extended to an additional 15,000,000 persons, including farm workers, domestics, those in nonprofit institutions and the independent farmer, professional person and small-business man.

6. Increases are provided for unemployment compensation and old age benefits; the jobless insurance would be nationalized, rather than operate on a state-by-state basis.

Senator Wagner said that labor organizations endorsed the bill.

He emphasized that the health insurance plan would allow the individual to choose his own physician and hospital; would permit the physician and hospital to pick their own patients, too. "It is not socialized medicine," he insisted.

The Senator said full employment, if it is achieved after the war, "still does not solve the economic problems of widows and orphans, the aged, the sick and disabled."

The medical care insurance would provide for hospital service up to 60 days a year, with the insured person's family included in the benefits.

For illness or disability, a person would get the same payments as if unemployed, and these would be revised.

Duration of unemployment benefits would be extended from the present maximum of 26 weeks to a full year if available funds permitted. The weekly scale would be from \$5 to \$20 for single persons, with a maximum of \$30 based on the number of dependents. Most existing state laws have a maximum between \$15, and \$20.

Women workers would be allowed 12 weeks maternity leave, with the same scale of benefits.

Changes in the old age assistance phase would provide monthly cash benefits where the worker is totally disabled for six months or more before reaching retirement age. The minimum monthly sum is increased from \$10 to \$20 for a single person, and \$30 for a worker with a dependent wife aged 60 or over. The maximum would be \$120 a month. The bill also lowers from 65 to 60 the retirement age for women and for receiving widow's benefits.

Those in the armed forces would be granted a wage credit for \$160 a month, thus having this social security credit during their period of service without deductions from Army or Navy pay. Wagner said the program would pay "enormous dividends" in public health. The aid to States and the health insurance plan, he con-

German Press Under Allied Control

Control of the German press and other information services has been taken over by the Psychological Warfare Division under Brig.-Gen. R. A. McClure, who stated that control would not be restored to German hands until Nazi and military influences had been completely removed, Associated Press reports from Paris stated on May 25.

The General outlined a program embracing all newspapers, radios, publishing and entertainment enterprises, declared its purpose was to maintain order from a military standpoint and to reorient the German mind after twelve years of Nazism, and added that it was founded on the policy recently laid down by Gen. Eisenhower that a free press and a free flow of information should prevail in Germany in a manner consistent with military security.

The first phase of the division's program—the shutting down of all German information services—went into effect in each German locality as it was overrun. The second phase—the setting up of Allied information services, making use of German newspaper and publishing plants, radios and the like, but "doing the writing and editing ourselves"—has now begun with the reopening of some radio stations and the publishing of several Allied newspapers. These are printed weekly in ten plants—at Essen, Cologne, Frankfurt, Kassel, Munich and other cities—and have a combined circulation of 5,000,000. McClure's division is also operating Hamburg and Munich radios and plans eventually to operate other stations at Stuttgart, Cologne and Frankfurt.

Films to be shown in Germany will be carefully selected. The main items will be weekly news reels and selected documentary films produced by the OWI and the British Ministry of Information. An hour-long film of German atrocity camps is being completed and will be shown to the German people to convince them that they must consider themselves responsible for these atrocities. An illustrated booklet covering atrocity camps will be required German reading.

There will be music in Germany, but its character will be closely supervised, and a strict ban is on any that propagates militaristic ideas or is associated with the Nazi party, Fascism, Pan-Germanism or the German Army.

The program's third phase will witness a gradual transition from Allied information services to German-managed services, working under Allied supervision, after detailed reconnaissances and examination of prospective German operators.

missioning of merchant ships—but not naval vessels—given. The safeguards against news of either naval or merchant ship movements or their sinking from war causes, however, is continued.

Movement of diplomatic exchange ships (for internees and war prisoners) can be reported.

The restrictions on movements of aircraft, except those in or bound for the Pacific-Asiatic area, is lifted.

Also publishable is information regarding rate of production for war goods, information on exports and imports and on stockpiles of strategic materials. The new code, however, continues restriction on news of "new or secret weapons" or the identifying of plants making them. (In this connection, Mr. Price urged that press and radio consult with his office when uncertain about the definition of secret weapons.)

Information on prisoners of war, except Japanese, and enemy aliens henceforth is usable, as is the location of hidden art treasures.

Restrictions Lifted by WPB on Manufacture of Many Copper Products

The War Production Board on May 11 announced that it had revoked orders M-9-c, M-9-c-1, M-9-c-2 and M-9-c-4, which restricted the manufacture, delivery and installation of many copper products. This action was in line with WPB policy to relax controls as rapidly as possible after V-E Day, the agency said.

The revocations will permit the use of copper for many purposes heretofore prohibited. It was pointed out, however, that until July 1 manufacturers will have to rely mainly on copper from surplus inventories. After July 1, under the revised Controlled Materials Plan procedure, mills will be permitted to deliver copper controlled materials on orders not bearing CMP symbols, provided that such deliveries do not delay the production and delivery of military and essential civilian orders. Such orders, WPB said, may be placed immediately for delivery after July 1.

WPB cautioned that in no sense do the revocations mean that copper is available once more in unlimited supply for civilian production. Refined copper remains in short supply and will, with ingot, scrap, and other copper raw materials, continue to be allocated under copper Order M-9. This in turn will limit the amount of controlled materials (strip, rod, tube, wire and castings) that may be produced for civilian orders.

It was emphasized by WPB that there are other orders and regulations that limit or prohibit the use of copper, and that compliance with such orders will continue to be required.

Truman Recommends Further Economies

A further reduction in war expenditures amounting to \$92,119,000 has been recommended by President Truman, in addition to a previous cut of \$4,265,000,000, the Associated Press reported from Washington, May 21, specifying that the slashes included \$6,400,000 from the emergency fund of the Federal Bureau of Investigation.

Among the other cutbacks were: Office of War Information, \$4,750,000; Censorship, \$5,107,000; Office of Strategic Services, \$14,000,000; Office of Scientific Research and Development, \$18,000,000; Federal Works Agency, \$6,400,000; War Food Administration, \$2,000,000, and Department of Commerce, \$3,000,000.

After V-E Day the President recommended cancellation of Maritime Commission contracts authorizations amounting to \$4,265,000,000. Today the Senate approved legislation containing this cancellation and sent it to the White House.

Truman Lauds AWVS

President Truman sent a message of congratulations to the National American Women's Voluntary Services which was read to the annual meeting of the organization.

"Hearty congratulations to the AWVS on the completion of five years of helpful constructive service to the nation," President Truman wrote.

"We have not finished the job to which we are committed as free Americans. We must neither fail nor falter but continue relentlessly to fight to destroy our treacherous foe in the Orient. Japan must be knocked out even as Germany already has been brought to her knees. There will be need for the patriotic and unselfish services which the AWVS can give. I have full confidence that these services will continue without stint."

tended, would provide medical care for the low-income family and strike "at an important cause of the shockingly high rate of rejections" experienced by draft boards.

"Health insurance does not involve regimentation of doctors or patients," he declared. "It is simply a method of assuring a person ready access to the medical care that he or she needs by eliminating the financial barrier between the patient and the doctor or hospital." The Senator said the legislation isn't the "final solution" of social problems, but simply "a desirable step that can be put into operation now."

President Truman is expected to address a message to Congress soon which will endorse the principle of the proposed legislation.

Price Modifies Censorship Code

In an action designed to lift most of its bans on military news from Europe, the Office of Censorship has issued a new combined press-radio code defining the Pacific-Asiatic area of operations, removing Europe from such an area and making a number of deletions from the present code, the Associated Press reported from Washington, May 18.

Director Byron Price, explaining the relaxations in the new code, summed up his views in this way:

"There are those, I believe, who think censorship in this country should continue in full force in connection with the policing of the peace in Europe. I happen to be one of those who take the opposite view. Censorship was provided for by Congress and has been endured by the people for the sole purpose of winning the war—and the only war we are now engaged in is with Japan."

He was asked at a news conference about statements that there is political censorship of news in Europe. His reply to this was: "I don't see how a civilian agency (the Office of Censorship) in this country can change the policies of a military agency in Europe. The commanding officer has got to control his area. Also, it would be wholly inoperable for us to try to determine something happening thousands of miles away."

What the new code does is remove specifically a score of restrictions concerning the publication of news about military movements of troops and high officials in Europe and lower other bars against domestic news relating to such items as production.

Here are some of the changes in the new code:

The former separate codes for press and radio are consolidated and the previous restraints on foreign-language broadcasts and quiz programs eliminated.

All weather information is publishable.

The ban on sabotage news is removed, as is the section covering air raids.

Troop movements, except those alerted for transfer to the Pacific, can be reported. This modification also applies to troops in Europe who are coming to the United States before going to the Pacific but continues, of course, the restrictions regarding units headed immediately for the Far East.

Soldiers can be identified as members of particular military units, except those in or going directly to the Pacific.

The number or character of ships under construction can be reported and advance information on the dates of launching or com-

Myron J. Boedeker, comptroller of Johns-Manville Corporation, was elected president of the New York City Control of the Controllers Institute of America, at the annual meeting of the New York organization, held May 24 at the Hotel New Yorker. Mr. Boedeker succeeds Harry C. Gretz, assistant controller of the American Telephone and Telegraph Company, William J. Wardell, controller, Vice-President and director of the American Can Company and William Widmayer, comptroller of the Guaranty Trust Company were chosen Vice-Presidents. Arthur L. Boschen, controller of the Vick Chemical Company was elected treasurer, and Theodore F. Gloisten, Controller of The American Home Magazine Corporation was elected Secretary.

The following directors were elected at the meeting: Neville R. Ashcroft, secretary-treasurer of Scott & Bowne, Bloomfield, N. J.; R. C. Casselberry, controller of the General Aniline & Film Corporation, (re-elected); E. A. Clancy, comptroller of the New York Central System; Nicholas P. Dussinger, assistant vice-president of the General Baking Company, (re-elected); Lester W. Field, controller, Willcox & Gibbs Sewing Machine Company, (re-elected); John D. Grayson, treasurer of the Hazeltine Electronics Corporation, (re-elected); Nelson T. Hampson, comptroller of the Lowe Paper Company, Ridgefield, (re-elected); Arthur C. Harragin, comptroller of the Lone Star Cement Corporation; William A. Jackson, assistant controller of the Standard Oil Company of New Jersey; Lyle M. Prouse, controller of the Sperry Gyroscope Company, Inc., Brooklyn; Kenneth C. Richmond, vice-president and controller of Abraham & Straus, Inc., Brooklyn; Bernard S. Rodey, Jr., assistant controller of the Consolidated Edison Company of New York, Inc.; J. E. Savacool, vice-president, controller and director of Mack Trucks, Inc.; Arthur Surkamp, treasurer of the United States Rubber Company, and George O. Swezey, treasurer of Nestle's Milk Products, Inc. With the exception of those specified, all officers and directors chosen are from New York.

Increased Mortgage Lending and Savings

Mortgage lending activities of the 243 savings and loan associations in New York State showed a record-breaking increase during the month of April, according to figures released by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations.

Mortgage loans granted during April, 1945, totaled \$9,866,646, which represents an increase of 35%, or \$2,285,564 over total mortgages recorded during April, 1944. Of the \$9,866,646 mortgage loans placed by the associations in April, 88%, or \$8,655,698, were for the purchase of homes. Construction, repair, refinancing, and other loans amounted to \$1,210,948.

Savings increased during the month by a net figure of \$7,195,460, equivalent to a rise of 1.3%. Since January 1st the net increase has been 5.9%. New share investments for April totaled \$15,398,944, while withdrawals amounted to \$8,203,484.

Based upon figures submitted to the League, Mr. Woodard estimated that the total resources of the 243 savings and loan associations in the state on April 30th had reached the amount of \$635,086,866.

The liquid resources of the associations in the form of cash and government bonds now constitute 32.9% of all assets as compared to 31.0% as of January 1st.

The Financial Situation

(Continued from first page)

tem of semi-state medicine. To this is added a public health insurance arrangement which can scarcely fail in time to become a national scandal.

As if all this were not enough the so-called old-age pension and survivors benefits would be broadened to include disability benefits, and to cover not only many employes not now under the plan but millions of "self-employed," so-called — that is men and women in business for themselves, including farmers and professional persons. The authors of the bill appear to have given little thought to the immense difficulty, if not downright impossibility, of properly administering any such scheme as this. Everyone knows that the Federal Government, despite the millions of employes already added to public payrolls since 1933, is horribly bogged down in endless red tape, inefficiency and incompetence. Business men and others who have perforce had any extended dealing with the Federal Government in recent years can attest this fact, and do so daily wherever two or three are gathered together.

Exceedingly Costly

But such programs as this cost money, billions of it, yearly—not only that, but hundreds of millions more than the same services should cost, or would cost under private management. And this is in a country which is, so we hope, nearing the end of the most costly war in all history with the central government in debt in amounts which would have seemed utterly fantastic only a few years ago. Does cost trouble the sponsors of this so-called social insurance measure? Not visibly. Indeed one suspects at times that the very costliness of the scheme is by many New Dealers regarded as one of its chief merits. If such an idea appears fantastic to any reader of these lines, let him examine the New Deal literature which has grown up in Washington and in New Deal circles everywhere during the past few years. Mr. Wallace is by no means alone in his notion that we shall have to spend our way out of a mess brought upon us by past profligacy. Mr. Truman and those by whom he is surrounded could do both themselves and the country a great service by calling attention to the costliness of any such program in the post-war years when frugality and special care in public expenditures will be a first requisite.

Another service which they could render would be that of helping the rank and file to understand that the so-called reserves around which costly

parts of these programs revolve are nothing less than a snare and a delusion. So carefully and on the whole so successfully have the propaganda agents of New Deal thinking done their work that it is next to impossible for any private citizen to convince the rank and file of the truth about this elaborate self-deception. More often than not any suggestion that "contributions" made by the parties at interest in these contracts are not lying somewhere in Washington, or some other equally safe place, awaiting a legitimate claimant merely provokes an argument about the honesty of members of Congress or of the Administration. It is clear enough that the man in the street seems to suppose that the question at issue is whether or not someone is stealing his funds.

No Such Issue

Of course there is no such issue. No one supposes that anything is being done with the funds which the law itself does not contemplate, and, indeed, usually makes mandatory. The point is that the scheme itself is misleading to those who are not acquainted with the workings of government finance or, with the general principles of economics. The impression has been given, and it must be said that it was apparently given quite intentionally and systematically, that pension contributions were to be set aside against the day when they would be needed to pay benefits. The fact of the matter is, of course, that there really is no feasible way of doing any such thing.

Just Taxes

We are today really "investing" most of these contributions in guns, tanks, and planes—and the fuel to operate them and the ammunition to feed them. There is no basis in fact for viewing these contributions, or for passing judgment upon them, in any way different from just, plain taxes. When those who have made these contributions come to collect what is due them under the law the Treasury will have to find the funds needed for that purpose either by levying taxes at the time of such payment or by borrowing the funds from the public. These are, of course, very elementary and indisputable facts, but they are facts not generally understood.

They are also facts which the President and the more stable elements in his party would do well to make plain to the American people at this time.

France to Guide Whole Economy: De Gaulle

General Charles de Gaulle in a radio broadcast from Paris on May 24 promised that before the end of this year, the production of coal and electricity and the "distribution of credit" would be placed "organically" under the control of the State, according to a wireless dispatch from Paris, on May 24, by Harold Cullender to the New York "Times," which continued as follows:

With these key controls in its hands, the State would be in a position to guide the whole national economy, General de Gaulle said. He did not use the term "nationalization." Nor did he indicate the form that the State's control would take. He specified that it would not involve spoliation—that is, expropriation without payment to the owners.

It was assumed that the new measures of control would follow much the same lines as what was called the nationalization of the coal mines in the Nord and Pas de Calais Departments last October. This entailed control and eventual ownership by a government corporation in which the workers were represented.

Tonight's speech was regarded as a concession to the Left and the resistance groups, which have urged the nationalization of key industries—concession made just after local elections in which those groups appear to have made gains. At the same time General de Gaulle told the discontented workers that the Government must hold prices and wages at fixed levels to avoid a dangerous inflation.

General de Gaulle came nearer tonight than ever before to subscribing in more than abstract terms to that "revolution by the process of law" that is advocated by the Christian Democratic group that holds the most important posts in his Cabinet. He came closer than ever before to accepting the program of social change advocated by the National Council of Resistance, from which he had gradually drawn away in the months after the liberation of France.

It is "absolutely necessary," General de Gaulle said, "to stabilize prices, wages and salaries" and the Government intends to do this. Strikes such as have taken place lately will only "aggravate the deficit in production to the disadvantage of all." But General de Gaulle said that the Government intended as far as possible to insure a better distribution of goods, especially food.

Hopkins, Davies on Special Missions

The White House has announced the sending of two special envoys, Harry L. Hopkins and Joseph E. Davies, to Moscow and London. There is speculation as to whether the trips may have something to do with obstacles encountered in the San Francisco conference discussions, advices to the New York Herald-Tribune stated from Washington, May 23.

Hopkins, an intimate of the late President Roosevelt, was present at many of the international conferences and is therefore considered specially qualified to undertake the present assignment of conversing with Marshal Stalin on mutual U. S.-Soviet interests.

Mr. Davies, a former ambassador to Moscow, is to go now to London to discuss matters of common interest to the United States and Great Britain, according to the official announcement.

It is stated that the work of both men will be "integrated" with that of the American embassies in the two capitals.

Urban Mtg. Conference In New York June 4-8

With the objective of providing a forum for reviewing and analyzing those economic factors likely to have an important influence on mortgage lending in the postwar period the Mortgage Bankers Association of America, in cooperation with New York University, will sponsor a special conference on Urban Mortgage Lending in New York June 4 to 8. L. E. Mahan, St. Louis, Association President, announced on May 26. Speakers will include Homer Hoyt, director of economic studies of the Regional Plan Association of New York, Inc.; John Koenig, Colonial Title Surety Co., Philadelphia; Arad Riggs, New York University Law School; Dr. Marcus Nadler of New York University's Graduate School of Business Administration; Dr. Clarence W. Fackler, of the University's Commerce School; Robert H. Pierce, Aetna Life Insurance Co., Hartford; Stephen Foster, Economic Advisor to the New York Life Insurance Co.; Paul O'Keefe, Savings Bank Trust Co., New York; J. Harmon Gurney, specialist on housing matters, New York Life Insurance Co.; Frank D. Hall, chief appraiser, Equitable Life Assurance Society; Charles Fleetwood, Prudential Insurance Co., and Philip A. Benson, President, Dime Savings Bank of Brooklyn. Paul A. McGhee, director of NYU's Division of General Education will be in charge of the conference assisted by Dean George Rowland Collins, Curry Elliot Smith, Emanuel Stein, A. Anton Friedrich and A. Edwin Kazdin of the New York University faculty.

The conference will consist of afternoon and evening sessions at the Graduate School of Business Administration at 90 Trinity Place and attendance will be limited. Members of the Mortgage Bankers Association who participated in arranging the conference are L. E. Mahan; C. Arnel Nutter, Camden, N. J.; Harold D. Rutan, New York; E. D. Schumacher, Memphis; W. A. Clarke, Philadelphia; Milton T. MacDonald, Jersey City; H. C. Peiker, Springfield, Mass.; and John C. Thompson, Newark.

Knowlson is Appointed by Army-Navy

Mr. James S. Knowlson of Chicago, President of the Stewart-Warner Corporation and former War Production Board Vice-Chairman, has been appointed Central Field Commissioner for the European Theater of Operations, Mr. Thomas B. McCabe, Army-Navy Liquidation Commissioner, announced on May 19.

The Liquidation Commissioner said that Mr. Knowlson has reported to the OANLC in Washington for consultation before proceeding to England and the European Continent to assume his duties, which will be the disposal of Army and Navy surplus for that area.

Mr. Knowlson is also Board Chairman of Stewart-Warner, an Erie Railroad Director, President of the Radio Manufacturers Association, member of the Executive Committee of the National Association of Manufacturers, Board Chairman and principal owner of Speedway Manufacturing Company and a Director of the First National Bank of Chicago and the Peoples Gas, Light & Coke Co.

His service to the government as right-hand man to Donald Nelson was in the critical industrial conversion period from October, 1941, to January, 1943. Voted an indefinite leave from Stewart-Warner, he joined WPB as Deputy Director of Priorities and by 1942 was elevated to Vice-Chairman and member of the Combined Production Boards.

Senate Delays Vote On Expense Allowance

Controversy among Senators over the proposals to vote themselves an annual tax-free \$2,500 expense allowance (the House recently voted itself this allowance) has resulted in postponement of action to give time for a measure more agreeable to a Senatorial majority to be worked out with House leaders, a report to the New York Times, from Washington, stated on May 24.

It appeared that an effort would be made to abandon the idea of an expense account, equaling 25% of the annual salary of a member of Congress, in favor of a straight pay increase of 15% to conform with the Little Steel formula, which has been applied to wage rises.

"I hope that before Monday perhaps something can be worked out with leaders in the House on this matter," said Senator Alben W. Barkley, of Kentucky, Democratic floor leader, who obtained an adjournment until Monday, leaving the legislative appropriation bill before the Senate with the \$2,500 tax-exempt expense allowance in a state of suspension.

Senator Barkley acted after Senator Edwin C. Johnson, Democrat, of Colorado, served notice on the Senate that he would make a point of order against the proposed "tax exempt" expense allowance or any variation thereof that might be offered by members of the Senate.

"The integrity of the Senate is at stake in this matter," Senator Johnson said, reflecting the sentiment of other members who agreed that a pay increase, if it is to be sought at all, should be sought forthrightly and not by "subterfuge."

"In reality what is being proposed here," said Senator Harry F. Byrd, Democrat, of Virginia, "is to increase the salaries of the members of the Senate by \$2,500 and to make the \$2,500 exempt from taxation, because it would not be subject to any regulation of the Bureau of Internal Revenue."

"I can imagine no greater mistake the Senate of the United States could make than to increase the salaries of Senators and to make the increase tax-exempt."

Medal for Roosevelt

A bill was passed by the House and sent to the Senate awarding posthumously to Franklin D. Roosevelt a "special medal of honor," the Associated Press reported from Washington, May 21.

The measure, by John W. McCormack, Democratic leader, was blocked when first brought up two weeks ago by the objection of Representative Robsion, Republican, of Kentucky.

Today, as previously, the bill came up on the unanimous consent calendar, where one negative vote would put it aside.

Mr. Robsion again objected and proposed that the legislation identify Mr. Roosevelt as a civilian. He argued that the Congressional Medal of Honor should be awarded only to members of the armed forces who go far beyond the call of duty in actual combat.

Mr. McCormack told the House that Medals of Honor in the names of Congress had been awarded to Commander Richard E. Byrd, Floyd Bennett, Charles A. Lindbergh and others.

However, the Democratic leader finally agreed to the award of a "special medal" and, instead of writing in language identifying Mr. Roosevelt as a civilian, agreed to a compromise proposal by Representative Jenkins, Republican of Ohio, that the "Commander in Chief" identification be stricken.

Under these conditions the bill passed without an objection.

SEC Orders Stockholders' Vote on Delisting of Torrington Stock—To Study Exchange Rules

The Securities & Exchange Commission on May 1 approved the application of the Torrington Co. for permission to withdraw its common stock (no par) from listing and registration on the Boston Stock Exchange. In so approving the SEC, in its findings and opinion states:

It is important for the stockholders to be informed that, if the stock were withdrawn from listing and registration, investors would not only lose the Exchange market but would also cease to have certain material benefits which they now have by reason of the registration of the stock under the Securities Exchange Act. These are described in the next section of this opinion as matters to be considered by the stockholders in voting upon the proposed withdrawal.

Summary of Matters to Be Considered by Stockholders

The Torrington Company management has proposed to the Securities and Exchange Commission that the company's common stock be withdrawn from the Boston Stock Exchange. This Commission, on the basis of the evidence submitted, has found the proposal to be a step of such importance to the Torrington stockholders that it should be submitted to the stockholders for their approval or disapproval.

There are several matters which the stockholders should have in mind in deciding how to vote on this question. These include:

- (1) The reasons for the proposal;
- (2) The loss of the Exchange market for Torrington's stock; and
- (3) The loss of benefits that are insured to stockholders by statute only as long as the stock remains registered on the Exchange, and which would cease to be available if the stock were withdrawn therefrom.

Nature of Order to Be Entered

We have given consideration to the kind of vote that should be required in the light of the facts presented, among which are the facts that no one stockholder of the corporation appears to be the beneficial owner of more than 10% of the stock, and that the officers and directors together hold less than 1.5% thereof. . . . It is therefore important to require a vote that may be accepted as expressing the views of a representative number of stockholders individually, and not merely a vote by shares, a majority of which may be owned by a few individuals.

The vote must be taken by ballot within a reasonable time after the first mailing of the soliciting statement to the stockholders.

Accordingly, an order will issue granting the application, provided, however, that withdrawal shall not become effective until ten days after the date when the applicant shall have filed with this Commission a certificate showing:

1. That the applicant has submitted the proposal to withdraw to all the holders of record of its outstanding shares for their assent or dissent, on the basis of a soliciting statement which complies with Section 14 of the Act and the rules and regulations thereunder and which includes a copy of that part of the opinion herein entitled "Summary of Matters to Be Considered by the Stockholders" together with the information that stockholders may obtain a full copy of the Commission's findings and opinion in this matter, without charge, upon request addressed to the Secretary, Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania, and

2. That within 120 days from the date of the first mailing of such statement, not less than 50% of the total number of shares outstanding shall have been voted on the question of withdrawal, and that (a) the holders of record of a majority of the shares voted, and (b) a majority in number of the stockholders of record voting,

have assented in writing to the withdrawal of such stock from listing and registration on the Boston Stock Exchange.

Stock Exchange Rules

This case has brought forcefully to our attention the unsatisfactory condition of the rules of the various exchanges governing delisting. The rules of the exchanges on the subject are diverse in character and for the most part fail to afford any investor protection. While absolute uniformity is in all probability neither advisable nor possible, certainly a more consistent policy in delisting procedure is desirable.

An examination of the rules of the various exchanges as to delisting shows that seven exchanges have no rules on delisting and do not follow any well settled practice on the subject. (These are Cleveland, Detroit, Pittsburgh, Salt Lake City, San Francisco Mining, Washington, and Chicago Board of Trade.) Six exchanges follow the practice of requiring a resolution by the board of directors of the issuer setting forth the reasons for the requested delisting. (These are Boston, Los Angeles, New Orleans, New York Curb, Philadelphia, and Standard Stock Exchange of Spokane.) Six exchanges require approval by the stockholders. (These are Baltimore, Chicago, Cincinnati, New York Stock Exchange, St. Louis, and San Francisco.) However, of these six, two and possibly a third permit a veto of delisting by 10% of the stockholders no matter how few shares they own. (The rule of the Chicago Stock Exchange specifically contains this provision. The rule of the New York Stock Exchange has been so interpreted, and the rule of the San Francisco Stock Exchange is similar to the New York Stock Exchange rule.)

We have authority under Section 19 (b) of the Act to request and, if necessary, to compel the adoption of fair and protective delisting rules by the exchanges, and we have directed our staff to study the problem and report on the advisability of requesting action of that character in the near future.

Veteran Care Laws To Be Proposed

Representative Rankin (D-Miss.), chairman of the House Veterans Affairs Committee, is expected to introduce legislation to establish a bureau of medicine and surgery in the Veterans Administration, the Associated Press advises from Washington, May 25, adding that Mr. Rankin had stated that his proposal had President Truman's approval. The President discussed the idea with its proponent and Brig.-Gen. Frank T. Hines, head of the Veterans Administration.

Gen. Hines said the proposed measure would go a long way toward shortages of nurses for veterans hospitals by giving them a permanent status. In wartime, he said, it would permit the drafting of nurses for veterans hospitals. He added: "It would give the Veterans Administration a free hand in the selection of personnel and establish them on the same basis as Army and Navy doctors and other hospital and personnel and allow them compensation comparable to Army and Navy hospital employees in performing the same duties.

Gen. Hines said that the President did not commit himself for the bill, but that he approved it in principle.

Separate Income and Profits Tax Returns By Assoc. Dry Goods Corp.

At the annual meeting of Associated Dry Goods Corporation held in Richmond, Va., on May 21, the nominees for Directors as proposed in the proxy statement were elected. The resolution approving the selection of Lybrand, Ross Bros. & Montgomery as auditors for the corporation for the current fiscal year was adopted by a majority of over 99.99% of the votes cast.

Robert J. McKim, the President, called attention to the statement made in the letter accompanying the annual report that consideration was being given to filing separate income and excess profits tax returns instead of consolidated returns as has been the custom in past recent years, and reported that as a result of such study the board of directors had determined that it is in the best interests of the corporation to file separate returns for the 1944 fiscal year. Accordingly, and with the approval of the auditors, Lybrand, Ross Bros. & Montgomery, the provision for Federal income and excess profits taxes applicable to that year had been reduced by the sum of \$285,000, and this amount had been credited to earned surplus. The effect of this change is to increase net earnings applicable to the fiscal year 1944 from \$2,825,491 to \$3,110,491, which latter amount is equal to \$3.23 per share of common stock, contrasted with \$2.76 per share as stated in the annual report.

Tariff League Opposes Doughton Bill

The American Tariff League, in a study of testimony before the House Ways and Means Committee which has concluded hearings on the trade agreements measure, finds that opposition, in whole or in part, was registered by 56 out of the 89 witnesses who appeared.

The analysis, the league's report noted, showed that those rallying to the support of the bill consisted almost exclusively of individuals or groups not likely to be directly or adversely affected by tariff reductions.

Oral opposition to the bill came from thirty representatives of twenty-six industries, eight representatives from the agricultural and dairy fields, six from mining and six from industry and national labor unions. The bill also was opposed by the American Tariff League with 82 different industries and divisions of agriculture in its membership.

Roosevelt Stamp Issue

Four memorial Franklin Delano Roosevelt stamps, bearing the late President's portrait, in denominations of one, two, three and five cents, will be issued beginning June 27, as a tribute to Roosevelt, the Associated Press announced from Washington, May 23.

Mr. Roosevelt's portrait will appear at the left with the dates "1882-1945" and the name "Roosevelt" underneath the portrait. At the right on the 1-cent stamp will appear a picture of Mr. Roosevelt's home at Hyde Park while the "Little White House" at Warm Springs, Ga., will be pictured on the 2-cent stamp and the White House on the 3-cent stamp.

The design for the 5-cent stamp will be announced later, Mr. Walker said.

The 3-cent stamp will be the first to be placed on sale, June 27 at Washington.

The stamps will be the first issued by this country to picture Mr. Roosevelt, who was a ranking stamp collector while President. His picture has appeared previously on stamps issued by Brazil, Turkey and Guatemala.

Savs. Bank Life Ins. Passes \$50 Million

The Savings Bank Life Insurance System in the State of New York has now passed the \$50,000,000 mark in insurance in force, it was announced on May 24 by Henry W. Proffitt, Chairman of the Savings Banks Life Insurance Fund.

"Savings Bank Life Insurance," said Mr. Proffitt, speaking at a dinner of 200 savings bankers at the Waldorf-Astoria, "is now firmly established as a needed and valuable public service. This is emphasized by the fact that this volume of insurance has been written in small policies on the lives of people who have voluntarily gone to their savings banks to buy life insurance protection on an 'over-the-counter' basis. When we consider the fact that the savings banks are not permitted to employ solicitors and that individual policies may not be written by the savings banks in excess of \$3,000, the volume of Savings Bank Life Insurance written in this state is an achievement of which the savings banks may well be proud."

Mr. Proffitt urged the savings banks to continue their efforts to obtain legislation which would permit people to buy individual policies in excess of \$3,000. "With the government urging all men in military service, whether married or single, to take out \$10,000 of National Service Life Insurance," said Mr. Proffitt, "it seems strange to have a law in New York State which restricts wage-earners to \$3,000 protection in Savings Bank Life Insurance. The present limitation not only prevents people from buying adequate amounts of Savings Bank Life Insurance for the protection of their families, but also tends to defeat the purpose for which Savings Bank Life Insurance was created—the furnishing of sound life insurance at the lowest possible cost. An increase in the present limitation would result in larger average policies, with a consequent reduction in costs to policyholders."

Also speaking at the dinner, Judge Edward A. Richards, President of the East New York Savings Bank, predicted a substantial expansion of Savings Bank Life Insurance in New York.

Testimonial Dinner to John W. Sandstedt

At a gathering of officers and trustees on May 22 a testimonial dinner was tendered to John W. Sandstedt, Executive Secretary of the National Association of Mutual Savings Banks, marking the 25th year of his service to mutual savings institutions. Mr. Sandstedt belonged to the class of office boys who began at the bottom and rose to responsible positions. Essentially he ranked as a career man, having begun trade association work as long ago as 1919, when the Savings Banks Association of the State of New York set up headquarters. He had been graduated from high school and subsequently attended New York University. The National Association of Mutual Savings Banks had its inception in April, 1920. He was transferred to the new Association. Mutual savings banks at that time held slightly more than 5 billions of dollars deposits and depositors numbered about 9 millions. Mr. Sandstedt advanced rapidly in Association work and in 1928 appointed executive secretary. During the intervening years mutual savings banks have grown to the point where they now hold more than \$13 and a half billions of dollars deposits. Depositors number 16 millions. This accumulation of small capital is the greatest ever brought together by one group of banking institutions, representing one-tenth of all American bank deposits.

Further Reduction in Sugar Stocks Reported

The House Food Committee has recommended appointment of a single administrator to coordinate sugar controls now divided among a number of Government agencies in order to conserve some portion of the nation's diminishing stockpiles which otherwise will have entirely vanished by 1946, the Associated Press reported from Washington, May 22. The report added that it is rumored that two men are under consideration for the post of sugar coordinator—Earl Wilson, sugar branch director of the Commodity Credit Corporation and Joshua Bernhart, head of the War Food Administration's sugar division.

The House committee stated in its report that million less tons of sugar will be available for civilians this year than last, and added:

"Only when the housewife finds how little sugar is going to be available under the contemplated program which provides five pounds per person for a four-month period, will the full impact (of the shortage) be realized.

"We feel that all of the allocations to liberated countries or neutrals should be re-examined in the light of existing supply and current production figures."

Figures given the committee, it said, indicate a very substantial reduction from the estimates at the time allocations were tentatively made.

Although the group did not print figures on the quota allocations—they've been marked confidential by the Government—it put in its report general statistics showing that Britain's sugar stockpile at the start of this year was higher than its pre-war level, while the United States reserve is now lower than normal.

"Certainly, an official statement would help to clarify this point," the report said.

The committee criticized OPA for rationing nearly 800,000 tons of sugar more than WFA said it should have last year. It said the same over-drawing on sugar stocks is possible again and declared:

"The situation is not yet under control."

Reduce Russia Relief Aid

Reduction of lend-lease aid to the Soviet Union does not represent United States Government judgment that relief aid is no longer necessary in that country, it was stated on May 21 by Leo T. Crowley, Foreign Economic Administration head, in a telegram to Edward C. Carter, President of Russian War Relief. Mr. Crowley said, "rehabilitation needs of the Soviet Union which are undoubtedly large, cannot be met through lend-lease." Under the terms of the lend-lease act, he said, reduction of shipments on the termination of the European war was necessary.

Mr. Carter, in releasing Crowley's telegram, stated that Russian War Relief was prepared to intensify its collections of essential food, clothing and medical items no longer supplied under a lend-lease program and that the agency's committees throughout the country would launch special projects to collect these items the first of June. The text of Crowley's telegram to Carter follows:

"Glad to confirm to your Board of Directors that recent action reducing lend-lease aid to Soviet Union on termination of European war has been taken under terms of lend-lease act and does not represent judgment on rehabilitation needs of Soviet Union which are undoubtedly large but which cannot be met through lend-lease."

Krug Says America Can Build Strong Transitional Economy

(Continued from first page)

rules and regulations. We would get in the way of reconversion, rather than speed it.

"The war program in this country has now reached maturity. The United States is able to undertake a partial industrial demobilization of manpower, machinery and materials, for the expansion of peace-time output, even though it is in the midst of a major war effort calling for an annual munitions production rate of nearly \$54,000,000,000 during the eight months after V-E Day.

"As munitions contracts are cut back in volume, a large portion of the American people will be going back to what they have always done. The very process of reconversion will help toward reemploying released workers. In fact, the United States is much better prepared for reconversion in the middle of this war than it was at the end of the last war in 1918.

"Reconversion will, in many cases, not even mean the shifting of jobs for many workers," Mr. Krug said. "Of the 51,200,000 civilian workers in this country at present, 44,600,000 are in agriculture, railroading, steel, retail trades, and other jobs that will continue, regardless of munition schedules.

"When a company now making aircraft sub-assemblies is able to resume manufacture of refrigerators, it will probably use the same plant, superintendent, foremen, and workers," Mr. Krug said. "The point is that an overwhelming proportion of our people will go on doing much the same thing in much the same way, even when they are making new products."

Text of Mr. Krug's report on "War Production and Reconversion" follows:

The Immediate Problem

The United States is on the threshold of partial reconversion. Whereas, up to now, almost 50% of our industrial energies have gone to produce planes, ships, guns, ammunition and combat vehicles for a two-front war, it now appears that we will be able to use an increasing volume of our resources for the satisfaction of consumer demands.

Army and Navy war production schedules are currently being lowered and contracts terminated. Such a major withdrawal of Government purchases from the market poses a major problem. The third annual report of the Senate Committee Investigating the National Defense Program put it in these words:

"If the home economy is permitted to weaken and lose the resiliency necessary for quick and successful conversion to peacetime occupations, it will not be able to provide employment for soldiers and war workers when they are released from their present tasks. Should unemployment and business depression gain headway before the major task of readjustment has even begun, the difficulties of reemployment will be much greater."

Production for the War Against Japan

The United States has come a long way since President Roosevelt, in May, 1940, said: "I should like to see this nation geared to at least 50,000 planes a year. Furthermore, I believe that this nation should plan a program which will provide us with 50,000 military and naval planes." Today we are producing at the rate of 80,000 planes—and the aircraft of 1945 are heavier, better armored, and better armed than

any then conceived. Our production of munitions has risen from less than \$500,000,000 a month at the beginning of 1941 to nearly \$5,000,000,000 a month today, and the goals which staggered the industrial imagination four years ago are comparatively easy by present day standards. Most of our critical war production problems have been licked. The country—in every sense of the word—has proved itself the Arsenal of Democracy.

Victory in Europe has relieved many of our specific production problems. Because of this there is some tendency on the part of many persons to take one-front war production as a matter of course. The War Production Board does not—cannot afford to—take that view. By the standards of any other nation in the world, the U. S. munitions program to carry on the war against Japan would be impossible. Even by American standards, it will require a big proportion of our total resources of manpower, machinery, and materials.

During the eight months after V-E Day munitions production, according to the present official military programs, will run at an annual rate of \$54,000,000,000, or: Two-thirds again as much as 1942:

Almost equal to the rate of 1943; Better than nine-tenths the rate in the peak of 1944;

An equivalent to about 90% of the total value of manufactured goods in our best pre-war year, 1937.

It is only when compared with recent standards of production that the job may seem easy.

Therefore, to assume military production for the war against Japan, the War Production Board will continue to give top priority to military programs. This means that when manufacturers have war contracts they must fill them on schedule, that they cannot divert energies from war work to civilian operations. It also means that direct military and war-supporting programs will have first claim on materials, and expansion of civilian production will use only residual quantities not required for essential war needs.

Specific Problem

There is a basic difference between the task of 1942 and 1943 and the task of 1945 and 1946. Then we were mobilizing for war. We had to build new plants and expand old ones, find contractors to take war work, develop new forms of contracts, draw 7,000,000 extra youths, women and older men into employment, pass and administer a selective service law, train workers for new jobs, develop management and labor know-how on munitions production.

Today, however, our war program has matured. In the midst of a major war and a major war effort, the United States is able to undertake a partial demobilization. We are able to release some manpower, machinery, and materials for the expansion of peacetime output. As the cutbacks increase, some areas are bound to experience unemployment. In that event, local Chambers of Commerce, union leaders, and business men may urge the Government to take special measures, such as providing a public works program, or putting in war contracts to tide over the slump, or making special releases of materials for civilian production.

In many areas time will solve such dislocations—as peacetime industries start up and hire workers; but in some areas, special

measures taken to maintain employment would merely postpone the eventual day of reckoning—as for instance a war-boom town which is greatly expanded because of a particular war plant with little or no post-war future. We must prepare to meet such emergencies when they are real; but we must also be prepared to resist the pressures when they would only delay necessary readjustments.

Reconversion Plans Well Advanced

The United States is much better prepared for reconversion in the middle of this war than at the end of the last one. Armistice Day, 1918, came suddenly. No detailed methods or procedures had been developed for settling contracts or financing contractors pending settlements, or for clearing plants. But this time Government agencies have already established such procedures so that resumption of civilian production can proceed quickly.

Further, the War Production Board, with the Army, Navy, Maritime Commission, War Manpower Commission, and other agencies, has developed policies and procedures for handling cutbacks. Under these procedures, proposed cutbacks of the Army or Navy are examined by all agencies, to determine how best to distribute the cutbacks—in relation to individual industries or plants, in relation to employment in affected areas or localities, and in relation to employment as a whole. Principles to be followed in making cutbacks were set forth by the Office of War Mobilization and Reconversion in January and have been incorporated in Directive 40, as amended March 5, 1945. The aim is to free civilian capacity as promptly and as fully as is consistent with carrying on the struggle against Japan, and to distribute the remaining war load over the country as equitably as possible.

Although we have machinery for handling these problems in the large, the impression must not be created that all local or particular problems of the transition period will be solved or that the machinery exists for their absolute solution. There is no central machinery which can be devised to handle smoothly dislocations of varying degrees of severity. WPB cannot undertake to resolve these problems in detail. All it can do is to release industry from wartime restrictions as rapidly as possible. From then on, industry must take the initiative in the task of reconversion and reemployment.

Reconversion Process

The very process of reconversion will help toward reemploying released workers. This is not always appreciated. As soon as munitions contracts are cut back in volume, a large portion of the American people will be going back to what they have always done.

Manufacturers will start clearing their plants of Government supplies and equipment, sending out orders to suppliers, setting up tools, dies and fixtures, and arranging assembly lines for peacetime production. This work will go forward at the same time that they are completing the job of terminating contracts. These problems are anything but strange. Manufacturers have closed contracts, cleared plants, and rearranged production and assembly lines before.

Some of the preliminary steps have already been taken. Manufacturers have been placing orders in anticipation of the day when some capacity will be free. In the case of machine tools, which take a long time to build, the War Production Board has cleared the way for placing or-

ders with tool makers who have manpower and facilities not required for war work. This will be of particular service to the automobile and other durable consumers' goods industries.

Many industries, moreover, will not have to reconvert. Employment will go on as usual. Steel mills will continue to roll steel, but to specifications of passenger car manufacturers as well as military specifications. Manufacturers of bearings, bolts, nuts, nails and hand tools will continue as before. Their products are integral parts of any industrialized economy, be it a war-time or a peace-time economy.

Some companies which are right in the heart of munitions manufacturing have kept on during the war with their regular production. For example, 77% of the shipments of tractor manufacturers are tractors and tractor production is now over twice the high 1937 level; but many tractors are going to the Army and Navy and not to farmers and loggers. Even the automobile industry, which has achieved miracles in producing tanks, planes and guns, has kept its "hands in." About 36% of its shipments are "motor vehicles or parts."

Similarly, 65% of the products shipped by textile machinery manufacturers are pre-war types, and this 65% is more than the high 1937 output. Industry generally has been able to keep in practice—either because the Army or Navy needed civilian-type items (such as trucks, electric turbines, railroad equipment, laundry machinery, and refrigeration), or because the products were needed for the maintenance of the civilian economy. In terms of ultimate civilian employment, these industries bulk much larger than such special problem industries as aircraft and shipbuilding.

In many cases workers will reconvert without even shifting jobs. When a company now making aircraft sub-assemblies is able to resume manufacture of refrigerators, it will probably use the same plant, superintendents, foremen and workers. The point is that an overwhelming proportion of our people will go on doing much the same things in much the same ways, even when they are making new products. Out of 51,200,000 civilian workers, 44,600,000 are in agriculture, railroading, steel, retail trade and other jobs which will continue regardless of munitions schedules, as the following table indicates:

Agriculture	7,750,000
Transportation and utilities	3,800,000
Construction	600,000
Mining	800,000
Trade and service	11,400,000
Manufacturing	
Iron and steel	800,000
Machinery	2,000,000
Other (mostly soft goods)	7,700,000
Government (excluding war agencies, arsenals and Navy Yards)	4,400,000
Miscellaneous	5,350,000
Total	44,600,000

Aircraft	1,600,000
Ships	1,300,000
Ordnance and signal equipment	1,800,000
War chemicals	300,000
Federal war agencies	1,600,000
Total	6,600,000
Total employment	51,200,000

The WPB Program

The WPB program is an effort to take full advantage of the natural forces working toward reconversion and reemployment. However, we must not forget: war is an unpredictable business. We have seen the demands for war procurement rise to unheard of figures, drop off suddenly and rise again. We must make our plans on the best estimates and forecasts available. These now indicate only moderate reductions from current levels in our military production. We antici-

pate, however, additional cutbacks in the next few months and consequently a big expansion in civilian production. We hope this forecast will materialize and that reconversion will be even quicker than estimated; yet, development of new weapons by our enemies or by ourselves or the changing strategy of war may suddenly place new burdens on war production and may force us to cut down once more on production of peacetime goods.

Although the war will still be the country's main job, we must do everything possible to provide job opportunities for returning soldiers and discharged war workers after the defeat of Japan. Toward that end, it is necessary to get rid of regulations and production limitations as quickly as possible. They automatically put ceilings on initiative, imagination, and resourcefulness—the very qualities the country will need most if we are to have a resilient and rapidly expanding economy after the defeat of Japan.

Toward that objective WPB has already taken action to:

(1) "Open-end" the Controlled Materials Plan, effective July 1, to permit the sale of steel, copper and aluminum without restriction, provided there is no interference with authorized CMP orders.

(2) Revoke or amend as many of its L and M orders as the current release of materials from munitions production will permit.

(3) Continue the Spot Authorization Plan for manufacturers seeking larger production than permitted under the remaining orders limiting metal goods output.

(4) Grant assistance to small manufacturers, including veterans and new enterprises, to get their fair share of production materials.

(5) Permit the free movement of surplus steel, copper and aluminum to unrestricted uses.

(6) Project the removal of distribution controls after the third quarter of 1945, except where clearly necessary to prevent genuine and widespread hardship, irreparable damage, or failure to meet such needs as public health and safety.

(7) Amend inventory controls to permit filling of pipe lines and cushion the shock of contract terminations and cutbacks.

(8) Effect a progressive relaxation of the construction control order, L-41, as resources become available.

(9) Assist industry to prepare for civilian production by giving priorities for the acquisition of bottleneck machine tools and equipment, and permitting the construction required to start production at minimum economic rates.

Out of a total of 650 orders and schedules in effect April 1, 1945, 156 have already been revoked. An additional 83 are expected to be revoked in the next six weeks. And more will be added as the materials situation is eased by further cutbacks in military programs.

In this way, the choice of what and how to produce, buy, and sell, after positive assistance to the military and essential war-supplying activities, will be left to the decisions of the thousands of manufacturers, wholesalers, retailers, farmers and ultimate consumers rather than to government agencies and officials.

This program, I believe will be particularly helpful to small business. It eliminates many forms and applications, which are always a greater nuisance to the small company than the large company. Small manufacturers invariably put "paper work" high on the list of their troubles. Also, by cutting out L and M orders as the war situation permits, we will provide opportunities for the smaller companies (which do not have to go through a long tooling-

up process) to get started promptly.

Expansion Potentials

By and large, the manpower, materials, and facilities released from munitions production will offer substantial opportunities for reconversion and reemployment. To take advantage of those opportunities, however, will require maximum initiative and ingenuity on the part of manufacturers and government.

Today the production of durable goods for the civilian economy amounts to about \$7,000,000,000 per year. Even in the face of a high level of munitions output, the potential a year from now (if present estimates for the one-front war hold good) is \$16,700,000,000 or more than double current production and about 30% more than the 1939 level.

Expansion will not be confined to durable goods for civilians. If workers are released from munitions plants at the rate now expected, the service trades will also expand. Transportation, public utilities, retail trade, and service activities have had difficulty maintaining adequate working forces. They will hire workers; so will non-durable goods manufacturers, such as textile mills; so, too, will the construction industry.

There is no question that the demand for civilian goods of all types will be large. Statistics indicate that, in 1944, if goods had been available, people would have spent close to \$120,000,000,000, they actually spent only \$98,000,000,000. In 1943 and 1942 consumers similarly were unable to use their incomes as they normally would have. There is a backlog of industrial plant expansion and renovation. At the same time it is anticipated that foreign countries will be in the market for U. S. goods of all kinds—food, clothes, industrial equipment, raw materials.

This pent-up demand is a foundation on which the country can build a strong transitional economy in which decreases in war output will be offset by increases in the production of civilian type goods and services.

Basic Danger

The danger confronting us, as I see it, is that we will overlook the natural resilience of the economy—the capacity of manufacturers, wholesalers, and retailers to re-adapt themselves to changed conditions and hence quickly to utilize the resources released from munitions production. If we were to attempt in Washington to see that every manufacturer, wholesaler, or retailer got his exact share of released manpower or materials, we should be lost in a myriad of rules and regulations. We should get in the way of reconversion rather than speed it.

During the past four years the War Production Board and its predecessors have been engaged in administering the control of materials and facilities under one permanent guiding criterion: whether the particular use of a material or a facility would best contribute to the prosecution of the war. Even with such a clear-cut, unequivocal criterion, the difficulties of administration were imposing. It was often difficult to determine whether the use of a material or a component made a greater contribution to the war effort in one program or in another program; valves for destroyer escorts, for synthetic rubber, and for high octane gasoline are a case in point.

How much greater would be the administrative task if, when this criterion is no longer applicable, the government were to undertake to determine:

Whether materials and facilities should be used in one relatively nonessential civilian in-

dustry rather than another non-essential civilian industry; or in one community rather than another;

Whether one competitor should be permitted to resume civilian production rather than another;

To what extent newcomers should be allowed into an industry, and to what extent the production quotas of existing companies should therefore be reduced;

Whether a particular allocation of materials would contribute to greater reemployment than some other allocation;

Or whether a particular allocation would contribute to greater stabilization of the price structure than some other allocation.

In the period ahead, WPB's main objective will continue unchanged; to see that the munitions schedules are met. It is for this purpose that WPB's controls over materials and facilities were designed. This objective is attainable.

Desirable though it may be to attempt to prevent temporary economic dislocations, the experience of those who have lived with these controls during the war clearly dictates that the controls are not suited to that job. Moreover, reason and history indicate that in any readjustment from a war to a peacetime economy, temporary dislocations are inevitable. We must not be stampeded by such dislocations into elaborate controls or special dispensations. Our economy is a jigsaw pattern of interlocking buyers and sellers, producers and consumers. The pieces of the jigsaw will move into place best if we give people scope and leeway—with a minimum of rules, regulations and production controls.

Finally, let me repeat, war production is still our first job. We must not remove controls until it is clear that war production will not be adversely affected. When we remove controls, we cannot promise that they are off for the duration. Further, in removing controls, we must guard against any effort to redesign them for purposes for which they were not intended. Compliance with the controls exercised by the War Production Board is dependent entirely upon the public acceptance of the fact that only those controls necessary to the prosecution of the war are being imposed.

Contract Ending Loans

J. A. Fraser, Manager of RFC Agency in Cleveland, recently called the attention of prime and subcontractors in the Fourth Federal Reserve District, whose war production contracts have been cancelled, to the fact that the Contract Settlement Act of 1944 provides for interim financing pending settlement of claims against a Government Contracting Agency on the war contracts so cancelled.

Under the Act adequate financing is made available either through (1) partial payments on any claims contractors may have as a result of termination, or (2) Government guaranteed loans made by banks to contractors on terminated contracts.

Partial payments are those made on account of the contractor's termination claim without prejudice to the amount of final settlement. These payments are obtained by filing an application on prescribed forms.

Termination loans may be secured by contractors through negotiations with banks, and may be concluded either before or after termination. Funds are made available to the contractor after the cancellation of one or more contracts against a certification to the bank of the amount of the contractor's claims. The certification may include receivables, inventory and amounts paid or to

Britain Buys 5,000 Pre-Fabricated Houses in Sweden

STOCKHOLM, May 18 (By wireless)— Contracts for 5,000 pre-fabricated wooden houses have been signed in Sweden by a special British official delegation which today returned to England. Deliveries will be made before the end of this year. The total value of these houses is about 25,000,000 Swedish crowns or about \$1,193.50 for each house at current rates of exchange. Before buying, the delegates inspected all available models and visited construction plants in various parts of the country.

Strengthen Land Banks

Legislation designed to strengthen the Federal Land Bank System has been passed by the House by voice vote and sent to the Senate, the Associated Press reported from Washington, May 18, stating that the measure provides:

1. That the land banks may make loans up to 65% of the normal value of farms and buildings; such loans now average about 43%. These loans are at an interest rate of 4%.

2. Authority to the banks to purchase loans heretofore made by the Federal Farm Mortgage Corp., and known as "commissioner loans." These loans, originated in the 1930's to head off farm mortgage foreclosures, now are made at a 75% of valuation rate.

The legislation is designed to liquidate the commissioner loans program by July 1, 1946. It provides no further Government appropriations under this program.

Plan Nearly Ready for Allied Occupation

It is expected that an Allied arrangement for the occupation of Germany and Austria will shortly be announced, as soon as final agreement is reached on the complicated details which must be worked out in each military command, the Associated Press reported from Washington, May 25, adding that the announcement would probably mention specific zones of occupation for Russian, French, British and American forces.

Supreme Allied Headquarters itself cannot be disbanded overnight and its responsibilities shifted to separate American, British and French commands, the report points out. Thus far both Berlin and Vienna have been occupied by the Russians exclusively.

Lilienthal Re-appointed

David E. Lilienthal's reappointment by President Truman as director of the Tennessee Valley Authority having won Senate approval, Mr. Lilienthal has now commenced his new nine-year term in that office, the Associated Press reported from Washington, May 22. The only dissenters to the reappointment were Senators McKellar and Stewart (D.-Tenn.) who reiterated their assertion that Lilienthal was "personally and politically obnoxious" to them.

Earlier in the fight waged by the Tennessee Senators several southern communities which benefit from TVA rallied to the support of Mr. Lilienthal and praised his record as TVA chairman.

be paid in settlement of subcontractors termination claims.

Mr. Fraser further stated that his Agency has experienced men in contract termination interim financing who are ready to discuss this subject with the banks in this territory or with contractors. RFC will be glad to assist contractors to obtain termination loans through regular banking channels, or directly if such credit is not otherwise available.

Churchill Reviews War, Pledges Britain's Continued Aid In Prosecution

In a radio broadcast to the world on Sunday, May 13, Prime Minister Churchill pledged the might and resources of the British Empire to help bring about the fall of Japan, and in the perfecting, together with the United States, of a world peace organization designed in truth to shield the weak. "Certainly," said Churchill, "we are what may well, I think, be admitted by any fair-minded person, in a far better state to cope with the problems and perils of the future than we were five years ago."

The Prime Minister minced no words in roundly criticizing, in the course of his address, the attitude of the Irish government of Premier de Valera throughout the long period of danger for Britain, at the same time praising unreservedly the "thousands of southern Irishmen who hastened to the battle-front to prove their ancient valor."

Implications of a political significance in the Prime Minister's speech were seen indirectly in his statement, as given by the United Press from London, May 13:

I wish I could tell you tonight that all our toils and troubles were over. Then, indeed, I could end my five years' service happily, and if you thought you had enough of me and that I ought to be put out to grass, I assure you I would take it with the best of grace. But, on the contrary, I must warn you, as I did when I began this five years' task—and no one knew then that it would last so long—that there is still a lot to do and that you must be prepared for further efforts of mind and body and further sacrifices to great causes if you are not to fall back into the rut of inertia, the confusion of aim and the craven fear of being great.

Mr. Churchill completed his address by stating Britain's position with regard to future peace plans, according to the United Press text:

On the Continent of Europe we have yet to make sure that the simple and honorable purposes for which we entered the war are not brushed aside or overlooked in the months following our success and that the words freedom, democracy and liberation are not distorted from their true meaning as we have understood them.

There would be little use in punishing the Hitlerites for their crimes if law and justice did not rule and if totalitarian or police governments were to take the place of the German invaders.

We seek nothing for ourselves. But we must make sure that those causes which we fought for find recognition at the peace table in fact as well as words and, above all, we must labor that the world organization which the United Nations are creating at San Francisco does not become an idle name, does not become a shield for the strong and a mockery for the weak. It is the victors who must search their hearts in their glowing hours and be worthy, by their nobility, of the immense forces that they wield.

Beyond all lurks Japan, harassed and failing but still a people of a hundred million for whose warriors death has few terrors.

I cannot tell you how much time or what exertions will be required to compel the Japanese to make amends for their odious treachery and cruelty. We, like China, so long undaunted, have received horrible injuries from them ourselves, and we are bound by the ties of honor and fraternal loyalty to the United States to fight this great war at the other end of the world, at their side, without flagging or failing.

We must remember Australia, New Zealand and Canada, who were and are all directly menaced by this evil power. They came to our aid in our dark times, and we must not leave unfinished any task which concerns their safety and their future. I told you hard things at the beginning of the last five years. You did not shrink, and I should be unworthy of your confidence and generosity

if I did not still cry: Forward, unflinching, unswerving, indomitable until the whole task is done and the whole world is safe and clean.

British Ambassador States Nation's Intentions

The day before the Prime Minister's address, the Earl of Halifax, British Ambassador to the United States, during a visit to Reno, Nev., told a press conference, according to an Associated Press report from Reno, May 12, that the United Kingdom "intends to put everything we have into the Pacific war. . . . We have been relieved of a great strain but are not making the mistake of thinking the war is over."

Status of Loan to Britain Reported

In reporting on the status of the \$390,000,000 which Great Britain borrowed from the Reconstruction Finance Company to pay for pre-lend-lease war purchases in the United States, John W. Snyder, Federal Loan Administrator, stated, according to the Associated Press from Washington, May 16, that through April 30, the RFC had received payments totaling \$160,273,569. Of this \$111,976,077 has been applied as principal, \$32,842,488 as interest, and \$15,460,004 is held in reserve accounts.

The total amount came from the collateral securing the loan. Interest, dividends and other income from this collateral produced \$142,933,923 of it, and the rest was the proceeds of the sale by Britain of a small amount of the collateral, the Associated Press report states.

The loan was authorized in 1941 in the amount of \$425,000,000, but only \$390,000,000 has been disbursed. The collateral consists of securities of American corporation, the capital stock of 41 British-owned insurance companies in this country, and assignment of the earnings of the American branches of British insurance companies.

Pennsylvania Gas Elects Smith Pres.

Louis C. Smith, President of the Harrisburg Gas Company since 1935, was elected President of the Pennsylvania Gas Association at the 37th annual meeting held in Philadelphia May 16. He succeeds Charles K. Steinmetz, Pennsylvania Power & Light Company, of Carlisle, Pa.

Addressing the representatives of the manufactured gas companies comprising the Pennsylvania Gas Association, the new President said: "The gas industry is faced with great responsibilities and the need for aggressive action has been recognized and organized to improve the post-war economics of its business and to meet competition. The American Gas Association has launched a campaign to appropriate \$1,400,000 a year for three years to finance an extended program of research, national advertising and general promotional effort. Local gas companies not only should endorse the program of the American Gas Association but should back it up with increased local newspaper advertising and advertising in other media to promote the various uses of gas fuel."

Keynes Contrived International Monetary Scheme

(Continued from first page) agement of the scheme and its right to enjoy the credit facilities provided by it. Quotas in both proposals are also alterable. Both proposals would place an uncertain limit on the amount a debtor country can borrow, but would confine the borrowing power largely to the size of the quotas. Both also provide for waiving such limitation. Both proposals provide that a debtor country may not borrow more than 25% of its quota in any one year, but here again both provide waiver provisions. Both contain provisions for requiring collateral under certain conditions but neither makes this mandatory.

The quota given under Bretton Woods to each country is referred to as its "subscription" to the Fund. The quotas or subscriptions would consist of a comparatively small amount of gold on the one hand and a large amount of currency on the other. The quotas would be divided into two categories. To one group of countries a quota would mean an amount of borrowing power. To the other group a quota would mean an amount of lending power.

The lending group would represent the creditor countries, and the borrowing group the debtor countries. The arrangement is essentially one by which debtor countries could borrow from creditor countries.

The arrangement is basically similar to the procedure which Keynes, in his plan for a Clearing Union proposes for establishing borrowing quotas. Lord Keynes' scheme would have started operations without any capital, whereas Morgenthau's and the Bretton Woods plan would require each country to pay into the Fund a specified amount of capital before it could start operations. Lord Keynes' provided for building up debits by means of overdrafts by importing countries and credits by exporting countries.

In a speech before the House of Lords on May 18, 1943, he pointed out the basic similarity of the two procedures. He said:

"The American plan requires the member States to provide so-called security against their overdrafts, a requirement which could certainly be met if it is thought useful; but the security in question only to a very small extent consists in an outside security in the shape of gold. It consists mainly of an IOU engraved on superior notepaper, better than would be the case, perhaps, under our own scheme. I have said that, if that is thought useful and worth while, it does not involve any particular problem."

Lord Keynes, therefore, regards the currencies paid into the Fund as being the same as the overdrafts provided for in his plan and designates them as overdrafts, which, of course, is correct. And if the Bretton Woods and Keynes' gold provisions are examined it will be found that they are similar. Lord Keynes provided, Article II, Sec. 6 (10) that,

"A member State shall be entitled to obtain a credit balance in terms of bancor by paying in gold to the Clearing Union for the credit of its clearing account. But no one is entitled to demand gold from the Union against a balance of bancor, * * *"

The Bretton Woods Agreement provides that members shall pay in gold to the Fund, which is estimated at about 20% of the total subscriptions. It also provides, as seen in Article V, Section 6 (a) below that,

"Any member desiring to obtain, directly or indirectly, the currency of another member for gold shall, provided that it can do so with equal advantage, acquire it by the sale of gold to the Fund."

The Bretton Woods proposal, therefore, provides for paying in

gold to the international monetary authority the same as Lord Keynes' Clearing Union Plan. The only difference is that the former requires that a certain amount of gold be paid in to the Fund when it starts operations, while the latter does not. But even this difference is more apparent than real, since the gold subscription of each member could actually remain in its own government vault.

Lord Keynes provides for one-way convertibility. Members can pay gold into the Union but may not draw any out. Bretton Woods provides for the same thing, except in case a currency should become scarce it is optional with the Fund to require the member concerned to buy gold from the Fund with its currency.

The quota arrangement may well anticipate permanent rationing among the members of world trade, as we shall see later when we consider Article VII of the Bretton Woods Fund Proposal.

Morgenthau's and Bretton Woods Provisions for Vesting in the Fund Control Over the Price of Gold Compared to a Similar Provision in Lord Keynes' Proposal for an International Clearing Union.

Fig. 9
Keynes' Clearing Union

Art. II, Sec. 6 (4)
"Member States shall not purchase or acquire gold, directly or indirectly, at a price in terms of their national currencies in excess of the parity which corresponds to the value of their currency in terms of bancor and to the value of bancor in terms of gold."

Fig. 10
Morgenthau's Second Draft

Art. III, Sec. 2
"No member country shall purchase or acquire gold, directly or indirectly, at a price in terms of its national currency in excess of the parity which corresponds to the value of its currency in terms of unitas and to the value of unitas in terms of gold, * * *"

Fig. 11
Bretton Woods

Art. IV, Sec. 2
"The Fund shall prescribe a margin above and below par value for transactions in gold by members, and no member shall buy gold at a price above par value plus the prescribed margin, or sell gold at a price below par value minus the prescribed margin."

As shown in Fig. 9, Lord Keynes provided in his proposal for a Clearing Union a specific provision for controlling the price of gold. Morgenthau's first draft, though it provided in a general way for the control of the price of gold, contained no specific provision dealing with it. However, in his second draft proposal, three months after publication of his first draft, he copied, practically verbatim, Lord Keynes' provision for the control of the price of gold. This is shown by comparing the language of Fig. 10 with that of Fig. 9 in Exhibit E above.

By referring to Fig. 11, it will be seen that the section in the Bretton Woods proposal relating to the control of the price of gold is in substance the same as that of Lord Keynes, with the exception that it provides for permitting flexibility to members of the price at which they must buy and sell gold. Morgenthau's third draft proposal contained a provision similar to that in the Bretton Woods proposal.

Morgenthau's and Bretton Woods Proposals for Vesting in Foreign Powers Control Over United States Foreign Trade Involving Her Tariffs Compared to a Similar Proposal in Lord Keynes' International Clearing Union Plan.

We are here dealing with one of the most basic provisions of

this whole international scheme. Lord Keynes in his proposal for establishing an International Clearing Union greatly elaborates and stresses the importance of this provision, at least to himself and his countrymen for whom he presumes to speak. In Article I of his scheme he says:

"We need a system possessed of an internal stabilizing mechanism, by which pressure is exercised on any country whose balance of payments with the rest of the world is departing from equilibrium in either direction, so as to prevent movements which must create for its neighbors an equal but opposite want of balance."

"Measures would be necessary to prevent the piling up of credit and debit balances without limit, and the system would have failed in the long run if it did not possess sufficient capacity for self-equilibrium to secure this."

The language "We need a system possessed of an internal stabilizing mechanism, by which pressure is exercised on any country," and "the system would have failed in the long run if it did not possess sufficient capacity for self-equilibrium to secure this," is especially significant in showing the importance Lord Keynes attaches to this part of his scheme. When he suggests the use of a "sanction" as a part of the machinery for exercising the desired pressure, as he did in connection with a speech he delivered to the House of Lords May 23, 1944, his proposal takes on an ominous aspect. But pressure and penalties to do what? On this point Lord Keynes, in Article III of his scheme, says:

"In the case of credit balances no rigid maximum has been proposed. For the appropriate provision might be to require the eventual cancellation or compulsory investment of persistent bancor credit balances accumulating in excess of a member's quota;"

"The appropriate provision might be to require the eventual cancellation or compulsory investment" of persistent credit balances. That is, a country with a persistent credit balance might be required by the threat of a sanction to invest such balance or to give its exports away.

To which country is the sanction to be applied? Lord Keynes is brutally frank in telling us. In a speech before the House of Lords May 23, 1944, he said:

"A proper share of responsibility for maintaining equilibrium in the balance of international payments is squarely placed on the creditor countries. * * * 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."

So it is the United States that has been the offender and it is against her that a sanction is to be imposed, should she misbehave in the future. And what is more, "the Americans have, of their own free will and honest purpose, offered us (the British and other countries) a far-reaching formula" containing a penalty provision by which we, the people of the United States, can, in the future, be made to behave in our international trade relations with them. We should be interested, indeed, in knowing just where in the scheme this "far-reaching formula" is to be found, and of just what it consists.

Here again Lord Keynes leaves no one in doubt. He tells us precisely where to find his formula.

In the speech just referred to he said:

"Under Clause VI of the plan a country (meaning the United States) engages itself, in effect, to prevent such a situation (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) 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."

Clause VI here referred to by Lord Keynes deals with the problem of scarce currencies, and is contained in Morgenthau's third draft proposal where he changed the title from "United and Associated Nations Stabilization Fund" to "Joint Statement of Experts on the Establishment of an International Monetary Fund," which was published April 21, 1944. In accordance with President Roosevelt's instructions to the American and foreign delegations at Bretton Woods to "adhere" to the Joint Statement of Experts Clause VI referred to by Lord Keynes was inserted in the Bretton Woods Proposal where it appears as Article VII.

Mr. Harry D. White, technical adviser to Mr. Morgenthau, testifying before the House Committee on Banking and Currency on Bretton Woods when asked by me whether Article VII in the Fund Agreement contained the provision as indicated by Lord Keynes, replied as follows:

"The Bretton Woods Agreement contains the provision which in effect accomplishes specifically what he refers to and that is contained in Article VII under 'Scarce Currencies.'"

It may be well at this point to insert a copy of the instructions given by President Roosevelt to the delegates at Bretton Woods:

"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 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."

It should be said that the delegates at Bretton Woods in all essentials complied with President Roosevelt's instructions. This alone should be sufficient to successfully counter the claims that are being made by State, Treasury and other government department officials, as well as the proponents of the scheme in general, that the delegates of 44 nations

assembled at Bretton Woods wrote the agreements which bear the name of that summer resort.

Section 3 (a) of Article VII provides that:

"If it becomes evident to the Fund that the demand for a member's currency seriously threatens the Fund's ability to supply that currency, the Fund, whether or not it has issued a report under Section 1 of this Article, shall formally declare such currency scarce and shall thenceforth apportion its existing and accruing supply of the scarce currency with due regard to the relative needs of members, the general international economic situation, and any other pertinent considerations. The Fund shall also issue a report concerning its action."

Therefore, if the directors found that their ability to supply a particular currency was threatened whether or not they had issued a report indicating that such scarcity was developing, it would be mandatory for them to declare such currency scarce. It would also be mandatory for them to thenceforth apportion or ration such currency as remained available to the Fund. The rationing of a scarce currency would mean the rationing of exports of the country issuing such currency.

Section 3 (b) of Article VII provides:

"A formal declaration under (a) above shall operate as an authorization to any member, after consultation with the Fund, temporarily to impose limitations on the freedom of exchange operations in the scarce currency. Subject to the provisions of Article IV, Sections 3 and 4, the member shall have complete jurisdiction in determining the nature of such limitations, but they shall be no more restrictive than is necessary to limit the demand for the scarce currency to the supply held by, or accruing to, the member in question; and they shall be relaxed and removed as rapidly as conditions permit."

Accordingly, when once the Directors had declared a particular currency scarce, any member of the Fund, after consultation with the Fund, would be authorized to restrict the use of such currency, and boycott American exports.

Section 1 of Article VII provides that:

"If the Fund finds that a general scarcity of a particular currency is developing, the Fund may so inform members and may issue a report setting forth the causes of the scarcity and containing recommendations designed to bring it to an end. A representative of the member whose currency is involved shall participate in the preparation of the report."

It is to be noted that this is a permissive and not a mandatory provision. According to testimony submitted to the Committee by Mr. Harry D. White, the executive directors would be vested with the responsibility of determining when a general scarcity of a particular currency was developing. Therefore, when the directors saw that a currency was becoming scarce it would be optional with them as to whether or not they would issue a report showing the causes of the scarcity and making recommendations to bring it to an end. If a report were made it would presumably be made not to the public but only to the "members," which means the representatives of the countries belonging to the scheme.

Let us suppose Congress approves the proposal and the United States contributes \$2,750,000,000 to the Fund. Let us further suppose that the promises of the advocates of the scheme have come true, that the dollars we put into it caused a great increase in our export trade, correspondingly raised the general level of prosperity and provided the many jobs they claim would be provided. Industrial enterprises and the millions employed, directly or indirectly, in the production of goods for export would be igno-

rant of the fact that the dollars upon which they have been depending to support their endeavors were about to become exhausted. By and large, those people so engaged would feel confident that the prosperity they were enjoying was based on sound principles and manage their affairs accordingly. The fact that dollars were becoming exhausted would be known only to the executive directors of the Fund. The first inkling those concerned with the production of export goods would have that the dollars in the Fund were running out would be when the order to ration exports had actually been put into effect, for otherwise rationing of our exports would have to start from the beginning of the Fund's operation or certainly long before any serious shortage developed.

Insofar as our export trade was dependent upon the available supply of dollars in the Fund the moment the directors declared the existence of scarce dollars and issued an order rationing our exports there would of necessity take place a sudden slowing down of the whole export industry.

The provision for making it permissive and not mandatory for the directors to issue a report to the representatives of member countries indicating that dollars were becoming scarce and stating the causes thereof may be intended to prevent them from hoarding dollars. However, with 12 directors on the Fund, it is difficult to see how hoarding of dollars could be prevented.

To base our export trade on a politically improvised arrangement of this sort is a complete departure from all tried and proven principles upon which such trade has heretofore been conducted. Once our exports had been subjected to rationing this might well be expected to become permanent in some measure. The process would inevitably call for additional and more restrictive measures ad infinitum. Indeed, the procedure of rationing our exports would be an authoritarian procedure and like all authoritarianism would ever tend to crush out, wherever it might touch, all voluntary cooperation, in the domestic as well as in the international sphere, between private citizens of the same country and of one country with another.

Let us now consider the remedies which would be available "to bring scarce dollars to an end." Section 2 of Article VII relates to measures for replenishing the Fund's holdings of scarce currencies. It provides that:

"The Fund may, if it deems such action appropriate to replenish its holdings of any member's currency, take either or both of the following steps:

"(i) Propose to the member that, on terms and conditions agreed between the Fund and the member, the latter lend its currency to the Fund or that, with the approval of the member, the Fund borrow such currency from some other source either within or outside the territories of the member, but no member shall be under any obligation to make such loans to the Fund or to approve the borrowing of its currency by the Fund from any other source.

"(ii) Require the member to sell its currency to the Fund for gold." Note that it would be permissive on the part of the Fund to resort to any of these means for replenishing a scarce currency. Another means not mentioned in this Article by which dollars could be replenished in the Fund would be to raise our quota as provided in Section 2 of Article III.

However, H. R. 2211 provides that neither our quota can be raised nor the Fund borrow dollars from the United States without specific authorization from the Congress.

But the Fund could without Congressional authority borrow dollars from some other source,

say, certain private banking institutions in the United States, and private banking as well as government institutions in foreign countries without Congressional authorization. It would require only 51% of the votes of the executive directors to carry out this provision. The United States would have only 28% of the voting power when the Fund was set up and considerably less after other countries not included in the original membership had been admitted.

By a 51% vote of the executive directors a member could be required to sell its currency to the Fund for gold. Thus, the United States could be made to sell its currency for any gold the Fund might have to offer.

Let us again suppose the Fund to be in operation. The level of prosperity has been appreciably elevated through increased export trade as result of the dollars put into the scheme. The Fund has declared dollars to be scarce and rationed our exports. All the industrial processes pertaining to our export trade have suddenly been slowed down. Suppose under these conditions the Fund comes to the Congress of the United States and asks for more dollars, either in the form of a "loan" or an outright grant by the raising of our quota. How possibly could Congress refuse such a request? Manufacturers, farmers, wage earners and others would undoubtedly bring great pressure to bear upon Congress to approve the request.

And we should be prepared to deal with pressure from the borrowing members whenever they deem it advisable to have us pour additional dollars into the international credit pool. Lord Keynes apparently takes it for granted that the United States is by the terms of the Agreement obligated to replenish the Fund's holding of dollars whenever it decides this is needed. In his May 23, 1944, speech to the House of Lords he said:

"The quotas for drawing on the Fund's resources are an iron ration * * *"

Note that quotas mean to Britain credits which she can draw on, not assets she can contribute.

"The quotas are not so large as under the Clearing Union. * * * But they are substantial and can be increased * * *"

Could not this replenishing of the Fund's holding of dollars become a regular and long drawn out repetitious process?

However, as previously stated, it is permissive and not mandatory on the part of the executive directors to ask the United States to replenish an exhausting supply of dollars in the Fund. The executive directors could elect not to ask the United States to put more dollars into the Fund. Should they decide to do this Congress would be helpless in the matter. Regardless of how willing it might be to advance more dollars or how desirable it might be on the part of industry to have it do so, Congress would be entirely estopped from voting more dollars to the Fund if the foreign nations so decided. They would be in complete control since only a 51% vote would be required to produce this situation. Thus it would be within the power of foreign countries to temporarily or permanently ration our export trade.

It is this particular arrangement which constitutes Lord Keynes' "internal stabilizing mechanism, by which pressure is exercised on a country whose balance of payments with the rest of the world is departing from equilibrium * * *". Here is the "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 world to pay" the United States "which was obstinately borrowing and exporting on a scale immensely greater than it was lending and importing." It is through this ar-

range that Lord Keynes says the United States "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," and which penalty he says he cannot imagine would ever be allowed to come into effect.

Here is provided, as Lord Keynes tells us, the prohibition against the United States squaring her international account by "squeezing" gold out of Great Britain and other countries, and the barrier against "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 fowl growths."

In case dollars had been declared scarce in the Fund, foreign countries might say to the United States, and they would have the power to do so,

"We will permit you to put more dollars into the Fund on condition that we need not repay you in dollars, goods or services."

Or, they might say to the United States,

"We prefer replenishing the Fund's holding of dollars by increasing our exports to the United States.—Therefore, remove your tariff barriers and permit free entry into your country of our goods."

To both of these propositions the United States could demur. But the foreign countries in control of the Fund could then elect to temporarily or permanently ration our export trade.

Here is the crux and modus operandi of Lord Keynes' "pressure mechanism," the "far-reaching formula" contained in Article VII of the Bretton Woods Proposal for an International Monetary Fund, by which Great Britain and other countries could force the United States to maintain equilibrium in her balance of payments with the rest of the world, or failing in this, penalize her by compelling her to give her goods away, or peradventure compel her to lower or abrogate her tariffs.

In this connection it may be well to quote from Ragnar Nurkse, who, it should be mentioned, apparently favors the scheme. He says:

"Besides, the Bretton Woods scheme is not strictly confined to monetary policy. That part of it which provides for the apportionment of any currency declared by the Fund to be 'scarce' represents essentially a measure of commercial policy. A hypothetical example will make this clear. If the dollar were to become a scarce currency under the Fund arrangement, the rationing of dollars which would then come into operation would discriminate against the exports of the United States. Such rationing would, for example, divert Britain's demand for cotton from the United States to, say, Brazil, even if cotton were cheaper in the United States; and it would similarly divert Brazil's purchases of automobiles from the United States to England, even if automobiles were cheaper in the United States. In sum, it would divert the effective demand of the outside world away from United States' products in order to make it equal to the United States' demand for the products of the outside world. In monetary terms, this would mean cutting down the international demand for dollars so as to make it fit the available supply. The same result of equating demand and supply could be achieved if, in the circumstances considered, the United States

¹Conditions of International Monetary Equilibrium, Ragnar Nurkse, Economic, Financial and Transit Department, League of Nations, Princeton, N. J., Essays in International Finance No. 4, Spring 1945—Page 19.

were to lower its tariff. The only difference would be that in this case demand and supply would be equated by increasing the supply of dollars rather than by cutting down the demand for them."

Mr. Harry White, Assistant Secretary and chief monetary expert of the Treasury, is quoted as having said:

"The Fund might find that the causes of the scarcity were high trade barriers in the country whose currency was scarce, or a failure to undertake adequate international investment, and it (the Fund) would propose appropriate remedies."

This whole arrangement is an integral part of the terms of the contract to which the proponents of this scheme are asking the United States to permanently bind herself.

Are we to believe that "the Americans * * * have, of their own free will and honest purpose offered" Great Britain and other foreign countries this artifice to thus place our export trade in their control?

The Expansionist Pressure on World Trade

Lord Keynes' Clearing Union plan, Article IV, provides that,

"The plan aims at the substitution of an expansionist, in place of a contractionist, pressure on world trade.

"It effects this by allowing to each member State overdraft facilities of a defined amount."

The quota arrangement of the Fund providing as it does automatic loans, or subject to being made completely automatic by a majority vote of the Fund, of specified amounts, and also the means for further advances as provided in Articles III and VII would certainly supply the instrumentality to produce "expansionist pressure on world trade."

It has been estimated that Keynes' scheme provides an aggregate for all quotas of \$25,000,000,000. The Fund would have a "capitalization" of \$3,800,000,000. This is being interpreted by some as representing something in the nature of a basic difference between the two plans. But it should be borne in mind that the figure for the Clearing Union is purely theoretical and represents a maximum. Members of the British Parliament in considering the Clearing Union plan looked upon the \$25 billion figure as being in excess of actual needs. (See address by Mr. Kingsley Wood in the House of Commons, May 12, 1943.)

Furthermore, it should not be overlooked that the \$3.8 billion represents but the initial amount that would be involved. Judging from the nature and objects of the scheme, and the experience we have had with other government financial agencies, such as Commodity Credit, Reconstruction Finance Corporation, Lend-Lease, etc., we should expect the capitalization of the Fund to be increased from time to time and not be surprised if ultimately we came to an expansion of credit equal to or even exceeding that provided by Lord Keynes in his proposal.

Quoting again from Lord Keynes' May 23, 1944, speech:

"The quotas are not so large as under the Clearing Union, * * * But they are substantial and can be increased subsequently if the need is shown. The aggregate for the world is put provisionally at £2,500,000,000. Our own share of this — for ourselves and the Crown Colonies * * * is £325,000,000."

Parenthetically we might mention that is the amount of the quota which was allotted Great Britain at Bretton Woods. How did it happen that Lord Keynes knew what his country's quota would be before the Bretton Woods conference was held?

There is at the moment nothing to indicate that world-wide inflation of credit with consequent loss of purchasing power of the

Truman Shifts Cabinet

Announcing that he had accepted the resignations of Attorney General Francis Biddle, Secretary of Labor Frances Perkins, and Secretary of Agriculture Claude E. Wickard, President Truman announced his nominees to succeed these members of the late President Roosevelt's cabinet and gave evidence of the major reorganization which has been anticipated from him since he took office six weeks ago, the Associated Press advised from Washington, May 23.

To replace Miss Perkins in the Labor post, Mr. Truman named Federal Judge Lewis B. Schwellenbach, of Washington State, 50-year-old former Senator and close friend of the President.

Representative Clinton P. Anderson, 49-year-old New Mexican who heads the special House Food Investigating Committee and who, like Schwellenbach, supported most Roosevelt proposals, was named Secretary of Agriculture in place of Claude E. Wickard, 52. The latter was designated Rural Electrification Administrator.

Anderson also will take over the duties of the War Food Administration as soon as Marvin Jones returns to the U. S. Court of Claims bench June 30.

Political observers viewed the selections as retaining a somewhat "liberal tinge" to the cabinet, although both so-called "conservative" and pro-Roosevelt factions in Texas were reported pleased with the promotion of Tom C. Clark, of Dallas, 45-year-old Assistant Attorney General, to succeed Francis Biddle, 59.

Clark has been in the Justice Department since 1937. On Capitol Hill he has been on equally good terms with fellow Texans of both the pro- and anti-Roosevelt schools. Born in Dallas, Sept. 23, 1899, he was educated at Virginia Military Institute and the University of Texas.

Schwellenbach, who takes Miss Perkins' place, was a strong New Deal supporter while in the Senate, which he left in 1940 to become district judge for the eastern district of Washington. A firm advocate of the Wagner Labor Relations Act, he once said industrial strife would cease if capital and labor would freely use the machinery now provided by that law.

He was born at Superior, Wis., September 20, 1894, and graduated from the University of Washington. He served as a private in the 12th Infantry in the first World War.

Anderson, Wickard's successor, is now serving his third term in the House. He was born in Centerville, S. D., October 23, 1895, and is a former State Treasurer of New Mexico.

Jones in his letter of resignation said the Chief Justice of the Court of Claims desired his early return to the bench. He also said while the war was going on both in Europe and Far East there was considerable logic in having a separate War Food Administration and that it had worked well.

"Now that victory in Europe has been achieved," he wrote, "I feel that the work of the department of war food could well be carried on by the Secretary of Agriculture, probably with somewhat less expenditure of funds."

In accepting his resignation and his merger proposal, the President told Jones:

"It is to the everlasting credit of the War Food Administration that even after supplying the great demands made upon us from all over the world, the American people as a whole not only did not go hungry but actually enjoyed a better diet than in the days before the war."

dollar and other monetary units would be less under the Bretton Woods Proposal than the Lord Keynes plan.

WPB Revokes Certain Controls, Conversion Program Outlined

J. A. Krug, War Production Board Chairman, has announced that 73 orders which limit or prohibit the manufacture of civilian products have been revoked, as of May 10, the Associated Press reported from Washington on that date. Outlining his program for "orderly" removal of industrial controls and asking manufacturers not to "jump the gun" on the reconversion timetable, Krug went on to say that about half the 420 specific WPB authorization on Form WPB-1319.

Those already dropped include most of the curbs on "hard goods" except for those using large quantities of metal, such as automobiles, furniture, refrigerators, and stoves.

Mr. Krug set July 1 as the date on which business will be given unrestricted access to such steel, copper and aluminum as is not taken up by priority orders for war and war-supporting activities.

Metals to Be Allocated

Until that is done, the revocation of individual controls means little in terms of building up civilian supplies, for WPB's machinery for the allocation of metals will continue to channel them to war and essential uses only.

Ordinary manufacturers resuming or increasing civilian goods output will have to depend on idle, surplus or second-hand materials until this machinery, the familiar "Controlled Materials Plan" is opened up to let them receive the three basic metals, according to the Associated Press.

However, such non-priority orders may be placed at once, Mr. Krug said, to become valid on the books of steel, aluminum and copper mills when the July 1 relaxation occurs. Thereafter mills will make deliveries, subject to the rule that they do not interfere with WPB-authorized orders.

Mr. Krug warned that industry "is expected to continue compliance with all WPB orders and regulations as long as they remain in effect."

"Industry has cooperated magnificently," he said. "I have complete confidence that industry will continue this cooperation and will not try to jump the gun on reconversion."

Preliminary Moves

Two additional actions preparatory to partial reconversion were announced by the production chief, the Associated Press stated. They were:

1. The granting of an AA-4 priority rating—a rating lower than that accorded most essential civilian production, but sufficient to assure favored treatment—to all manufacturers who produce less than \$50,000 worth of goods a quarter. This help will start July 1 and end Dec. 31.

2. The removal of most "rating floors"—rules which prescribe that orders must carry a specified rating or be ignored—to permit the placing of non-priority orders in cases where production and delivery will not interfere with rated orders.

The WPB Chairman said he would announce shortly a simplified priority system having only two ratings, "MM" for military goods and "CC" for needed civilian products. This will come into use gradually, it was indicated.

Eases Motion Picture Projection Equipment

The WPB announced on May 11 that Limitation Order L-325, originally issued Nov. 22, 1943, governing production and distribution of motion picture projection equipment (including sound and amplifying systems), for use in exhibiting 35-mm. film, has been revoked. Other controls over acquisition and use of materials for production of projection equipment remain in effect. Sale and loan of new projection equipment no longer is subject to

New Trust Business Developed Says ABA

The importance of cooperation of officers, directors, and employees of the commercial department with the trust department of their bank in developing new trust business is emphasized in the current May issue of the "Trust Bulletin," official publication of the Trust Division of the American Bankers Association.

In an article captioned, "Survey Shows Officers, Directors Cooperate to Get New Business," the Committee on Trust Information reports on a survey made to obtain more information regarding methods used by trust departments to insure cooperation with commercial banking officers and bank directors in obtaining trust business. A four-page questionnaire was mailed to a representative cross section of 419 Trust Division members and 193 answers were returned, according to Craig R. Smith, chairman of the committee, who is also Assistant Vice-President of the Central Hanover Bank and Trust Company, New York, N. Y.

The article in the "Trust Bulletin" says in part: "Trust business in the United States has enjoyed its steady growth over the past 125 years, not as a separate business but primarily as an affiliated service of the commercial bank. At the present time there are less than a half hundred companies engaged exclusively in the trust business or in conjunction with safe deposit business."

National Bank Assets Higher Than Year Ago

The total assets of national banks on March 20 of this year amounted to more than \$76,000,000,000 (\$76,160,538,000), it was announced on May 22 by Comptroller of the Currency Preston Delano. Returns from the call covered the 5,025 active national banks in the United States and possessions. The assets reported were \$789,000,000 less than the amount reported by the 5,031 national banks on December 30, 1944, the date of the previous call, but an increase of nearly \$10,000,000,000 over the amount reported by the 5,048 active banks on April 13, 1944, the date of the corresponding call a year ago. The Dec. 30 figures were noted in our issue of March 15, page 1187. In his advices of May 22 the Comptroller says:

"The deposits of national banks on March 20, 1945 were over \$71,000,000,000, a decrease since December 1944 of \$946,000,000, but an increase since April 1944 of \$9,373,000,000, or more than 15%. While the demand deposits of individuals, partnerships, and corporations increased \$2,065,000,000 from December 1944 to March of 1945, amounting to \$38,386,000,000 on the latter date, and time deposits of individuals, partnerships, and corporations rose nearly \$800,000,000 in the period to \$13,445,000,000, the reduction of \$3,573,000,000 in War Loan deposits was the principal reason for the net decrease in aggregate deposits between December and March. Deposits of the United States Government, including War Loan accounts, in March were \$7,610,000,000 in comparison with \$11,167,000,000 on Dec. 30, 1944, and \$7,196,000,000 on April 13, 1944. Deposits of States and political subdivisions were \$3,266,000,000, deposits of banks were \$7,650,000,000, postal savings were \$5,000,000, and certified and cashiers' checks, cash letters of credit and travelers' checks outstanding were \$822,000,000.

"Loans and discounts on March 20 this year were 8% less than on Dec. 30, 1944, and amounted to \$10,545,000,000, but were \$595,000,000, or 6%, more than total loans reported outstanding by the banks on April 13, 1944. The percentage of loans and discounts to

total deposits on March 20, 1945, was 14.81 in comparison with 15.94 on Dec. 30, 1944, and 16.10 on April 13, 1944.

"Investments in United States Government securities, direct and guaranteed, of \$44,000,000,000 showed an increase of \$515,000,000 since December 1944, and an increase of \$7,262,000,000 since April 1944. Other bonds, stocks, and securities held of \$3,646,000,000, which included obligations of States and political subdivisions of \$2,129,000,000, increased \$103,000,000 since December, and \$213,000,000 since April last year. "Cash of \$971,000,000, balances with other banks of \$6,714,000,000, and reserves with Federal Reserve banks of \$9,528,000,000, a total of \$17,213,000,000, showed a decrease of \$424,000,000 since December, but an increase of \$1,814,000,000 in the year.

"The unimpaired capital stock of the banks on March 20, 1945 was \$1,576,000,000, including \$84,000,000 of preferred stock. Surplus was \$1,834,000,000, undivided profits \$704,000,000, and reserves \$272,000,000, or a total of \$2,810,000,000. This was an increase of \$102,000,000 over the surplus, profits and reserves on Dec. 30, 1944, and an increase of \$292,000,000 over the aggregate of these items in April last year.

Reiner on Surplus Board

The appointment of Major Jonas Reiner as deputy administrator for consumer's goods of the Surplus Property Board was announced on March 16 by the Board. Major Reiner was supervise the disposal of all surplus distributed by the Commerce Department and War Food Administration. The announcement states:

"As executive head of his own manufacturing and distribution firms in the textile field and as one of the organizers of the Army Exchange Services, he brings to the board a combination of realistic business experience and large-scale Government operation.

"After 25 years in the textile industry, Major Reiner was called by the Army in 1942 to help establish the Army Exchange Service, which operates thousand of Army exchanges on every front and does a business of more than \$1,000,000,000 a year. He has now reverted to inactive status to accept his appointment as deputy administrator. His home is in New York City.

He has stated his own conception of the task ahead of him as follows: "I feel that my job offers the opportunity to reclaim as many dollars as possible of the money Americans have spent on the war and, which is even more important, dispose of these surpluses in such a way as to benefit every American community and contribute largely to the goal of full employment."

Living Costs at War-Time Peak in April

Living costs for the average family of wage earners and lower-salaried clerical workers in the United States rose 0.4% from March to April, according to the National Industrial Conference Board's monthly report which further said:

The index stood at 105.8 (1923 = 100), 23.0% above that of January, 1941, base month of the Little Steel formula. It was at the highest point for the war period and the highest since December, 1925.

There were increases of 0.7% in the cost of food, 0.3% in clothing and 0.1% in sundries. Fuel and light declined 0.1%, and housing costs remained unchanged. Living costs in April were 1.5% higher than a year ago.

Purchasing power of the dollar, in terms of 1923 goods, was 94.5 cents in April. A year ago it was 96.0 cents.

To Draft Less 30-Year-Olds

Emphasizing that the needs of the armed forces are for men under 30 years of age, National Headquarters of Selective Service of May 22 announced that local boards are being requested to liberalize occupational deferments so as to reduce the total number of men to be inducted in the 30 through 37-year-old group—particularly those who are fathers—and to review cases of registrants in the age group 18 through 25 who have heretofore been rejected for general military service or found qualified for limited service only, and forward for re-examination those whom they have reason to believe may qualify for military service.

The five main points covered in the local board memorandum are:

(1) Need of the armed forces for young men,

(2) Review by local boards of cases of IV-F and limited service registrants 18 through 25, and forwarding for re-examination those whom they have reason to believe may qualify for military service.

(3) Liberalization of deferment policies for men over 30 especially for those who are engaged in work useful to the community,

(4) The fact that cutbacks in war plants will make older men available for war production jobs, thereby enabling the release of younger men now occupationally deferred for military service; and also that discharged veterans will be available in increasing numbers to replace the younger men now holding occupational deferments, and

(5) The 42A (Special Revised) procedure will remain in full effect pending receipt of more accurate information concerning the urgency of certain war production programs and services.

"The armed forces have again stated that there is need for young men, preferably below 30 years of age," states the memorandum announcing that revised requirements provide that to be eligible for occupational deferment a registrant 30 through 33, as well as a registrant 34 through 37, need merely be "regularly engaged in an activity in support of the national health, safety and interest or useful to the community, or in an activity in war production or in an agricultural occupation or endeavor essential to the war effort." It was previously required that registrants 30 through 33 be found "necessary to" as well as "regularly engaged in" the occupations described in order to be eligible for occupational deferment.

Army Officers May Retain Reservist Rank

The War Department has announced that commissioned officers in the Army of the United States (not Regular Army commissioned men) may join the Officers' Reserve Corps after the war with the highest temporary rank held at the time active service is ended, the Associated Press reported from Washington, May 21.

Reserve officers represent 25% of the officer strength of the Army in this war, and it is expected the strength of the post-war organized reserve corps "will be several times greater than it has been in the past," the department said.

Appointment in the Officers' Reserve Corps will be offered for an initial period of five years.

The department said that "some temporary adjustment in rank probably will have to be made particularly in cases of younger reserve officers, while on extended active duty with the regular Army or National Guard to co-ordinate ages and grades."

A general staff reserve policy committee has been studying the subject of the post-war organized reserve corps since last October.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES* (Based on Average Yields)										
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	Indus.
May 28	122.25	115.43	120.63	118.80	115.63	107.44	112.37	114.85	119.20	119.20
26	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20	119.20
25	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20	119.20
24	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20	119.20
23	122.33	115.24	120.63	118.60	115.43	107.27	112.19	114.66	119.20	119.20
22	122.33	115.24	120.63	118.60	115.43	107.27	112.19	114.66	119.20	119.20
21	122.31	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41	119.41
19	122.31	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41	119.41
18	122.31	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41	119.41
17	122.31	115.24	120.63	118.60	115.43	107.09	112.19	114.46	119.41	119.41
16	122.25	115.24	120.63	118.60	115.43	107.09	112.37	114.46	119.20	119.20
15	122.19	115.24	120.63	118.60	115.43	107.27	112.19	114.46	119.20	119.20
14	122.21	115.24	120.63	118.60	115.43	107.27	112.19	114.46	119.20	119.20
12	122.26	115.24	120.63	118.40	115.63	107.09	112.19	114.46	119.41	119.41
11	122.26	115.24	120.63	118.40	115.43	107.09	112.19	114.46	119.41	119.41
10	122.28	115.24	120.63	118.40	115.43	107.09	112.19	114.46	119.41	119.41
9	122.34	115.24	120.63	118.40	115.43	107.09	112.19	114.46	119.41	119.41
8	122.38	115.24	120.63	118.40	115.43	107.09	112.19	114.46	119.41	119.41
7	122.38	115.24	120.63	118.40	115.43	107.09	112.19	114.46	119.41	119.41
5	122.38	115.24	120.63	118.40	115.43	107.09	112.19	114.46	119.41	119.41
4	122.38	115.24	120.63	118.40	115.43	107.09	112.00	114.27	119.41	119.41
3	122.38	115.04	120.63	118.40	115.24	106.92	112.00	114.27	119.41	119.41
2	122.38	115.24	120.63	118.40	115.24	107.09	112.19	114.27	119.41	119.41
1	122.36	115.24	120.63	118.40	115.24	107.09	112.19	114.27	119.41	119.41
Apr. 27	122.38	115.24	120.63	118.40	115.04	107.09	112.19	114.27	119.20	119.20
20	122.44	115.04	120.63	118.40	115.04	106.56	111.81	114.27	119.20	119.20
13	122.59	115.04	120.63	118.60	115.04	106.56	111.81	114.46	119.20	119.20
6	122.21	115.04	120.63	118.40	115.04	106.39	111.44	114.46	119.20	119.20
Mar. 31	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20	119.20
23	122.19	115.04	121.04	118.60	114.85	106.21	111.44	114.27	119.41	119.41
16	122.25	115.04	120.84	118.80	114.66	106.39	111.07	114.46	119.41	119.41
9	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41	119.41
2	122.05	114.66	120.43	118.60	114.46	106.21	110.70	114.27	119.61	119.61
Feb. 23	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41	119.41
16	121.97	114.46	120.02	118.60	114.27	105.69	110.15	114.08	119.41	119.41
9	121.58	114.27	119.82	118.40	114.08	105.69	109.97	114.08	119.20	119.20
2	121.33	114.08	119.82	118.00	113.89	105.34	109.60	114.08	118.80	118.80
Jan. 26	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60	118.60
High 1945	122.59	115.43	121.04	118.80	115.63	107.44	112.37	114.85	119.61	119.61
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20	118.20
1 Year Ago										
May 29, 1944	119.67	112.19	118.40	116.80	111.81	102.46	105.86	113.89	117.00	117.00
2 Years Ago										
May 29, 1943	119.82	110.34	118.20	115.82	111.07	97.78	102.30	113.31	115.82	115.82

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)										
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	Indus.
May 28	1.64	2.88	2.62	2.71	2.87	3.31	3.04	2.91	2.69	2.69
26	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69	2.69
25	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69	2.69
24	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69	2.69
23	1.64	2.89	2.62	2.72	2.88	3.32	3.05	2.92	2.69	2.69
22	1.64	2.89	2.62	2.72	2.88	3.32	3.05	2.92	2.69	2.69
21	1.64	2.88	2.62	2.71	2.88	3.32	3.05	2.92	2.68	2.68
19	1.64	2.88	2.62	2.71	2.88	3.32	3.05	2.92	2.68	2.68
18	1.64	2.88	2.62	2.71	2.88	3.32	3.05	2.92	2.68	2.68
17	1.64	2.89	2.62	2.72	2.88	3.33	3.05	2.93	2.68	2.68
16	1.64	2.89	2.62	2.72	2.88	3.33	3.04	2.93	2.69	2.69
15	1.65	2.89	2.62	2.72	2.88	3.32	3.05	2.93	2.69	2.69
14	1.64	2.89	2.62	2.72	2.88	3.32	3.05	2.93	2.68	2.68
12	1.64	2.89	2.61	2.73	2.87	3.33	3.05	2.93	2.69	2.69
11	1.64	2.89	2.61	2.73	2.88	3.33	3.05	2.93	2.68	2.68
10	1.64	2.89	2.61	2.73	2.88	3.33	3.05	2.93	2.68	2.68
9	1.64	2.89	2.61	2.73	2.88	3.33	3.05	2.94	2.68	2.68
8	1.63	2.89	2.61	2.73	2.89	3.33	3.05	2.94	2.68	2.68
7	1.63	2.89	2.61	2.74	2.88	3.33	3.05	2.94	2.68	2.68
5	1.63	2.89	2.61	2.73	2.88	3.33	3.05	2.94	2.68	2.68
4	1.63	2.89	2.61	2.73	2.89	3.33	3.06	2.94	2.68	2.68
3	1.63	2.90	2.62	2.73	2.89	3.34	3.06	2.94	2.68	2.68
2	1.63	2.89	2.61	2.73	2.89	3.33	3.05	2.94	2.68	2.68
1	1.63	2.89	2.61	2.73	2.89	3.33	3.05	2.94	2.68	2.68
Apr. 27	1.63	2.89	2.61	2.73	2.90	3.33	3.05	2.94	2.69	2.69
20	1.63	2.90	2.61	2.73	2.90	3.36	3.07	2.94	2.69	2.69
13	1.62	2.90	2.61	2.72	2.90	3.36	3.07	2.93	2.69	2.69
6	1.64	2.90	2.61	2.73	2.90	3.37	3.09	2.93	2.69	2.69
Mar. 31	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69	2.69
23	1.65	2.90	2.60	2.72	2.91	3.38	3.09	2.94	2.68	2.68
16	1.65	2.90	2.61	2.71	2.92	3.37	3.11	2.93	2.68	2.68
9	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68	2.68
2	1.69	2.92	2.63	2.72	2.93	3.38	3.13	2.94	2.67	2.67
Feb. 23	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68	2.68
16	1.69	2.93	2.65	2.72	2.94	3.41	3.16	2.95	2.68	2.68
9	1.72	2.94	2.66	2.73	2.95	3.41	3.17	2.95	2.69	2.69
2	1.73	2.95	2.66	2.75	2.96	3.43	3.19	2.95	2.71	2.71
Jan. 26	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72	2.72
High 1945	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74	2.74
Low 1945	1.62	2.88	2.60	2.71	2.87	3.31	3.04	2.91	2.67	2.67
1 Year Ago										
May 29, 1944	1.83	3.05	2.73	2.81	3.07	3.60	3.40	2.96	2.80	2.80
2 Years Ago										
May 29, 1943	1.88	3.15	2.74	2.86	3.11	3.89	3.61	2.99	2.86	2.86

*These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

Government Now Landlord Of Million Families

Emergency needs for housing war workers were largely responsible for a six-fold increase in Federal housing between July, 1940 and the end of last October, bringing the Federal total to more than 800,000 dwelling units, while 150,000 units were built in the same period by local housing authorities, according to a study of the growth of public housing prepared by the National Industrial Conference Board and issued on May 25.

The Federal Government's investment in housing rose from \$500,000,000 to about \$3,000,000,000 in a little over four years. The

latest Federal housing appropriation of \$66,000,000 on April 28, is to provide shelter for 20,000 war worker families, besides 1,600 trailers and 6,000 dormitory accommodations.

During the same period, according to the study, private enterprise provided one million dwelling units of permanent character for war housing at a cost of about \$4,000,000,000.

Over one-half of the public war housing program is concentrated in eight states, according to the percentage of dwelling units assigned: California (17%); Washington (7%); Texas (6%); Pennsylvania, Virginia and Ohio (5%); and Michigan and New York (4%).

The State of Trade

(Continued from page 2422)

Paper Production—Paper production for the week ended May 19 was 92.5% of capacity, as against 85.4% of capacity for the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 97% of capacity, or an increase of three points over the previous week.

Food Price Index Unchanged—The Dun & Bradstreet wholesale food price index for May 22 remained unchanged at \$4.08, the low point for this year, and compared with \$3.98 last year at this time, which marked the lowest level reached during 1944. The year-to-year rise amounts to 2.5%. Sheep and lambs advanced during the week, while rye and oats declined. The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale Commodity Price Index—The daily price index of wholesale commodities, compiled by Dun & Bradstreet, Inc., continued irregular in leading agricultural commodities. The index dipped slightly to close at 176.76 on May 22, from 176.82 a week earlier. For the corresponding date one year ago it stood at 171.53.

Retail and Wholesale Trade—Cool rainy weather last week worked against retail trade for the country as a whole with sales volume declining below that of the previous week in some areas, but due largely to a seasonal demand for spring and summer apparel a high level was maintained in others.

Women's ready-to-wear, accessories, and playshoes continued to lead retail trade, according to Dun & Bradstreet, Inc. All types of washable dresses were preferred with solid color shantungs and white background prints in spun rayons selling best in misses' informal dresses as well as dark colors in sheers. While this is National Cotton Week, stores have refrained from promotions. The demand for men's sportswear and furnishings continued but volume was generally either even or just below the previous week. The year's decline in volume was reported even more pronounced.

Sales of playshoes were good, but leather shoe volume was lowered in some areas by small inventories. Consumers were already interested in fall hats and fur coats with a continuing tendency to buy higher priced hats. Flowers for the hair were popular in main-floor departments. Cosmetics in summer shades were bought heavily.

Furniture sales were down slightly as retailers were reported attempting to lower inventories of war-time goods. Seasonal demand for paint, screens, and some household supplies still exceeds supplies. Auto parts, too, were greatly in demand.

Consumers searched for meat and poultry but sales fell even lower than in the previous week, reducing food volume in general. As a consequence, demand for fish and eggs was heavy. Fruits and vegetables were in good supply and sold well.

Retail volume for the country was estimated at 0 to 4% above a year ago. Regional percentage increases ranged from: East 2 below to 3 above; Northwest, 4 to 6; South, 3 to 7; Southwest, 2 to 5; Pacific Coast, 4 to 10. Percentage decreases were: New England, 5 to 10; Middle West, 3 below to 2 above.

Wholesale trade last week was brisk where supplies were available. There was a slight increase in volume in the rayon print cloth market and business in fall and summer clothing and jewelry was sustained. Declines in whole-

sale food sales were noted in the week. A quiet tone prevailed in many textile markets due to a dearth of supplies, but in a few instances some improvement occurred. In the food markets canned goods demand ran high for fish, fruits and most vegetables, but transactions were held at a low point due to the few offerings.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, showed no change

Wholesale Prices Up 0.1% for Week End, May 19

Higher prices for foods and for fuel and lighting materials brought the Bureau of Labor Statistics index of commodity prices in primary markets up 0.1% during the week ended May 19, announced the U. S. Department of Labor in its weekly report on wholesale prices which also said: "At 105.8 the all-commodity index stands at the highest level reached since early in 1920. In the past four weeks average prices for the commodities included in the index rose 0.2% and were nearly 2% higher than at the same time last year."

The announcement continued:

Farm Products and Foods—Average prices for farm products remained unchanged during the week ended May 19 at the level reached for the corresponding week of April. Higher markets for wheat, cotton, apples, onions, and potatoes were offset by lower prices for rye, cows, sheep, and citrus fruits. Farm product prices have increased 5% over the past 12 months.

"Led by increases of about 3% for dressed poultry and 0.7% for fresh fruits and vegetables, prices for foods in primary markets rose 0.2% during the week. Lower prices were reported for rye flour and for lemons and oranges. Foods prices have been rising gradually since about the middle of April and are now 2.0% higher than they were a year ago.

Industrial Commodities—Aside from a further advance in prices for bituminous coal, which continued to reflect increased production costs, and higher sales realizations for gas and electricity there were few changes in industrial commodity markets during the week. The index for the metals and metal products group dropped 0.1% as a result of a decline of 2.2% in prices for mercury. Substantial supplies of Spanish metal offered for sale in this country had a depressing effect on the domestic market. In the building materials group higher prices for Douglas fir dimension stock and for turpentine were offset by lower prices for Douglas fir timbers and for common building brick in some areas with the result that the group index remained unchanged at 117.2% of the 1926 average."

The following notation was included in the Labor Department's report:

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. The indexes 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) indexes for the principal groups of commodities for the past three weeks, for April 21, 1945, and May 20, 1944, and (2) the percentage changes in subgroup indexes from May 12, 1945, to May 19, 1945:

WHOLESALE PRICES FOR WEEK ENDED MAY 19, 1945 (1926=100)

Commodity Groups—	Percentage change to May 19, 1945 from—							
	5-19 1945	5-12 1945	5-5 1945	4-21 1945	5-20 1944	5-12 1944	4-21 1944	5-20 1944
All commodities.....	105.8	105.7	105.7	105.6	103.8	+0.1	+0.2	+1.9
Farm products.....	129.5	129.5	129.8	129.5	123.3	0	0	+5.0
Foods.....	106.8	106.6	106.5	105.7	104.7	+0.2	+1.0	+2.0
Hides and leather products.....	118.3	118.3	118.3	118.3	117.6	0	0	+0.6
Textile products.....	99.1	99.1	99.1	99.1	97.3	0	0	+1.8
Fuel and lighting materials.....	84.6	84.3	84.0	83.9	83.9	+0.4	+0.8	+0.8
Metals and metal products.....	104.3	104.4	104.3	104.3	103.8	-0.1	0	+0.5
Building materials.....	117.2	117.2	117.0	117.0	115.6	0	+0.2	+1.4
Chemicals and allied products.....	94.9	94.9	94.9	94.9	95.5	0	0	-0.6
Housefurnishing goods.....	106.2	106.2	106.2	106.2	106.0	0	0	+0.2
Miscellaneous commodities.....	94.6	94.6	94.6	94.6	93.3	0	0	+1.4
Raw materials.....	117.9	117.9	117.8	117.7	113.3	0	+0.2	+4.1
Semimanufactured articles.....	94.8	94.8	94.8	94.8	93.6	0	0	+1.3
Manufactured products.....	102.1	102.0	102.0	101.9	101.1	+0.1	+0.2	+1.0
All commodities other than farm products.....	100.5	100.4	100.4	100.3	99.6	+0.1	+0.2	+0.9
All commodities other than farm products and foods.....	99.7	99.6	99.5	99.5	98.7	+0.1	+0.2	+1.0

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM May 12, 1945 to May 19, 1945

Subgroup	Increases		Decreases
	Percentage	Value	
Fruits and vegetables.....	0.7	Other farm products.....	0.3
Meats.....	0.3	Bituminous coal.....	0.2
Paint and paint materials.....	0.1		
Livestock and poultry.....	0.5	Brick and tile.....	0.1

Steel Production Rate Off 2%—Cancellations Still Light—Sheet, Bar, Wire Demand Heavy

The American Iron and Steel Institute on May 28 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 91% of capacity for the week beginning May 28, compared with 92.9% one week ago, 95.8% one month ago and 97.5% one year ago. The operating rate is equivalent to 1,666,800 tons of steel ingots and castings, compared to 1,701,600 tons one week ago, 1,754,700 tons one month ago, and 1,746,500 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on May 28, stated in part as follows:

"Steel backlogs are shrinking slowly, as cancellations still are relatively light and decline in orders generally is moderate. This leaves deliveries in sheets, bars, some types of tubular goods and wire still greatly extended. A notable exception is in plates, with backlogs dwindling and tonnage being offered for July and August. Plate shipments have been tapering since March, when well over 800,000 tons were moved for the highest total for the year, compared with the all-time total of 1,200,000 tons in March, 1944. Shipments in this quarter are ex-

pected to average close to 670,000 tons per month. Third quarter is expected to bring a heavy drop in Maritime Commission tonnage, from about 660,000 tons in the current quarter to 100,000 tons, according to current forecasts.

"While cancellations since V-E Day have been light, developments are being watched closely, pending appraisal of what will be required in the Pacific war and what can be salvaged from military supplies in Europe. In some quarters it is believed the next 30 days will see many more cancellations than experienced so far. In spite of this no drastic cut in steel production is foreseen and many expect the low point to be reached this summer, with the decline cushioned by stocking of ingots of analyses known to be required later for civilian work. Even without this, no pronounced de-

National Fertilizer Association Commodity Price Index Advances to a New High

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on May 28, for the week of May 26, 1945, advanced to a new high of 140.7 from 140.3 for both the preceding week and for the week of April 28, one month earlier. A year ago the index stood at 136.8, all based on the 1935-39 average as 100. The Association's report went on to say:

The farm products group advanced to a new high, the price increases for cotton, cattle, calves, and lambs more than offsetting the lower quotations for corn and rye. The foods index also advanced because of higher quotations for evaporated milk, oranges, and dressed fowl. The slight drop in the steel scrap quotation was not sufficient to affect the metals index. The textiles index showed a slight advance. All other groups of the index remained unchanged.

During the week 8 price series in the index advanced and 3 declined; in the preceding week there were 7 advances and 5 declines; in the second preceding week there were no advances and 8 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 Week		Month Ago	Year Ago
		May 26, 1945	May 19, 1945		
25.3	Food.....	142.6	141.6	141.6	137.4
	Fats and Oils.....	145.3	145.3	145.3	143.0
	Cottonseed Oil.....	163.1	163.1	163.1	156.7
23.0	Farm Products.....	167.4	166.8	167.0	154.4
	Cotton.....	215.5	214.6	212.8	201.0
	Grains.....	163.7	163.8	163.1	164.6
	Livestock.....	161.0	160.2	160.8	143.1
17.3	Fuels.....	130.4	130.4	130.4	130.1
10.8	Miscellaneous Commodities.....	133.7	133.7	133.7	132.2
8.2	Textiles.....	157.2	157.1	156.8	152.3
7.1	Metals.....	104.7	104.7	104.7	104.4
6.1	Building Materials.....	154.4	154.4	154.4	153.4
1.3	Chemicals and Drugs.....	125.4	125.4	125.4	127.7
.3	Fertilizer Materials.....	118.3	118.3	118.3	117.7
.3	Fertilizers.....	119.9	119.9	119.9	119.7
.3	Farm Machinery.....	104.8	104.8	104.8	104.3
100.0	All groups combined.....	140.7	140.3	140.3	136.8

*Indexes on 1926-1928 base were: May 26, 1945, 109.6; May 19, 1945, 109.3; and May 27, 1944, 106.6.

Govt. Surplus Property Sales in April Reported

The Office of Surplus Property of the Department of Commerce, a disposal agency designated by the Surplus Property Board, announced on May 16 sales of consumer goods totaled \$4,889,784 during the month of April, the reported cost of which amounted to \$13,930,143. These items were mainly surpluses that were declared by the Army and Navy. The Office of Surplus Property transferred from the Treasury Department to the Department of Commerce on May 1.

During the same month, declarations of property having a reported cost totalling \$31,042,499 were received by the Office of Surplus Property. This, it is indicated, is not the net addition to inventory, since property having a reported cost of \$5,214,392 was withdrawn by the declaring agencies and property with a reported cost of \$1,508,045 was transferred to other agencies for disposal.

A decline is expected for the summer in view of estimated needs of claimant agencies. With the Controlled Materials plan scheduled to end Dec. 31 no additional CMP allotments will be issued for fourth and subsequent quarters except under unusual circumstances, although authorizations already issued for these periods will stand.

"Heralding pent-up demand for structural steel, awaiting loosening of restrictions, is placing of firm contracts by the Metropolitan Insurance Co. for three housing projects in New York City, requiring 64,000 tons of structural steel, considerable tonnage of reinforcing steel and steel window frames. One contracting firm has the entire work and steel has been placed with three producers. Several months, perhaps two years, will be required for completion of the projects.

"Reflecting higher prices allowed by Office of Price Administration, average composite prices of finished and semi-finished steel are higher, finished steel composite rising from \$57.55 to \$58.27 and semi-finished composite from \$36 to \$37.80. Due to a decline in eastern Pennsylvania the steelmaking scrap composite has dropped from \$19.17 to \$19. Steelmaking pig iron composite holds at \$24.05."

Treasury Offers Notes On an Exchange Basis

Secretary of the Treasury Morgenthau today announced on May 21 an offering, through the Federal Reserve Banks, of 0.90% Treasury Notes of Series D-1946, open on an exchange basis to holders of 7/8% Treasury Certificates of Indebtedness of Series C-1945, maturing June 1, 1945, and 1 1/2% Home Owners' Loan Corporation Bonds of Series M-1945-47, called for redemption on June 1, 1945. Exchanges will be made par for par, in amounts or multiples of \$1,000. The offering is limited to the amount of maturing certificates and called bonds tendered in exchange, and cash subscriptions will not be received. The subscription books for the exchange offering closed at the close of business on May 23, except for the receipt of subscriptions from holders of \$100,000 or less of the maturing certificates or called bonds. The subscription books were closed for the receipt of subscriptions of the latter class at the close of business May 26.

Mr. Morgenthau stated that there are now outstanding \$4,770,046,000 of the Series C-1945 certificates and \$754,904,000 of the Home Owners' Loan Corporation Bonds of Series M-1945-47. The announcement regarding the offering also said:

"The notes now offered will be dated June 1, 1945, and will bear interest from that date at the rate of 0.90% per annum, payable on a semiannual basis on January 1 and July 1, 1946. They will mature July 1, 1946. They will be issued in bearer form only, in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000.

"Pursuant to the provisions of the Public Debt Act of 1941, interest upon the notes now offered shall not have any exemption, as such, under Federal tax acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

"Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing certificates or called bonds. Subject to the usual reservations, all subscriptions will be allotted in full."

Great Changes Ahead

(Continued from first page) and is hammering at our gates. It has already, under the title of the "New Deal," greatly modified our economic system. The realities of power have already in large measure, passed from the wealthy families and efficient industrialists into the hands of politicians, bureaucrats and labor leaders.

Beware Another Depression

Yet, the powerful New Deal wave which started in 1932 is now receding—although some of the new controls will stick. Private enterprise and private capital are to have another trial. The next few years should be reasonably prosperous in spite of the big national debt. But if another depression comes, then look out for trouble.

Money may then no longer be the high road to power. The young man who wants to get into the struggle for power should perhaps consider politics or become a labor leader. It will be well to have military experience. Those who seek security first should become experts in some one line and depend upon civil service. Small business ventures may provide economic freedom, but not too much security. The failure rate is high. The professions offer positions of honor and public service and the law is a gateway into politics. Farming offers perhaps the largest measure of security and freedom combined, but no financial reward. All of these, — even agriculture — now require specialized education.

Read Good Books

Finally, I want to put in a strong word for the reading of history, economics and philosophy — or let us call it frankly "religion." I recommend this not as means of making a living, but of LIVING. Such reading will give you a better understanding of what is going on in the world and one's proper relation to God and man.

New Dwellings In First Quarter of 1945

Only 29,000 new non-farm family dwelling units were put under construction in the United States during the first 3 months of 1945, Secretary of Labor Perkins reported May 10. "This represents a decline of approximately 41% from the number of units started in the first quarter of 1944 and a drop of 75% from the average volume in 1943," she said. "Over nine-tenths of this new residential building is being financed from private funds, as compared with three-fourths a year ago. Because of the war-time restrictions on non-essential building, the virtual completion of war-housing projects, and the continued shortages of labor and materials, both privately and Federally financed construction were less in 1945 than in 1944. The former declined from 37,300 units to 26,600 and the latter from 11,600 to 2,400.

"In addition to the new family dwelling units, Federal construction contracts were awarded in the first quarter of 1945 for dormitories to house 2,974 persons and for facilities to accommodate 2,413 trailers.

"The permit valuation of the 29,000 new non-farm units started in the first 3 months of 1945 totaled \$82,667,000, as compared with \$139,725,000 estimated for the 48,900 units begun during the same period in 1944.

"These estimates, based on building permits issued and Federal construction contracts awarded, were prepared by the Bureau of Labor Statistics of the U. S. Department of Labor. The non-farm area of the United States is defined as including all incorporated places and all unincorporated areas except farms."

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended May 19, 1945 is estimated by the Bureau of Mines at 11,360,000 net tons, an increase of 715,000 tons over the preceding week, according to the United States Department of the Interior. Output in the corresponding week of 1944 was 12,012,000 tons. The total production of soft coal from Jan. 1 to May 19, 1945, is estimated at 227,155,000 net tons, a decrease of 8.2% when compared with the 247,428,000 tons produced during the period from Jan. 1 to May 20, 1944.

Production of Pennsylvania anthracite for the week ended May 19, 1945, as estimated by the Bureau of Mines, was 45,000 tons, a decrease of 1,000 tons from the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 1,260,000 tons. The calendar year to date shows a decrease of 24.4% when compared with the same period in 1944. The hard coal miners started returning to work on May 21, 1945, after having been idle for three weeks.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended May 19, 1945 showed a decrease of 6,400 tons when compared with the output for the week ended May 12, 1945; and was 23,200 tons less than for the corresponding week of 1944.

age, and unclassified construction. Subtotals for the week in each class of construction are: water works, \$1,543,000; sewerage, \$201,000; industrial buildings, \$1,927,000; commercial building and large-scale private housing, \$3,530,000; public buildings, \$15,328,000; earthwork and drainage, \$545,000; streets and roads, \$3,858,000, and unclassified construction, \$8,084,000.

New capital for construction purposes for the week totals \$6,092,000. It is made up of \$3,352,000 in State and municipal bond sales, and \$2,740,000 in corporate security issues. The week's new financing brings 1945 volume to \$498,780,000, a total 17% greater than the \$426,549,000 reported for the 21-week period last year.

Post-War Construction Planning Volume \$20.9 Billion

Identified and recorded engineering construction projects proposed for construction in the post-war years total \$20,891,261,000, according to reports to "Engineering News-Record," in the period from Jan. 1, 1943 through May 17, 1945. Plans are under way or completed on post-war projects valued at \$8,909,906,000, 42.6% of the total volume proposed, and on \$1,290,777,000 worth of projects all financing arrangements have been completed.

Non-Ferrous Metals—Copper and Zinc Sales Light—Demand for Lead Continues Steady

"E. & M. J. Metal and Mineral Markets," in its issue of May 24, stated: "With consumption of copper and zinc for war purposes diminishing, buying of these metals during the last week again was quiet. Use of the war metals in civilian products is slowly increasing, but volume consumption, most observers believe, cannot be restored quickly. Call for lead continued at a high level. During the last week, WPB modified its restrictions on osmium, a platinum metal, and molybdenum. Purchases of aluminum from Canadian sources were reduced. Quick-silver prices weakened on increased offerings in a dull market. In the field of non-metals, OPA raised the price ceiling on ground mica." The publication further went on to say in part:

Copper

Most producers experienced another quiet week in copper so far as new business was concerned. Consumption of copper in June is expected to fall well below the average of the first five months of the year. The fabricating division of the industry reports that consumption of copper during April totaled 147,209 tons, which compares with 171,558 tons in March, and 160,335 tons in April last year. Stocks of refined copper in the hands of fabricators at the end of April amounted to 394,065 tons, against 380,197 tons a month previous and 324,500 tons a year ago.

Shipments of ingot brass and bronze by producers reporting to the Defense Council of the industry amounted to 40,118 tons in April, which compares with 41,988 tons in March. Shipments represent in excess of 95% of the deliveries of the industry.

Lead

Consumers have asked WPB for approximately 21,000 tons of foreign lead with which to round out their June requirements. This indicates that demand for lead has not diminished since V-E Day. Sales for the week in the domestic market involved 5,037 tons. Buyers would have taken larger quantities had producers been willing sellers.

The supply situation for June has been aided by the recent purchase of some 10,000 tons of lead from Canadian producers, all of which is expected to come into the United States during that month.

Production of refined lead in the United States in April amounted to 46,511 tons, against 48,029 tons in March, the American Bureau of Metal Statistics reports. Domestic refineries shipped 44,179 tons in April, against 47,249 tons in March. Stocks increased to 33,234 tons.

The March and April statistics of domestic lead refineries, in tons, follow:

	April	March
Stock at beginning	36,909	30,141
Production:		
Domestic	39,725	39,077
Secondary and foreign	6,786	8,952
	46,511	48,029
Domestic shipments	44,179	47,249
Stock at end	33,234	30,909

Zinc

With allocation certificates for June metal about to be mailed to consumers, some improvement in

Quicksilver

Since V-E Day, most consumers of quicksilver have switched to a hand-to-mouth policy in buying. The reason for the hesitancy is (1) that some cutback in ordinary needs of the armed forces is likely, and (2) growing uncertainty over the duration of the war with Japan. Under "materials still hard to obtain," WPB lists red oxide of mercury. New plant capacity for producing this material is being rushed to completion. Nevertheless, buyers are timid and offerings are increasing. The net result has been a further weakening in prices, with spot and nearby metal available at \$152. to \$155 per flask, depending on quantity. Spanish quicksilver was offered at \$150 per flask, shipment from abroad, duty paid, New York. Some sellers on the Pacific Coast stood ready to meet this figure.

Producers quote from \$145 to \$150 per flask, June shipments, f.o.b. Coast, with the market unsettled.

Silver

The London silver market was quiet and unchanged at 25 1/2 d. The New York Official for foreign silver continued at 44 3/4 c, with domestic metal at 70 3/4 c.

Congressmen Going Abroad

Congressmen say that President Truman feels that any number of the legislature who would like to go abroad to see the war and its effects first-hand should have the opportunity to do so, according to the Associated Press from Washington, May 17.

Groups from the House Agriculture, the House Naval, and the Senate Interstate committees already have left Washington for Europe.

The Senate committee will investigate disposal of \$160,000,000 in communications equipment now largely surplus. Headed by Senator Burton K. Wheeler, (D-Mont.) it includes Senators Ernest W. McFarland, Democrat, of Arizona; Frank P. Briggs, Democrat, of Missouri; Albert W. Hawkes, Republican, of New Jersey, and Homer E. Capehart, Republican, of Indiana.

Accompanying them were Paul A. Porter, chairman of the Federal Communications Commission; Rear Admiral Joseph R. Redman, director of Naval Communications, and Major General Frank P. Stoner, of the Army Signal Corps.

A special five-man subcommittee of the House Naval Affairs Committee will visit Europe, North Africa and the Near East to investigate disposal policies and machinery for surplus naval property in those areas.

The delegation included Representative Landon B. Johnson, Democrat, of Texas, chairman, and Michael J. Bradley, Democrat, of Pennsylvania; F. Edward Hebert, Democrat, of Louisiana; W. Sterling Cole, Republican, of New York, and William E. Hess, Republican, of Ohio.

Congress Medal for FDR

A bill authorizing posthumous award of a Congressional Medal of Honor to the late President Roosevelt, for his "everlasting contribution to the cause of peace," has been unanimously approved by the House and sent to the Senate, the United Press reported from Washington, May 21.

At the insistence of Republicans, Democratic Leader John W. McCormack (Mass.), who sponsored the bill, changed the wording to make it clear that the medal was a "special" award to Mr. Roosevelt as a civilian and not as past commander in chief.

It would authorize President Truman to award the medal posthumously to his predecessor in recognition of "his peerless leadership, his heroic courage as a pioneer of freedom, his gallant and unselfish devotion to the service of his country, and his everlasting contribution to the cause of world peace."

ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE IN NET TONS

	Week Ended			Jan. 1 to Date	
	May 19, 1945	May 12, 1945	May 20, 1944	May 19, 1945	May 20, 1944
Bituminous coal & lignite—					
Total, including mine fuel—	11,360,000	10,645,000	12,012,000	227,155,000	247,428,000
Daily average	1,893,000	1,774,000	2,002,000	1,912,000	2,057,000

*Revised. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Calendar Year to Date		
	May 19, 1945	May 12, 1945	May 20, 1944	May 19, 1945	May 20, 1944	May 22, 1937
Penn. anthracite—						
*Total incl. coll. fuel	45,000	46,000	1,305,000	19,341,000	25,594,000	22,665,000
†Commercial produc.	43,000	44,000	1,253,000	18,566,000	24,570,000	21,532,000
Beehive coke—						
United States total	119,400	125,800	142,600	2,248,000	3,037,500	1,475,200

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

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

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

State—	Week Ended		
	May 12, 1945	May 5, 1945	May 13, 1944
Alabama	390,000	379,000	369,000
Alaska	6,000	7,000	7,000
Arkansas and Oklahoma	76,000	80,000	92,000
Colorado	116,000	128,000	148,000
Georgia and North Carolina	1,000	*	*
Illinois	1,130,000	1,138,000	1,460,000
Indiana	455,000	509,000	519,000
Iowa	41,000	41,000	41,000
Kansas and Missouri	114,000	109,000	168,000
Kentucky—Eastern	977,000	916,000	1,014,000
Kentucky—Western	350,000	344,000	386,000
Maryland	30,000	33,000	38,000
Michigan	3,000	3,000	5,000
Montana (bitum. & lignite)	70,000	68,000	82,000
New Mexico	30,000	30,000	40,000
North & South Dakota (lignite)	34,000	34,000	24,000
Ohio	642,000	660,000	710,000
Pennsylvania (bituminous)	2,390,000	2,710,000	3,095,000
Tennessee	131,000	127,000	139,000
Texas (bituminous & lignite)	1,000	1,000	3,000
Utah	108,000	133,000	144,000
Virginia	348,000	332,000	396,000
Washington	30,000	25,000	26,000
†West Virginia—Southern	1,976,000	1,882,000	2,152,000
†West Virginia—Northern	1,024,000	1,030,000	1,017,000
Wyoming	172,000	170,000	178,000
Other Western States	*	1,000	*
Total bituminous & lignite	10,645,000	10,890,000	12,253,000

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona and Oregon. *Less than 1,000 tons.

Civil Engineering Construction Volume \$35,016,000 for Week

Civil engineering construction volume in continental United States totals \$35,016,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 21% higher than in the preceding week, and 26% above the total for the corresponding 1944 week, but is 2% below the previous four-week moving average as reported to "Engineering News-Record." The report issued on May 24 continued as follows:

Private construction for the week tops a week ago by 112%, and is up to 27% compared with a year ago. Public work also gains, topping last week by 8% and exceeding the 1944 week by 25%. Federal volume is 14 and 45% higher, respectively, than last week and last year and is responsible for the public gain as State and municipal construction is 14 and 26% lower than a week ago and a year ago.

The current week's volume brings 1945 construction to \$664,137,000 for the 21 weeks, 9% below the \$734,019,000 reported in the corresponding 1944 period. Private construction, \$185,881,000, is 10% above last year, but public construction, \$478,256,000, is down 15% due to the 21% decrease in Federal volume. State and municipal, \$91,111,000, is 17% higher than last year.

Civil engineering construction volumes for the 1944 week, last week, and the current week are:

	May 25, 1944	May 17, 1945	May 24, 1945
Total U. S. construction	\$27,885,000	\$29,049,000	\$35,016,000
Private construction	5,865,000	3,522,000	7,470,000
Public construction	22,020,000	25,527,000	27,546,000
State and municipal	6,278,000	5,389,000	4,623,000
Federal	15,742,000	20,138,000	22,923,000

In the classified construction groups, gains over the preceding week are in commercial and public building, earthwork and drainage, and streets and roads. Increases over the 1944 week are in water works, commercial and public buildings, earthwork and drain-

Daily Average Crude Oil Production for Week Ended May 19, 1945 Increased 7,250 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 19, 1945, was 4,867,465 barrels, an increase of 7,250 barrels per day over the preceding week and a gain of 354,065 barrels per day over the corresponding week of 1944. The current figure was also 965 barrels in excess of the daily average figure recommended by the Petroleum Administration for War for the month of May, 1945. 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 4,908,000 barrels of crude oil daily and produced 15,269,000 barrels of gasoline; 1,546,000 barrels of kerosine; 5,041,000 barrels of distillate fuel, and 9,646,000 barrels of residual fuel oil during the week ended May 19, 1945, and had in storage at the end of that week 48,364,000 barrels of civilian grade gasoline, 41,309,000 barrels of military and other gasoline, 7,955,000 barrels of kerosine, 29,470,000 barrels of distillate fuel, and 38,624,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

State	*P. A. W. Recommendations May	*State Allowables May 1	Actual Production		4 Weeks Ended May 19, 1945	Week Ended May 20, 1944
			Week Ended May 19, 1945	Change from Previous Week		
Oklahoma	367,500	367,500	385,400	+ 250	379,600	333,850
Kansas	274,000	269,400	271,300	+ 400	265,000	283,800
Nebraska	1,000		900		900	1,000
Panhandle Texas			90,000		90,000	91,000
North Texas			153,900		152,900	147,200
West Texas			495,300		493,850	429,150
East Central Texas			138,200		138,300	137,150
East Texas			379,800		379,400	364,100
South Texas			355,850		354,750	307,050
Coastal Texas			563,300		563,800	519,850
Total Texas	2,170,000	2,170,717	2,176,150		2,173,000	1,995,500
North Louisiana			71,100		71,100	73,850
Coastal Louisiana			299,800		298,600	283,100
Total Louisiana	360,000	400,800	370,900		369,700	356,950
Arkansas	80,000	78,788	79,850	+ 250	79,750	80,450
Mississippi	53,000		49,800	- 4,450	52,850	41,050
Alabama	300		450		450	100
Florida			15		15	50
Illinois	205,000		194,850	- 2,900	196,700	214,600
Indiana	13,000		12,450	+ 1,350	11,650	12,350
Eastern—						
(Not incl. Ill., Ind., Ky.)	67,200		64,950	+ 1,700	64,000	70,850
Kentucky	31,000		26,850		27,250	21,650
Michigan	47,000		45,800	- 4,500	47,450	46,350
Wyoming	112,000		106,950	- 550	107,300	81,150
Montana	23,000		20,850		20,750	21,400
Colorado	10,500		11,200	+ 600	10,750	8,200
New Mexico	105,000	105,000	103,900		104,150	108,200
Total East of Calif	3,919,500		3,922,365		3,911,265	3,677,500
California	947,000	947,000	945,100	+ 15,100	929,200	835,900
Total United States	4,866,500		4,867,465	+ 7,250	4,840,465	4,513,400

*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. May 17, 1945.

‡This is the net basic allowable as of May 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 2 to 14 days, the entire state was ordered shut down for 6 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 6 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 MAY 19, 1945

(Figures in thousands of barrels of 42 gallons each)

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

District	% Daily Crude Runs			% Gasoline		% Stocks		% Gasoline Stocks	
	Refining to Still	Capac. Daily Re-Aver-	% Op- porting	Pro- duction at Ref.	% Stocks of Re- sidual Fuel Oil	% Stocks of Gasoline			
East Coast	99.5	71.5	90.4	1,886	6,195	5,818	5,783	7,818	
Appalachian—									
District No. 1	76.8	98	67.1	277	334	185	1,112	1,224	
District No. 2	81.2	66	132.0	203	95	147	548	891	
Ind., Ill., Ky.	87.2	801	93.5	2,944	3,950	1,805	6,872	14,898	
Okla., Kans., Mo.	78.3	403	85.9	1,465	1,837	1,152	2,117	7,168	
Inland Texas	59.8	255	77.3	992	320	825	1,217	1,722	
Texas Gulf Coast	89.3	1,176	95.1	3,645	6,111	5,947	9,330	4,620	
Louisiana Gulf Coast	96.8	248	95.4	812	1,555	1,436	2,562	2,021	
No. La. & Arkansas	55.9	84	66.7	248	662	202	533	2,255	
Rocky Mountain—									
District No. 3	17.1	12	92.3	39	20	33	20	56	
District No. 4	72.1	105	66.0	400	278	591	608	1,777	
California	85.8	945	95.1	2,358	8,113	20,483	10,607	3,914	
Total U. S. B. of M.									
basis May 19, 1945	85.6	4,908	90.4	15,269	29,470	38,624	*41,309	48,364	
Total U. S. B. of M.									
basis May 12, 1945	85.6	4,850	89.3	15,137	28,996	38,948	40,784	49,166	
U. S. Bur. of Mines									
basis May 20, 1944		4,513		13,393	31,104	50,761	38,699	49,086	

*Includes aviation and military grades, finished and unfinished, title to which still remains in the name of the producing company; solvents, rephas, blending stocks currently indeterminate as to ultimate use, and 11,352,000 barrels unfinished gasoline this week, compared with 12,304,000 barrels a year ago. These figures do not include any gasoline on which title has already passed, or which the military forces may actually have in custody in their own or leased storage. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,546,000 barrels of kerosine, 5,041,000 barrels of gas oil and distillate fuel oil and 9,646,000 barrels of residual fuel oil produced during the week ended May 19, 1945, which compares with 1,496,000 barrels, 4,749,000 barrels and 9,619,000 barrels, respectively, in the preceding week and 1,763,000 barrels, 4,883,000 barrels and 8,383,000 barrels, respectively, in the week ended May 20, 1944.

Note—Stocks of kerosine at May 19, 1945, amounted to 7,955,000 barrels, as against 7,821,000 barrels a week earlier and 7,656,000 barrels a year before.

Trading on New York Exchanges

The Securities and Exchange Commission made public on May 23 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 May 5, 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 May 5 (in round-lot transactions) totaled 2,708,738 shares, which amount was 15.69% of the total transactions on the Exchange of 8,634,260 shares. This compares with member trading during the week ended April 28 of 2,894,533 shares, or 15.74% of the total trading of 9,197,790 shares. On the New York Curb Exchange, member trading during the week ended May 5 amounted to 595,402 shares, or 14.11% of the total volume on that exchange of 4,110,115 shares. During the April 28 week trading for the account of Curb members of 481,360 shares was 12.28% of the total trading of 1,960,295.

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

WEEK ENDED MAY 5, 1945		Total for week	%
1. Total Round-Lot Sales:		244,610	
Short sales		8,389,650	
†Other sales		8,634,260	
2. 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		748,890	
Short sales		100,390	
†Other sales		611,250	
Total sales		711,640	8.46
2. Other transactions initiated on the floor—			
Total purchases		341,160	
Short sales		30,100	
†Other sales		276,840	
Total sales		306,940	3.75
3. Other transactions initiated off the floor—			
Total purchases		209,521	
Short sales		19,050	
†Other sales		371,537	
Total sales		390,587	3.48
4. Total—		1,299,571	
Total purchases		149,540	
Short sales		1,259,627	
†Other sales		1,409,167	15.69

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

WEEK ENDED MAY 5, 1945		Total for week	%
1. Total Round-Lot Sales:		32,310	
Short sales		2,077,805	
†Other sales		2,110,115	
2. Round-Lot Transaction for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases		160,980	
Short sales		11,360	
†Other sales		135,560	
Total sales		146,920	7.29
2. Other transactions initiated on the floor—			
Total purchases		76,960	
Short sales		4,600	
†Other sales		71,480	
Total sales		76,080	3.63
3. Other transactions initiated off the floor—			
Total purchases		50,370	
Short sales		8,450	
†Other sales		75,642	
Total sales		84,092	3.19
4. Total—		288,310	
Total purchases		24,410	
Short sales		282,682	
†Other sales		307,092	14.11
3. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales		0	
†Customers' other sales		80,962	
Total purchases		80,962	
Total sales		73,170	

*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."

Lack of Technical Men Will Hold Back Industrial Expansion, Dearborn Says

Postwar expansion of industrial research by small companies, which are planning a large increase in such activities, will be limited by the scarcity of scientific and technical men, R. J. Dearborn, President of Texaco Development Corporation and Chairman of the Patents Committee of the National Association of Manufacturers declared on May 21.

Creation of many postwar jobs will depend upon the invention of new types of consumer goods, and for this purpose many companies, especially small ones, are planning to augment their research staffs, Mr. Dearborn said. The greatest increase is contemplated in concerns employing less than 50 persons but, it was pointed out, these companies probably are not aware of the shortage in technical personnel.

"One of the most serious problems of industry is the deficit in fully trained young professional men for post-war employment," stated Mr. Dearborn. "This country is faced with a period during which the demands of war-stimulated technology will not be met by an adequate supply of scientists and engineers. As research is the backbone of industrial progress and creation of jobs in the

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on May 23 a summary for the week ended May 12 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 May 12, 1945		Total
Odd-lot Sales by Dealers (Customers' purchases)		For Week
Number of orders		30,024
Number of shares		896,848
Dollar value		\$34,285,708
Odd-Lot Purchases by Dealers (Customers' sales)		
Number of Orders:		
Customers' short sales		255
*Customers' other sales		27,500
Customers' total sales		27,755
Number of Shares:		
Customers' short sales		9,104
*Customers' other sales		776,526
Customers' total sales		785,630
Dollar value		\$29,605,097
Round-Lot Sales by Dealers		
Number of Shares:		
Short sales		100
†Other sales		183,890
Total sales		183,990
Round-Lot Purchases by Dealers:		
Number of shares		268,710
*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."		

U. S. Expenditures Abroad Tabulated

An incomplete tabulation showing the United States Government as having spent \$9,127,000,000 abroad in the past four and a half years while receiving \$2,533,000,000 from foreign sources, is said by Senator Tydings (D.-Md.) to have come from a clearing house established in the Foreign Economic Administration by the late President Roosevelt at Tydings' suggestion, according to the Associated Press from Washington, May 14.

The Maryland Senator said the reported receipts and expenditures were "somewhat incomplete," and did not take into consideration special arrangements under which United States armed forces obtained foreign currencies without concurrent dollar cost, in Germany, Italy and certain liberated countries.

The disbursements abroad from July 1, 1940 through last Dec. 31 included \$3,252,000,000 for food and materials procured by non-military agencies (much of it for resale to private buyers in the U. S.) and around \$1,000,000,000 in loans, advances and financial aid to other countries.

To round out the picture of the Government's foreign transactions, the report noted that as of Dec. 31, 1944, Lend-Lease aid to foreign governments totaled \$35,383,000,000, excluding \$788,000,000 worth of goods consigned to commanding generals for subsequent transfer in the field to foreign governments.

Over \$25,000,000,000 of the Lend-Lease aid went to various parts of the British commonwealth, about \$8,000,000,000 to the U. S. S. R., \$290,000,000 to the American republics, \$246,000,000 to China and the remainder to 15 other countries. Through 1944, at least \$4,500,000,000 in reverse Lend-Lease had been received, the report said.

postwar era, the lack of a sufficient number of well-trained scientists will have a profound effect on invention and plans of corporations to provide for many new products in the period just ahead of us."

Revenue Freight Car Loadings During Week Ended May 19, 1945 Increased 30,127 Cars

Loading of revenue freight for the week ended May 19, 1945 totaled 868,634 cars, the Association of American Railroads announced on May 24. This was a decrease below the corresponding week of 1944 of 1,441 cars, or 0.2%, but an increase above the same week in 1943 of 24,792 cars or 2.9%.

Loading of revenue freight for the week of May 19 increased 30,127 cars, or 3.6% above the preceding week.

Miscellaneous freight loading totaled 404,748 cars, an increase of 12,654 cars above the preceding week, and an increase of 13,361 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 108,369 cars, a decrease of 105 cars below the preceding week but an increase of 3,823 cars above the corresponding week in 1944.

Coal loading amounted to 148,599 cars an increase of 9,107 cars above the preceding week, but a decrease of 26,977 cars below the corresponding week in 1944.

Grain and grain products loading totaled 53,189 cars, an increase of 3,691 cars above the preceding week and an increase of 12,589 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of May 19 totaled 36,865 cars, an increase of 2,976 cars above the preceding week and an increase of 11,617 cars above the corresponding week in 1944.

Livestock loading amounted to 14,302 cars, a decrease of 1,725 cars below the preceding week and a decrease of 184 cars below the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of May 19 totaled 10,856 cars, a decrease of 1,474 cars below the preceding week, and a decrease of 28 cars below the corresponding week in 1944.

Forest products loading totaled 43,803 cars, an increase of 877 cars above the preceding week but a decrease of 3,023 cars below the corresponding week in 1944.

Ore loading amounted to 80,959 cars, an increase of 5,876 cars above the preceding week but a decrease of 5,836 cars below the corresponding week in 1944.

Coke loading amounted to 14,665 cars, a decrease of 248 cars below the preceding week, and a decrease of 189 cars below the corresponding week in 1944.

All districts reported increases compared with the corresponding week in 1944 except the Eastern, Allegheny and Pocahontas. All reported increases compared with 1943 except the Eastern and Pocahontas.

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
5 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
Week of May 5	863,399	835,538	816,538
Week of May 12	838,507	867,182	849,032
Week of May 19	868,634	870,075	843,842
Total	16,014,846	16,077,494	15,474,201

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 19, 1945. During the period 73 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED MAY 19				
Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections
	1945	1944	1943	
Eastern District—				
Ann Arbor	280	255	276	1,502
Bangor & Aroostook	1,195	1,115	750	1,446
Boston & Maine	7,062	7,019	6,479	12,983
Chicago, Indianapolis & Louisville	1,023	1,377	1,470	2,210
Central Indiana	28	38	36	56
Central Vermont	1,148	1,067	1,120	2,155
Delaware & Hudson	3,317	5,003	6,337	12,512
Delaware, Lackawanna & Western	6,298	7,900	7,820	10,861
Detroit & Mackinac	245	283	316	149
Detroit, Toledo & Ironton	1,641	1,781	1,829	1,264
Detroit & Toledo Shore Line	426	341	282	3,370
Erie	11,572	13,535	13,267	16,393
Grand Trunk Western	4,059	3,867	3,677	8,361
Lehigh & Hudson River	146	187	237	2,367
Lehigh & New England	704	1,952	2,076	1,219
Lehigh Valley	5,342	9,186	8,039	11,640
Maine Central	2,426	2,204	2,162	2,761
Monongahela	3,260	6,513	6,470	265
Montour	2,927	2,772	2,489	31
New York Central Lines	51,182	51,238	51,917	50,487
N. Y., N. H. & Hartford	10,801	10,313	9,683	16,801
New York, Ontario & Western	841	1,194	1,080	3,667
New York, Chicago & St. Louis	6,627	6,400	7,239	15,007
N. Y., Susquehanna & Western	387	505	561	2,131
Pittsburgh & Lake Erie	7,914	7,905	7,728	8,165
Pere Marquette	5,274	4,881	5,221	8,883
Pittsburgh & Shawmut	762	883	924	44
Pittsburgh, Shawmut & North	325	385	413	218
Pittsburgh & West Virginia	1,046	1,333	1,214	3,194
Rutland	372	365	342	1,163
Wabash	6,104	5,666	4,957	12,989
Wheeling & Lake Erie	6,475	6,312	6,702	4,622
Total	151,209	163,775	163,113	217,616
Allegheny District—				
Akron, Canton & Youngstown	764	779	756	1,363
Baltimore & Ohio	47,010	48,428	41,738	28,353
Bessemer & Lake Erie	6,911	7,321	6,631	2,064
Buffalo Creek & Gauley	"	"	264	"
Cambria & Indiana	1,585	1,634	1,303	4
Central R. R. of New Jersey	5,619	7,203	6,998	18,600
Cornwall	454	515	669	29
Cumberland & Pennsylvania	162	251	276	7
Ligonier Valley	91	163	145	52
Long Island	1,889	1,655	1,121	4,064
Penn.-Reading Seashore Lines	1,880	1,743	1,765	2,048
Pennsylvania System	87,704	88,998	83,883	63,926
Reading Co.	10,782	15,298	15,167	27,938
Union (Pittsburgh)	20,619	20,500	22,011	7,966
Western Maryland	3,844	4,125	4,011	12,909
Total	189,314	198,613	186,738	169,323
Pocahontas District—				
Chesapeake & Ohio	28,433	29,037	29,435	15,941
Norfolk & Western	21,484	21,725	22,773	8,483
Virginian	4,520	4,688	4,784	2,435
Total	54,437	55,450	56,992	26,859

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	437	311	311	367	455
Atl. & W. P.—W. R. R. of Ala.	815	810	673	2,520	3,350
Atlanta, Birmingham & Coast	921	711	770	1,463	1,432
Atlantic Coast Line	11,707	12,320	12,587	9,977	10,235
Central of Georgia	3,885	3,780	4,281	4,638	5,239
Charleston & Western Carolina	516	418	469	1,617	1,855
Clinchfield	1,801	1,665	1,548	2,895	2,953
Columbus & Greenville	223	236	331	281	258
Florida East Coast	147	153	109	592	652
Gainesville Midland	1,460	1,672	2,074	1,186	1,487
Georgia	63	52	37	101	158
Georgia & Florida	1,140	1,254	1,110	2,506	3,095
Gulf, Mobile & Ohio	431	340	373	730	698
Illinois Central System	29,630	28,748	25,526	18,449	17,037
Louisville & Nashville	27,091	25,761	27,547	12,414	12,602
Macon, Dublin & Savannah	187	207	209	1,074	1,092
Mississippi Central	559	284	224	415	751
Nashville, Chattanooga & St. L.	3,507	3,395	3,566	4,426	4,644
Norfolk Southern	891	1,227	1,428	1,706	1,083
Piedmont Northern	414	396	365	1,228	1,085
Richmond, Fred. & Potomac	474	413	393	10,845	9,298
Seaboard Air Line	11,246	10,639	11,242	8,521	9,298
Southern System	25,092	24,032	22,142	25,986	25,353
Tennessee Central	582	732	623	802	929
Winston-Salem Southbound	137	134	130	1,140	1,210
Total	128,966	123,439	121,707	119,818	122,647
Northwestern District—					
Chicago & North Western	19,731	19,713	19,393	14,304	13,062
Chicago Great Western	2,428	2,828	2,450	3,345	3,089
Chicago, Milw., St. P. & Pac.	21,459	21,191	19,034	10,519	11,060
Chicago, St. Paul, Minn. & Omaha	3,587	3,351	3,260	3,590	3,637
Duluth, Missabe & Iron Range	26,561	30,048	26,294	320	191
Duluth, South Shore & Atlantic	1,116	671	1,186	602	510
Elgin, Joliet & Eastern	9,057	9,230	8,337	10,520	10,776
Ft. Dodge, Des Moines & South	386	242	407	102	43
Great Northern	24,892	21,765	24,149	7,842	7,119
Green Bay & Western	458	442	424	920	1,010
Lake Superior & Ishpeming	2,024	1,980	2,984	57	56
Minneapolis & St. Louis	1,972	1,869	1,957	2,462	2,455
Minn., St. Paul & S. S. M.	7,520	6,697	6,665	3,380	4,458
Northern Pacific	11,932	10,230	10,497	6,210	5,954
Spokane International	276	180	171	571	760
Spokane, Portland & Seattle	2,939	2,793	2,535	4,060	3,528
Total	136,338	133,230	129,743	68,804	67,708
Central Western District—					
Atch., Top. & Santa Fe System	26,532	22,573	21,901	16,081	12,126
Alton	3,326	3,210	2,553	4,338	3,450
Bingham & Garfield	365	395	650	75	88
Chicago, Burlington & Quincy	18,669	17,957	16,364	12,128	13,611
Chicago & Illinois Midland	3,072	3,540	2,800	1,009	839
Chicago, Rock Island & Pacific	12,807	11,517	12,726	12,815	12,637
Chicago & Eastern Illinois	2,966	2,538	2,379	5,784	6,444
Colorado & Southern	536	698	715	2,080	2,462
Denver & Rio Grande Western	3,410	3,624	3,386	7,373	6,107
Denver & Salt Lake	538	699	642	33	21
Fort Worth & Denver City	1,047	804	780	1,744	1,511
Illinois Terminal	2,407	2,122	1,546	2,198	1,929
Missouri-Illinois	1,117	876	1,009	646	688
Nevada Northern	1,492	1,748	2,079	103	129
North Western Pacific	703	829	1,102	682	748
Peoria & Pekin Union	0	4	4	0	0
Southern Pacific (Pacific)	32,369	31,454	31,229	13,661	13,846
Toledo, Peoria & Western	410	247	239	2,308	2,015
Union Pacific System	15,633	14,077	12,295	19,409	17,234
Utah	517	541	579	7	1
Western Pacific	2,303	2,229	2,227	5,784	4,242
Total	130,219	121,682	117,205	102,258	100,128
Southwestern District—					
Burlington-Rock Island	398	315	1,032	542	586
Gulf Coast Lines	7,636	7,437	6,476	2,480	2,927
International-Great Northern	3,032	2,735	2,528	4,461	3,987
Kansas, Oklahoma & Gulf	387	285	232	1,194	908
Kansas City Southern	5,243	6,072	4,746	3,153	2,863
Louisiana & Arkansas	4,028	3,650	3,581	3,338	2,924
Litchfield & Madison	316	459	329	1,396	1,103
Midland Valley	599	697	353	509	552
Missouri & Arkansas	169	189	97	316	564
Missouri-Kansas-Texas Lines	7,198	6,603	5,015	5,707	5,325
Missouri Pacific	17,090	16,005	14,271	21,048	20,198
Quannah Acme & Pacific	89	70	51	367	363
St. Louis-San Francisco	9,981	8,603	6,867	9,793	8,837
St. Louis Southwestern	3,513	2,948	2,860	7,697	7,594
Texas & New Orleans	12,672	13,193	14,838	5,788	5,144
Texas & Pacific	5,652	4,480	4,941	8,182	7,669
Wichita Falls & Southern	100	119	99	50	60
Weatherford M. W. & N. W.	48	26	28	39	46
Total	78,151	73,886	68,344	76,060	71,650

*Included in Baltimore & Ohio RR.
Note—Previous year's figures revised.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY				
Period	Orders Received Tons	Production Tons	Unfilled Orders	
			Remaining Tons	Percent of Activity Current Cumulative
1945—Week Ended				
February 3	204,550	148,139	565,064	92 91
February 10	149,590	151,307	560,960	93 92
February 17	145,541	149,816		

Items About Banks, Trust Companies

John T. Madden, President of the Emigrant Industrial Savings Bank, N. Y., announced on May 27 that starting on Monday, June 4, the Midtown branch of the bank at 5 East 42nd Street, would remain open until 9 o'clock on Monday and Friday nights.

In his statement concerning the increased service to depositors and the general public, Mr. Madden said, "Before making this arrangement we conducted a ten-week survey of banking habits and found that Monday, as well as Friday, was an especially busy day."

Henry B. Molony was recently appointed trust officer of the City Bank Farmers Trust Co., New York. Others who were appointed Assistant Vice-Presidents are Robert C. Oley, Charles F. Piedmonte, Seth H. Seelye and Myron M. Zizzania. C. C. Noel was made Assistant Secretary.

Walter John Reeves, Vice-President and Secretary of the Irving Savings Bank, New York, died on May 20 at 60 years of age. Mr. Reeves was at one time connected with the Colonial Savings Bank and Brooklyn Savings Bank. He also held the position of Executive Secretary of the Savings Bank Association of New York. Mr. Reeves joined the Irving Savings in 1923 as Vice-President and in 1937 assumed the position of Secretary.

Guaranty Trust Co. of New York at its coupon paying division is now prepared to make payment, in U. S. dollars, of interest warrants due Jan. 1, 1945, detached from its deposit certificates for State of San Paulo (Brazil), 25-year (non-callable) 7% milreis loan bonds, due Jan. 1, 1946, May 24, 1945.

Malcolm L. Hadden was recently appointed Assistant Trust Officer of the Fifth Avenue Bank of New York.

The Utica Avenue office of Manufacturers Trust Co. of New York was moved after banking hours on Saturday, May 26, from 263 Utica Avenue, Brooklyn, to 257 Utica Avenue. Louis J. Orloff, Assistant Secretary, is in charge of the office. Frederick W. Bruchhauser is supervising Vice-President for the Brooklyn offices of Manufacturers Trust Co.

A banking innovation, aimed to increase accounts by planned savings for specific post-war purchases, has recently been inaugurated by the Dime Savings Bank of Brooklyn, N. Y. Within the limited period of its operation it has already resulted in some 1,050 new accounts with total deposits in excess of \$600,000, according to Alfred R. Marcks, mortgage officer of the bank.

The plan, known as "The Home Buyers Institute," works this way: An entire floor of the bank houses a permanent exhibit of many types of products in the home building or improvement field. A series of by-weekly lecture sessions, each featuring a specific type of home equipment, is conducted in the bank's auditorium. The lectures are advertised in New York and Brooklyn papers and publicized through other channels. Where the nature of the product permits, a demonstration of its use is made a part of the lecture.

While the bank's facilities are made obvious, no pressure is exerted on visitors to open an account. Bank officials are confident that the business of home financing will stay with the bank, which has shown such initiative in selling the savings idea, and they have estimated that 95% of funds thus deposited will be spent

for the specific objects which the depositor originally intended.

The proposed merger of the Manufacturers & Traders Trust Co., Buffalo, N. Y., and The First National Bank of Kenmore, N. Y., have been agreed upon by the directors of both institutions, it was announced by Lewis G. Harriman and George H. Bangert, Presidents of the banks. The stock of the banks will be exchanged share-for-share for new stock. The merger has yet to be approved by the stockholders of both institutions and by the State Superintendent of Banks.

When the merger does become effective, G. H. Bangert, President of the Kenmore bank, will become head of both branches. Mr. Bangert, who is also a director of the M. & T., will be active in the Kenmore branch of the bank.

Roy L. Robeson, Assistant Secretary of the Manufacturers & Traders Trust Co., Buffalo, N. Y., has been elected President of the Buffalo Chapter, American Institute of Banking, announced the Buffalo "Evening News" on May 26, which also said:

He succeeds C. Edward Berryman, Assistant Treasurer of the Marine Trust Co.

Other officers elected are: First Vice-President, Edward N. Sandal, Liberty Bank; Second Vice-President, Leo Werdein, Federal Reserve Bank, Secretary; I. C. Grimmer, Marine Trust, and Treasurer, John K. Stewart, M. & T.

Application for permission to open and maintain a branch office at 938-944 Broadway, Buffalo, N. Y., was recently filed by the Erie County Savings Bank, Buffalo, N. Y., it was announced by the New York State Banking Department.

The New York State Banking Department announced on May 25 that the Puchowitz Credit Union of New York City has been dissolved and its corporate existence terminated.

A similar action was announced against the Troy Trust Co., Troy, New York.

Frank B. Twining, Chairman of the board of the Manufacturers National Bank of Troy, N. Y., and director of the Troy Savings Bank, Troy, N. Y., died on May 19 at 88 years of age.

Mr. Twining was well known as President of George P. Ide & Co., Inc., collar and shirt producers, with which he has been connected since 1880.

Frank L. Beyer, President of the Erie Savings & Loan Association, died on May 21. Mr. Beyer first became associated with the Erie savings institution in 1917, when he was elected a director. He was made President in 1933.

At their regular meeting on May 17 the board of trustees of the Port Chester Savings Bank of Port Chester, N. Y., elected as a trustee Edward J. Hughes, editor of the Port Chester "Daily Item." The present is the 80th anniversary year of the bank, the institution having been originally chartered in 1865.

The death of Henry T. Bush on May 17 was announced by the Farmers Bank of the State of Delaware, Wilmington, Del.

John Harding has recently accepted the position of Assistant Secretary with the Union Savings & Trust Co., Warren, Ohio. Mr. Harding has been in the banking business for 12 years and was formerly connected with Cleveland Trust Co., Cleveland, Ohio.

John K. Thompson, President of the Union Bank of Commerce, Cleveland, Ohio, announced that three new officers of the bank were elected at the organization meeting of directors following the annual meeting of shareholders on May 23. They are Lewis C. Van Auken, Assistant Vice-President, and Edward W. McNelly and W. T. McWade, Assistant Cashiers.

Mr. Van Auken has been in banking since 1919, when he became an examiner for the Michigan State Banking Department. He was later Vice-President of the Bank of Detroit and of its successor, the Guardian National Bank of Commerce.

Mr. McNelly was graduated from Adelbert College of Western Reserve University in 1931 and for two years attended the Graduate School of Business Administration of New York University. He spent three years with the Chemical Bank & Trust Co., New York. In 1940 he joined the investment department of the Union Bank of Commerce.

Mr. McWade has been manager of the Union Bank of Commerce credit department since 1941 and has been in credit work with the bank and predecessor since 1924. He is Secretary of the Cleveland Chapter of the Robert Morris Associates and a trustee of the Cleveland Association of Credit Men.

All other officers of the bank were reelected.

In order to give his successor the benefit of an additional year in office, David J. Arnold, President of the Georgia Bankers Association, resigned on May 23. Sherman Drawdy, new President, is First Vice-President and Cashier of the Railroad Bank & Trust Co., Augusta, Ga.

Earl I. Vaughn, Vice-President of the Bank of America, San Francisco, Calif., since 1936, has been transferred to the banks and banking department of the bank. Mr. Vaughn has heretofore been in charge of advisory boards and staff education.

Joseph J. Pausner has recently been appointed Assistant Vice-President of the Anglo California National Bank, San Francisco, Calif. Mr. Pausner has been engaged in development of special loan business and instalment financing for the bank.

H. D. Ivey, President, Citizens National Trust & Savings Bank of Los Angeles, announced on May 23 that ground would be broken this week for the erection of a one-story reinforced concrete bank building at the northeast corner of Manchester Boulevard and Seventh Avenue, Inglewood.

A branch office of Citizens National Bank will be opened at this location some time during October.

Mr. Ivey, commenting on the establishment of the branch office of Citizens National Bank in this area, said: "With the rapid growth of this section of Inglewood there has come increased need for banking facilities to serve the population therein."

R. L. Eberhardt, Executive Vice-President of the Stockton Savings & Loan Bank, Stockton, Calif., on May 23 was elected President of the California Bankers Association at a small business meeting.

The Los Angeles "Times," in reporting this, said:

"He succeeds P. R. Williams, Vice-President, Bank of America, Los Angeles, who served during the past year. Other officers elected include M. G. McMahon, President, First National Bank at Glendale, Vice-President, and Herbert V. Alward, Vice-President and Cashier, Bank of California, San Francisco, Treasurer.

Promotions in Cleveland Reserve

Ray M. Gidney, President of the Federal Reserve Bank of Cleveland, Ohio, recently announced the promotion of Roger R. Clouse from Secretary of the Bank to Assistant Vice President and Secretary. Promotion of two department managers to assistant cashiers and the appointment of a Youngstown and Cleveland attorney as assistant secretary was announced at the same time.

James B. Anderson, manager of the Bank and Public Relations department, and Paul C. Stetzelberger, manager of the Personnel department, were advanced to Assistant Cashiers.



James B. Anderson Wilbur T. Blair, Jr. Roger R. Clouse P. C. Stetzelberger

Wilbur T. Blair, Jr., Youngstown attorney who since 1942 has been attorney and administrative officer for the War Department's Cleveland Ordnance District, was named Assistant Secretary of the bank. He will assume his new duties June 1.

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on May 28 that the tenders of \$1,300,000,000 or thereabout of 91-day Treasury bills to be dated May 31 and to mature Aug. 30, 1945, which were offered on May 25, were opened at the Federal Reserve Banks on May 28. The details of this issue are as follows:

Total applied for, \$2,043,109,000
Total accepted, \$1,314,409,000 (includes \$51,401,000 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.

(60% of the amount bid for at the low price was accepted).

There was a maturity of a similar issue of bills on May 31 in the amount of \$1,314,147,000.

"William A. Marcus, Vice-President, American Trust Co., San Francisco, was elected Chairman of the executive council, governing board of the association, a position which generally leads to the presidency."

Cable advices received on May 25 by the New York agent of Barclays Bank (Dominion, Colonial and Overseas), 120 Broadway, New York, state that the bank has declared interim dividends of 4% actual on the cumulative preference stock and 3% actual on the A stock and B shares, payable on June 15, 1945. These dividends are for the period Oct. 1, 1944, to March 31, 1945, and are subject to deduction of British income tax (adjusted in relation to taxes payable in the British territories overseas where the bank operates).

The dividends are the same as those declared for the corresponding period one year ago.

This bank, which is affiliated to Barclays Bank, Ltd., London, maintains branches in territories of the British Commonwealth overseas, including South, East and West Africa, Egypt and The Sudan, the Mediterranean, Palestine and the British West Indies.

Wickard Called Unfit For REA Position

Claude R. Wickard, who resigned as Secretary of Agriculture and was then nominated by President Truman to be Rural Electrification Administrator has been called "unfit" for the post by Senator Shipstead (R.-Minn.), according to the Associated Press from Washington, May 25, which quotes the following from the Senator's statement:

"The nomination of Secretary Wickard for REA administrator is a complete shock to nearly all REA systems who have been struggling to remove REA from the political domination of Secretary Wickard in the Department of Agriculture. As a one-man Senate investigation of REA discloses, under Mr. Wickard's regime, REA has become a political football. His confirmation as administrator of REA would perpetuate the hopeless political muddle that exists in REA today.

"Under that regime Mr. Wickard appointed William J. Neal as acting administrator of the REA. The Senate documentary evidence all reveals Mr. Neal was the former president of the worst managed of all REA cooperatives in this country. Mr. Neal's former system is \$180,000 in the red in operations. This is the kind of political administration Mr. Wickard has in REA today and which will continue under Mr. Wickard if he is approved.

"Another illustration of the bad administration of Secretary Wickard in REA today is that in the Senate hearings, the present acting chief of one of the most important divisions in RET was alleged to have forced the sale of certain materials to REA systems, and was alleged to have changed plans and specifications.

"Under Mr. Wickard's bad administration in REA, the cost of legal services today is more, when REA is only building 16,000 miles of line a year, than previously when REA built over 118,000 miles of line a year.

"Under Mr. Wickard's bad administration in REA, at a time when veterans and faithful civil service employees were discharged, one employee, whose services can easily be dispensed with, received \$50 a day. Although he spends only one or two days a year in Washington, and all the rest of his time while working in St. Louis, his headquarters are nevertheless listed as Washington."