

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 161 Number 4394

New York, N. Y., Thursday, June 14, 1945

Price 60 Cents a Copy

The Financial Situation

What is happening in Russia? What leads Russia to act so persistently in ways which are so inexplicable to us? What is Russia's "game" at the present time? Why does Russia appear to go out of her way to arouse the suspicions, the antagonisms, and at times the anger of the rank and file of the countries with whom she is supposed to be cooperating? These and a dozen other similar questions are heard today in this country on all sides. Even some of the most ardent friends of Russia have of late become definitely and openly exasperated by the antics of "the communists," who are supposed, or at any rate are practically everywhere believed, to take their cue from Moscow.

Any one not of Russian blood and not seeped in the "ideology" and "spirit" of the Russian communist movement who undertakes to explain the conduct of the present day Russian and his Government is foolhardy indeed. He is much more likely himself to need explanation than he is to lead his fellows to understand the Russian mind and behavior. That fact has been evident enough since the widely publicized treason trials in Russia some years ago, and it is a fact which we all should be well advised to keep actively in mind these days. It may help us over some rough spots during the next few years.

Some Aspects Clear Enough

But there are certain aspects of what might be termed the current Russian "situation," which are clear enough to the thoughtful observers, but which apparently are not to many who are commenting upon Russia and her behavior toward her friends and allies. If we as a people are to make headway in our dealings with that strange land and that strange people it is of the utmost importance that we get our thinking straightened out with respect to these

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British Policy Unsolved Problem of Economic Stabilization: Burgess

President of ABA Sees Critical Era for England, Which will Affect Much of the World Trade and Points Out That Welfare of U. S. and Great Britain Are Bound Together.

In an address before the Officers and Executive Council of the American Institute of Banking at Cleveland, Ohio, on June 5, W.



W. R. Burgess

Randolph Burgess, President of the American Bankers Association and Vice-Chairman of Board of the National City Bank of New York, took the position that the Bretton Woods Agreements, even if adopted, will undergo serious difficulties in operation and that no world economic and monetary stabilization will be forthcoming unless Great Britain is assisted in adopting a definite program of post-war reconstruction, and unless the British are willing to commit themselves to the stabilization of their currency and the removal of exchange controls.

"In any survey of post-war economic problems all roads lead back to England," Mr. Burgess stated, "for Britain has been and is a great center of world trade

and finance on which many other countries depend. A strong England to hold this network together is a direct advantage to the United States. Much of the world's trade is done in dollars and pounds sterling. Sterling in turn rests on the British balance of payments and that has been badly disrupted. England has spent her substance for war, and her income from investment and shipping is curtailed. Her exports must be rebuilt from the ground up and she must have imports to feed her people, to supply the raw materials for her industries, and to rebuild her homes. Her short-term debt to others has piled up to something like \$12 billion. A plan for Britain is the core of any positive world financial program."

"But the British problem is not merely economic," he added. "It is also psychological and political. Until the British see their own way more clearly they are not going to be very enthusiastic about large post-war world blueprints.

"For Britain the whole period between wars was difficult. So people look back critically over the economic policies followed, and seeking a scapegoat, find it in

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The Bases for World Trade

By WINTHROP W. ALDRICH*

Chairman of the Chase National Bank of New York
President, International Chamber of Commerce

Leading American Banker Calls Attention to the Reactivation of the International Chamber of Commerce, Established a Quarter Century Ago and to the Problems to Be Undertaken by This Organization in Rebuilding World Trade. Urges That Existing Trade Barriers Be Reduced, That Cartels and Commodity Agreements Be Opposed, That Constructive Foreign Lending Policies Be Developed and That the Values of the Principal Currencies Be Stabilized. Favors Reenactment of the Reciprocal Trade Agreements Act and Calls For a World Trade Conference to Implement Article IV of the Atlantic Charter.

The economic and financial problems resulting from the first World War led to the organization of the International Chamber of



W. W. Aldrich

Commerce a quarter of a century ago. Business interests of five of the allied nations, Great Britain, France, Italy, Belgium and the United States, convening in 1919, decided to establish the Chamber in order that industry and finance might assist in world reconstruction. For similar reasons the decision was reached at the time of the International Business Conference, held at Rye, N. Y., last November, to reactivate the International Chamber of Commerce, which has been dormant since September, 1939. With the end of the European war in sight, it was concluded that the Chamber could again resume its significant role of serving as a world parliament of business.

Doubtless one of the first problems to which the membership of the International Chamber of Commerce will wish to devote their attention is that of international trade. They realize full well that a healthy volume of world trade is essential for peace

and prosperity, just as peace itself is essential for expanding international trade.

The rebuilding of world trade requires that trade barriers be reduced, that cartels and commodity agreements be opposed, that constructive foreign lending policies be developed on the part of creditor nations, and that the foreign exchange values of the principal currencies of the world be stabilized. It is to these bases or prerequisites of international trade that I wish to devote my comments this evening.

Trade Barriers

The first prerequisite for an expanded world trade is the reduction of trade barriers. Since its inception the International Chamber of Commerce has exerted its full influence in the direction of freer international trade. In 1921, at the invitation of the Council of the League of Nations, it participated in conferences having to do with the simplification of customs procedures. In 1925, at

the Brussels Congress, the International Chamber of Commerce appealed to business men of all countries to exert their influence for the removal of extreme tariffs, unreasonable customs regulations, and all unnatural and uneconomic restrictions to world trade.

Had the efforts of the International Chamber of Commerce in the direction of freer trade succeeded, the aggressive forces of the world might have been checked. But, unfortunately, in the early 'twenties political uncertainties, currency difficulties and the creation of new States in central Europe led to increased trade controls. Although, later in the decade, some progress was made in the direction of freer international trade, the progress achieved was disappointingly slow. It consisted principally in the simplification of customs administration and tariff nomenclature.

*An address by Mr. Aldrich before the Canadian Manufacturers Association, at Toronto, Canada, June 6, 1945.

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From Washington Ahead of the News

By CARLISLE BARGERON

Back in the recent Presidential campaign there was a tremendous agitation about Sidney Hillman and we do not mind saying that we were as much of it as we could be. One of our embarrassments was the citing, on the part of the opposition, of frequent statements in the past by industrialists to the effect that Sidney was a nobleman because he had taken the chaos out of this industry and that, because

of his having done this, Sidney had many friends among the Conservative ranks, and notwithstanding that few, if any, of the Conservative ranks were now for him in his enterprise of re-electing Mr. Roosevelt, their statements of the past now thrown up against us, were disconcerting.

We are beginning, reluctantly, to think that Sidney is really a contribution to the Private Enterprise system. By this, we mean that apparently all sorts of strictly American enterprises are revolving around him. He has his CIO-



Carlisle Bargeron

PAC. Very well, the United States Chamber of Commerce has set in motion an organization opposed to him, to head him off, to kill his influence on national affairs. This requires the spending of money, the putting of money in circulation; it requires personnel. In brief, it gives men jobs. In the first place, Sidney's organization gives men jobs. Now, to combat him is the Chamber's organization which must also give men jobs.

On top of this, there has just been a gentleman in Washington who announces the formation of another organization to hold Sidney down. He is Mr. J. D. Zurcher, unquestionably a man of parts, who has for the past five years been heading up what is known as the Committee to Defend Life Insurance Policy Holders or something like that. Mr. Zurcher had a press conference here at which he explained that 14 regional organizations were to be

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Let's Never Be Losers!

"The United States is vitally interested in recognizing the principle that treaties renouncing war have juridical as well as political meaning. We relied upon the Briand-Kellogg Pact and made it the cornerstone of our national policy. We neglected our armaments and our war machine in reliance upon it.

"All violations of it, wherever started, menace our peace as we now have good reason to know. An attack on the foundations of international relations cannot be regarded as anything less than a crime against the international community, which may properly vindicate the integrity of its fundamental compacts by punishing aggressors.

"We therefore propose to charge that a war of aggression is a crime, and that modern international law has abolished the defense that those who incite or wage it are engaged in legitimate business. Thus may the forces of the law be mobilized on the side of peace."—Justice Robert H. Jackson, Chief of Counsel for the United States in the prosecution of Axis war criminals.

It is very well for the United States or any other power to "charge" such things as these.

The question is where can a truly disinterested court be found to hear and decide these pleas either of law or of fact? The answer is, of course, that none can be found.

We had better be doubly certain to win any future wars in which we may become involved. Henceforth losers are more or less certain to be adjudged "criminals."

Jackson Pledges Punishment of War Criminals

In a 5,000 word report to President Truman, Supreme Court Justice Robert H. Jackson, chief of counsel for the United States in the prosecution of Axis war criminals, urges that sure punishment be meted the guilty, and expressed opposition to any dilatory tactics in trial procedure, the Associated Press reported from Washington, June 7.

Stating that the trials could not be regarded in the same light as trials under the American system, where defense is a matter of constitutional right, Justice Jackson continued:

"Fair hearings for the accused are, of course, required to make sure we punish only the right men and for the right reasons," he said. "But the procedure of these hearings may properly bar obstructive and dilatory tactics resorted to by defendants in our ordinary criminal trials."

Failure to try those accused, he stated, "would mock the dead and make cynics of the living."

Justice Jackson told President Truman that he had assurance from the War Department that those likely to be accused as war criminals "will be kept in close confinement and stern control."

He said the preparations for the prosecution of major war criminals will not impede or delay trials of other offenders guilty of lesser crimes.

He said negotiations for an International Military Tribunal, representing the United States, the United Kingdom, Soviet Russia and France, to try guilty Nazis, have not yet been completed, but that he did not consider it wise to wait this final step before preparing the American case.

He said the American case was being prepared on the assumption that an "inescapable responsibility rests upon this country to conduct an inquiry, preferably in association with others, but alone if necessary, into the culpability of those whom there is probable cause to accuse of atrocities and other crimes."

He added that there are many such men "in our possession."

While it has cost "unmeasured thousands of American lives to beat and blind these men," Justice Jackson declared, their trials should be "as dispassionate as the times and horrors we deal with will permit."

He pointed out that his own responsibilities extend only to major criminals whose offenses have no

particular geographical localization and who will be punished by joint decision of the Allied Governments as provided in the Moscow declaration of Nov. 1, 1943. In his visit to the European theater, he said, he attempted to establish standards and the cases fall into three general categories:

1. Offenses against military personnel of the United States, such as the killing of American airmen who crash-landed, and other Americans who became prisoners of war. He said that field forces from time immemorial have dealt with such offenses on the spot. Authorization of such action was withdrawn for a time through fear of stimulating retaliation, he said, but "the surrender of Germany and liberation of our prisoners has ended that danger." Accordingly, he suggested, the morale and safety of American troops and effective control of enemy areas require prompt resumption "of summary dealing with this type of case."

2. Offenders who are to be sent back to the scene of their crimes for trial by local authorities. The United States's part in these cases, Justice Jackson said, is concerned largely with identification of the culprits and their release to those who are in control.
3. The "Quislings, Laval and Lord Haw Haws." He said each country "is free to prosecute treason charges in its own tribunals and under its own laws against its own traitorous nationals."

Such classification of these groups, he said, will permit their prosecution without delay while preparations for the trial of major criminals are completed. He said the British are taking steps parallel with American procedure "to effect a complete interchange of evidence and a coordination of planning and preparation," and that minor differences between the Governments have "adjusted easily."

"The Provisional Government of the French Republic," he added, "has advised that it ac-

cepts in principle the American proposals for trials (of major criminals) before an international military tribunal. It is expected to designate its representatives shortly."

While Soviet Russia is not yet committed, he went on, it has been kept informed of all steps, "and there is no reason to doubt that it will unite in the prosecution."

As to when the trials of major criminals can start, he said it would be "foolhardy" to name dates which depend upon other Governments and many agencies.

Justice Jackson reiterated that this Government will accuse "a large number of individuals and officials who are in authority in the Government, in the military establishments, including the general staff, and in the financial, industrial, and economic life of Germany who by all civilized standards are provable to be common criminals."

"We also propose to establish the criminal character of several voluntary organizations which have played a cruel and controlling part in subjugating the German people and then their neighbors," such as the Gestapo and the SS, whose recruits were taken from volunteers because of "aptitude for the fanatical devotion to their violent purposes."

The case against the major defendants, he emphasized, is "concerned with the Nazi master plan" and not with individual barbarities and perversions.

He said the prosecutors face the task of establishing "incredible events by credible evidence." The test of a crime, he said, should be whether it "fundamentally outraged the conscience of the American people and brought them finally to the conviction that their own liberty and civilization could not persist in the same world with the Nazi power."

Such acts, he argued, were criminal by standards generally accepted in all civilized countries and should establish that "retribution by laws awaits those who in the future similarly attack civilization."

"We propose to punish acts which have been regarded as criminal since the time of Cain and have been so written in every civilized code," he declared.

He said legal charges against top Nazi leaders and organizations such as the SS and Gestapo include (A) atrocities against persons or property, (B) offenses, including persecutions on racial or religious grounds committed since 1933 and (C) "invasions of other countries and initiations of wars of aggressions in violation of international laws or treaties."

The legal position of the United States is that "it is high time that we act on the juridical principle that aggressive war-making is illegal and criminal."

Rosenman to Remain As Truman Aide

President Truman announced at his press conference on June 1 that he was very happy to have been able to persuade former Judge Samuel I. Rosenman of New York to remain in the White House for another year as the President's special counsel, the Associated Press reported that day from Washington, and continued:

Correspondence made public disclosed that Rosenman submitted his resignation on April 14 "to take effect at your pleasure." The President declined to accept it, saying he wanted the former New York judge to stay at his post "until V-J day in order that I may have your continued assistance."

Replying to the President's declaration, Rosenman said: "When the commander-in-chief asks, there can be only one answer—'Aye, aye, sir.'"

The State of Trade

The news this week on the food situation appears very encouraging, viewed from the report on Monday, last, of the Department of Agriculture on the prospective yields this year of our wheat, corn and other crops. The domestic and foreign demands upon the American bread basket is at present tremendous and will continue so for some time in the future. Should present indicated yields be realized, they

will contribute to a greater sufficiency at home and at the same time alay in some measure the dire suffering and want of the peoples of Europe, occasioned by the devastation of a total war.

In commenting upon crop conditions, the Department forecasts the largest United States wheat crop ever produced, approximately 1,085,000,000 bushels for 1945 based on its June 1, reports. Notwithstanding the fact that May of this year was one of the coldest on record, present indications place the total volume of all crops for the year "well above average."

Crop prospects were hampered in a degree by a long spell of rain covering a substantial area of the country, while in the Southwest, local drought conditions developed and threatened to spread. In the extreme South persistent dry weather proved a factor to be reckoned with.

As disclosed in the Department's report, the indicated winter wheat crop of 797,255,000 bushels, the second largest on record, coupled with an indicated spring wheat crop of 287,397,000, would bring total wheat production to 1,084,652,000 bushels, the largest crop ever produced. Should this indicated production become a reality, it would exceed last year's record by a slight margin and be the third crop of more than 1,000,000,000 bushels in the United States' wheat production history, the first having been in 1915.

Insofar as oats and hay are concerned, they promise above average production. The forecast for rye production, however, is down somewhat compared with last month's prospects, but the outlook is still good. The report also notes that a record crop of early Irish potatoes is expected and the tonnage of crops for market appears to be as large as the record volume produced in 1944.

Total fruit production appears destined to closely approximate last year's record output, despite damage to some fruits by frost, especially the apple crop, which may establish a record low mark.

As for the corn crop, planting has been pushed to the limit consistent with the weather, and was almost three-fourths finished for the country as a whole. The report points out that the probability is that, even though late plantings will continue, the acreage of corn will be slightly less than was intended.

The Department made it clear that it was too early to make specific predictions on many of the crops, but a number of favorable factors obtained, such as the fact that most of the intended acreages of crops will be planted and early season gains have not been entirely offset by recent bad weather.

Steel Industry—"Until those in charge of the big push against Japan have all their plans ready to go," the current confusion over cutbacks and cancellations as it affects steel mill output will continue," states "The Iron Age" in its current summary of the steel trade. Cancellations of steel orders have failed to keep abreast of war contract cutbacks and as a result they have not opened up any appreciable space on mill order books, notwithstanding the fact that they are at their wartime peak.

Many steel orders now on the books will probably never be shipped because of subsequent cancellations; however, the delay in removing such business from steel mill schedules has tied up space which could definitely be utilized for essential output. This condition is preventing an orderly

estimate of available civilian steel and within a few months the steel industry may probably receive such an avalanche of cancellations that it will require all the ingenuity it has to cope with the task of an orderly change-over to civilian output.

Theoretically the steel industry is permitted to fill certain steel orders for civilian uses after July 1, but from a practical standpoint the magazine observes, firm delivery schedules cannot be set up or even vague promises given as long as mill schedules are unable to accommodate unrated business.

One reason for the delay in cancellations reaching steel mills is the recent WPB approval given manufacturers of certain class A products to retain and use ratings previously granted on an order which has been canceled. Contact with the WPB is necessary, however, by such manufacturers before such ratings are used for civilian output. The time lost in such a procedure, this trade authority points out, will further tend to prevent rapid cancellation at the steel mill level of a great number of orders.

Net orders this past week were again the lightest so far this year, the volume in some instances being as much as 65% below peaks established earlier this year. Cancellations and adjustments approximated one-half of the gross incoming order volume in some instances.

Shell steel cancellations, "The Iron Age" reports, are reaching the mill level and June schedules at some mills call for a production drop of about 50%. Producers are carefully scrutinizing increased demand for high strength steel currently running at a volume about 50% higher than in 1944. About one-half of this amount is going direct to war production.

Grain shipments may again interfere with tinplate distribution in the Midwest by the lack of railroad cars. Production, too, may be adversely affected, producers state, by WPB Order M 43 limiting the use of tin in coating steel products to 100% of the amount used in the corresponding calendar quarter of 1944. Tinplate deliveries currently are quoted for January, 1946.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 90% of capacity for the week beginning June 11, compared with 91.1% one week ago. This week's operating rate represents a decrease of 1.1% from last week's rate and is equivalent to 1,648,500 net tons of steel ingots and castings, compared to 1,668,600 net tons last week and 1,739,300 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended June 2, 1945, totaled 837,520 cars, the Association of American Railroads announced. This was a decrease of 44,917 cars, or 5.1% below the preceding week this year and 26,822 cars, or 3.3% above the corresponding week of 1944. Compared with a similar period of 1943, an increase of 169,911 cars, or 25.5%, is shown.

Railroad Income in April—Class I railroads of the United States in April, 1945, had an estimated net income, after interest and rentals of \$54,300,000, compared with \$48,033,277 in April, 1944, the Association of American Railroads announced on June 4, last.

In the first four months of

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U. S. Army to Use 600,000 German Prisoners As Laborers; 200,000 Assigned to France

The plan of the United States to retain 600,000 prisoners of war as laborers was disclosed on June 9 by the United States Army; at the same time, it was made known in Paris that in addition to the 600,000 arrangements have been completed for transferring 200,000 to 225,000 American-held prisoners to France for labor, Col. Robert J. Gill of the United States Provost Marshal's office indicated at Supreme Headquarters. It was added that these prisoners, who will come under complete charge of the French just as if the French had captured them, are now held in seven inclosures in France.

A more detailed account from Paris to the New York "Times" states that according to Col. Gill the United States now has 2,100,000 German prisoners of war in confinement in Europe, but within six months all will be released or turned over to the British or the French with the exception of 600,000 who will be kept as laborers for the United States Army in Europe. It was further stated that the 350,000 German prisoners in the United States also will eventually be released through the same medium.

The "Times" advises further said.

"The handling of prisoners since V-E Day has been somewhat uncertain because the Geneva Convention governing the treatment of prisoners of war actually did not envisage an "unconditional surrender." The convention says that the disposition of prisoners shall be arranged in the armistice terms, but inasmuch as at the time of surrender we were not doing any bargaining with the Germans, the matter did not come up.

"Since the convention is an agreement among Governments, and no German Government any longer exists, there are grounds for abrogating the convention. However, Army lawyers interpret the convention not only as an agreement between the American and German Governments, but also as an agreement between the American Government and the German soldiers, whose rights under it can be waived only by both the Government and the individual soldier, Col. Gill, a peacetime Baltimore lawyer, explained.

"Hence it is considered that the convention continues in force for the treatment of German soldiers. "Germans taken into custody in connection with the surrender do

not have the same status. They are "disarmed enemy forces" and do not come under the protection of the Geneva Convention as regards, for instance, the provision of shelter, food and clothing.

"Several million of these are being held under their own guard, providing their own supplies pending disbandment, and they probably will get home before the regular prisoners. At the time of the German surrender the United States Army had 2,852,000 German prisoners, excluding the Mediterranean theatre. We had facilities for only about 1,000,000 prisoners, and the rest had to be put in transient camps along the German border.

"The prisoners have been working loading Army supplies and salvaging Army equipment. Two hundred thousand in camps in Brittany will be turned over to the French for labor, a matter not specifically sanctioned by the Geneva Convention, but not forbidden. One hundred and sixty thousand in three camps around Cologne will be turned over to the British who are moving into that area for occupation.

"Fifty thousand Russians taken prisoner as members of the Wehrmacht have been turned over to the Russians, and an undetermined number remain to be repatriated. Although many of these were impressed into fighting for the Germans they are under somewhat of a pall back in Russia, and many are scared to go home. The policy established at Yalta is to return to Russia "all those who claim Soviet citizenship." Those who do not are to be kept as prisoners, and their ultimate disposition is uncertain.

"All non-German prisoners, except Russians, have been turned over to their respective armies.

The order of priority for the release of prisoners is first, women, then miners, farmers, transport workers, persons over 50 and persons completely physically disabled. The others then follow. These special categories cover about 18% of the total of German prisoners."

Manpower Controls in New York to Continue

Attention to the fact that manpower controls over jobs in the New York metropolitan area will continue after July 1 was drawn on June 9 by Joseph B. O'Connor, Acting Regional War Manpower Commissioner, who noted that the present policy will prevail here even though a relaxation of controls in some other sections of the country are scheduled July 1. In making the announcement, said the New York "Herald Tribune"

of June 10, Mr. O'Connor stated that many persons, having mistakenly interpreted a Washington announcement of May 11, have been leaving war jobs in anticipation of being free to take whatever job they wish without statements of availability or United States Employment Service referral cards after July 1. The same paper said:

The original announcement on May 11 by Paul V. McNutt, War Manpower Commissioner, stated that as of July 1 WMC job controls would be lifted in areas throughout the nation where WMC directors recommended such relaxations. At that time Mr. O'Connor warned New Yorkers that the job controls might not be lifted here.

This announcement yesterday was based on recommendations of the WMC New York area labor-management committee. The committee, after three weeks of study, found that despite layoffs and a slow drop in the labor demand here labor requirements of

essential industry have not yet been met.

Although Mr. O'Connor said he had not yet received reports from area directors in Buffalo, Rochester, Syracuse, Albany and other cities in New York State, indications were that existing controls will continue there also, since these have been listed as critical labor shortage areas, while New York City has had an abundant labor supply by comparison.

The following is from the New York "Journal of Commerce" of June 11:

"Mr. O'Connor pointed out that in the New York area there were 51,000 essential industry job openings toward the end of last month, while only 31,686 applicants for jobs appeared at USES offices about the same time.

"He said that the continuing shortage of manpower seems to be a result of widespread reduction of the work week from 48 to 40 hours as a spread-the-work measure to retain present employees."

British Treasury to Pay More for Gold

Announcement was made by the British Treasury on June 9 that it would pay four shillings and three pence more per fine ounce for gold in the sterling area, explaining that shipping risks had been "substantially reduced." The Associated Press accounts from London, reporting this, stated:

The official announcement said that the readjustment of the price from 168 shillings per fine ounce to 172 shillings three pence had "no bearing on any questions of exchange policy or exchange rates."

The shilling conversion is normally 20 cents and the pence two cents, which would make the new rate the equivalent of \$34.46. The United States Treasury buying price is \$35.

The Bank of England said the price alteration was made merely in line with changing war conditions and must not be regarded as a gold point nor as made in anticipation of Bretton Woods.

A Bank of England spokesman said at a press conference: "There is no question at the moment of restoring a free market for gold. Exchange controls will be maintained." The Government, he said, still keeps checks to prevent speculation in gold by any commercial banks or brokers.

Throughout the war the Treasury has taken risks of shipping from South Africa and other countries where gold could be bought. This practice will be maintained.

The New York "Sun" of June 9, incident to the action of the British Treasury, commented as follows as to the gold exodus from England in 1940:

"Britain moved virtually her entire gold supply from this island in the greatest gamble in financial history when a German invasion threatened, a Bank of England spokesman said today.

Every type of ship, from tramps to luxury liners, some running through U-boat infested waters unescorted, carried the gold to secret hiding places in the far parts of the earth.

Movements during the entire war from England and South Africa amounted roughly to \$4,000,000,000 worth of gold, with losses totaling hardly more than \$20,000,000.

Some of the lost gold was later recovered after treasure-laden ships sank. One case which the spokesman called "perhaps the most remarkable salvage job in history" saw Australian divers scrape up from the ocean bed 423 feet down \$325,000 worth of a gold cargo valued at \$8,000,000 that the ship Niagara was carrying when she went down in the Pacific.

Stores of gold were concentrated in naval bases and other strategic spots throughout the world.

Huge funds were moved to two North American centers, New York and Ottawa, as Britain needed all the gold she could "get her hands on" to obtain supplies before the lend-lease program was inaugurated, the spokesman said. Big vessels were used mostly on the fast North Atlantic run from Britain to New York or Halifax.

Envoy to Tangier Named

Paul H. Ailing has been nominated by President Truman as diplomatic agent of the United States in Tangier, Morocco, formerly an international zone now under Spanish control, a report from Washington to the New York "Times" stated on June 4, adding that the United States is said still to consider the city to have an international status.

Tax Relief Among Recommendations of Federal Advisory Group in Behalf of Small Business

The Small Business Advisory Committee of the Department of Commerce has submitted proposals which are the result of its survey of the problems of small business, which Commerce Secretary Henry A. Wallace has termed a "magna carta for the small business man," the Associated Press reported from Washington, May 27. The Secretary continued by describing the report as "an action program which the Department of Commerce will put into effect to the utmost extent that our finances permit."

The tax recommendations in the report, according to the Associated Press, follow closely the program suggested two weeks ago by a joint Senate and House committee and concurred in by Secretary of the Treasury Morgenthau. They propose, among other changes, increase of excess profits exemption from \$10,000 to \$25,000 effective next Jan. 1, and repeal of the excess profits tax in the year following the end of the war with Japan.

"Considering the problem faced by small business," said the report, "it is believed that business taxes rest with disproportionate weight in this segment of the business population, and it is urged that steps be taken to effect a reduction."

Small Business Study Urged

The report urged that studies be made of various small businesses throughout the country, and that booklets be prepared to advise the potential operators of new small business of the pitfalls of their particular fields. The booklets would advise on basic factors, such as the selection of the site, judgment of existing trade in various areas, amount of competition, and amount of investment which would be needed.

"There is need for guidance in timing the establishment of a new business," the report said.

"It is well known that capable men have failed in business because they started at the wrong time."

Long-term Loans

Government guarantee of long-term loans to finance small business enterprises was recommended by the report, which asserted that "equity finance often is excessively costly and hard to get."

It was suggested that commercial banks and other local financing agencies which would originate the long-term loans should be required to participate to the extent of at least 10%.

Committee members who participated in the report were Chairman Ivan Allen, of Atlanta; Vice-Chairman Walter Ringer, of Minneapolis; Vincent L. Browner, of Des Moines; Ernest G. Draper, of Washington; W. E. Harber, of Shawnee, Okla.; Lou E. Holland, of Kansas City; E. H. Lane, of Altavista, Va.; Stacy May, of New York, and John R. Pinkett, of Washington.

Recommendations Made

To accomplish a continuing program to insure small business a "proper position in the economy," the committee recommended:

1. A planning staff in the Commerce Department at the policy level to receive and consider the basic problems of small business from time to time—their ability to compete with large business and their position in the economy.

2. An active program of study and the production of educational booklets, guides and manuals. This educational activity should be followed through by an adequate application program by means of personal contact and publicity through the various field offices of the department.

The committee expressed belief that the Commerce Department "is the proper agency to interpret the small business problem to the Government, to recommend a course of action and to execute the program," but it doubted that the department's facilities "are adequate to cover the many phases of a desirable program."

"It is difficult for us to believe," the committee said, "that the Department of Commerce can adequately service over 2,000,000 small business proprietors from 26 offices with a field staff of 85 people."

The committee concluded that the present corporate tax structure imposes burdens which "restrict expansion of production and employment, discourage the opening and development of new and small businesses," and "affect adversely the competitive position of small as compared to large business."

"Unless modified," the report said, "it will impose serious burdens on all business. . . . In addition to some relief from heavy taxes, steps should be taken to make immediately available certain funds which under the current tax provisions eventually will be turned over to business concerns."

On the management side, the Associated Press reports, the committee recommended preparation of a large number of specialized studies and reports "of direct and immediate aid to small business." Larger organizations have the facilities for investigating, studying and solving their own management problems, the report said, but "smaller operators must look elsewhere for aid."

The committee suggested that the reports "should be short, easy to read, filed with illustrations and marginal cartoons; that color should be used and that the entire story should be tied up in an attractive package, which will encourage busy men to open it and read."

In the finance and credit field, the committee suggested that a new type of Government-guaranteed loan should be developed for the long-term financing of small business, with flexibility in amortization a necessary provision.

"The interest rate charged should be as low as is consistent with economic operations," the report said. "Loans for at least 10 or 15 years should be contemplated."

"Collateral for the proposed term loans should be such as to leave receivables, inventories and other current assets unencumbered, so that a basis is left for obtaining seasonal short-term credit."

China Ups Gold Price

The Chinese Government's Ministry of Finance increased the official price of gold from 35,000 to 40,000 Chinese dollars per ounce of June 9, it is learned from Associated Press advices from Chungking. June 9, which also had the following to say:

"This is the second increase within 10 weeks. The first was on March 28, when the price was raised from \$20,000 to \$35,000 per ounce.

"The latest hike had an immediate effect in the black market value of American currency. After rising to \$1,200 (Chinese) to \$1 (United States) recently the rate sagged to less than 1,000 to one, and then shot up again today to about 1,150 to one.

Russian-Rumanian Pact

Russia and Rumania are reported to have signed at Moscow an economic agreement, according to the Associated Press from London, June 2, calling for the delivery of Russian raw materials, textiles and timber to Rumanian factories.

The Financial Situation

(Continued from first page)

aspects of the subject. Officially inspired and often officially conducted propaganda campaigns have so successfully obscured certain facts about Russia that it is not easy for the rank and file to adjust themselves to the truth, but the adjustment is necessary nonetheless.

First of all, war "pep-talks," not infrequently indulged in by Russia herself, have obscured the fact that the ideas and the ideals of Russian Communism are about as alien to American political, social and economic thought as was Fascism. It has not for a number of years been regarded as particularly patriotic to take public cognizance of this fact, and doubtless many have either very conveniently forgotten what went on prior to 1941, or have too easily assumed that something "rich and strange" has produced a "sea change" within Russian boundaries. We have been so often told that this was an "ideological" war, that it has been commonly assumed that we had aligned ourselves against "ideologies" which we could not tolerate and along side of others which were at the least more in keeping with our own philosophies of life. It must be a shock to many, therefore, now to find that we differ on many things with our friends almost as much as with our enemies.

Need Not Cause Difficulty

Of course, this difference in social, political, and economic philosophies need not of itself cause any particular difficulty — provided that both Russia and the United States accept the tenet in fact as well as in vague profession that such "ideologies" developed and applied within one country are no concern of the peoples in other countries. There never has been a time in our history when "situations" drastically at variance with our ideas and our practices—and, yes, and our consciences — did not exist in other countries with whom we had perfectly friendly dealings.

But unless both countries are willing to come to some such understanding in good faith, we shall find ourselves, theoretically at least, in about the same situation vis-a-vis Russia as we were supposed to be vis-a-vis Hitler and the Fascists. One of the aspects of the existing situation which is giving many people the most concern these days is the apparently increasing evidence that the Russian communists are in fact concerning themselves again actively as in the past with political, social and economic affairs in other countries—notably at the moment with

those in the United States. Many of us see, or think we see, political and economic fifth columnists preparing for action in this country under guidance, support and control from Moscow. Such a situation may actually exist. Indeed it is not altogether easy to doubt that it does—and it is, if actually here, most unfortunate for all concerned.

Not a New Situation

Let us not suppose, however, that this situation is something new under the sun. Something of the sort was, of course, commonplace prior to our entry into this war, and, stop to think of it, we have never had too much reason to suppose that it would not be resumed when the war ended. Whether it has ever assumed the importance attached to it in the past or whether now it is likely to make great headway in this country is another matter. The fact remains that it is a source of irritation and a handicap to smooth and profitable relations with Soviet Russia.

But let us not forget that while, so far as known, neither this country nor any of its citizens have made any effort to disturb the Russian communist regime since it was firmly established in that country, we have never let the Russians forget that we do not like statism, that we want to see it superseded in all the countries neighboring Russia by "democracy," which, of course, is as distasteful to the Russian Communists as it was to Hitler—and as Fascism was to us. If we in fact were somewhat more willing to act as if we really believed that the form of Government and the way of life existing in other countries were the affairs of the peoples of those countries some of the strain of "ideological" differences between the two countries would be relieved. At any rate these differences exist, and will remain. We shall have to find some way of keeping them from getting in the way of amicable relations with Russia—which, of course, they should not do.

Another self-imposed illusion among the American people is the notion that Soviet Russia was not and is not interested in what is known as "world politics," imperialism, and what the Germans used to call Realpolitik. The truth of the matter is that the Stalin régime seems to have about the same ideas about Russia's geographical future as had the Tsars. It has been evident for years past, and we shall have to reckon with it precisely as we have to reckon with the ambitions of other countries. Whether we like it or not, it is now a

Federal Bar Ass'n Symposium on OPA Export-Import Control

The fourth of the series of forums on OPA problems being conducted under the auspices of the OPA committee of the Federal Bar Association of New York, New Jersey and Connecticut, of which A. Philip Woolfson, formerly with the OPA in Washington, D. C., is Chairman, will take place on June 26 at 8 o'clock at the United States Court House, Foley Square, New York City. The speakers will be Milton M. Thompson, Division Counsel of the Services and Foreign Trade Price Division of the Washington office, and Frederick E. Busse, Chief Counsel of the Services Price Legal Section, also of the Washington office. Mr. Thompson will discuss the legal basis and economic objectives of export-import price control, the techniques employed by the two regulations and the most important problems which have arisen in their administration.

Mr. Busse will speak on "Services under Price Control," with particular emphasis on problems which have arisen in the administration of MPR 165. At the conclusion of the lectures there will be an opportunity for questions.

The committee is arranging a further series of three forums on OPA enforcement problems at which representatives of the operating staff of the New York OPA office will participate. These meetings will be held in July, August and September. The exact dates and the names of the speakers will be announced later.

Tickets of admission for which there will be no charge may be obtained by sending a self-addressed stamped envelope to Mr. Woolfson, 67 Wall Street, New York City.

Auto Tax Stamps To Go On Sale June 9

Joseph D. Nunan, Jr., Commissioner of Internal Revenue, announced today that the new \$5 Automobile Use Tax Stamps will be placed on sale in all post offices and offices of collectors of internal revenue on Saturday, June 9, 1945. The law requires the owner of every motor vehicle which is used upon the highways to buy this stamp and to display it on the vehicle beginning July 1, 1945.

The law provides both cash and jail penalties for failure to pay the tax. To protect themselves against unnecessary penalties, Commissioner Nunan advised owners of motor vehicles not to be misled by false rumors alleging that this tax has been repealed.

The stamps will be sold over the counter at all post offices and offices of internal revenue collectors. In addition, collectors of internal revenue will fill mail orders when accompanied by cash, money orders or certified checks. Personal checks cannot be accepted for the purchase of revenue stamps.

The law requires that the stamp be prominently displayed on the motor vehicle on and after July 1, 1945. Where possible the stamp should be placed on the windshield as recommended by the proper officials of each state.

rather palpable fact that few if any of the countries of the world share our brand of international idealism, and we shall have to make the most of it. It is unfortunate if we have failed to realize all this from the first.

German Army Refused Hitler's Order for Execution of U. S. and British Prisoners Says R C

In reporting that more than 99% of American prisoners of war in Germany had survived and were on their way home the American Red Cross on May 30 credited this high percentage of survival "in great part to the correct observance by the American Army of the Geneva Convention." Advice to this effect from the Washington bureau of the New York "Herald Tribune," published in that paper of May 31 added that it was said that the Germans had been fully aware that Britain and the United States faithfully discharged their obligations to German prisoners under the Geneva treaty rulings. Continuing, the account in the paper indicated said:

"The Red Cross quoted from a could now corroborate reports that Hitler ordered the execution last March of imprisoned American and British flyers as a reprisal for air attacks, but that German Army commanders refused to carry out the order. A vital factor behind this refusal, it was said, was the German military's knowledge that Anglo-American treatment of German prisoners had been according to the Geneva Convention."

"The Red Cross quoted from a letter accompanying the June issue of the Red Cross prisoners-of-war bulletin, a publication which has been issued for the last two years to families of men held by the Germans and Japanese. The letter said in part:

"According to a recent statement made by Carl J. Burckhardt, President of the International Committee of the Red Cross, in Geneva, Switzerland, Adolf Hitler late in March, 1945, gave orders to execute all Amer-

ican and British airmen held captive in Germany.

"This statement has been substantiated by American prisoners of war, recently liberated and returned by air from Germany, who were in a position to know the facts. Hitler's order was in revenge for the bombing of German cities, particularly Dresden. One important reason why the order was not carried out by German Army commanders was because they knew that the American and British governments had faithfully endeavored to carry out their obligations under the Geneva Convention toward enemy prisoners of war.

"Much anxiety appears to have been caused in the United States by the lack of understanding of the difference between concentration camps and prisoners-of-war camps. The latter, so far as American and other Allied prisoners of war (except Soviet Russian) were concerned, enjoyed the protection of the Geneva Convention.

"In spite of all their efforts, Swiss delegates of the International Red Cross were not permitted to visit the concentration camps for German and other European political prisoners and slave laborers. But they regularly visited prisoner-of-war camps."

Auto Output of 200,000 Has WPB Approval

If they can locate needed materials without aid from Washington, automobile manufacturers have permission of the War Production Board of produce 200,000 civilian passenger cars between now and the end of the year, under an amendment to the limitation order controlling auto production which permits the industry to place immediate orders for steel, tin, lead, etc., required to get the assembly lines rolling, a special report to the New York "Times" from Washington stated on May 24.

J. A. Krug, chairman of the WPB, announced that this action was in approval of a program suggested by the automotive industry whose representatives had stated that, based on present material estimates, manufacturers believed they would be released from war work sufficiently to make 200,000 cars by the end of 1945 and another 400,000 in the first three months of 1946.

Mr. Krug cautioned, however, that the general public will see few if any of this year's output of civilian autos. He said the initial 200,000, and possibly more, will be tightly rationed to assure that the "desperately needed" demands of essential transport are met.

Another 400,000 cars in the first three months of 1946 and 600,000 in the next three, making a total of 1,000,000 new passenger cars by the middle of next year, is in the realm of possibility, Mr. Krug said, the New York "Times" continued. He added that authorized production by the end of the first year of civilian operation may be at the rate of 2,000,000 cars a year. That is the figure long considered the minimum on which the automobile industry could get into production within the year after the start of reconversion.

The WPB will assign a quota to each manufacturer. Most producers will be assigned a quota on the basis of their 1941 output in relation to total automobile production, Mr. Krug said. Adjustments will be made for small firms, he added.

"I am not absolutely certain there will be enough material, but with the industry's ingenuity it stands a pretty good chance of making 200,000 cars."

The industry, which had outlined the "200,000-cars-in-1945" program, meanwhile appeared today to be less hopeful than the Government. The Automotive Council for War Production, trade group for the industry, listed ten potential "bottlenecks" in manpower and material controls which it believes could hamper civilian production.

The council said that the various Government agencies "which should coordinate their changes in regulations" or take other actions to prepare for reconversion, "have not yet acted."

It recommended nine steps to speed the process:

"Elimination of all controls by the War Manpower Commission over labor.

"Revocation of an order holding producers to 1944 levels unless specifically authorized to exceed them by the WMC.

"Designation of Detroit as a free-labor area.

"Elimination of the 1% limitation on the use of technical personnel.

"Recognition by Selective Service of the 'importance' of pre-conversion and reconversion work.

"Ending by appropriate Government action of the CIO-AFL jurisdictional disputes among auto workers.

"Clarification and speedy announcement of procedures governing surplus property disposal.

"Elimination of regulations prohibiting the release of 'frozen' company-owned equipment.

"Dissemination of information to all contractors, subcontractors, steel mills and other suppliers of forthcoming cutbacks and contract cancellations."

House Group Hearings on Proposed Compulsory Military Training Measure

Hearings before the House Post-War Military Committee on the proposal of requiring a year of military training for American youths gave evidence of the general controversy existing over the subject and indicated that a stiff fight lay ahead before any settlement can be reached.

Acting Secretary of State Joseph C. Grew was the committee's first witness. Mr. Grew expressed the State Department's views when he said that he came "as an advocate of military training for the young men of America," and believed "profoundly that our young men should have this training," according to Associated Press reports from Washington, June 4. Mr. Grew, who was formerly Ambassador to Japan, said he believed that "military preparedness counts in the thinking of potential enemies."

"I believe a year's military training is necessary because of our obligations under the world security organization," he said, "because, in the world of things as they are our international policy, to be effective, must have strength behind it; and because my experience has taught me that aggressors are not deterred by latent superior strength, but shrewdly try to obtain their ends by attacking when they consider their potential opponents unprepared, and, therefore, at a disadvantage."

Mr. Grew said he believed that universal military training "would be the greatest possible stimulus to our young men to go into educational life," and "would be in the best interests of our educational institutions throughout the country." He was not questioned by members of the committee.

On June 5 Omar K. Ketchum, representing the Veterans of Foreign Wars, presented to the committee a substitute for the American Legion-backed proposal for one year of continuous training at the age of 18. The V. F. W. program calls for training in the National Guard or Naval and Marine Reserve units, for a three-year period, the Associated Press reported from Washington. Mr. Ketchum told the House committee that under the V. F. W. proposal compulsory military training would be given in a boy's own community without disturbing his home life or his education.

The trainee automatically would become a member of the National Guard or of a Naval Reserve or Marine Reserve unit at a predetermined age, would participate in weekly drills and training periods at his local armory, and would take two weeks of training every summer at a reserve camp. John Thomas Taylor, head of the American Legion legislative committee, had previously asserted to the House committee that "there is nothing in the proposal of universal military training that can or will breed wars or foster militarism in America," and added that "there can be no stronger influence for lasting peace, no greater safeguard against lawless international aggression."

Mr. Taylor declared that the Legion-backed proposal, which would require most able-bodied youths to take a year of military training when they reach 18, or soon thereafter, "cannot be likened in any respect to the European systems of compulsory military service and immense standing armies." It is not proposed, he went on, that the trainee be liable for military service during his year of training.

No longer, Mr. Taylor declared, can America "expect to prepare for war while heroic Allies keep the enemy at bay. If any other war breaks, America will not be given the chance to become again the arsenal of democracy."

To again permit our country to become unprepared; to allow our

Army to be reduced to a mere police force; to be lulled into a false security by wishful thinking will mean the death of our sons and grandsons."

Opposition to the proposed legislation was just as emphatic as approval. A. J. Brumbaugh, Vice-President of the American Council on Education, asserted that regimentation of the mind would result from a peace-time draft law, the Associated Press reported from Washington, June 6.

For Congress to act now on a peace-time draft program, Mr. Brumbaugh said, is to declare "in advance that we have no faith in collective security and international action" and to assert "that we believe that World War III is inevitable and that it will come soon."

Before taking such action, he suggested, "we must first make an earnest and sincere effort to establish an international structure which will maintain the peace."

Mr. Brumbaugh said: "The summary of the considered judgment of approximately 1,100 college and university presidents indicates that they believe that it is now unwise to enact legislation requiring universal military service."

Four out of five educators, he added, believe a national commission should be appointed to study the whole problem of national defense.

Norman Thomas, head of the Socialist party, another witness before the House Committee on Post-War Military Policy, asserted that "if military conscription is the secret of defense, Russia will win," the Associated Press reported, June 8.

Mr. Thomas, speaking for the Post-War World Council, of which he is President, said Russia "will have the greater population, the strategic position in which mass armies are most useful, and the kind of totalitarian government to which peace-time conscription is far more appropriate and effective than to our democracy."

"The best key to any sound policy of security and peace would be an agreement with the Soviet Union on disarmament," Mr. Thomas told the committee.

The Catholic Hierarchy in the United States voiced the opinion that action on the matter should be postponed "until the end of the war, when it can be known what the international situation will be," in a letter to the committee Chairman from Monsignor Howard J. Carroll, General Secretary of the National Catholic Welfare Conference, according to the Associated Press from Washington, on June 7, which reported further:

The National Congress of Parents and Teachers also opposed peace-time draft legislation at this time.

Mrs. William A. Hastings of Madison, Wis., President of the organization, which claims a membership of 3,500,000, told the committee that its stand was "determined after full discussion with the members."

She said: "We know that the country must keep itself prepared to meet any emergency. But," she insisted, "national preparedness is composed of many elements, including education, skills and physical fitness that cannot be acquired in a short time."

"The responsibility for this training, throughout the period in which our boys and girls are

growing up, rests with our schools, our recreational centers and other community groups," she asserted.

Speaking for the Federal Council of Churches of Christ in America, Dr. Herbert J. Burgenthaler, President of Ohio Wesleyan University, Delaware, Ohio, declared:

"The people for whom I speak and the churches with which they are identified hold to the view that our nation should not at this time take any action which would reverse our historic policy with respect to compulsory military training."

Other educators expressed themselves in favor of action now on a compulsory post-war military training program. Dr. Karl T. Compton, President of Massachusetts Institute of Technology, told the committee, according to the Associated Press, on June 8: "Right now we would be well advised to establish our reasonable military program, and to let the world know that we mean business when we talk of preserving peace, and that we are ready to adopt strong measures to insure our safety against attack."

"Many of us believe that the sad lack of military preparedness and the very strong sentiment against any move even to prepare for war were simply invitations and incitements to Hitler, Mussolini, Hirohito and their followers, to let loose their mad avalanches of armed aggression for conquest."

Dr. Compton said that he believed a year of military training under good officers and with a sound program "could have a very wholesome influence on the succeeding generations of our young men."

Edward C. Elliott, President of Purdue University, proposed a compulsory peace-time draft program for a trial period of five years, according to the Associated Press, on June 9.

"While we have the task of dreaming and doing for peace, at the same time," he cautioned, "we have the solemn and continuing obligation of being fully prepared to protect all that which is ours to protect. The experiences of the past four years have taught us how dependent we are upon our youth to provide this protection."

At the end of three to five years, he declared, "we shall know things we cannot now know, and then we shall have learned the invaluable lessons learned only by experience."

Mr. Elliott said that he was not convinced that other advantages than military preparedness would accrue from a compulsory draft program, such as education in personal hygiene, neatness and promptness, respect for authority and property.

He suggested that consideration be given to retention of the reserve officers training corps and to a provision permitting youths with specialized and scientific talents to qualify as members of a scientific reserve and be relieved of refresher training courses called for in pending legislation.

Opposition to a peace-time draft was expressed on June 11 by Josephus Daniels, former Secretary of the Navy, who directed the Navy during the last war. Before the House committee, on June 11, Mr. Daniels, who is editor of the Raleigh (N. C.) "News and Observer," offered the committee this formula as the best protection against the possibility of future attack: "I would place the main emphasis on a Navy that flies, with adequate military strength on land and sea; I would take leave to be strong in the air; if our country dominate the sky; no enemy can land on any part of our terrain." We quote from Associated Press advices from Washington, June 11, which also

indicated Mr. Daniels as saying that "the imperative preparedness of tomorrow is that which will give conquest of the skies." The same advices further reported his views as follows:

"We will never dominate in war by dependence upon the draft," Mr. Daniels asserted. "All we need to do is to provide the craft and the accessories and young Americans will hasten to enlist, and the number of voluntary aviators will exceed the ability to furnish them wings."

Since there has been no suggestion of the need of a draft to provide personnel to man a large post-war Navy, Mr. Daniels said, "the only argument left for the proposal is the need for inducements to make up the land forces."

"At the most, there will be need only for a small, compact land force," he contended. "Every man that can be wisely placed can be obtained by volunteer enlistment if there is adequate pay, with certain advancement from the ranks to those who show ability in actual service."

Provision for proper pay, education and advancement, and "the utter exclusion of that snobbery which sometimes creates a chasm between officers and enlisted men," he said, will provide so many volunteers "that no branch of military service will need to conscript men."

"No man believes more in having a gun well primed than I do," Mr. Daniels asserted, "but I put emphasis on the sort of preparedness this war has taught will win victories, and not on the discredited broken stick of universal compulsory conscription. When the time comes to prepare for preparedness, the first step will be to unlearn the methods of the past and discard the archaic drilling, put all cavalry horses to plowing, shut down munitions plants making out-of-date weapons, discard the ancient tactics and strategy long taught in military schools, and look mainly toward the perfection of weapons of the skies. The nation which commands the air is the nation that can rule the world."

The propaganda for compulsory military service for American youth is based upon three false premises," said Mr. Daniels, according to special Washington advices to the New York "Times" on June 11, viz:

"1. Fear, and I hold with Franklin Roosevelt that 'fear is the only thing to fear.' As I read or listen to the pleas to Hitlerize America, and see how the advocates of compulsion tremble.

"2. Cynicism. The disbelief in the belief of our civilization to rise out of savagery and so order the affairs of a civilized age as to make war an anachronism. This unbelief is based on the silly credo: 'There have always been wars and there always will be wars.'

"3. Imperialism. The desire that Uncle Sam shall abandon democracy, the right of all men to govern themselves, and follow the example of the Israelites of old, who, tired of God's guidance, wished a king so they would be like neighbor nations that lived by the sword.

"It was this jealousy of John Bull's exploitation of weak peoples that caused us to go into the colonial business when we obtained rule of the Philippines by conquest and purchase, and held on to them under the pious profession of 'benevolent assimilation.' Happily, we have come to ourselves and have given the solemn pledge to return sovereignty to the Filipinos as soon as this war is ended."

He argued that Germany's victories in this war were made possible "more by early supremacy in the air, and the utilization of mechanized implements of war than by compulsory goose-stepping."

Truman Declines to Relax Wage Controls

The turning down by President Truman of a request by labor leaders for immediate relaxation of wage controls was reported in press advices from Washington on June 7, which stated that the President told his news conference that the Little Steel wage formula would stand, at least pending a thorough study, to be undertaken later of present wage and commodity price schedules.

The further Associated Press accounts said:

Only a short time before, AFL President William Green and CIO President Philip Murray had called at the White House to press for quick revision of the Little Steel formula, by which basic pay raises have been limited to 15% above January, 1941, levels.

They expressed fear of a downward spiral in war-time earnings and employment even before Japan is defeated.

While these appeals were being made at the White House the WLB was considering the over-all wage policy question.

WLB Chairman George W. Taylor disclosed that the Board will make an announcement on its re-conversion policy within 30 days. He so advised a group of Presidents of CIO-United Auto Workers locals at Chrysler Corp. Detroit plants.

Messrs. Murray and Green both urged Mr. Truman to grant a 20% increase in basic wages to absorb the loss in "take home pay" when war plants shift from the 48 to 40-hour work week.

The Chrysler workers told Mr. Taylor that cutbacks already are disturbing Detroit's economy and that Chrysler plants there will be idling or converting to automobile manufacture by the end of September. This will mean unemployment to 75,000 to 100,000 workers, they said.

While the shorter work week is advocated all around, in order to share employment, the union leaders express fear that unless the hourly rates are increased reduced earnings will be disastrous. Food and other living costs remain swollen, said Frank Danowski of the Chrysler Plymouth local, speaking for the Detroit group.

Construction Contracts Awarded In May

F. W. Dodge Corporation reported on June 8 that construction activity in the thirty-seven states east of the Rocky Mountains showed sharp gains in May. Contracts awarded last month called for an outlay of \$242,523,000, which was 68% more than in May of last year. Total contracts for the first five months of this year amounted to \$1,255,101,000, a gain of 57% over the corresponding period of last year. The report continued as follows:

Non-residential building in May was up 62% over last year, residential construction gained 36%, and heavy engineering construction, comprising public works and utilities, was up 93%. The most significant gain in May was in residential construction, which trailed last year's volume in each of the preceding four months of the year.

Publicly-owned construction contracts in May amounted to \$147,626,000, a gain of 51% above the total for May of last year. Privately-owned construction contracts in May totaled \$94,897,000, a gain of 105% over the corresponding month of the previous year.

During the first five months of the year, publicly-owned construction contracts accounted for 66% of the total of all contracts awarded, compared with 75% in the first five months of last year.

Wallace for U. S.-Soviet Friendship

Speaking at the annual dinner of the Churchman Associates on June 4, Secretary of Commerce Henry A. Wallace declared that those who deliberately attempt to create animosity between the United States and Soviet Russia are the real enemies of peace and progress in the world.

The former Vice-President was presented with the annual "Churchman" award for the promotion of "better understanding among all peoples." Mr. Wallace told the 2,500 persons gathered in the grand ballroom of the Waldorf-Astoria Hotel, New York, that the way to offset the "poison" spread by these "enemies of peace" was "by following the policies of Roosevelt in cultivating the friendship of Russia in peace as well as in war"; and added, "I know this is the policy of President Truman. I am also satisfied that it is the policy of the bulk of the American people."

Mr. Wallace at the same time, stated the New York "Times" on June 5, sounded a warning to the San Francisco Conference on International Organization against the use of Pan-Americanism as a regional instrument of power politics. Paying tribute to President Roosevelt, who received the award in 1942 for cementing friendly relations with Latin America, Mr. Wallace said it was not the late President's intention that Pan-Americanism be used as a threat against other nations.

Although Pan-Americanism was the cornerstone of President Roosevelt's foreign policy, Mr. Wallace observed it was not the whole building. The late President, he said, felt rather that Pan-Americanism was the prelude to world democracy.

"More than any other man," Mr. Wallace declared, "he knew that those who write the peace must think of the whole world or else condemn their children to nationalism, regionalism, imperialism, confusion, and finally to World War III."

The late President, Mr. Wallace said, was a defender of freedom for small nations, but in the firm belief that interdependence was as essential as independence, he

was "willing to give up a little sovereignty for a lot of peace."

The award of the plaque was made by Senator Claude Pepper, Democrat, of Florida, who, according to the "Times," termed Mr. Wallace the "greatest living spokesman of Rooseveltism." He hailed Mr. Wallace as "one of the really great men of our time," and said that Mr. Wallace had been "hated" because of his advocacy of a fuller life for the average man.

"The people of America today have to make the choice as to whether they want the kind of democracy Franklin D. Roosevelt fought for and which Henry Wallace is fighting for, or whether they don't and are willing to face the consequences," Mr. Pepper said.

Declaring that for the first time in human history peace and plenty are within the reach of the people of the United States and many other lands, the Senator said that Secretary Wallace's program of full employment and productivity represented a realization of "the age-old dream of the good life for nearly everybody."

"The voice of Henry Wallace," he said, "is not a voice crying in the wilderness. It is the call to the faithful for the pilgrimage. Behind such men has the race always moved forward. Behind such men shall we move on yet further and higher."

Mr. Wallace was the seventh recipient of the "Churchman" annual award. Previous winners were Mrs. Franklin D. Roosevelt, William Allen White, President Roosevelt, Wendell L. Willkie, Mme. Chiang Kai-shek and Bernard M. Baruch. The Churchman Associates were sponsors of the annual dinner.

Drop Expected in War Manpower Needs

J. A. Krug, chairman of the War Production Board, has expressed anticipation of a sharp drop in manpower requirements for war and war production in the next half-year, according to Associated Press advices from Washington, May 29. Predicting that reconversion unemployment would reach its peak during the next three months, Krug presented the following picture of the situation:

War production will require 2,900,000 fewer workers during June, July and August. Some 1,100,000 of these persons will not find employment, increasing the nation's jobless total to around 1,900,000 persons.

Of the remaining 1,800,000 workers, about 700,000 will continue working in the same plants where they now work or will find employment in other plants shifting to civilian goods production. The others will be absorbed in other civilian manufacturing, construction trades and services and other civilian occupations.

Although the number of persons no longer needed by the armed services and for war production will increase to 4,800,000 by the end of November, unemployment will decrease.

"Six months from now," Mr. Krug said in his monthly report on munitions production, "the picture will have changed more sharply. The number of persons no longer required for war activities will have increased to 4,800,000. This will include 1,000,000 dismissed from the armed forces. The persons absorbed by the expanding civilian economy and the armed forces will amount to 4,100,000. At the same time, the withdrawals from the labor force are expected to exceed entrants by 200,000, leaving 1,300,000 persons unemployed, or 600,000 less than at the end of the first three months."

As of May 12, Mr. Krug reported, the 1945 munitions program had been slashed by \$7,000,000,000, leaving it at \$55,000,000,000.

"This is a substantial drop," Mr. Krug commented, "but it still does not bring programs down to a true one-front war basis."

Since Mr. Krug's report went only as far as May 12, it did not include the latest Army Air Forces cutback, figured at about \$3,500,000,000 on an annual basis.

Government Blamed for Sugar Shortage

The prediction that the American people in the last half of this year will receive less than 50% of the sugar they would have normally consumed in the period because of the Government's failure to encourage sufficient sugar production, was made on June 8 by Roland Tognazzini, President of the Union Sugar Co., who thus advised the stockholders at their annual meeting on June 8 at San Francisco. Special advices from that city to the New York "Herald Tribune," reporting this, also quoted Mr. Tognazzini as saying:

"I predict that if the present bureaucratic mismanagement of food is permitted to continue during the next 12 months there will be the most dire food dislocation in the history of this country."

"The absence of a realistic program can extend rationing for a long period of time. The method recommended to produce more sugar is the further subsidization of Cuban, Puerto Rican, Hawaiian and continental cane and beet crops. This method is but another drain on the taxpayer's pocket."

The Bases for World Trade

(Continued from first page)

ture, in the extension of the most-favored-nation clause, and in the reestablishment of commercial treaties.¹

Greater progress might have been made towards reducing trade barriers had the United States furnished enlightened leadership. However, instead of throwing its influence in the direction of lower trade barriers, it raised tariff rates in 1921, 1922 and again in 1930. These enactments were at complete variance with the international economic position which had resulted from the war. As a creditor nation, the United States should have effected a reduction in tariff rates, but it was not generally understood then that foreign loans represent deferred imports, and that creditor nations must reduce trade barriers if foreign loans are to be repaid.

During the great depression one nation after another resorted to competitive trade restrictions in the self-defeating effort to insulate themselves against world economic forces. The trade practices resorted to involved such measures as increased tariff rates, import quotas, regional preferences, bilateral barter agreements, linked utilization arrangements, export subsidies, arbitrary customs procedures, currency depreciation and foreign exchange controls. All of these practices throttled international trade and intensified economic and political nationalism.

In 1934 the United States reversed its earlier policy and made a belated effort to stem the tide of economic nationalism and self-sufficiency with the passage of the Reciprocal Trade Agreements Act. This enactment gave definite recognition to the fact that exports must be paid for in imports, and that trade policy should be directed towards national interest and not towards the protection of special groups.

In accordance with the terms of the Act, trade agreements have been negotiated with 28 countries, accounting for about 65% of the foreign trade of the United States.

About 1,000 tariff rates have been reduced. Important concessions obtained from foreign nations in return for the lowering of these duties have included the removal of many discriminations not only in connection with the tariff but also with respect to quotas, foreign exchange controls and customs regulations.

The great advantage of the Trade Agreements Act is its flexibility. Tariff rates can be adjusted quickly on individual commodities. It gives the United States bargaining facilities analogous to those of other nations. Moreover, the bargaining power has not been used to promote purely bilateral trade, for concessions granted have been extended to all nations by adherence to the unconditional most-favored-nation clause.

The present Act expires on the 12th of June of this year. As you know, a bill has passed the House of Representatives and is now pending in the Senate to extend the Act for an additional three-year period and to permit the President to reduce or increase tariff rates by as much as 50% of those prevailing on Jan. 1, 1945. Under the present Act the changes permitted in tariff rates are based upon the duties prevailing in 1934. Inasmuch as this power has been largely utilized, the new basis was proposed to make further rate reductions possible, and thus to increase the bargaining power of our negotiators. I trust

that the pending bill will be enacted, not only because of the results already achieved under the Act, but also because its renewal will demonstrate to the world that the United States is ready to assume the responsibilities of a creditor nation and to exert its influence in the direction of freer international trade.

In addition to the reciprocal trade agreements program an immediate frontal and all-inclusive attack is needed on the whole question of trade barriers.

The suggestion has come from various quarters that a world trade conference be convened to study and make recommendations on such problems as import and export duties, unfair methods of competition, export subsidies, customs formalities, cartelization, foreign exchange controls and restrictions, and the various types of trade preferences and discriminations.²

No time should be lost in calling such a conference. Never in our generation will the world have a better opportunity to rid itself of trade barriers than in the period which we are now entering of reconversion from war to peace. The markets of the world will be short of goods, cost-price relationships will be in a state of flux, and the adjustments caused by problems of reconversion will be far more comprehensive than those induced by a reduction of trade barriers.

The United States should take the initiative in calling a world trade conference in order to implement Article IV of the Atlantic Charter and Article VII of the Master Lend-Lease Agreement which are designed to bring about a reduction in trade barriers. The success of the proposed conference will depend largely upon the type of leadership exerted by the United States. It must be prepared to reduce tariff rates not only by the 50% provided for in the pending bill extending the Reciprocal Trade Agreements Act, but by whatever additional amount is required to achieve the desired goal. It must be prepared to make substantial concessions in order to elicit similar concessions from other nations. Mutual concessions on the part of all nations are needed to reestablish multilateral trade which alone can make most effective use of the resources of the world.

Such mutual concessions involve not only a substantial reduction in tariff rates by the United States, but also the elimination of colonial and empire preference. If, at this conference, the trade barriers of the world can be substantially reduced, the basis will be laid for an expanding world trade and genuine currency stabilization, and the forces favoring the private enterprise system and political democracy will be strengthened.

A recent report on post-war economic policy and planning by a bipartisan committee of the House of Representatives recommends "that an international conference be called as soon as practicable to consider reduction or elimination of trade restrictions. The conference should consider" the committee goes on to state, "not only reduction of tariffs, but also such trade controls as import quotas, export subsidies, exchange controls and other forms of State interference with the movement of goods between countries."³

The advantages of such a conference are not only the speed

² For a discussion of these suggestions, see Bidwell, *op. cit.*, pp. 27-33.

³ Sixth Report of the House Special Committee on Postwar Economic Policy and Planning. Pursuant to H. Res. 60, 76th Congress, 1st Session. House Report No. 541, Washington: Government Printing Office, 1945, pp. 37-38.

Savings for Banks in Lower Ins. Premiums

Equal in Dollar Volume Amount Advocated

In addition to the reductions aggregating \$1,500,000 in premiums on bankers blanket bonds which became effective on May 1, the society companies have granted banks a further savings estimated at \$1,000,000 annually on bonds where premiums are paid three years in advance, the American Bankers' Association announced on June 6.

This three-year payment plan reduces insurance costs to banks by 16% and besides blanket bonds it applies to all fidelity and forgery bonds issued to financial institutions, according to the ABA "Protective Bulletin," published by the Association's Insurance and Protective Department for the benefit of member banks. An article captioned "Prepayment Payment Dividends on Bonds" in the June issue of the Bulletin says that these latest concessions in premiums, combined with the reductions effective May 1 and announced May 9, equal in aggregate amount the reductions proposed by the A.B.A. Insurance and Protective Committee last March.

Discussing the three-year premium announced by the Towner Rating Bureau on May 19, the Bulletin said in part:

"For many years casualty, fire and other insurance contracts have been written for a three-year term and some non-conference companies, also London Lloyd's, have issued blanket bonds on a similar discount basis. In previous discussions of this subject, the Association's Insurance and Protective Committee did not favor three-year premiums for blanket bonds without an appropriate provision to compensate insured banks for future reductions in rates which were then anticipated, the latest of which materialized on May 1.

"The new three-year premium plan of the Towner Rating Bur-

eau is not limited to blanket bonds. It also applies to all fidelity and forgery bonds issued to financial institutions. In putting this plan into operation, the Towner Rating Bureau has ruled that any decrease in basic rates within the three-year premium period will become effective on the date announced by the Bureau and application of the lower rates to banks will not be deferred until the beginning of the next three-year period. Refunds resulting from any decreases in basic rates are to be made at each ensuing anniversary date within the three-year premium period. On the other hand, any increase in basic rates will not affect banks until the beginning of the next three-year premium period.

To Redeem 3% Farm Loan Bonds

It was announced on June 7 by W. E. Rhea, Land Bank Commissioner, that the 12 Federal Land Banks are completing arrangements for the redemption as of July 1, 1945 of all outstanding Consolidated Federal Farm Loan 3% Bonds of July 1, 1945-55. Mr. Rhea stated that funds for the purpose are to be obtained chiefly from short-term borrowings and that a large part of such borrowings would be repaid from the proceeds of a public offering of Consolidated Federal Farm Loan Bonds at a later date.

¹ Bidwell, Percy W. A Commercial Policy for the United Nations. Published by the Committee on International Economic Policy, Feb. 7, 1945.

with which results could be achieved, but also the opportunity afforded of evolving an international economic charter linked to the Social and Economic Council of the World Security Organization. That business opinion would be favorably disposed towards such a charter is indicated by the fact that delegates from 52 nations at the Rye conference approved recommendations for a Multilateral Trade Convention, an International Economic Charter, and an International Economic Organization.

The proposed convention suggested at Rye would commit the contracting parties to a progressive lowering of tariff barriers, the elimination of quotas and import embargoes, the adoption in letter and spirit of the most-favored-nation clause, the abolition of discriminatory trade practices, and the abandonment of national sales and production monopolies. It was emphasized that governments should seize the opportunities presented by the conclusion of hostilities to lay the foundations of a broad and expanding world trade.⁴

Tariffs and other trade barriers have been called "negative railroads," raising the cost of goods to consumers instead of making them cheaper and more easily available. Protected enterprise is subsidized enterprise. Subsidized enterprise leads to regimented agriculture.⁵ Both are incompatible with free enterprise. Both would disappear if barriers to international trade were removed.

Cartels and Commodity Agreements

Still another prerequisite for an expanding world trade is the elimination of international cartels and of international commodity agreements. Both international cartels and commodity agreements are incompatible with private capitalism and the free enterprise system. In their economic effects both are similar to trade barriers in that they either restrict the total volume of foreign trade or divert it from its most economic channels. Both may nullify constructive national trade policies and may prevent the best utilization of the economic resources of the nations of the world.

It is not always easy to differentiate an international cartel from an international commodity agreement. Both are arrangements designed to enable those in the same type of business to avoid or regulate competition. They differ in the degree of government participation. Cartels are sometimes organized under government sponsorship, and as the degree of governmental participation increases the cartel takes on the form of a commodity agreement. Commodity agreements functioning under the aegis of government sponsorship are no more beneficial than private cartels. In fact, they may be far more pernicious in that they may be used as instruments of national policy.

To justify their establishment the proponents of cartels and commodity agreements rely on such euphemisms as the need for the adjustment of supply to demand, for orderly distribution, and for the stabilization of prices. In less euphemistic language these purposes are in reality those of restricting output, allocating markets, and increasing prices.

The cartelization movement received great impetus during the interwar period. It was an out-

growth of the same forces which were responsible for the proliferation of trade barriers and the drive towards economic self-sufficiency and nationalism.

It is not surprising that cartels reached their greatest development in Germany, in view of the close ties between German industry and the German nation and the absence of a tradition of free enterprise and individual action. The absence of a tradition of free enterprise in the economic field was paralleled by the absence of a tradition of democracy in the political field. The same forces that led to a cartelization of German industry resulted in political dictatorship.

In the post-war period strong pressures will exist for the cartelization of industry and for international commodity agreements. Both must be resisted if we are to have an expanding world trade to which all nations will have access on an equal basis. Both interfere with the functioning of the price system. Both introduce rigidities in the economic system which deepen and prolong depressions. Both are apt to retard technological innovations and the industrial development of the so-called colonial regions. Both have dangerous implications in their potential use as instruments of national policy and of economic warfare.

Whether cartels and commodity agreements receive fresh impetus in the post-war period will depend largely upon the policy of the United States. I trust that its policy may be one of opposition. The problems of the post-war period cannot be solved by monopolistic practices or by the restriction of production.

Only by preserving individual enterprise on a freely competitive basis can we avoid the totalitarian control of our economic life.

Constructive Lending Policies

The third prerequisite for an expanding and healthy level of international trade is the development of constructive lending policies on the part of the creditor nations. Sound foreign lending policies will make for sound conditions throughout the world; unsound policies will accentuate economic swings, causing pronounced booms followed by deep depressions.

Although capital exports from creditor nations in the form of loans, portfolio and direct investments can play a role of great importance in post-war reconstruction and development, the amount of such capital exports does not need to be a large sum. Two reasons lead to this conclusion. In the first place, many nations will have a sufficient quantity of gold and United States dollar exchange so that they will not have to borrow abroad. According to a recent estimate, the gold and dollar reserves of nations other than the United States amounted to about \$17,000,000,000 at the end of September, 1944.⁶ About \$7,000,000,000 of this sum has been acquired since the entrance of the United States into the war. Although foreign holdings of gold and dollar reserves are not evenly distributed over the world, many nations will be able to draw upon this reservoir of purchasing power to obtain the goods they require. In the second place, it needs to be borne in mind that capital accumulation, like currency stabilization, is mainly a product of domestic policy. Capital is largely produced at home—the result of using local labor and local materials in the building of the means of production and transportation.

The amount of foreign capital which can be productively employed, from the point of view of debtor and creditor, is relatively small.

6. Federal Reserve Bulletin, November, 1944.

The development of constructive lending policies requires that the lessons of the inter-war period be kept in mind. Much can be learned from the experience of the United States as well as from that of the League of Nations with foreign loan flotations through the decade of the twenties. The experiences of that period seem to point to certain very definite principles—some of a general character, others of a specific character—which can serve as guides to foreign lending, whether on private or government account.

One of the most important of these general principles is that creditor nations should reduce trade barriers. The fact that creditor nations should facilitate the repayment of international debts by a liberal trade policy was fully realized by the Peel Ministry in England and should now be recognized by the United States, whose current stage of economic development is comparable to that of England a century ago. In pleading for lower trade barriers, I am giving renewed emphasis to the prerequisite which I first discussed for an expanded world trade. It needs to be reiterated for the reason that liberal trade policies are the *sine qua non* of a reconstructed world.

A second general guide to foreign lending is that creditor nations should not make use of foreign loans as a means of forcing increases in export trade and so indirectly of forcing an artificially high level of business activity. Again the experience of the United States in the decade of the twenties points to certain definite conclusions. Easy money policies were instituted in 1924 and again in 1927, partly with the object of increasing the volume of foreign loans and of stimulating business activity.

While these policies did have the immediate effect of increasing the volume of foreign loans, they also had the corollary effect of inducing inflation in the stock market and in the real estate markets. In consequence, the policies had in time to be reversed. Low money rates gave way to high money rates. The high money rates retarded the outflow of capital. The United States became an erratic lender on longterm account, lending too much at one time to be followed by a cessation of lending at a later period. Certainly the experience of that period points to the conclusion that foreign loans should not be used as "make-work" projects. To do so would subject the economies of both creditor and debtor nations to wide swings of disastrous economic consequence. If Government expenditures are needed to relieve unemployment, the funds required can be spent on domestic projects.

The specific principle which evolved from the foreign loan experience of the twenties is that loans should be extended for definite projects of economic merit, and extended to finance projects of such a character that the export capacity of the borrowing nation will be enhanced, thereby facilitating its ability to repay the funds borrowed. The character of the funds loaned should, of course, be related to the purposes for which the funds are borrowed. Short-term funds should be employed only in financing short-term needs; they should not be used in financing long-term requirements.

Such, then, are a few of the principles which may well serve as guides in the development of constructive foreign lending policies if we are to avoid the mistakes of the twenties and to develop policies which will place the foreign trade of the world on a healthy basis.

It should be borne in mind that foreign loans are not a "cure-all" and are no substitute for con-

structive trade policies. As the League of Nations stated in one of its studies: "To pump capital into stricken areas by the most perfect pumping mechanisms will benefit no one in the long run if the strain imposed by the reserve movement later, when amortization and interest payments exceed new lending, leads to a breakdown similar to that of 1929."⁷

Exchange Stabilization

The final prerequisite for an expanded world trade is the stabilization of the foreign exchanges. To be of economic significance, exchange stabilization must be genuine in character. It must not be based upon the artificial props of exchange controls or upon the continuous receipt of foreign credits.

Genuine exchange stabilization is not easy to achieve. Two of the necessary bases are the reduction of trade barriers and the checking of internal inflation. The reduction of trade barriers is an essential requirement and in its absence exchange stabilization rests upon an ephemeral basis. Internal inflation, too, must be checked if external stabilization is to be long-lived. The checking of internal inflation in the post-war period presupposes that government budgets are balanced and that commercial banks are divorced from deficit financing.

Still a third prerequisite for world-wide exchange stabilization is the stabilization of the two key currencies, the United States dollar and the British pound, in terms of one another. A genuine stabilization of the pound in terms of the United States dollar must be preceded by the solution of the financial problems of England arising from her passive balance of payments in the immediate post-war period and from her holdings of blocked sterling.

The solution of these difficult problems requires financial assistance on a large scale from the United States. In a previous address, I discussed this problem and proposed that the United States provide England with a grant-in-aid sufficiently large to establish stability between the dollar and the pound.⁸ The sum needed may be large, but in the United States should show courage in meeting this problem. This suggestion rested upon the assumption that trade barriers would be removed and that the United States and the United Kingdom agree to shun totalitarian tactics in international trade. I have been told that this solution is politically impossible, and it is certainly true that the suggestion has never received serious consideration by those in positions of political responsibility on either side of the Atlantic. This fact, however, does not alter the truth of the statement that the stabilization of the dollar-pound rate must precede world-wide exchange stabilization.

It will take time to achieve a genuine stabilization of the currencies. Exchange controls may have to be retained by some nations for a period after the war, but they should not be retained for their own sake or longer than is absolutely essential. The longer they are retained, the greater is the danger that they may become permanent and lead to totalitarian controls over the whole of a nation's economic life. If trade barriers are reduced, internal inflations checked and the United States-British exchange problem solved, exchange controls can quickly be removed and genuine exchange stability achieved through the operation of an international gold standard.

The Stabilization of the Foreign

7. *The Transition from War to Peace Economy*. Geneva: League of Nations, 1943, p. 96.

8. *Some Aspects of American Foreign Economic Policy*. An address before the Executives' Club of Chicago, Sept. 15, 1944. (Appeared in the "Chronicle" of Sept. 21, 1944.—Editor).

exchanges cannot be approached from a global point of view. There is no such thing as a general stabilization problem. Monetary, economic and financial conditions differ greatly from nation to nation. The problem of each country must be given separate study and separate treatment.

Nor can currency stabilization be achieved by the mere granting of credits. Unselective credits, automatic credits, and so-called impersonal loans will not cure basic currency difficulties. In testifying a little more than two months ago before the Committee on Banking and Currency of the House of Representatives, Leon Fraser said: "Now, if I have learned anything in my several years at the Bank for International Settlements, where it was my privilege to be Chairman of the Board and President, I learned that the weakest reed to lean on when you had currency difficulty was credit. It did not do the trick."⁹

Unless stabilization credits are granted with care, basic maladjustments will be concealed and the causes of instability aggravated. Experience after the last war demonstrated that there are in reality only two types of stabilization loans—the first is a seasonal loan intended to bridge seasonal gaps in the balance of payments of nations, and the second is a long-term loan intended to provide nations with currency reserves. The second type of loan, the long-term loan, will prove effective in stabilizing the external value of currencies only if internal inflation has been checked. Otherwise such loans will prove but temporary palliatives. Stabilization credits do not need to be large if the prerequisites to stabilization have been attained and only if they have been attained should credits be extended.

Let I be misunderstood, I want again to emphasize the point that I strongly favor genuine exchange stability and favor the measures necessary for its attainment. It is an essential prerequisite for an expanding world trade. No one with experience in international banking would desire fluctuating exchanges which are harmful both to industry and finance. But the means taken to achieve stability must be such as to give assurance of permanence.

Summary

The bases for world trade, as I envisage the problem, include the reduction of trade barriers, the elimination of international cartels and of international commodity agreements, the development of constructive foreign lending policies and a genuine stabilization of currencies. Each is related to the other, and each is a part of the whole mosaic of world reconstruction.

In the solution of this problem the business men of the world can play an important role. The exchange of ideas at the International Business Conference at Rye was extremely helpful and the recommendations and conclusions advanced were constructive. The success of the conference led to the decision to reactivate the International Chamber of Commerce and, as part of this program, a Council Meeting of the Chamber is planned for London this coming August. Delegates from points as distant as Australia and China have indicated that they will attend. This gathering will again enable business leaders of the world to exchange views, to reach definite conclusions and to influence public policy. The membership of the International Chamber of Commerce, often termed "Merchants of Peace," will face a great challenge and a great opportunity in the gigantic task of world reconstruction.

9. March 22, 1945.

Truman Seeks Increased Lend-Lease In Prosecuting Pacific War

President Truman, in his program for pursuing the Pacific war to a decisive and early victory, has asked Congress for an appropriation of \$1,975,000,000 in new lend-lease funds, plus \$2,400,000,000 in unused balances from the current fiscal year ending June 30, the Associated Press reported from Washington, June 4, and gave the following as the text of the letter which the President addressed to House Speaker Rayburn detailing estimates:

I have the honor to transmit for the consideration of the Congress an estimate of appropriation for defense aid for the fiscal year 1946, exclusive of aid authorized to be transferred by the War and Navy Departments and the Maritime Commission, as follows:

Defense aid, \$1,975,000,000.

This recommended appropriation, together with unobligated balances of about \$2,400,000,000 from the current year, will provide a total program of \$4,375,000,000. Since Germany has been defeated, the proposed new program of defense aid and the appropriation required are less than for the current year. This program, however, reflects our resolution to give fully effective aid in order to shorten the war and thereby reduce the cost in Allied lives and materials.

The war against Japan, like the war against Germany, is a cooperative Allied effort. Through lend-lease and reverse lend-lease we shall continue to pool our resources with those of our Allies so that the crushing weight of our combined might may be thrown against our remaining enemy.

Where lend-lease funds will make the efforts of our Allies more effective we shall use them. Where the redeployment of our troops from Europe or our control over enemy areas require aid from other nations, lend-lease will be available to enable their maximum participation. Similarly, through reverse lend-lease we can expect our Allies to give us all the assistance possible.

In the light of changed war conditions, a preliminary review of lend-lease assistance to individual nations has been made. Further review will be necessary from time to time in the coming year as the war progresses and the needs and the wartime roles of our Allies vary. For this reason any programs proposed must be considered as most tentative.

Our recent lend-lease agreements with France, Belgium and the Netherlands will be carried out by the lend-lease funds to the fullest extent consistent with changed war conditions and the basic wartime purposes of lend-lease aid. Beyond this I propose that these Allies be assisted in financing necessary equipment and supplies by the Export-Import Bank.

Such assistance is consistent with the enlarged role which the bank should be given in providing certain types of industrial equipment and supplies which other nations may wish to obtain from us for reconstruction. Some aspects of reconstruction are of particular interest to this nation and can most appropriately be financed by our own instrumentality.

Accordingly, there will be transmitted to the Congress at an early date a proposal providing for adequate legal authorization and expanded lending capacity for the bank.

The lend-lease and Export-Import Bank programs represent unilateral efforts of this country. They are not intended to duplicate the work of international agencies.

The United Nations Relief and Rehabilitation Administration, for example, has been created to meet the more immediate needs of relief and rehabilitation where

nations are unable to meet their needs from their own resources. Legislation is now before the Congress to allow participation by the United States in the International Bank for Reconstruction and Development and the International Monetary Fund. This legislation merits early consideration and approval.

In contrast to these devices, however, lend-lease is a positive weapon of waging war. The appropriation estimate herein submitted provides for its full use to bring the conflict with Japan to a quick and decisive end.

The details of the defense-aid estimate are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose observations and recommendations I concur.

The following is the text, as given by the Associated Press, of the letter which accompanied that of the President from the Director of the Bureau of the Budget, Harold A. Smith:

I have the honor to submit for your consideration an estimate of appropriation for the fiscal year 1946 for defense aid, exclusive of aid authorized to be transferred by the War and Navy Departments and the Maritime Commission, in order further to carry out the provisions of the act entitled, "An act to promote the defense of the United States," approved March 11, 1941, as amended, as follows:

Defense aid, \$1,975,000,000.

The requested appropriation is \$1,563,869,000 less than that for the current year. The total new program anticipated for the fiscal year 1946 is \$4,375,000,000 as compared to estimated obligations of \$5,128,000,000 in the current year. It has been possible to reduce the requested appropriation by \$2,400,000,000 by the inclusion of a provision authorizing the use in fiscal year 1946 of unobligated balances as of the end of the current fiscal year.

The proposed defense-aid budget for the fiscal year 1946 reflects the following recommendations:

1. Lend-lease should continue to be an indispensable weapon for waging fully effective war against Japan in close collaboration with our Allies. In furtherance of this objective such funds should be of limited but valuable assistance in expediting the maximum redeployment of our armed forces for full use against Japan.

2. Lend-lease funds should be limited to purposes of the war and national defense, and should be reduced as fast as possible consistent with those objectives.

3. Raw materials should be provided under lend-lease arrangements only where they are needed to increase or maintain the industrial contribution of the lend-lease country to the war effort.

4. Petroleum products for United States military use should henceforth be financed from war and navy appropriations.

The appropriation recommended also assumes that Congress will expand the lending authority of the Export-Import Bank and remove the prohibition of lending to Governments which have been in default in the past. Such action will make possible the financing of portions of the lend-lease 3 (c) agreements with the French, Belgium and Netherlands Governments for the delivery of industrial equipment and supplies, provision for which has not been made in the program recom-

mended above because of changed war conditions.

The requirements for the supplies to be furnished under the defense aid program for the fiscal year 1946 were prepared by the Foreign Economic Administration after consultation with representatives of the Governments of the countries eligible for such aid. They were discussed as to feasibility by the FEA with the War Production Board, the Department of Agriculture, the War Shipping Administration, the Treasury Department, the Petroleum Administration for War and other interested departments and agencies.

There are attached the details of the estimate of appropriation with supporting schedules and summary tables showing the defense air requirements for the fiscal year ending June 30, 1946.

I recommend approval of the above estimate of appropriation.

British-U. S. Ships Lent to Russia

In reporting to the House of Commons, Prime Minister Churchill has revealed that in response to Russia's demand that a portion of the Italian fleet be turned over to her, instead eight former American destroyers and other ships were presented to her by Britain, and the United States also turned over some ships, including the cruiser Milwaukee, an Associated Press report from London, June 5, states.

The Russians, Mr. Churchill said, raised the question of the disposition of the Italian Navy immediately after Italy's surrender. They asked for one battleship, one cruiser, eight destroyers, four submarines and 40,000 tons of merchant shipping. The agreement to turn ships over to Russia was reached at Teheran, he said.

Since Italian ships were built mostly for temperate waters of the Mediterranean, Mr. Churchill continued, it was decided that they would continue in service in the Allied cause and an equivalent number of British warships and merchantmen would be delivered to the Red Navy on temporary loan. Mr. Churchill said this was the action taken:

"Half of the merchant ships and all the warships with the exception of the United States cruiser Milwaukee were provided by the British Government.

"The British warships handed over were the battleship Royal Sovereign, eight former American destroyers and four modern submarines.

"Further, a destroyer was made available to provide spare parts." Mr. Churchill said that he assumed full personal responsibility for the transaction. He did not make clear just what the United States contribution was outside of the cruiser Milwaukee, but it was presumed the Americans supplied half of the 40,000 tons of merchant shipping the Russians sought.

The disposition of the Italian fleet will be left to the peace conference, Mr. Churchill said.

Laborite Ivor Thomas suggested that, with the war against Germany over, the time had come for Russia to return the ships so that they could be used in the Pacific.

"These vessels would not be vessels we would use in the war against Japan," Mr. Churchill said. "We send to the other end of the world only our best and newest. The Americans would not thank us if we brought older vessels.

"I could not think of anything so ungracious as to suggest to the Soviet Government that by withdrawing these vessels we had any objection whatever to their having a fleet and training their men for a powerful fleet and an adequate mercantile marine fleet to travel all the oceans of the world."

London dispatches previously

Construction Controls Relaxed by WPB

Wartime controls over construction activity are to be relaxed under a War Production Board order which increases approximately five-fold the volume of civilian building which may be undertaken without special WPB permission, the Associated Press reported from Washington on May 28.

The Board has accomplished the volume increase by raising the dollar limitations on annual outlays for construction and alteration of homes, factories and business places.

As a preliminary to greater relaxations, WPB also removed its ban on grading, ditch digging, and similar earth moving operations, to permit a start on such work in preparation for future building of highways, airports, and other projects.

The decision gives no guarantee that building materials will be available. In fact WPB emphasized in a statement that lumber and other supplies probably will remain scarce "for some time."

Sales Not Affected

The WPB amendment does not lift any of the restrictions which now govern the sale of lumber and building materials, but it does permit an owner to undertake five times as much construction, repair or alteration—if he can get the materials from his lumber yard—than was formerly permitted.

A list of the types of buildings and cost limits now authorized follows:

1. One family house or farmhouse (present limit \$200), \$1,000; two family house, \$2,000; three family house, \$3,000; four family house, \$4,000, and five family house, \$5,000. Previously the cost limit for each type was \$200.

2. Barns and other farm construction, exclusive of farm houses, \$1,000. Formerly the \$1,000 limit included farm houses, with a \$200 limit.

3. An irrigation or drainage system serving more than one farm, \$1,000; this limit previously applied.

4. A hotel apartment building, or other residence, for six or more families, \$5,000; the old cost limit was \$1,000.

5. A store, restaurant, theatre, bank, office, laundry, garage, warehouse, or other retail or wholesale service establishment, including a frozen food locker plant, \$5,000; for most of these the old limit was \$200.

6. Church, hospital, school, college, USO club, public playground, a public building, an orphanage or other charitable building, a post exchange, canal storm sewer, dam, levee, jetty, or retaining wall, \$10,000. For most of these the old limit was \$1,000.

7. A factory, logging or lumber camp, bridge, overpass or underpass, tunnel, dock, pier, commercial airport, bus terminal, truck terminal, railroad or street railway building, research laboratory or pilot plant, \$25,000; the old limitations ranged from \$200 to \$5,000.

8. Any other kind of project, \$1,000; this class previously was limited to \$200.

The amount of repair and maintenance work which may be done without WPB authorization by hotels, apartment buildings, banks, offices, and stores was set at 20 cents maximum for each square foot of gross floor area.

In addition, the owner may use up all or part of his \$5,000 exemption for repairs, but the allowance for new construction would be reduced accordingly.

had disclosed that nine of the over-age United States destroyers traded to Britain had gone into Russian service, but it had not been known that they were sent in response to Russian demands for part of the Italian fleet.

Purcell Urges Repeal Of Johnson Act

Appearing before the Senate Finance Committee, Ganson Purcell, Chairman of the Securities & Exchange Commission, expressed approval of repeal of the Johnson Act, which prohibits loans to nations in default to the United States on their World War I debts, ascribing failure of American foreign investments which followed World War I to "the haphazard nature with which the lending was done." The SEC chairman predicted that unless the act was repealed "our capital markets would be closed to some of our staunchest allies . . . to some countries who have already indicated an interest in our capital markets, whose credit standing is very high."

In reply to inquiry as to whether, if the Johnson Act were repealed, the American public would be protected under the SEC law, Mr. Purcell asserted that under the disclosure provisions protection was afforded the theory being that if all the information is set forth, it would be up to the individual rather than the Government to determine whether he should invest. In reporting on Mr. Purcell's testimony, the Journal of Commerce, from Washington, May 24, stated that he told the committee that the SEC has had discussions with the State Department and other agencies on the possibility of expanding the registration requirements.

Mr. Purcell additionally pointed out that, at present, information is filed with the commission only as to transactions, loans or investments which involve a public offering of securities.

"It may well be that a considerable volume of foreign loans and investments will take place that do not involve such public offering. As to these, no information is required."

Thought is being given, he said, to the possibility of providing more adequate data as private capital transactions which need not now be reported.

"By this method there would be made available to the Government more complete data relative to private international financial transactions which might be exceedingly helpful to those officials of the Government who are called upon to make decisions with respect to financial transactions of public agencies such as the Export-Import Bank and the proposed international bank."

Mr. Purcell recommended expansion of registration requirements covering foreign securities and provision for increased data on private foreign loans, according to the "Journal of Commerce."

The committee postponed further consideration of the Johnson Act repeal bill until next Thursday, when Senator Johnson had asked two or three weeks in order to "prepare his case."

U. S. Prague Embassy

The State Department has announced that after arrangements with Soviet military authorities an American diplomatic mission has arrived at Prague to establish an embassy in Czecho-Slovakia, according to the Associated Press from Washington, June 2.

The American mission is headed by Alfred W. Klieforth, who will be counselor of the embassy; John Brewins, secretary; Lieut.-Col. Aage Woldike, military attache, and other secretaries and assistants.

Ambassador Designate Lawrence A. Steinhardt, who recently returned after a long period as Ambassador to Turkey, was still in this country at last report. He is expected to leave soon for his new post.

Truman Issues Order for Disposal of German And Japanese Assets in United States

An Executive Order which, according to officials of the Alien Property Custodian, authorizes the disposition by them of approximately \$220,000,000 in liquid assets of Germany and Japan and their nationals has been signed by President Truman, it was announced on June 10. The assets were seized in this country at the outbreak of the war, it was noted in Associated Press accounts, which said:

Heretofore such assets as cash, bullion, securities and other instruments of credit have been simply frozen and the Government could not touch them. The Alien Property Custodian has been able only to dispose of business enterprises and other physical effects.

Alien property officials, interpreting the order, emphasized that it applied only to the cash and other liquid assets of enemy aliens outside the United States. It does not affect, they added, the assets of longtime German residents in this country.

The text of the Executive Order, as given in Washington, follows:

"Section 2 (c) of Executive Order No. 9095 of March 11, 1942, as amended by Executive Order No. 9193 of July 6, 1942 (3 C.F.R. Cum. Supp.), is amended to read as follows:

"(c) Any other property or interest within the United States of any nature whatsoever owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, a designated enemy country or national thereof: Provided, however, that with respect to any such country or national other than Germany or Japan or any national thereof, such property or interest shall not include cash, bullion, moneys, currencies, deposits, credits, credit instruments, foreign exchange, and securities except to the extent that the Alien Property Custodian determines that such cash, bullion, moneys, currencies, deposits, credits, credit instruments, foreign exchange, and securities are necessary for the maintenance or safeguarding of other property belonging to the same designated enemy country or the same national thereof and subject to vesting pursuant to Section 2 hereof."

Hoover Praises Truman Food Policies

Former President Herbert Hoover gave unstinting praise to the plans of President Truman for clearing up the existing food problem, advices to the New York "Times" from Chicago stated on June 6. Mr. Hoover, who recently conferred with the President at the White House, said that Mr. Truman had taken two very wise steps, according to the "Times" report. "He has appointed a very able man, Clinton P. Anderson, chairman of the House Food Committee, as head of the Department of Agriculture, and he consolidated the War Food Administration under that department."

Mr. Hoover denied any intention of an active role in solving the food problem, asserting that he was too old to be anything more than an adviser.

Pass Allegiance Pledge

The pledge: "I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation indivisible, with liberty and justice for all," will become the official pledge of allegiance to the flag of this country if the measure passed by the House, according to the Associated Press from Washington, June 4, is also passed by the Senate.

War Expenditures Are At an All Time High

In discussing the Seventh War Loan, on June 7, Secretary of the Treasury Morgenthau announced that war expenditures during the month of May reached an all-time high of \$8,188,000,000, including expenditures of Government corporations for war activities. Moreover, the Secretary said there would be no reduction in the Treasury's cash requirements for the next few months. He stated that even though we have shifted from a two-front war to a one-front war, expenditures during the next four months are estimated to exceed revenue by \$17,000,000,000. This, he noted, is about the same amount by which expenditures exceeded revenue in the four months ended May 31, a period when the war in Europe reached its climax. The Secretary said that the Treasury's estimates allow for all cut-backs in the war program which will have any effect on expenditures during the next four months.

Secretary Morgenthau called attention to the fact that the goal of the Seventh War Loan—which is \$14,000,000,000—is the minimum which must be raised to meet the Treasury's needs. "The Japanese people," said the Secretary, "are being asked by their leaders to make a desperate effort to avert defeat; we are more fortunate, in that we are being asked for means to achieve victory."

The Secretary said that cut-backs in the war program made possible by the defeat of Germany will eventually result in reduced expenditures, but the full effect will not be reflected in expenditures for several months. He pointed out that substantial payments will be necessary to wind up old contracts. The Secretary also said that unforeseen developments on the war fronts might require emergency shifts in the war program. If these occur, expenditures might be enlarged above present estimates. But he emphasized that the Administration is determined to keep military expenditures as low as possible consistent with "achieving victory quickly and with a minimum of human cost."

Burgess Recommends Cutting Trade Quotas

W. Randolph Burgess, Vice-Chairman of National City Bank of New York and President of the American Bankers' Association, in addressing the officers and executive council of the American Institute of Banking at Cleveland, on June 5, stated his belief that an agreement among the nations which will reduce or eliminate quotas and discriminatory trade practices is an essential part of the post-war international program, advices from Cleveland on that date to the New York Herald-Tribune stated.

Mr. Burgess also brought up the matter of additional credits to Russia, France or to China, and through what channels these proposed advances are to be made. He recommended that definite inquiry be made on these points, and recommended further that the capital of the Export-Import Bank be increased.

Stockholder's Right To Challenge SEC

The United States Supreme Court, in an 8-0 opinion delivered by Justice Owen J. Roberts (Justice William O. Douglas not participating), ruled that a minority stockholder has the right to appeal to the Federal courts for a review, as a "person aggrieved", of an order of the Securities and Exchange Commission, the Associated Press reported from Washington, June 4, and went on to say:

The decision was given in a fight by Samuel Okin, New York City investor, against an order by the SEC which he said "unlawfully enjoins the collection and payment of \$30,000,000 owed by American & Foreign Power Co., Inc., to Electric Bond & Share Co."

American & Foreign Power is a subsidiary of Electric Bond & Share. Mr. Okin said the debt originated from a cash loan made in 1931. He owns 9,000 shares of the common stock of Bond & Share out of a total of more than 5,000,000.

Mr. Okin asked the 2d United States Circuit Court in New York City to review the order. SEC asked dismissal of his request on the ground he was not a person aggrieved by the order. The court refused to dismiss, however, and SEC appealed to the Supreme Court.

In another case involving stockholder rights, the Supreme Court reversed the action of the 1st Circuit Court of Appeals in dismissing a protest by American Power & Light Co. against an SEC order.

SEC ordered Florida Power & Light Co. to make certain accounting entries which would result in taking out of surplus money which otherwise would be available to pay dividends to American Power & Light. American Power & Light is the sole stockholder of Florida Power & Light.

The Circuit Court held American Power & Light was not a "person or party aggrieved" within the meaning of the public utility holding company act.

Justice Roberts wrote the Supreme Court's 5-3 decision reversing this finding. Justice Frank Murphy wrote a dissent in which Justices Hugo L. Black and Stanley F. Reed concurred. Justice Douglas took no part in the case.

FIC Banks Place Debs.

A successful offering of an issue of debentures for the Federal Intermediate Credit Banks was concluded in May by Charles R. Dunn, New York, fiscal agent for the banks. The financing consisted of \$19,180,000 0.85% consolidated debentures dated June 1, 1945, due Dec. 1, 1945. The issue was placed at par. Proceeds, together with \$21,605,000 Treasury funds, were used to retire \$40,785,000 debentures due June 1, 1945. As of June 1, 1945, the total amount of debentures outstanding was \$265,475,000.

D. C. Bankers Elect

At the annual convention of the District of Columbia Bankers Association, held on June 2, Bruce Baird, President of the National Savings & Trust Co., was elected President.

S. Oliver Goodman, writing for the Washington, D. C., "Post," reported:

Other officers chosen were S. William Miller, President of the Union Trust Co., First Vice-President; Richard A. Norris, Executive Vice-President of Lincoln National Bank, Second Vice-President; Albert S. Gatley, Treasurer for his 33rd consecutive term, and Eldridge Kendrick, Secretary.

Easing WPB Restrictions Permits Increasing Loans for Home Improvements

WPB's relaxation of its reins on home modernization, making it possible since May 29 for owners to spend up to \$1,000 for home improvements without asking anybody's permission, finds the savings and loan associations and co-operative banks with more money to lend for these purposes than they have ever had before, it is pointed out by the United States Savings and Loan League.

Morton Bodfish, Chicago, Executive Vice-President of the League, stated on June 9 that their net increase of loanable funds during the first quarter of 1945 was 53.3% ahead of that for the same quarter in the highest previous year. These institutions have been making rehabilitation and modernization loans as part of their normal business, giving the home-owner a reasonable length of time to pay off, ever since 1834. In that year the first borrower came back for more money to build a kitchen on the home he had bought in 1831.

Paradoxically, he points out, while the War Production Board has given the home owner a chance to modernize his property and thereby to give increasing employment in the building trades, the Federal Reserve Board has now revised its Regulation W. This revision creates a credit problem for the home owner in this field. Despite the ability and willingness of the local, specialized home financing institutions to make the type of loans with which they have always assisted home modernizers, Regulation W makes the home owner borrowing up to \$1,500 for modernization contracts to pay it back in 18 months.

UNRRA Shipments

Herbert H. Lehman, director-general of the United Nations Relief and Rehabilitation Administration, announced that relief supplies, shipped or slated for shipment by the end of June to liberated European nations supplied UNRRA, would total approximately 1,250,000 long tons valued at more than \$250,000,000, according to the Journal of Commerce reporting from Washington, May 27.

The report continues by stating that more than half of these supplies—a total of 777,000 long tons—has gone to or is to go to Greece, where's UNRRA's participation in a rounded relief program has been under way longest. Other supply schedules, up to June 30, include 199,000 tons to Yugoslavia, 89,000 to Poland, 76,000 to Czechoslovakia, 78,000 to Italy, and about 2,000 tons of miscellaneous shipments to UNRRA camps in Africa and the Middle East, to western European countries under emergency relief programs, and to China.

Included in the total of 1,250,000 tons of relief supplies are about 550,000 tons obtained from Allied military authorities by UNRRA for Greece and Yugoslavia.

Shipments from the Western Hemisphere alone, excluding supplies procured by the military, will total 593,000 long tons by the end of June, valued at \$138,000,000. A breakdown by commodities of cumulative shipments from this hemisphere through April 30, reveals that foodstuffs predominated. Of the 121,721 tons shipped directly by UNRRA (excluding supplies financed by UNRRA but delivered by the United Kingdom-United States military authorities) from the Western Hemisphere through April, 113,340 tons were in foodstuffs, fats and oils, feeds and soap.

Flour and cereals were the major food items. To date UNRRA has found it difficult to obtain from the supplying countries more than relatively small quantities of protein foods—meat, milks, dried eggs and fish, greatly needed in the liberated areas where often large segments of the

population are now subsisting chiefly on bread.

The program of shipments in June and subsequent months will emphasize raw cotton and wool and other raw materials from many areas of the world to assist the liberated peoples to produce for themselves textiles and clothing which UNRRA has also found great difficulty in obtaining.

Supplies sent in thus far and scheduled through June will have national origins including: Brazil, Chile, Colombia, Cuba, Canada, Australia, New Zealand, the United States, the United Kingdom.

Among the manufactured end products shipped to the liberated countries were such items as new and used clothing, textiles, footwear, nursing bottles, darning and knitting needles, scissors, pins, plastic buttons, trucks, tool kits for carpenters, masons, electricians, plumbers, blacksmiths, and cobblers, repair and maintenance kits for trucks, safety razors, combs, and tooth brushes.

Shipments of agricultural supplies included not only a wide variety of grain, feed and garden seeds, but plows, harrows, cultivators, binders and other implements to enable the liberated peoples to feed themselves as promptly as possible.

N. Y. Cotton Exchange Seals New Officers

Newly elected officials and members of the Board of Managers of the New York Cotton Exchange were installed on June 7 during the regular monthly meeting of the Board, according to an announcement by Ferd P. Lordan, Assistant to the President of the Exchange. The new officers and members of the Board were elected at the annual balloting on June 4th, and will serve for one year. The new roster is as follows: President, William H. Koar; Vice-President, Frank J. Knell; Treasurer, Benedetto Lopinto. Managers—Eric Alliot, Edward A. Hillmuth, George Nichols*, Charles B. Vose, John C. Botts*, William W. Kirby**, Arthur J. Pertsch, Philip B. Weld*, J. Henry Fellers, Jere M. Locke**, Charles Schutt*, Thomas J. White, Tinney Figgat, Robert Murray, Chas. Slaughter*.

*New members of the Board for 1945-46 term.

**New out-of-town members of Board for 1945-46 term—William W. Kirby, Newnan, Ga., Jere M. Locke, Houston, Texas.

The new President, William H. Koar, succeeds John H. Scatterty, who held office for one year starting June 4, 1944. Mr. Koar is Vice-President of Anderson, Clayton & Co., Houston, Texas, and is managing partner of Anderson, Clayton & Fleming, New York City.

N. Y. Cotton Exchange Elects Three New Members

The New York Cotton Exchange has announced the election of three new members at a special meeting of the Board of Managers held May 31. They are: William Reid, partner in the firm of Bache & Co., N. Y. C.; W. B. Long, partner in the firm of W. B. Long & Co., Greensboro, S. C.; David Kcr, former member just returned from military service. Resided in San Antonio, Texas, before coming to New York City recently to resume active business status.

The State of Trade

(Continued from page 2638)

1945, estimated net income, after interest and rentals totaled \$195,000,000 compared with \$196,254,254 in the corresponding period of 1944.

Net railway operating income in April, 1945, was \$91,904,980 compared with \$89,673,672 in April of last year.

In the first four months of this year net railway operating income, before interest and rentals, amounted to \$339,854,338 as against \$353,732,744 in the like period one year ago.

For the 12 months ended April 30, 1945, the rate of return on property investment averaged 3.96% compared with a rate of return of 4.48% for the similar period in 1944.

Operating revenues for April totaled \$778,985,436 compared with \$759,537,535 in April, 1944, while operating expenses amounted to \$531,689,106 compared with \$509,004,432 in the same month of 1944.

Total operating revenues in the first four months of 1945 totaled \$3,056,456,147 compared with \$3,032,540,556 in the same period of 1944, or an increase of 0.8%. Operating expenses in the first four months of 1945, amounted to \$2,106,374,746 compared with \$2,032,544,063 in the corresponding period of 1944, or an increase of 3.6%.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to approximately 4,203,502,000 kwh. in the week ended June 2, 1945, from 4,329,605,000 kwh. in the preceding week. Output for the week ended June 2, 1945, was 1.4% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 153,600,000 kwh. in the week ended June 6, 1945, comparing with 164,500,000 kwh. for the corresponding week of 1944, or a decrease of 6.7%.

Local distribution of electricity amounted to 153,000,000 kwh., compared with 160,200,000 kwh. for the corresponding week of last year, a decrease of 4.5%.

Decentralization Trend in Auto Plant Distribution—Geographical distribution of automobile manufacturing and assembling facilities indicates the progress of the decentralization trend, which projected post-war expansion will increase. "Business Week" currently reports.

"The locations of the new plants themselves," the publication observes, "contradict any belief that the industry's decentralization is motivated by a desire to get away from Detroit labor problems. Most of the new sites are in areas where unionization is about as commonplace—though perhaps not as eruptive—as in turbulent Michigan.

"Resigned to the likelihood of labor problems wherever they may locate, the auto people look first at other criteria. They demand first an adequate and stable supply of manpower, preferably at least vaguely acquainted with the sort of work they will do. Next, the executives are interested in proximity to markets sufficient to justify the manufacturing and assembly work involved. Those factors are probably the most important in sizing up potential plant cities."

Coal, Coke and Crude Oil Production—For weekly coal and coke production statistics and daily average crude oil production figures for the week ended June 2, 1945, see subsequent pages of this section.

Paper Production—Paper production for the week ended June 2 was 87.9% of capacity, as against 92% of capacity for the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. As for paper-

board, production for the same period was reported at 93% of capacity compared with 97% in the previous week.

Little Change in Business Failures—Commercial and industrial failures remained low in the week ending June 7, reports Dun & Bradstreet, Inc. Concerns failing numbered 12 as compared with 13 in the previous week and 22 in the corresponding week of 1944. For three consecutive weeks the number of concerns failing has not varied by more than one.

All except one of the week's failures involved liabilities of \$5,000 or more. These large failures rose from eight last week to 11 in the week just ended. In the same week of 1944, there were 15 failures involving liabilities of \$5,000 or more. Small failures fell off sharply so that there was only one failure with liabilities under \$5,000 this year for every seven a year ago.

Manufacturing and retailing accounted for three-fourths of the failures occurring this week. But in both these groups, failures fell short of the number in last year's corresponding week.

Canadian failures numbered four as compared with one last week and three in the corresponding week a year ago.

Wholesale Commodity Price Index—The daily price index of wholesale commodities, compiled by Dun & Bradstreet, Inc., reached a new war-time high of 177.36 on June 2, closing at 177.30 on June 5. The rise largely reflected continued strength in agricultural commodities. The latest figure compared with 176.86 a week earlier, and with 172.46 a year ago.

Food Price Index Continues Unchanged—Continuing at the same level as for the three previous weeks, the Dun & Bradstreet's wholesale food price index for June 5 again registered \$4.08. This marked a rise of 2.0% over the \$4 recorded last year and was 0.7% above the \$4.05 for the like date two years ago. Wheat, oats and potatoes advanced during the week, while rye and sheep declined. The index represents the sum total of the price per pound of 31 foods in general use.

Retail and Wholesale Trade—Unfavorable shopping weather in many parts of the country proved no great deterrent to consumer buying and retail volume for the country as a whole last week expanded to a point somewhat above the previous period and also above last year's level. As before, Dun & Bradstreet, Inc., reports, women's summer apparel continued to be the outstanding feature, with summer shoes and accessories also in strong demand. The general preference for higher-priced merchandise continued. Food volume, however, declined somewhat below last year's level.

Cottons were preferred in juniors' blouse and skirt combinations, playsuits, and shorts, with spun rayon and shantung popular in two-piece dresses. Volume in lingerie was ahead of last year in most instances, with heavy consumer demand making deep inroads into stocks. Interest in men's furnishings and sportswear increased as Father's Day promotions began.

Millinery and handbag sales held at a level with the previous week and cosmetics were popular. All varieties of piece goods were reported selling well for the most part.

Sales of housewares, according to Dun & Bradstreet, Inc., were much above those of last year in some areas. The demand increased for outdoor equipment, such as back yard grills, trays, tables, cooking utensils, and pottery, which purchases of available metal, glass, china, and enamel kitchenware continued

brisk. Customers seemed to exhibit more caution in the purchase of rugs.

Retail food sales were about even with the preceding week. Canned food items were in steady demand and stock turnover was rapid. Meat and poultry supplies moved rapidly, while demand for fish and eggs increased.

Retail volume for the country was estimated at 3 to 8% above that of a year ago. Regional percentage increases were: New England, 4 to 8; East, 2 to 7; Middle West, 1 to 5; Northwest, 3 to 7; South and Southwest, 5 to 9, and Pacific Coast, 3 to 8.

There was a slight increase in wholesale volume in the week as openings for fall apparel took place. This rise, however, was tempered somewhat by routine trading in house furnishing, textile and metal markets. Turnover in general was high as demand continued rather brisk for all available merchandise. The main problem that confronted jobbers was the usual slowness in deliveries prevalent for some time. Dulness overshadowed the food market the past week.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended June 2, 1945, increased by 4% and compared with a gain of 9% in the preceding week. For the four weeks ended June 2, 1945, sales increased by 3%, and for the year to date by 11%.

Retail trade here in New York the past week reflected much activity with purchases made for Father's Day boosting the volume of business. Opening of fall lines by women's apparel manufacturers under the restrictions of M-388 and MAP ran into the busiest weekly period in their history, insofar as total number of buyers in the wholesale markets of New York were concerned. The orders placed, however, were accepted subject to a strict allotment basis.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to June 2, 1945, increased by 2% above the same period of last year. This compared with a gain of 15% in the preceding week. For the four weeks ended June 2, 1945, sales rose by 4%, and for the year to date by 12%.

War's Cost to World

The American University at Washington has estimated that the world has expended over a trillion dollars in carrying on the present war, according to the Associated Press from there on May 30.

Announcing the result of the school's research today, Paul F. Douglas, president, calculated that the expenditures for war since 1934 amount to more than \$500 for every man, woman and child in the world.

Dr. Douglass said the total, more than \$1,030,000,000,000, "does not indicate the destruction and damage of public and private property." It likewise does not include Chinese expenditures in the fourteen-year war with Japan, which the university has been unable to determine.

Total Allied expenditures up to the present were estimated at \$558,090,000,000. Axis expenditures were calculated at \$442,900,000,000. Dr. Douglass said other "floating statistical data" brought the over-all total roughly to the announced figure.

Calif. Bankers Elect

At the annual meeting of the California Bankers Association, R. L. Eberhardt, Executive Vice-President of the Stockton Savings & Loan Bank, Stockton, California, was elected President. He succeeds P. R. Williams of the Bank of America.

WPB's Stand on Reconversion Freedom From Controls Lauded by Dry Goods Ass'n

Expressing gratification over WPB's recent report which reflected the Agency's conviction that industry should be free of restrictive controls in meeting the great tasks of reconversion, the National Retail Dry Goods Association, over the signature of its President, Benjamin H. Namm, telegraphed J. A. Krug, WPB Director, assuring him that his stand is "so eminently sound that we are sure you will have the full support of industry and distribution."

The telegram in full follows: "The National Retail Dry Goods Association desires to express to you its gratification over your recent report in which was expressed your conviction that industry should be free of restrictive Government regulations in meeting the great tasks of reconversion. Your stand is so eminently sound that we are sure you will have the full support of industry and distribution. It is our belief that once the reconversion has been effected there will be no serious problem to interfere with a greatly increased production of civilian goods. The most serious problems then will lie in the field of distribution. If those upon whom rests the obligation to sell can perform their function with speed and efficiency so that goods can go into consumption as fast as they will be produced, it should be possible to find useful and well paid jobs for all who need employment. In normal peace times there can be no better gauge of what should be produced in what quantities and at what prices than the consuming public itself as its will is expressed by its demands upon retail stores. It is reassuring to note the celerity with which the War Production Board is relaxing or abandoning controls which have outlived their usefulness. Our trade has always found the War Production Board sympathetic to all business needs where they have not been in conflict with the demands of the war and has felt a special satisfaction in complying with the regulations of your office. This spirit of willingness will be maintained until the big job has been finished."

The report said the figures included "all known strikes and lockouts in continental United States which involve as many as six workers and last as long as a full day or shift," and added: "They include all workers in the plant who were made idle because of a dispute, but do not include workers or idleness in other plants which may have been indirectly affected. This is primarily because it is impossible to obtain consistent and accurate information concerning the indirect and secondary effects of stoppages."

Although the proportion of strikes and lockouts over wage issues was somewhat smaller than in 1943, wage disputes accounted for about half of all work stoppages in 1944. Disputes over intraplant working conditions and policies increased considerably. Recognition and bargaining rights were issues in a substantial number of disputes. The recognition strike of foremen in the automotive industry last May was the biggest stoppage in 1944, involving 54,800 workers.

The automobile industry, largely converted to production of aircraft and other war products, was affected by stoppages to a greater extent than any other industry. More than 50% of its workers were involved, with resulting idleness equivalent to 0.58% of the available working time. However, there were more stoppages in iron and steel than in any other industry. They involved 20% of the workers in these industries and caused idleness amounting to 0.22% of the available working time.

1944 Strike Record

The Bureau of Labor Statistics, in reporting on strikes during 1944, states that there were 4,956 strikes and lockouts during the year, which involved approximately 2,116,000 workers, and that strike idleness amounted to about 3,721,000 man-days.

"The idleness during all stoppages in 1944 was equivalent in amount to the time that would be lost if all industry shut down for about two and one-quarter hours, or one-fourth of a working day," the report said, according to advances to the New York "Times" from Washington, May 26.

Stating it another way, the Bureau figured that the idleness was equivalent to less than one-tenth of 1% of the available working time.

The report also showed that stoppages were most extensive in the automotive industry, iron and steel, and mining; involved unions affiliated with the Congress of Industrial Organizations offener than those affiliated with the American Federation of Labor, and resulted from disputes over wages more than any other single cause. Although the number of strikes and lockouts exceeded that recorded for any previous year, lost time was less than in any year for which information is available.

Pennsylvania, with 821 strikes; Michigan, 532; Ohio, 549, and Illinois, 492, accounted for almost half of the strikes and lockouts in 1944, about 60% of the workers involved and more than half of the idleness. More than one-fourth of the workers involved in labor stoppages were in Michigan.

No distinction was made in the statistics between strikes and lock-

outs. The report said the figures included "all known strikes and lockouts in continental United States which involve as many as six workers and last as long as a full day or shift," and added:

"They include all workers in the plant who were made idle because of a dispute, but do not include workers or idleness in other plants which may have been indirectly affected. This is primarily because it is impossible to obtain consistent and accurate information concerning the indirect and secondary effects of stoppages."

Although the proportion of strikes and lockouts over wage issues was somewhat smaller than in 1943, wage disputes accounted for about half of all work stoppages in 1944. Disputes over intraplant working conditions and policies increased considerably. Recognition and bargaining rights were issues in a substantial number of disputes. The recognition strike of foremen in the automotive industry last May was the biggest stoppage in 1944, involving 54,800 workers.

The automobile industry, largely converted to production of aircraft and other war products, was affected by stoppages to a greater extent than any other industry. More than 50% of its workers were involved, with resulting idleness equivalent to 0.58% of the available working time.

However, there were more stoppages in iron and steel than in any other industry. They involved 20% of the workers in these industries and caused idleness amounting to 0.22% of the available working time.

Labor unions affiliated with the AFL were involved in 34% of the strikes and lockouts, including 22% of the total workers and 28% of the idleness. Those affiliated with the CIO were involved in 39% of the stoppages, involving 52% of the workers and 39% of the idleness.

Analyzing the results of strikes and lockouts last year, the Bureau said that of the stoppages ended in 1944 the issues in dispute were definitely settled, or the causes were abandoned or lost by the workers, in 52% of the cases, while in 48% the issues were to be negotiated or processed further according to plans agreed upon.

The disputes in which the issues were settled at the end of the stoppages brought substantial gains to workers involved in 21% of all strikes and lockouts during 1944, compromise settlements in another 10% of the cases and little or no gains in 18%.

In a report today the Bureau of Labor Statistics said preliminary estimates indicated that there were 450 strikes and lockouts in April this year, involving 285,000 workers and 1,330,000 man-days of idleness.

The number of stoppages was lower than the total in April, 1944, when 453 were recorded, but more workers were involved and twice as much lost time resulted from last month's stoppages.

Rules for Deductible Reconversion Costs

In order to assist war contractors, Joseph D. Nunan, Jr., Commissioner of Internal Revenue, on June 6 made public a special memorandum summarizing the applicable rules of law governing the deduction of reconversion costs for purposes of the income tax and excess profits tax.

From Washington Ahead of The News

(Continued from first page)

set up and then State and Congressional organizations were to be formed under them. What seemed to run through his mind was that if any Congressman or any other public official sought Sidney's support, then he would receive the opposition of Mr. Zurcher's organization. He said, very analytically, we thought, that the tendency of candidates for office would be to kowtow to Sidney because he is a pressure group, and so far has not been an ineffective one. Therefore, Mr. Zurcher's organization is intended to make these gentlemen sweat. Support from Hillman would mean opposition from him.

Mr. Zurcher, who was active in the Dewey Presidential campaign, admittedly moved out ahead of his original plans because of the Chamber of Commerce organization. Apparently there are gainful occupations for organizations to fight Hillman, and these organizations, of necessity, give employment, and therefore we are wondering whether Sidney hasn't really made a contribution to the 60 million job program which the late Mr. Roosevelt enunciated. There have got to be organizations of this kind, and plenty of them, if 60 million people in this country are enticed into jobs. It may well be that if many more organizations revolve around Sidney, we shall have to keep on our manpower controls even after the war.

So far as your correspondent is personally concerned, one of his least post-war worries, with the new order that obtains in Washington, is Sidney. Mr. Roosevelt, in our way of thinking, was his man, and now that the latter has passed on as the "Christian Science Monitor" would say, it is difficult for us to appreciate Sidney's strength or menace.

But we asked Mr. Zurcher about this and undoubtedly his answer would go for the Chamber of Commerce's organization. Mr. Zurcher hopes that Sidney is finished and all the monkeyshines that made him possible. Yet, there is this to be remembered: Mr. Truman certainly does not like Sidney personally, Sidney fought his Vice-Presidential nomination at the Democratic National Convention at Chicago. Also Mr. Truman's previous affiliations have been with the Railroad Brotherhoods primarily, and the AFL secondarily.

There is the second thought that he is the darling of the Democratic conservatives in Congress and they certainly have never liked the New Deal. But the question which is being raised by Mr. Zurcher and others is, whether Mr. Truman and the Conservative Democrats will not sooner or later realize that theirs has always been the party of dissentients, malcontents, pinks and what not, and whether they can stay in office without them. And realizing this, whether they won't make new approaches to Sidney and his ilk.

On the other hand, there is this interesting speculation going on in Washington, and it is a commentary on something. It is to the effect that Truman and the Conservative Democrats, being of the nature they are, may not go along catering to the Conservatives, and that the Republicans, especially Mr. Dewey, being so anxious to get in, will pick up, or seek to pick up, the Hillman crowd.

When you consider the New York City Republicans in their antics toward the forthcoming mayoralty campaign, this is not beyond the realm of possibility in the slightest.

Electric Output for Week Ended June 9, 1945 Exceeds That for Same Week Last Year by 1.40%

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended June 9, 1945, was approximately 4,327,028,000 kwh., which compares with 4,264,600,000 kwh. in the corresponding week a year ago and 4,203,502,000 kwh. in the week ended June 2, 1945. The output of the week ended June 9, 1945, was 1.5% in excess of that for the same week last year.

Major Geographical Divisions—	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	Week Ended—			
	June 9	June 2	May 26	May 19
New England.....	0.6	2.2	0.5	3.8
Middle Atlantic.....	2.6	0.0	*3.2	*1.3
Central Industrial.....	2.0	2.7	2.2	4.7
West Central.....	5.2	3.9	2.6	6.8
Southern States.....	5.8	6.8	6.7	8.2
Rocky Mountain.....	*3.5	*0.1	0.0	6.1
Pacific Coast.....	*4.1	*3.3	*0.9	0.3
Total United States.....	1.5	1.4	0.9	3.1

*Decrease under similar week in previous year.

Week Ended—	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)					
	1945	1944	% Change over 1944	1943	1932	1929
March 3.....	4,472,110	4,464,686	+ 0.2	3,946,630	1,538,452	1,702,570
March 10.....	4,446,136	4,425,630	+ 0.5	3,944,679	1,537,747	1,687,229
March 17.....	4,397,529	4,400,246	- 0.1	3,946,836	1,514,553	1,683,262
March 24.....	4,401,716	4,409,159	- 0.2	3,928,170	1,480,208	1,679,589
March 31.....	4,329,478	4,408,703	- 1.8	3,889,858	1,465,076	1,633,291
April 7.....	4,321,794	4,361,094	- 0.9	3,882,467	1,480,738	1,696,543
April 14.....	4,332,400	4,307,498	+ 0.6	3,916,794	1,469,810	1,709,331
April 21.....	4,411,325	4,344,188	+ 1.5	3,925,175	1,454,505	1,699,822
April 28.....	4,415,889	4,336,247	+ 1.8	3,866,721	1,429,032	1,688,434
May 5.....	4,397,330	4,233,756	+ 3.9	3,903,723	1,436,928	1,698,942
May 12.....	4,302,381	4,238,375	+ 1.5	3,969,161	1,435,731	1,704,426
May 19.....	4,377,221	4,245,678	+ 3.1	3,992,250	1,425,151	1,705,460
May 26.....	4,329,605	4,291,750	+ 0.9	3,990,040	1,381,452	1,615,085
June 2.....	4,203,502	4,144,490	+ 1.4	3,925,893	1,435,471	1,689,925
June 9.....	4,327,028	4,264,600	+ 1.5	4,040,376	1,441,532	1,699,227
June 16.....		4,287,251		4,098,401	1,440,541	1,702,501
June 23.....		4,325,417		4,120,038	1,456,961	1,723,428
June 30.....		4,327,359		4,110,793	1,341,730	1,592,075

Steel Production Off 1.20%—Backlogs Still Heavy—Industry Presents Confused Picture

"With steel backlogs still heavy, rated order volume declining, steel ingot output at a reduced level from a few months ago and the failure of cancellations to produce an anticipated opening on steel mill schedules, the steel picture this week presented some apparent contradictions," states "The Iron Age" in its issue of today (June 14), from which further quotations follow:

"Despite trends in order volume as well as in cancellations, there was still this week no definite indication that nonrated steel orders for civilian production would find positions on steel mill schedules to any great extent in the third quarter. Nevertheless the slowness of cancellations in Army programs to be interpreted into tonnage released from steel mill books is giving rise to a strong feeling in the industry that by the fourth quarter of this year the case for the civilian steel user will be greatly enhanced.

"There was some speculation in the trade this week that because of the tightly-packed mill schedules through the third quarter, the Controlled Materials Plan may not give way to a simplified priority system as originally anticipated. Inability of mills to schedule unrated business, except for one or two relatively unimportant items, in the third quarter appears more and more definite. Some sources believe that unless cancellations swell vastly in volume, production of automotive sheet tonnage required to meet manufacturing quotas will be problematical possibly even in the fourth quarter. The present situation, however, is so amenable to change in market conditions that many problems now seemingly difficult may be ironed out.

"The drop in the volume of rated steel orders this past week is in no small part due to WPB's reluctance to authorize advance allotments for the fourth quarter of this year and early 1946, the earliest for which deliveries are available for most products. This situation may be classed as hopeful for nonrated business. On the other hand if many of the present contract schedules are continued, it would mean a dammed-up demand for these advance periods which would be afforded some sort of a priority protection even if CMP is set aside.

"Fresh net rated steel order volume last week dropped with some exceptions, to about 20% of the peak levels prevailing earlier in this year. With the exception of

one or two isolated periods the volume was one of the lightest of the war and in at least one case June business thus far is a negative figure with cancellations exceeding entries.

"With most shell steel, alloy, structural and armor plate cancellations noted on the books and landing mat cutbacks underway, some sales officials see the end of the heavy period of cancellations in sight. Only about 25% of the cancellations to date have affected May and June schedules, the balance affecting scheduled shipments throughout the rest of the year."

The American Iron & Steel Institute on June 11 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 90.0% of capacity for the week beginning June 11, compared with 91.1% one week ago, 95.3% one month ago and 97.1% one year ago. The operating rate for the week beginning June 11 is equivalent to 1,648,500 tons of steel ingots and castings, compared to 1,668,600 tons one week ago, 1,745,500 tons one month ago, and 1,739,300 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on June 11 stated in part as follows:

"Steelmakers in general are optimistic as to production outlook and the opinion prevails that ingot production is not likely to drop below 85% of capacity before the end of the Pacific war, with the principal decline likely to come this summer.

"The industry has not yet felt the full force of military cutbacks made since the fall of Germany and developments cannot be gaged accurately what may develop soon with respect to further curtailments in the war program. The opinion that there will be no drastic curtailment is based on the known heavy volume of civilian work available to fill the gaps in most lines as rapidly as conditions permit. These conditions are

Warns of Increased Traveling Restrictions

Space In Sleepers May Be Cut 50%

That traveling restrictions as applied to the public "will not only be retained, but undoubtedly increased," was the warning given by President Truman on June 7, in calling attention at a news conference in Washington to the transportation difficulties, which he said "all too few realize," that are now developing and which will continue well into 1946. The President declared that "the plan of battle now requires that our armies be transferred to the far Pacific in the very short time of ten months" as a result of which "the facilities for civilian passenger transportation will be greatly reduced." At the same time the President indicated that "it will probably be necessary to reduce the capacity of sleeping-car equipment on regular trains by 50%." The President's statement follows:

"All too few realize the transportation difficulties which are now developing and which will continue well into 1946. It is important that the public understand the situation and at once lend full cooperation in order

becoming more favorable with relaxation of government restrictions. Less essential unrated tonnage is expected to cushion the decline in plates over third quarter, with shapes and possibly alloy steel production also benefiting from unrated work.

"Much speculation exists as to where sheets will come from for even the moderate number of 200,000 automobiles scheduled to be built before the end of the year. Estimates place sheet requirements for these cars at 100,000 to 150,000 tons, with somewhat more rot-rolled than cold-rolled. Most producers of hot-rolled pickled sheets and cold-rolled sheets are booked solidly into December and early next year on rated tonnage.

"War production Board is concerned over failure of contractors in many cases to cancel steel contracts when government work for which it was ordered has been cut back. It is estimated mills books now contain hundreds of thousands of tons of steel for third quarter delivery on which products for which it was bought have been canceled. To ferret out this steel and urge cancellation of such tonnages, to make steel available for civilian use by reconverted plants WPB is working through its field offices to urge contractors to cancel such tonnage. The Army is also acting through its procurement division to the same end.

"War production Board has authorized construction of 407 passenger cars ordered some time ago and later held up. Railroad car buying is increasing, for both domestic and export purposes. Bids on cars for France and India, to be taken by the War Department, have been postponed to June 22. These orders aggregate 42,750 cars.

"Movement of Lake Superior iron ore in May totaled 11,121,203 gross tons, which was 996,008 tons below May shipments last year. However, with April shipments much heavier than in the corresponding month last year total tonnage shipped in the two months was 1,000,987 tons greater than a year ago.

"Scrap continues well balanced with needs and prices are well maintained except for borings and turnings. For most part melters are in good position but yard stocks are not large and collections are light. Labor still is a factor in preparing material for shipment and dealers avoid accumulating inventory in view of uncertainties of the situation. Cast scrap is still in short supply and foundries use more pig iron than normally."

that the burden may be minimized.

"The transportation performance in mobilizing our victorious armies in Europe over a period of four long, difficult years required the utmost effort. The plan of battle now requires that our armies be transferred to the far Pacific in the very short time of ten months. We must now complete in ten months a task that is only one-third less than the previous job which required nearly forty-eight months. The transportation job in the first phase of the war has often been called a 'miracle.' The job ahead of us is even bigger.

"The facilities for civilian passenger transportation will be greatly reduced. In order to obtain passenger equipment for troop movements, it will probably be necessary to reduce the capacity of sleeping car equipment on regular trains by 50%. Men in uniform, other than on troop movements, now comprise about one-third of the passengers on a regular train.

"If the number of these travelers in uniform remained constant, a 50% reduction in sleeping car capacity on regular trains would mean that only one out of four of the civilians now using this equipment could do so in the future. But the number of travelers in uniform will be greatly increased.

"In addition, war material moving to the Pacific will be more than twice as much as heretofore. This tremendous increase must move over Western railroads, which are already loaded to capacity.

"Thus the various transportation restrictions will not only be retained but undoubtedly increased. Those asking for relaxation of the restrictions are asking for the impossible.

"The situation requires the cooperation and self-denial of all users of transportation. The speed with which our men and munitions can be carried to within striking distance of Japan will largely determine how long the war must continue. I know that every American wants to add his effort to that of the millions of transportation workers on whom this grave responsibility rests.

"Remember, the returning soldier is here for a few days on his way from one conflict to another."

According to advices to the New York "Herald Tribune" from its Washington bureau June 7, President Truman addressed the following letter to J. Monroe Johnson, Director of the Office of Defense Transportation:

"Dear Colonel Johnson: "The transportation facilities of the nation are now called upon for the most gigantic task in all the history of transportation. The American armies must be moved from the victorious battlefields of Europe to meet and wipe out the tyranny of the east. In order to do this job most of our soldiers will be transported the full length of the American Continent.

"It required every transportation ingenuity to assemble our armies in Europe over a period of four years. This time the job is to be done in ten months. The contemplation of this task would overtax our faith if we had not found during the course of this war that the impossible has become our daily job.

"I am asking you to extend my congratulations to all of our transportation agencies—and their millions of workers—on the results they have accomplished. At the same time express my confidence in them for the greater effort that lies ahead.

"Sincerely yours,
"HARRY S. TRUMAN."

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. Corp. rate*	Corporate by Ratings*				Corporate by Groups*				
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.		
June 12	122.93	115.63	120.84	119.20	115.63	107.62	112.56	115.24	119.41		
11	122.93	115.63	120.84	119.00	115.63	107.62	112.56	115.24	119.41		
8	122.83	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41		
7	122.81	115.63	120.84	119.00	115.63	107.62	112.37	115.04	119.41		
6	122.67	115.63	120.84	119.00	115.63	107.44	112.37	115.04	119.20		
5	122.45	115.43	120.83	119.00	115.63	107.44	112.37	115.04	119.20		
4	122.36	115.43	120.83	119.00	115.43	107.44	112.37	114.85	119.20		
3	122.23	115.43	120.83	119.00	115.43	107.44	112.19	114.85	119.20		
2	122.23	115.43	120.83	118.80	115.43	107.27	112.19	114.66	119.41		
1	122.29	115.43	120.84	118.40	115.43	107.09	112.00	114.27	119.41		
May 25	122.38	115.24	120.84	118.40	115.04	107.09	112.19	114.27	119.20		
18	122.44	115.04	120.84	118.40	115.04	106.56	111.81	114.46	119.20		
11	122.59	115.04	120.84	118.40	115.04	106.39	111.44	114.46	119.20		
4	122.21	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20		
Mar. 31	122.19	115.04	121.04	118.60	114.85	106.21	111.44	114.27	119.41		
23	122.25	115.04	120.84	118.80	114.66	106.39	111.07	114.46	119.41		
16	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41		
9	122.05	114.66	120.43	118.60	114.46	106.21	110.70	114.27	119.61		
2	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.09	119.41		
Jan. 26	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60		
High 1945	122.83	115.63	121.04	119.20	115.63	107.62	112.56	115.24	119.61		
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20		
1 Year Ago	119.88	112.00	118.40	116.61	111.81	102.46	105.86	113.70	117.20		
2 Years Ago	119.99	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41		

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)											
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corp. rate*	Corporate by Ratings*				Corporate by Groups*				
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.		
June 12	1.60	2.87	2.61	2.69	2.87	3.30	3.03	2.89	2.68		
11	1.60	2.87	2.61	2.70	2.87	3.30	3.03	2.89	2.68		
8	1.60	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68		
7	1.60	2.87	2.61	2.70	2.87	3.30	3.03	2.90	2.68		
6	1.61	2.87	2.61	2.70	2.88	3.30	3.04	2.90	2.68		
5	1.63	2.88	2.62	2.70	2.87	3.31	3.04	2.90	2.69		
4	1.63	2.88	2.62	2.70	2.87	3.31	3.04	2.91	2.69		
3	1.64	2.88	2.62	2.70	2.88	3.31	3.04	2.91	2.69		
2	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69		
1	1.64	2.88	2.62	2.71	2.88	3.32	3.05	2.92	2.68		
May 25	1.64	2.89	2.61	2.73	2.88	3.33	3.05	2.93	2.68		
18	1.63	2.89	2.61	2.73	2.89	3.33	3.06	2.94	2.68		
11	1.63	2.89	2.61	2.73	2.90	3.33	3.05	2.94	2.69		
4	1.63	2.90	2.61	2.73	2.90	3.36	3.07	2.94	2.69		
Mar. 31	1.62	2.90	2.61	2.72	2.90	3.36	3.07	2.93	2.69		
23	1.64	2.90	2.61	2.73	2.90	3.37	3.09	2.93	2.69		
16	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69		
9	1.65	2.90	2.60	2.72	2.91	3.38	3.09	2.94	2.68		
2	1.65	2.90	2.61	2.71	2.92	3.37	3.11	2.93	2.68		
Jan. 26	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68		
High 1945	1.69	2.92	2.63	2.72	2.93	3.38	3.13	2.94	2.67		
Low 1945	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68		
1 Year Ago	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72		
2 Years Ago	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74		
June 12, 1944	1.82	3.06	2.73	2.82	3.07	3.60	3.40	2.97	2.79		

*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.

National Fertilizer Association Commodity Price Index Continues Advance

The weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on June 11 advanced for the fourth consecutive week to 141.6, reaching a new high point in the week ended June 9, 1945, from 141.4 in the preceding week. A month ago the index stood at 140.2 and a year ago at 137.0, based on the 1935-1939 average as 100. The Association's report added: The foods group led the advance with higher prices for potatoes, eggs, and flour. Other groups in the composite index to advance were textiles, metals, and chemicals and drugs. The farm products group declined slightly with lower quotations for livestock and grains more than offsetting the higher prices for cotton. The remaining groups of the index were unchanged.

During the week eight price series in the index advanced and six declined; in the preceding week there were eleven advances and two declines; in the second preceding week there were eight advances and three declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX					
Compiled by The National Fertilizer Association 1935-1939=100*					
Each Group Pears to the Total Index	Group	Latest Preceding		Month Ago May 12, 1945	Year Ago June 10, 1944
		June 9, 1945	June 2, 1945		
25.3	Food	143.9	142.7	141.5	138.2
	Fats and Oils	145.2	144.9	145.3	144.9
	Cottonseed Oil	163.1	162.0	163.1	163.1
23.0	Farm Products	167.2	167.4	166.4	154.9
	Cotton	216.2	215.8	213.1	202.3
	Grains	164.7	164.8	163.3	164.6
	Livestock	160.2	160.6	159.7	143.7
17.3	Fuels	132.0	132.0	130.4	130.1
10.8	Miscellaneous Commodities	133.7	133.7	133.7	132.2
8.2	Textiles	157.3	157.2	156.8	152.5
7.1	Metals	108.9	108.0	104.7	104.4
6.1	Building Materials	155.4	155.4	154.4	153.4
1.3	Chemicals and Drugs	125.9	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	104.4
100.0	All groups combined	141.6	141.4	140.2	137.0

*Indexes on 1926-1928 base were: June 9, 1945, 110.3; June 2, 1945, 110.2; and June 10, 1944, 106.7.

Trading on New York Exchanges

The Securities and Exchange Commission made public on June 6 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 19, 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 19 (in round-lot transactions) totaled 2,204,769 shares, which amount was 15.02% of the total transactions on the Exchange of 7,338,780 shares. This compares with member trading during the week ended May 12 of 2,927,737 shares, or 16.34% of the total trading of 8,955,630 shares. On the New York Curb Exchange, member trading during the week ended May 19 amounted to 645,800 shares or 18.33% of the total volume on that exchange of 1,761,965 shares. During the May 12 week trading for the account of Curb members of 633,680 shares was 16.30% of the total trading of 1,943,690.

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

WEEK ENDED MAY 19, 1945		Total for week	%
A. Total Round-Lot Sales:			
Short sales	208,660		
Other sales	7,130,120		
Total sales	7,338,780		
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	614,090		
Short sales	107,050		
Other sales	493,990		
Total sales	601,040	8.23	
2. Other transactions initiated on the floor—			
Total purchases	249,720		
Short sales	28,490		
Other sales	239,040		
Total sales	267,530	3.52	
3. Other transactions initiated off the floor—			
Total purchases	192,356		
Short sales	19,440		
Other sales	260,593		
Total sales	280,033	3.22	
4. Total—			
Total purchases	1,056,166		
Short sales	154,980		
Other sales	993,623		
Total sales	1,148,603	15.02	

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

WEEK ENDED MAY 19, 1945		Total for week	%
A. Total Round-Lot Sales:			
Short sales	25,335		
Other sales	1,736,630		
Total sales	1,761,965		
B. Round-Lot Transaction for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	154,595		
Short sales	6,635		
Other sales	171,535		
Total sales	180,170	9.50	
2. Other transactions initiated on the floor—			
Total purchases	48,350		
Short sales	2,400		
Other sales	34,930		
Total sales	37,330	2.43	
3. Other transactions initiated off the floor—			
Total purchases	55,870		
Short sales	8,600		
Other sales	160,885		
Total sales	169,485	6.40	
4. Total—			
Total purchases	258,815		
Short sales	19,635		
Other sales	367,350		
Total sales	386,985	18.33	
C. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales	0		
Customers' other sales	83,107		
Total purchases	83,107		
Total sales	69,356		

*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."

Senator Johnson Opposes Repeal of Act Barring Loans to Foreign Govts. in Default

In opposing before the Senate Finance Committee on June 7 the repeal of the act bearing his name, Senator Hiram Johnson of California stated that its repeal would amount to canceling debts of the first World War and leave American citizen investors "holding the bag" on loans of the second World War. Reporting this, Associated Press accounts from Washington on June 7, added:

"The Committee is considering... repeal legislation for the act which bars private investment in securities of foreign Governments in default on debts to the United States Government. "Mr. Johnson said that President Roosevelt in a 1932 address termed as 'utterly and entirely unsound' the idea of encouraging a policy of opening foreign markets through American loans. He added: "But that is exactly what the Administration proposes to do now in the Bretton Woods set-up, the Export-Import Bank and in the repeal of the Johnson Act." All "financial and political risks involved" in making European rehabilitation loans should be assumed by the Government, Mr. Johnson stated. A similar position was taken by another witness,

John T. Flynn, writer on economic.

"Both explained the Johnson Act has no prohibitions against direct Government loans to foreign nations. The statement of Senator Johnson, though he was present at the hearing, was read for him by an aide, Halford Davis, Mr. Johnson's statement continued:

"It is my sole purpose to impress upon this Congress the dangers involved in repealing the so-called Johnson Act. If you repeal it you are implying by your action to the people of the United States that any European security purchased by them as an investment is sound and secure.

"You are, to all intents and purposes, acknowledging that the defaulted obligations of foreign countries are null and void and that the United States has no further intention of pressing its claims.

"You are shifting the political and economic responsibility of these loans from the United States to the individual American citizen who can least afford financial distress when default of payments come again."

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended June 2, 1945 (which included the Memorial Day holiday) is estimated by the Bureau of Mines at 11,170,000 net tons, a decrease of 655,000 tons, or 5.5%, from the preceding week, according to the United States Department of the Interior. Output in the corresponding week of 1944 was 11,652,000 tons. The total production of soft coal from Jan. 1 to June 2, 1945, is estimated at 250,150,000 net tons, a decrease of 7.8% when compared with the 271,366,000 tons produced during the period from Jan. 1 to June 2, 1944.

Production of Pennsylvania anthracite for the week ended June 2, 1945, as estimated by the Bureau of Mines, was 1,119,000 tons, a decrease of 120,000 tons (9.7%) from the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 85,000 tons, or 7.1%. The calendar year to date shows a decrease of 23.0% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended June 2, 1945, showed a decrease of 4,500 tons when compared with the output for the week ended May 26, 1945; and was 2,500 tons less than for the corresponding week of 1944.

	Week Ended			Jan. 1 to Date	
	June 2, 1945	May 26, 1945	June 3, 1944	June 2, 1945	June 3, 1944
Bituminous coal & lignite—	11,170,000	11,825,000	11,652,000	250,150,000	271,366,000
Total, including mine fuel—	12,031,000	1,971,000	2,044,000	1,920,000	2,058,000
Daily average					

*Revised. †Subject to current adjustment. ‡May 30, Memorial Day, weighted as 0.5 of a working day.

	Week Ended			Calendar Year to Date		
	June 2, 1945	May 26, 1945	June 3, 1944	June 2, 1945	June 3, 1944	June 5, 1937
Penn. anthracite—	1,119,000	1,239,000	1,204,000	21,699,000	28,167,000	24,810,000
*Total incl. coll. fuel	1,074,000	1,189,000	1,156,000	20,829,000	27,040,000	23,570,000
†Commercial produc.						
Beehive coke—	126,300	130,800	128,800	2,508,500	3,276,900	1,606,400
United States total						

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

State—	Week Ended		
	May 26, 1945	May 19, 1945	May 27, 1944
Alabama	418,000	412,000	382,000
Alaska	7,000	7,000	6,000
Arkansas and Oklahoma	102,000	83,000	86,000
Colorado	106,000	114,000	121,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,453,000	1,400,000	1,498,000
Indiana	532,000	537,000	515,000
Iowa	45,000	42,000	28,000
Kansas and Missouri	133,000	128,000	160,000
Kentucky—Eastern	998,000	978,000	1,000,000
Kentucky—Western	374,000	380,000	392,000
Maryland	37,000	34,000	41,000
Michigan	2,000	3,000	4,000
Montana (bitum. & lignite)	92,000	80,000	74,000
New Mexico	25,000	26,000	34,000
North & South Dakota (lignite)	37,000	34,000	29,000
Ohio	761,000	730,000	697,000
Pennsylvania (bituminous)	2,904,000	2,712,000	3,009,000
Tennessee	140,000	134,000	149,000
Texas (bituminous & lignite)	1,000	1,000	2,000
Utah	120,000	124,000	131,000
Virginia	370,000	333,000	405,000
Washington	19,000	24,000	31,000
†West Virginia—Southern	2,108,000	2,016,000	2,266,000
†West Virginia—Northern	853,000	848,000	1,049,000
Wyoming	188,000	176,000	—177,000
‡Other Western States	1,000	1,000	—
Total bituminous & lignite	11,825,000	11,360,000	12,286,000

†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 \$42,985,000 For Week

Civil engineering construction volume in continental United States totals \$42,985,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 0.1% higher than in the corresponding 1944 week, is above the \$21,404,000 for the holiday-shortened preceding week, and is 34% greater than the previous four-week moving average as reported to "Engineering News-Record." The report, made public on June 7, went on to say.

Public construction for the week is 6% higher than in the 1944 week as a result of the 25% climb in state and municipal work. Federal construction is 1% lower than a year ago, and private work is 11% below the week last year.

The current week's construction brings 1945 volume to \$728,526,000 for the 23 weeks, 9% under the \$800,156,000 for the period in 1944. Private construction, \$204,520,000, is 10% higher than a year ago, but public construction, \$524,006,000, is down 15% due to the 20% drop in federal work. State and municipal construction, \$104,506,000, is 18% above last year.

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

	June 8, 1944 (five days)	May 31, 1945 (four days)	June 7, 1945 (five days)
Total U. S. Construction	\$42,923,000	\$21,404,000	\$42,985,000
Private Construction	14,961,000	5,260,000	13,379,000
Public Construction	27,962,000	16,144,000	29,606,000
State & Municipal	7,256,000	4,300,000	9,095,000
Federal	20,706,000	11,844,000	20,511,000

In the classified construction groups, gains over the 1944 week are in sewerage, industrial buildings, earthwork and drainage, streets and roads, and unclassified construction. Compared with the holiday-shortened preceding week all classes of work except bridges report higher volumes for the current week. Subtotals for the week in each class of construction are: waterworks, \$30,000; sewerage, \$832,

000; bridges, \$266,000; industrial buildings, \$7,150,000; commercial building and large-scale private housing, \$1,006,000; public buildings, \$10,428,000; earthwork and drainage, \$993,000; streets and roads, \$7,960,000; and unclassified construction, \$14,047,000.

New capital for construction purposes for the week totals \$3,126,000. It is made up of \$2,476,000 in state and municipal bond sales, and \$650,000 in corporate security issues. New construction financing for the year to date, \$514,836,000, tops the volume reported for the 23-week 1944 period by 20%.

Wholesale Prices Up 0.2% for Week Ended June 2

Higher ceiling prices for steel mill products, increases in prices of bituminous coal and advancing markets for a wide range of agricultural commodities raised the Bureau of Labor Statistics index of commodity prices at the primary market level 0.2% for the week ended June 2, according to the United States Department of Labor, which on June 7 stated that the index, at 106.1% of the 1926 level, reached a new peak for this war. Since the first week in May the index has advanced 0.4% to a point 2.1% higher than at this time last year. The advices add:

"Farm Products and Foods"—Average prices for farm products rose 0.2% during the week largely as the result of higher market quotations for steers and sheep. Among the grains, higher prices for rye and wheat were offset by lower quotations for barley and corn. Raw cotton increased 0.5% to the highest level in two decades. Higher prices were reported for apples and lemons, particularly in eastern markets, and for onions. Quotations for white potatoes and sweet potatoes were lower. Prices for hay were higher. In the past four weeks average prices for farm products have advanced 0.8% and were 5.6% higher than for the corresponding week of last year.

"The general level of prices for foods in primary markets" rose 0.1% during the week as the result of increases for fresh fruits and vegetables and higher prices for cereal products. Since the first week in May average prices for foods have advanced 0.9% to a level 2.2% above a year ago.

"Other Commodities"—Upward adjustments in OPA ceiling prices for a wide range of carbon steel products and steel mill manufactures increased the metals and metal products index by 0.4%. For a number of these products, this represents the first price increase since the introduction of price control in 1941. Continued upward adjustment of bituminous coal prices and higher ceilings for beehive coke raised the fuel and lighting materials index 0.1%. Higher quotations for butyl acetate and wire nails caused a rise of 0.1% in the building materials index. An increase of slightly less than 3% for cotton blankets was not large enough to affect the housefurnishings goods group index."

The Labor Department included the following notation in its advices:

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 May 5, 1945 and June 3, 1944, and (2) the percentage changes in subgroup indexes from May 26, 1945 to June 2, 1945.

Commodity Groups—	June 2, 1945					Percentage change to June 2, 1945 from—		
	6-2 1945	5-26 1945	5-19 1945	5-5 1945	6-3 1944	5-26 1945	5-5 1945	6-3 1944
All commodities	106.1	105.9	105.8	105.7	103.9	+0.2	+0.4	+2.1
Farm products	130.8	130.5	129.5	129.8	123.9	+0.2	+0.8	+5.6
Foods	107.5	107.4	106.8	106.5	105.2	+0.1	+0.9	+2.2
Hides and leather products	118.3	118.3	118.3	118.3	117.7	0	0	+0.5
Textile products	99.1	99.1	99.1	99.1	97.3	0	0	+1.8
Fuel and lighting materials	84.7	84.6	84.6	84.0	83.7	+0.1	+0.8	+1.2
Metals and metal products	104.8	104.4	104.3	104.3	103.8	+0.4	+0.5	+1.0
Building materials	117.3	117.2	117.2	117.0	115.7	+0.1	+0.3	+1.4
Chemicals and allied products	94.9	94.9	94.9	94.9	95.5	0	0	-0.6
Housefurnishings goods	106.2	106.2	106.2	106.0	106.0	0	0	+0.2
Miscellaneous commodities	94.6	94.6	94.6	94.6	93.3	0	0	+1.4
Raw materials	118.9	118.5	117.9	117.8	113.8	+0.3	+0.9	+4.5
Semimanufactured articles	95.3	94.8	94.8	94.8	93.6	+0.5	+0.5	+1.8
Manufactured products	102.1	102.1	102.1	102.0	101.1	0	+0.1	+1.0
All commodities other than farm products	100.6	100.5	100.5	100.4	99.6	+0.1	+0.2	+1.0
All commodities other than farm products and foods	99.8	99.7	99.7	99.5	98.7	+0.1	+0.3	+1.1

Increases		Decrease	
Iron and steel	0.9	Livestock and poultry	0.3
Fruits and vegetables	0.7	Coke	0.2
Bituminous coal	0.5	Cereal products	0.1
Other farm products	0.4	Furnishings	0.1
Other building materials	0.1		
Grain	0.3		

U. S. Using Military Currency in Invasion Of Okinawa and Ryukyu Group

The Treasury, War and Navy Departments issued on June 8 a joint statement announcing that "United States Army and Navy forces are using a supplemental military currency denominated in yen in the invasion of Okinawa and other islands of the Ryukyu group." The announcement further says:

"This military yen currency has been issued in seven denominations, namely, 10 and 50 sen and 1, 5, 10, 20 and 100 yen. There are 100 sen to the yen. The notes in denominations of 10 sen, 50 sen, and 1 yen are one-half the size of the U. E. dollar currency. The 5 yen and 10 yen denominations are somewhat larger than the sen notes, and 20 yen and 100 yen notes are the size of the U. S. dollar note.

"The notes bear on their face the words "Military Currency" in

English and in Japanese and on the reverse side the legend "Issued Pursuant to Military Proclamation" in both languages.

"Military yen will supplement the local currency; not replace it. This supplemental military yen, other legal tender local currency and notes of the Bank of Taiwan and of the Bank of Chosen are interchangeable within the area without distinction at one for one. However, Japanese military yen scrip is not, of course, accepted by U. S. forces. Supplemental military yen currency notes were produced in the United States for the military commander who, in the areas occupied by the forces under his command, has all the powers necessary for carrying out governmental functions, including the right to establish and maintain an adequate and effective circulating medium. This is in accordance with International Law, the Hague Conventions and decisions of the Supreme Court of the United States.

"No general rate of exchange between the yen and the dollar has been established. For pay of troops and military accounting purposes, however, a provisional basis of 1 yen to 10 cents is being used. This provisional rate was determined in the light of prevailing conditions in the Ryukyu Islands and does not prejudice the determination of the rate for other Japanese areas yet to be invaded.

"Arrangements have been made whereby U. S. military and naval personnel may remit in dollars to the United States at the above rate all or any portion of their pay which they received in yen. U. S. soldiers and sailors leaving the area may exchange yen currency held by them for dollar currency. When U. S. forces use yen for military expenditures, the relevant Army and Navy appropriations will be charged for the dollar equivalent thereof. In this manner the control of the Congress over the expenditures of the U. S. forces is maintained."

Lumber Movement—Week Ended June 2, 1945

According to the National Lumber Manufacturers Association, lumber shipments of 463 mills reporting to the National Lumber Trade Barometer were 7.0% above production for the week June 2, 1945. In the same week new orders of these mills were 5.3% less than production. Unfilled order files of the reporting mills amounted to 107% of stocks. For reporting softwood mills, unfilled orders are equivalent to 36 days' production at the current rate, and gross stocks are equivalent to 32 days' production. Compared to the average corresponding week of 1935-1939, production of reporting mills was 13.3% greater; shipments were 23.6% greater; orders were 9.6% greater.

Lumber shipments of the same number of mills reporting to the National Lumber Trade Barometer were 0.7% below production for the week May 26, 1945. In that same week new orders of these mills were 2.5% more than production. Unfilled order files of the reporting mills amounted to 110% of stocks. For reporting softwood mills, unfilled orders are equivalent to 37 days' production at the current rate, and gross stocks are equivalent to 32 days' production. Compared to the average corresponding week of 1935-1939, production of reporting mills was 13.4% greater; shipments were 14.9% greater; orders were 23.1% greater.

For the year to June 2, 1945, shipments of reporting identical mills exceeded production by 7.1%; orders by 10.7%.

Daily Average Crude Oil Production for Week Ended June 2, 1945 Was 8,050 Barrels Lower

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 2, 1945 was 4,858,715 barrels, a decrease of 8,050 barrels from the preceding week and 7,785 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of May, 1945. The current figure, however, exceeded the output in the week ended June 3, 1944 by 335,965 barrels per day. Daily production for the four weeks ended June 2, 1945, averaged 4,863,265 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,804,000 barrels of crude oil daily and produced 15,317,000 barrels of gasoline; 1,423,000 barrels of kerosine; 4,857,000 barrels of distillate fuel, and 9,437,000 barrels of residual fuel oil during the week ended June 2, 1945; and had in storage at the end of that week 48,642,000 barrels of civilian grade gasoline; 40,054,000 barrels of military and other gasoline; 8,344,000 barrels of kerosine; 29,819,000 barrels of distillate fuel, and 39,022,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations May	*State Allowables Begin May 1	Actual Production Week Ended June 2, 1945	Change from Previous Week	4 Weeks Ended June 2, 1945	Week Ended June 3, 1944
Oklahoma	367,500	367,500	1385,900	+ 200	385,550	331,200
Kansas	274,000	269,400	1258,800	-16,300	269,050	274,350
Nebraska	1,000	-----	1900	-----	900	1,000
Panhandle Texas	-----	-----	90,000	-----	90,000	91,500
North Texas	-----	-----	153,900	-----	153,900	148,150
West Texas	-----	-----	495,300	-----	495,300	437,200
East Central Texas	-----	-----	138,200	-----	138,200	140,500
East Texas	-----	-----	379,800	-----	379,800	362,600
South Texas	-----	-----	355,650	-----	355,650	309,550
Coastal Texas	-----	-----	563,300	-----	563,300	523,550
Total Texas	2,170,000	2,170,717	2,176,150	-----	2,176,150	2,013,050
North Louisiana	-----	-----	70,250	-----	70,700	73,150
Coastal Louisiana	-----	-----	299,800	-----	299,800	285,500
Total Louisiana	360,000	400,800	370,050	-----	370,500	358,650
Arkansas	80,000	78,786	79,900	- 100	79,800	80,450
Mississippi	53,000	-----	51,850	+ 2,050	51,450	41,800
Alabama	300	-----	500	+ 50	450	100
Florida	-----	-----	15	-----	15	50
Illinois	205,000	-----	201,900	+ 5,950	197,500	210,350
Indiana	13,000	-----	11,350	- 1,200	11,850	12,500
Eastern—						
(Not incl. Ill., Ind., Ky.)	67,200	-----	64,250	+ 1,250	63,850	69,850
Kentucky	31,000	-----	28,300	+ 600	27,400	22,100
Michigan	47,000	-----	45,850	+ 250	47,400	50,500
Wyoming	112,000	-----	107,000	- 400	107,200	82,850
Montana	23,000	-----	20,300	-----	20,600	21,300
Colorado	105,000	-----	11,000	-----	10,950	8,250
New Mexico	105,000	105,000	103,900	-----	103,900	108,200
Total East of Calif	3,919,500	-----	3,918,915	- 7,650	3,924,515	3,686,550
California	947,000	947,000	939,800	- 400	938,750	836,200
Total United States	4,866,500	-----	4,858,715	- 8,050	4,863,265	4,522,750

*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 31, 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 JUNE 2, 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		% Stocks	
	Refining to Capacities	to Still	Production at Ref. Inc. Nat. Blended	of Gas Oil Fuel Oil	of Gas Oil Fuel Oil	of Residual Fuel Oil	of Gasoline	of Other
East Coast	99.5	78.1	98.7	1.755	6.346	6.116	5.404	8.360
Appalachian—								
District No. 1	76.8	108	74.0	338	358	211	1,731	1,288
District No. 2	81.2	55	110.0	198	103	126	199	1,305
Ind., Ill., Ky.	87.2	788	91.9	2,818	4,025	1,957	6,968	14,722
Okl., Kans., Mo.	78.3	384	81.9	1,474	1,691	1,200	2,285	7,091
Inland Texas	59.8	242	73.3	987	477	897	1,128	1,776
Texas Gulf Coast	89.3	1,031	83.3	3,721	5,766	5,413	8,711	4,842
Louisiana Gulf Coast	96.8	279	107.3	934	1,518	1,122	2,251	1,855
No. La. & Arkansas	55.9	83	65.9	225	911	198	644	1,759
Rocky Mountain—								
District No. 3	17.1	11	84.6	35	21	34	20	55
District No. 4	72.1	109	68.6	373	271	611	639	1,732
California	85.8	933	93.9	2,459	8,332	21,037	10,076	3,857
Total U. S. B. of M. basis June 2, 1945	85.6	4,804	88.4	15,317	29,819	39,022	40,054	48,642
Total U. S. B. of M. basis May 26, 1945	85.6	4,950	91.1	15,194	29,184	38,548	40,856	48,265
U. S. Bur. of Mines basis June 3, 1944	-----	4,639	-----	13,521	32,640	51,037	38,381	48,420

*Includes aviation and military grades, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending stocks currently indeterminate as to ultimate use, and 10,908,000 barrels unfinished gasoline this week, compared with 12,206,000 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 1,423,000 barrels of kerosine, 4,857,000 barrels of gas oil and distillate fuel oil and 9,437,000 barrels of residual fuel oil produced during the week ended June 2, 1945, which compares with 1,449,000 barrels, 4,667,000 barrels and 9,670,000 barrels, respectively, in the preceding week and 1,450,000 barrels, 5,018,000 barrels and 8,920,000 barrels, respectively, in the week ended June 3, 1944.

Note—Stocks of kerosine at June 2, 1945 amounted to 8,344,000 barrels, as against 8,246,000 barrels a week earlier and 8,274,000 barrels a year ago.

Non-Ferrous Metals—Copper Quiet Continues—Demand for Lead Good—Quicksilver Lower

"E. & M. J. Metal and Mineral Markets," in its issue of June 7, stated: "With additional cutbacks in war production expected soon, buying of copper and zinc remained inactive. Fabricators of copper are engaged in reducing their inventories, which tends to delay buying for civilian requirements. Definite word on the status of zinc allocation is expected next week, with the industry about divided on the chances of out-and-out repeal of the restrictions. The situation in lead remains unchanged. Tin restrictions were strengthened last week better to cope with re-conversion. Russian manganese ore is being shipped to the United States. Quicksilver was dull and the price declined \$3 per flask." The publication further went on to say in part:

Copper

Consumption of copper for civilian needs is slowly rising, but not at a rate to inspire fabricators to place much new business. Easing of controls so far has been limited chiefly to end products, which means that the copper industry continues to mark time until production of products containing copper expands appreciably.

Export demands for copper and copper products are known to be large, but exchange and other restrictions hamper a free flow of business. During the last week it was announced that FEA has granted permission to France to purchase 15,000 tons of copper in this market.

Lead

Demand for lead was in good volume and sales for the last week involved 8,998 tons. As in recent weeks, the sales tonnage would have been larger had producers been free sellers. Demand for lead from cable makers, the battery industry, and producers of tetraethyl remain substantial. The Tin-Lead-Zinc Division of WPB has asked consumers to file requests for foreign lead for July shipment not later than June 18.

Mine output of lead in April came to 33,850 tons, against 34,799 tons in March, the Bureau of Mines reports. The daily rate of production for April was 1,128 tons, against 1,123 tons in March.

Stocks of lead at United States smelters and refiners, in tons, according to the American Bureau of Metal Statistics:

	May 1	April 1
In ore, matte, and in process at smelter	67,251	70,791
In base bullion:		
Smelters and refineries	7,878	8,852
Transit to refineries	3,566	2,957
Process at refineries	15,129	15,710
Refined pig lead	26,428	24,576
Antimonial lead	6,806	6,333
Totals	127,058	129,219

Zinc

Except for some uneasiness in Army circles as to the adequacy of zinc supplies, allocation of the metal would probably be terminated at once, the industry believes. Stocks are increasing. The supply-requirements situation will be reviewed next week at a meeting of WPB officials and the Zinc Industry Advisory Committee. Demand for zinc during the last week was quiet.

Use of slab zinc during March totaled 91,286 tons, the highest monthly consumption on record, according to the Bureau of Mines. This compares with 79,676 tons in February and 86,228 tons in January. Galvanizers consumed 29,714 tons in March, against 27,446 tons in the preceding month. Brass mills took 35,897 tons in March, against 32,078 tons in February.

Domestic zinc producers again opposed granting the increased authority requested in the bill re-

lating to the extension of the Reciprocal Trade Agreements Act. Zinc has already suffered a 20% tariff reduction through the Canadian agreement, Ernest V. Gent, Secretary of the American Zinc Institute, declared last week at Senate hearings on the measure, and a further 30% through the more recent Mexican agreement. Whether or not the Mexican concessions stand after the emergency, the threat to the zinc industry is serious and discouraging, he said. The new bill, as amended by the House authorizes a reduction in the tariff on slab zinc to 0.70c per pound.

Manganese Ore

Manganese ore is being shipped to this country from Russian sources. It is reported that at least three cargoes have been consigned to the Metals Reserve Co. in part payment for material sent to Russia some time ago. The ore is being stockpiled for allocation to consumers by the War Production Board.

Tin

Unless military requirements for tin decline, less metal will be available for civilian products in 1945 than in 1944, WPB stated last week. The short supply has resulted in an amendment to Order M-43, establishing the corresponding quarter of 1944 as the base period for allocating tin. The previous base period was 1940. In the event that metal is not available from the Far East within a year, restrictions may need further tightening, officials of the Tin-Lead-Zinc Division said.

The price of Straits quality tin for shipment, in cents per pound, was nominally as follows:

	June	July	August
May 31	52,000	52,000	52,000
June 1	52,000	52,000	52,000
June 2	52,000	52,000	52,000
June 4	52,000	52,000	52,000
June 5	52,000	52,000	52,000
June 6	52,000	52,000	52,000

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

Quicksilver

The quiet that has prevailed in the market for quicksilver for the last four weeks has brought out further selling pressure. Quotations covering spot and prompt shipment metal last week ranged from \$149 to \$152 per flask, or \$3 lower than in the preceding week. June shipment from the Pacific Coast was available at \$148. Some domestic producers have stated that they will match Spanish prices on quantity business.

Spanish quicksilver was offered here on the basis of \$147.50 per flask, duty paid, June shipment from abroad. Sellers of foreign metal also find the market to be extremely quiet and they are not disposed to force sales under present unsettled conditions.

Silver

The London silver market was quiet and unchanged at 25½d. The New York Official for foreign silver continued at 44¾c., with domestic metal at 70¾c.

Aluminum

Production of primary aluminum in March amounted to 106,200,000 pounds, the highest

monthly total since August, 1944, the Aluminum and Magnesium Division, WPB, reports. Production in March was 16% higher than in the preceding month, was increased because of enlarged war requirements.

Recovery of aluminum from secondary sources during March established a new record for the second time in three months. The 67,600,000 pounds recovered was 9.4% higher than in February.

March shipments of aluminum products totaled 231,300,000 pounds, the second highest monthly total on record. Increases over February ranged from 4% for tubing to 32% for ingot, powder, and paste.

17 War Agencies' Appropriations Cut

The House Appropriations Committee in sending the National War Agencies supply bill for the fiscal year starting July to the floor, recommended the easing and removal of domestic controls as soon as possible, the Associated Press reported from Washington, June 1, stating further that sharp cuts were made in budget estimates for the agencies.

Slashes averaged about 12% and ranged as high as 40%. Their original budgets had already been trimmed just a month ago by direction of President Truman. The committee cuts were in addition to those which the President had recommended.

For the first time in several years the committee refrained from singling out any of the agencies for sharp criticism, the Associated Press reported, although it was mildly critical of some operations. The Office of War Information, generally a target for committee fire, escaped criticism although it took a \$7,000,000 cut in the \$42,000,000 budget estimate of the President.

However, the committee withheld all funds for the Office of Price Administration, the Foreign Economic Administration and the Fair Employment Practices Committee, explaining that legislation dealing with the trio either is pending or is in the offing.

The FEA's allotment was held up pending receipt of budget estimates for lend-lease operations. Legislation extending the price-control act and the OPA and making permanent the FEPC has not cleared Congress.

The \$769,764,850 total in the bill was \$111,812,650 below budget estimates and \$209,348,880 under current-year appropriations.

The War Shipping Administration, which operates the nation's expanding merchant fleet, was allotted \$437,325,000 of the total, even though it was cut \$48,270,000 below estimates.

The Office of Scientific Research and Development was given \$70,000,000, a reduction of \$7,500,000.

Other allotments included: War Production Board, \$35,000,000; Office of Strategic Services, \$20,000,000, a reduction of almost 50%; Office of Censorship, \$13,000,000; Office of Inter-American Affairs, \$14,000,000; Office of Defense Transportation, \$7,000,000; National War Labor Board, \$13,320,000; Selective Service System, \$52,000,000; War Relocation Authority, \$25,000,000; Alien Property Custodian, \$2,500,000 (a limitation on administrative expenditures from funds already provided); Office of Economic Stabilization, \$196,250; Smaller War Plants Corporation, \$7,000,000 (a limitation of administrative expenses of previously appropriated funds); Petroleum Administration for War, \$2,968,200; Office of War Mobilization and Reconversion, \$43,955,400.

PRODUCTION OF CANADA'S LEADING MINERALS

(Dominion Bureau of Statistics)

	Month of			First Two Months	
	Jan., 1945	Feb., 1945	Feb., 1944	1945	1944
Asbestos, tons	31,300	37,338	32,510	68,638	64,347
Copper, lb.	44,381,428	38,903,080	46,091,889	84,284,508	95,241,714
Feldspar, tons	1,159	1,848	2,871	3,007	4,511
Gold, fine oz.	233,210	212,351	256,803	445,561	514,596
Lead, lb.	25,623,743	24,578,012	29,753,989	50,201,755	62,464,822
Nickel, lb.	23,770,268	20,724,884	22,382,065	44,495,152	45,927,539
Silver, fine oz.	1,019,590	952,225	1,273,329	1,971,815	2,478,454
Zinc, lb.	49,506,177	44,520,588	44,735,515	94,026,765	92,245,379

Note—Statistics subject to revision.

Revenue Freight Car Loadings During Week Ended June 2, 1945 Decreased 44,917 Cars

Loading of revenue freight for the week ended June 2, 1945 totaled 837,520 cars, the Association of American Railroads announced on June 7. This was an increase above the corresponding week of 1944 of 26,822 cars, or 3.3% and an increase above the same week in 1943 of 169,911 cars of 25.5%.

Loading of revenue freight for the week of June 2 decreased 44,917 cars, or 5.1% below the preceding week.

Miscellaneous freight loading totaled 383,840 cars, a decrease of 20,684 cars below the preceding week, but an increase of 22,367 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 100,818 cars, a decrease of 7,974 cars below the preceding week but an increase of 3,615 cars above the corresponding week in 1944.

Coal loading amounted to 160,811 cars, a decrease of 7,444 cars below the preceding week, and a decrease of 7,844 cars below the corresponding week in 1944.

Grain and grain products loading totaled 48,513 cars, a decrease of 5,051 cars below the preceding week, but an increase of 11,406 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of June 2 totaled 34,080 cars, a decrease of 3,189 cars below the preceding week but an increase of 10,098 cars above the corresponding week in 1944.

Livestock loading amounted to 12,850 cars, a decrease of 894 cars below the preceding week, but an increase of 195 cars above the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of June 2 totaled 9,726 cars, a decrease of 820 cars below the preceding week, but an increase of 510 cars above the corresponding week in 1944.

Forest products loading totaled 43,617 cars, a decrease of 938 cars below the preceding week but an increase of 4,246 cars above the corresponding week in 1944.

Ore loading amounted to 72,309 cars, a decrease of 1,349 cars below the preceding week and a decrease of 7,254 cars below the corresponding week in 1944.

Coke loading amounted to 14,762 cars, a decrease of 583 cars below the preceding week, but an increase of 91 cars above the corresponding week in 1944.

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

	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
4 Weeks of May	3,452,977	3,441,616	3,363,195
Week of June 2	837,520	810,698	667,609
Total	17,734,803	17,757,013	16,995,593

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 2, 1945. During the period 75 roads showed increases when compared with the corresponding week a year ago.

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	266	219	229	1,450	1,331
Bangor & Aroostook	1,292	1,002	748	246	423
Boston & Maine	6,187	6,511	6,018	13,320	14,164
Chicago, Indianapolis & Louisville	1,060	1,140	1,180	2,039	2,179
Central Indiana	940	33	32	57	36
Central Vermont	90	902	983	2,010	2,098
Delaware & Hudson	4,845	4,301	2,854	11,386	12,052
Delaware, Lackawanna & Western	6,861	7,300	5,304	10,966	10,066
Detroit & Mackinac	243	278	290	103	122
Detroit, Toledo & Ironton	1,696	1,643	1,536	1,087	1,031
Detroit & Toledo Shore Line	393	264	258	2,629	2,603
Erie	11,924	12,822	10,300	17,107	17,335
Grand Trunk Western	3,631	3,307	3,492	8,120	8,231
Lehigh & Hudson River	173	165	153	2,619	3,022
Lehigh & New England	1,851	1,555	785	1,463	1,722
Lehigh Valley	7,807	8,381	5,596	12,126	16,259
Maine Central	2,303	1,982	2,069	2,573	2,742
Monongahela	6,198	6,274	1,492	270	325
Montour	2,458	2,451	536	36	11
New York Central Lines	48,491	45,356	43,540	52,043	55,125
N. Y., N. H. & Hartford	9,226	8,530	9,002	17,572	18,634
New York, Ontario & Western	968	1,257	1,026	3,785	2,955
New York, Chicago & St. Louis	6,276	6,055	7,114	16,089	16,490
N. Y., Susquehanna & Western	371	399	505	2,494	2,010
Pittsburgh & Lake Erie	7,416	7,555	6,208	9,531	8,866
Pere Marquette	4,695	4,168	4,989	8,374	7,273
Pittsburgh & Shawmut	829	905	361	18	37
Pittsburgh, Shawmut & North	277	279	224	256	238
Pittsburgh & West Virginia	1,037	1,265	461	3,198	2,495
Rutland	338	335	313	1,391	1,106
Wabash	5,690	4,568	3,980	12,100	12,422
Wheeling & Lake Erie	5,912	5,231	4,174	4,194	4,065
Total	151,699	146,434	125,752	220,632	227,469
Allegheny District—					
Akron, Canton & Youngstown	672	707	695	1,347	1,323
Baltimore & Ohio	44,027	44,669	28,455	28,585	28,352
Bessemer & Lake Erie	5,504	6,765	4,563	2,269	2,076
Buffalo Creek & Gauley	4	4	279	1	1
Cambria & Indiana	1,422	1,491	236	11	8
Central R. R. of New Jersey	6,441	6,643	5,191	19,599	19,884
Cornwall	428	442	602	50	50
Cumberland & Pennsylvania	145	163	55	10	11
Ligonier Valley	94	167	97	41	35
Long Island	1,621	1,371	1,004	4,549	4,389
Penn.-Reading Seashore Lines	1,625	1,505	1,527	2,274	2,535
Pennsylvania System	84,939	83,805	165,269	63,209	66,721
Reading Co.	13,770	15,065	10,578	25,948	27,808
Union (Pittsburgh)	19,266	19,660	19,829	7,177	7,265
Western Maryland	3,599	4,121	2,244	12,286	13,136
Total	183,623	186,574	140,624	167,355	173,593
Pocahontas District—					
Chesapeake & Ohio	28,128	28,154	10,608	14,722	13,062
Norfolk & Western	21,066	22,279	8,331	7,604	7,443
Virginian	4,483	4,518	1,202	2,294	2,339
Total	53,677	54,951	20,141	24,620	22,844

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	465	332	280	306	396
Atl. & W. P.—W. R. R. of Ala.	753	732	663	2,639	2,845
Atlanta, Birmingham & Coast	1,029	718	691	1,423	1,571
Atlantic Coast Line	12,262	12,019	13,437	9,774	9,861
Central of Georgia	3,712	3,734	3,745	4,703	5,501
Charleston & Western Carolina	411	387	539	1,547	1,902
Clinchfield	1,747	1,661	1,580	3,064	3,009
Columbus & Greenville	252	199	324	365	257
Durham & Southern	109	123	102	428	591
Florida East Coast	1,132	1,169	2,187	1,141	1,436
Gainesville Midland	42	59	38	120	149
Georgia	1,183	1,234	1,134	2,599	2,975
Georgia & Florida	393	433	377	691	546
Gulf, Mobile & Ohio	5,495	4,088	3,359	4,331	4,323
Illinois Central System	27,995	27,146	21,175	16,947	16,457
Louisville & Nashville	26,419	25,305	15,547	13,075	11,769
Macon, Dublin & Savannah	232	192	209	1,091	1,124
Mississippi Central	410	281	195	557	466
Nashville, Chattanooga & St. L.	3,675	2,963	2,992	4,662	4,616
Norfolk Southern	1,649	940	1,118	1,570	1,520
Piedmont Northern	440	422	383	1,335	1,118
Richmond, Fred. & Potomac	528	403	319	10,291	10,443
Seaboard Air Line	10,539	10,739	11,225	8,016	8,353
Southern System	24,671	23,227	19,607	25,835	24,250
Tennessee Central	556	680	501	694	768
Winston-Salem Southbound	166	150	113	1,238	976
Total	126,265	119,336	101,840	118,442	117,222
Northwestern District—					
Chicago & North Western	16,943	16,937	17,269	14,499	12,570
Chicago Great Western	2,074	2,276	2,149	3,569	3,198
Chicago, Milw., St. P. & Pac.	20,363	18,090	15,061	10,021	9,896
Chicago, St. Paul, Minn. & Omaha	2,987	2,966	2,595	3,826	3,438
Duluth, Missabe & Iron Range	24,688	29,309	24,449	304	229
Duluth, South Shore & Atlantic	847	754	892	723	562
Egin, Joliet & Eastern	8,961	8,677	8,275	10,653	12,767
St. Louis, Des Moines & South	319	369	380	108	94
Great Northern	21,064	21,212	23,130	9,273	6,873
Green Bay & Western	390	436	364	1,020	858
Lake Superior & Ishpeming	1,758	2,025	2,096	69	44
Minneapolis & St. Louis	1,911	1,936	1,288	2,621	2,513
Minn., St. Paul & S. M.	6,392	6,112	5,658	3,121	3,945
Northern Pacific	11,051	8,801	9,181	6,481	5,700
Spokane International	226	149	131	591	661
Spokane, Portland & Seattle	2,545	1,235	2,309	3,979	3,293
Total	122,519	121,284	115,227	70,858	66,641
Central Western District—					
Atch., Top. & Santa Fe System	26,986	23,110	21,358	16,744	12,086
Alton	3,634	3,031	2,335	4,688	3,511
Bingham & Garfield	446	504	554	85	83
Chicago, Burlington & Quincy	17,664	16,439	12,775	12,783	11,881
Chicago & Illinois Midland	2,820	3,413	668	875	1,035
Chicago, Rock Island & Pacific	12,003	10,451	10,454	13,103	11,681
Chicago & Eastern Illinois	2,696	2,097	1,692	5,059	6,720
Colorado & Southern	548	512	580	2,557	2,550
Denver & Rio Grande Western	2,892	3,488	1,661	7,006	6,028
Denver & Salt Lake	472	706	240	44	19
Fort Worth & Denver City	1,404	677	1,022	2,245	1,310
Illinois Terminal	1,911	1,593	1,324	2,230	1,878
Missouri-Illinois	1,178	1,073	683	582	457
Nevada Northern	1,404	1,660	1,997	105	117
North Western Pacific	700	761	1,048	609	654
Peoria & Pekin Union	12	7	1	0	0
Southern Pacific (Pacific)	31,253	27,512	29,190	14,762	13,046
Toledo, Peoria & Western	294	266	323	2,063	2,082
Union Pacific System	14,377	12,754	11,795	19,507	16,842
Utah	434	461	90	3	5
Western Pacific	2,231	2,061	1,814	5,413	4,126
Total	125,359	112,576	101,604	110,463	96,111
Southwestern District—					
Burlington-Rock Island	373	510	851	1,050	600
Gulf Coast Lines	7,214	5,700	5,169	2,439	2,355
International-Great Northern	2,918	2,532	2,290	4,040	3,999
Kansas, Oklahoma & Gulf	388	245	295	773	1,000
Kansas City Southern	4,749	6,404	5,010	3,334	2,596
Louisiana & Arkansas	3,826	3,736	3,332	3,512	2,866
Litchfield & Madison	298	330	259	1,439	1,097
Midland Valley	786	541	284	553	408
Missouri & Arkansas	179	179	181	398	396
Missouri-Kansas-Texas Lines	7,024	6,106	5,794	5,309	4,810
Missouri Pacific	16,079	15,031	12,259	19,552	19,471
Quannah Acme & Pacific	136	71	50	359	352
St. Louis-San Francisco	9,660	8,075	6,126	8,663	8,445
St. Louis Southwestern	3,129	3,151	2,850	7,429	7,348
Texas & New Orleans	11,225	12,356	13,303	5,631	4,877
Texas & Pacific	5,761	4,439	4,220	6,653	7,399
Wichita Falls & Southern	113	116	117	34	30
Weatherford M. W. & N. W.	30	21	31		

Items About Banks, Trust Companies

A special meeting of the stockholders of the Manufacturers Trust Co. of New York will be held on Jan. 2 to take action on a proposed readjustment of capital recommended by the directors. Indicating that the replacement of outstanding convertible preferred stock with permanent common capital is obviously desirable, the advices addressed to the stockholders on June 11 by President Harvey D. Gibson says, in part:

"On Jan. 5, 1931, following the purchase of a substantial interest in the common stock of the trust company by a group of well known representative citizens, primarily of New York City, the present management took control of its administration and operation. At that time deposits were \$197,950,000 and the trust company had about 300,000 customers. Capital funds were \$51,115,000. As of May 31, 1945, deposits were over \$2,000,000,000. Capital funds, as shown on the published statement of condition as of March 31, 1945, were \$94,094,900.33, and the trust company now has approximately 722,000 customers.

"There are presently outstanding 385,485 shares of convertible preferred stock, having an aggregate redemption value of \$19,274,250, being the unretired remainder of such stock, \$25,000,000 of which was originally issued in 1936. At the time this convertible preferred stock was issued it was considered to be a temporary measure, and a sinking fund of \$750,000 per annum was provided for its retirement.

"In connection with the proposed retirement of the convertible preferred stock a careful study of the capital structure of the institution in relation to its growth, present position and the requirements of its customers has been made. As a result it has been decided at the present time to recommend to our stockholders an increase in our capital funds, by the issuance of 412,500 additional shares of common stock. This action, together with the transfer of \$10,000,000 to undivided profits as above mentioned, will provide a sufficient sum to fully retire the convertible preferred stock and also add a reasonable net increase to capital funds. This leaves for later consideration any further increase of capital funds as may seem advisable in the light of conditions as they may be found to exist.

"To accomplish these purposes the board of directors has taken the following action:

"1. A special meeting of stockholders has been called for July 2, 1945, to take the necessary action to authorize the proposed readjustment of capital, including the issuance of 412,500 additional shares of common stock, so that upon consummation of the proposed readjustment the capital of the trust company will be \$41,250,000, consisting of 2,062,500 shares of common capital stock of the par value of \$20 per share.

"2. The close of business on June 22, 1945, has been fixed as the record date for the determination of preferred and common stockholders entitled to notice of and to vote at the meeting.

"3. The close of business on July 2, 1945, has been fixed as the record date for the determination of common stockholders entitled to subscribe to the additional shares of stock.

"If the proposed issuance of additional shares of common stock is authorized, it is contemplated that:

"(a) \$10,000,000 will be transferred from valuation reserves to undivided profits;

"(b) Warrants will be mailed to common stockholders on or about July 5, 1945, evidencing their right to subscribe for one

new share of common stock for each four shares of common stock held of record at the close of business on July 2, 1945, at a price to be determined by the board of directors and stated in the warrants;

"(c) An underwriting agreement will be entered into with a group of investment bankers providing for the purchase by them of all shares not subscribed for by common stockholders;

"(d) The entire outstanding convertible preferred stock of the trust company will be called for redemption on or about Aug. 1, 1945.

"The regular quarterly dividend on the convertible preferred stock of 50 cents per share has been declared payable July 15, 1945, to stockholders of record at the close of business on June 30, 1945, and checks for this dividend will be mailed. Upon such redemption the preferred stockholders accordingly will be entitled to receive a redemption price equal to \$50 per share plus accrued dividends from July 15, 1945, to the redemption date.

"The regular quarterly dividend on the common stock of 50 cents per share has been declared payable July 2, 1945, to stockholders of record at the close of business on June 15, 1945, and checks will be mailed for such dividend.

"If the proposed changes in capitalization become effective, it is contemplated that the common stock of the trust company will be placed on a dividend basis of \$2.40 per share per annum, as compared with the dividend of \$2 per share per annum heretofore paid."

At the regular meeting of the board of directors of The National City Bank of New York, on June 5, Paul D. Millholland, formerly an Assistant Cashier, was appointed an Assistant Vice-President.

At the regular meeting of the board of directors of the City Bank Farmers Trust Co. of New York, held on June 5, Robert Winthrop, a general partner in the firm of Robert Winthrop & Co., was elected a director. Mr. Winthrop was previously a director of the trust company, having been elected to that office April 2, 1935, and from which he resigned June 10, 1942, to enter the armed forces as a lieutenant in the Navy, later becoming a lieutenant-commander. Mr. Winthrop is also a director of The National City Bank of New York and Green Bay & Western RR. Co.

The board of directors of City Bank Farmers Trust Co. of New York has appointed Harold J. Schondelmeier an Assistant Secretary.

Everette Lee De Golyer, geologist of Dallas, Tex., has been elected a director of Empire Trust Co., New York, according to an announcement by Henry C. Brunie, President. Mr. De Golyer is a partner in the firm of De Golyer & MacNaughton of Dallas, and a director of Transwestern Oil Corp., First National Bank of Dallas, Tex., and Louisiana Land & Exploration Co. Mr. DeGolyer is a graduate of the University of Oklahoma and an honorary Doctor of Science of Colorado School of Mines. He was formerly chief geologist of Mexican Eagle Oil Co. and Chairman of the board and general manager of Amerada Corp. He is a member of various American and international scientific and engineering societies, and a director of American Petroleum Institute. Mr. De Golyer was awarded the John Fritz medal in January, 1942, by the Institute of Mining and Metallurgical Engineers for his vision and leadership in developing and applying

the arts of geophysical exploration to petroleum deposits.

A 20-mm. anti-aircraft gun which saw action 60 miles off the coast of Japan but subsequently became a war casualty has been placed on exhibit in the lobby of The Franklin Society for Home Building and Savings at 217 Broadway, New York. Twisted out of shape by the intense heat from the burning ship, it was rendered unfit for combat duty. It is still doing service, however, by encouraging the sale of war bonds at the bond counter in the lobby of The Franklin Society and may be seen by the public during regular banking hours.

Leo A. Bryson and Frank G. Nash were appointed Assistant Secretaries of the Brooklyn Trust Co. at a meeting of the executive committee of the board of trustees, held on June 7. Mr. Bryson, who has been employed by the company since 1929, has been on leave since October, 1940, while serving in the United States Army, Ordnance Department. He was a member of the Officers Reserve Corps prior to the war and was called to active duty early in the war emergency period, first as a captain and later as a major. He will resume his duties with the trust company upon his return to civilian life in the near future. Mr. Nash has been with the company since 1924. He was manager of the company's Schermerhorn office, Flatbush Avenue Extension and Lafayette Avenue, from November, 1930, until April 19, 1945, at which time he was appointed regional manager of the company's branch offices in the Bay Ridge region of Brooklyn.

William B. Hatfield, President of the Bay Ridge Savings & Loan Association, Brooklyn, N. Y., died on June 5 at the age of 79. Mr. Hatfield held his position for the past 25 years.

William T. Place, Trust Officer and Assistant Cashier of the National Mahaiwe Bank, Great Barrington, Mass., died on June 7. He was 48 years of age.

The election of Herman B. Lerner as a director of the Federal Trust Co. of Newark, N. J., was recently announced by the Newark "News," which also said:

"Mr. Lerner is President of the Cellulastic Corp. of Newark, now engaged in manufacturing plastic products essential to the war effort.

"He was a pioneer in plastics, establishing his company more than 25 years ago."

Carl Vernon Vogt, former President of the Morristown Trust Co., Morristown, N. J., died on June 3 at 66 years of age. Mr. Vogt, who was also connected with the law firm of King & Vogt, was President of the Morristown institution from 1938 to 1943, after which he became Chairman of the board.

The promotion of 14 executives of the Pennsylvania Company for Insurances on Lives and Granting Annuities was announced on June 11 by William F. Kurtz, President, following a meeting of the board of directors. The changes are effective immediately. In the banking department five Assistant Vice-Presidents were made Vice-Presidents. They are Samuel E. Brown, Charles B. Roberts 3d, Howard V. Milbourne, Harry C. Culshaw and William F. Kelly. Assistant Treasurer Alfred C. Graff was named Assistant Vice-President. In the trust department three trust officers named Vice-Presidents are A. W. Whittlesey, Frank E. Holland and Robert A. Wilson. Herbert J. Cousley was elevated from Trust Officer to Senior Trust Officer. Four Assistant

Trust Officers, John W. Gordon, Walter H. Schaefer, Anthony J. McFadden and Harry D. Livingston, were made Trust Officers. All of the officers promoted today are veterans in the service of the Pennsylvania Company, their average length of duty slightly exceeding 22 years.

William C. Cummings, President of the Drovers National Bank of Chicago and the Drovers Trust & Savings Bank, died on June 7 at the age of 70. Mr. Cummings had been associated with the institution for 50 years and had held the position of President since 1915. He also was at one time President of the Chicago Clearing House and was Chairman of the Advisory Committee of the Chicago loan agency of the RFC at the time of his death.

According to the Board of Governors of the Federal Reserve System the Montgomery County Bank, Hillsboro, Ill., a State member, has converted into a National bank, effective June 1, under the title of Montgomery County National Bank.

The election of Paul H. Young as Vice-President of the Boatmen's National Bank of St. Louis, Mo., was announced by T. K. Smith, President of the institution. The St. Louis "Globe Democrat," in reporting this, said:

"Mr. Young will come into the bank to direct the organization of a consumer credit department. He was formerly President of the Reserve Discount Company, and members of that organization will be associated with him in the new department in the bank."

George W. Wilson, formerly Chairman of the board of the Mercantile-Commerce Bank & Trust Co. of St. Louis and one of the founders of the Mercantile Trust Co. of St. Louis, died on June 5. At the time of his death Mr. Wilson was a member of the board of directors of the Mercantile-Commerce Bank & Trust Co. and a member of that institution's executive and trust committees. He was also President of the Mercantile Liquidating Co., an organization formed at the time of the consolidation of the banks forming the Mercantile-Commerce Bank & Trust Co. in 1929. Treasurer of the Mercantile Trust Co. at its inception in 1899, he became Vice-President and then President of the bank in 1927. He served in that capacity until the merger two years later. Mr. Wilson was one of the founders of the St. Louis University School of Commerce and Finance of which he served as Dean until 1942. At the time of his death he was Dean Emeritus of the school. In 1943 the University awarded him an honorary degree of Doctor of Laws. He was a director of the Massachusetts Bonding & Insurance Co. and a Past President of the St. Louis Clearing House Association.

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of April 30, 1945, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was \$26,189,396,939, as against \$25,899,060,223 on March 31, 1945, and \$21,552,231,236 on April 30, 1944, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, total was \$3,459,434,174.

British Policy Seen Unsolved Problem of Economic Stability

(Continued from first page)

the gold standard which they struggled so hard to re-establish in the 20's, and which they now blame for unemployment and distress.

"It is therefore quite natural that the British do not want to commit themselves on currency stabilization and removing exchange controls. Even the very mild commitments in the Bretton Woods Monetary Fund have aroused substantial opposition. As to trade policy they are wondering whether they will have to save their trade position by a whole series of special arrangements with the Empire countries and neighboring European countries. They have some already.

"There is thus a wide difference between our own and the British approach to these matters. The two countries interpret the Monetary Fund differently. We emphasize stability—the British emphasize the power to change the pound and continue exchange control; and Lord Keynes says it is the opposite of the gold standard. The words to which we both may assent mean different things to us. The reality of any agreement we may make in this field will depend on many other factors than the Bretton Woods plan alone.

"The British are our loyal and respected partners in the war. We want to and we will keep them as close partners in the peace. We want to give them real and effective aid in their present problems. Our partnership must be continuing with new understandings to meet new facts as we go along. The point to remember always is that the welfare of our two countries is bound together — and agreement between us is basic to world agreements. We do not know how Bretton Woods will work until this central question has been more fully resolved.

"So we may well say that the House Banking Committee has made a promising beginning towards resolving a very tough and complicated problem in which Bretton Woods is a single chapter. We may hope for further constructive progress in the Senate."

AIB in Dallas Elects Irving Hitt President

The Dallas "Times Herald" announced on May 27 that the Dallas Chapter of the American Institute of Banking has elected the following officers for the coming 1945-46 year: President, Irving Hitt, Cashier at Texas Bank and Trust Company; Vice-President, Arch T. Harris, Assistant Cashier at the Liberty State Bank; Secretary, Frances Fonville of the Federal Reserve Bank; Treasurer, W. Homer Cathey, Manager Bookkeeping Department at the Liberty State Bank.

Directors elected to serve for a term of three years are Leo T. Howell of the Federal Reserve Bank; Frank Wolfe, Mercantile National Bank, and Corda Johnston of the Federal Reserve Bank.

Pearl Harbor Court Martial Delay Approved by House

A resolution extending until six months after the war with Japan the limitation on courtmartial proceedings in connection with the attack on Pearl Harbor has won House approval and been returned to the Senate for concurrence on a minor change, the United Press reported from Washington, June 1.