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The Financial Situation

Professor Sumner H. Slichter of Harvard, in the New York "Times" last Sunday, evolved "A Formula for Avoiding a Tailspin" when the war is over, and in doing so again worked over the familiar ground in which certain conceptions of "savings" and "purchasing power" flourish. Indeed his employment of these terms is so typical of the usual, and we think often quite unrealistic, reasoning about post-war economic matters that it appears well at this point to inquire rather closely into some assumptions upon which these discussions appear to rest.

Says Professor Slichter:

"Never has the country had such a large and rapid accumulation of purchasing power as during the last four years. Although the output of civilian goods has kept up far better than anyone expected early in the war, individuals have been compelled by sheer lack of goods to save over \$115 billion. This is as much as individuals would have saved in 15 years at the 1940 rate.

"Most of the savings of individuals can be readily converted into goods. Individuals hold more than three times as much cash as at the end of 1939, over twice the volume of demand deposits, and about one-third more time deposits. In addition, they have increased their holdings of government securities by over \$35 billion. All in all, individuals have increased their liquid assets about \$65 billion since the end of 1939. More than two-thirds of the increase in liquid assets has occurred among persons receiving less than \$5,000 a year. The purchasing power of individuals will be increased at the end of the war by bonus payments from the Federal Government and many States to demobilized service men. These payments are likely to exceed \$5 billion.

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U. S. As a Mediator for Peace

By ALF M. LANDON*

Former Republican Presidential Candidate Asserts That Many of Us Are Pursuing a Hallelujah Policy With Regard to Dumbarton Oaks and San Francisco and Points Out Mutual Suspicions of the Allied Powers. Says Russia Seems to Be Setting Up Puppet States in the European Vacuum and That the Job of Statesmanship Is to Build a Bridge of Cooperation with Totalitarian Russia. Holds Cornerstone of Lasting Peace Is for U. S. to Make It Plain Not to Be a Party to Any Intrigue or "Gang Up" of Any Other Nation and Urges Full Support of the President in His Foreign Policies.

The greatest achievement of modern civilization was the development of objective thinking.

The processes of objective thinking include tolerance—education—accurate information and humanitarianism.

These highly important attributes of civilization reached their finest flowering in the world before the first World War, at least in the United States and Great Britain.

Since then, they have withered steadily under the attacks of a deadly parasite—the art of government inspired mass propaganda and government censorship.

*An address by Mr. Landon before the Rotary Club, Manhattan, Kansas, June 7, 1945.



Alf M. Landon

Of course ever since we have had governments, we have had propaganda in favor of the government in power.

For many centuries objective thinking and government propaganda were handicapped by the lack of channels of communication. Both were more or less evenly balanced.

Today's increase in the channels of communications has given government propaganda a big edge over objective thinking because the peoples of the world are not able to digest all the mass information that floods them. Taking advantage of that situation, governments hold back certain vital information and parts of the news for political as well as military reasons and in the torrent of world news these critical omissions are not noticed. In addition, we must realize that today there is a lot of lying going on. Anyone now who would think objectively must as the first step proceed with great caution in spite of the abundance of news. The mission

(Continued on page 2771)

U. S. Chamber of Commerce Views

Regarding Bretton Woods Project

Text of John J. Rowe's Statement to House Banking and Currency Committee. Supports Immediate Participation in the Bank, but Calls for Further Study and Delay in Establishing International Monetary Fund. Sees Need for Ultimate Restoration of the International Gold Standard, and Holds the Powers of the International Fund Could Coerce the U. S. to Restrict or Regiment Its Exports and Alter Its Trade and Investment Policies. Amendments in Agreements Demanded.

In view of the current hearings before the Senate Banking and Currency Committee on the proposed Bretton Woods enabling bill,



John J. Rowe

it is timely to present here the statement submitted by Mr. Rowe during the hearings on the measure previously held by the House Banking and Currency Committee. Mr. Rowe, President of the Fifth Third Union Trust Co., of Cincinnati, presented the report on behalf of the Finance Department of the Chamber of Commerce of the United States. This statement, representing the mature judgment of members of an important committee of the largest organization of business men, is here presented almost in its entirety:

The Finance Department Committee of the Chamber, at the request of President Eric A. Johnston, has given careful consideration to the Bretton Woods proposals. In its study the committee had the advice and assistance of subcommittees of two other committees of the Chamber, the Foreign Commerce Department Committee, whose members have a special interest in export and import trade, and the Committee on International Postwar Problems, which is concerned primarily with phases of world re-

adjustments other than economic. The recommendations we present to you have been approved by the Board of Directors of the Chamber as being in pursuance and effectuation of its declared policies. The Board has commended them to the favorable consideration of the membership of the Chamber and of Congress.

Recommendations

The recommendations are as follows:

I. That the United States participate in the International Bank for Reconstruction and Development.

II. That the Board of Governors of the Bank make a study of the question of monetary stabilization with a view to submission of recommendations to the nations concerning (a) any necessary broadening of its

powers to include the negotiation of stabilization agreements and arrangements for stabilization loans, (b) the International Monetary Fund, or (c) some other mechanism, with operations of the Fund or other agency properly integrated with those of the Bank.

III. That the Bank assume such interim stabilization activities, including agreements and loans, as may be permitted by its Articles of Agreement, which give definite authorization for loans and guarantees in special circumstances for purposes other than specific projects of reconstruction and development.

IV. That Congress defer action on the participation of the United States in an International Monetary Fund pending submission of recommendations by the Board of Governors of (Continued on page 2772)

From Washington Ahead of the News

By CARLISLE BARGERON

Inasmuch as Herbert Hoover is not given to thinking out loud, and as a matter of fact he is usually engaged in so many enterprises that he can't think at all about relatively little things, what we have in mind could not possibly come true. But it would be worth a pretty penny to know what fleeting thoughts he does entertain from day to day.

For example, what passed through his mind, even fleetingly, on the ways and manners of people, when he read about Elliott Roosevelt's borrowing \$200,000 from John Hartford? Surely, he recalled the time he was President and his son, in the normal pursuit of his life, accepted a



Carlisle Bargeron

job as a radio engineer for an airline that had an airmail contract. Our recollection is that he was to get every bit of \$250 a month. The newspapers made a sensation of it. The late Simeon Fess, then chairman of the Republican National Committee, rode all the way to Mr. Hoover's fishing lodge on the Rapidan, to explain that such stuff as this on the part of a President's son could not be borne by the Republican party. The youngster was made to quit.

Earlier, when Calvin Coolidge's son accepted a job at about \$20

a week with a New England railroad, there was a similar outcry. The railroad, it was claimed, was obviously seeking the Presidential favor, just as the airline was supposed to be doing in the employment of young Hoover. But Coolidge stood his ground. There is a moral here and it will be even more apparent when you look at the whole picture of recent years.

There was no depression on under Coolidge. The moral is that the American people, purportedly capable of self-government, are not seriously concerned about financial scandals in their Government. They vote their pocket book nerve, and this seems to apply to high and low alike. The obvious end of this attitude is that sooner or later they will prove that they aren't capable of self-government. Certainly this selfish attitude is what those who would change our system of government are working on, and quite smugly, too. They think they know their people, and they probably do. They are experts.

But getting back to the so-called scandals of government. Certainly, they have never affected any sizeable number of votes in our time of reporting, (Continued on page 2775)

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*These items appeared in the "Chronicle" of June 18, on pages indicated.

Then and Now

"Restrictions on the hours and days of labor, and on output, and restrictions on farm production, were part of a planned economy of permanent depression and artificial shortages. We were producing more food than world markets would take, and our Government paid marginal farmers to stay in the farm business instead of turning to something else; and paid them not to produce so much, to plow under crops and to kill little pigs. The business of 'not raising hogs' was a highly flourishing industry," said The Statist. The planners seemed to have lost faith in America. They sought to benefit organized labor and farmers at the expense of the general public. They could not see that neither farmer nor laborer could prosper long in an impoverished community. They could not believe in the economy of abundance and were concerned more with changing each man's share of poverty than with sharing wealth."—R. C. Leffingwell.

It appears to be generally supposed that the ideas underlying such policies have been abandoned by those who were once their chief sponsors.

It is true that these individuals now miss no opportunity to preach a certain sort of gospel of abundance.

But the prophets of "economic maturity" are not silenced. Their "economy of abundance" theories are not unrelated to those that raised the infant death rate in swine. Indeed they suffer similar if not identical infirmities.

Surpluses May Approximate \$100 Billion Surplus Property Board Report States

In the second quarterly report of the Surplus Property Board it is noted that billions of dollars of surplus war property must be disposed of as quickly as possible to take advantage of war time markets and to speed reconversion. The report, submitted to Congress on June 7, is prefaced by a statement by Alfred E. Howse, SPB Administrator which says that "total surpluses may approximate 100 billion dollars, original cost to the Government." "Surpluses," he adds, "will consist of a fantastic conglomeration of material and land scattered all over the globe and comprising not only every item of common civilian use but a considerable number designed for war." He also said: "No other class of surplus commands so ready a sale in this period of short supply or arouses so wide public interest. The policy of first importance in disposing of these goods is that it be done quickly. Prompt disposal will assist in relieving current shortages, will get the best price for the Government, and will clear the way for expanded civilian production."

He likewise said:

"The surplus property resulting from this war will total such an enormous quantity that one estimate places its cost as equal to a third of the value of every man-made article—from the smallest pin to Boulder Dam—which this country contained less than 10 years ago."

From the statement of Mr. Howse we also quote:

"So far the amounts sold to States and local governments have been small. However, 43 of the 48 States have recently organized central purchasing offices, and a big increase in their buying can be expected. Meanwhile, ample protection for small business is indicated in the fact that 63% of all commercial sales of surplus consumer goods have been sales of less than \$500."

"We have learned that surpluses can accomplish much in establishing large export markets on which post-war full employment will depend in part. We believe that wise distribution of certain types of surplus will accomplish a greater national return in health and education than in money."

The report, which summarizes the substantial progress made in recent months by the board and the disposal agencies, is described in effect as a handbook of surplus property facts and policies.

Statistics provided in the report show that during the 10 months, June, 1944, through March, 1945, the disposal agencies received declarations of surplus totaling \$1,575,000,000 and sold \$265,181,000, or approximately 17% for a total of \$164,431,000. By the end of March inventories of surplus on hand had arisen to \$1,399,000,000, chiefly owing to unsalable aircraft and related equipment declared surplus over that period. Aircraft disposals increased during the first quarter of 1945, however. Disposals are proceedings at the rate of \$40,000,000 per month. Consumer goods, machine tools, construction materials and small vessels are the fastest-selling surplus items.

President Signs Bill Cutting Gold Reserve

Legislation cutting gold reserve requirements of Federal Reserve Banks to 25% of deposits and Federal Reserve notes in circulation has been signed by President Truman, according to an Associated Press Washington dispatch of June 12, which continued: Heretofore, the banks have been required to maintain gold reserves equal to 35% of deposits and 40% of notes.

The legislation also repeals two provisions of the 1933 emergency banking act—the Treasury's authority to issue \$3,000,000,000 in "greenbacks" and the authority for issuance of Federal Reserve Banks notes which require no gold backing. In addition, it continues in perpetuity an authorization for use of direct obligations of the United States as collateral for reserve notes.

The Federal Reserve System asked the reduction in required gold reserves with the explanation that reserves have been shrinking because American purchases abroad during the war have been paid in gold while this country's exports have been chiefly under lend-lease, bringing no return flow of gold.

Data on Exchange of French Securities

The Treasury Department has made available through the Federal Reserve Bank of New York information below furnished by the French Financial Attache in Washington regarding the exchange of French paper currency:

The following short-term (5-year or less) obligations of the French Treasury will be exchanged or redeemed in accordance with a procedure similar to the exchange of currency:

Bons du Tresor, 75-105 days, 6 months, 1 year, 2 years,
Bons du Tresor, 1 year, issued by the Caisse des Pensions de Guerre,
Bons d'Armement,
Bons de la Defense Nationale,
Bons d'Epargne,
Bons de la Liberation,
Bons de la Caisse Nationale de Credit Agricole, 5 years.

Deposit of certificates must be made not later than June 24 with appropriate consular officer who will give all necessary information. Certificates not presented for exchange will be subject to annulment. Banking institutions holding large amounts of bonds may procure a waiver of the deposit requirement from the French Consul.

In the New York "Times" of June 13 it was stated:

This is the second stage of the French Government's effort to trace the ownership of its currency and securities in foreign lands. The United States Treasury had communicated previously to banks the order for the obligatory exchange of French paper currency issued prior to June 4, 1945.

The purpose of the French Government in requiring the deposit of old currency and short-term Treasury obligations is to obtain a record of where such currency and obligations are now held. A substantial amount is believed to have fallen into enemy hands, but so far as this country is concerned, such holdings in part may be in the hands of French citizens who failed to comply with laws requiring declaration of all assets held abroad.

A decree was published in the "Journal Officiel" of the French Government on Jan. 16, 1943, granting a temporary reprieve to those who had failed to comply with a law adopted in 1939, but imposing a penalty of 20% of the present value of undeclared foreign assets. Failure to comply with the Jan. 16 ordinance is punishable by a minimum of two years' imprisonment and confiscation of the property involved.

"Frenchmen residing in France shall not be the only ones compelled to make the new declaration," the French Government's statement declared. "Foreigners residing in France and Frenchmen residing abroad, the former in a compulsory manner and the others voluntarily, shall be called upon to comply with the same formality."

Textile Group for Eventual End of Trade Act

At a meeting of the Textile Section of the New York Board of Trade a resolution was adopted advocating continuance of the Trade Agreements Act for one year with no increase in power for the President to amend present tariff schedules, an announcement by the Board stated on June 7. The Textile Section also recommended that at conclusion of the one-year period the Trade Agreements Act should be terminated and the authority to fix tariff rates should revert, "in accordance with the American traditional method," to Congress which would have the recommendations of the United States Tariff Commission.

The State of Trade

One of the important problems confronting trade and industry in its reconversion process to peace-time production is that of unemployment. Business men and manufacturers are fully aware of the disastrous effects large-scale unemployment can have upon the economy of our nation and they are leaving no stone unturned in their efforts to lessen, insofar as is possible, its impact upon the lives of millions of the American people.

The solicitude of management over this grave threat to labor's well-being is practical, since, as Ralph Bradford, General Manager of The Chamber of Commerce of the United States, in addressing the 25th anniversary of the Ypsilanti, Mich., Chamber of Commerce, asserted last week, "Convinced that the future of the country depends on advancement of the national interest, rather than on single group action, the National Chamber has been proceeding with conferences with labor, all branches of agriculture and Government agencies." Describing the so-called management-labor charter as a statement of principles generally acceptable to both management and labor as a kind of overall initial agreement, he said: "The charter is not intended to be a cure-all for our industrial ills. Neither does it attempt to formulate a code of procedure to be followed in dealing with labor disputes. It sets the tone under which it is hoped that a committee of management and labor can proceed to iron out some of their differences. Thus they can effect voluntarily at least part of the measures toward industrial peace that are so greatly in the public interest and so necessary if we are to achieve and preserve true national unity."

Cognizant of the need for a healthy interchange of views and opinions on the part of labor and management to promote industrial peace and the prosperity of our country, Mr. Bradford went on record as saying that it may not work, but that it was worth trying. He observed: "We have had laws; we have a lot of Government machinery; we have labor organizations; we have management organizations. And we still do not have industrial peace. Under the charter, we are simply trying to supplement the compulsions of law by the sensible use of ordinary cooperation."

Notwithstanding the efforts of all groups to work toward a common goal of maximum employment and increased national income through greater production, some unemployment will occur. However, if the conclusions of C. C. Cool, Director of the Labor Relations Institute, are correct, due to a swifter pace, reconversion of American industry will probably result in far less unemployment than was visualized only a short time ago.

Mr. Cool's findings, based on a study of 1,000 questionnaires returned in a study of war production companies, revealed that 50% of such firms expect to convert to peace-time products within the next six months, with reconversion already begun for 21%. One reason cited for the rapid pace in the changeover process, according to the management consultant, is the widespread decision to forego extensive changes in the product.

Pointing out the probable disappointment of consumers over the lack of revolutionary change in designs and materials, the Director added: "The net result will be reassuring to employees, merchants and others who are directly or indirectly affected."

A total of 731 manufacturing companies responded to the Institute's question on employment, and out of that number 265 looked for an increase in employees following reconversion. Those anticipating no change in the number of workers totaled 238, while less than 30% said they would employ fewer workers after reconversion.

Among the problems brought

out by the survey, collective bargaining headed the list. Wage stabilization, the Wage and Hour law, personnel recruitment, morale-building and manpower controls followed in their respective importance. Few of the firms polled anticipated difficulty in placing returning veterans in jobs.

Steel Industry — "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 summary of the steel trade the past week.

There was nothing definite last week to indicate that non-rated steel orders for civilian production would find to any sizable degree openings on steel mill schedules in the third quarter. Nevertheless the delay of cancellations in Army programs to be interpreted into tonnage released from steel mill books is producing a strong feeling in the industry that by the fourth quarter of this year the lot of the civilian steel user will be greatly improved.

Speculation developed in the trade the past week that because of the tightly-packed mill schedules through the third quarter, the Controlled Materials Plan may not give way to the simplified priority system as originally intended. It is beginning to appear more and more definite that in the third quarter the mills will be unable to schedule unrated business, except for one or two relatively unimportant items. It is felt by some 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 current situation, "The Iron Age" points out, is so amenable to change in market conditions that many problems seemingly difficult at present may be ironed out.

The decline in rated steel order volume the past week may be attributed in large measure to the WPB's reluctance to authorize advance allotments for the fourth quarter of this year and early 1946. This situation increases the prospects for non-rated business. Should many of the present contract schedules be continued, it would mean, the magazine adds, "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 showed a decline, with some exceptions, to about 20% of the peak levels prevailing earlier this year. The volume was one of the lightest of the war, barring one or two isolated periods, and in at least one case June business thus far is a negative figure, with cancellations exceeding entries, the above trade authority observed.

With most shell steel, alloy, structural and armor plate cancellations noted on the books and landing mat cutbacks under way, some sales officials believe the end of the heavy period of cancellations is in sight.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 88.8% of capacity. (Continued on page 2774)

Hearings End on Price Control Extension

Two weeks of hearings before the House Banking Committee on Legislation to extend the life of the Price Control Act have ended with the prospect of a sharp fight in the House over the measure, especially on the Administration's efforts to eliminate an amendment added in the Senate by Senator Wherry (R.-Neb.) to guarantee a liberal "cost-plus" formula to farmers and stockmen, special advices to the New York "Times" reported from Washington, June 16.

Six members of Congress appeared before the committee in its final session and four of them, all Republicans, indicated, according to the New York "Times" report, hostility to the Administration's policy of price control under the existing act, which expires on June 30.

Representative Chenoweth of Colorado demanded amendments to soften OPA's penalty provisions and to limit its regulatory power as to food items to those commodities "directly essential to life."

Representative Mott of Oregon, accusing OPA of making some regulations that were "communistic" and of following "a deliberate policy to confuse and regiment people," insisted that Congress take away from OPA all authority now exercised under the War Powers Act and proceed with new legislation specifically limiting the Administration's authority.

Mr. Mott asserted, the "Times" continued, that no administrator of OPA had ever actually had "much to do" with its policies. He said that these matters were, in fact, settled "by people like Ginsburg, for example." He did not elaborate on that reference.

Representative Lemke of North Dakota told the committee that he "approved anything Mr. Mott has said." He appealed directly for inclusion of the Wherry "cost-plus" amendment for farmers and claimed that there had been unfounded "howling" about it. He termed the OPA an "octopus sucking the lifeblood out of the American people."

In his denunciation Mr. Lemke declared that OPA was "doing things that are no longer in the realm of decency or honor," and suggested that it ought to be "a penitentiary offense" for an agency to "use public money to advertise itself," as he contended OPA had done.

Earlier in the week, according to the Associated Press from Washington, June 12, the House committee was asked by representatives of industry and farm organizations to reject Senate amendments to the extension bill.

The Senate's cost-plus system for pricing farm products was assailed by two farm group leaders as the Senate-approved legislation to extend OPA for a year moved over to the House.

Eric Johnston, President of the United States Chamber of Commerce, asked the committee to throw out all amendments and to extend the law for a year or for six months after the end of the war with Japan.

Johnston urged a flexible OPA policy allowing price increases where needed as a means of getting greater production of consumer goods. Such production, he said, is the surest bulwark against inflation.

Edward A. O'Neal, American Farm Bureau President, issued a statement attacking the cost-plus amendment for farmers as unsound, unworkable and inflationary. James G. Patton, President of the National Farmers' Union, labeled it in another statement as "a legislative fraud" which might give "further impetus to the vicious and unjustified attacks now being made on OPA."

O'Neal said: "It would be impossible to administer such a provision applying to more than 6,000,000 farms, no two of which are exactly alike. The cost of production basis for farm legislation has been repeatedly rejected by Congress as unworkable. It would introduce confusion and chaos in the administration of price control to the end that inflationary forces would

granted, a succession of witnesses told the committee. Among the complaints, which were enumerated in detail, were the following:

1. In its study leading up to the recent adjustment in steel prices OPA obtained cost figures from 21 companies, including low cost producers but eliminating high cost companies. This did not result in a fair average of industry costs, and, in fact, the average was weighted downwards by the selection of companies.

2. Although OPA has stated that it is administratively difficult to allocate selling and administrative expenses to each product, and thus does not allow for such costs in granting price increases, in the steel price adjustment OPA actually did establish the amount of such costs. For purposes of excluding this cost from total steel production costs OPA did determine that "selling and general administrative expenses, averaging roughly \$1.70 per ton of finished product," are incurred by the administrative expenses, averaging industry.

If OPA can determine such costs for purposes of excluding them from consideration it can also determine them when they should be included, it was argued.

3. Established differentials between products were not maintained by OPA, the producers stated. Semi-finished products were advanced a larger amount than finished products, thus pushing up the costs of the mills which fabricate unfinished products while increasing their selling prices by a lesser amount.

4. OPA not only did not make full allowance for fringe wage increases that were retroactive for more than a year, but it also did not attempt to estimate the effect of these increases in future months.

The following witnesses appeared before the committee: Mr. Clifford, Lauson Stone, President of Follansbee Steel Corp.; Robert W. Wolcott, President of Lukens Steel Co.; H. W. Boal, Vice-President and Treasurer of the Andrews Steel Co.; D. V. Sawhill, President of Mercer Tube & Manufacturing Co.; David Thomson, President of the Phoenix Iron Co., and John F. Budke, President of the Parkersburg Iron & Steel Co.

Another witness before the committee June 14 was William Green, President of the American Federation of Labor, who, according to the Associated Press, assailed a movement in Congress to hold the Office of Price Administration's new lease on life to six months, and called for an amended extension of the price control law.

Mr. Green also demanded rejection of the Senate's cost-plus plan for farm products pricing "and similar cost-plus formulas of price control."

Mr. Green came to Capitol Hill for a scheduled appearance on price control continuation shortly after the House Republican Steering Committee had met and Republican leader Martin of Massachusetts let it be known an effort will be made to hold the OPA extension to six months.

"At the end of that time," Rep. Martin said, "we can take another look at OPA and take advantage of any changes needed for adjustment to war and reconversion developments."

A short extension, Mr. Green said, "would gravely endanger the prospects of reconversion and reemployment," and he declared:

"If Congress announced that price control would terminate in six months every civilian manufacturer ready to produce for the market prior to that time would hold off his production until the price control had been lifted."

President Truman has also let it be known, according to the Associated Press, that he opposes the Senate's cost-plus plan for pricing farm products, telling his news conference that the amend-

Life Insurance Vital Factor In Maintaining Economic Structure of Nation—Says Maclean

Discussing the economic position of life insurance, on June 14 Alexander Maclean, President of the Massachusetts Life Insurance Co. directed attention to the importance of the life insurance companies, not only in peacetime, but also during emergencies incident to war. He asserted that any business that serves over half of our population in protecting its financial security, is a vital factor in maintaining the economic structure of the nation.

With 66 million policyholders, the life insurance industry is such a business, he said. Mr. Maclean spoke at Detroit before 250 business executives, luncheon guests of George E. Lackey, local general agent for the company. The Detroit Agency is celebrating its 90th anniversary, having started business in 1855, four years after the Massachusetts Mutual Life was organized. Pointing out that over 40% of the long-term government bonds are owned by the life insurance companies, Mr. Maclean went on to say that gross purchases by the companies during 1944 amounted to \$7,585,000,000. Holdings of United States Government securities at the year-end amounted to over \$16,000,000,000, a net increase during the year of \$3,681,000,000. During 1944, the life insurance companies invested all of their premium income in government bonds. In addition, he said funds received from the maturity and sale of other securities were invested in governments, making the total purchases of government bonds about twice the premium income.

The executive said that the life insurance business is maintaining its industrial holdings. Purchases of business and industrial securities in 1944 were \$1,878,000,000, compared with \$913,000,000 the previous year. Holdings of these securities at the year-end, were \$10,337,000,000, only slightly changed from the previous year-end, as purchases were offset by refundings, maturities and replacements. Life insurance investments in such securities actually were \$213,000,000 greater than at the war's start.

The speaker said that as present investments mature, the funds will be reinvested in the best community interest, following the long-established practice of the life insurance business. He said that the diversity of investments through life insurance has been expanded, and that funds are being invested in an increasing number of different kinds of business. Massachusetts Mutual funds, he said, are now invested in 53 different kinds of business. Such diversity suggests the importance of the life insurance companies in helping to maintain the financial structure of American industry.

The life insurance companies the speaker said, have improved their position, in anticipation of the post-war era and the changes that it probably will bring. Higher reserves have been set up, increasing the already strong financial backing of policy contracts. Allowances have been made for the changed type of business after the war, and life insurance will continue as a vitally important part of American life and business, and will, therefore, continue to serve in maintaining financial security for pol-

ment is bad and that he hoped it would be thrown out.

Sen. Wherry subsequently called newspapermen to his office. said he would fight "to the last ditch" to retain the amendment and challenged a statement by James G. Patton, President of the National Farmers Union, that the amendment was "a legislative fraud."

He categorically denied that the amendment was slipped through the Senate without due notice.

A check of House Banking and Currency Committee members indicated the Wherry amendment will be deleted by a large vote.

icyholders and their families, all of which is essential to the support and maintenance of our sound national economic structure.

Socialization Plans For Czechoslovakia

Leaders of the Social Democratic Party in Prague have announced a program of social reform for Czechoslovakia which reflects that country's close affiliation with Russia a special dispatch to the New York Times reported from London, on June 7. The announcement was made through the Allied press service in Germany which is broadcast over the Allied-controlled German radio.

The radio announcement stated that Prime Minister Zdenek Fierlinger, former Czechoslovak ambassador at Moscow, whose premiership was sponsored by Russia, told the Social Democrats at a party meeting that Czechoslovakia would neither return to the old order nor have a violent revolution. He outlined the reform program with the following main points:

First, Czechoslovak foreign policy is to be based on the country's alliance with the Soviet Union.

Second, industrial monopolies and big banks will be put under State control to prevent them from endangering the internal unity of the State.

Third, the government program will be executed by decisions of the national committee. A national assembly will, in due course replace the committee and eventually Parliament will enact a Constitution and reform laws.

Fourth, Czechoslovak currency will be stabilized in the near future with work and not gold as its basis and the restarting of production must be the nation's first task.

Fifth, the interests of the farmers must be safeguarded and the power of the big landowners eliminated. Farm cooperatives will be supported fully but collective farming will not be enforced by compulsion.

Wheeler Reports on Communications

Senator Burton K. Wheeler (D.-Mont.), as Chairman of a Senatorial committee just returned from investigating communications problems in Europe and North Africa, announced that "We've got to do something about communications over there," but declined to give the committee's views until the members report to President Truman, the Associated Press reported from Washington, June 15. The report quoted Wheeler as saying: "We should have American communications every place and at the peace table we should see that American interests are protected."

As an example, he said that in Saudi Arabia all American communications except War Department memoranda must clear through the British. With him on the trip were Senators Hawkes (R.-N.J.), Capehart (R.-Ind.) and McFarland (D.-Ariz.).

Asked his opinion of a move to obtain Senatorial ratification of the San Francisco charter by July 15, Wheeler declared: "I have felt all the time there ought to be a lot of straightening out of European problems before we vote on the charter."

The Financial Situation

(Continued from first page)

"Business enterprises, incorporated and unincorporated, have increased their holdings of cash, bank deposits, and government securities by over \$40 billion since the end of 1939. Non-financial corporations have doubled their working capital.

"The cash and investment position of State and local governments has greatly improved. For example, the cash and investments of State governments have increased about two and one-half times since the end of 1939.

"Finally, many countries have been accumulating large purchasing power in the form of bank balances in this country and gold. This purchasing power is very unevenly distributed but the world as a whole will have unprecedented capacity to buy American goods."

Professor Slichter next passes to the question of whether the owners of all these "savings" and all this "purchasing power" are likely to make use of their fortunate position to go into the market for American goods. As to this, the learned professor concludes that "anything is possible, but if people refuse to spend their purchasing power, they will be behaving in a new way. Never yet has the world seen an instance of the people's starving while possessing plenty of sound purchasing power." There follows a number of observations and certain factual material to support the notion that the people of this country will in the post-war years do with their "purchasing power" what Professor Slichter finds that they have invariably done in the past.

All this, of course, inevitably raises the question whether this time as last there may not come a period of inflation and what might be termed hypertension very shortly after the war to be followed in due course by depression. It is against this latter contingency that the Professor contrives his "Formula for Avoiding a Tailspin"—which incidentally appears more or less incomprehensible to us. It is, however, not this, or any other formula which is our concern here, but rather some of the assumptions which appear to underlie all, or virtually all, of Professor Slichter's reasoning about the situation which is to follow the end of hostilities.

Savings?

First of all, are these Government obligations, these cash deposits and the rest which individuals and, for that matter, business enterprises are cited as holding really savings in any but a highly technical sense? For

our part, we are unable to see how anyone who has given the matter careful thought, as we are certain that Professor Slichter has, can possibly answer such a question in any way other than in the negative. To be sure, an individual who has received, say, \$5,000 and has expended only \$3,000 of it on non-durable consumption goods and services has in a sense "saved" \$2,000, but in applying this reasoning to the economy as a whole it is very easy to permit oneself to become badly befuddled. Brushing aside technicalities and avoiding complicated details which have no fundamental significance, it may be stated and should be easily enough understood by any thoughtful man, that taking the economy as a whole real savings has to do with goods and not money. Real savings in any period of time can be but a part of the production of that period. Indeed, the real savings of any period is that part of the net production of that period which is not consumed but carried over for use in some future period. It, obviously, must, if it is to be of any value, consist of goods which will be wanted in the future by someone or be definitely useful in the production of goods desired by someone.

The Antithesis of Savings

Apply this elementary notion to the existing situation and it at once becomes clear that some of these "savings" listed by Professor Slichter—and a great many others who are constantly engaged in discussion of these and kindred subjects—are the very antithesis of savings. Substantial sums of money in the hands of corporations are there—as Professor Slichter in other writings has well pointed out—because depreciation "reserves" have not been expended in the normal way and because it has not been possible to maintain equipment as would normally be done. In short, these cash sums (which are neither goods nor means of producing goods) represent ability to produce goods which no longer exists. Similarly sums in the hands of individuals often take the place of house repairs, new automobiles and dozens of other things which the owner has not been able to obtain for his funds.

It seems to us that this miserable habit of asserting that we have accumulated large "savings" during a period when it is all but universally admitted that of everything but the sinews of war, we have been on balance producing less than we consumed is at the bottom of much misleading discussion

Recent Decisions of The U. S. Supreme Court

Renders Decision Against Associated Press and Issues Ruling Invalidating Bridges' Deportation Order.

The United States Supreme Court on June 18 rendered two important decisions, in one case ruling against the Associated Press, and in the other invalidating the deportation order against Harry Bridges, details of which follow:

In a 5-to-3 decision the United States Supreme Court on June 18 upheld a lower Court ruling that the membership by-laws of the Associated Press violate the provisions of the Sherman Anti-Trust Act. Associate Justice Roberts, dissenting, declared that the decision "threatens to be but a first step in the shackling of the press". The Supreme Court ruled that the Associated Press, in passing on applicants for membership must disregard possible competitive effects on existing members. The Associated Press advices from Washington June 18, from which we quote, noted that the ruling of the lower court, (the United States District Court for Southern New York) was in a Justice Department civil anti-trust suit against the cooperative news-gathering organization. The June 18 press accounts added:

"Both the AP and the Justice Department appealed the lower court's decision. The AP asked that it be set aside in entirety. The Justice Department sought to have it broadened. The 5-3 decision was on the AP appeal. The appeal of the Justice Department was rejected unanimously."

The Associated Press Washington advices further reported regarding the Supreme Court findings:

"The high tribunal held the case more than six months after completion of arguments Dec. 6, and the wide area of disagreement in the discussions of the justices was reflected in the fact that five separate opinions were filed. They were:

"1. The majority opinion, by Justice Black, holding that the lower court had correctly found "that the by-laws in and of themselves were contracts in restraint of commerce in that they contained provisions designed to stifle competition in the newspaper-publishing field." Associate Justices Reed, Douglas and Rutledge concurred. Associate Justice Frankfurter agreed with the conclusion but set forth a different line of reasoning.

"2. A sharp dissent by Justice Roberts, in which he accused the

of post-war problems and probabilities.

Similar fallacies are imbedded in the current use of the term "purchasing power." This term can scarcely have any significant meaning except command over goods. But how can the American people command more goods than are in existence or can be made available to them? In existing circumstances—since as Professor Slichter has pointed out we owe foreign peoples more than they owe us—this seems to mean what we ourselves can produce, unless we wish to go further into debt to foreign peoples. The production of the goods we want, of course, will produce "purchasing power" in amounts equal to its cost of production. Much current discussion seems to assume that post-war purchasing power is to be measured by accumulated "savings" plus the value of goods produced in the post-war era. The intricacies of money and banking technique—to say nothing of monetary chicanery—can lead to some strange conclusions!

one based on facts acknowledged by each side. In this case, the AP acknowledged that its by-laws read as the Government contended they did but disputed the Government's contention that they were, on their face, in restraint of trade. The Government sought the summary judgment procedure. It was opposed by the AP.

Justice Robert H. Jackson took no part in the high court's decision. He disqualified himself because he was Attorney General at the time the decision to proceed against the AP was made by the Justice Department.

The suit, naming the AP, its 18 directors and more than 1,200 member papers as defendants, was filed Aug. 28, 1942, in the Federal District Court in New York.

The three-judge court—Judges Learned Hand, Augustus N. Hand and Thomas W. Swan—handed down its decision Oct. 6, 1944. It split 2 to 1, with Judge Swan dissenting.

The decision held that The Associated Press membership had a right to pass upon the admission of applicants, but that the by-laws should be changed to prevent a member in the same field (morning, evening or Sunday) in the same city from presenting any bar.

With such changes, the decision held, there would be nothing unlawful in the agreement with Canadian Press, or the by-law requiring that members supply local news exclusively to the AP.

The court held specifically that the AP "does not monopolize" the news or access to the news.

The Supreme Court ruling sustained the finding in entirety.

Bridges Deportation Order Invalidated

A deportation order against Harry Bridges, West Coast CIO leader, was ruled invalid on June 18 by the United States Supreme Court in a 5-to-3 decision delivered by Justice Douglas. Justice Jackson took no part in the case. Chief Justice Stone wrote a dissent in which Justices Frankfurter and Roberts concurred. Reporting the conclusions of the High Court the Associated Press advices as given in the New York "Sun" said in part:

"The court's decision was the climax of a seven-year fight over governmental efforts to send the alien Bridges back to Australia, whence he came a quarter of a century ago.

Justice Douglas said for the majority that Bridges had been ordered deported "on a misconstruction of the term 'affiliation' as used in the statute and by reason of an unfair hearing on the question of his membership in the Communist party, his detention under the warrant is unlawful."

"Accordingly," Justice Douglas said, "it is unnecessary for us to consider the larger constitutional questions which have been advanced in the challenge to the legality of petitioner's (Bridges) detention under the deportation order." Douglas said that the legislative history of the deportation statute throws little light on the meaning of "affiliation."

[This reference was to Bridges' alleged "affiliation" with the Communist party.]

"It imports, however, less than membership, but more than sympathy," he said. "By the terms of the statute, it includes those who contribute money or anything of value to an organization which believes, advises, advocates, or teaches the overthrow of our Government by force or violence. That example throws light on the meaning of the term 'affiliation.'"

"Individuals, like nations, may co-operate in a common cause over a period of months or years, though their ultimate aims do not coincide. Alliances for limited objectives are well known.

"Certainly those who joined forces with Russia to defeat the Nazis may not be said to have made an alliance to spread the

majority in effect of disregarding "the general principle that nothing added to nothing will not add up to something," called the decision "government by injunction with a vengeance" and declared that the decision "threatens to be but a first step in the shackling of the press which will subvert" its constitutional freedom. Chief Justice Stone concurred.

"3. Justice Frankfurter's concurring opinion. He took a view which Justice Douglas described as the "public utility theory." In effect Justice Frankfurter's argument was that such a vital public interest attaches to dissemination of news that the anti-trust laws must be applied more strictly to the AP than to other types of cooperatives. As he phrased it, the case "calls into play considerations very different from comparable restraints in a cooperative enterprise having merely a commercial aspect."

"A free press is indispensable to the workings of our democratic society," he said. "The business of the press, and therefore the business of The Associated Press, is the promotion of truth regarding public matters by furnishing the basis for an understanding of them. Truth and understanding are not wares like peanuts or potatoes."

"4. A concurring opinion by Justice Douglas. He said: "As developed in the opinion of the court, the by-laws of The Associated Press were aimed at the competitors of The Associated Press members; their necessary effect was to hinder or impede competition with members of the combination." But he took issue with Justice Frankfurter, saying that the lower court found the AP was not a monopoly. Justice Douglas added: "Only if a monopoly were shown to exist would we be faced with the public utility theory, which has been much discussed in this case and adopted by Mr. Justice Frankfurter."

"5. A dissenting opinion by Justice Murphy. He said that he could accept the majority opinion if it were "made clear by the undisputed facts" that members of the AP through the organization's by-laws, were "engaged in a program to hamper or destroy competition." But, he declared, "there is a complete lack of any relevant proof justifying the conclusion that The Associated Press membership policy has prevented or hindered the birth of a competing newspaper, prevented or hindered the successful operation of one, or caused one to be discontinued."

"Justice Murphy said, too, that it was "the first time that the Sherman Act has been used as a vehicle for affirmative intervention by the government in the realm of dissemination of information." Saying there was danger in approving such a decree without insisting upon more proof he declared:

"If unsupported assumptions and conjectures as to the public interest and competition among newspapers are to warrant a relatively mild decree such as this one, they will also sustain unjust and more drastic measures. The blueprint will then have been drawn for use of the despot of tomorrow."

Justice Murphy wanted the case returned to the district court for an opportunity for the Government to present proof of its allegations.

The Washington Associated Press advices June 18 also said: "The lower court handed down a "summary judgment," that is,

cause of Communism. An individual who makes contributions to feed hungry men does not become 'affiliated' with the communist cause because those men are communists. A different result is not necessarily indicated if aid is given to or received from a proscribed organization in order to win a legitimate objective in a domestic controversy."

Chief Justice Stone, in his dissent, said that "when the authority to deport the alien turns on a determination of fact by the Attorney General, the courts are without authority to disturb his finding, if it has the support of evidence of any probative value." The Chief Justice said that he, Roberts and Frankfurter "are of the opinion that the finding of Bridges' membership in the Communist Party, standing alone supports the deportation order, and that the finding is supported by evidence. We deem it unnecessary to consider other contentions to which the court's opinion is principally directed."

Justice Murphy, in an opinion concurring with the majority, asserted that "the record in this case will stand forever as a monument to man's intolerance of man."

"Seldom, if ever, in the history of this nation has there been such a concentrated and relentless crusade to deport an individual because he dared to exercise the freedom that belongs to him as a human being and that is guaranteed by the Constitution," Murphy stated. He added that proof of Bridges' alleged membership and affiliation with the Communist Party "was shown by some of the most tenuous and unreliable evidence ever to be introduced in an administrative or legal proceeding."

Attorney-General Biddle ordered Bridges deported on the ground that the Longshoremen's Union executive had been a member of the Communist party. Biddle at that time said that the party advocated violent overthrow of the United States Government.

Bridges contended that Biddle's order violated rights guaranteed to an alien by the Constitution. He denied that he ever had been a member of the Communist party, or was affiliated with it.

The Department of Justice replied that the Federal Government had sovereign power through its legislative and executive arms "to rid itself of those deemed inimical to the national welfare." Biddle said that his order was based on an act of Congress which stipulates that the Attorney-General's findings in such cases are final.

The first attempt to oust Bridges was begun by the Government in 1938, but it failed when the Supreme Court ruled that past membership in the Communist party was not a ground for deporting an alien. Then Congress amended the law to make past membership in organizations advocating the violent overthrow of the Government a cause for deportation.

Biddle began the present proceedings in May, 1942, after the adoption of the amendment. Bridges attacked the deportation order in habeas corpus proceedings, but Biddle was upheld by the lower Federal courts.

Other Decisions

On June 11 the following rulings were handed down by the highest judiciary body, the Associated Press reported:

In a controversy involving the Federal Government, Nebraska, Wyoming and Colorado over allocation of waters of the North Platte River, the court upheld virtually in its entirety a special master's recommendations for allocation.

A major recommendation of the master, which the court said would be embodied in a decree, would divide the natural flow of the North Platte between Whalen,

Wyo., and the Tri-State Bend in Nebraska on a basis of 75% to Nebraska and 25% to Wyoming. In another case, the court held valid Oklahoma's tax of 4% a year on premiums collected in the state by out-of-state insurance companies.

Justice William O. Douglas delivered the court's 8-1 decision. Justice Owen J. Roberts dissented.

The Lincoln National Life Insurance Company, an Indiana concern, contended the tax was discriminatory because no comparable levy was made against Oklahoma insurance firms.

Justice Douglas said the controlling fact in the case was that the tax was levied on the privilege of a company entering the state and engaging in business there.

The majority opinion said it had been held both before and after adoption of the equal protection clause of the Fourteenth Amendment that a state may impose on a foreign corporation for the privilege of doing business within its borders more onerous conditions than it imposes on domestic companies.

Another case involved maintenance and service employees of 10 East 40th Street Building, Inc., of New York City, who claimed overtime wages under the Wages and Hours Law. The Supreme Court held that the employees were not entitled to such overtime wages.

Justice Frankfurter wrote the tribunal's 5-to-4 decision. The dissent was by Justice Murphy in which he was joined by Justices Black, Reed and Rutledge.

The Second Federal Circuit Court had found that the employees were within the coverage of the law because most of the building's tenants were engaged in the production of goods for interstate commerce. The board ruled that the part of the building occupied by firms so engaged was 48% of the rented area.

The corporation contended the court had erred in holding that administrative and selling activities conducted by mining and manufacturing company tenants and various sales agencies constituted "production of goods for interstate commerce."

Justice Frankfurter in the opinion handed down today held that the employees of the building were engaged in local work, beyond the reach of the Wages and Hours Law.

"Renting office space in a building exclusively set aside for an unrestricted variety of office work spontaneously satisfies the common understanding of what is local business," Justice Frankfurter said, "and makes the employes of such a building engaged in local business. * * * Running an office building as an entirely independent enterprise is too many steps removed from the physical process of the production of goods."

Justice Murphy in his dissent maintained that about 32.5% of the rentable area is devoted to production. This percentage, he said, is such as to remove any doubt that the maintenance employes devote a large part of their time to activities necessary to the production of goods for interstate commerce. Therefore, he contended, the employes were covered by the act.

In another similar opinion today, the high court decided that service employes of the Borden Company's office building at 350 Madison Avenue, also New York City, were entitled to overtime pay under the Wages and Hours Law.

Justice Murphy wrote the court's 7-to-2 decision. Chief Justice Stone wrote a dissent in which he was joined by Justice Roberts.

The Second Federal Circuit Court had ruled that the employes, 22 men working as porters, elevator operators and watch-

men, took part in the production of goods for interstate commerce and therefore were entitled to benefits of the law.

Borden responded that while it was engaged in the manufacture and distribution of milk products in various states, such activities were not carried on in the office building. Officers and subordinate office employes occupy the building, the company said, and they supervise and control the work in plants at other places.

The service employes, on the other hand, maintained that physical contact with the company's raw materials or finished products was not necessary to place them in the category of workers in interstate commerce.

Chief Justice Stone in dissenting to the majority finding said that the services in this case "would seem to be no more related, and no more necessary to processes of production, than the services of the cook who prepares the meals of the president of the company or the chauffeur who drives him to his office. All are too remote from the physical process of production to be said to be, in any practical sense, a part of or necessary to it."

The court upheld the Illinois Supreme Court in refusing to admit a conscientious objector to the practice of law in that state.

Justice Reed delivered the 5-4 decision. Justice Black wrote a dissent, joined by Justices Douglas, Murphy and Rutledge.

Clyde Wilson Summers told the court that the committee on character and fitness of the Third Appellate District of Illinois refused to certify him as eligible for admission to the bar on the sole ground that he was a conscientious objector to participation in war. The State Supreme Court affirmed the action.

Summers was classified as an objector by his draft board, but was not assigned to a camp for conscientious objectors because he failed in the physical examination.

Justice Reed said for the majority:

"The United States does not admit to citizenship the alien who refuses to pledge military service. It is impossible for us to conclude that the insistence of Illinois that an officer who is charged with the administration of justice must take an oath to support the Constitution of Illinois and Illinois' interpretation of that oath to require a willingness to perform military service, violates the principles of religious freedom which the Fourteenth Amendment (to the Federal Constitution) secures against state action, when a like interpretation of a similar oath as to the Federal Constitution bars an alien from national citizenship."

Justice Black said that the fact that Summers measures up to every other requirement for admission to the bar set by Illinois "demonstrates beyond doubt that the only reason for his rejection was his religious beliefs."

Summers' disqualifying religious beliefs, he added, "stem chiefly from a study of the New Testament and a literal acceptance of the teachings of Christ as he understands them."

"It may be, as many people think," Justice Black proceeded "that Christ's Gospel of love and submission is not suited to a world in which men still fight and kill one another. But I am not ready to say that a mere profession of belief in that Gospel is a sufficient reason to keep otherwise well qualified men out of the legal profession, or to drive law-abiding lawyers of that belief out of the profession, which would be the next logical development."

McNutt Acts to Assure Manpower Controls In Heading Off Unemployment During Reconversion

Authority to act in regard to manpower controls in such a way as to assure the speediest possible action in manning war plants as well as in heading off unemployment during the reconversion period was extended on June 9 to local, or area officials, of the War Manpower Commission, Paul V. McNutt, Chairman, announced. The new procedure, which implements the VE-Day program announced on May 12 was adopted, Mr. McNutt explained, on recommendations of regional and national Management - Labor Committees and regional WMC directors who met jointly in Washington earlier in June to review manpower developments since the European war ended. The new procedure, Mr. McNutt said, does not change existing fundamental WMC policy. Nor does it, he added, in any manner abrogate existing appeals privileges by any interested party under which any decision by any field official of the Commission may ultimately come to the Chairman for final action. Mr. McNutt also said in part:

"In areas where requirements for war production remain although cutbacks and contract run-outs have occurred, this extension of authority to local officials will not permit relaxation of manpower controls in any manner where such relaxation would adversely affect war production. "What the new procedure does, is to permit area WMC officials, in consultation with Area Management-Labor Committees, to move to retain, modify, or reapply any or all manpower controls in an area or plant as labor conditions warrant. Before such action can be put into effect, however, it must have the approval of the regional director who will be guided in his decision by national standards. Thus, local, or Area Management-Labor Committees are assured full participation with area directors in decisions that have to be made in modifying the manpower program in accordance with changing labor market conditions in the specific area. "We recognize the serious consequences involved in burdening workers and employers with a large volume of red tape in areas where the continuation of manpower controls will no longer contribute anything to the war effort and will militate against a prompt and orderly reconversion. At the same time it must be borne in mind that it is easier to relax controls than to reestablish them.

For that reason, in case of doubt the regional manpower director will consult immediately with his Management - Labor Committee. At the same time, he will notify the national office of the WMC which will advise other agencies of the action recommended by the area manpower director. Sufficient notice will be provided before the effective date of any action to give the chairman of the WMC ample opportunity for consulting with interested procurement and war agencies, and for reviewing the proposed relaxation of controls.

"The new procedure extends the principle of 'democracy in action' which has characterized WMC operations throughout its existence. The organization revolves around the local offices of the United States Employment Service. Less than one out of 20 of the commission's employes are in Washington."

"There still remains a job to be done. There will continue to be worker shortages in war industries while at the same time cutbacks and contract run-outs in some areas will create some unemployment.

"The important thing we must constantly keep in mind is that the need for workers possessed of specific skills will continue to be acute until the last gun is fired on the ramparts of Toyko. Right now the critical need is for repair workers in shipyards. Next week or the week after it may be in pattern makers or foundry workers, transportation, food processing, textile and other industries where the need for workers will be critical for many months ahead. But we will do the job, through the local offices of the United States Employment Service and with the continued cooperation of the management-labor committees."

In our issue of June 14, page 2639, reference was made to the Continuation of Manpower Controls in New York.

U. S. 1944 Exports Show Huge Increase

With the lifting by the Commerce Department of wartime secrecy on information of the exports and imports of the United States port areas, it was disclosed that exports in 1944 rose to \$14,200,000,000, compared with \$3,100,000,000 in 1938, an Associated Press report from Washington stated on May 29, adding that Atlantic Coast ports absorbed the major part of the increase.

U. S. imports in the same period increased from \$1,900,000,000 to \$3,900,000,000, of which a large share resulted from shipments across the Canadian border.

In 1938, Atlantic Coast ports handled 49% of total U. S. exports in terms of dollar value. In 1944, they handled 63%. Gulf ports meantime declined relatively in importance from 2% to 9% in dollar value. Pacific ports increased from 13% in 1938 to 16% in 1943 and then slipped back to 11% in 1944.

The export figures include both commercial and lend-lease shipments, but not shipments to U. S. armed forces.

In terms of physical volume of export trade, Atlantic ports handled only 37% of the total. Gulf ports handled 8%, Pacific ports 7%, and the remaining exports left the country by rail, truck, and other means.

During the 1938-1944 period, the proportion of the dollar value of imports handled by Atlantic Coast ports declined from 70% to 50%. Imports through Pacific ports decreased from 8 to 7%. Imports through Gulf ports increased from 8 to 12%. Imports through customs district on the

Canadian border increased from 12 to 26% of the total.

In the record breaking year of 1944, the Customs District of New York accounted for \$5,618,000,000, or 40% of the total export trade.

The department's report on exports and imports through customs districts and principal ports for 1938 and 1944, included:

Maine (Portland and New Hampshire)—Exports, \$11,000,000 in 1938 and \$108,000,000 in 1944; imports, \$17,000,000 in 1938 and \$41,000,000 in 1944. Massachusetts (Boston)—\$20,000,000 and \$56,000,000; \$108,000,000 and \$147,000,000. Rhode Island (Providence)—\$1,000,000 and \$1,000,000; \$3,000,000 and \$14,000,000.

Reduction of Air Mail Rates to Canton Island

Postmaster Albert Goldman, announced on June 11 that the air mail rates to Canton Island and Guam have been reduced and they now are as follows: Canton Island .25¢ per 1/2 ounce Guam .35¢ per 1/2 ounce

Compulsory Military Training Hearings Continue

The House Post-War Military Policy Committee, which has been studying proposals for a peacetime military draft, continued to hear opposing views expressed by the nation's leaders. On June 13, according to the Associated Press from Washington, expressions of vigorous disapproval were voiced by labor unions' spokesmen. Representatives of the American Federation of Labor, the Congress of Industrial Organizations and the United Automobile Workers, CIO affiliate, united in urging improved health and educational facilities instead of universal military training.

The AFL's views were presented by Lewis G. Hines, national legislative representative; the CIO's by Nathan E. Cowan, Chairman of the legislative committee, and the UAW's by Loren Gray, Detroit, of the UAW-CIO veterans' department.

"We want the fighters and the workers to decide their children's future," Mr. Cowan said, "not the armchair strategists far removed from the tragedies of battle and the inconveniences of mushroom cities."

Mr. Hines advocated "a comprehensive program of improved education and health service" as a substitute for peace-time draft legislation.

Mr. Gray replaced R. J. Thomas, who had been scheduled to present the UAW's case. He urged that Congress defer action "at least until the present war is over and until we have had an opportunity to try to build a lasting peace through international friendship and cooperation."

Other groups that opposed compulsory training in the final day of hearings set aside for the opposition before proponents are heard on the subject included YWCA, the National Grange, the War Resisters League, the Farmers Union, the Women's International League for Peace and Freedom, and the American Education Fellowship.

On the other hand, high military and naval leaders urge early passage of a measure calling for universal military training in peace-time. General Dwight D. Eisenhower, in a letter to Representative Woodrum (R.-Va.), Chairman of the House committee conducting the study, advised the committee, according to Associated Press advices from Washington, June 15, that "Fairness to the country and to the individual's chances of survival in war" demand peace-time training.

"In spite of all technical advances," General Eisenhower wrote, "numbers (great strength in all arms, land, sea and air) are vitally important in war and America's approved military system must aim as the rapid development, after the beginning of any serious war, of the country's maximum potentialities in leadership, manpower, equipment, technique and industrial capacity." In time of peace, he said, individuals subject to war service should have received "a thorough grounding in technique, discipline and understanding of the citizen's obligations in time of emergency."

In a serious war, he continued, "the quicker the maximum potential can be converted into tactical power, the surer the victory and the less the cost. The contrasting character of the performance of only partially trained troops on early battlefields of Tunisia and that of thoroughly trained ones on their first entry into the battlefields of Italy and France," General Eisenhower said, "affords ample proof of the value of effective training prior to entry into battle."

Secretary of War Stimson added his urging of enactment of the legislation now instead of after the war. In a statement prepared for his appearance before the House committee Mr. Stimson advanced these arguments for prompt enactment, according to the Associated Press:

1. The United States should be in a state of military readiness

to implement by force its part in preventing future aggressions and preserving world peace.

2. The existing military institution, with its vast equipment and facilities, is now a going concern. To disband it and then later reestablish it for universal training would involve the country in a cost comparable with that incurred in preparing for this war.

3. "I tell you that we owe it to the next generation and those who will follow them that we shall this time make our decision while the lesson of experience is fresh upon us."

He said that the United States should retain its capacity to discharge its obligations under the world peace organizations now being formed.

"The ideals which inspired the world plan now being framed in San Francisco," he asserted, "must be supported and made to work by methods of known efficacy—by the use of force in the last analysis if necessary to prevent deprivations of an aggressor."

"I speak from personal experience. From my service as Secretary of State during a period of national isolationism and irresponsibility for world affairs, I realize only too well the futility of what the Chinese call spears of straws and swords of ice when the first steps of a new war are seen approaching. In this disordered world, for decades to come, the success of a program for peace will depend upon the maintenance of sufficient strength by those who are responsible for that peace."

Daniel A. Poling of Philadelphia, editor of the "Christian Herald," called today for enactment of compulsory peace-time military training.

"No plan now proposed within religious groups offers so large a hope for strengthening of America in her moral and spiritual life," Mr. Poling said in a statement prepared for the committee.

On June 16 General of the Army George C. Marshall, Chief of Staff, and Fleet Admiral Ernest J. King added their voices to the appeal for a peace-time military training program. A special dispatch to the New York "Times" on that date gives the following as the prepared statement presented to the House committee by General Marshall:

"The problem of the maintenance of the future peace of the world directly involves the problem of the post-war military policy of the United States. The decision regarding the military policy of the United States is directly related to the democratic processes of the Government, really meaning the reactions of the people to the services the individual citizen might be required to render the Government.

"Another factor is heavily, though indirectly, involved, and that is consideration of the taxes to be imposed on the citizen for the maintenance of the military policy, to which must be added the very positive reaction of the citizen regarding the taxes to which he must submit to meet the huge existing war debt. Any fixed legal demand on the citizen for services to the community, the State or the Federal Government is quite naturally questioned by the majority and is usually bitterly opposed by at least an articulate minority.

"The question of universal military training involves all of the foregoing factors, and the great difficulty, as I see it, in reaching a correct decision will be to avoid details and to get clearly

focused in our minds what are the real necessities of the situation and what will be the best method for meeting them, having in mind our traditions, our national characteristics and the military experience of this Government during its short life of 156 years among the nations of the world.

"I think it would be best for me to state in the briefest possible form my own personal conclusions in the matter, which are as follows:

"A decision regarding the general military policy of this Government is a matter of urgent necessity at this time.

"A large standing army is not an acceptable solution for three reasons: Its cost would be prohibitive, the necessary men to fill its ranks could not be hired in time of peace, and it would be repugnant to the American people. Therefore some other solution must be found.

"To support our determination to maintain the peace, the world must recognize our military power as realistic and not as a remote potential.

"Whatever military system we plan we must have a thorough understanding of the practicability of obtaining the annual appropriations necessary.

"I know of no system other than universal military training that will meet the requirements I have just outlined, together with an effective program for industrial mobilization and continuous scientific research.

"Until the settlement of the terms of the peace it will be impossible to determine the strength of the post-war military forces to be maintained on an active status. We shall not know until then just what our military obligations or requirements are to be. But it is clear to me that whatever the terms of peace, the fundamental basis of our defense must be universal military training. No other practical solution has been offered.

"The acceptance at the present time of a general policy recognizing the necessity for universal military training would, in my opinion, have a far-reaching effect in obtaining a satisfactory international agreement for the terms of peace. It would certainly be in keeping with the tragic lessons of our history. It would be a supremely democratic procedure, and would not involve the individual in military service except by further Act of Congress and approval of the President. It would be far more economical than any other method for maintaining military power. If we are to have an effective and economical transition from our vast war establishment to our peace establishment, we must now decide on the fundamental basis on which we are to proceed.

"While I have not been able to read the testimony that has been given before this committee and have obtained my information largely from the press and by hearsay, it appears to me that those who object to compulsory military training have offered no practical solution for obtaining what is in all our minds today, and that is some guarantee for the future peace of the world.

"Whether or not Army training methods would have an unfortunate influence on the individual can be determined, I think, from the experience of this war. I assert that we have produced a democratic Army, one composed of self-respecting soldiers whose spirit has not been crushed and who have shown splendid evidences of high morale.

"I submit that the Army has demonstrated that it can efficiently and expeditiously instruct men and that it does this without detriment to the mind and character of the individual, rather the contrary. I firmly believe that universal military training would be a stimulant to

365 Anthracite and Only 13 Bituminous Mines Held by Gov't

Solid Fuels Administrator for War Harold L. Ickes on June 14 returned to their private owners 260 bituminous coal mines that had been taken over by the Government when they were strike-bound by wage disputes.

The mines are located in Pennsylvania, Ohio, Tennessee, Virginia, Kentucky, West Virginia, Illinois, Indiana and Alabama. All but two were taken over in April and May of this year. The returned mines are now back at work under the new National Bituminous Wage Agreement, leaving only 13 bituminous mines in Government possession.

In signing the turnback order, Administrator Ickes strongly condemned war-time coal mine strikes as "indefensible," especially when machinery exists for their peaceful settlement.

"Strikes in bituminous coal mines during April and May cost the nation an estimated 6,000,000 tons of sorely needed production," Administrator Ickes said.

Two of the mines turned back on June 14—properties of the Jewell Ridge Coal Corp. at Tazewell, Va.—were taken over on Nov. 1, 1943. They were continued in Government possession after the other soft coal mines were returned a year ago to their owners because the company and the United Mine Workers of America did not enter into the national bituminous wage agreement, which expired March 30, 1945, pending the outcome of litigation over portal-to-portal pay. Recently the Supreme Court ruled in a case involving the Jewell Ridge properties that travel time is work time and the company now has signed the new 1945 wage agreement.

Most of the 13 bituminous mines that remain in the Government's possession are not working. Three of the mines, which are working, however, are properties of the Carter Coal Co. at Coalwood and Caretta, W. Va. The company is not a party to the National Bituminous Coal Wage Agreement of April 11, which has been signed by the remainder of the soft coal producers, although wage adjustments similar to those in that agreement are now in effect at the mines. Administrator Ickes said on June 14 that he sees no justification for the failure of the owner of these mines to enter into the contract found acceptable by the great majority of other operators in the bituminous industry. Only Government possession averts idleness at these mines, and yet the owner feels justified in assuming in war-time an attitude quite contrary to that of most of his fellow operators and inimical to war production, he said.

The Government also has in its possession two mines producing Virginia anthracite and the properties of 363 Pennsylvania anthracite producing companies.

Herzog NLRB Chairman

The appointment by President Truman of Paul M. Herzog as Chairman of the National Labor Relations Board was announced on June 7. Mr. Herzog, a former member of the New York State Relations Board, will succeed in his new post; H. A. Hillis, who it is stated, is resigning on account of ill health.

education rather than a deterrent. It would be a perfect demonstration of democracy, with rich and poor alike, side by side, rendering a common service."

(The "Chronicle's" earlier account of the hearings on a proposed peace-time military training program appeared in the June 14 issue, page 2641.)

Peak Production Year Is Poorest of Wartime Era for Steel Profits

Steel companies earned less money in 1944, greatest steel production year on record, than they did in any preceding war year, and far less than they earned in a good peacetime year like 1937, announced the American Iron and Steel Institute on June 16. Stockholders received in dividends only about 80% as much as they got in 1937, and only about half as much as in 1929. The Institute's statement added:

"Last year, companies accounting for nearly 90% of total shipments of finished steel products, had a combined net income of \$178,250,550 after meeting all charges but before paying dividends. That was a decline of about 5% from the total of \$188,591,832 earned by the same companies in 1943. Both figures include earnings from certain non-steelmaking activities, such as mining, transportation, shipbuilding and other activities.

"In 1937, when steel output was 37% less than in 1944, earnings of a similar group of companies were almost 30% higher, amounting to about \$230,000,000.

"The companies earned last year about 4.7% on investment, lowest of any war year and considerably below 1937. In 1941 earnings were highest for the war period, 8.1% on investment, which compared with 6.2% in 1937. In 1942, the return was 5.6% while for 1943 it was 5.1%.

"A total of \$118,953,000 in cash dividends was paid last year to the nearly half a million owners of the companies, about \$23,000,000, or 16% less than in 1943. In 1937, dividends exceeded \$151,000,000.

"Dividends paid to stockholders last year represented 4½ cents for every dollar paid to employees. In 1943 stockholders received 5½ cents in dividends per dollar of payrolls disbursed, and in 1937 they got 13½ cents per dollar of payrolls.

"A total of \$6,613,461,000 in gross income was received by the steel companies in 1944, including income from non-steelmaking activities. That represented a decline of about \$33,000,000 from 1943 income.

"Payrolls (including those disbursed for non-steelmaking operations) increased by \$58,000,000 and the cost of materials and other expenses rose \$17,000,000. Payrolls amounted to \$2,640,954,000 in 1944. A decline of \$3,000,000 in depreciation and depletion charges was more than offset by a \$19,000,000 rise in amortization of emergency facilities built during the war.

"Taxes were lower in 1944 than in 1943 chiefly because of reduced income and profits. For 1944, the total tax bill of the companies was \$464,997,000 including social security taxes, a decline of \$110,000,000 from the 1943 total."

House Group Seeks U. S. Amity With Russia

Through one of their spokesmen, Representative John M. Coffee (D.-Wash.) a group of Congressmen has made public plans for an informal campaign to cement ties between this country and the Soviet Union, according to an Associated Press report from Washington, on June 2. Mr. Coffee outlined the following as their objective:

"To keep a close exchange of ideas and to bring pressure to bear to avoid friction with the Soviet Union."

Spearheading the group are Mr. Coffee and Representatives Hugh Delacy, Democrat, of Washington, Cleveland M. Bailey, Democrat, of West Virginia and Eli E. Patterson, Democrat, of California.

U. S. As a Mediator for Peace

(Continued from first page)

of such organizations as Rotary—the schools—the Press—the radio—and the church is to hold aloft the art of objective thinking. Without objective thinking, as I have described it, we have nothing left but the naked brute power of feudalism or the chaos of the Dark Ages.

It is to be expected that objective reporting—showing all sides of the story—is inevitably almost destroyed as a result of the war. Modern war is the complete and total mobilization of all the efforts of all the people of a country. The Press becomes an arm of the government and has quite properly performed vital services in the war effort. But the Press itself admits that it is prevented from full and accurate reporting of important events and policies. It has the will but not the power to do the job so long as the war lasts.

Today we stand in need of a constant reexamination of our ideas in the light of swift moving events and the enormous problems that confront us. Today, more than ever, those qualities of objective thinking call for cautious, balanced judgment and keen examination of the facts.

A "Hallelujah" Policy

Many in the United States are pursuing a "hallelujah" policy with regard to Dumbarton Oaks and San Francisco. The very government agencies that ballyhooed their accomplishments a few short months ago are now attempting to warn the American people of expecting too much from the Conference at San Francisco. What are the more important facts of foreign affairs in the world we live in?

First, a large part of the world hates and is suspicious of the British.

Second, a large part of the world fears Russia. I do not mean communism, but I mean an imperialistic, militaristic Russia—Adam Zad, the bear that walks like a man.

Third, Russia fears the rest of the world.

Fourth, whatever their doubts about us, a large part of the world wants American investment and American business connections for political reasons as well as economic. They believe that American connections give them more security for themselves.

Fifth, Europe which for many centuries was the center of the world, is today the center of complete confusion, because of our military victories and the lack of agreed peace policies among the Allies. Russia seems to be setting up by ruthless force puppet States in this vacuum that was once Europe.

Britain is fighting for her Empire's life-line through the Mediterranean—France is desperately trying to rebuild the Empire that was hers. And we are still listening to the birdies sing as we have done from Moscow to San Francisco—under the assumption that there is accord on post-war policies among the Allies.

These are the plain facts of a situation that confronts us now and will confront us for many years and it is the height of foolishness for us to continue to ignore it.

The job of statesmanship—and all the agencies of public opinion—is to build a bridge of cooperation for peace between a ruthless totalitarian dictatorship and other nations whom the Russians consider equally ruthless.

That is almost a superhuman job with America occupying a place of special responsibility. We are not fulfilling it by our emotional approach to the problem either of world peace or of Russia.

The illusion current among many people that all we have to do is to follow the course charted from Moscow to Yalta is a dan-

gerous fallacy that contributes to the difficulties of a satisfactory solution. Russophiles or Russophobes also contribute to the difficulty of the two people understanding each other.

Difficulties of Cooperation With Russia

Basically we have been trying to work with Russia, not only in war but for lasting peace. But Russia is making it exceedingly difficult and there are those in the United States who are not making it easier by their loose talk that we must eventually fight Russia. There are still others who are not helping the situation by insisting that all Russian policies are perfect, and that all criticisms are Fascist lies. I must say that I am impressed with the good will and liking the returning American soldier has for the Russians he has met. Perhaps that may have a decisive influence on the future relations of the United States and Russia.

A Meeting of Minds Essential

There must be a meeting of the minds when we hold our international conferences. As I have been saying, ever since the Moscow conference, we have had one hallelujah interpretation for the American people which Russia has often and promptly contradicted either by word or deed. This is not the time nor the place to discuss whose fault that is. But at least the Russians have been frank in not permitting us to continue under our delusions. It is our fault that we have. I do say that the Polyanna fiction of agreement planted in the American press from Moscow to Yalta, has added to the difficulties of the two nations. The longer that situation continues, the greater the threat of disastrous consequences to both countries and to the world.

Again and again, I have protested the policy of dodging and covering up the lack of a community of purpose as very dangerous. I repeat that explosions can be generated by smothering as well as by friction.

Whether the fault is ours—or the Russians—or both, our first problem is to establish the right kind of relations with Russia.

A just and lasting peace is the profound desire of the people of the United States. The mere contemplation of the deadly meaning of another world war is enough to call forth the highest statesmanship on our part to prevent another cycle of world wide destruction which will destroy liberty and civilization and bring on a new dark age.

A fundamental of that statesmanship on our part is that the United States must be an honest broker for peace among the nations. Today we stand one of three nations holding the real power of the world—the United States, Russia, and Great Britain. If we in the United States make plain that we are not and will not be a party by action or inaction to any scheme or intrigue to gang up on Russia, or Great Britain, or China, or any other nation, then we have laid the cornerstone for lasting peace.

If we stand firmly upon the principle that the inalienable rights to life, liberty and pursuit of happiness apply to nations as well as individuals, then it will be extremely difficult for any nation to remain immovably bull-headed in opposing progress toward the realization of that principle.

We must never forget that the peace of the world in the last analysis depends upon the recognition of those inalienable rights.

By force of circumstances the world looks to us as the natural mediator among the powers today. Even the official Russian

newspaper Izvestia last Tuesday views with regret that our policy of mediation is changing to a policy of drifting. Whether or not we agree with that interpretation, our vital role among the powers as mediator is acknowledged.

No International Alliances

Our role is the promotion of international cooperation, rather than the development of old-fashioned international alliances which, after all, usually turn out to be shotgun marriages. Thus we carry out the real meaning of General Washington's famous message about entangling alliances. We must make it plain that we will not join any power bloc but will use our balance of power for peace and stability in the world and are willing to assume the responsibilities that go with that. I am speaking for triple cooperation rather than a mere formal British-American or Britain-American-Russian alliance which inevitably gives rise to opposing blocs in the course of time and changing conditions.

As we go about this business of the honest broker for peace among the nations, we may find it too costly to continue our national habit of day-dreaming and talking in headlines. It has been well said that we in the United States talk too much and our Russian allies don't talk enough. Our British cousins, who have had more experience in these matters than we have, are neither maudlin about their role in international affairs, nor tongue-tied. They set us a good example in considered and careful discussion. They require and get factual reports from their Prime Minister.

To President Truman comes the great opportunity and the heavy responsibility of effecting policies that will offer a sound base for peace, and at the same time continue a united front against Japan. It calls for a tremendous effort of statesmanship.

The prayers and the hopes of humanity go with him in his great work. But he is entitled to more than good wishes. He is entitled to the support of his constituents in certain fundamental decisions he must make that have the gravest consequences for the future of the people of the United States and the world.

We Americans have the custom of closing ranks in great national emergencies.

Support the President

I believe that today the American people are facing as great an emergency in winning the peace as we have ever faced in our national history. It is time we unite behind our President, as he faces his crucial negotiations with Stalin and Churchill. He will need our united support in his endeavor to develop the beginning at Dumbarton Oaks and San Francisco into a world forum where nations large and small may be heard without fear or hindrance. This would be a great step forward for mankind. But it will never come out of mere wishful thinking or drifting on a sea of misunderstanding.

The nations today are in a state of great change in life and power.

Our leadership in this inevitable world evolution should be directed toward paths of development without world violence and with consent of the governed.

We cannot merely attempt with fine words to sit on the lid of the explosive forces now working in the world as did the Holy Alliance of Vienna.

Our leadership depends upon the vigor and soundness and unity with which we exercise it. The world is watching not only what our President does, but how we support his foreign policies.

Truman to Rush San Francisco Charter to Senate

The White House reveals that it is the intention of President Truman to fly back from San Francisco with the projected international peace organization charter and submit it immediately to the Senate for ratification, according to Associated Press advices from Washington, June 14.

Charles G. Ross, White House press secretary, also told reporters that although the time for the President's scheduled speech to the closing session of the United Nations conference necessarily depends on the progress of the delegates, his plans for making a side trip to Olympia, Wash., remain unchanged. The trip will be made either before or after San Francisco.

Mr. Truman also expects to fly to Independence, Mo., his hometown, and Kansas City for homecoming ceremonies, on June 27-28.

Whether the Jackson County (Mo.) trip will be dovetailed into the San Francisco trip, or be a separate one, depends on the date of the closing of the San Francisco conference. Ross told a news conference. "It may be that they will be worked in together, or that the President will return from the West Coast and then go to Missouri."

Questioned about reports that the President was insisting upon senatorial ratification of the peace charter by July 15, Ross said that he was certain the President had made no demand upon anybody.

"I think you can say congressional leaders have indicated to him a desire to get ratification as soon as possible," Ross asserted. "That, of course, is quite agreeable to the President. I think you can say that there is a meeting of minds on this."

The President, Ross asserted, is going to submit the charter to the Senate "very soon after its signing at San Francisco." Ross added that Mr. Truman still plans to address the Governors' Conference at Mackinac Island, Mich., unless unforeseen developments prevent his doing so. He would go up on July 3 and come back the next day.

Meanwhile, Ross said, the White House has received no word that Gen. Charles de Gaulle, head of the French Provincial Government, is going to see him with reference to the French dispute with the Levantine States.

"If and when he comes," Ross asserted, "the President will be pleased to welcome him."

The President wants to take with him to an early Big Three meeting the Senate's signed and sealed approval of the San Francisco conference.

This presidential hope was revealed today by Senator George (D., Ga.), who said it undoubtedly was the primary factor in Mr. Truman's request for speedy ratification of the projected peace-keeping charter.

George, ranking member of the Foreign Relations Committee, added, however, that he isn't too optimistic that approval can be obtained by the administration's July 15 goal.

As to prospects for early ratification of the San Francisco treaty, George told reporters he believes there will be demands for more than perfunctory hearings by the Foreign Relations committee.

George, acting Chairman of the Committee while Senator Connally (D., Tex.), is attending the San Francisco conference, said the hearings will start as soon as the treaty is received. He added that he expects some drawn-out arguments.

Lawrence OPA Adviser

The Office of Price Administration has announced the appointment of Lieutenant Colonel Paul S. Lawrence, retired Army officer, as veterans' relations adviser, to direct, from Washington, the agency's nation-wide program of assistance to returning service men, the Associated Press reported from Washington, June 3.

Senate Votes to Extend Price Control

Extension for one year of the price control act won Senate approval, but with a last minute amendment which Administration leaders claimed had been slipped through almost without their awareness and which they denounced as "unworkable" and "inflationary", the United Press reported from Washington, June 11. The disputed amendment, offered by Senators Wherry (R.-Neb.) and Shipstead (R.-Minn.), would outlaw any price ceiling which fails to give farms a "reasonable profit" on any agricultural commodity.

The effect would be establishment of a double standard for figuring agricultural prices—the parity formula, and the new cost-plus system. The amendment was approved 37 to 29.

Democratic leader Alben Barkley of Kentucky, stating that the proposal had seemed "so ridiculous nobody thought it was worthwhile to debate it," added that the only hope now was that the provision be eliminated in the House or in conference between the two chambers. He warned, according to the United Press report, that the measure, in its present form, would be "far more inflationary" than any of the restrictions previously suggested by opponents and would "create chaos in the administration of price ceilings."

Senator Barkley succeeded in heading off one restrictive amendment by Sen. Thomas (Dem., Okla.), which would have allowed processors of all agricultural commodities a reasonable profit.

He offered a substitute which restricted the provision to processors of three categories of meat—beef, lamb and pork. It was approved, 36-31, and the Thomas amendment was killed automatically.

The Senate then rejected, 41 to 26, a proposal by Sen. Taft (Rep. Ohio), which would have required a profit margin for non-agricultural products based on 1939 levels.

It was then that Wherry and Shipstead slipped in their amendment. Before administration forces realized what had happened, the amendment was approved and the extension act was sped to the House for voice vote.

Senator Taft voted against it contending that it would eliminate parity as an element in determining price ceilings.

Credit Group Formed In Frederick, Md.

The formation of a credit group by banks in Frederick County to pool loans up to \$1,500,000 to small business was announced on June 7 by Matthias F. Reese, Secretary of the Maryland Bankers Association it is learned from the Baltimore "Sun" which reports that William H. B. Anders, executive Vice-President of the Citizens National Bank of Frederick, Md., is Chairman of the credit group. George W. Grubb, Cashier of the Peoples National Bank of Brunswick, is Vice-Chairman, and F. Ross Myers, Cashier of the Fredericktown Savings Institution, is Secretary. It is further stated that another credit group is being formed by banks in Carroll County, contemplating a similar loan pool of around \$1,000,000. Baltimore banks several months ago formed a credit group to pool loans up to \$8,500,000.

U. S. Chamber of Commerce Views Regarding Bretton Woods Project

(Continued from first page)

the Bank with regard to the stabilization of exchanges. This program, in the judgment of the committee, offers a constructive approach to the highly praiseworthy objectives of the Bretton Woods Conference.

Chamber Policies

The Chamber of Commerce of the United States is definitely committed to furtherance of international collaboration in both political and economic spheres. It stands strongly for measures which will stimulate world trade with a view to a higher level of world prosperity conducive to lasting peace. The chamber recognizes that stability of currencies, and full confidence in currencies is necessary for an adequate revival of international trade.

The commitments of the Chamber justify and require a most sympathetic attitude toward proposals for international collaboration to promote stabilization of currencies and to facilitate the extension on a sound basis of credits for reconstruction and development.

We feel that the broad objectives of the Bretton Woods Conference are consistent with the declared policies of the Chamber and we are desirous of cooperation to the fullest in such a program as will assure their attainment.

While giving complete support to the proposed International Bank for Reconstruction and Development, we believe that questions properly may be raised as to methods contemplated under the proposed International Monetary Fund. It is our considered opinion that there is good reason for doubt that the objectives would, or could, be attained through this mechanism unless additional safeguards are provided.

Approval of Bank

Our committee has confidence in the proposed Bank. We join in according a considerable measure of credit to Edward E. Brown for the safeguards which were written into the Articles of Agreement of the Bank at Bretton Woods. The perfected Bank plan is vastly superior to the preliminary draft.

If the American delegation had included more representation from men with practical experience in the field of foreign exchange on a par with Mr. Brown's experience in domestic banking, more safeguards probably would have been added to the plan for a Monetary Fund.

Until foreign capital, which took flight to the United States and took the form of dollar bank balances, has faith in the foreign currencies from which it fled to take refuge in our dollars, and action on this reversed faith sells dollars and buys foreign exchange, any arbitrary valuation placed upon foreign currencies in bound to be far out of line—willing buyers and willing sellers will make the quotations. The Bank may well create this confidence in time—the Fund delay it.

We recognize the desirability of promoting foreign investment of capital as a means of aiding the reconstruction of devastated war areas, and the development of other regions. Our experience after the First World War demonstrated the folly of credits for other than peaceful productive purposes or which lack proper supervision.

We are impressed with the intention that the policies of the Bank would be directed toward the support of rather than en-

croachment upon private enterprise. The limitation upon loans and guarantees, the requirement for investigation and approval of specific projects and for consideration of the credit worthiness of the borrower, the joint responsibility of the nations, and the veto power of the nations with respect to loans in their own currencies, all tend to permit operations of the Bank on a business basis, with a minimum of loss, and with a maximum of benefits to the participating nations and to the world economy.

We favor the establishment of the Bank as soon as possible. In view of the virtual absence of opposition to the Bank, either in this country or elsewhere, and the doubts expressed both here and in other countries regarding the Fund, we are confident that the program for immediate action on the Bank and deferment of the Fund would encounter no difficulty.

Testimony before your committee by several witnesses has confirmed our opinion that the general powers in the Articles of Agreement of the Bank, together with the clause permitting loans and guarantees in special circumstances for purposes other than specific projects of reconstruction and development, give adequate authority for interim activities on monetary stabilization matters. Under the program, which we suggest, the Board of Governors would study the stabilization problem and in the meantime assume the leadership in a promotion of such stabilization agreements as are feasible, and also grant emergency loans to support currencies.

Deferment of Monetary Fund

As was stated in the report of the Finance Department Committee, our conclusion that action on the Monetary Fund should be deferred is based: first, on various objections appropriate for further study by the Board of Governors of the Bank, such as are involved in differences of interpretation and opinion with respect to policies affecting changes in exchange rates, credit rights of the nations, and continuance of exchange controls and bilateral agreements; second, on the apparent recognition that little would be expected of the Fund during a transitional period of from three to five years; and third, on the desirability of awaiting certain highly necessary adjustments in domestic and international policies before setting up an institution in which the process of granting credits might be regarded as practically automatic.

Authority for the continuance of exchange controls in the early years of the Fund, limitations with respect to the use of its resources for relief, rehabilitation and war indebtedness, and the unlikelihood of immediate attainment of certain essential prerequisites make it doubtful that haste is necessary or desirable.

Highly necessary prerequisites for the successful operation of the Fund include assurance of world peace, stable domestic conditions and agreement upon proper commercial policies and other measures favorable to an expansion of world trade.

Because we are in complete sympathy with the objectives of monetary stabilization and recognize much of merit in the plan for a Monetary Fund, we do not propose at this time its definite rejection. Instead, we think it is proper to raise pertinent questions, which should be studied by the Board of Governors of the

Bank with a view to recommending a permanent program to the nations.

These questions include the following:

Does the plan provide a satisfactory substitute for the former gold standard mechanism?

Would the plan actually promote monetary stabilization and result in the elimination of discriminatory monetary and trade practices?

Are there adequate safeguards? Could the Fund operate successfully without certain prerequisites such as stable domestic conditions in the various countries and international policies facilitating the exchange of goods and services?

Are there proper limitations of power with respect to possible interference by the Fund in domestic policies of the nations; would not the Fund lead to continuance of controls over exports and imports, including the troublesome system of licenses?

We are convinced that further consideration of these questions in advance of final action on the Fund would not impede progress toward an effective program for monetary stabilization. On the contrary, we think that it would lead to a sounder initial valuation of currencies, with an ultimately greater chance for enduring stability.

The Gold Standard

Under the former gold standard a nation's currency which was "as good as gold" was, in itself evidence that a nation was keeping its financial house in order. A gold standard currency established the credit of a nation in the eyes of the world. It gave confidence. Paper money originally was a warehouse receipt for coined metal, the mining, refining and coining of which equaled in human effort the purchasing power—not so with coined paper.

Doubts as to the adequacy of the proposed Monetary Fund mechanism as a substitute for the former international gold standard were, in my opinion, a major factor in the recommendation of our committee for a deferment of action upon it pending further study.

It is my personal view that ultimate adherence to an international gold standard is imperative. I recognize that the opposition of Great Britain and various practical considerations make it impossible to expect early attainment of this goal.

But until we have assurance of conditions comparable to those which would make operation of the gold standard possible, it is idle to expect this Fund mechanism to provide enduring stability of currencies. These conditions must be stable governments—sound finance. Our committee feels that it would be hazardous to set up such an institution as the proposed Monetary Fund without better foundations than now exist.

The difference between the conditions existing under an international gold standard and under the proposed Fund is evident in an examination of the nature of the pool of currencies which is proposed.

In the United States we are accustomed to the pooling of funds for various purposes. Our bankers within recent months, for example, have organized a pool of credit for the assistance of small business in the post-war period. A pool of funds within the United States is made up of subscriptions in a common currency or credit backed by gold. All loans from our bankers' credit pool will be payable in dollars.

Consider, on the other hand, the pool of various kinds of currencies which is proposed in the Monetary Fund. On the basis of an estimate by Federal Reserve

authorities as to the amount of gold which would be subscribed by other nations, the total United States subscription in gold and dollars, together with gold contributed by other nations, would constitute 42% of the aggregate of \$8.8 billion in the Monetary Fund. The United States total subscription would be 74% of all gold and dollars. Virtually all other nations would contribute paper currencies without gold backing. Some of them now have artificially pegged "official" values; some have little or no value.

If other nations were on a gold standard to the extent that we are in the United States, it would give us assurance that their fiscal affairs were in at least good order. There is nothing in the Fund to give us that assurance.

Under the gold standard currencies had a fixed value in gold. In international transactions there was assurance of convertibility into gold for the settlement of balances. To protect the value of its currency in terms of gold, a nation was compelled to maintain sound financial practices.

The whole history of national solvency makes clear the basic fact that credit must be distinguished from money. Paper money is a necessary convenience, but its issuance when not tied to gold has led invariably to great abuse. Paper currencies without gold support are merely a promise to pay. In fact, an unsupported assertion—this is five marks! The United States learned by hard experience in the Revolutionary War and in the Civil War that printed money, which could not be redeemed in gold, was evidence of bad credit and subject to depreciation and repudiation!

Factors of this nature form a fundamental reason for our suggestion that the Board of Governors of the Bank report upon a feasible monetary mechanism either as part of or apart from the Bank in advance of action on the Fund. This Board would be in a position to learn the credit status of nations which would be applicants for loans. It would be aware of difficulties in a solution of monetary problems.

Monetary Stabilization and Multilateralism

The purpose of the Fund is to promote a stabilization of currencies and a system of multilateral payments in world trade without the handicaps of exchange controls and discriminatory practices. There seems much reason for doubt that these ends would be achieved when account is taken of the extreme flexibility of the mechanism for adjustments in exchange rates, the authority for continuance of exchange controls for a considerable period, and the absence of any prohibition against discriminatory trade practices.

While the par value of currencies would be established in terms of gold or United States dollars under the Fund, it would be relatively easy to make changes. In fact, the mechanism seems to offer encouragement to changes in contrast with the obstacles to changes under the former gold standard. A 10% change in the declared value of a currency, compared to roughly 1/4 of 1% change as currency on a gold basis reached the shipping point, means 40 times as great a fluctuation, and the money involved equals five years' interest at a 2% interest rate. Think of it!

The widely differing interpretations of the plan in the United States and the United Kingdom provide basis for doubt as to what may be expected. The emphasis in this country upon stability of currencies as against British emphasis upon flexibility is a cause of uncertainty. The seeds of international discord may be found here. As has been

stated by Robert Boothby, member of the British Parliament, "nothing could be made deleterious to the future of Anglo-American relations than that the two countries should sign an agreement, each thinking that it means something different."

In the United States we are led to believe that the plan has similarities to the gold standard. The British people are told that it is "the exact opposite to the gold standard."

While one of the purposes of the plan is stated to be the elimination of foreign exchange restrictions which hamper the growth of world trade, member nations are authorized to maintain restrictions or impose new ones for a period of three or five years, or even longer.

British proponents of the plan insist there is nothing in it to prevent the development of the sterling area through a system of discriminatory bilateral trade agreements. British critics of the plan are fearful, and properly so, that such a program, intended to increase British exports, would not be consistent with the objective of multilateralism. There is no dispute over the point that the Monetary Fund does not affect such discriminatory trade practices as are involved in tariffs, quotas and subsidies.

Safeguards

The contrast between safeguards provided under the Fund and those of a much more extensive nature under the Bank is very marked. There is strong and widespread opinion that adequate safeguards in credit extensions are lacking under the Fund. Our experience with foreign credits in the Twenties should cause us to be cautious in pouring out money except for productive purposes. Liberal credits by themselves cannot possibly assure monetary stabilization or a revival of world trade. On the contrary, they may cause an inflationary boom which would be followed by depression.

While certain limitations are imposed upon borrowing from the Fund, their character differs greatly from those applied to borrowing from the Bank. Members of the Fund are supposed to borrow only for purposes consistent with the provisions of the agreement, but any excess of imports over exports might be represented as justifying credit in the form of foreign exchange.

There are no rules requiring determination of the credit worthiness of the borrower of governing the exact use of funds. The annual limit on purchases of exchange and other restrictions of this character can be waived in the discretion of the Fund. There is no veto power by a nation over credit in its currency such as exists under the Bank plan.

Nations would have reason to believe themselves entitled to the full amount of their quotas without close scrutiny of the purposes for which the credit would be used.

It is admitted that a certain country with one of the largest quotas, a quota which incidentally is out of line with any possible formula based on economic factors, would use its credit for the purchase of capital goods rather than for monetary stabilization.

Unless the Fund is more carefully safeguarded, we feel there is serious danger of its eventual collapse, with great injury to the world economy.

Essential Prerequisites

Such delay as might occur in the development of a monetary stabilization program by reason of the proposed study by the Board of Governors of the Bank would not retard world adjustments, for the reason that essential prerequisites for successful operation of the Fund will be

lacking for a considerable time to come.

In this connection, remarks of the Honorable L. S. St. Laurent, Minister of Justice of Canada and a delegate to the Bretton Woods Conference, are pertinent. During the discussion at the Conference of a resolution urging the adoption by the nations of proper policies on a broad range of related subjects, he said:

"It would indeed be unwise to attach too much importance to what has been planned here, if thereby we are led to neglect other problems or to rest on a misguided faith that with new forms of international monetary and investment organizations, the other problems would solve themselves.

"The problems of commercial policy, the instability of primary product prices, the coordination of national employment policies, must be attacked frontally and on the same wide international basis.

"No such monetary and investment organizations, however perfect in form, can be expected to long survive the economic distortions of high tariffs, restrictive trading arrangements or enormous fluctuations in food and raw material prices such as marked the years between the wars."

The Fund could do little toward accomplishment of the stated objectives in the early years of its operation. There are definite restrictions which would be applicable in the transition period. Furthermore, essential prerequisites include: an effective world security organization, sound fiscal, economic and political conditions in the various nations, and adoption of international policies facilitating an exchange of goods and services.

Limitations of Power

The Chamber of Commerce of the United States has declared for realistic tariff policies in keeping with an expansion of world trade and supports the principles of the Trade Agreement Act. It recognizes that an adjustment must take place. It desires, however, to assure reasonable protection for American industries and agriculture subject to destructive competition from abroad. In the determination of our tariff policies, which have many ramifications in our domestic economy, we should not be subjected to undue pressure from outside our borders. Our decisions on domestic policies should be made by ourselves, with full recognition, of course, of international factors.

Questions raised with respect to the powers which might be exercised by the Monetary Fund require careful study. While some of these powers merely are pressures which could be exerted upon member nations, the possibilities are of a disturbing character.

If dollars become scarce, due to greater exports to other nations of American goods than can be balanced by our purchases of foreign goods and services, representations might be made to this country by the Fund with respect to changes in our policies. Such representations might involve a lowering of our tariffs, a more liberal foreign investment policy, or the restriction and regimentation of our exports.

Aside from a possible coercion of our Congress in its tariff and investment policies, the operations of the Fund might lead to continuance of controls over our foreign trade. These controls, including the licensing of exports and imports, have been necessary in war-time but their removal is essential for development of trade under our private enterprise system.

If the Fund should declare dollars to be scarce, it would have the authority to apportion the supply among member countries. The effect would be not merely

to restrict our exports but to change the flow of our trade between nations as to specific commodities. Competitor countries would benefit from the refusal of the Fund to make available dollars to a nation in the habit of buying certain kinds of American goods.

Not only might the Fund apportion dollars, but it could grant to the various member countries the power to impose exchange controls upon the use of dollars. These exchange controls inevitably would affect other currencies and hence have a bearing on the character of our import trade.

Furthermore, adoption of a program by the Fund requiring a limitation of our exports would tend to cause the United States to impose controls on its own responsibility. These controls, involving governmental domination of export and import trade, would have adverse effects upon some of our domestic industries and lead to other evils associated with a totalitarian economy.

Whatever may be the merit of contentions advanced upon these questions affecting our domestic affairs, the United States will desire to preserve its sovereignty upon matters of vital significance to industry, labor and agriculture.

In favoring an international accord in the political sphere, the Chamber has laid down the principle of reciprocal collaboration without any of the elements of a superstate.

Voluntary action rather than compulsion offers the best promise of favorable results in a program of world cooperation.

Sound Management

Our committee is impressed with the importance of sound management by experienced officials, if an international institution, whether intended for monetary stabilization or long-term credits, is to be successful. With proper management, the nations could have some assurance that whatever powers were granted would be exercised with caution. Without such management, incalculable harm might be done.

We are of the opinion that the legislation authorizing the creation of any such institution should be drawn carefully with a view to assuring the appointment of American representatives with experience in international finance and with ability of a high order, and that provision should be made for a consultative body within our Government.

Effective management of two world institutions would require a careful integration of their operations. There is a serious question with respect to possible operation of the Fund and the Bank at cross purposes, due to different regulations applicable to them. This is an additional reason for further study of the stabilization program before final action is taken upon it.

Fiscal Aspects

The very substantial cost of the Bretton Woods program has not been a determining factor in our recommendations. We believe, however, that no financial device should be employed which tends to make the cost appear less burdensome upon our people than it actually is. The proposed method of financing, whereby no part of the cost would appear as an ordinary expenditure in annual budget statements, savors of such a device. We think it would be preferable to confine the present legislation to an authorization and to require appropriations to be made through the regular channels.

Our committee also believes that to enable the Congress and the public to gain a proper perspective there should be full disclosure of proposed or possible post-war loans and other international financial undertakings of

the United States. Obviously, such undertakings will be of considerable magnitude. While there have been official intimations that Congress will be asked to approve large loans to other nations, the details of the program have not been made known.

The American people are willing to do their part toward world rehabilitation, but there is no need to proceed blindly. The future of the world depends upon the maintenance of the solvency of the United States and the stability of the dollar. The financial problems confronting our country, including a public debt of unprecedented proportions and the necessity of maintaining a very high level of taxation to balance the post-war budget and commence retirement of the debt, are of too grave a character to be ignored when we make commitments in the international sphere.

Effect of Amendments

Before closing my statement I would like to take note of the apparent effort to convince Congress that the entire Bretton Woods program must be accepted without change. It has been asserted that otherwise nothing will be accomplished and that another opportunity for the building of post-war monetary stability is not likely to come again in our generation. It has been contended further, in effect, that the exercise by our Congress of the constitutional right to express its desires with respect to an international agreement proposed by the executive branch of the Government will cause other nations to believe that the United States cannot be expected to cooperate in world affairs.

The official record of the proceedings of the Bretton Woods Conference does not justify the assumption that the proposals were intended to be voted up or down without change and without further consultation among the nations.

Indeed, the understandings were of such a character that if our Government seeks to exert pressure for acceptance by all the nations of the proposals exactly as formulated at Bretton Woods there will be good ground for a charge of bad faith against us.

Taking into account such facts as that the United States would be by far the largest contributor to both the Fund and the Bank, that neither institution could be organized without its participation, and that other nations would benefit greatly even if amendments were made, it seems ridiculous to suppose that these countries would do other than follow our leadership in whatever modification of the program the Congress deems to be in the best interests of the United States and of the world.

On the basis of statements made during the Conference, some of the other nations are likely to come forward with amendments regardless of whether the United States accepts the proposals without change. Such amendments would be in line with the efforts of the nations to secure additional advantages for themselves. Their failure to secure sufficient support for such amendments would by no means be likely to cause them to withdraw from participation in the institutions. We need have no fear of any amendments to be put forward by other nations if there is no substantial ground for the changes thus sought.

If the agreements are on such a flimsy basis that we dare not reopen the discussions with other nations, I can see no hope for their success. If the foundations are weak, they should be strengthened at this time.

The argument has been advanced that any amendments of a substantial nature would require

another world conference. It does not seem to me that the amendments which have received the most serious consideration would necessitate another conference. Even if they did, I see no reason for concern.

If we follow the pattern of the pending bill, which very definitely imposes limitations on the actions of the Fund and Bank, it should be a simple matter to obtain almost any modifications which may be suggested. Our acceptance of the program under certain specified conditions would merely require approval by other nations of the same conditions.

Inasmuch as the pending bill would make it impossible for our representatives in the Fund and Bank to agree, without specific action by Congress, to actions affecting the gold value of the dollar, a uniform change in par values of all currencies, the amount of our contributions, or amendments in the Articles of Agreement of any kind whatever, we in effect would limit the functioning of the two institutions. Hence, there seems some measure of inconsistency on the part of those who oppose any modifications in the agreements yet support these restrictions.

Much of the argument for acceptance of the Bretton Woods proposals without change has seemed to be predicated upon a misunderstanding of the circumstances of the Conference. It is appropriate to review the actual circumstances.

Representatives of 44 nations assembled at the invitation of President Roosevelt, who stated that the agreement by the Conference upon definite proposals would not be binding either morally or legally on the various governments. The letter of instructions from the President to the American delegation through Secretary of the Treasury Morgenthau, the Chairman, limited discussions to the joint statement of principles of an International Monetary Fund announced April 21, 1944, and to the principles for a Bank for Reconstruction and Development as outlined by an American committee of experts.

The Conference convened on July 1, 1944, and adjourned on July 22. The final draft of the Articles of Agreement for the Fund was approved at an executive plenary session on July 20 and the final draft of the Articles of Agreement for the Bank at an executive plenary session on July 21, the sessions on July 22 being open and largely for the purpose of public speech-making.

To obtain the facts as to the circumstances surrounding the approval of the final drafts it is necessary to turn to the newspapers and to corroborating official documents in the form of mimeographed press releases issued on behalf of the Conference at Bretton Woods.

I shall summarize some of these facts and ask that the text of a news report in the New York "Times" of July 21, 1944, and of excerpts from official press releases containing statements by the heads of the British, Russian and French delegations at the executive plenary session of July 20 be incorporated in the record in connection with my testimony.

The New York "Times" report, which is signed by Russell Porter of its staff, states that the 44 participating nations in giving final approval in the executive plenary session of July 20 to the Articles of Agreement for the Fund took a blanket reservation on the entire document and that several nations recorded specific reservations on particular issues. The reservations, it was stated, would not be mentioned in the "Final Act" but would be recorded in the minutes of the Commission of the Conference which perfected the Fund. The effect, the news

story continued, was that the participating delegations would sign a "Final Act" which would fall into the *ad referendum* category, which would mean that they would merely certify that it was a true and accurate record of what happened at the Conference, without recommending that their governments either approve or reject it.

The authenticity of the New York "Times" report is fully confirmed by official press releases which are available in mimeographed form. These include statements by Lord Keynes, Chairman of the British delegation; M. S. Stepanov, Chairman of the Russian delegation, and Pierre Mendes-France, Chairman of the French delegation.

The statement by Lord Keynes has been referred to frequently during these hearings, and I need not read it. It was his suggestion that all the delegations make general reservations to apply to the entire document and that the specific reservations be recorded only in the minutes of the Commission and not in the "Final Act" as first intended. Lord Keynes emphasized the *ad referendum* character of the agreement.

Taking into account both Lord Keynes's statement and subsequent discussions in England, there are a number of points on which the British may desire clarification before binding themselves to provisions which might tend to limit their freedom of action in working out a solution of their trade problems.

Mr. Stepanov informed the Conference that approval of the draft agreement should not be regarded as approval of the draft in whole or in any of its parts on behalf of the Soviet Government. He said that his government reserved the full right to make a free and independent study of the draft and to decide all questions connected therewith. Six specific reservations to the Fund were recorded by Russia and three subsequently to the Bank.

The Russian delegation succeeded at Bretton Woods in obtaining a \$350 million increase in its quota in the Fund, obtained other concessions, and voluntarily increased the Soviet subscription to the Bank, but failed to obtain favorable action on other matters, including preferences with respect to initial gold payments by countries suffering war damages.

M. Mendes-France noted that France had made a number of specific reservations, which were eight in number, besides joining with other nations a general reservation covering the entire text of the Fund agreement. He said that the French Government would participate in an effort to improve the text which he said his delegation considered "a first approximation."

On the following day, when approval was given at another executive plenary session to the final draft of the Articles of Agreement of the Bank, Andre Istel, a French delegate, asserted that "the French delegation considers it necessary to reiterate its deep disappointment over what it considers an inadequate recognition of the particular hardships suffered by the countries devastated by war and by enemy occupation in general—by Europe and France in particular." He added that "no recognition of this situation has been accorded in the Fund."

The specific reservations by Australia, France, India, Iran, Peru, Russia and the United Kingdom to the Fund and by the United Kingdom and Russia to the Bank are given in the State Department's 122-page pamphlet entitled "Final Act and Related Documents."

Some public misunderstanding concerning the existence and

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nature of the very definite reservations recorded at Bretton Woods appears to be due to the fact that the State Department pamphlet lists the reservations as "statements," gives no explanation of the circumstances under which they were offered, and makes no mention of general reservations. Among the "related documents" in the pamphlet is the Fund Commission's report to the executive plenary session of July 20. Both Lord Keynes and the Russian spokesman referred to the reading of the reservations by Louis Rasminsky of Canada, reporting delegate from this Commission, but the report as published contains no mention of reservations.

The statement has been made before this committee that in making reservations the various delegations were desirous merely of establishing a record for the benefit of their constituents, and that nothing more would be heard from them unless we reopen discussions by proposing amendments.

I question whether anything we may do with respect to a modification of the agreements will be a controlling factor in the course to be pursued by the United Kingdom, Russia or France with respect to a renewal of their efforts to obtain changes favorable to their particular situations. In any event, I am confident that any amendments which we may pro-

pose will not cause the rejection of the agreements by these or other nations.

I believe it to be inevitable that some consultations must take place among the nations with respect to modifications in the agreements before they are made effective. With the establishment of the Bank, on the basis we suggest in advance of action on the Fund, its Board of Governors would constitute a conference group on matters relating to currencies and credit. Through the medium of its members, prompt action could be obtained on such modification of the Bretton Woods program as that Board might recommend.

The bogey of another conference should not be a bar to the perfecting of these agreements in such a way as to give the greatest promise of attainment of the desirable objectives of the Bretton Woods Conference. Insistence upon ratification without change injects a false issue which can be intended only to divert attention from admitted weaknesses of the Fund. The Congress will be remiss in its duty under our system of government if it fails to exercise its prerogatives by taking such action as will give the greatest possible assurance of the success of the program for world collaboration in this highly important sphere; such assurance is not to be given by subscription to a faulty plan.

The State of Trade

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ity for the week beginning June 18, compared with 90% one week ago. This week's operating rate represents a decrease of 1.3% from last week's rate and is equivalent to 1,626,500 net tons of steel ingots and castings, compared to 1,648,500 net tons last week and 1,742,900 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended June 9, 1945, totaled 884,285 cars, the Association of American Railroads announced. This was an increase of 46,765 cars, or 5.6% above the preceding week this year and 11,111 cars, or 1.3% above the corresponding week of 1944. Compared with a similar period of 1943, an increase of 29,799 cars, or 3.5%, is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,327,028,000 kwh. in the week ended June 9, 1945, from 4,203,502,000 kwh. in the preceding week. Output for the week ended June 9, 1945, was 1.5% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 165,300,000 kwh. in the week ended June 10, 1945, comparing with 161,700,000 kwh. for the corresponding week of 1944, or an increase of 2.2%.

Local distribution of electricity amounted to 164,300,000 kwh., compared with 155,200,000 kwh. for the corresponding week of last year, an increase of 5.9%.

Business Failures Remain Low—For the fourth consecutive week there was little change in commercial and industrial failures. In the week ending June 14 Dun & Bradstreet, Inc., reported 13 concerns failing as compared with 12 in the previous week and 30 in the corresponding week of 1944.

Large failures involving liabilities of \$5,000 or more remained

at 11, the same as a week ago, and compared with 13 in the like week of last year. Only two failures occurred involving liabilities under \$5,000.

Retail failures comprised more than half the week's failures, showing an increase from the previous week, although they were only about half as numerous as a year ago. Two concerns failed in wholesale trade, as compared with none last week. Manufacturers failing numbered three, a decline from a week ago and far below their level in the same week of last year. The Middle Atlantic, Pacific and East North Central States accounted for all but one of the failures in the week just ended. Only one Canadian failure was reported, as compared with four last week and two a year ago.

Wholesale Commodity Price Index—Continuing its mild gradual uptrend, the daily price index of wholesale commodities, compiled by Dun & Bradstreet, Inc., reached a new war-time high of 177.50 on June 12. This compared with 177.30 a week earlier and with 172.53 on the corresponding date a year ago. Movements in leading grains were somewhat mixed during the week. Cash markets generally held firm, but futures markets developed some easiness, reflecting the proximity of the new crop movement. Other grains were irregular.

Wholesale Food Price Index Up—The trend in foods was upward this week and the wholesale food price index, compiled by Dun & Bradstreet, Inc., for June 12 rose to \$4.10 after holding at \$4.08 for four preceding weeks. The current level compares with \$4.01 last year, or an increase of 2.2%. There were no declines during the week. Advances included rye, oats, eggs, potatoes, steers and lambs.

The index represents the sum total of the price per pound of 31 foods in general use.

Department Store Sales in U. S.—Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended June 9, 1945, increased by 14% and compared with a gain of 4% in the preceding week. For the four weeks ended June 9, 1945, sales increased by 7%, and for the year to date by 11%.

Retail and Wholesale Trade—Advances the past week in retail trade here in New York were substantial and compared favorably with the most active weeks so far this year. Goods of a seasonal character were in great demand and buying received added impetus with the close approach of Father's Day. Due to a dearth of supplies, retail and wholesale food sales fell off. The beginning of the vacation season and high temperatures were additional factors in the decline.

According to reports in the wholesale markets here the previous week, buyers were able to place orders for fall coats, suits and dresses in greater quantities than seemed likely several weeks ago. The peak of arrivals has now passed, and buyers have registered dissatisfaction over merchandise allotments not being as great as they had anticipated they would be.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to June 9, 1945, increased by 20% above the same period of last year. This compared with a gain of 2% in the preceding week. For the four weeks ended June 9, 1945, sales rose by 10%, and for the year to date by 12%.

Britain to Resume Export Production

In Great Britain a spokesman for the Board of Trade told of the lifting of war-time restrictions on the export of certain goods and machinery, according to a United Press report from London on June 10, which added that simultaneously it was announced by the Board of Trade and the Supply Ministry that automobile manufacturers would be permitted to produce 200,000 private cars in the next year, half for export trade.

The spokesman said the Government was releasing factory space to private industry to turn out peacetime products, most of the space being allocated to the automobile industry for expansion of war-weakened foreign trade. Other goods to be manufactured for export are machinery, pottery, abrasives, asbestos and certain metal goods.

The Board of Trade spokesman emphasized that the factories will not be able to swing into full-time production immediately because of the necessity of allocating and distributing basic materials. Full-scale production will probably be achieved in six months.

Government control on export licenses will continue, he said, despite lifting of production clamps. Thus, overseas trade will remain under nominal government supervision for several months to come.

Informed quarters said that although automobile builders are given preferential treatment in the new production program, they will not attempt to compete with U. S. manufacturers.

Lord Nuffield, British motor magnate, stated the British position recently when he said that his country could never hope to vie with America in production of big cars and that Britain would specialize in the manufacture of small and medium automobiles.

He said he believed there was a tremendous empire market for lighter automobiles because they were cheap and easy to keep up.

No Change for Present in "Little Steel"

Formula President Truman Asserts

In spite of the urgent request of labor leaders that the "Little Steel" wage formula be revised upward, President Truman has reiterated his intention to permit no change for the present. Philip Murray, President of the Congress of Industrial Organizations and William Green, President of the American Federation of Labor, in separate conferences with the President presented what they considered valid reasons for permitting a basic wage increase. Green, according to the Associated Press from Washington, June 7, asserted that a 20% increase is needed to restore \$13,000,000,000 of \$23,000,000,000 which he estimated workers will lose in buying power during the reconversion period and until full peacetime employment after V-J day. He said that the War Labor Board contends it is impossible for it to allow increases in hourly rates of pay because of the Little Steel formula and the hold-the-line order against inflation.

"In order to remove that argument and permit the WLB to deal with wages properly on the basis of facts," he said, "we feel that first of all the hold-the-line order must be modified. The President alone can do that."

Green said that the President made no commitments but made it clear he is considering the whole economic situation.

Green said that an immediate wage increase of about 11% is due workers "so that their spendable incomes will not be reduced by the price increases which have occurred since May, 1942."

A further wage boost, making the total 20%, is warranted as soon as reconversion gets under way, he added. The AFL head declared that unless a minimum of \$13,000,000,000 is restored to wage earners "it becomes a deflationary gap, starting a downward spiral, increasing the ranks of unemployed persons, and making full employment impossible."

President Truman stated, according to the "Journal of Commerce," Washington, June 7, that although a study of the whole wage situation was being made, nothing was immediately contemplated.

The decision insures that for the immediate present, at least, industries reconverting to civilian production will not have to face the prospect of higher wage rates imposed upon a reconversion pricing policy which some industrial spokesmen regard as not taking sufficient account of increased manufacturing costs.

While putting himself squarely against immediate revision of the wage formula, the President did leave open the possibility that at some future time he would be more receptive to organized labor's efforts to overhaul the wage structure.

In response to a question concerning his separate meetings with William Green, President of the AFL, and Philip Murray, CIO President, the Chief Executive said they had discussed the "Little Steel" formula, and added that the labor leaders always talked about the "Little Steel" formula when they saw him.

Extend Mail to Italy

Postmaster Albert Goldman of New York announced on June 14 that information had been received from the Post Office Department, at Washington, that, effective June 15, mail service for letters and post cards (including registry service), under the conditions at present applicable to certain parts of Italy, is extended to include the whole of continental Italy (including Sardinia and Sicily), except the provinces of Bolzano, Trento, Udine, Gorizia, Trieste, Fiume, and Pola. It is added that the provisions regarding gift packages for civilians in the Vatican City State and the Italian cities of Rome, Naples and Palermo (Sicily) remain in effect. Parcel-post packages for other places in Italy are not acceptable.

Treasury's Appeals to Banks In Move Against Tax Evaders

Secretary of the Treasury Morgenthau on June 11 expressed to the nation's banks the Treasury's appreciation for the "fine spirit of cooperation and the attitude of understanding" with which the Department's recent order requiring the reporting of unusual transactions in currency has been made effective. In a letter addressed to some 15,000 financial institutions, Mr. Morgenthau stressed the importance of such information to the success of the current drive against tax evaders, to which reference was made in our issue of June 7, page 2542, and promised that the Treasury will follow a common-sense policy toward the banks in administering the reporting requirements.

"It takes no argument on my part to convince you that notorious tax evasions and concealments if left unchecked threaten the breakdown of our tax laws and cast their shadows upon the credit of the United States," the letter says.

Mr. Morgenthau expressed the hope that each banker will regard the new instructions as being his protection in the performance of his patriotic duty to assist his Government. He said the Treasury had no wish to impose unnecessary administrative burdens on the banks, and that no bank or banker is going to find himself in difficulties with the Government because he makes a mistake in judgment. He welcomed helpful suggestions, and said that on the basis of such suggestions already received, steps have been taken to eliminate one requirement that might be considered burdensome, that of reporting the reasons for believing a particular transaction is unusual. He said the reporting of a transaction in no sense implies prejudice by the bank of revenue violations.

In making the letter public, Secretary Morgenthau emphasized that its contents apply not only to banks but to all classes of financial institutions covered by the order. He also said that he wishes to encourage voluntary reporting by persons and organizations not covered. He stated that any voluntary reports should be sent to the nearest Federal Reserve Bank.

British Need Exports

England's President of the Board of Trade and Minister of Production, Oliver Lyttelton, told the Export Institute that the prosperity of the world is dependent upon an increasing demand by "freeing the channels of international trade" and raising the standards of living of every country, and that it is essential that Americans be made to realize that Britain cannot live without exports, an Associated Press report stated from London, June 4.

"If we are to compete, with our enhanced productivity, in international markets of the same size as 1938 it is quite obvious that the United States cannot solve its employment problem," Lyttelton said, "nor can Britain hope to compete so successfully as to raise our standards of living."

If Britain had to live mainly on her own resources, he added, the country would be able to support only about 15,000,000 people instead of her present population of 45,000,000.

Electric Output for Week Ended June 16, 1945 Exceeds That for Same Week Last Year by 1.4%

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 16, 1945, was approximately 4,348,413,000 kwh., which compares with 4,287,251,000 kwh. in the corresponding week a year ago and 4,327,028,000 kwh. in the week ended June 9, 1945. The output of the week ended June 16, 1945, was 1.4% in excess of that for the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	June 16	June 9	June 2	May 26
New England.....	+0.3	0.6	2.2	0.5
Middle Atlantic.....	2.2	2.6	0.0	+3.2
Central Industrial.....	0.9	2.0	2.7	2.2
West Central.....	5.0	5.2	3.9	2.6
Southern States.....	7.0	5.8	6.8	6.7
Rocky Mountain.....	+1.0	+3.5	+0.1	0.0
Pacific Coast.....	+4.3	+4.1	+3.3	+0.9
Total United States.....	1.4	1.5	1.4	0.9

*Decrease under similar week in previous year.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1945		1944		% Change over 1944	1943	1932	1929
	1945	1944	1944	1943				
March 3.....	4,472,110	4,464,686	4,466,136	4,425,630	+ 0.2	3,946,630	1,538,452	1,702,570
March 10.....	4,446,136	4,425,630	4,401,716	4,400,246	+ 0.5	3,944,679	1,537,747	1,687,279
March 17.....	4,397,529	4,400,246	4,401,716	4,403,159	- 0.1	3,946,836	1,514,553	1,683,262
March 24.....	4,401,716	4,403,159	4,403,159	4,403,159	- 0.2	3,928,170	1,480,208	1,679,589
March 31.....	4,329,478	4,408,703	4,329,478	4,329,478	- 1.8	3,889,858	1,465,076	1,633,291
April 7.....	4,321,794	4,361,094	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	4,332,400	4,344,188	+ 0.6	3,916,794	1,469,810	1,709,331
April 21.....	4,411,325	4,344,188	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	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	4,397,330	4,233,756	+ 3.9	3,903,723	1,436,928	1,698,942
May 12.....	4,302,321	4,238,375	4,302,321	4,245,678	+ 1.5	3,969,161	1,435,731	1,704,426
May 19.....	4,377,221	4,245,678	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	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	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	4,327,028	4,264,600	+ 1.5	4,040,376	1,441,532	1,699,227
June 16.....	4,348,413	4,287,251	4,348,413	4,287,251	+ 1.4	4,098,401	1,440,541	1,702,501
June 23.....	4,325,417	4,325,417	4,325,417	4,325,417		4,120,038	1,456,961	1,723,428
June 30.....	4,327,359	4,327,359	4,327,359	4,327,359		4,110,793	1,341,730	1,592,075

Steel Output Again Sags—Orders Increase—Civilian Outlook Gives Little Encouragement

A continued sag in the steel ingot rate, a slight increase in the volume of rated steel orders, conflicting reports from Washington as to the availability of civilian steel in the third quarter and an apparent epidemic of outlaw steel strikes combined last week to complicate the steel market picture," states "The Iron Age" in its issue of today (June 28), which further goes on to say in part as follows:

"Whether or not the several strikes which have occurred in recent weeks indicate a restlessness among the rank and file workers which may increase in intensity remains to be seen.

"Some sources believe that the increase in the number of steel strikes is the result of the end of the European War and concern over the probable decline in the take home pay.

"In months to come the national steel ingot rate is expected to be more erratic than at any time since the war began. The approach of warm weather has already made itself felt with more of the same effect to come. The loss in steel production in the past few years due to warm weather was not as great as in normal periods, but the experience this year may revert to the average normal loss, which sometimes ranges from four to six points.

"The absolute necessity for long postponed repairs to steel mill equipment will be another factor tending towards a lower raw steel rate. Equipment and men have been pushed so strongly in the past few years that some repairs and rehabilitation can no longer be put off. Strikes have hastened these decisions because once the units are down repairs are begun where needed.

"During this past week there was some recovery in the volume of rated orders over the low level of the previous few weeks. This situation has placed mill order books in a stronger position and thus throws more cold water on current hopes for sizeable civilian steel supplies in the third quarter.

"Despite reports from Washington that close to 300,000 tons of sheets and strip would be available for civilian use in the third quarter, district market reports do not paint such a rosy picture. It is claimed by steel observers that sheet carryovers are still heavy and that demand for rated sheet tonnage remains heavy. The slowness with which war program cancellations reach the mill levels is another reason why the probability of substantial steel tonnage for civilian use in the third quarter seems remote at this time.

"Although available non-rated steel may not be shipped until after July 1 non-rated steel orders which are expected to furnish the cushion as military programs are cut back were on the upgrade this week. The upsurge in such business covered all types of steel, especially sheets.

"Scrap markets were stronger in practically every area this week. It was believed by most suppliers that inventories in many cases were a little bit too low for comfort. Prices were firmer in the New York district and in the Philadelphia area the price of heavy melting steel advanced an average of 25¢ a ton. As a result of this change, "The Iron Age" composite scrap price advanced from \$18.92 a gross ton to \$19 a gross ton this week."

The American Iron and Steel Institute on June 18 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 88.8% of capacity for the week beginning June 18, compared with 90.0% one week ago, 92.9% one month ago and 97.3% one year ago. The operating rate for the week beginning June 18 is equivalent to 1,626,500 tons of steel ingots and castings, compared to 1,648,500 tons one week ago, 1,701,600 tons one month ago, and 1,742,900 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on June 18 stated in part as follows:

"Volume of unrated steel orders is expanding rapidly and in some districts important makers of a diversity of steel products find fully 50% of incoming business is of this character, with sheets involving by far the larger portion, in spite of the fact they are the most difficult of the major products to schedule.

"Generally speaking no definite delivery promises can be made on this unvaluated tonnage because of priority of rated orders. Apparently the rush is influenced by desire of consumers to get the

best possible position when mills can place such orders on schedule. Some trade leaders foresee considerable confusion as a result, as by the time the tonnage can be handled there may be changes in programs and needs of various consumers.

"On the other hand, it appears that many consumers, including the largest, have their civilian programs definitely laid out, pending availability of materials and manpower, with little probability of alteration.

"Delay in modifying steel requirements following curtailment in war contracts, has not been due solely to consumers' policies, as in various instances in recent weeks they have been instructed by ordnance and other government procurement officials not to cancel but to keep orders on mill schedules for shipment to other plants, thus avoiding loss of position.

"Strengthening is noted in the steel and iron scrap price position and apparent weakness has disappeared to a great extent on steelmaking grades, while borings and turnings actually have advanced on smaller production and good demand. Consumers offering prices below ceilings have been unable to obtain tonnage and have returned to paying approximately ceiling in some cases. Supply is sufficient for needs and mills have comfortable backlogs, though dealers have not accumulated much tonnage.

"Production of ingots and steel for castings in May totaled 7,477,387 net tons, about 3% less than in May, 1944, but 185,461 tons above output for April. Average weekly output in May was 1,687,898 tons, against 1,699,750 tons in April and 1,738,730 tons in May, 1944."

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on June 18 that the tenders of \$1,300,000,000 or thereabout of 90-day Treasury bills to be dated June 21 and to mature Sept. 20, 1945, which were offered on June 15, were opened at the Federal Reserve Bank on June 18.

The details of this issue are as follows:

Total applied for, \$2,242,931,000.
Total accepted, \$1,305,403,000 (includes \$59,039,000 entered on a fixed price basis at 99.905 and accepted in full.

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

Range of accepted competitive bids.
High, 99.908, equivalent rate of discount approximately 0.364% per annum.

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

(52% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on June 21 in the amount of \$1,302,532,000.

With respect to the previous issue of \$1,300,000,000 of 91-day bills dated June 14 and maturing Sept. 13, 1945, the Treasury on June 11 disclosed these results:

Total applied for, \$2,111,747,000.
Total accepted, \$1,308,742,000 (includes \$57,587,000 entered on a fixed price basis at 99.905 and accepted in full.)

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

Range of accepted competitive bids:

High, 99.908, equivalent rate of discount approximately 0.364% per annum.

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

(57% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on June 14 in the amount of \$1,315,809,000.

From Washington Ahead of The News

(Continued from first page)

not nationally, and when you contemplate the boss ridden cities, it is difficult to see where they have locally.

The Hartford expose should come as nothing new in the career of Elliott or of the Roosevelt regime. Similar stories have been published in the past, by this writer, without making a dent. As a matter of fact, one of the first things the New Deal did when it came in, was to cancel the air mail contracts with the airlines. It was dramatic and resulted in the loss of several lives when the army pilots attempted to fly the air mails. When the reshuffling had taken place, the only change apparently was that the airlines had to get new lawyers to deal with Washington. There seemed to be no change in the airlines' ownership or in the money they were making.

But the reshuffling of politico-lawyers by such an industry is not a small item. New lawyer money-makers come onto the scene. The first one to appear in this instance was the former Governor of North Carolina, O. Max Gardiner. He completely disarmed the critics, upon his arrival in New Deal Washington, by announcing bluntly that he was a lobbyist. The distraught airlines grabbed him right off the reel because he was a part of the New Order. But they were not prepared, although tickled pink, when a few days later, Max invited the airline executives to his office and announced that, would they believe it, he had been so successful as to get Elliott Roosevelt to serve as executive director of the Aeronautical Chamber of Commerce. And Elliott beamed and said his father wanted to meet the airline executives. They went over to the White House and Mr. Roosevelt told them he was always glad to meet good friends of his son. The airline executives just floated out of the meeting and there was such rejoicing as one seldom sees outside of a religious camp meeting. Elliott was about 25 at the time. He got \$12,000 a year and it took the airline executives about six years to get rid of him.

We certainly can't say what ran through the mind of Mr. Roosevelt in matters of this kind. But we have had some explanations from his intimates. They are that he took a high glee out of seeing somebody close to him shake down wealthy people in the belief that by so doing they could exercise improper influence upon him. This was his philosophy, we were told, behind Jimmy's ventures and Mrs. Roosevelt's literary output. Why, don't you remember that back there in the early days of prohibition repeal, when the newly created distillers were grabbing for markets and concerned about legislation, that Jimmy walked into the offices of National Distillers and wrote an insurance policy for \$90,000?

Mr. Roosevelt was, of course, naive in his philosophy about these things. No racketeer or fixer or politico-lawyer around Washington, goes directly to the President for help. What sets him up in profitable business, is to just get a White House luncheon engagement, or let the word get around that he is "close" to the President or a member of the family, and the subordinates in Government are not likely to turn him down.

But we don't expect anything to come of the recent Elliott exposure, beyond some juicy reading. The sensation of the ages was the Teapot Dome scandal, so-called, against the Republicans. Did it get the Democrats any votes? No. They cashed in on the depression under Hoover. Regardless of the racketeering that

Modify Exchange Rule On Series A Bonds

Allan Sproul, President of the Federal Reserve Bank of New York, made public on June 18, the following advices regarding a modification by the Treasury Department of the rule requiring the exchange of matured bonds of Series A for bonds of Series E in the month in which the "A" bonds mature:

"In our printed letter dated Feb. 26, 1945, we advised you that individuals (natural persons) owning maturing Savings Bonds of Series A would have the option of exchanging their bonds for Series E War Savings Bonds. In this connection, we pointed out that Series E bonds, the entire issue price of which is paid with the proceeds of maturing Series A bonds during the month in which the latter mature, will not be subject to the limitation on holdings of Series E bonds acquired on original issue.

"The Treasury Department has advised us of a modification of the rule requiring the exchange to be made in the month in which the Series A bonds mature. Under the new rule, Series E bonds issued by you against payment out of the proceeds of redemptions of Series A bonds, during and after the month in which the latter mature, will be exempt from the limitation on holdings of Series E bonds acquired on original issue, provided that (1) the redemption and purchase are concurrent, (2) the Series A bonds are presented by an individual owner in his own right, and (3) the Series E bonds are registered in his name in any authorized form. All Series E bonds issued in exchange for Series A bonds must be dated as of the first day of the month in which the Series A bonds are presented, and the prescribed notation (EX-A35) must be made on the original registration stubs of the Series E bonds issued.

"The Treasury Department has also made special provision for the exchange of Series A bonds of which a member of the armed forces serving outside the continental United States is the owner, co-owner or surviving beneficiary. Generally speaking, Series E bonds issued in exchange for Series A bonds owned by a member of the armed forces serving outside the continental United States will be issued as of the first day of the month in which the Series A bonds mature, regardless of when such bonds are presented for exchange. Exchanges under these circumstances may be made only at the Federal Reserve Banks, and each case should be referred to a Federal Reserve Bank with a full statement of the facts."

Hutson Named Under Secretary Of Agriculture

John B. Hutson of Maryland was named by President Truman on June 8 to be Under Secretary of Agriculture. Mr. Hutson, at present assistant to Fred M. Vinson, Director of War Mobilization and Reconversion was appointed Under Secretary of Agriculture in place of Grover B. Hill, who has resigned, said Washington advices to the New York "Times," which also stated that Mr. Hutson was an expert with the Agriculture Adjustment Agency and subsequently President of the Commodity Credit Corporation and Director of Food Production in the War Food Administration.

went on under the New Deal, and history will show it to be the greatest the world has ever known, the rank and file of people thought they were getting some of it. The pathetic thing about this is that they just thought they were.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES* (Based on Average Yields)										
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
June 19	123.05	115.82	120.84	119.41	115.82	107.80	112.75	115.24	119.61	
18	123.05	115.82	120.84	119.41	115.82	107.80	112.75	115.24	119.41	
16	123.02	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41	
15	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41	
14	122.95	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41	
13	122.95	115.63	120.84	119.20	115.63	107.80	112.56	115.24	119.41	
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	
10	122.83	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41	
9	122.81	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41	
8	122.81	115.63	120.84	119.00	115.63	107.62	112.37	115.04	119.41	
7	122.67	115.63	120.84	119.00	115.43	107.44	112.37	115.04	119.20	
6	122.45	115.43	120.63	119.00	115.43	107.44	112.37	115.04	119.20	
5	122.36	115.43	120.63	119.00	115.43	107.44	112.37	114.85	119.20	
4	122.23	115.43	120.63	119.00	115.43	107.44	112.19	114.85	119.20	
3	122.23	115.43	120.63	118.80	115.43	107.44	112.19	114.66	119.41	
2	122.21	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41	
1	122.26	115.24	120.84	118.40	115.43	107.09	112.19	114.46	119.41	
May 25	122.31	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41	
24	122.31	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41	
23	122.36	115.24	120.84	118.40	115.43	107.09	112.19	114.46	119.41	
22	122.38	115.24	120.84	118.40	115.24	107.09	112.00	114.27	119.20	
21	122.33	115.24	120.84	118.40	115.04	107.09	112.19	114.27	119.20	
20	122.44	115.04	120.84	118.40	115.04	106.56	111.81	114.27	119.20	
19	122.59	115.04	120.84	118.60	115.04	106.56	111.81	114.46	119.20	
18	122.21	115.04	120.84	118.40	114.85	106.21	111.25	114.27	119.20	
17	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20	
16	122.19	115.04	121.04	118.60	114.85	106.21	111.44	114.27	119.41	
15	122.25	115.04	120.84	118.80	114.66	106.39	111.07	114.46	119.41	
14	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41	
13	122.05	114.66	120.43	118.60	114.46	106.21	110.70	114.27	119.61	
12	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41	
11	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60	
10	123.05	115.82	121.04	119.41	115.82	107.80	112.75	115.43	119.61	
9	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20	
1 Year Ago	120.10	112.19	118.60	116.80	112.00	102.63	105.86	113.89	117.40	
2 Years Ago	120.15	110.52	118.60	116.02	111.07	97.94	102.30	114.50	116.41	

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)										
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
June 19	1.59	2.86	2.61	2.68	2.86	3.29	3.02	2.89	2.67	
18	1.59	2.86	2.61	2.68	2.86	3.29	3.02	2.89	2.68	
16	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68	
15	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68	
14	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68	
13	1.59	2.87	2.61	2.69	2.87	3.29	3.03	2.89	2.68	
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	
10	1.60	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68	
9	1.60	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68	
8	1.60	2.87	2.61	2.70	2.87	3.30	3.03	2.90	2.68	
7	1.61	2.87	2.61	2.70	2.88	3.30	3.04	2.90	2.68	
6	1.63	2.88	2.62	2.70	2.87	3.31	3.04	2.90	2.69	
5	1.63	2.88	2.62	2.70	2.87	3.31	3.04	2.90	2.69	
4	1.64	2.88	2.62	2.70	2.88	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	
24	1.63	2.89	2.61	2.73	2.89	3.33	3.06	2.94	2.68	
23	1.63	2.89	2.61	2.73	2.89	3.33	3.06	2.94	2.69	
22	1.63	2.90	2.61	2.73	2.90	3.33	3.07	2.94	2.69	
21	1.62	2.90	2.61	2.73	2.90	3.33	3.07	2.93	2.69	
20	1.64	2.90	2.61	2.73	2.90	3.36	3.07	2.93	2.69	
19	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69	
18	1.65	2.90	2.60	2.72	2.91	3.38	3.09	2.94	2.68	
17	1.65	2.90	2.60	2.72	2.91	3.37	3.11	2.93	2.68	
16	1.65	2.90	2.61	2.71	2.92	3.37	3.11	2.93	2.68	
15	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68	
14	1.69	2.92	2.63	2.72	2.93	3.38	3.13	2.94	2.67	
13	1.69	2.92	2.63	2.72	2.93	3.38	3.13	2.94	2.67	
12	1.69	2.92	2.63	2.72	2.93	3.38	3.13	2.94	2.67	
11	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72	
10	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74	
9	1.59	2.86	2.60	2.68	2.86	3.29	3.02	2.88	2.67	
1 Year Ago	1.79	3.05	2.72	2.81	3.06	3.59	3.40	2.96	2.78	
2 Years Ago	1.84	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83	

*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 values 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.

Civil Engineering Construction at Year's High

Civil engineering construction volume totals \$59,216,000 for the week, the highest weekly total reported to "Engineering News-Record" since Aug. 31, 1944. The week's total tops the preceding week by 33%, is 102% above the corresponding 1944 week, and exceeds the previous four-week moving average by 49%. The volume is for continental United States only and does not include construction by military engineers abroad, American contracts outside the country, and shipbuilding. The report, issued on June 14, continued as follows: Public construction for the week is the second highest reported in 1945, and private construction records its third highest weekly total. Public work is 34 and 69% higher, respectively, than last week and last year. Private construction tops the preceding week by 47% and gains 240% over the 1944 week.

The current week's volume brings 1945 construction to \$787,742,000 for the 24 weeks, a 5% decrease from the \$829,378,000 reported for the period in 1944. Private construction, \$224,164,000, is 16% greater than a year ago, but public construction, \$563,578,000, is 12% under last year as a result of the 16% decline in Federal volume. State and municipal construction, \$109,692,000, is up 14% compared with the 24-week 1944 period.

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

	June 15, '44	June 7, '45	June 15, '45
Total U. S. construction	\$29,222,000	\$42,985,000	\$59,216,000
Private construction	5,791,000	13,379,000	19,644,000
Public construction	23,431,000	29,606,000	39,572,000
State and Municipal	7,877,000	9,095,000	5,186,000
Federal	15,554,000	20,511,000	34,386,000

Unclassified construction volume is the highest reported since July 13, 1944, and industrial building volume is the third highest reported in the current year. In addition to these two classes of

construction, waterworks, bridges, and commercial building report gains over last week, and commercial building is higher than in the 1944 week. Subtotals for the week in each class of construction are: waterworks, \$769,000; sewerage, \$324,000; bridges, \$444,000; industrial buildings, \$16,760,000; commercial building and large-scale private housing, \$2,182,000; public buildings, \$5,517,000; earthwork and drainage, \$910,000; streets and roads, \$4,002,000; and unclassified construction, \$28,308,000.

New capital for construction purposes for the week totals \$8,053,000. It is made up of \$7,335,000 in State and municipal bond sales, and \$718,000 in corporate security issues. New construction financing for the 24 weeks of 1945 totals \$522,889,000, a volume 20% higher than the \$436,116,000 for the corresponding period in 1944.

Post-War Construction Planning Volume \$21.2 Billions

Identified and recorded engineering projects proposed for construction in the post-war years total \$21,163,622,000, according to reports to "Engineering News-Record" in the period from Jan. 1, 1943, through June 7, 1945. Plans are under way or completed on post-war projects valued at \$9,107,652,000, 43% of the total volume proposed, and on \$1,377,565,000 worth of projects all financing arrangements have been completed.

Non-Ferrous Metals—Deliveries of Copper and Zinc Decline—British Raise Two Price Ceilings

"E. & M. J. Metal and Mineral Markets," in its issue of June 14, stated: "Statistics released during the last week confirmed earlier reports to the effect that deliveries of copper and zinc to consumers in May declined sharply. Additional cutbacks in the brass and wire programs will reduce deliveries for June even further, the trade believes. Reduced war requirements caused the British to lift their maximum prices for lead and zinc, bringing those commodities more in line with world market conditions. The buying basis for gold was adjusted upward by the British Treasury, establishing the quotation at 172s. 3d. The Senate and House conferees agreed on June 11 to retain the non-cancelable provision of the bill extending the Premium Price Plan." The publication further went on to say in part:

Copper

The Brass Mill Industry Advisory Committee has been informed by WPB officials that monthly military requirements for brass strip have dropped from a peak demand of 412,000,000 lb. at the end of 1944 to 160,000,000 lb., and a further reduction to 145,000,000 lb. is expected. Actual production in March was 334,250,000 lb. Substantial quantities of brass will become available for civilian needs in the third quarter.

Platinum Metals

The Department of Munitions and Supply has removed all Canadian restrictions on the use and distribution of iridium, rhodium, palladium, ruthenium, and osmium. Purchases of platinum in Canada are still on a permit basis and use of platinum in the manufacture of jewelry is prohibited.

Aluminum

The supply situation in aluminum is easing rapidly, and ample tonnages of the metal will soon become available to fabricators in a position to switch to civilian products. Open-ending of the Controlled Materials Plan, originally set for July 1 so far as aluminum is concerned, will occur before that date, according to Washington advices. WPB has revoked Direction 2 to Supplementary Order L-103-b, pertaining to aluminum closures.

Tin

Call for tin has been increasing and the supply situation is growing tighter. Authorities in Washington fear that reconversion will make demands on the metal that cannot be satisfied without opening up new sources for obtaining either tin concentrates or metallic tin. Europe is asking for additional supplies from African sources.

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

	June	July	Aug.
June 7	52.000	52.000	52.000
June 8	52.000	52.000	52.000
June 9	52.000	52.000	52.000
June 11	52.000	52.000	52.000
June 12	52.000	52.000	52.000
June 13	52.000	52.000	52.000

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

Quicksilver

Trade authorities believe that consumption of quicksilver has been maintained at a high level since V-E Day, but consumers have been well supplied with metal from domestic and foreign sources. Uncertainty over the long-term future of the battery program tends to make for a more conservative buying policy. This change in the attitude of buyers

has been reflected in the quiet that has prevailed for more than a month. Quotations for spot material were nominally unchanged at \$149 to \$151 per flask. Domestic quicksilver sold on the basis of \$147.50 per flask, New York, June shipment from the Coast, indicating that producers are meeting prices named by importers of Spanish metal.

Silver

The London silver market was quiet and unchanged at 25½d. The New York Official for foreign silver continued at 44¼¢, with domestic metal at 70½¢.

OPA Dictionary of Commodities, Services Under Price Control

The fifth edition of the Directory of Commodities and Services, containing about 10,000 major commodities and services now under price control, as well as other up-to-date information about the Office of Price Administration, was issued June 11, OPA announced recently.

The directory may be obtained by interested persons at the cost price of \$1.25 which includes six monthly supplements to follow. All requests must be made to the Superintendent of Documents, Government Printing Office, Washington, D. C.

The directory is designed to aid industry and the general public in keeping abreast of price regulations and in making ready contact with key persons in the operating units of the national office of OPA that handle each price control program.

The directory is

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended June 9, 1945, is estimated by the Bureau of Mines at 11,960,000 net tons, an increase of 725,000 tons over the preceding week. Output in the corresponding week of 1944 was 12,352,000 tons. The total production of soft coal from Jan. 1 to June 9, 1945, is estimated at 261,757,000 net tons, a decrease of 7.7% when compared with the 283,718,000 tons produced during the period from Jan. 1 to June 10, 1944.

Production of Pennsylvania anthracite for the week ended June 9, 1945, as estimated by the Bureau of Mines, was 1,282,000 tons, an increase of 163,000 tons (14.6%) over the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 29,000 tons, or 2.2%. The calendar year to date shows a decrease of 21.7% when compared with the corresponding period of 1944. The final figure for the calendar year 1944 shows production of 63,701,363 net tons of Pennsylvania anthracite, of which 506,842 tons was "bootleg" coal prepared and shipped by legitimate producers.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended June 9, 1945, showed an increase of 6,800 tons when compared with the output for the week ended June 2, 1945; but was 17,500 tons less than for the corresponding week of 1944.

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

	Week Ended			Jan. 1 to Date		
	June 9, 1945	June 2, 1945	June 10, 1944	June 9, 1945	June 10, 1944	June 12, 1944
Bituminous coal & lignite—	11,960,000	11,235,000	12,352,000	261,757,000	283,718,000	283,718,000
Total, including mine fuel—	1,993,000	2,043,000	2,059,000	1,920,000	2,056,000	2,056,000

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

	Week Ended			Calendar Year to Date		
	June 9, 1945	June 2, 1945	June 10, 1944	June 9, 1945	June 10, 1944	June 12, 1944
Penn. anthracite—	1,282,000	1,119,000	1,311,000	22,830,000	29,152,000	25,946,000
Total incl. coll. fuel—	1,231,000	1,074,000	1,259,000	21,917,000	27,986,000	24,649,000
Beehive coke—	133,200	126,400	150,700	2,641,800	3,427,600	1,670,600

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. §Revised. ¶1944 weekly and calendar year to date production has been adjusted to the final 1944 tonnage.

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

State	Week Ended			June 3, 1944
	June 2, 1945	May 26, 1945	June 9, 1944	
Alabama	403,000	418,000	369,000	369,000
Alaska	6,000	7,000	6,000	6,000
Arkansas and Oklahoma	91,000	102,000	81,000	81,000
Colorado	105,000	106,000	115,000	115,000
Georgia and North Carolina	1,000	1,000	1,000	1,000
Illinois	1,272,000	1,453,000	1,383,000	1,383,000
Indiana	473,000	522,000	474,000	474,000
Iowa	40,000	45,000	38,000	38,000
Kansas and Missouri	114,000	133,000	144,000	144,000
Kentucky—Eastern	968,000	998,000	945,000	945,000
Kentucky—Western	371,000	374,000	377,000	377,000
Maryland	27,000	37,000	33,000	33,000
Michigan	3,000	2,000	2,000	2,000
Montana (bitum. & lignite)	90,000	92,000	72,000	72,000
New Mexico	20,000	25,000	30,000	30,000
North & South Dakota (lignite)	39,000	37,000	27,000	27,000
Ohio	644,000	761,000	616,000	616,000
Pennsylvania (bituminous)	2,658,000	2,904,000	2,839,000	2,839,000
Tennessee	142,000	140,000	127,000	127,000
Texas (bituminous & lignite)	1,000	1,000	2,000	2,000
Utah	111,000	120,000	129,000	129,000
Virginia	353,000	370,000	389,000	389,000
Washington	24,000	19,000	26,000	26,000
West Virginia—Southern	2,032,000	2,108,000	2,237,000	2,237,000
West Virginia—Northern	1,066,000	853,000	1,032,000	1,032,000
Wyoming	181,000	188,000	159,000	159,000
Other Western States	181,000	188,000	159,000	159,000
Total bituminous & lignite—	11,235,000	11,825,000	11,652,000	11,652,000

†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.

Wholesale Prices Declined 0.1% In Week Ended June 9

The Bureau of Labor Statistics' index of commodity prices at the primary market level declined 0.1% for the week ended June 9, 1945, as the result of lower prices for fresh fruits and vegetables and seasonal declines for dairy products and poultry, according to the United States Department of Labor, which on June 14 reported that "this decline, the first since late in February, brought the index to 106.0% of the 1926 level, 0.3% above a month ago and 1.9% above the corresponding week of last year." The advice further said:

"Farm Products and Foods—Average prices for farm products in primary markets declined 0.1% during the week. Increased supplies caused lower prices for apples and lemons in eastern markets. White potatoes were generally lower, and fresh milk prices at Chicago declined. Higher prices were reported for onions. The decline in live poultry prices reflected seasonally lower ceilings. Quotations for sheep, corn and rye were lower, while wheat, cows and steers were higher. In the past four weeks average prices for farm products have risen 0.9% to a level 4.6% higher than a year ago.

"The price declines for fruits and vegetables and for dairy products together with seasonally lower ceilings for dressed poultry decreased the general level of prices for foods 0.2% during the week. Food prices have increased 0.7% in the past four weeks and were 1.8% higher than at this time last year.

"Other Commodities—Decreased prices for anthracite and lower sales realizations for electricity offset small increases for bituminous coal to lower the fuel and lighting materials group index 0.2%. Higher prices for glycerine, reflecting a tightened supply situation, raised the chemicals and allied products group index by 0.4%. Price increases for ponderosa pine were not sufficient to affect the building materials group index. Quicksilver prices declined slightly. An increase in prices for percale yard goods was reported."

The Labor Department included the following notation in its advice:

Note—During the period of rapid changes caused by price con-

trols, 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 12, 1945 and June 10, 1944, and (2) the percentage changes in subgroup indexes from June 2, 1945 to June 9, 1945.

WHOLESALE PRICES FOR WEEK ENDED JUNE 9, 1945 (1926=100)

Commodity Groups—	June 9, 1945 from—					Percentage change to June 9, 1945 from—		
	6-9 1945	6-2 1945	5-26 1945	5-12 1945	6-10 1944	6-2 1945	5-12 1945	6-10 1944
All commodities	106.0	106.1	105.9	105.7	104.0	-0.1	+0.3	+1.9
Farm products	130.7	130.8	130.5	129.5	125.0	-0.1	+0.9	+4.6
Foods	107.3	107.5	107.4	106.6	105.4	-0.2	+0.7	+1.8
Hides and leather products	118.3	118.3	118.3	117.7	0	0	0	+0.5
Textile products	99.1	99.1	99.1	99.1	97.3	0	0	+1.8
Fuel and lighting materials	84.5	84.7	84.6	84.3	83.7	-0.2	+0.2	+1.0
Metals and metal products	104.8	104.8	104.4	104.4	103.8	0	+0.4	+1.0
Building materials	117.3	117.3	117.2	117.2	115.8	0	+0.1	+1.3
Chemicals and allied products	95.3	94.9	94.9	94.9	95.5	+0.4	+0.4	-0.2
Housefurnishing goods	106.2	106.2	106.2	106.2	106.0	0	0	+0.2
Miscellaneous commodities	94.6	94.6	94.6	94.6	93.3	0	0	+1.4
Raw materials	118.8	118.9	118.5	117.9	114.4	-0.1	+0.8	+3.8
Semimanufactured articles	95.3	95.3	94.8	94.8	93.7	0	+0.5	+1.7
Manufactured products	102.0	102.1	102.1	102.0	101.0	-0.1	0	+1.0
All commodities other than farm products	100.6	100.6	100.5	100.4	99.5	0	+0.2	+1.1
All commodities other than farm products and foods	99.7	99.8	99.7	99.6	98.7	-0.1	+0.1	+1.0

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JUNE 2, 1945 TO JUNE 9, 1945

Commodity Groups—	Increases		Decreases
	June 9, 1945	June 2, 1945	
Drugs and pharmaceuticals	3.2	Bituminous coal	0.2
Grains	0.6	Chemicals	0.1
Cotton goods	0.1		
Fruits and vegetables	0.6	Anthracite	0.1
Meats	0.4	Dairy products	0.1
Other farm products	0.2	Livestock and poultry	0.1

Fertilizer Association Commodity Price Index Advances Slightly to New Peak

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on June 18 advanced slightly to 141.7 in the week ended June 16, 1945 from 141.6 in the preceding week. This is the fifth consecutive week that the index has advanced but it is now only 1.1% higher than it was at the beginning of the year. A month ago the index stood at 140.3 and a year ago at 137.2, based on the 1935-1939 average as 100. The Associations report continued as follows:

Only two of the composite groups in the index showed price changes during the latest week. These were the farm products group and the foods group. The farm products group registered a new high point with the grains subgroup also reaching a new peak. The livestock group advanced moderately for the week and now stands at the same point that it did the last week of 1944. Higher quotations for wheat at Kansas City, and for rye, eggs, choice cattle, lambs and sheep all contributed to the advance in the farm products group. The foods index showed a slight advance with higher potato prices more than offsetting lower quotations for dressed fowl.

During the week 7 price series in the index advanced and 2 declined; in the preceding week there were 8 advances and 6 declines; in the second preceding week there were 11 advances and 2 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Each Group Bears to the Total Index	Group	1935-1939=100*			
		Latest Week 1945	Preceding Week 1945	Month Ago 1945	Year Ago 1944
25.3	Food	144.0	143.9	141.6	138.7
	Fats and Oils	145.2	145.2	145.3	144.9
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	168.1	167.2	166.8	156.0
	Cotton	216.2	216.2	214.6	205.0
	Grains	166.0	164.7	163.8	162.5
	Livestock	161.5	160.2	160.2	145.4
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	157.3	157.1	152.9
7.1	Metals	108.9	108.9	104.7	104.4
6.1	Building Materials	155.4	155.4	154.4	153.4
1.3	Chemicals and Drugs	125.9	125.9	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	141.7	141.6	140.3	137.3

*Indexes on 1926-1928 base were: June 16, 1945, 110.4; June 9, 1945, 110.3, and June 17, 1944, 107.0.

Truman and Others Ask Full OWI Appropriation

The \$17,000,000 slash in the appropriation for the Office of War Information which the House voted, to apply to estimates for the agency's activities in Europe and the United States, has resulted in a wave of protest on the part of many of the nation's leaders and others on a position to evaluate the importance of the OWI's function. President Truman himself, according to the Associated Press advice from Washington, June 13, expressed the hope that Congress would restore the entire budget estimate for this agency. The Chief Executive issued the following formal statement on the appropriation cut:

"In my judgment, the things being done by the Office of War Information need to be done, in the interest of a nation still fighting a war which is far from over, and which the people need to know is far from over. "OWI's work in both the domestic and the foreign field is now being performed by a trained, integrated and experienced organization. To abolish some of its major functions while the war is on would be a mistake. "It would be equally a mistake to attempt a hurried redistribution of those functions among other agencies which are not now trained or equipped to undertake them."

Senator Kenneth McKellar (D., Tenn.), acting Chairman of the Senate Appropriations Committee, stated that he felt the Sen-

ate should return at least part of the \$17,000,000 House cut in OWI funds for the next fiscal year, expressing the view that the cut was "too drastic," the Associated Press reported.

General George C. Marshall has also recommended—by implication—that Congress reconsider the cut—conceding the "necessary OWI services in the European theater of operations could be assumed by the Army, but the War Department would prefer not to undertake the organization of a new service for this purpose."

General Marshall expressed his views in a letter, transmitting a message from General Dwight D. Eisenhower in which the latter declared, according to Associated Press advice on June 14, that if the OWI were forced to discontinue its operations in Europe the Army would have to take over its work.

Eight war correspondents, including Quentin Reynolds and William L. Shirer, have criticized the House, according to the Associated Press, for voting to reduce appropriations for the OWI, and declared that the destruction of the office would leave the field to enemies of democracy.

In a telegram to members of the Senate Appropriation Committee, which is considering final action on the House slash, the correspondents said:

"While the physical war is ended in Europe, the war of words continues. It rages now more violently than ever. Fascism and nazism must still be beaten, not only in Europe but all over the world.

"In this continuing conflict of ideas in Europe we have only one weapon left—the printed and spoken word. At this crucial moment in world history democratic principles must assert themselves strongly or be submerged.

"We have seen the Office of War Information at work on the spot and we know it is vital that that work shall continue on an enlarged scale. Destroy the Office of War Information and you leave the field to the enemies of democracy."

Others signing the telegram were Frank Gervasi, Robert St. John, Leland Stowe, Marquis Childs, Paul Gallico and John W. Vandercook.

In the war agencies appropriations bill, now before Chairman McKellar's committee, O. W. I. is listed for only \$18,000,000 out of the \$42,000,000 budget it requested for the year. The House Appropriations Committee, knocked out \$7,000,000 and the House itself cut the fund another \$17,000,000.

New Graduate Cif. Program of AIB

Reorganization of the program under which the American Institute of Banking offers a graduate certificate to its students was adopted by the AIB Executive Council at its meeting in Cleveland, Ohio, June 3-5. It is announced by David T. Scott, new President of the Institute. Mr. Scott is Assistant Cashier of the First National Bank, Boston, Mass. Heretofore the AIB has offered a graduate certificate for the completion of 168 hours of study beyond the requirements for the standard certificate. Under the program changes adopted by the Council at its meetings here the AIB will in the future offer three graduate certificates, each of which will require 168 hours. There will be three required courses and one elective course of 42 hours each leading to a graduate certificate in commercial banking, a graduate certificate in investment banking, or a graduate certificate in trusts.

Daily Average Crude Oil Production for Week Ended June 9, 1945 Dropped 5,301 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 9, 1945, was 4,853,414 barrels, a decrease of 5,301 barrels per day when compared with the output in the preceding week and 6,186 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of June, 1945. The current figure, however, was 330,914 barrels per day higher than the figure for the week ended June 10, 1944. Daily production for the four weeks ended June 9, 1945, averaged 4,861,615 barrels. Further details as reported by the Institute follow:

Report received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,827,000 barrels of crude oil daily and produced 15,256,000 barrels of gasoline; 1,488,000 barrels of kerosine; 4,842,000 barrels of distillate fuel, and 9,382,000 barrels of residual fuel oil during the week ended June 9, 1945, and had in storage at the end of that week 47,031,000 barrels of civilian grade gasoline; 40,865,000 barrels of military and other gasoline; 8,563,000 barrels of kerosine; 30,339,000 barrels of distillate fuel, and 38,996,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations June	*State Allowables Begin June 1	Actual Production Week Ended June 9, 1945	Change from Previous Week	4 Weeks Ended June 9, 1945	Week Ended June 10, 1944
Oklahoma	370,000	380,000	1,387,400	+ 1,500	386,100	330,350
Kansas	274,000	269,400	1,250,050	- 8,750	263,800	258,750
Nebraska	1,000	1,000	1,900		900	900
Panhandle Texas			90,000		90,000	92,150
North Texas			154,650	+ 750	154,100	149,400
West Texas			497,550	+ 2,250	495,850	447,900
East Central Texas			139,900	+ 1,700	138,600	145,000
East Texas			377,600	- 2,200	379,250	360,550
Southwest Texas			357,700	+ 2,050	356,150	312,950
Coastal Texas			563,050	- 250	563,250	528,450
Total Texas	2,170,000	2,171,706	2,180,450	+ 4,300	2,177,200	2,036,400
North Louisiana			69,150	- 1,100	70,200	73,550
Coastal Louisiana			298,950	- 850	299,600	288,750
Total Louisiana	360,000	400,800	368,100	- 1,950	369,800	362,300
Arkansas	80,000	78,786	79,150	- 750	79,750	80,650
Mississippi	53,000		51,750	- 100	50,800	43,300
Alabama	400		700	+ 200	550	100
Florida			14	- 1	15	50
Illinois	200,000		201,000	- 900	198,400	201,750
Indiana	13,000		11,600	+ 250	12,000	12,250
Eastern (Not incl. Ill., Ind., Ky.)	64,200		62,250	- 2,000	63,600	68,300
Kentucky	28,000		29,000	+ 700	27,950	20,100
Michigan	47,000		48,200	+ 1,350	46,850	50,200
Wyoming	113,500		107,350	+ 350	107,150	81,250
Montana	23,000		20,300	- 2,700	20,450	21,300
Colorado	10,500		10,950	- 50	11,050	8,750
New Mexico	105,000	105,000	103,750	- 150	103,850	108,200
Total East of Calif	3,912,600		3,912,914	- 6,001	3,920,215	3,684,900
California	947,000	\$947,000	940,500	+ 700	941,400	837,600
Total United States	4,859,600		4,853,414	- 5,301	4,861,615	4,522,500

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. June 7, 1945.

‡This is the net basic allowable as of June 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 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 9, 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 Capacity	to Stills	to Op-ported	Pro-duction	of Re-Blended	of Gas Oil	of Re-Mill-	of Gasoline	of Stocks
East Coast	89.5	78.3	99.0	1,948	6,656	6,139	5,576	8,244	
Appalachian									
District No. 1	76.8	92	63.0	330	327	230	1,722	1,245	
District No. 2	81.2	53	106.0	164	90	91	537	921	
Ind., Ill., Ky.	87.2	752	87.7	2,673	4,654	2,135	6,769	13,671	
Okl., Kans., Mo.	78.3	374	79.7	1,430	1,819	1,193	2,077	7,041	
Inland Texas	59.8	244	73.9	966	373	891	1,270	1,751	
Texas Gulf Coast	89.3	1,138	92.0	3,764	5,274	5,004	9,525	4,432	
Louisiana Gulf Coast	96.8	267	102.7	917	1,679	1,190	2,165	2,095	
No. La. & Arkansas	55.9	89	70.6	243	786	172	537	1,937	
Rocky Mountain									
District No. 3	17.1	11	84.6	34	20	33	10	64	
District No. 4	72.1	119	74.8	377	302	559	648	1,724	
California	85.8	905	91.0	2,410	8,359	21,359	10,029	3,906	
Total U. S. B. of M. basis June 9, 1945	85.6	4,827	88.9	15,256	30,339	38,996	40,865	47,031	
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	
U. S. Bur. of Mines basis June 10, 1944		4,663		14,007	33,617	51,946	38,136	48,162	

*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 11,360,000 barrels unfinished gasoline this week, compared with 12,172,000 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. †Week of June 2 should have been shown as 1,222 instead of 1,122. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,488,000 barrels of kerosine, 4,842,000 barrels of gas oil and distillate fuel oil and 9,382,000 barrels of residual fuel oil produced during the week ended June 9, 1945, which compares with 1,423,000 barrels, 4,857,000 barrels and 9,437,000 barrels, respectively, in the preceding week and 1,381,000 barrels, 4,942,000 barrels and 8,756,000 barrels, respectively, in the week ended June 10, 1944.

Note—Stocks of kerosine at June 9, 1945, amounted to 8,563,000 barrels, as against 8,344,000 barrels a week earlier and 8,483,000 barrels a year ago.

Trading on New York Exchanges

The Securities and Exchange Commission made public on June 13 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 26, 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 26 (in round lot transactions) totaled 2,086,834 shares, which amount was 14.97% of the total transactions on the Exchange of 6,971,070 shares. This compares with member trading during the week ended May 19 of 2,204,769 shares, or 15.02% of the total trading of 7,338,780 shares. On the New York Curb Exchange, member trading during the week ended May 26 amounted to 522,570 shares or 14.89% of the total volume on that exchange of 3,513,081 shares. During the May 19 week trading for the account of Curb members of 645,800 shares was 18.33% of the total trading of 3,521,965.

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

WEEK ENDED MAY 26, 1945		Total for week	%
A. Total Round-Lot Sales:		208,790	
Short sales		94,630	
Other sales		6,762,280	
Total sales		6,971,070	
3. 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		570,750	
Short sales		94,630	
Other sales		466,660	
Total sales		561,290	8.12
2. Other transactions initiated on the floor—			
Total purchases		246,900	
Short sales		24,600	
Other sales		209,560	
Total sales		234,160	3.45
3. Other transactions initiated off the floor—			
Total purchases		227,448	
Short sales		16,250	
Other sales		230,036	
Total sales		246,286	3.40
4. Total—			
Total purchases		1,045,098	
Short sales		135,480	
Other sales		906,256	
Total sales		1,041,736	14.97

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

WEEK ENDED MAY 26, 1945		Total for week	%
A. Total Round-Lot Sales:		16,745	
Short sales		1,771,336	
Other sales		1,789,081	
B. Round-Lot Transaction for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases		150,425	
Short sales		8,785	
Other sales		154,615	
Total sales		163,400	8.77
2. Other transactions initiated on the floor—			
Total purchases		50,215	
Short sales		3,400	
Other sales		48,960	
Total sales		52,360	2.87
3. Other transactions initiated off the floor—			
Total purchases		36,200	
Short sales		2,475	
Other sales		77,495	
Total sales		79,970	3.25
4. Total—			
Total purchases		236,840	
Short sales		14,660	
Other sales		281,070	
Total sales		295,730	14.89
3. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales		0	
Customers' other sales		77,952	
Total purchases		77,952	
Total sales		65,575	

*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."

U. S. Pledge of Korea to Russia Denied

Denial has been made by Acting Secretary of State Joseph C. Grew of the existence of any secret understanding made by the United States at Yalta with the Soviet Government for letting the Russians have Korea and other concessions in exchange for their entry into the Pacific war, according to a special dispatch to the New York "Times" from Washington, June 8.

Mr. Grew asserted that the policy on Korea announced in the Cairo Declaration had not been altered, and he issued a statement which reaffirmed United States' sympathy with Korea's hopes for independence and which explained why the Korean Government had not won recognition and admission to the United Nations Conference at San Francisco.

Recalling that the Cairo Declaration stated that China, the United States and Britain "are determined that in due course

Korea shall become free and independent," Mr. Grew said, according to the New York "Times" dispatch, there had been no change in this Government's policy since that time.

With reference to the claims of the Korean Provisional Government and admission to the San Francisco Conference, he pointed out that the United Nations represented there all have legally constituted governing authorities, whereas the Korean Provisional

Government lacked the qualifications requisite for recognition. "The Korean Provisional Government," said the statement, "has never exercised administrative authority over any part of Korea, nor can it be regarded as representative of the Korean people of today. Due to geographical and other factors, its following, even among exiled Koreans, is inevitably limited."

"It is the policy of this Government in dealing with groups such as the Korean Provisional Government to avoid taking action, which might, when the victory of the United Nations is achieved, tend to compromise the right of the Korean people to choose the ultimate form and personnel of the government which they may wish to establish."

"This policy is consistent with this Government's attitude toward all people who are under, or have been liberated from, Axis domination."

The Secretary said this attitude did not, however, imply any lack of sympathy with the aspirations of the Koreans for freedom.

"It is a matter of record," the statement concluded, "that many Koreans are serving unselfishly and devotedly in the forces of the United Nations. As the war against Japan progresses, the Korean people may be placed in a position to play an increasingly important role in the defeat of Japan and in the liberation of their homeland."

"In view of the long and close friendship between the American and Korean peoples, it is with considerable satisfaction that this Government looks forward to the time when Korea can take its place among the free and independent nations of the world."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on June 12 a summary for the week ended June 2 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended June 2, 1945		Total
Odd-Lot Sales by Dealers (Customers' purchases)		For Week
Number of orders		23,027
Number of shares		697,443
Dollar value		\$28,940,565
Odd-Lot Purchases by Dealers (Customers' sales)		
Number of Orders:		
Customers' short sale		187
Customers' other sales		23,412
Customers' total sales		23,599
Number of Shares:		
Customers' short sales		6,451
Customers' other sales		645,392
Customers' total sales		651,843
Dollar value		\$23,964,515

Round-Lot Sales by Dealers		Total
Number of Shares:		
Short sales		120
Other sales		153,210
Total sales		153,330
Round-Lot Purchases by Dealers:		
Number of shares		212,030
*Sales marked "short exempt" are reported with "other sales."		
†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."		

Named to Surplus Property Board

On June 8 President Truman sent to the Senate the nomination of W. Stuart Symington, of Missouri, to be a member of the Surplus Property Board for the unexpired term of two years from Oct. 3, 1944, of Guy M. Gillette, whose resignation is effective July 15.

Revenue Freight Car Loadings During Week Ended June 9, 1945 Increased 46,765 Cars

Loading of revenue freight for the week ended June 9, 1945, totaled 884,285 cars, the Association of American Railroads announced on June 14. This was an increase above the corresponding week of 1944 of 11,111 cars, or 1.3%, and an increase above the same week in 1943 of 29,799 cars or 3.5%.

Loading of revenue freight for the week of June 9 increased 46,765 cars, or 5.6% above the preceding week.

Miscellaneous freight loading totaled 399,414 cars, an increase of 15,574 cars above the preceding week, and an increase of 15,848 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 108,236 cars, an increase of 7,418 cars above the preceding week and an increase of 3,887 cars above the corresponding week in 1944.

Coal loading amounted to 175,280 cars, an increase of 14,469 cars above the preceding week, but a decrease of 5,948 cars below the corresponding week in 1944.

Grain and grain products loading totaled 53,011 cars, an increase of 4,498 cars above the preceding week and an increase of 9,116 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of June 9 totaled 37,119 cars, an increase of 3,039 cars above the preceding week and an increase of 7,783 cars above the corresponding week in 1944.

Livestock loading amounted to 14,468 cars, an increase of 1,618 cars above the preceding week and an increase of 325 cars above the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of June 9 totaled 10,581 cars, an increase of 855 cars above the preceding week, and an increase of 418 cars above the corresponding week in 1944.

Forest products loading totaled 46,547 cars, an increase of 2,930 cars above the preceding week but a decrease of 1,268 cars below the corresponding week in 1944.

Ore loading amounted to 72,741 cars, an increase of 432 cars above the preceding week, but a decrease of 10,260 cars below the corresponding week in 1944.

Coke loading amounted to 14,588 cars, a decrease of 174 cars below the preceding week, and a decrease of 589 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944 except the Southern, Centralwestern and Southwestern. All reported increases compared with 1943 except the Eastern, Pocahontas and Northwestern.

	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	3,441,618	3,363,195
Week of June 2	837,520	810,698	687,609
Week of June 9	884,285	873,174	854,486
Total	18,619,088	18,630,187	17,850,079

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 9, 1945. During the period 77 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	1943
Eastern District—						
Ann Arbor	262	267	239	1,595	1,338	1,338
Bangor & Aroostook	1,437	1,061	875	207	359	359
Boston & Maine	7,068	7,065	6,092	13,624	14,538	14,538
Chicago, Indianapolis & Louisville	1,013	1,305	1,478	2,084	2,249	2,249
Central Indiana	38	32	33	40	39	39
Central Vermont	1,080	1,155	1,013	2,458	2,261	2,261
Delaware & Hudson	4,982	4,875	6,412	11,971	12,505	12,505
Delaware, Lackawanna & Western	7,825	7,686	7,569	11,234	11,225	11,225
Detroit & Mackinac	261	293	297	116	110	110
Detroit, Toledo & Ironton	1,808	1,744	1,749	1,221	1,152	1,152
Detroit & Toledo Shore Line	418	320	292	2,678	2,438	2,438
Erie	12,490	13,513	13,572	16,872	16,572	16,572
Grand Trunk Western	195	215	193	2,794	2,868	2,868
Lehigh & Hudson River	2,127	2,075	2,067	1,500	1,724	1,724
Lehigh & New England	8,707	9,445	9,030	11,541	15,459	15,459
Lehigh Valley	2,597	2,403	2,138	3,107	2,883	2,883
Maine Central	6,423	6,613	5,824	294	325	325
Monongahela	3,069	2,868	2,526	28	25	25
New York Central Lines	51,002	50,390	54,146	53,076	53,504	53,504
N. Y., N. H. & Hartford	10,130	9,911	10,208	17,950	18,749	18,749
New York, Ontario & Western	1,024	1,391	1,339	3,650	3,639	3,639
New York, Chicago & St. Louis	6,538	6,691	7,140	15,893	15,886	15,886
N. Y., Susquehanna & Western	434	516	535	2,219	2,253	2,253
Pittsburgh & Lake Erie	7,791	7,572	7,134	9,392	9,227	9,227
Pere Marquette	5,249	4,757	5,224	8,201	7,898	7,898
Pittsburg & Shawmut	869	943	1,072	10	36	36
Pittsburg, Shawmut & North	331	359	416	203	276	276
Pittsburg & West Virginia	1,199	1,487	1,317	2,901	2,537	2,537
Rutland	368	378	336	1,345	1,091	1,091
Wabash	6,092	5,594	5,160	12,952	12,053	12,053
Wheeling & Lake Erie	5,612	5,823	5,827	4,645	4,655	4,655
Total	162,532	162,631	165,276	224,077	227,329	227,329
Allegheny District—						
Akron, Canton & Youngstown	733	672	875	1,354	1,214	1,214
Baltimore & Ohio	47,681	47,557	43,297	28,291	29,226	29,226
Bessemer & Lake Erie	5,716	6,262	7,026	2,135	2,349	2,349
Buffalo Creek & Gauley	*	*	302	*	*	*
Cambria & Indiana	1,463	1,669	1,500	14	3	3
Central R. R. of New Jersey	7,062	7,470	7,087	19,805	19,885	19,885
Cornwall	497	551	651	26	50	50
Cumberland & Pennsylvania	169	239	325	10	10	10
Ligonier Valley	92	168	195	42	38	38
Long Island	1,801	1,539	1,129	4,650	4,873	4,873
Penn-Reading Seashore Lines	1,652	1,741	1,750	2,110	2,671	2,671
Pennsylvania System	88,828	87,492	85,754	67,136	68,765	68,765
Reading Co.	15,966	15,321	14,145	28,040	28,645	28,645
Union (Pittsburgh)	19,085	20,315	18,830	7,288	7,359	7,359
Western Maryland	4,093	4,192	3,898	13,420	11,647	11,647
Total	194,838	195,188	186,764	174,321	176,735	176,735
Pocahontas District—						
Chesapeake & Ohio	29,187	29,787	29,804	15,374	14,255	14,255
Norfolk & Western	21,180	22,298	22,510	7,660	7,917	7,917
Virginian	4,538	4,914	4,930	2,428	2,164	2,164
Total	54,905	56,999	57,244	25,462	24,336	24,336

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	520	295	274	278	365
Atl. & W. P.—W. R. of Ala.	731	718	582	2,608	2,910
Atlanta, Birmingham & Coast	1,053	677	721	1,341	1,350
Atlantic Coast Line	11,197	12,720	12,769	9,759	9,228
Central of Georgia	4,017	3,731	4,102	4,780	5,613
Charleston & Western Carolina	404	402	504	1,379	1,885
Cinchfield	1,710	1,634	1,618	3,066	2,954
Columbus & Greenville	303	257	307	300	264
Durham & Southern	104	137	99	628	640
Florida East Coast	1,032	954	2,112	1,116	1,469
Gainesville Midland	45	47	38	140	126
Georgia	1,085	1,235	1,147	2,440	2,642
Georgia & Florida	430	477	342	720	635
Gulf, Mobile & Ohio	5,492	4,037	3,523	4,717	4,502
Illinois Central System	28,513	28,338	27,766	17,418	15,806
Louisville & Nashville	26,378	25,261	24,469	12,584	11,704
Macon, Dublin & Savannah	195	166	141	1,091	1,153
Mississippi Central	424	297	196	441	654
Nashville, Chattanooga & St. L.	3,615	3,130	3,326	4,709	4,379
Norfolk Southern	2,001	1,179	1,183	1,615	1,737
Piedmont Northern	456	407	340	1,430	1,190
Richmond, Fred. & Potomac	506	384	358	10,777	10,841
Seaboard Air Line	10,398	10,363	11,288	7,655	8,592
Southern System	24,883	23,580	21,199	25,195	26,343
Tennessee Central	528	760	549	688	819
Winston-Salem Southbound	137	149	106	1,122	993
Total	126,157	121,335	119,079	117,987	118,794
Northwestern District—					
Chicago & North Western	18,729	19,753	19,428	14,759	12,975
Chicago Great Western	2,355	2,807	2,813	3,617	3,397
Chicago, Milw., St. P. & Pac.	22,052	21,723	20,405	10,712	9,868
Chicago, St. Paul, Minn. & Omaha	3,647	3,506	3,179	3,940	3,587
Duluth, Missabe & Iron Range	26,567	29,343	27,457	374	305
Duluth, South Shore & Atlantic	981	1,014	1,222	531	492
Elgin, Joliet & Eastern	9,287	8,600	8,525	10,513	11,382
Ft. Dodge, Des Moines & South	418	400	432	83	66
Great Northern	22,536	22,977	25,390	8,373	7,397
Green Bay & Western	460	439	443	1,132	839
Lake Superior & Ishpeming	2,403	2,373	3,093	103	42
Minneapolis & St. Louis	2,046	2,220	1,928	2,636	2,614
Minn., St. Paul & S. S. M.	7,192	6,569	6,954	3,493	3,345
Northern Pacific	11,506	10,502	10,429	6,688	5,664
Spokane International	247	128	97	673	643
Spokane, Portland & Seattle	2,815	2,597	2,518	4,030	3,569
Total	133,239	134,951	134,313	71,667	66,165
Central Western District—					
Atch., Top. & Santa Fe System	28,042	26,326	23,601	16,098	11,794
Alton	3,820	3,373	2,936	4,517	3,757
Bingham & Garfield	370	488	454	77	87
Chicago, Burlington & Quincy	19,026	18,851	17,416	13,391	12,062
Chicago & Illinois Midland	3,265	3,176	3,143	816	840
Chicago, Rock Island & Pacific	13,516	12,091	11,958	13,387	12,328
Chicago & Eastern Illinois	3,078	2,708	2,575	5,249	4,783
Colorado & Southern	566	583	768	3,798	2,325
Denver & Rio Grande Western	3,336	3,799	3,130	7,343	5,765
Denver & Salt Lake	545	717	715	56	19
Fort Worth & Denver City	1,636	1,067	1,065	2,513	1,485
Illinois Terminal	2,106	2,029	1,548	2,065	2,174
Missouri-Illinois	1,249	1,183	968	671	548
Nevada Northern	1,434	1,834	1,923	84	120
North Western Pacific	799	990	1,148	651	758
Peoria & Pekin Union	7	4	7	0	0
Southern Pacific (Pacific)	34,130	32,250	32,765	17,044	13,143
Toledo, Peoria & Western	407	304	295	2,158	2,116
Union Pacific System	14,536	13,862	12,736	18,389	17,194
Utah	518	509	519	3	6
Western Pacific	2,079	1,972	2,008	5,180	4,247
Total	134,565	128,016	121,678	113,488	97,919
Southwestern District—					
Burlington-Rock Island	553	561	1,077	849	442
Gulf Coast Lines	5,460	5,702	5,474	2,410	2,375
International-Great Northern	3,159	2,574	2,320	3,958	4,006
Kansas, Oklahoma & Gulf	378	298	231	1,092	979
Kansas City Southern	5,301	6,624	5,362	3,187	2,828
Louisiana & Arkansas	3,808	3,935	3,625	3,415	3,142
Litchfield & Madison	327	307	400	1,474	1,297
Midland Valley	780	637	587	482	399
Missouri & Arkansas	236	162	167	385	429
Missouri					

Items About Banks, Trust Companies

In our item of a week ago (page 2652) regarding the forthcoming action of the stockholders of the Manufacturers Trust Co. of New York with respect to the readjustment of the capital, it was inadvertently stated that the meeting of the shareholders would be held on Jan. 2. This, of course, was obviously an error, the date of the meeting, as indicated in the extended notice to the stockholders, which we quoted in our item, being scheduled for July 2.

Central Hanover Bank & Trust Co. of New York has appointed Robert P. Furey an Assistant Vice-President and Edward M. Henry of the credit department, an Assistant Treasurer.

E. Chester Gersten, President of The Public National Bank & Trust Co. of New York, announces that Major Joseph Singer, who recently resumed his duties as Vice-President at the Broadway and 24th Street Office, after more than two years of service in the Adjutant General's Department and the Finance Department, U. S. Army, has been appointed as head of the Midtown Office at 39th Street and 7th Avenue. He also announced the following promotions at the Midtown Office: John Obeda, Assistant Vice-President, was elected Vice-President and Herbert K. Baskin, Assistant Cashier, was appointed Assistant Vice-President. The following promotions at the Broadway and 24th Street Office were also announced at the same time by Mr. Gersten: Louis Katzman, Assistant Vice-President, was elected Vice-President; Irving Levine, Assistant Cashier, was appointed Assistant Vice-President, and Paul M. Selesko, Assistant Cashier, was appointed Assistant Vice-President. It has also been made known by Mr. Gersten that Peter White has been appointed an Assistant Vice-President and will be located at the Midtown Office at 39th Street and 7th Avenue. Mr. White was formerly connected with the Manufacturers Trust Co., where he was an active credit officer at the 43rd Street and 8th Avenue office of that institution. He comes to the Public National with long experience in the banking field, having also been identified with credit operations at the Federal Reserve Bank of New York and the City Bank Farmers Trust Co. Mr. Gersten further announced that Edwin L. Emery was appointed Manager of the Accounts Receivable Department and that Joseph Moskowitz was appointed an Assistant Cashier.

At their last regular meeting the trustees of Irving Savings Bank of New York appointed John H. Hammett Secretary and Comptroller of the bank. Mr. Hammett, formerly Comptroller and Assistant Secretary, entered the bank in 1939 from the Comptroller's office of the United States Treasury Department. He was a member of the class of 1943 at the Graduate School of Banking.

Stanley Rosor, President of J. Walter Thompson Co., has been elected a trustee of the Greenwich Savings Bank of New York, it is announced by Earl Harkness, President of the bank.

George H. Dayton has been elected a trustee of the Kings County Savings Bank, Brooklyn, N. Y. J. R. McLaren, President of the bank, announced recently. Mr. Dayton is Vice-President and Secretary of the J. H. Monteath Co., New York.

The Albany Savings Bank of Albany, N. Y., has entered its 126th year of continuous operation after observing its 125th anniversary on June 10, announced the Albany "Times-Union." On June 10, 1820, the first day of the

bank's operation, a total of \$527 was deposited. The "Times-Union" adds:

"Entering its 126th year of operation, the bank has become the largest institution of its kind in Albany, with total assets exceeding \$78,000,000. It also is the largest savings banks in the United States in cities the size of Albany."

The New York State Banking Department announced on June 1 that approval has been given to the Auburn Trust Co., Auburn, N. Y., to plans to increase capital stock from \$250,000, consisting of 2,500 shares of stock of the par value of \$100 each, to \$300,000, consisting of 3,000 shares of stock of the par value of \$100 each.

The Manufacturers & Traders Trust Co. of Buffalo, N. Y., is planning to issue an additional 20,000 shares of stock with a par value of \$10 a share, which will be exchanged share-for-share with the stock of the First National Bank of Kenmore, N. Y., in bringing about a consolidation of the two institutions, according to the Buffalo "Evening News" on June 4, which also said:

"The additional issue will give M. & T. a total of 520,000 shares outstanding.

"Stockholders of the M. & T. and the First National Bank will vote June 19 on the proposed merger and at the same time M. & T. stockholders will vote on the increase in stock. The State Superintendent of Banks has approved the merger agreement."

President Dexter P. Rumsey of the Erie County Savings Bank, Buffalo, N. Y., announced promotions in the bank's staff as follows, according to the Buffalo "Evening News":

"Lee L. Norton, who has been Assistant Vice-President, was made a Vice-President.

"Charles E. Metz, who has been Assistant Vice-President, was appointed Secretary.

"George L. Sheridan, who has been in the treasurer's department, was made an Assistant Treasurer.

"Bender E. Gilbert was made Public Relations Officer.

"Walter G. Kates, who has been Manager of the life insurance department, was made Life Insurance Officer."

Edward B. Concannon has recently been appointed Executive Vice-President of the Central Home Trust Co., Elizabeth, N. J., it was announced on June 14 by N. R. Leavitt, President of the bank. Mr. Concannon succeeds Jacob Kraus Jr., who recently resigned to become a Vice-President of the Colonial Life Insurance Co. of America at Jersey City, N. J.

T. Philip Reiting, President of the Montclair Savings Bank, Montclair, N. J., announced the election of Ralph R. Lounsbury to the board of managers of the bank. Mr. Lounsbury is President of the Bankers National Life Insurance Co.

The transfer of \$300,000 from undivided profits of the Germantown Trust Co. of Philadelphia to surplus, increasing the latter to \$2,500,000, was authorized by the directors of the institution on June 13, according to the Philadelphia "Evening Bulletin."

The Provident Trust Co., Philadelphia, Pa., has submitted to stockholders a plan to increase the number of shares of its capital stock outstanding by means of the issuance of five shares of stock for each share presently held by stockholders, said advices to the "Wall Street Journal" on June 15, which continued:

"A special stockholders' meeting has been called for June 26 to

vote on the company's proposal to change the par value of the 32,000 outstanding shares of capital stock from \$100 to \$20 and to increase the number of such shares to 160,000. At the same time stockholders are asked to vote on an employees' retirement income plan."

The board of directors of the Union National Bank of Pittsburgh, Pa., announce that at a meeting of the board on June 8 Charles L. McCune was elected Chairman of the board to assume active charge of the affairs of the bank, in order that Lloyd W. Smith, President, could be granted an extended leave of absence on account of ill health. Laurence S. Bell, Vice-President of the bank since 1928, was elected Executive Vice-President.

John H. L. Janson, Vice-President of the Cleveland Trust Co., Cleveland, Ohio, died on June 12 at the age of 71. Mr. Janson had been in the banking business since 1919 and became connected with the Cleveland Trust in 1921, following its merger with the old Northern National Bank, of which he had been Vice-President.

Harry W. Bauer was elected President of the Second National Bank of Cincinnati, Ohio, at a meeting of the board of directors on June 11. He succeeds the late John G. Gutting, who had held the office since 1931.

The Cincinnati "Enquirer," from which this is learned, also said:

"Charles M. Leslie, who has been chief counsel for the bank for 40 years, was elected to the newly-established office of Chairman of the board."

Mr. Bauer, who started with the bank 39 years ago, organized and headed the Westwood Bank & Savings Co., which was acquired by the Second National in 1940. It is also stated:

"The new Chairman of the board was elected to the directorate at the previous meeting, filling the vacancy caused by Mr. Gutting's death. He has long been prominent in Cincinnati legal circles. He is a Past President of the Cincinnati Bar Association."

Admission of The Grafton Savings & Banking Co. of Grafton, Ohio, to membership in the Federal Reserve System was announced on June 12 by Ray M. Gidney, President of the Federal Reserve Bank of Cleveland. Member banks in the Fourth District now total 712. The Grafton Savings & Banking Co. was organized in 1917 with a capital of \$25,000 and now has a capital of \$35,000. It serves the village of Grafton, located in Lorain County about 35 miles southwest of Cleveland, and adjacent trade populace.

J. A. Knechtges has been President of the Grafton Bank since its organization. Other officers are: B. A. Rothger, Vice-President; W. G. Reese, Cashier, and Miss M. K. Knechtges, Assistant Cashier and Secretary. Directors, in addition to Messrs. Knechtges, Rothger and Reese, are C. L. Lehman, Lucy M. Robson and Ira Swartz.

The Switz City Bank, Switz City, Ind., became a member of the Federal Reserve System on June 9. Organized as a private bank in 1921, it became a State chartered institution on May 23, 1945. The bank has a capital of \$40,000, surplus of \$10,000, and total resources of \$680,486. Its officers are: Fred A. Stantz, President; Garrett B. Dubenspeck, Vice-President; Charles B. Hollars, Cashier, and Relle T. Aldridge, Assistant Cashier. The addition of the Switz City Bank brings the total membership of the Federal Reserve Bank of St. Louis to 482. These member banks hold over 70% of the net

Dissolutions of Bank and Credit Unions

In its weekly Bulletin of Changes in State banking institutions the New York State Banking Department reported on June 8 that final orders granted by the court dissolving and terminating corporate existence of the following institutions, which have been in voluntary liquidation for one or more years, filed pursuant to provisions of Section 605 of the Banking Law.

Name of Institution and Location	Date of Order	Filed
Security Credit Union, New York, N. Y.	6-4-1945	6-5-1945
Schenectady Bank, Schenectady, N. Y.	6-4-1945	6-5-1945
The Peoples Commercial Bank of New York, New York, N. Y.	6-4-1945	6-5-1945
Foreign Trade Banking Corporation, New York, N. Y.	6-4-1945	6-5-1945
The Peoples Bank of the City of New York, New York, N. Y.	6-4-1945	6-5-1945
The Mortgage Bond Company of New York, New York, N. Y.	6-4-1945	6-5-1945
Friends of Israel Credit Union, Bronx, New York	5-31-1945	6-6-1945

In its June 1 bulletin the Department reported the following dissolutions:

May 25, 1945—The Bank of the State of New York. Location: New York, N. Y. Certified copy of an Order, granted at a Special Term, Part II, of the Supreme Court of the State of New York, held in and for the County of New York, at the Court House thereof, Borough of Manhattan, City and State of New York, on the 24th day of May, 1945, declaring The Bank of the State of New York dissolved and its corporate existence terminated, filed.

May 25, 1945—Climax Credit Union. Location: New York, N. Y. Certified copy of an Order, granted at a Special Term, Part II, of the Supreme Court of the State of New York, held in and for the County of New York, at the Court House thereof, Borough of Manhattan, City and State of New York, on the 24th day of May, 1945, declaring Climax Credit Union dissolved and its corporate existence terminated, filed.

deposits of all banking institutions in the Eighth District.

The Mercantile-Commerce Bank & Trust Co., St. Louis, has announced the appointment of R. J. Selover as Manager of the Property Improvement Loan Division. For the past 10 years Mr. Selover has been associated with the First Bancredit Corp. of St. Paul, where he spent some years in the home office, then served in the Detroit office, and for the past three years has been Branch Manager in Milwaukee. Mr. Selover will handle all types of property improvement loans on both residential and business property.

Directors of the Bank of America on June 12 declared a common stock dividend at the rate of two additional shares for each three shares owned at the close of business on June 15 and voted a cash dividend of 80 cents a share for the current semi-annual period.

The United Press, in reporting this from San Francisco, also said:

"The \$1.60 annual dividend on all stock outstanding on June 15, including the new stock dividend, will be equivalent to \$2.66 $\frac{2}{3}$ a share on the old stock. The present dividend rate is \$2.40.

"The action of the board followed a special shareholders' meeting held June 12 which voted to increase the capital of the bank from 4,800,000 to 8,000,000 shares and from \$60,000,000 to \$100,000,000. At the same time the directors declared the semi-annual dividend of \$1 on convertible preferred stock, payable on June 20 to stockholders of record June 15.

"Delivery of the common stock dividend of shareholders is expected to be made about July 1."

The election of two new directors of the Guaranty Trust Co. of Canada, Montreal, was announced on June 11. They are V. G. Cardy and W. F. Spry. Mr. Cardy is President of a large group of hotels in Canada, while Mr. Spry, the Montreal "Gazette" reports, is Vice-President, General Manager and director of Canadian General Insurance Co., and Toronto General Insurance Co., and director of Canadian Insurance Shares, Ltd., and Canadian General Securities, Ltd.

May 25, 1945—Home Mutual Loan and Savings Association. Location: Binghamton, N. Y. Certified copy of an Order, granted at a Special Term, Part II, of the Supreme Court of the State of New York, held in and for the County of Broome, at the Court House thereof, City of Binghamton, State of New York, on the 24th day of May, 1945, declaring Home Mutual Loan and Savings Association dissolved and its corporate existence terminated, filed.

May 25, 1945—International Trust Company. Location: New York, N. Y. Certified copy of an Order, granted at a Special Term, Part II, of the Supreme Court of the State of New York, held in and for the County of New York, at the Court House thereof, Borough of Manhattan, City and State of New York, on the 24th day of May, 1945, declaring International Trust Company dissolved and its corporate existence terminated, filed. (This trust company authorized in 1907 and discontinued business same year).

May 25, 1945—The Library Credit Union. Location: New York, N. Y. Certified copy of an Order, granted at a Special Term, Part I, of the Supreme Court of the State of New York, held in and for the County of New York, at the Court House thereof, Borough of Manhattan, City and State of New York, on the 24th day of May, 1945, declaring The Library Credit Union dissolved and its corporate existence terminated, filed.

May 25, 1945—Washington Bank. Location: New York, N. Y. Certified copy of an Order, granted at a Special Term, Part II, of the Supreme Court of the State of New York, held in and for the County of New York, at the Court House thereof, Borough of Manhattan, City and State of New York, on the 24th day of May, 1945, declaring Washington Bank dissolved and its corporate existence terminated, filed.

May 29, 1945—Kensington Bank. Location: Brooklyn, N. Y. Certified copy of an Order, granted at a Special Term, Part II, of the Supreme Court of the State of New York, held in and for the County of Kings, in the Court House thereof, Borough of Brooklyn, City and State of New York, on the 25th day of May, 1945, declaring Kensington Bank dissolved and its corporate existence terminated, filed.

May 29, 1945—North Avenue Bank & Trust Company. Location: New Rochelle, N. Y. Certified copy of an Order, granted at a Special Term of the Supreme Court of the State of New York, held in and for the County of Westchester, at the Court House thereof, in the City of White Plains, State of New York, on the 25th day of May, 1945, declaring North Avenue Bank & Trust Company dissolved and its corporate existence terminated, filed.

May 29, 1945—Sidney Savings and Loan Association. Location: Sidney, N. Y. Certified copy of an Order, granted at a Special Term of the Supreme Court of the State of New York, held in and for the County of Delaware, at the Supreme Court Chambers in the Village of Hobart, State of New York, on the 26th day of May, 1945, declaring Sidney Savings and Loan Association dissolved and its corporate existence terminated, filed.