

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 161 Number 4398

New York, N. Y., Thursday, June 28, 1945

Price 60 Cents a Copy

The Financial Situation

In a brief prepared statement presented to the House Post-War Military Committee, General George C. Marshall recently gave expression to his personal views concerning universal compulsory military service as a post-war peacetime policy. In view, first, of the influence any opinion of the General's is likely to have among the rank and file, and, second, of the typically circumscribed perspective revealed in this utterance of a professional soldier, we feel it desirable to inquire with particular care into what it is that the General is saying.

"A decision regarding the general military policy of this government (in the post-war years) 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."

Begging the Question

This highly respected and exceptionally capable professional soldier is probably rather naturally quite unaware (Continued on page 2880)

Baruch Urges Destruction of Germany's War-Making Potential

Economic Advisor to Two Presidents Tells Senate Military Affairs Committee This Is Only Way for a Sure Peace. Urges an All Embracing Agreement With Russia on Major Peace Problems to Allay Soviet Fears, and Advocates Raising Human Standards All Over the World as "a Bulwark of Post-War Economic Policy."

Appearing before the Senate Military Affairs Committee on June 22, holding hearings with the objective of "the elimination of Germany's economic potential for military aggression," Bernard M. Baruch, the "elder statesman" of two Presidents, strongly advocated the disintegration of Germany's "over-all industrial and technical power" as a means of "a sure peace."



Bernard M. Baruch

"No more important question ever will come before you," Mr. Baruch said, "than this one—of how to prevent the revival of Germany's war-making might. It is the heart of the making of the peace; it is the heart of the keeping of the peace.

"What is done with Germany holds the key to whether Russia, Britain and the United States can continue to get along. It will affect profoundly the jobs and

livelihoods of everyone, everywhere, for none of the economic problems of the peace can be solved except in the light of German reparations policy and the measures taken to demilitarize Germany's traditional war economy."

Mr. Baruch then listed 14 recommendations for "a sure peace," as follows:

Settle Germany's Future

1. The earliest definite settlement of what is to be done with Germany.

Break German Dominance

2. Economically, this settlement must break once and for all Germany's dominance of Europe. Her war-making potential must be eliminated; many of her plants and factories shifted East and West to friendly countries; all other heavy industry destroyed; the Junkers estates broken up; her exports and imports strictly controlled; German assets and business organiza-

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Truman to Seek Early Senate Approval of United Nations Charter

President, in Addressing Closing Session of San Francisco Conference, Expresses Confidence That Overwhelming Sentiment of the People and of the Senate Favors Immediate Ratification of Charter Designed to Perpetuate World Peace. Calls Upon United Nations to Remain United and Urges Removal of Artificial and Uneconomic Trade Barriers in Interest of Raising Living Standards of All Peoples.

The United Nations Conference on International Organization, which had been in session for nine weeks at San Francisco, came to a close on



President Truman

June 26, following an address by President Harry S. Truman, in which he praised the Charter agreed on by the delegates of 50 nations as "a great instrument for peace and security and human progress in the world." The President, speaking at the final plenary session of the Conference, declared that he intended to transmit the Charter to the "United States Senate at once," and expressed confidence that the overwhelming sentiment of the people of the United States and of the members of the Senate was in favor of immediate ratification of the document. Mr. Truman voiced the hope that the governments of the participating countries at the Conference would also speedily

endorse the Charter, signing of which by the various delegations constituted the final act of the parley. Pending approval of the Charter by the Big Five (the United States, Russia, Great Britain, France and China), and a majority of the other 45 of the United Nations, a United Nations Interim Commission will be established. The full text of President Truman's address, as reported by the United Press, is as follows:

Mr. Chairman and delegates to the United Nations Conference on International Organization:

I deeply regret that the press of circumstances when this Conference opened made it impossible for me to be here to greet you in person. I have asked for the privilege of coming today, to express on behalf of the people of the United States our thanks for what you have done here, and to wish you Godspeed on your journeys home.

Somewhere in this broad coun-

try every one of you can find some of our citizens who are sons and daughters, or descendants in some degree, of your own native land. All our people are glad and proud that this historic meeting and its accomplishments have taken place in our country. And that includes the millions of loyal and patriotic Americans who stem from the countries not represented at this Conference.

We are grateful to you for coming. We hope you have enjoyed your stay and that you will come again.

You assembled in San Francisco nine weeks ago with the high hope and confidence of peace-loving people the world over.

Their confidence in you has been fulfilled.

The Charter of the United Nations which you have just signed is a solid structure upon which we can build a better world. History will honor you for it. Between the victory in Europe and the final victory in Japan, in this (Continued on page 2884)

From Washington Ahead of the News

By CARLISLE BARGERON

One of the cutest contrivances ever to be devised in any Nation's lawmaking machinery is that in the U. S. Senate known as the B2, H2 bloc. It is composed of four Senators, Burton and Ball, Republicans, Hatch and Hill, Democrats, who have hit upon their combination as a means of making themselves heard in a world of clamorous voices. According to the high-brow writers, they are bringing a

scientific approach to legislative matters, something it is highly doubtful a war-weary people can take. At least, it hasn't been able to take their offering as yet.

They started out a couple of years ago to get a peace organization with an international police force which would be set in motion upon order of the executive director of the international peace organization. At that time, there were supposed to be an influential set of backward-looking isolationists in this country who were bent upon wrecking the world's peace hopes, as they are supposed to have done after World War I, with objections to our giving away any of our sovereignty, which the empowering of an international organization to declare war would



Carlisle Bargeron

do. It was expected that there would be a knockdown and drag out fight on this issue, something that would politically tear our country to pieces. It was for this reason that such forward-looking world-minded people as Sidney Hillman's CIO-PAC, in the '44 Presidential campaign, insisted that all isolationists should be run out of public life, even such able men as Senator John Danaher of Connecticut. Their opposition to the war had proved ineffectual, and you would think that the world-minders, with two wars thriving, would have been forgiving. But no, if these isolationists were permitted to live, they would be a stumbling block in the path of Mr. Roosevelt who was hell-bent to accomplish where Woodrow Wilson failed.

This school was pretty crowded with agitators and you would have thought there was no room for anybody else to establish prominence in it, particularly three amateurs as are Senators Ball, Burton and Hatch. But they nevertheless did it through the device of linking up and tying onto Senator Hill, who has a standing as assistant Democratic leader. Hill was astute enough

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Words—And Their Meaning

"We cannot for a moment surrender to what Winston Churchill called 'the craven fear of being great.' Power cannot for a moment be left idle like money in an old sock.

"It must be used constantly and wisely to fortify the friends of peace everywhere in the world, and thereby to fortify ourselves.

"The problem of the exercise of power over a defeated enemy is complicated in the extreme but it is relatively simple compared with the problem of blending the power of friends and allies.

"General Eisenhower developed a successful pattern for doing this in wartime. We shall have to learn how to do it in creating peace. The road will be hard. If we should ever become faint-hearted or cynical at any step along the way, then our power would become a curse instead of a blessing to mankind.

"We shall use it as we have used it in two world wars—in the service of law and justice and human freedom—in other words, in the service of peace on earth, without which we cannot serve our own highest interests.

"We are about to enter into a compact with the other peace-loving nations to make sure that military power—ours and theirs—will be used and used only for that high purpose. Our military power exists. It will be a threat only to the violators of international peace and justice."—Joseph C. Grew, Under Secretary of State.

It does not appear to have occurred to Mr. Grew, and we fear it does not often enough occur to many others, that such terms as "law," "justice," and "human freedom" may mean quite different things to different people.

Yet such is an obvious and deeply significant fact!

Senators Disturbed by European Picture

Members of the Senate Military and Naval Affairs Committees, recently returned from a tour of Europe, expressed concern over prospects of stabilization on the Continent, some foreseeing another attempt on the part of Germany to rise and others finding a spreading of Communistic influence, the Associated Press reported from Washington, June 14. The party included Senators Revercomb (R., W. Va.), Gurney (R., S. D.), Stewart (D., Texas), McClellan (D., Ark.), Byrd (D., Va.), and Eastland (D., Miss.). All Europe "is sweeping toward Communism or State Socialism," Mr. Revercomb told newsmen. "We've destroyed a bad thing in Europe and perhaps are setting up something just as bad."

"We found out that the German people definitely know they are whipped, but we also know that if they had the troops, ammunition and food they would be at our throats again tomorrow."

The Associated Press likewise said:

Byrd confined himself to saying he had "a fine trip," indicating he might have a statement later.

Eastland joined McClellan in urging that American troops not be drawn back 150 miles in Germany to a line agreed upon with Russia.

The Mississippian said most of the food producing area of Germany is in the Russian zone and its products are being used by Russia. Asserting that the Soviet Union is getting the larger share of the occupied Reich, he said the Russians "may start to communize everything behind that line."

"The United States must stand firm," he said, declaring that withdrawal of American troops from the Continent would result in "anarchy."

McClellan warned that Germany could begin within ten years to build a dangerous new war machine. He said American troops must be kept there until we are certain German war industry is not to be reconstructed, and until there is a satisfactory government.

"There is another important reason which cannot with propriety, however, be discussed at this time," McClellan said.

Market Transactions In Govts. in May

During the month of May, 1945, market transaction in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of \$34,400,000, Secretary Morgenthau announced on June 15.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1943—	
June	\$145,768,000 sold
July	67,757,200 sold
August	15,800,000 sold
September	2,651,600 sold
October	No sales or purchases
November	\$5,000,000 sold
December	4,800,000 purchased
1944—	
January	\$9,924,000 sold
February	105,100,000 sold
March	11,600,000 sold
April	16,511,300 sold
May	9,965,000 sold
June	20,500,000 purchased
July	18,484,000 sold
August	18,992,500 sold
September	28,100,000 sold
October	5,900,000 sold
November	12,000,000 sold
December	5,900,000 sold
1945—	
January	\$67,475,000 sold
February	48,131,000 sold
March	2,940,000 sold
April	55,600,000 sold
May	34,400,000 sold

*Less than \$50,000 sold.

The State of Trade

Much discussion has taken place in recent months as to the best way of coping with the post-war problems which will grow out of our eventual return to a full peace-time economy. By some we are told that if our country would enjoy a greater prosperity than ever before full employment must be the first requisite to its attainment. In other quarters the factor of greater production is stressed as the key to the problem. However,

according to speakers at a recent meeting of the National Association of Manufacturers clinic on distribution, it was brought out that the biggest post-war industry problems will lie in sales and distribution where the customer again will be the one to be pleased and that a "tremendous selling job" will be needed if industry is to maintain jobs.

In a prediction of the disappearance of the sellers' market for the next two years, Everett R. Smith, director of research of Macfadden Publications, Inc., addressing the clinic, added that deferred demand for consumer peace-time goods "will not work automatically for you or for any other individual companies."

Touching upon a greater knowledge of markets, he said most companies can readily determine what percentage of its net sales goes into engineering, laboratory work and product design, but asked: "Do you know what percent of your net sales, if any, goes into market studies?"

All the fine plans developed by laboratories and engineering departments will prove futile, Mr. Smith warned, unless "you study markets just as carefully, just as thoroughly, and recognize that the customer will be boss."

Citing the growth in family incomes between January, 1940 and 1944, he pointed out that almost 6,000,000 families moved up from below the \$1,000 annual income line to higher brackets; and that some 8,000,000 families topped the \$2,000 level in the same period.

Recent surveys, according to Mr. Smith, showed that some 32% are planning to buy a mechanical refrigerator after the war; only a third of that number are contemplating replacements, while the remaining two-thirds have never had a mechanical refrigerator.

Lending support to Mr. Smith's point, Don G. Mitchell, Vice-President in charge of sales of the Sylvania Electric Products, Inc., urged clinic members to use 1945 as the year in which to rebuild and revitalize their sales force, "so that we will not be left at the post when the race for markets starts."

Steel Industry—"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 this past week to complicate the steel market picture," states "The Iron Age" in its current survey of the steel trade.

The national steel ingot rate the past week was estimated at 90% of capacity, up slightly from last week's figure. The low level apparent last week was due in part to heat and steel strikes in some areas.

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. The increase in the number of steel strikes is attributed by some as the result of the end of the European war and concern over the probable decline in the take-home pay, the magazine states.

In months to come the national steel ingot rate is expected to be more erratic than at any time since the war began. 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 trade paper points out.

The absolute necessity for long postponed repairs to steel mill equipment will be another factor which will tend to lower the steel rate. Some repairs and rehabilitation must be undertaken immediately, and strikes have hastened these decisions because once the units are down repairs are begun where needed.

The past week saw some recovery in the volume of rated orders over the low level of the previous weeks, and this recovery has placed mill order books in a stronger position. Thus, current hopes for sizable civilian steel supplies in the third quarter are somewhat dimmed.

Reports from Washington that close to 300,000 tons of sheets and strip would be available for civilian use in the third quarter are not borne out by district market reports. Steel observers claim that sheet carryovers are still heavy and that demand for rated sheet tonnage remains heavy. Then, too, the slowness with which war program cancellations reach mill levels is another reason why substantial steel tonnage for civilian use in the third quarter appears remote at this time, "The Iron Age" notes.

The steel industry was awaiting with some expectancy cutbacks which were scheduled for this week. Simultaneous meetings in three or four cities were expected to take a heavy toll in the production of war materials. With the third quarter almost at hand, and with steel cancellations still trickling in, most steel officials are of the opinion that while civilian steel may be more plentiful in the third quarter, the supply will probably not anywhere near satisfy minimum civilian demand much before the beginning of the fourth quarter.

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, quotes the magazine, covered all types of steel, especially sheets.

Scrap markets the past week were stronger in practically every area, and it was believed by most suppliers that inventories in many cases were a little bit too low for comfort.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 91.5% of capacity for the week beginning June 25, compared with 88.8% one week ago. This week's operating rate represents an increase of 2.7% from last week's rate and is equivalent to 1,675,900 net tons of steel ingots and castings, compared to 1,626,500 net tons last week and 1,714,300 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended June 16, 1945, totaled 872,674 cars, the Association of American Railroads announced. This was a decrease of 11,611 cars, or 1.3% below the preceding week this year and 4,819 cars, or 0.5% below the corresponding week of 1944. Compared with a similar period of 1943, an increase of 4,388 cars, or 0.5%, is shown.

Electric Production—The Edison Electric Institute reports that

(Continued on page 2887)

Lower Earnings on Life Insurance Funds Due to Inv. in Govts. and Lower Open Market Rates

The net rate of interest earned last year on invested policyholder funds by the life insurance companies of the United States was 3.19% the Institute of Life Insurance reported on June 20. This compares with a rate of 3.29% in the previous year and represents a new low point. "Last year's decline in the rate," the Institute said, "was due primarily to the continued flow of life insurance funds into United States Government securities and to the low interest rates available on new issues and open-market securities generally." The Institute further says:

"Holdings of war bonds and other United States Government securities increased \$3,680,000,000 in the year, bringing to almost \$10,000,000,000 the aggregate gain in holdings of these securities since the start of the war. Government securities of all types—Federal, State and local—at the year-end accounted for about 45% of total life insurance assets compared with 40% the year before and not much more than 25% at the end of 1941.

"Refunding of railroad, public utility and industrial securities to take advantage of lower interest rates continued on a large scale during the year, the SEC reporting that about 80% of all corporate financing during the year was for the purpose of refunding outstanding issues. As a consequence, the interest return to the life insurance companies on their holdings of business securities which were substantially maintained during the year tended downward. Securities maturing or called for redemption prior to maturity could only be replaced at lower rates.

"Real estate mortgage holdings accounted for 16% of total assets last year, as compared with 20% in 1941. The interest return on this type of investment has been reasonably well maintained.

"Life insurance costs remained practically unchanged last year in spite of the decreased earning rate. This was largely because of the relative stability of mortality and because of other income from such sources as sale of real estate and securities at a level above acquisition cost. The earning rate

has tended downward with only slight halts for more than twenty years, and this long-term decline has been largely responsible for the increases in policy costs over the past fifteen years. Average life insurance costs today are materially higher than at the low point in 1930, although even now they are not far from the 1920 level, improved health among policyholders and reduced operating expenses having offset some of the earning rate decline."

New Life Ins. Pension Trusts of Over \$1/4 Billion

More than a quarter of a billion dollars of new life insurance pension trusts were set up last year for employe groups, the peak year for this type of retirement plan, according to a survey made by the Life Insurance Sales Research Bureau. The 1944 purchases of life insurance pension trusts were 20% greater than in the previous year, said the Institute, which added:

"This relatively new type of pension plan has been developed largely within the past ten years, especially during the past three war years. It has enabled many employers to set up for their employe plans for supplemental retirement funds, above the level of the Social Security benefits, giving a more satisfactory income aggregate on which to retire.

"The average life insurance unit in the pension trust plans set up in 1944 was \$4,529, which compares with an average ordinary life insurance policy of \$2,137 among the companies surveyed. Pension trust policies represented about 4% of all ordinary insurance purchased in the year."

Tariff Extension Legislation Sent to White House

A signal victory for the Truman Administration was achieved on June 20 when the Senate passed by a vote of 54 to 21 legislation to extend for three more years the Reciprocal Trade Agreements Law after defeating all restrictive amendments, according to the Associated Press from Washington on that date. The measure as passed includes the power so desired by the Administration for the President to cut tariff rates by as much as 50%. Already authorized under the old law to cut import duties in half, the President will be empowered under the new legislation to reduce them another 50% below the rates prevailing on Jan. 1, 1945.

The President himself had said that renewal and strengthening of the Trade Agreements Act was "of the first order of importance for the success of my administration." And, as the Associated Press pointed out, President Roosevelt too was a hearty endorser of the trade program initiated by Cordell Hull in 1934.

The House had approved the additional rate cutting power in passing the bill extending the reciprocal trade program for three more years.

The Administration had suffered a temporary setback in the Senate Finance Committee, where three Democrats jumped the party fence to line up with a solid Republican representation and delete the extra authority, 10 to 9.

In the House Democrats had made the legislation largely a partisan issue as they pushed the measure through without amendment.

Senate Democrats lacked an equivalent working margin of party superiority, however, and some Democrats were cool to the legislation.

Asked his view, Senator Johnson (D., Colo.), a Finance Committee member, had commented that he had opposed reciprocal trade agreements in the past, according to the Associated Press from Washington, on May 30, when hearings on the legislation opened in the Senate Finance Committee.

Senator Radcliffe (D., Md.), said he was for "the general theory of reciprocal trade agreements," but that another 50% cut in tariffs "might be pretty drastic."

Senator Taft of Ohio, chairman of the Republican steering committee, said he thought virtually all Republicans would oppose granting new tariff-cutting power. He added that there would not be much opposition, however, if the administration would be agreeable to only a year's extension of the present law.

Republican leaders indicated that they would pursue a strategy of trying to avoid letting the measure become a partisan issue.

They argued that in fact it was a local issue which each Senator must decide on the basis of how trade agreements might affect industry in his own state.

The Senate Finance Committee's first witness was Assistant Secretary of State Will S. Clayton, who told Senators, according to the Associated Press, that the Administration needed new tariff cutting power to promote world "economic liberalism and free enterprise." He said, "Nations which act as enemies in the market place cannot long be friends at the council table."

Senator Joseph C. O'Mahoney (D.-Wyo.), although not a Finance Committee member, joined the group, according to the "Journal of Commerce," and asked Mr. Clayton if he believed the State Department should ask Congress for authority to make trade agreements without Congressional review. The Assistant Secretary of State based his affirmative reply on the ground that it "relieved Congress of political pressures."

Mr. Clayton's testimony developed the fact that the Government is planning on additional foreign loans beyond those now projected through the International Reconstruction Bank,

worked out at Bretton Woods, and the Export-Import Bank under enlarged powers which will be sought.

Making the point that foreign purchasers of United States goods must be able to pay for them with goods as the trade agreements program contemplates, but that restoration of foreign productive facilities will have first to be achieved, Mr. Clayton testified that credits will have to bridge the gap. Noting plans to extend credit facilities through the Bretton Woods bank and the enlarged Export-Import Bank, Mr. Clayton added that credits will have to be extended as well "through other sources, private and governmental."

Mr. Clayton was questioned as to Russian plans for launching an immediate program for expanding annual steel production from 10,000,000 to 60,000,000 tons. Senator David I. Walsh (Dem., Mass.), who raised the question, cited a "high authoritative Government official" as his source and mentioned that the figure equals total American production when the war began.

Mr. Clayton disclaimed knowledge of the program, although Senator O'Mahoney said it had also come to his attention.

"At the very time when Russia is expanding her steel production," Senator O'Mahoney said, "our production, which we expanded to help Russia with tanks and guns and munitions, is falling off. And the State Department is asking for authority to negotiate agreements and reduce tariffs 50% below present levels without knowing what other competing countries are planning."

Mr. Clayton took the position that most foreign countries would be engaged in reconstruction and restocking problems for some years to come and would not possess surpluses out of which to export to the United States or any other country. Both Germany and Japan, powerful competitors in the pre-war period, will undoubtedly be "industrially impotent for many years following the end of this war," he said.

When Mr. Clayton replied that Russia would probably not be able to expand her capacity for "many years to come," Senator Bailey interpolated: "That's the way they talked about her fighting capacity. But she certainly built that up fast enough."

Several other witnesses besides Mr. Clayton were heard.

Russell B. Brown, general counsel for the Independent Petroleum Association of America, said the trade agreement program has encouraged the large exporter and "injured" the small independent.

Brown asserted that monopoly "is being embedded in the oil industry as a natural consequence of the State Department's policy."

John G. Lerch, counsel for toy manufacturers, questioned the constitutionality of Congress delegating tariff rate making to the executive branch of the Government. He asked that a provision be inserted guaranteeing an industry the right of appeal to the Supreme Court on this question.

E. L. Tobert, representing the Onondaga Pottery Co., Syracuse, N. H., asked special consideration for handicraft industries. Saying the wage rate in the American pottery industry is three and one-half times that in England and many times that of other countries, he asked "a fair opportunity to build a fine china industry in this country."

Carl H. Mote of Indianapolis, head of the National Farmers Guild, opposed importation of any

agricultural products which can be produced in this country. He said he saw no reason why the United States should "import Argentine beef so that we can sell them automobiles."

"I'm opposed to foreign trade in principle, so long as we can get along without it," he added.

On June 2, according to an Associated Press report from Washington, on that date, Senator George expressed hopefulness of Senate approval of the legislation.

He acknowledged, however, that the committee might knock out the controversial provision which would enable the President to cut individual import duties an additional 50%.

The 50% proviso won House approval, after a heated fight, by a vote of 212 to 181. In view of that vote, Senator George expressed the belief in an interview that the House would not agree to elimination of the provision if voted by the Senate.

Senator George told reporters: "I do not think there is the slightest possibility the legislation can do any possible harm to American producers and manufacturers, and there is a chance of it doing considerable good."

The Senate Committee finally approved the three-year extension of the Trade Agreements Act, but rejected any tariff-cutting authority for the President beyond that first enacted in 1934, which permitted cuts up to 50% in the rates of the Hawley-Smoot Act of 1930, and in that form debate on the measure started on the floor of the Senate, the Associated Press advised from Washington on June 12. Senator Walter F. George (D., Ga.), Chairman of the Senate Finance Committee, immediately opened the fight to restore the additional tariff-cutting Presidential authority.

When the measure to extend the tariff bill came to a vote on June 19, according to the Associated Press on that date, the Senate rejected its committee's amendment to strike from the bill power for the President to reduce tariffs 50% under levels of Jan. 1, 1945. Nine Republicans joined with 37 Democrats and Senator La Follette (Prog., Wis.) to aggregate a 47 to 33 margin in favor of giving the President the desired authority.

Voting in opposition were eight Democrats and 25 Republicans. Six pairs were announced, thus putting on record 92 of the Senate's 96 members.

Not recorded were Senators Connally (Dem., Texas) and Vandenberg (Rep., Mich.), attending the San Francisco United Nations Conference, and Senator Hart (Rep., Conn.), suddenly called home by the death of his son, and Senator Scrugham (Dem., Nev.) who is ill.

Debate continued on the measure on June 20, in order to dispose of several other amendments, and ended with the legislation being passed and sent to the White House as the Administration had asked for it.

(House passage of the measure was reported in the June 7 issue of the "Chronicle," page 2535.)

Russia's "powerful influence," George said, will make for a collectivist economy in international trading "unless we have something to offer when we sit down to bargain" with other nations.

His appraisal of the prospect brought a question from Senator Langer (R., N. D.) as to why the United States should lend Russia money if the Soviets have a different system of enterprise.

George replied that he did not know that loans had been made to Russia. He went on to say that if loans were made, it was his own opinion that the initial fund should not be more than \$1,000,000,000, and that it should be administered by an American agency in a way to safeguard the American economy.

"I think this country would

make a great mistake to set up loans of \$6,000,000,000 or \$8,000,000,000 to any country," he said.

Majority Leader Barkley (Ky.) put in that there had been no Government loan to Russia, although some private advances may have been made. He said he did not know what Russia might ask.

George asserted that Britain was the only major nation, other than the United States, which might stand against collectivism and declared there is "unmistakable evidence" that Britain is being moved in that direction.

He quoted Prime Minister Churchill as saying Britain will not give up its right to "safeguard our balance of payment by whatever means are necessary."

That amounted, George said, to a declaration that "State control of commerce will be the rule of the future if it is necessary" to preserve the balance of payment to the British Empire.

Senator O'Mahoney (D., Wyo.), who had proposed an amendment to require Congressional ratification before any trade agreements become effective, asked how George would protect American industry.

"I believe the President of the United States will look at these agreements and not approve them if there is a deleterious effect on American industry," George replied.

O'Mahoney came back with the assertion that it was not a question of anybody's goodwill but of Congress surrendering a power reserved to it in the Constitution—the power to fix tariffs.

"The great issue of our time is not trade but totalitarianism," O'Mahoney continued. "If there was ever a time when the elected spokesmen of the people should not surrender their power this is the time."

Barkley, in opposition to O'Mahoney's amendment, said it took 30 months to enact the Hawley-Smoot bill and that submission of the trade agreement to Congress would promote log-rolling.

On June 13, Senator Smith (R., N. J.), reversed his previous position and, according to the Associated Press, announced his support for the legislation giving the President additional tariff-cutting powers.

He said in a Senate speech that as late as May 17 he had opposed the additional rate reducing authority called for in a House-approved bill extending the Reciprocal Trade Agreements law another three years.

In urging restoration of the clause which the Senate Finance Committee had deleted, Smith said that he had become "satisfied that full consideration will be given to the present situation of our American industries and to their adequate protection."

"What we are faced with in international affairs," he said, "is the immediate setting up by the other United Nations of their future trade policies, and I feel that the United States would be under a very distinct handicap if our executive and his aides, who are to represent us in negotiating trade agreements, should be deprived of the necessary weapons they will need to maintain our position."

"Unless the additional margin for cutting duty rates is available to our negotiators," he said, "they might not have sufficient concessions to offer to win the concessions we seek."

Senator Tobey (R., N. H.), angrily told the Senate that "five fat lobbyists" and one of his own party leaders were employing pressure to defeat reciprocal trade legislation. Tobey backed extension of the trade program, including authorization for 50% cuts in tariff rates.

Later Tobey told reporters that the Republican leader he referred to is "one of the leaders right here in the Senate."

"You know," he declared in an interview, "the Republican party doesn't seem to have learned a thing."

"The Republican party will never get back into power and it doesn't deserve to get back into power if it is forever against something. Once in a while we should favor something that's manifestly for the good of the country. This is no time for static minds."

He said the "lobbyists" represent industries which have objected to the reciprocal trade agreements.

Tobey forecast that there would be "at least six or seven Republican votes" for the trade program, nevertheless.

Senator Brien McMahon (D., Conn.), adding his urging for a restoration of the tariff-cutting power said that the clause was necessary to carry out the Administration's program of world co-operation, the United Press reported from Washington, June 14.

"If nations cannot co-operate in matters which directly affect the economic well-being of their people," he added, "then we are deceiving ourselves if we believe they can co-operate in an international security organization to maintain the peace."

Senator Owen Brewster, Republican, of Maine, opposed the present method of negotiating trade agreements because Congress is not given an opportunity to pass on them. He said a "bunch of stuffed shoguns" in the State Department draft the agreements and that it is impossible for Senators to find out who they are.

Senator Claude Pepper, Democrat, of Florida, pointed out that they were responsible to the President.

Senator Brewster countered that the President simply indorses "what comes up from below."

"I don't believe," he added, "that the President really has time to pass on such items from my state as seed potatoes and blueberries."

Treasury to Enlarge Penal Division

Action to enlarge and decentralize the Penal Division of the Chief Counsel's Office of the Bureau of Internal Revenue, was announced on June 19 by Secretary of the Treasury Morgenthau, who stated that the purpose is to enable tax fraud cases to be reviewed more expeditiously before being submitted to the Department of Justice. The Treasury advises state: "At present cases prepared in the field pass through offices of the Penal Division in Washington, D. C."

"Under the new plan the Penal Division will have ten field offices. Five of these offices will be established immediately, in New York City, Philadelphia, Chicago, Kansas City and San Francisco. Other cities in which Penal Division offices will be established will be announced, later. Thereafter fraud cases prepared in the field will be reviewed in the field with only general supervision in Washington."

"An additional Assistant Chief Counsel will be appointed to head the reorganized and decentralized Penal Division."

Secretary Morgenthau also stated:

"The purpose of this reorganization is to enable the Penal Division to handle more cases and handle them more expeditiously. With enlarged investigative forces we expect more cases. We want to give every case intelligent, thorough consideration, but we want no bottlenecks anywhere. The Penal Division will have more lawyers. They will be in the field, with the investigators who are preparing the cases. I am confident that the new system will eliminate lost motion and add to administrative efficiency."

The Financial Situation

(Continued from first page)

that he has begged the basic question at issue in this matter. That question is whether we should lay a post-war international or world course which would oblige us to maintain an actual military force which, when compared to anything this country has ever before maintained in peace-times, could not be described as less than enormous. "To support our determination to maintain the peace," the General apparently believes we must leave the world in no doubt, first, that we intend to strike down any power which breaks the peace, and second that we have the military power actually in existence to do so. This, of course, is the old, old idea of a Pax Romana or Pax Britannica in an extreme form, and the basic issue underlying all plans for military preparedness in the post-war years is precisely this: Shall we or shall we not enter into any such undertaking?

The General, possibly aware of the possibility that he would be promptly asked to be more specific concerning the size of our post-war military establishments, quickly admits in his formal statement that "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." Yet, in the next breath, the General adds that "whatever the terms of peace, the fundamental basis of our defense must be universal military training." Obviously, he has fallen into a rather apparent non sequitur or else he means to imply, as the public is rather likely to assume he implies, that whatever the specific terms of the peace, we must undertake some sort of world supervision which would in any event require very large peacetime military strength and preparedness — or that the American people have already reached such a decision.

We Doubt It!

Now, for our part, we doubt very much whether the American people have come to any such conclusion, and we are very certain that they would be unwise to adopt any such policy. On this point, as of course would not be the case with purely military affairs, we feel quite as entitled to an opinion as the very able General with whom we are now differing. Moreover we must remind our readers that this broad question of national policy is one which they along with their neighbors must decide, and that in doing so the advice of mili-

tary experts, far from being of special value, is of necessity somewhat suspect. The natural, or at any rate the usual, desire of the professional soldier is for a large military establishment.

We are opposed to such a post-war policy, first of all, because it comes down to something almost if not quite indistinguishable from the old "power politics" which the American people have so often and so justly condemned. Many who argue as General Marshall appears to think, seem to forget that we are not the only great power in the world, or fatuously suppose that all the other great powers share our idealism (if that is what it really is) about world affairs, and also are quite in accord with us as to the ways and means of giving practical effect to our ideals. Of course, nothing is further from the truth, as many events of recent weeks attest. Such being the case it is more than doubtful whether we could have our way at many points no matter how large and powerful a military establishment we maintain after the war.

An Expensive Program

In any event, if we are to undertake to inject ourselves into world politics in whatever part of the globe they may be active at any given moment, and undertake to make ourselves effective by a constant showing of military might, we shall find the procedure inordinately expensive. General Marshall appears well aware that a standing army adequate for such a purpose would be too expensive, by which we suppose he means would cost more than the American people would be willing to put into it. He would, accordingly, turn to compulsory military service. The fact of the matter is, however, that any savings in cost by this alternative would be far more apparent than real. The cost of training large numbers of youths, and of keeping them up to the minute in military matters — to say nothing of equipping them, and maintaining adequate reserves of equipment — would be enormous. There simply is no way of maintaining in readiness any such military force as General Marshall seems to have in mind except at ruinous cost — a truth which once was regarded as commonplace, but which seems to have been lost to sight in the past few years.

The Real Problem

In reply to General Marshall, we venture to suggest that the time has come when the American people would be well advised not so much to be studying ways and

Forrestal Urges Universal Military Training

The following is the text of the statement by Secretary of the Navy James Forrestal, on June 16, to the Congressional committee which held hearings to determine the advisability of legislation for compulsory military training in peacetime:

Other witnesses who have appeared before this Committee in favor of universal and compulsory military training for all physically able youths after the completion of this war have presented closely reasoned and cogent arguments. I have been impressed particularly by the papers submitted to you by the Acting Secretary of State, Mr. Grew, and by the Secretary of War. They have dealt exhaustively and carefully with the subject and I think it would not be a profitable use of the committee's time to repeat what they have said. I am, therefore, going to confine myself to a few main propositions:

First, we have just completed, and successfully, the first half of one of the most bloody and most destructive wars in history, a war of such proportions as to endanger civilization itself. The terrible cost of war was driven home to the nations of Europe in terms of demolished cities, cities that once were the pride of civilization, of transport breakdown, of dislocation of vast segments of population. We have not had these disasters visited upon us, but we are receiving daily reminders of the bitter price of war in the lists of casualties, casualties which are of our best and finest blood, the human material that we can least afford to lose; No one in his senses will gainsay the statement that if there is any way possible of avoiding a repetition of what we have been through for the last four years that way should be found.

Second, I think all will agree that the United States must be ready to act swiftly to restrain the development of any aggressors of the type of Hitler, Mussolini and the Japanese. The world knows that this nation hates war — if fact, the nations who invoked force in 1931, in 1939, in 1940, and 1941 knew and counted upon our abhorrence of war. The world now must know with equal conviction that, much as we hate war, we are ready to wage swift and effective war against any nation which tries to overthrow rule by law and justice, replacing it with rule by force.

Proponents of military training frequently are asked whom we are preparing to fight. Quite simply, we are going to fight any international ruffian who attempts to impose his will on the world by force. We should make that determination clear — by deeds as well as words — to any frustrated paperhanger anywhere who may be dreaming of world dominion.

Third, the military leaders of this nation — namely, General

means of accomplishing grandiose post war peace-preserving schemes but to be giving prayerful attention to the extent of the world commitments they are to enter, the world obligations they are to assume, and the nature of the international policies they are to undertake. When they have given these matters the consideration they deserve — and have reached the conclusions we feel certain that they would reach upon sober reflection — it will be time enough to consider the sort of recommendations that General Marshall, the professional soldier, makes at this time.

Militarism whether practiced here or abroad is not the road to peace. Neither is a great weight of armament. We must not become victims of our professional soldiers.

Marshall, Admiral King, General Arnold, and their commanders in the field who have been charged with the terrible responsibility of securing victory for one nation — are agreed unanimously that this country must retain its military power, some of it in being and some in reserve quickly capable of effective use. One part of that preparation and readiness they consider to be a plan for universal military training of our physically able youth. They have submitted powerful arguments on its behalf to your committee. Can we in conscience discard such expert testimony and go back to the comfortable inertia and blind complacency which for 20 years practically extended an invitation to Mussolini, Hitler and the Japanese war lords to run the world if they chose to? I say quite respectfully to your committee and to the American people that if we do so act we scarcely deserve to survive as a nation.

Fourth, support for military training comes not from any military cult or a feudal system. It comes from men like Marshall, King, Arnold, Halsey, Nimitz, Eisenhower, Bradley, MacArthur — Americans to the very core of their being, all of them the product of the American way of life. They are not Junkers seeking to militarize a nation. They are not men who are warriors because they view war as a great international game. They hate it as much and possibly more deeply than you or I. They are deeply conscious, and I sometimes think more so than most of us, of what great blessings we enjoy in terms of fundamental liberties in the American system. They are steeped, all of them, in the history of that system; they are thoroughly aware that the people are the final source of power and that they must remain so. They are not — and, as they say in military communications, repeat not — thinking of the creation of either a military staff or a military machine that will dominate this country.

Fifth, it is obvious that until universal military training is tried all of the arguments pro and con on this very moot question will remain unresolved. I favor military training. Equally sincere witnesses have opposed it before this committee. The only way we can find out whether universal military training is desirable is to try it. There is, in my opinion, considerable public misconception of what is involved in the enactment of a statute providing for universal military training. Many are inclined to view it as an irrevocable step somewhat similar to prohibition. I think it should be pointed out that any law which provides for universal military training is susceptible of repeal at any time. It is not, as in the case of prohibition, a constitutional amendment requiring the long and tedious machinery of constitutional change to secure its revocation. A universal military service Act can be revoked by Act of Congress just as speedily as it is enacted.

Sixth, I have been four times on fairly extensive trips to the battle fronts in this war, and in those trips, as anyone normally would, I made it a point to talk as much as possible with the soldiers and sailors who are fighting this war in the ranks. I believe I am making no overstatement when I say that a poll of the fighting men in the service would be preponderantly in favor of universal military training. These men have seen war — war

at its naked worst, war without glamor, war in the mud and slime, war under the tropic sun, and war in the arctic. They do not want it again and they do not want it for their children. But they are not willing for us either to disarm or surrender the means of protecting ourselves until we are sure that the rest of the world is ready for peace. I believe they believe as I do, that the means to make war should be in the possession of the nations who hate war.

Seventh, universal military training does not conflict with the plans that are now in process of development at San Francisco and that will be the subject of future meetings of statesmen. Quite the contrary, I believe, as does Acting Secretary Grew, that America's readiness to accept her responsibilities in underwriting the peace of the world will be the surest guaranty of maintaining peace. If Hitler and Mussolini had known that this country was prepared to fight I do not believe either would have acted as he did.

We are a law-observing and law-respecting people, yet we need police, and the police still have to deal with murder and other crimes of violence. Are we to suppose that nations can overnight become amenable to a social and moral sense which will remove the need for force any more than the individual nations can dispense with force within their own borders? International agreements, treaties, documents of world order, it seems to me, are empty and meaningless unless this country is ready to back them up.

Peace without the means to enforce it must remain a dream.

(Earlier Congressional hearings on peace-time draft were reported in the June 21 issue of the "Chronicle," page 2770.)

Commerce & Ind. Ass'n Urges Return to States Of Employment Service

In a letter to Senator Carter Glass, Chairman of the Senate Committee on Appropriations, the Commerce and Industry Association of New York on June 21 urged an amendment to the Federal Security Agency-Department of Labor Bill to provide that the Employment Service, loaned by the States to the Federal Government, be returned to the States immediately.

Thomas Jefferson Miley, Secretary of the Association, wrote: "With the passage of peak war-time production, the problem of recruitment has been transformed into one of trying to find jobs and making placements. Any war-time control over manpower and labor movement which is found to be necessary in individual areas, could continue to remain in the War Manpower Commission. We believe that the return to the States of the Employment Service would, in fact, strengthen the prosecution of the war effort.

"The wide variations in local conditions and the need for local control and local employer interest point to the great importance of the return of the administration of the employment offices to the individual States. The beneficiaries and the taxpayers should not needlessly be separated in time and distance from those who make the policies and who administer them once they are made.

"Because of the importance of coordinating employment offices and the offices administering the payment of employment benefits, the Employment Service now under Federal administration should be returned to state jurisdiction immediately."

Price Control Extension Bill Passed by House With Broad Amendments

The House voted on June 23, 356 to 12, to extend for one year the Price Control Act, and included in the extension an amendment giving the Secretary of Agriculture veto powers over virtually all food decisions, it was reported to the New York "Times" on that date, by special dispatch from Washington. The measure was sent to conference with the Senate for ironing out of the many differences existing between the two versions as passed by the two legislative bodies.

The amendment which Administration leaders fought hard but unsuccessfully to beat down was that of Representative Andresen (R., Minn.), giving authority and responsibility to the Secretary of Agriculture over every regulation concerning every agricultural commodity and food product, as well as power to cancel existing OPA ceilings and regulations, the "Times" correspondent, William S. White, reported. Opponents of the amendment, which was passed 211 to 155, argued that it might give the Secretary power to override even a directive of the President.

Another amendment which Administration supporters fought off successfully, by Representative Jenkins (R., Ohio), would have ended the power of the Office of Price Administration entirely by seeking to give the Secretary of Agriculture control over production, processing, distribution and price of food, and leaving to the OPA only the routine mechanism of rationing. This amendment was in line with the recommendations of former President Hoover who had suggested them in a letter to Mr. Jenkins.

"The Secretary of Agriculture," Hoover said, according to the Associated Press from Washington, June 21, "should be not only food administrator, as the President has already announced, but in my view the Secretary of Agriculture should also have physically transferred to him all of the price and other powers and staff of OPA which are concerned in any way with animals and animal products, including feed, except the mechanical job of rationing. That the OPA should continue."

This amendment was defeated by a mere 20 votes.

Another amendment adopted on a roll-call vote, 200 to 164, which "Times" correspondent White describes as hardly less damaging than the Andresen amendment to the Administration's plan of price control was one offered by Representative Dirksen (R., Ill.), to grant to any complainant against an OPA ceiling or order the privilege of going into court to seek an injunction.

Two other major amendments were adopted, according to the "Times" report, neither being strongly opposed by the Administration. One, by Representative Patman (D., Texas), was intended as a compromise to offset hostility to the OPA. It would relax Federal inspection restrictions upon meat plants to permit the movement in interstate commerce of meat produced in plants declared by the Secretary of Agriculture to be "sanitary," whether or not they were under Federal inspection.

This change, supported by Representative Clinton P. Anderson (D., N. M.), soon to become Secretary of Agriculture, as one intended to make the distribution system more flexible and help immediately the metropolitan and industrial centers, was passed by 372 to 3.

Another amendment, by Representative Bates (R., Mass.), substantially the same as one already passed by the Senate and directing the Administration to seek to guarantee to the producers as a group a "reasonable" profit on the products of cattle, sheep and hogs, separately considered, was approved 249 to 128.

The measure which had been passed by the Senate contained only one change which was a

source of concern to the Administration. This was an amendment by Senator Wherry designed to guarantee farmers and stockmen a "cost-plus" price formula. There was no such provision in the House bill. Thus there is every likelihood of stiff bargaining tactics between the two Houses before legislation is finally completed.

Marriner S. Eccles Warns of Inflation

On June 15, Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, addressing the House Banking and Currency Committee, had urged the importance "of passing this legislation without the Wherry or other crippling amendments," and added, "It would be better never to pass the legislation than to deceive the public by passing it in a form that would prove unworkable and thus ineffective." Following are excerpts from Mr. Eccles' statement:

"It would make just as much sense to scrap or cripple the Price Control Act at this stage of the fight against inflation on the home front as it would to lay down our arms now that final victory is in sight on the battle front. The safety and security of this nation depend upon winning on both fronts. To lose the battle here at home would be a betrayal of all of our armed forces and countless millions of loyal Americans who have faithfully supported the price control measures, vexations and irritating as this necessary wartime regimentation of our economy inevitably is.

"Chester Bowles, his staff and army in the field, composed mainly of volunteers, are often criticized, unsung heroes of this war. The problems they have faced have been as formidable as any that have ever confronted us. They have made mistakes, as who has not in these years of crisis? Seeing only the imperfections, we sometimes lose sight of the magnificent achievement. Subjecting 140 million people to price and rent controls and rationing, all of which are interferences with our daily lives and cherished freedom of action, is one of the most difficult tasks imaginable in a democracy. I am in close contact with officials who have responsibility for the economic stabilization program, and I know that without exception they will welcome the day when the danger on the home front has passed and these protective controls can be laid aside, together with the destructive instruments of war. No one would have believed in 1944 that we could have created in these war years the inflationary high explosives that have accumulated and yet protect the home front as well as has been done.

"As time passes and the line is held successfully, if not perfectly, we tend to lose perspective and to forget that the national debt has already risen from less than 50 billions in 1940—a figure that many though perilous then—to approximately 250 billion at present, and is still mounting. This huge debt has its reflection in a corresponding accumulation of spendable dollars in the hands of the public while the supply of civilian goods and services has continued to shrink.

"Inflationary dangers grow greater, not less, as the war continues, and as long as we continue to deal with effects rather than with basic causes. Price and wage controls, rationing and other measures necessary to hold the

Urges Early Lifting of Wartime Controls

Raymond Rubicam, representing the Committee for Economic Development, a nation-wide organization of business men, told the House Committee on Post-war Planning that his group recommends earliest possible lifting of wartime economy controls, but not until "it can be done without jeopardy to any phase of war production," and recommended that taxes be sharply reduced "as a stimulus to purchasing power and to business expansion" as soon as danger of inflation has been averted, the Associated Press reported from Washington, June 20.

Mr. Rubicam's specific proposals for ending wartime controls, the Associated Press stated to be as follows:

1. From the present until six months after final victory, controls should be removed by administrative action only, wherever the need for them no longer exists. During fighting each such suspension must be justified by cut-backs or surpluses which make facilities, materials and man power adequately available over full military needs.

2. As controls are interdependent, their administration suspension must be effectively co-ordinated. Piecemeal action by separate agencies subject to conflicting pressures would not produce an orderly demobilization. Adequate powers have been given to the director of mobilization and reconversion to control such suspensions.

3. Within six months after final victory, the director of mobilization and reconversion should review all controls and should, not later than six months after victory, remove all remaining controls not clearly necessary beyond that date.

4. Legislative authority should be continued or extended beyond that date only for such wartime controls as may be plainly needed to hold inflation in check during the remainder of the transition period. The legislative authority should not, however, be exercised except as determined by the director of mobilization and reconversion.

Rubicam admonished against "ending controls too early" and also a "type of extremist" who will want to "cling to controls."

High Court Declines to Review Decision in Miners' Pay Case

On June 19 the United States Supreme Court refused to reconsider its recent ruling that bituminous coal miners are entitled to portal-to-portal pay. The Associated Press reporting this from Washington said: "The Jewell Ridge Coal Co., loser in the decision, had questioned the qualifications of Justice Black to sit in the case. The company said he was formerly associated with Grampton Harris, lawyer, who argued for the United Mine Workers. It also cited Black's labor legislation record in the Senate."

line deal, of course, with effects, not with causes. To get at the causes we should have imposed far greater taxes or greatly economized in war and other expenditures, thus leaving more goods and services available for civilian use with less excess money in the hands of the public. As this has not been done, we must continue to maintain the controls essential to hold back the enormous and increasing inflationary pressures."

(The "Chronicle" reported other witnesses' testimony on June 21, page 2767.)

Huge Army Budget for Defeating Japs Sent to House by Appropriations Comm.

The House Appropriations Committee completed hearings on and sent to the House floor a \$38,500,285,951 War Department supply bill, which has an Army promise to speed victory over Japan by "an overwhelming application of force," the Associated Press reported from Washington, June 22. Highest Army officials told the committee during three weeks of testimony that the coming devastation of Japan would be far more terrible than anything which had befallen Nazi Germany. From the Associated Press we quote:

The testimony of Generals of the Army George C. Marshall, Chief of Staff, and H. H. Arnold, head of the Air Forces, disclosed plans to use 1,000 B-29s daily in the Pacific war and to drop 2,700,000 tons of bombs in the Far East in the fiscal year starting on July 1. That figure compares, Marshall said, with 1,555,000 tons rained upon Europe from 1942 to 1945.

In contrast to previous war years, the generals left much of their closed-door testimony in the printed record.

The funds voted by the committee represented a cut of \$586,810,000 from budget estimates and a reduction of \$9,692,492,313 from money made available to the Army during the current fiscal year. Of the total, \$21,376,283,400 represents new appropriations, \$8,885,501,051 is made available from previous appropriations, and \$8,238,501,500 represents recoveries because of cancellations or reductions of obligations approved for prior years.

The Committee, cautioning that "the battle of the Pacific is still in its initial stages," with many mileposts yet to be passed on the road to Tokyo, cited this testimony from Marshall:

"It would be a costly mistake, a hideous injustice to our men in the Pacific, to relax now in optimistic estimates of the situation. The final victory on the battlefields will be ours, but it must not be delayed by optimistic errors of judgment or impatient demands for a return at home to the conditions of peace."

"There is little of military secrecy as to the general nature of our plans for the coming year," the five-star general declared. "The offensives in the Pacific are to be intensified to the maximum degree possible. Air strikes of constantly increasing power will devastate the Japanese war-making facilities and defenses and pave the way for invasion."

"A swift redeployment against our remaining enemy in the Pacific is our most pressing problem. Economy in lives and material, as well as the psychology of the American people, demand that we mount a swift, powerful offensive, forcing a victory at the earliest possible date. We aim to use every man and every weapon practicable."

Reiterating his plans for an Army strength of 6,968,000 by June 30, 1946, Marshall said that future circumstances may permit additional demobilizations and a reduction in the size of the 500,000-man European occupation force. He cannot, he emphasized, "assume a final victory as of any given date."

"For example," he said, "we have the great imponderable at the moment as to whether or not Russia will enter the war with Japan." That, together with the possible accomplishments of Chinese forces, he added, "presents something for us to consider in our approach to final victory in the Pacific."

In original calculations on the strength of the Army, Marshall testified, "We were under very heavy attack for having too large an Army, if you will recall, by the newspapers and radio broadcasters of those days, and we trimmed our estimates far too deeply."

"We were short in replacements and that had a very serious effect in delaying operations

in Italy. It disturbed morale seriously. We suffered also from almost a continuous shortage of men from the selective service. The net result was that the divisions in combat were undermanned, low in fighting power."

An idea of the devastation Japan can expect from skies blackened with Super bombers was given by Arnold, who listed this destruction in Europe between D Day and V-E Day: 108,000 railroad cars, 86,000 motor vehicles, 17,000 buildings, 8,000 armored vehicles and tanks, and 8,000 horse-drawn vehicles.

"We can and will do the same against Japan," he said, adding that during the calendar year 1946 three times the bomb tonnage that rocked Germany in any one year will quake Japan. Maximum bombing capacity will be reached in March and April of next year, when the rate will be 166,000 tons monthly, he disclosed.

Gen. Thomas T. Handy, Deputy Chief of Staff, told the committee that Japan's Navy still must be reckoned with and her productive capacity still is "considerable," adding: "In relation to the size of the forces in combat, the cost of the Japanese war, in terms of man power, materiel and dollars, will probably exceed all precedent."

NY Cotton Exchange Appoints Secretariat

The Board of Managers of the New York Cotton Exchange, on June 18 elected the Exchange Secretary and Assistant Secretary for the 1945-1946 term, according to an announcement by Fred P. Lordan, Assistant to the President, New York Cotton Exchange. Tinney C. Figgatt, a member of the Board of Managers, was re-elected Secretary. He has held that office since 1940 and has been a member of the Exchange since Sept. 3, 1915. John J. Scanlan, a member of the Secretary's staff since March 5, 1945, was elected Assistant Secretary. A newcomer to the Exchange, Mr. Scanlan formerly was affiliated with the City Bank Farmers Trust Co. for approximately 20 years. Before leaving the bank to enter the employ of the New York Cotton Exchange, he was in the investment division. In 1934 he was elected Vice-President of the City Bank Club, an employee organization of the National City Bank and City Bank Farmers Trust Co., and was elected to the presidency of that association in 1942.

Moscow Trial of 16 Poles Terminates

The trial in Moscow of the 13 Polish underground leaders accused of subversive activities behind the Russian Army's lines in Poland ended summarily with the conviction and sentencing of 12 of the men, acquittal of three, and postponement of the trial of one who was ill, the Associated Press reported from London, June 21.

General Okulicki, the Polish home army's commander, who received the heaviest sentence of ten years in prison, testified, according to the Associated Press on June 19, that the Supreme Polish Commander in London had told him that Russia intended to absorb Poland and had ordered him to take his army underground to help preserve Poland's independence.

Reconversion Aid Asked for Small Business— WPB Sums Up Steps Necessary to Aid

Steps which have been taken by the War Production Board to aid small business in the reconversion period were indicated to the Senate Small Business Committee on June 18 by J. A. Krug, Chairman of the WPB, who told the Committee that "a square deal, and a fair deal" for small business is the Board's aim "as the country adjusts to the needs of a one-front war and resumes large-scale civilian production."

In a report to the Board on June 18 the Smaller War Plants Corporation pointed out the need for Government aid to small business men, similar to the kind extended to farmers, to help them through the difficulties of reconversion, according to an Associated Press report from Washington, June 18, which added that Mr. Krug received the report just after he had appeared before the Senate committee in an effort to allay its expressed fear that WPB's reconversion policies would "seriously endanger smaller businesses throughout this country." The Associated Press added: "Mr. Krug told the Senate's war investigating committee that preferences granted little firms in restoring peacetime production have helped to give small business 'the greatest chance for prosperity and success it has ever enjoyed.'"

"He quickly got an argument from Senator Wherry (R., Neb.), who called Mr. Krug's statement 'only a promise.' Senator Wherry declared small business was uncertain of the future, afraid of Government controls, and in 'the most precarious position it has ever been in.'"

"The Committee's major fear apparently was that small firms would be squeezed out of access to raw materials. The SWPC's report, issued by Chairman Maury Maverick, on the other hand, laid its greatest stress on the need for financial help.

"Given an opportunity to expand," Mr. Maverick reported to Mr. Krug, "small business can furnish the jobs which we will so desperately need."

"Mr. Maverick recommended: Financial help at reasonable interest rates, technical aid in streamlining small factories for civilian manufacturing, the distribution of usable Government-owned plants largely to small and medium business and a stronger anti-trust policy."

Under date of June 14 the Senate Small Business Committee Staff issued a report on "Small Business Prospects as a Result of Reconversion Programs" in which it said in part:

"Reports which have been received by the Senate Small Business Committee indicate a fear on the part of small producers throughout the country that 'opening' of CMP, which is scheduled for July 1, 1945, will place them in an unfavorable position as far as material supplies are concerned. They express a feeling that large producers will be able to purchase copper, steel and aluminum under more advantageous conditions than they themselves, and indicate that it is possible that big business may be able to exclude smaller manufacturers from basic metals and parts suppliers delivery schedules.

"The Committee Staff is convinced, as a result of its investigation that margins being allowed for civilian production in 'steel' supply for the third quarter of this year are inadequate and present a danger to small business. The same is true in the case of other materials, components and parts and the committee staff believes that action to correct this situation must be taken immediately.

"Suggested Action: While the Committee staff expects that these hearings which the Committee is now holding will develop additional information which will permit a full analysis of the current reconversion program as it relates

to small business, the staff would like to present a set of proposals which may be used as a working basis. It must be kept in mind that these are only proposals of the staff and do not in any way represent the thinking of the Committee, which will undoubtedly develop its own program as a result of these sessions.

"1. All employment restrictions on producers of raw materials should be eliminated, including manpower ceilings, in order that all available labor be used to assure meeting the needs of civilian producers as well as of war industry during the reconversion period.

"2. Purchase orders should be reviewed at the mill level to assure that large factors in raw material markets are not indulging in pre-emptive buying. (This can only be effective if a WPB representative is placed at the point of each principal raw material and standardized component producer to review order boards to guard against pre-emptive buying.)

"3. Restrictions limiting warehouse stocks should be eliminated to permit these distributive organizations to carry as much inventory of raw materials, components and parts as is possible. In addition, the WPB should take positive steps to assure increasing stocks for raw material warehouses and standardized component distributors.

"4. Inventory controls should be enforced rigidly. WPB must provide a staff to make frequent spot checks of the inventories of the larger users of raw materials and components to make certain that inventory controls are observed.

"5. Priorities Regulation No. 27 should be amended to permit firms doing a quarterly business of not more than \$100,000 to use the preference and allotment assistance it provides. The regulation should also permit small firms coming within its scope to use at least an AA-3 preference rating, and possibly a higher one.

"Furthermore, Priorities Regulation No. 27 should be amended to provide that allotments granted to small concerns are given equal treatment with all other non-military allotments.

"Furthermore, the definition of small firms in this regulation should also be stated in terms of employees. For example, it could be made to apply to all firms doing a quarterly business of less than \$100,000 and/or employing 100 persons or less.

"6. WPB should be urged to issue its proposed Priorities Regulation No. 25-a as quickly as possible—and certainly before CMP is open-ended with respect to steel. This regulation should be implemented before final opening of CMP in order that small firms doing more than \$100,000 worth of business per quarter can be in position to obtain some assistance for their operations if it is needed."

In his advices June 18 to the Senate Small Business Committee, Chairman Krug summed up as follows the steps WPB has taken to assist small business:

"1. Issuance of Priorities Regulation 27 to give blanket priorities assistance until December 31 to smaller manufacturers, which will give them preference in obtaining production materials over larger plants reconverting to general civilian production.

"2. Small-order exemptions in allocation controls, which allow small businesses to place orders

for many scarce materials below certain maximum quantities without applying to WPB for authorization.

"3. Exemption of small plants from certain restrictions in the authorization of increased production. The most important of these is the exemption of plants employing 100 or fewer persons from the requirement of a manpower check in tight labor areas prior to authorization of expanded civilian production.

"4. Limitation of manufacturers' stocks to a practicable minimum working inventory to prevent hoarding and encourage a fair and even distribution of materials in short supply.

"5. Retention of two limitation orders controlling inventories of large wholesalers and retailers which do not apply to smaller distributors.

"6. Provision for manufacturers producing over \$50,000 per quarter to obtain priorities assistance on bottleneck items.

"7. Maintenance of a careful watch over compliance with WPB orders, thus preventing a dislocation of supply for the honest majority of manufacturers by an unfair few. In addition, spot checks on big users of metal are now being started and will be intensified after July 1 (the date on which steel will be made available without CMP tickets).

"8. An investigation, already started, of concerns involved in large contract cancellations or cutbacks to see that orders for materials ordered on such contracts are properly and promptly cancelled.

"9. Maintenance of ceilings over the total volume of activities in nine major production industries and in construction, which will prevent these industries from draining all the supplies in the free market at the expense of other production.

"Under Priorities Regulation 27, Mr. Krug told the committee, manufacturers who produce less than \$50,000 worth of their own products per quarter receive a preference rating of AA-4 and assistance in obtaining needed controlled materials (Z-3 allotment symbol). In this way the smaller manufacturer is given preference in getting on the order books of suppliers over larger plants reconverting to general unprogrammed civilian production.

"In contrast to the special assistance this regulation gives to smaller manufacturers after July 1, 1945, the great bulk of new civilian production will be unrated and will not have the advantage of any special allotments.

"Mr. Krug, in speaking of the business and labor affected by this order (PR-27), explained that according to the 1939 census of manufacturers and data collected in connection with the Production Requirements Plan, manufacturing establishments with annual sales of less than \$200,000 accounted for approximately 82% of the total number of all manufacturing plants and that they produced about 13% of the total value of manufactured products. About 19% of the total number of wage earners employed in all manufacturing establishments are represented in the \$50,000 per quarter figure."

The WPB's advices also said:

"The WPB Chairman also discussed the possible spread in these percentages if the order were extended to cover manufacturers with up to \$100,000 production per quarter. They would then comprise 88% of the total number of manufacturers, 20% of the total value of production and represent 28% of the total of wage earners employed. In terms of steel, however, a doubling of the dollar limit would probably mean a seven-fold increase in the quantities of materials affected. For this reason, he said, WPB is strongly opposed to such an increase, since this inflation in ratings might nullify the benefits for

Truman Tells Wounded Soldiers Veterans Will Run Country In Next Generation

That the veterans of this war are going to run "this country in the next generation" was the assertion made at Portland, Ore., on June 25 by President Truman, who added that "they fought to save it, now they fight to maintain it, and that is their duty." The President's remarks were addressed to patients of the veterans' hospital and followed a tour of the wards. He spoke from the steps of the

hospital, with patients clustered about the grounds to hear him. The text of his address as reported by the Associated Press follows:

"It has been a privilege for me today to have had the opportunity to go through some of the wards in this institution. This strikes me as a real hospital—one of the sort that we all hope will be the usual thing in the country.

"I am very much interested, of course, in the welfare of the men who are fighting to save the country and the men who have fought to save the country.

"We are trying now to reorganize the Veterans' Administration along modern lines, and it is no reflection on the head of the Veterans' Bureau who is going out. But we want a man who fought in the war—who is a front-line soldier and who understands what the front-line soldiers think about. I think we have that man in General Bradley, one of the ablest commanders that we have in this war.

"I want to say to you that we are going to try to give the veterans the treatment to which they are entitled, but I want also to

bring it home to the veterans that they are citizens of the United States just as I am. They are fighting for a principle. Now they want to come back here and put that principle into effect by being first-class citizens themselves, just as we did after the other war.

"In the next generation the veterans of this war are going to run this country. They fought to save it; now they want to fight to maintain it, and that is their duty.

"Those who are crippled, those who are wounded, those who are incapacitated in any other way must have the training that they are entitled to. Nothing is too good for them. Both the wounded veteran and the veteran on his feet have just as much to give to their country as they gave in war, and I know they are going to do just that.

"Thank you a lot for the privilege of being with you."

From Portland the President left at 11:49 a. m. (Pacific Coast Time) June 25 for the Security Conference at San Francisco.

New Check Routing Symbols Endorsed

The new system of check routing symbols which was introduced in May among the banks of the Federal Reserve and branch cities has received enthusiastic endorsement from the banks in those 36 cities, according to reports received by the Bank Management Commission of the American Bankers Association. The system is now being introduced to the 15,000 banks of the nation through a booklet entitled "Check Routing Symbol," mailed today by the Commission. William A. McDonnell, Chairman of the Commission, who is also Vice-President of the Mercantile-Commerce Bank and Trust Company, St. Louis, Mo., said the new system of check routing symbols was developed over a period of years by the Committee on Collections of the Federal Reserve System and a committee representing the Commission. The routing symbol is a series of digits which indicate the Federal Reserve district in which the drawee bank is located, the Federal Reserve Bank or branch serving the drawee bank, and availability after the check has been received by the Federal Reserve Bank or branch. It is printed below the bank's ABA transit number in the upper right corner of checks.

the smaller plants that the regulation was designed to assist.

"Mr. Krug pointed out that the two special exemptions—one covering small-order exemptions in allocation controls and the other the exemption of small plants from some restrictions in production authorization—were designed while the two-front war was still in progress, but are being continued. Both primarily benefit small business and contribute to administrative simplicity. They are designed to free small producers from burdensome paper work to the greatest possible extent.

"The WPB Chairman also emphasized that both exemptions are being liberalized and have been raised substantially for many of the materials still under general allocation."

Welding Wire Down From Peak Output

Estimated production of steel welding wire declined to 932,400,000 pounds in 1944, a drop of 20% from the 1943 record output of 1,166,400,000 pounds, according to the American Iron and Steel Institute, which further announced:

The lower volume of shipbuilding last year mainly accounted for the drop in welding wire output. Despite the decline, however, the 1944 production is the second highest for this wire and is nearly four times 1940 output.

Over 13 pounds of welding wire were made last year for each ton of finished steel produced. This ratio is also the second highest, being exceeded only by the 1943 ratio of over 17 pounds of wire per ton of finished steel.

The output of steel welding wire increased rapidly before the war and rose even more rapidly during the war period. From 1932 to 1940 the output rose an average of 30,000,000 pounds per year. Since then, the average increase has been 173,000,000 pounds annually—six times the prewar rate of growth.

Truman Favors Control Of Gov't Corporations

President Truman has expressed his approval of legislation designed to place budgetary controls of Congress over Government corporations, the United Press reported from Washington, June 12, and continued:

Representative Carter Manasco, Democrat, of Alabama, Chairman of the House Committee on Executive Expenditures, made public a letter from Mr. Truman, who said he wanted "to eliminate any misunderstanding as to my attitude on the Byrd-Butler Bill," which would impose such controls.

"I heartily favor this proposal," the President said. "It is a long-delayed forward step applying the sound doctrine of an executive budget, as enacted in the Budget and Accounting Act of 1921, to the many important Government corporations which have since come upon the scene."

Baruch Urges Destruction of Germany's War-Making Potential

(Continued from first page)

tions all over the world rooted out.

Priorities for Peace

3. Through priorities for peace to the peoples Germany tried to destroy, to build up the strength of the United Nations in both Europe and overseas while reducing Germany's overall industrial and technical power. Only when such a new equilibrium is established will it be safe to readmit Germany to the family of nations.

Full Soviet Agreement

4. That this German settlement be used as a basis for a comprehensive, all-embracing agreement with Russia on the major peace problems. By tackling immediately and forthrightly the question uppermost in the Russian mind—security against Germany—I believe we can arrive at full understanding with the Soviets. If it is not possible, the sooner we know it the better.

All Agreements Public

5. This agreement with Russia—as well as agreements with other nations—to be in writing and promptly made public in full detail. This has been a People's War. Let it be a People's Peace.

General Staff for Peace

6. Tighten our peacemaking machinery here at home to give us the effect of a General Staff for Peace, charged with drawing up a master plan for the peacemaking so America can exercise the leadership which is her heritage.

Free Look-See in Europe

7. America's role in dealing with Russia should be one of tolerance and fairness. Cooperation is a two-way street. I would like to see this simple rule laid down: what we permit the Russians to do, they permit us to do. There should be a free look-see for all the United Nations throughout Europe.

More Recognition for Russia

8. The United States should use her offices to persuade those nations who still refuse to recognize Soviet Russia to do so.

Security Above Reparations

9. Reparations should be fixed at the maximum within Germany's capacity to pay, consistent with security and not to undercut living standards by forcing exports. Russia and other countries are entitled to labor reparations, particularly if they will include in their labor battalions the principal warmakers—the Nazis, the Gestapo, Junkers, the General Staff, geopoliticians, war industrialists, war financiers—leaving the ordinary peasants and workers.

Long Occupation Vital

10. We must ready ourselves for a long occupation of Germany—as long as it takes for her spiritual and economic rebirth.

Supreme European Council

11. Create a Supreme European Reconstruction Council to coordinate the many aspects of European reconstruction with the German settlement, reparations and other problems.

Positive Foreign Economic Policy

12. Develop a positive American foreign economic policy bringing tariffs, monetary agreements, foreign credits, cartels

and all other economic matters into a coherent whole which will meet this one decisive test—how to preserve the American free enterprise system in a world drifting to cartelizations of various kinds—to Stateism—so we can provide jobs for all? Shall we settle the shooting war only to plunge into economic war?

Raise Living Standards

13. Raising human standards all over the world must be a bulwark of post-war economic policy. I would insert into all financial and economic arrangements we make a denunciation clause giving us the right to terminate any agreement which results in lowering of wages or lengthening of hours—an undercutting of human standards.

Determined Preparedness

14. Finally, we must see the peace through with speedy ratification of the United Nations Organization and with a determined, enduring program of preparedness, including universal military training, adequate stockpiles of strategic war materials, unflagging intensive research, and the many other things indicated by a modernized mobilization plan designed to convert our nation in quickest order to the conditions of any possible war in the future.

The logistics of war and the potentialities of yet unheard-of weapons for destruction are such that we must shorten the lag in any future war mobilization or risk defeat.

Regarding post-war relations with Russia, Mr. Baruch was emphatic in his advocacy of mutual frankness and understanding. "Relations with the Russians," he pointed out, "may continue difficult for a time, not only in Europe but on other fronts. Again I point out, we should not be surprised that Soviet suspicions have survived our fighting together against the common enemy. When one reviews recent world history, one finds considerable cause for suspicion between Russia and the Western democracies—on both sides. After the Red revolt in 1917, the Czarist powers made three major attempts to reconquer Russia, efforts largely armed and supplied by the British and French. The deepest significance of the Munich pact was the exclusion of Russia. It is not that all of Russia's acts were justified, but it is important that we understand the Russian point of view.

"On the Russian side there must be equally sincere efforts to understand us. The Russians must appreciate that refusal of Soviet authorities to permit free access to the countries of Eastern Europe has a most adverse effect on American public opinion and will jeopardize any program for the reconstruction of these countries. Another cause of suspicion has been a tendency for the Russians to act unilaterally in many countries. Such actions irritate us less because of our interests in those countries than because we feel a moral responsibility to those peoples which we cannot shirk. On our part we must shift our peacemaking machinery into high gear and avoid delays which may prompt unilateral action.

"The pledged word kept is the best antidote to suspicion. Above everything else, there must be the most meticulous observance on our part of all our obligations with the Soviets, written or implied, while insisting firmly that they do the same. By doing our homework before going to con-

ferences, agreements can be free of ambiguity.

"Before the war, business interests in this country acquired the greatest respect for the manner in which Russia kept all contracts and observed all credit arrangements. Our admiration has been increased by her incomparable military accomplishments during the war. It would be tragic for the Soviet at this point to permit doubts of their motives to mar this splendid record—tragic for both them and us—since it would react against all who want peace."

In concluding his statement Mr. Baruch stated that "in making my recommendations I have sought only to stimulate action so that we will exercise the leadership which is ours. I would not want to see that leadership which we have held for 150 years now lost to others or wasted through disuse.

"A vastly better world lies ahead if we use the intelligence and gifts of nature that have been bestowed upon us. We can't live alone. Be sure of that. Let us then encourage and help those who live with us to live our way—not to copy our way in detail, but to stand with us on the broad base of expanding human dignity and freedom."

Exchanges Group Tops Quotas Before Close of N. Y. Fund Appeal

Seven of the divisions in the Greater New York Fund's Exchanges Group went over the top before the close of the 1945 campaign's intensive period, it was announced by Harry M. Addinsell, chairman of the Executive Committee of the First Boston Corp., and head of the Fund's Finance Section, at the third city-wide report luncheon held June 8th at the Roosevelt hotel. They are: Curb Exchange, Produce Exchange, Stock Exchange, Investment Bankers, Investment Trusts, Investment Counsellors and Unlisted Brokers. The chairmen of these divisions were among the 69 who received distinguished service citations, presented at the luncheon by General Campaign Chairman, J. Stewart Baker, chairman of the board of the Bank of the Manhattan Company. Announcing the award-winners, Mr. Baker, summing up all the borough and section reports, announced total city-wide subscriptions of \$4,038,297 received during the intensive period of the campaign. With the campaign's overall \$4,500,000 minimum goal yet to be achieved, all the chairmen and their committees pledged continued efforts until every prospect in their respective fields has been given an opportunity to participate in the appeal.

Arthur A. Ballantine, President of the Fund, commended the Exchanges Group for its outstanding performance in the campaign and for its generous support of the Fund. He also extended his thanks to the business firms and their employee groups for the contributions towards assuring adequate care for New Yorkers in need, through the 40 local hospitals, health and welfare agencies participating in the Fund. These agencies must obtain \$22,500,000 in voluntary contributions to provide their services this year. The Fund, directing its appeal exclusively to business concerns and employee groups, seeks a minimum of \$4,500,000 as business's share.

Mr. Baker pointed out, at the third report luncheon, that, while that event marked the close of the intensive period of the Eighth Annual Campaign, the appeal will continue until December 31. He said that the \$4,038,297 reported as of June 8 was 89.7% of the goal and was raised in five weeks of intensive campaigning, leaving only 11% to be obtained in the remaining seven months of 1945.

Russian Institute Formed at Columbia University Others Planned

Through a grant of \$250,000 from the Rockefeller Foundation, Columbia University has established a Russian Institute, first of a group of six regional institutes which will arise on Morningside Heights for the study of the life and thought of principal areas of the modern world, it is announced by Dr. Nicholas Murray Butler, President of the University. The British Commonwealth of Nations, East Asia, Latin America, France,

and Germany will constitute the fields of interest of the five other institutes. These institutes, Dr. Butler pointed out, will develop a highly trained corps of American teachers and administrators with special knowledge and understanding of the political, economic and social problems of peoples who will shape the course of world events.

Formation of a School of International Affairs, under the Directorship of Prof. Schuyler C. Wallace, which will function in close association with the institutes, with the Parker School of Advanced Studies, and with other faculties of the University which provide specialized training in the international sphere, was also announced. Through the School of International Affairs, the large existing resources of the University in kindred fields will be expanded, and integrated with the new program, greatly increasing Columbia's usefulness as a center of international studies, Dr. Butler explained.

"I regard this whole undertaking," said Dr. Butler, "as one of outstanding importance not only in the history of Columbia University and its worldwide relationships, but in the history of higher education generally. It is constructive and forward-facing, and points the way to what will soon be recognized as a dominant worldwide interest in the field of government, economics and the intellectual life."

The institutes will be staffed by groups of outstanding scholars who have specialized in one of the pure or applied sciences of human conduct with special reference to some specific geographical area. Some of these scholars will be drawn from the present staff of the University; many will be recruited from other institutions. Each institute will be supervised by a director who also will be a professor in an appropriate subject-matter division of the University. Prof. Geroid T. Robinson, at present chief of the Russian Division of the Office of Strategic Services in Washington, has been appointed director of the Russian Institute, which will formally open on July 1, 1946. The new school of International Affairs will begin work on the same date.

The announcement from Columbia states that a survey indicates that the British Commonwealth, French and German Institutes can be created from the ranks of the present teaching personnel of the University, but that material additions to the staff will be necessary before the Russian, Latin-American, and East Asian Institutes can begin operations. From the Rockefeller Foundation the University will receive \$50,000 a year for five years to finance the beginning period of the Russian Institute.

The purpose of the Russian Institute, it is stated, is "to train American specialists on Russian affairs and to engage in research designed to promote a better understanding of the Soviet Union." It is added that "While the new School, drawing upon and supplementing or expanding existing University facilities, will train men of affairs during the first two years, the Parker School, founded at Columbia in 1931 under the will of the late Edwin B. Parker, internationally known jurist, will concentrate upon more advanced work in this field.

"All the courses organized in the school and in the regional institutes will be available to the Parker School for this purpose.

The Parker School, under the directorship of Professor Huger Jervey, will have a staff of specialists of its own and will stand at the apex of the training program for those students who primarily desire active as contrasted with scholarly careers in the international field."

Big Three Meeting to Be Held in Berlin

Although President Truman announced on June 13 that the time and place for the forthcoming Big Three meeting had been arranged, he did not reveal when or where, and it was not until June 15, according to an Associated Press dispatch from London, that the place was disclosed when Clement R. Attlee, leader of the Labor Party, stated that the conference would be held in Berlin.

He made the disclosure in a letter accepting Prime Minister Churchill's invitation to attend the "prospective conference in Berlin."

To demonstrate that the forthcoming election represents a Conservative-Laborite split on domestic issues but does not involve any major foreign policy, Churchill announced previously that he had invited Attlee to attend the Big Three meeting with him. Churchill made this move apparently to insure that any decisions taken by President Truman, Premier Stalin and himself would hold in Britain whatever the result of the election.

However, Harold Laski, Chairman of the Labor Party, made it clear last night that Attlee's attendance would not necessarily bind the Party to any Big Three decisions. Laski declared in an interview that it was necessary that the Big Three be aware of this position—that Attlee would be present as an observer but that he "can hardly be responsible or accept responsibility for agreements which from British aspects will have been concluded by Churchill as Prime Minister."

An announcement from Prime Minister Churchill's official residence later confirmed that the meeting would be held in Berlin, the Associated Press reported, and a spokesman added that although a date had not been fixed for the meeting it is likely to be held between July 5, the first date of the forthcoming British election, and July 26, when the election results are to be announced.

Parcel Post To Philippines

Postmaster Albert Goldman announced on June 20 that information has been received from the Post Office Department at Washington that effective at once, fourth-class or parcel-post mail service to the Islands of Leyte, Luzon, Mindoro, and Samar in the Philippines, will be resumed, such service being limited to parcels of fourth-class matter not exceeding 11 pounds nor 18 inches in length or 42 inches in length and girth combined, and not more than one parcel per week may be sent by the same sender to the same addressee. The advices further state.

"The eighth zone rate of postage for fourth-class matter will be applicable. Parcels must comply with the export-license requirements of the Foreign Economic Administration. Until further notice, such fourth-class or parcel-post mail is not to be insured."

Truman to Seek Early Senate Approval of United Nations Charter

(Continued from first page)

most destructive of all wars, you have won a victory against war itself.

War Not Inevitable

It was the hope of such a Charter that helped sustain the courage of stricken peoples through the darkest days of the war. For it is a declaration of great faith by the nations of the earth—faith that war is not inevitable—faith that peace can be maintained.

If we had had this Charter a few years ago—and above all, the will to use it—millions now dead would be alive. If we should falter in the future in our will to use it, millions now living will surely die.

It has already been said by many that this is only a first step to a lasting peace. That is true. The important thing is that all our thinking and all our actions be based on the realization that it is in fact only a first step. Let us all have it firmly in mind that we start today from a good beginning and, with our eye always on the final objective, let us march forward.

The Constitution of my own country came from a convention which—like this one—was made up of delegates with many different views. Like this Charter, our Constitution came from a free and sometimes bitter exchange of conflicting opinions. When it was adopted, no one regarded it as a perfect document. But it grew and developed and expanded. And upon it there was built a bigger and a better, a more perfect union.

Subject to Change

This Charter, like our own Constitution, will be expanded and improved as time goes on. No one claims that it is now a final or a perfect instrument. It has not been poured into any fixed mold. Changing world conditions will require readjustments—but they will be the readjustments of peace and not of war.

That we now have this Charter at all is a great wonder. It is also a cause for profound thanksgiving to Almighty God, Who has brought us so far in our search for peace through world organization.

There were many who doubted that agreement could ever be reached by these fifty countries differing so much in race and religion, in language and culture. But these differences were all forgotten in one unshakable unity of determination to find a way to end war.

Out of all the arguments and disputes, and different points of view, a way was found to agree. Here in the spotlight of full publicity, in the tradition of liberty-loving people, opinions were expressed openly and freely. The faith and the hope of fifty peaceful nations were laid before this world forum. Differences were overcome. This Charter was not the work of any single nation or group of nations, large or small. It was the result of a spirit of give-and-take, of tolerance for the views and interests of others.

It was proof that nations, like men, can state their differences, can face them, and then can find common ground on which to stand. That is the essence of democracy; that is the essence of keeping the peace in the future. By your agreement, the way was shown toward future agreement in the years to come.

Main Objective—Peace

This Conference owes its success largely to the fact that you have kept your minds firmly on the main objective. You had the single job of writing a constitution—a Charter for peace. And you stayed on that job.

In spite of the many distractions

which came to you in the form of daily problems and disputes about such matters as new boundaries, war criminals, the form of government of some of the European countries—in spite of all these, you continued in the task of framing this document.

These problems and scores of others, which will arise, are all difficult. They are complicated. They are controversial and dangerous.

But with united spirit we met and solved even more difficult problems during the war. And with the same spirit, if we keep to our principles and never forsake our objectives, the problems we now face and those to come will also be solved.

We have tested the principle of co-operation in this war and have found that it works. Through the pooling of resources, through joint and combined military command, through constant staff meetings, we have shown what united strength can do in war. That united strength forced Germany to surrender. United strength will force Japan to surrender.

The United Nations have also had experience, even while the fighting was still going on, in reaching economic agreements for times of peace. What was done on the subject of relief at Atlantic City, food at Hot Springs, finance at Bretton Woods, aviation at Chicago, was a fair test of what can be done by nations determined to live co-operatively in a world where they cannot live peacefully any other way.

Must Not Fail

What you have accomplished in San Francisco shows how well these lessons of military and economic co-operation have been learned. You have created a great instrument for peace and security and human progress in the world. The world must now use it.

If we fail to use it, we shall betray all those who have died in order that we might meet here in freedom and safety to create it.

If we seek to use it selfishly—for the advantage of any one nation or any small group of nations—we shall be equally guilty of that betrayal.

The successful use of this instrument will require the united will and firm determination of the free peoples who have created it. The job will tax the moral strength and fiber of us all.

Price of Peace

We all have to recognize—no matter how great our strength—that we must deny ourselves the license to do always as we please. No one nation, no regional group, can or should expect, any special privilege which harms any other nation. If any nation would keep security for itself, it must be ready and willing to share security with all. That is the price which each nation will have to pay for world peace. Unless we are all willing to pay that price, no organization for world peace can accomplish its purpose.

And what a reasonable price that is.

Out of this conflict have come powerful military nations, now fully trained and equipped for war. But they have no right to dominate the world. It is rather the duty of these powerful nations to assume the responsibility for leadership toward a world of peace. That is why we have here resolved that power and strength should be used not to wage war, but to keep the world at peace, and free from the fear of war.

By their own example the strong nations of the world should lead the way to international justice. That principle of justice is the foundation stone of this Charter.

ter. That principle is the guiding spirit by which it must be carried out—not by words alone, but by continued concrete acts of good will.

There is a time for making plans—and there is a time for action. The time for action is now. Let us, therefore, each in his own nation and according to his own way, seek immediate approval of this Charter—and make it a living thing.

I shall send this Charter to the United States Senate at once. I am sure that the overwhelming sentiment of the people of my country and of their representatives in the Senate is in favor of immediate ratification.

Economic and Social Justice

A just and lasting peace cannot be attained by diplomatic agreement alone, or by military co-operation alone. Experience has shown how deeply the seeds of war are planted by economic rivalry and by social injustice. The Charter recognizes this fact for it has provided for economic and social cooperation as well. It has provided for this cooperation as part of the very heart of the entire compact.

It has set up machinery of international cooperation which men and nations of good will can use to help correct economic and social causes for conflict.

Artificial and uneconomic trade barriers should be removed—to the end that the standard of living of as many people as possible throughout the world may be raised. For freedom from want is one of the basic Four Freedoms toward which we all strive. The large and powerful nations of the world must assume leadership in this economic field as in all others.

Under this document we have good reason to expect the framing of an international bill of rights, acceptable to all the nations involved. That bill of rights will be as much a part of international life as our own Bill of Rights is a part of our Constitution. The Charter is dedicated to the achievement and observance of human rights and fundamental freedoms. Unless we can attain those objectives for all men and women everywhere—without regard to race, language or religion—we cannot have permanent peace and security.

With this Charter the world can begin to look forward to the time when all worthy human beings may be permitted to live decently as free people.

The world has learned again that nations, like individuals, must know the truth if they would be free—must read and hear the truth, learn and teach the truth.

We must set up an effective agency for constant and thorough interchange of thought and ideas. For there lies the road to a better and more tolerant understanding among nations and among peoples.

Military Victory Not Enough

All Fascism did not die with Mussolini. Hitler is finished—but the seeds spread by his disordered mind have firm root in too many fanatical brains. It is easier to remove tyrants and destroy concentration camps than it is to kill the ideas which give them birth and strength. Victory on the battlefield was essential, but it was not enough. For a good peace, a lasting peace, the decent peoples of the earth must remain determined to strike down the evil spirit which has hung over the world for the last decade.

The forces of reaction and tyranny all over the world will try to keep the United Nations from remaining united. Even while the military machine the Axis was being destroyed in Europe—even down to its very end—they still tried to divide us.

They failed. But they will try again.

They are trying even now. To divide and conquer was—and still is—their plan. They still try to

Filipinos Said To Be Disappointed With Tydings Plan for Islands

Joseph E. Ridder, publisher of the Journal of Commerce, who has just returned from a five weeks' visit to the South Pacific under Navy auspices, reports that the recommendations of Senator Tydings, in his survey of the Philippine situation, for a free trade breathing space of only three to five years is a great disappointment to Filipino business men, who, Mr. Ridder says, according to the Journal of Commerce on

June 18, think at least twenty years of preferred entry to the American market should be provided. Such a period is held necessary to permit the Filipinos to rehabilitate the country and then plan for the orderly transition to a foreign country status, if this should be determined upon as the ultimate goal.

Filipino business men, Mr. Ridder continued, point out that in the past they fell in with plans of powerful American groups wishing to exclude Philippine products. Back in the 1930s they hesitated to oppose plans for complete political autonomy because independence was a political sacred cow. Now that the economic consequences of independence have been driven home graphically to the populace, it is hoped that broad support can be obtained for Philippine status approaching that of a British dominion.

As a territory of the United States, Mr. Ridder explained, the Philippines became a food importing country, marketing their major agricultural products here. They enjoyed profitable markets for their sugar, coconut products and abaca, while importing cheap rice from continental Asia. As a result, the Filipino standard of living was much higher than in neighboring Asiatic countries. But, all that has been changed by Japan.

Currently, the restoration of the sugar economy is stymied by the uncertainty over the future tariff treatment of Philippine products by the United States. This raises the question for the ordinary laboring man as to whether tariff preference is not more important than independence, Mr. Ridder added.

The Japanese forced the Filipinos to grow rice instead of sugar. This was done to adapt the Philippine economy to the co-prosperity program, under which the islands would grow their own food and also supply rice to Japan. The Filipino found his standard of living sharply lowered

make one ally suspect the other, hate the other, desert the other.

But I know I speak for every one of you when I say that the United Nations will remain united. They will not be divided by propaganda either before the Japanese surrender—or after.

This occasion shows again the continuity of history.

Monument to Roosevelt

By this Charter you have moved toward the goal for which that gallant leader in this second world struggle worked and fought and gave his life—Franklin D. Roosevelt.

By this Charter you have realized the objective of many men of vision in your own countries who have devoted their lives to the cause of world organization for peace.

Upon all of us, in all our countries, is now laid the duty of transforming into action these words which you have written, upon our decisive action rests the hope of those who have fallen, those now living, those yet unborn—the hope for a world of free countries—with decent standards of living—which will work and co-operate in a friendly civilized community of nations.

This new structure of peace is rising upon strong foundations. Let us not fail to grasp this supreme chance to establish a world-wide rule of reason—to create an enduring peace under the guidance of God.

with the switch from sugar to rice. Thus, he has had an object lesson in what independence means, showing what loss of his profitable market in the United States means for him individually.

Commenting upon present conditions in the Philippines, Mr. Ridder said that they are desperately short of all types of consumer goods. Prices for many common household articles, when they can be found, are five to six times those prevailing here. A minimum of 50,000 tons of shipping is needed to relieve dire distress, he added. However, it is obvious that at least this amount will be required every month for a minimum restoration of the Philippine economy.

Dock and warehouse facilities are lacking, but every effort is being put forth now to build additional docking so that goods can be unloaded directly from ocean-going vessels, instead of having to use barges or small vessels. Warehouse shelter of some sort also will be erected just as promptly as this can be done. However, the shipping stringency makes broad resumption of trade impossible for many months to come.

Freight Traffic Volume Declined 1.4% in May

The volume of freight traffic, handled by Class I railroads in May, 1945, measured in ton-miles of revenue freight, amounted to 63,400,000,000 ton-miles, according to a preliminary estimate based on reports received from the railroads by the Association of American Railroads. The decrease under May 1944 was 1.4%.

Revenue ton-miles of service performed by Class I railroads in the first five months of 1945 was 17/10% under 1944, but 3 1/2% greater than the corresponding period two years ago.

The following table summarizes revenue ton-miles for the first five months of 1945 and 1944 (000 omitted):

	1945	1944	% Change
1st 3 mos.	176,732,142	182,459,451	-3.1
Mo. of Apr.	*61,600,000	60,288,986	+2.2
Mo. of May	†63,400,000	64,270,148	-1.4

Total 5 mos. 301,732,142 307,018,585 -1.7
*Revised estimate. †Preliminary estimate.

Cotton Spinning for May

The Bureau of the Census announced on June 21 that, according to preliminary figures, 23,148,336 cotton spinning spindles were in place in the United States on May 31, 1945, of which 22,167,678 were operated at some time during the month, compared with 22,133,674 in April, 22,232,163 in March, 22,223,848 in February, 22,260,623 in January, 1945, and 22,384,986 in May, 1944. The aggregate number of active spindle hours reported for the month was 9,634,335,228, an average of 416 per spindle in place, compared with 9,021,492,660, an average of 390 per spindle in place, for 1st month and 10,057,547,582, an average of 431 per spindle in place, for May, 1944. Based on an activity of 80 hours per week, cotton spindles in the United States were operated during May, 1945, at 114.8% capacity. The per cent., on the same activity basis, was 116.9 for April, 121.8 for March, 122.2 for February, 119.7 for January, 1945, and 119.0 for May, 1944.

New Labor Legislation Proposed In Senate Measure—Would Revise Wagner Act

Material revisions in the workings of the National Labor Relations Act (the so-called Wagner Act) are proposed in a bill, patterned after the Railway Labor Act, submitted to Congress June 20, jointly by Senators Hatch (Democrat) New Mexico, Ball (Rep.) Minnesota and Burton (Rep.) Ohio, which would vest all labor conciliation and mediation in a new Federal Labor Relations Board. A separate unfair labor practices

tribunal would take over functions of the present National Labor Relations Board. Together they would supplant the War Labor Board and the Conciliation Service of the Labor Department. The sponsors of the new measure, three of the original Congressional advocates of United States participation in a world organization to prevent wars, said their new plan would avert the serious danger of a knockdown, dragout fight between management and labor in the immediate post-war period, said Associated Press advices from Washington on June 20, which indicated Senator Hatch in an explanation prepared for the Senate, as saying, "we propose that the last surviving field in which civil warfare is tolerated shall be transferred into a field of industrial peace." From the Associated Press we also quote:

The bill would do a drastic rewrite job on principal sections of the present Wagner Act. For instance, the closed shop would be legal only where a union is (1) the "freely chosen representative of 75% of employees involved, (2) its agreement with management is approved by 60% of employees involved, (3) its membership is open to anybody hired by management, and (4) its members are removable from membership only on written charges and after a fair hearing.

Senator Hatch said that neither labor nor management had been consulted beforehand, nor had the bill been submitted to President Truman.

"I would warn the extreme partisans of all economic groups," he declared, "that none will be satisfied by this bill. But it offers to disputants in the field of labor relations an opportunity to submit their disputes to the decisions of public tribunals with a prospect of justice equal to that now held forth by the courts."

The further Associated Press accounts as given in Washington advices to the New York "Sun" stated:

The authors said the bill was drafted from initial recommendations of a volunteer committee headed by Donald R. Richberg, Washington attorney, who helped draft the Railway Labor Act and who formerly served as head of the National Recovery Administration.

The legislation proposes compulsory arbitration of all labor grievances arising from conflicting interpretations of existing contracts and of all disputes where work stoppages would result in hardship to the public.

"The right to strike is expressly preserved," Mr. Hatch said. "But it is assumed, on the basis of railroad experience, that the need for striking will be practically eliminated and strikes will be a rare occurrence. There has not been a major strike on the railroads since the Railway Labor Act was passed."

Both employers and employees would have the same legal obligation to exhaust all peaceful procedures provided in the legislation and either could be held liable for unfair labor practices.

The proposed new labor relations board could require disputants, failing in mediation, to submit their arguments to an arbitration board or to a fact-finding commission. Its recommendations the parties are expected, but not required, to adopt.

But where the board might determine public hardship is involved, such as disputes involving coal or milk production or

continued operation of public utilities, it would have power to enforce, through judicial contempt proceedings, temporary compulsory settlements.

One departure from present Federal labor jurisdiction is that the legislation provides for leaving a great many labor disputes to the States to handle.

This is done through a proviso narrowing interstate and foreign commerce, as far as labor relations are concerned, to eliminate from Federal jurisdiction disputes involving "local handling or distribution of consumer goods or end products after termination of their interstate shipment or importation."

The legislation directs the proposed new unfair labor practices tribunal to study the need for additional legislation to assure "democratic control and operation of labor organizations and of employer organizations, engaged in collective bargaining."

Senator Ball said that the proposed revision of closed shop requirements would eliminate the possibility of a monopoly on employment opportunities by assuring that every union with a closed shop contract would be "an open union, with membership available on a fair basis to all qualified individuals."

"The Government," Mr. Ball declared, "can not in all conscience permit (job) opportunities to be monopolized by labor organizations whose leadership and policies do not represent at least a substantial majority of their membership and which deny membership on an arbitrary basis."

The Senators all stressed the need for industrial peace to make the nation strong in its important role of helping keep world peace.

All three Senators took the floor in the Senate today to explain features of their bill. Senator Burton asserted that, in addition to leaving to the States disputes which are "predominantly local," controversies involving farm labor, domestic service and employers of less than 20 workers are excluded from the scope of their proposal.

Mr. Burton said it was not a just and lasting peace among nations.

"We also have a duty to secure a just and lasting peace among ourselves," he told the Senate.

Criticism on the proposed legislation came from the three labor groups on June 21, it was reported on that date by the Associated Press from Washington, which had the following to say:

Seldom has the leadership of the big three labor organizations so quickly taken a stand together in opposition to legislation.

AFL President William Green said the American Federation of Labor will oppose the measure "with all its strength," and remarked that the American workers "who have served their country so faithfully and so well throughout the war will resent this attempt to infringe upon their fundamental freedoms as their reward for victory."

John L. Lewis, United Mine Workers, said "no sane American, no matter how great the visionary promises, is willing to sacrifice his liberties and freedom for a pretended square deal under compulsory arbitration, the verdict of which is backed up by a court decree which in effect and operation means economic regimentation—nothing more, nothing less."

Philip Murray, President of the CIO, also issued a statement saying that "of all the measures ever

Improvement in Meat Supply Is Promised

An improvement in the meat situation was promised on June 21 by President Truman at Olympia, Wash., en route to the San Francisco Conference. At a press conference at Olympia, the first outside the White House, the President forecast a single control over food and prices. According to the Associated Press he spoke reassuringly of the food situation and said the Administration is at work on a plan for single control over prices and food, but did not disclose how it would function. The press advices added:

"He said the meat shortage would automatically be straightened out as soon as Representative Clinton P. Anderson, Democrat of New Mexico, takes office as his new Secretary of Agriculture and War Food Administrator. Mr. Truman added that it would have been straightened out under the contemplated program under Marvin Jones, retiring Food Administrator, as well.

"He told a questioner he had not seen yesterday's statement of former President Herbert Hoover that food controls over meat distribution had broken down. He added that Mr. Hoover had been very helpful in his recent White House talk on the subject."

The advices from which we quote further said, in part:

"At the press conference, attended by his host, Governor Mon C. Wallgren, and by United States Senator Warren G. Magnuson of Seattle, the President also:

Expressed confidence the Senate would ratify the Bretton Woods world monetary agreements, and gratification over its approval yesterday of legislation to extend the reciprocal trade program;

Indorsed a measure calling for creation of a Columbia Valley Authority;

Told reporters the San Francisco United Nations Conference, after delays over technical matters, seems to have accomplished its purpose and that he will leave by plane Monday to address its closing session;

Assured questioners he had no plans for lowering the age for discharging soldiers, adding that it is a matter strictly for the military;

And the President came out flatly in favor of post-war completion of the Alaska Highway in cooperation with Canada and British Columbia Governments.

The President said he had no Cabinet changes immediately in mind and denied reports he was getting rid of Interior Secretary Harold L. Ickes. In response to a question, he said he still had nothing on reports of a change in the State Department, headed by Edward R. Stettinius Jr.

Commenting on the reciprocal trade legislation, he said—permitting direct quotation—that it "places the United States squarely behind the principles of international trade cooperation." "Trade cooperation, however," he said, "must go hand in hand with monetary and financial cooperation."

He said he had talked with Senator Magnuson and with Alaska's Governor, Ernest Gruening, about the Alaska Highway, of which there is a 600-mile gap to be finished. He was referring to the valley or Trench route northward through British Columbia, considerably west of the present Alaska military highway. Mr. Truman said it was absolutely essential that it be considered a part of a post-war program; that it is a good project and he will support it."

introduced in Congress addressed to the problem of industrial relations, this is unquestionably the most bald-faced attempt to destroy labor unions and nullify the basic constitutional rights of workers."

Hoover Proposes Transfer of Meat Control From OPA to Secretary of Agriculture

Recommendations by former President Herbert Hoover toward remedying the present critical situation affecting meats and fats was made in a letter to Representative Jenkins (Republican) of Ohio with the start of debate in the House on June 20 on extending the Emergency Price Control Act for another year. A 12-point program was proposed by Mr. Hoover, his suggestions calling for

the designation of the Secretary of Agriculture as War Food Administrator and the transfer to him "of the price and other powers and staff of the OPA which are concerned in any way with animals and animal products, including feed, except the mechanical job of rationing," which he said, should be left with the OPA. Mr. Hoover's recommendations, as reported to the New York "Journal of Commerce" from its Washington bureau June 20 follow:

1. The Secretary of Agriculture should have transferred to him all the price and other powers and staff of OPA, concerned with meat, except the "mechanical job of rationing."

2. He should have control of all allocating and buying of major animal products for the armed forces, Lend-Lease and relief.

3. The Secretary should appoint an Administrator of Animal Products.

4. The Secretary should have an advisory committee representing the Army, Navy, Lend-Lease and relief allocation and buying.

5. Greater co-operation with farmers and the legitimate trades through creation of such committees as: A National War Committee of Livestock Growers, a National War Committee of Packers, a National War Committee of Commission Men, and a National War Committee of Animal Products Retailers.

6. "If not already done," all legitimate packers, commission men and retailers should be licensed and be required to deal only with other licensees.

7. The Secretary of Agriculture by agreement with the War Livestock Committee should set ceiling and floor prices upon various grades of cattle, hogs, poultry, eggs and dairy products to be paid to farmers at the nearest point to production.

8. Packers and commission men should be directed to pay no more than the agreed ceilings nor less than the floors.

9. Packers should be given an over-riding markup over their cost of animals, to cover their costs plus a reasonable profit. No subsidies need be paid.

10. Commission men and wholesalers should be given their usual trade commissions or a markup over prices paid by them.

11. Retailers should be given their usual markup over cost of their commodities to cover rent, labor and profit, "and this too should probably be averaged over one month's business."

"Under this simplified method, the retailer can charge what he pleases for luxury meat, but he would be compelled to reduce the price correspondingly on necessity meat in order to keep within his average monthly markup covering all products in which he deals," Mr. Hoover stated.

12. The Secretary of Agriculture should instruct the various trade committees that it is their responsibility to police their own trades. The eleventh point, it was noted by observers here, is very similar to the maximum average price plan which OPA has imposed over the strenuous protests of the clothing industry.

Regarding Mr. Hoover's proposals, special advices to the New York "Times" from Washington June 20 said:

Calling for an "administrative revolution" to bring about more equitable distribution and proper pricing, Mr. Hoover said:

"In frantic efforts to hold the supposed ceiling prices, subsidies

are being given to processors and farmers amounting to millions of dollars. As these subsidies come out of the taxpayer's pocket, who is also the consumer, they do not alleviate anything. If they increase the debt, our veterans of this war will be required to pay part of our food bills after they have come home from war."

He praised the farmer for performing an "extraordinary job," but said that there had been sharp declines in the animal population and that 1945 meat production would show a considerable decrease. He added:

"The causes of all this lie broadly in the method of organization where the control of food has been divided over six or seven agencies, and where the whole price-control machinery is based upon ill-advised concepts and where the organization has considered coercion more useful than cooperation with producers, distributors and consumers.

"Price control is necessary in times of scarcity and of inflation pressure. The question is one of method."

Mr. Hoover said that his plan would do the following things:

"a. The people will get their animal products for lower prices than they are paying today if black market and subsidies are taken into account.

"b. Trade will flow in normal channels, for the dealers can vary the prices between products depending upon the demand for each so long as they do not exceed their average mark-up."

"c. The National War Committees can see to it that there are no local famines.

"d. There will be no need for subsidies.

"e. Production will increase.

"f. It will require a minimum of policing by the Government."

"That this plan of organization and administration works was shown by the experience of the last war," Mr. Hoover said, adding, "That the plan now in use has failed requires no demonstration.

"Without reform our domestic difficulties will increase, and the hope of aid on meats and fats to women and children abroad becomes hopeless."

The former President said that the existence of black markets in meats and fats, except milk, in every city, was sufficient evidence of a breakdown in control of distribution and price.

"A large part of the civilian consumption," he asserted, "is in fact being dealt with at prices up to 100% above the supposed ceiling prices. A survey within a week by the New York Board of Trade states that from 50 to 85% of the meat and fat supplies in this city are in effect black market operations. An economic force like that cannot be caught by a policeman."

Mr. Jenkins, after reading the letter, expressed the hope that Mr. Hoover's recommendations would receive the consideration to which they were due.

Although there was strong opposition to the pure and simple extension of OPA among House Republicans, they conceded, nevertheless, that Congress must in the end approve continuance of the price control system to avoid inflation and confusion. They, therefore, aimed to concentrate on seeking approval of amendments which would reform OPA policies.

From Washington Ahead Of The News

(Continued from first page)

to lend the trio his name because Ball and Burton, two Republicans, were playing the New Deal game. After lending his name, Hill didn't do any work, but Ball, Burton and Hatch went around the country seeking to arouse the people to danger of those who didn't realize the world had shrunk and who were so narrow minded as to still talk about a nation's sovereignty.

In view of the sort of peace organization that has finally come out of San Francisco, it would be interesting to know just what became of this movement. What has been wrought is something the most rabid isolationist can support. Insofar as ratification of this pact is concerned, there seems to be no reason why those able isolationist Senators should not have been permitted to remain on the job. There has been a lot of propaganda, apparently inspired, to the effect that Stalin prevented the all-out peace organization with his insistence that the five major nations have a veto power. Commander Stassen, one of our delegates, who was one of the original all-outers, who couldn't tolerate anyone to the contrary, be he Republican or Democrat, and whose views Ball reflected, is now authority for the statement that the Yalta formula embodying the veto power was prepared by Mr. Roosevelt himself. It seems that neither Roosevelt, Churchill nor Stalin ever seriously entertained any idea of any nation sacrificing any of its sovereignty. Mr. Roosevelt's wild-eyed followers notwithstanding. Their shouting became so loud that "isolationist" Vandenberg made a complete flip-flop, and came to saying that there was a lot of bunk about the importance of a nation's sovereignty. Then when he gets out to San Francisco he found that such all-outers as Stassen have become "realists." Indeed, we heard Stassen in a radio debate the other night, demand of Senator Styles Bridges, if he would vote to give an international organization authority to send our troops where it wanted to, without our having a veto power. Such a proposition seemed to be shocking to Stassen. But it is what he was advocating just a few months ago. In view of what has happened at San Francisco, one wonders just what all the murderous shouting the past two years has been about.

The turn of things, however, has not dampened the yearning for self-expression on the part of Messrs. Ball, Burton and Hatch. They say nothing more about their world peace organization. Apparently that is an "accomplishment" which their active minds and energies can file away, as they move onto something else.

Having settled the peace of the world, they have now come forward with a proposal to settle industrial strife in this country. It may be that Ball is conscience-stricken, because he was one of the original revolutionary newspaper guildsmen.

There are a lot of people who would like to see industrial peace. But they aren't likely to get it in this proposal. Its main defect, like most similar enterprises, is that it seeks to solve a situation which has been created by laws, by heaping more laws on top of it. Congress' right to pass the Wagner Act was its avowed purpose of stopping industrial strife in interstate commerce. What the act did was to bring about a rival labor organization, which has increased, not decreased the strife. The way to straighten out the mess would be to modify the Wagner Act to provide simply that any man discharged for belonging to a labor union would have redress in the courts. The

Truman Asks Congress for New Legislation On Presidential Succession

In a message to Congress on June 19 asking for the re-examination of the question of the Presidential succession, President Truman pointed out that "it now lies within my power," to nominate the person who would be my immediate successor in the event of my own death or inability to act. "I do not believe" he added "that in a democracy this power should rest with the Chief Executive. In so far as possible, the office of the President should be filled with an elective officer." In recommending legislation placing the Speaker of the House as "first in order of succession in case of the removal, death, resignation or inability to act of the President and Vice-President," President Truman said:

"The Speaker of the House of Representatives, who is elected in his own district, is also elected to be the presiding officer of the House by a vote of all the Representatives of all the people of the country. As a result, I believe that the Speaker is the official in the Federal Government whose selection next to that of the President and Vice-President can be most accurately said to stem from the people themselves."

The existing statute governing the succession to the office of President was enacted in 1886. Under it, it was pointed out by the President "in the event of the death of the elected President and Vice-President, members of the Cabinet successively fill the office." The order of succession now is the Secretaries of State, Treasury and War, the Attorney-General, the Postmaster-General, and the Secretaries of the Navy and the Interior. Under the present order Edward R. Stettinius, Jr. would be next in line for the Presidency, in the event that Mr. Truman failed to complete his term. Under the President's proposal, Sam Rayburn (Dem.) Texas would be the Successor-Designate. The President's Message, sent to Congress shortly after he started his non-stop flight to Olympia, Wash. was referred to the Judiciary Committee. The message follows:

To the Congress of the United States:

I think that this is an appropriate time for the Congress to re-examine the question of the Presidential succession. The question is of great importance now because there will be no elected Vice-President for almost four years.

The existing statute governing the succession to the office of President was enacted in 1886. Under it, in the event of the death of the elected President and Vice-President, members of the Cabinet successively fill the office.

Each of these Cabinet members is appointed by the President with the advice and consent of the Senate. In effect, therefore, by reason of the tragic death of the late President, it now lies within my power to nominate the person who would be my immediate successor in the event of my own death or inability to act.

I do not believe that in a democracy this power should rest with the Chief Executive.

In so far as possible, the office of the President should be filled by an elective officer. There is no officer in our system of government, besides the President and Vice-President, who has been elected by all the voters of the country. The Speaker of the House of Representatives, who is elected to be the presiding officer in his own district, is also of the House by a vote of all the Representatives of all the people

of the country. As a result, I believe that the speaker is the official in the Federal Government whose selection, next to that of the President and Vice-President, can be most accurately said to stem from the people themselves. Under the law of 1792, the President pro Tempore of the Senate followed the Vice-President in the order of succession. The President pro Tempore is elected as Senator by his State and then as presiding officer by the Senate. But the members of the Senate are not as closely tied in by the elective process to the people as the members of the House of Representatives. A completely new house is elected every two years, and always at the same time as the President and Vice-President. Usually it is in agreement politically with the Chief Executive. Only one-third of the Senate, however, is elected with the President and Vice-President. The Senate might, therefore, have a majority hostile to the policies of the President, and might conceivably fill the Presidential office with one not in sympathy with the will of the majority of the people.

Some of the events in the impeachment proceedings of President Johnson suggested the possibility of a hostile Congress in future seeking to oust a Vice-President who had become President pro Tempore of the Senate become the President. This was one of the considerations, among several others, which led to the change in 1886.

No matter who succeeds to the Presidency after the death of the elected President and Vice-President, it is my opinion he should not serve any longer than until the next Congressional election or until a special election called for the purpose of electing a new President and Vice-President. This period the Congress should fix. The individuals elected at such general or special election should then serve only to fill the unexpired term of the deceased President and Vice-President. In this way there would be no interference with the normal four-year interval of general national elections.

I recommend, therefore, that the Congress enact legislation placing the Speaker of the House of Representatives first in order of succession in case of the removal, death, resignation or inability to act of the President and Vice-President. Of course, the Speaker should resign as Representative in the Congress as well as Speaker of the House before he assumes the office of President. If there is no qualified Speaker, or if the Speaker fails to qualify, then I recommend that the succession pass to the President pro Tempore of the Senate, who should hold office until a duly qualified Speaker is elected. If there be neither Speaker nor President pro Tempore qualified to succeed on the creation of the vacancy, then the succession might pass to the members of the Cabinet as now provided, until a duly qualified Speaker is elected. If the Congress decides that a special election should be held, then I recommend that it provide for such election to be held as soon after the death or disqualification of the President and Vice-President as practicable. The method and procedure for holding such special election should be provided now by law so that the election can be held as expeditiously as possible should the contingency arise.

In the interest of orderly, democratic government I urge the Congress to give its early consideration to this most important subject.

HARRY S. TRUMAN
The White House, June 19, 1945.

Following the submission of the President's message, Senator Bridges, (Republican) New Hampshire, introduced a bill following substantially the President's suggestions, said the Associated Press, which added: "The line of succession, under Mr. Bridges's measure, after the President and Vice-President, would be: Speaker of the House, President pro Tempore of the Senate, Secretary of State, Secretary of the Treasury, Secretary of War, Attorney General, Postmaster General, Navy Secretary, Interior Secretary."

Action was postponed on the bill of Senator Bridges, the Associated Press reported from Washington, June 22, stating that Chairman Green (D., R. I.) of the Senate Privileges and Elections Committee, which is to review the bill said that it was decided to wait a week in order to give committee members more time to study constitutional questions involved.

On June 25 legislation putting the Speaker of the House next to the Vice-President in line of succession for the Presidency was introduced by Representative Hatton W. Summers, Democrat, of Texas, Chairman of the House Judiciary Committee. While the bill provides that the speaker or those following him should serve only until the next general elections, there is likelihood, according to the Associated Press, that an amendment will be sought in the House proposing that he fill out the unexpired term of the President.

Noting that interest had lately been aroused in Congress in legislation which would clarify the line of succession to the Presidency in any emergency, the Associated Press reported from Washington on June 16, that a House subcommittee recently approved a bill by Representative Kefauver of Tennessee which, if adopted, would remove all doubt. Mr. Kefauver's bill would provide that, if neither a President nor Vice-President could serve, the office would go to the Secretary of State and then pass through the Cabinet in this order:

Secretaries of the Treasury, of War, the Attorney General, the Postmaster General, Secretaries of Navy, Interior, Agriculture, Commerce, Labor.

The Cabinet officer in line would take over the office only until the House of Representatives could meet and elect a President.

The Associated Press June 16, likewise said:

"The same subcommittee is studying a bill by Representative Monroney of Oklahoma which would put the Speaker of the House in the Presidential succession line right after the Vice-President."

"Mr. Monroney's bill would require the Speaker to resign his Congressional post and take over the executive office immediately should both the President and Vice-President be unable to serve through death or lack of qualifications."

"Should the Speaker die after he has taken the Presidential oath and while Congress is in recess, the President pro tem of the Senate would become President—but he would hold the office only long enough for the House to meet and elect a Speaker—who would promptly resign and become President."

"The theory behind the Monroney bill is that it would always keep in the Presidential chair a man who has been voted upon both by the people and by the House which represents all the people."

Soviet May Demobilize Millions From Army

Proposals for large scale demobilization of Russian armies are to be discussed during the recently opened 12th session of the Supreme Soviet in the Great Hall of the Kremlin, it was announced in Moscow, June 22, according to Associated Press advices from there on that date. General Alexei Antonoff, Chief of Staff, who made the announcement, said that the Council of People's Commissars had proposed that millions of men in the 13 eldest age groups be demobilized. From the Associated Press accounts we quote:

The Soviet Chief of Staff said that Russian forces should "remain on a level commensurate with our country's greatness," and added, "we cannot rest on our laurels."

The planned demobilization, if accepted by the Supreme Soviet—and it is almost certain to be—would be completed by the end of this year.

General Antonoff did not stipulate exactly which ages the 13 classes would cover.

Marshal Stalin was present when the proposal was disclosed.

The Moscow radio said that generous cash payments were proposed for released Soviet soldiers. The broadcast, heard in London by the Associated Press, reported the following:

Rank and file soldiers would get one year's extra pay for each year of service. The rank and file of special units receiving higher rates would get six months' additional pay for each year of service.

Sergeants of all arms would receive six months' pay as a bonus for each year of service. Officers would be paid two months' additional salary for one year of service, three months' pay for the two years, four months' pay for three years and five months' pay for four years.

The law would require councils of the people, commissars, factory managers and other responsible groups to provide employment for those demobilized not later than one month after their return and in positions not lower than those they held before they joined the army.

Local authorities and collective farms would be obliged to help returning service men restore their farms if they were damaged by the German occupation. Provision would be made for supplying to former soldiers dwellings and fuel.

The Tass News Agency said that the All-Union Bank would be obliged to issue loans of 5,000 to 10,000 rubles [about \$415 to \$830 at the diplomatic exchange rate] to demobilized soldiers for restoration of dwellings damaged in occupation areas.

General Antonoff was quoted as having said that the demobilization had been planned so normal railway transport could be maintained and jobs created for returning soldiers.

The Red Army command in Siberia is continuing training fighting reserves under battlefield conditions, the Moscow radio said, according to the Federal Communications Commission.

The broadcast quoted Lieut. Gen. Kurhanoff, identified as commander of the Siberian military area, as having expressed pride in the performance of "hundreds of thousands of Siberian soldiers" in the war against Germany and adding that "the war in Europe is over, but military and political schooling and the training of fighting reserves does not cease for a moment."

The State of Trade

(Continued from page 2878)

the output of electricity increased to approximately 4,348,413,000 kwh. in the week ended June 16, 1945, from 4,327,028,000 kwh. in the preceding week. Output for the week ended June 16, 1945, was 1.4% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 170,500,000 kwh. in the week ended June 17, 1945, comparing with 163,400,000 kwh. for the corresponding week of 1944, or an increase of 4.4%.

Local distribution of electricity amounted to 168,400,000 kwh., compared with 159,400,000 kwh. for the corresponding week of last year, an increase of 5.7%.

Paper Production—Paper production for the week ended June 9, was 92.8% of capacity, as against 87.9% of capacity for the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 97% of capacity, or an increase of four points over the previous week.

Slight Increase in Business Failures—Commercial and industrial failures in the week ending June 21 rose to the highest number in the last seven weeks, reports Dun & Bradstreet, Inc., but they were a third below the number in the same week a year ago. Concerns failing numbered 17, as compared with 13 last week and 25 in the corresponding week of 1944.

Large failures involving liabilities of \$5,000 or more fell from 11 a week ago to eight in the week just ended, a little over half the 15 in last year's comparable week. Small failures, however, increased sharply to more than four times their number in the previous week and almost equaled the number in the corresponding week of 1944.

The increase occurred in both manufacturing and retailing. Concerns failing in manufacturing were twice their number in the prior week and concerns failing in retailing rose from seven last week to nine this week. In no trade or industry group were failures as high as in the same week of last year.

One Canadian failure was reported, the same as last week and the same as the corresponding week of 1944.

Wholesale Commodity Price Index—Movements in the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., were narrow during the past week. The index closed at 177.45 on June 19, after repeating the war-time high of 177.50 on the previous day. The current figure compares with 172.12 on the corresponding day last year. Under the leadership of rye, all domestic grain markets displayed renewed strength during the week. Corn was in strong demand, with prices at or close to ceilings. Strength in wheat reflected reports of car shortage to move the new crop and reports of large grain and flour exports to Europe.

Food Price Index at High Level of Year—Up another cent for the week, the Dun & Bradstreet wholesale food price index for June 19 went to \$4.11, equaling the 1945 high mark touched on Feb. 13 and April 17. This represents a rise of 2.5% above the \$4.01 recorded on the corresponding date a year ago. Compared with the previous week, higher prices were listed for rye, oats, eggs, sheep and lambs. Declines occurred in flour and steers.

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

April Hardware Sales Well Above 1944—Sales of independent retail hardware dealers and

wholesale hardware distributors in the United States showed good gains in April, 1945, over last year, "Hardware Age" currently reports in its every-other-Thursday market summary. Returns from 1,103 independent retail hardware stores, in all parts of the nation, showed that April sales averaged 13% over those for the same month last year. Cumulative sales for the first four months of 1945 were 6% greater than last year.

Based on April reports from a majority of the wholesale hardware distributors in the United States, sales were 7% over the same month last year. Cumulative sales for the first four months of 1945 were 6% greater than last year. Inventories as of April 30 were 3% lower than for the same date last year. Collection percentages on accounts receivable were better in April than last year.

Retail and Wholesale Trade—Hot weather the past week gave impetus to retail buying for the country as a whole and sales totals continued high. Marked activity in the buying of sportswear for both men and women, in addition to equipment sales, helped to increase the volume above that of last week. Shortages of staple goods, the lack of low-end apparel merchandise, coupled with reportedly poorer quality in the higher-priced articles, and layoffs in some sections of the country continue to be reported as affecting retail activity. Volume, however, continued well above that of last year.

Ready-to-wear items had the outstanding turnover of the week. Summer apparel purchasing was at peak levels, with unrationed shoes, playshoes, and beachwear the most active features. Cotton dress buying was high, especially for the teen-age group, with demand for women's sheers exceeding the supply. Washable handbags sold well; millinery departments, however, reported the week quiet as compared with other recent weeks. Buying of novelty jewelry, hair ornaments, gloves, and cosmetics has been well maintained.

Housefurnishing articles sold well where supplies permitted. Glassware and crockery stocks in most sections are insufficient to fill the heavy demand.

With the sudden appearance of hot weather, the demand for canned fruit juices has left retail shelves quite bare. The demand for eggs, butter and meat remained only partially satisfied, although the butter situation has eased slightly. Fresh fruits and vegetables are appearing in satisfactory amounts. Duckling continued to be the most available meat in many communities.

Retail volume for the country was estimated at 11 to 16% above that of last year. Regional percentage increases were: New England, 7 to 11; East, 14 to 13; Middle West, 12 to 16; Northwest, 6 to 11; South, 10 to 15; Southwest, 8 to 12, and Pacific Coast, 13 to 18.

In the wholesale field, volume approximated last week's level, with large-scale buying continuing in the fall apparel market. Coats and suits are being ordered as much as possible, but the supply is limited. Fur coat demands are averaging the high 1943 level as a result. The textile and metal markets remaining under Government supervision were featureless. The wholesale grocery dollar volume was only slightly above last year's level, since shortages in the basic commodities still prevailed.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended June 16, 1945, increased by 19% and compared with a gain of 14% in the

Steel Operations at Higher Rate—Tight Civilian Situation in Third Quarter Seen

"While substantial shell steel cutbacks, made last week at St. Louis, were being replaced by rated orders involving rails and structurals, there was still difference of opinion in the steel industry and in Washington as to the availability of the greatly sought-after steel product-sheets," states "The Iron Age" in its issue of today (June 28), which further states in part as follows:

"Most steel centers were of the opinion that it would be late third quarter and probably early fourth quarter before sheets in any substantial quantity would be moving to civilian manufacturers. On the other hand the WPB position this week is that the supply of flat rolled material will ease somewhat during the latter half of the third quarter when military cutbacks are expected to be reflected at mill levels in substantial quantities. Issue, however, has been taken with WPB Chairman J. A. Krug's estimate of 300,000 tons of sheets to be available for nonrated business in the third quarter.

"Despite the differences in estimates, it may possibly be that the full force of past and present military cancellations may reach the mills in one lump during the third quarter. Such a condition, envisioned by some, would substantially change the reluctance of steel mills to give commitments on nonrated deliveries.

"The shell contract cutbacks held the spotlight at Pittsburgh this week with practically every producer of heavy shells being affected. Noted in the cutback program was the plan of moving shell contracts further West in order that the finished product would be closer to the source of use. Many of the contracts canceled in Pittsburgh were transferred to plants in the West. The bomb program shows no signs of easing up. During the third quarter more than 200,000 tons of pipe have been slated for bombs, while in the fourth quarter the amount may approximate 232,000 tons.

"That oil companies may still find it difficult early next year to obtain what supplies they desire is seen in a contemplated upping of the bomb program in the first quarter of 1946 to perhaps 270,000 tons of pipe, and in the second quarter of that year, subject to considerable change, the allocation might possibly run as high as 400,000 tons. Pipe requirements for bombs are in the three or four sizes commonly used by oil companies.

"Headed by automotive requirements unvaluated orders continued to increase in volume this past week. Aside from a few large consumers, most individual nonrated orders are considerably smaller in size than the industry's average during the war period. As these orders find their place on mill schedules, a climb

preceding week. For the four weeks ended June 16, 1945, sales increased by 12%, and for the year to date by 12%.

Notable strength was evidenced in retail trade here in New York the past week and percentage gains ranged around the highest for the year. Food sales at retail were slightly below the previous week, with wholesale volume spotty. There was a marked shortage of eggs, potatoes and oranges. In the wholesale markets fall buying continued active, although the number of buyers' arrivals was below the total for the last two weeks. Deliveries are expected to become the prime concern of retailers, and many store representatives plan to return to New York next month.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to June 16, 1945, increased by 22% above the same period of last year. This compared with a gain of 20% in the preceding week. For the four weeks ended June 16, 1945, sales rose by 15%, and for the year to date by 13%.

in production costs is expected to become more pronounced, the reason being that orders will call for various sizes and types as compared with the 'straight run' war orders.

"Unrated buyers now are said to be convinced that there is little hope for shipments earlier than the late third quarter or early fourth quarter except for spot openings. Judging from past steel market history, however, the desire of nonrated buyers to stand on the sidelines will be short-lived because they realize that being on the backlog of even unrated orders is better than not having placed an order at all."

The American Iron and Steel Institute on June 25 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 91.5% of capacity for the week beginning June 25, compared with 88.8% one week ago, 91.0% one month ago and 95.7% one year ago. The operating rate for the week beginning June 25 is equivalent to 1,675,900 tons of steel ingots and castings, compared to 1,626,500 tons one week ago, 1,666,800 tons one month ago, and 1,714,300 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on June 25 stated in part as follows:

"Much doubt is expressed by steel leaders over recent reports that substantial tonnages of unrated steel will be available in third quarter. They doubt seriously if there will be anywhere near enough steel to meet recently announced quotas on such civilian products as mechanical refrigerators, washing machines and electric stoves, even though priority assistance is given.

"Estimates of unrated steel available in third quarter have run as high as a million tons, last week, a WPB spokesman being quoted as stating 'free' steel for the third quarter would be double the amount previously expected—1,000,000 tons instead of 500,000. Producers, however, assert that from a practical standpoint nowhere near this quantity can be expected. They point out that if demand were heavy for plates and reinforcing steel and certain other items and if raw steel could be spared to meet such a demand 'free' steel might be reasonably heavy, but such prospect appears out of the question.

"Present outlook is for some third quarter unrated steel in plates, reinforcing bars, some wire products, alloy and perhaps carbon bars in smaller sizes. There may even be a fair tonnage of plain heavy gauge sheets, particularly nine to 11-gauge, as a result of substantial reductions in landing mats. However, this tonnage can not be readily applied to automobiles and other civilian products. Producers see no source for an appreciable quantity of light sheets for some time. Automobile builders, however, may be able to develop excess steel in gauges and finishes they need, in sufficient quantity to help a little in third quarter.

"Even where priorities are available, as in the case of certain household appliances, producers of steel believe there will be a congestion of orders.

"Meanwhile restrictions are being further eased on some products which are in tapering demand, with production directives

to be lifted July 1 on plates, reinforcing bars and mesh and some wire items, including fence and barbed wire. The plan appears to continue releases of this kind as opportunity offers.

"Pig iron supply continues sufficient for needs, though the situation is fairly tight, no inventories being built by producers or melters. Buying for third quarter is close to the tonnage covered for second quarter, with slight increases noted here and there. Some easing in labor supply indicates foundries may be able to increase output soon, taking on some of the inquiry they have been unable to meet in the past.

"Average composite prices of steel and iron products are all at ceiling prices, steelmaking scrap having regained the loss occasioned a few weeks ago, now standing at \$19.17. Finished steel composite is \$58.27, semi-finished steel at \$37.80 and steel-making pig iron \$24.05."

Overseas Forces Granted Extension on Income Tax

Secretary Morgenthau announced on June 13 that an additional extension has been granted to overseas members of the armed forces on their income tax obligations which were postponed because of overseas service. The action is intended particularly to help servicemen who stop in the United States for a few months while en route from the European to the Pacific theater of war. The extension is embodied in an amendment to the income tax regulations and was issued by Commissioner of Internal Revenue Joseph D. Nunan, Jr., with the approval of the Secretary. The Treasury announcement adds:

"Specifically, the new regulation provides that the postponement granted an overseas serviceman will continue until he has been back in the United States for a continuous period of five and one-half calendar months (not counting the month in which he returns). In other words, an overseas serviceman will not lose his tax postponement if he stays in this country for a short period while en route to another overseas assignment.

"The new time allowance was decided upon after consultation with the War Department regarding the approximate time which may be spent in this country on furloughs and in retraining camps by servicemen being transferred from Europe to the Pacific. Formerly, the regulations cancelled the tax postponement of an overseas serviceman after he had been back three and one-half calendar months.

"The tax laws exempt the first \$1,500 of active service pay of each member of the armed forces, and therefore most enlisted men and women owe no taxes."

Walter H. Bennett Resigns As Officer of Emigrant Industrial Savings Bank

John T. Madden, President of the Emigrant Industrial Savings Bank of New York, announced on June 26 that as of July 1st, Walter H. Bennett will resign as an officer of the Emigrant Industrial Savings Bank but will continue to be associated with the bank as a consultant. He will also continue as a member of the Board of Trustees and Chairman of the Investment Committee. Mr. Bennett became a Trustee of the Bank in 1923. He was President from Jan. 1, 1931 to Dec. 31, 1935, at which time he was elected to the Chairmanship of the Board. He served as Chairman of the Board until January 1st of this year, and resigned from that office at that time to become Chairman of the Executive Committee.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended June 16, 1945, is estimated at 11,850,000 net tons, a decrease of 220,000 tons from the preceding week and 323,000 tons less than in the corresponding week of 1944.

Production of Pennsylvania anthracite for the week ended June 16, 1945, as estimated by the Bureau of Mines, was 1,298,000 tons, an increase of 16,000 tons (1.2%) over the preceding week.

The Bureau also reported that the estimated production of bee-hive coke in the United States for the week ended June 16, 1945 showed a decrease of 1,800 tons when compared with the output for the week ended June 9, 1945; and was 16,100 tons less than for the corresponding week of 1944.

Table with 5 columns: Week Ended (June 16, 1945, June 9, 1945, June 17, 1944, Jan. 1 to Date), and 2 rows: Bituminous coal & lignite, Total including mine fuel.

Table with 5 columns: Week Ended (June 16, 1945, June 9, 1945, June 17, 1944, Jan. 1 to Date), and 2 rows: Penn. anthracite, Total incl. coll. fuel.

Table with 5 columns: Week Ended (June 9, 1945, June 2, 1945, June 10, 1944), and 2 rows: Alabama, Alaska, Arkansas and Oklahoma.

Table with 5 columns: Week Ended (June 9, 1945, June 2, 1945, June 10, 1944), and 2 rows: Alabama, Alaska, Arkansas and Oklahoma.

Electric Output for Week Ended June 23, 1945 Exceeds That for Same Week Last Year by 0.8%

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 23, 1945, was approximately 4,358,277,000 kwh., which compares with 4,325,417,000 kwh. in the corresponding week a year ago and 4,348,413,000 kwh. in the week ended June 16, 1945.

Table with 5 columns: Week Ended (June 23, 1945, June 16, 1945, June 9, 1945, June 2, 1945), and 2 rows: Major Geographical Divisions, Total United States.

Table with 5 columns: Week Ended (1945, 1944, 1943, 1932, 1929), and 2 rows: March 3, March 10, March 17.

Moody's Bond Prices And Bond Yield Averages

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

Table with 10 columns: 1945-Daily averages, U.S. Govt. Bonds, Ave. Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R. R., P. U., Indus).

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

Table with 10 columns: 1945-Daily averages, U.S. Govt. Bonds, Ave. Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R. R., P. U., Indus).

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.

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

Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of \$102,800,000 of open market paper outstanding on May 31, 1945, compared with \$118,600,000 on April 30, 1945, and \$150,700,000 on May 31, 1944.

Table with 4 columns: 1945, 1944, 1943, 1929, and 2 rows: May 31, Apr 30, Mar 30, Feb 28, Jan 31.

Veterans Aid Treasury Against Tax Evaders

Representatives of three major organizations of veterans have pledged to Secretary Morgenthau the support of their groups in the Treasury's accelerated drive against tax evaders.

National officials of the American Legion, the Disabled American Veterans, and the Veterans of Foreign Wars of the United States have just concluded a series of conferences with Secretary Morgenthau and with Charles S. Bell, his administrative assistant.

The veterans' representatives conferring with Mr. Morgenthau were Millard W. Rice, National Service Director, and Milton D. Cohn, National Commander, the Disabled American Veterans.

The publications and service programs of these organizations will begin immediately to carry the story of the tax drive and the Treasury's personnel needs to the memberships, and to returning servicemen generally.

Treasury officials assured the veterans' leaders of the Department's desire to give servicemen every chance to qualify for the positions, for which there is a salary scale of \$2,600 or \$3,200 plus overtime for agents; \$2,000 plus overtime for deputy collectors; and \$1,440 and \$1,620 and overtime for clerical workers.

Special training programs are being set up to aid in qualifying servicemen, especially those carrying disabilities, for the jobs, and the national organizations will cooperate in this phase.

Air Mail To Continent

Postmaster Albert Goldman directed attention on June 23 to an announcement issued by Postmaster General Frank C. Walker that, effective immediately, airmail service will be resumed to Belgium, Denmark, France Luxembourg, Netherlands, Norway and Switzerland.

Moody's Daily Commodity Index

Table with 2 columns: Date (Tuesday, June 19, 1945, Wednesday, June 20, Thursday, June 21, Friday, June 22, Saturday, June 23, Monday, June 25, Tuesday, June 26, Two weeks ago, June 12, Month ago, May 26, Year ago, May 26, 1944, 1944 High, Dec. 31, Low, Nov. 1, 1945 High, June 12, Low, Jan. 24), and 2 rows: Index values.

Trading on New York Exchanges

The Securities and Exchange Commission made public on June 20 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended June 2, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended June 2 (in round lot transactions) totaled 2,207,315 shares, which amount was 14.75% of the total transactions on the Exchange of 7,480,600 shares. This compares with member trading during the week ended May 26 of 2,086,834 shares, or 14.97% of the total trading of 6,971,070 shares. On the New York Curb Exchange, member trading during the week ended June 2 amounted to 451,265 shares or 14.35% of the total volume on that exchange of 1,572,235 shares. During the week ended May 26 trading for the account of Curb members of 522,570 shares was 14.89% of the total trading of 1,788,081.

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

WEEK ENDED JUNE 2, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales	225,610	
Other sales	7,254,990	
Total sales	7,480,600	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	542,910	
Short sales	99,670	
Other sales	474,220	
Total sales	573,890	7.48
2. Other transactions initiated on the floor—		
Total purchases	266,930	
Short sales	28,000	
Other sales	246,040	
Total sales	274,040	3.62
3. Other transactions initiated off the floor—		
Total purchases	197,903	
Short sales	20,050	
Other sales	331,592	
Total sales	351,642	3.67
4. Total—		
Total purchases	1,007,743	
Short sales	147,720	
Other sales	1,051,852	
Total sales	1,199,572	14.75

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

WEEK ENDED JUNE 2, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales	28,025	
Other sales	1,544,210	
Total sales	1,572,235	
B. Round-Lot Transaction for Account of Members: 1. Transactions of specialists in stocks in which they are registered—		
Total purchases	106,790	
Short sales	10,905	
Other sales	130,615	
Total sales	141,520	7.89
2. Other transactions initiated on the floor—		
Total purchases	43,725	
Short sales	1,400	
Other sales	33,400	
Total sales	34,800	2.50
3. Other transactions initiated off the floor—		
Total purchases	47,555	
Short sales	12,700	
Other sales	64,175	
Total sales	76,875	3.96
4. Total—		
Total purchases	198,070	
Short sales	25,005	
Other sales	228,190	
Total sales	253,195	14.35
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
Customers' other sales	61,920	
Total purchases	61,920	
Total sales	51,833	

*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."

Wholesale Prices Unchanged In Week Ended June 16

The Bureau of Labor Statistics' index of commodity prices in primary markets remained unchanged during the week ended June 16, at 106.0% of the 1926 level, said the United States Department of Labor on June 21, which reports that the index was 0.2% above a month ago and 2.2% higher than in mid-June of last year.

The advices further stated:

"Farm Products and Foods"—Average prices for farm products increased 0.2% during the week as the result of higher quotations for most grains, for eggs and for certain fresh fruits and vegetables. Increases were reported in prices of corn, rye and wheat, while a slight decrease was shown for barley. Eggs increased over 2% as the result of seasonal adjustments in ceiling prices. Prices for apples were generally higher as were lemons, onions, tobacco and cotton. Substantially higher quotations were reported for white potatoes in New York markets and for sweet potatoes. Quotations for livestock were generally lower with declines of over 4% reported for cows as the result of increased marketings, and lesser declines for calves, steers,

and sheep. Since mid-May average prices of farm products have increased 1.2% and were 6.6% above the level of the corresponding week of a year ago.

"The higher quotations for fresh fruits and vegetables and for eggs raised the general level of food prices in primary markets 0.4% during the week. Higher prices also were reported for rye flour. Food prices were 0.8% above the level of a month ago and 2.7% above mid-June, 1944.

"Other Commodities"—No important changes were reported in prices of other commodities. Slightly lower sales realizations for natural and manufactured gas were not sufficient to affect the fuel and lighting materials group index. Slightly higher prices for common brick were offset by lower prices for turpentine to leave the building materials group index unchanged. Average prices of all commodities other than farm products and foods were at the same level as a month ago, 1.0% above mid-June of last year."

The Labor Department included the following notation in its advices:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following tables show (1) indexes for the principal groups of commodities for the past three weeks, for May 19, 1945 and June 17, 1944, and (2) the percentage changes in subgroup indexes from June 9, 1945 to June 16, 1945.

WHOLESALE PRICES FOR WEEK ENDED JUNE 16, 1945 (1926=100)

Commodity Groups—	Percentage change to June 16, 1945 from—					
	6-16 1945	6-9 1945	6-2 1945	5-19 1944	6-17 1944	5-19 1944
All commodities	106.0	106.0	106.1	105.8	103.7	0 +0.2 +2.2
Farm products	131.0	130.7	130.8	129.5	122.9	+0.2 +1.2 +6.6
Foods	107.7	107.3	107.5	106.8	104.9	+0.4 +0.8 +2.7
Hides and leather products	118.3	118.3	118.3	118.3	117.7	0 0 +0.5
Textile products	99.1	99.1	99.1	99.1	97.3	0 0 +1.8
Fuel and lighting materials	84.5	84.5	84.7	84.6	83.7	0 -0.1 +1.0
Metals and metal products	104.8	104.8	104.8	104.3	103.8	0 +0.5 +1.0
Building materials	117.3	117.3	117.3	117.2	115.8	0 +0.1 +1.3
Chemicals and allied products	95.3	95.3	94.9	94.9	95.5	0 +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	119.0	118.8	118.9	117.9	113.1	+0.2 +0.9 +5.2
Semimanufactured articles	95.3	95.3	95.3	94.8	93.7	0 +0.5 +1.7
Manufactured products	102.0	102.0	102.1	102.1	101.0	0 -0.1 +1.0
All commodities other than farm products	100.6	100.6	100.6	100.5	99.5	0 +0.1 +1.1
All commodities other than farm products and foods	99.7	99.7	99.8	99.7	98.7	0 0 +1.0

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JUNE 9, 1945 TO JUNE 16, 1945

	Increases		
	1.5	Other foods	
Fruits and vegetables	0.5		0.5
Other farm products	0.9	Grains	0.2
Brick and tile			0.1
Decreases			
Livestock and poultry	1.0	Paint and paint materials	0.1

Civil Engineering Construction \$41,873,000 For Week of June 21

Civil engineering construction volume in continental United States totals \$41,873,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 50% greater than in the corresponding 1944 week, 1% higher than the previous four-week moving average, but is 29% under the 1945 high of a week ago according to "Engineering News-Record." The report made public on June 21, went on to say:

Private construction tops the 1944 week by 430%, but is 8% lower than a week ago. Public work is 40% and 3% lower, respectively, than a week ago and a year ago, due to the decrease in Federal volume.

The current week's construction brings 1945 volume to \$829,615,000 for the 25 weeks, a 3% decline from \$857,353,000 reported for the period last year. Private construction, \$242,165,000, is 24% higher than in 1944, but public construction, \$587,450,000, is down 11% as a result of the 17% decrease in Federal work. State and municipal construction, \$121,865,000, tops a year ago by 22%.

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

	*6-21-45	6-14-45	6-21-44
Total U. S. Construction	\$41,873,000	\$59,216,000	\$27,975,000
Private Construction	18,001,000	19,644,000	3,400,000
Public Construction	23,872,000	39,572,000	24,575,000
State and Municipal	12,173,000	5,186,000	3,879,000
Federal	11,699,000	34,386,000	20,696,000

*Current Week's Statistics.

In the classified construction groups, gains over the preceding week are in sewerage, bridges, commercial and public buildings, and streets and roads. Gains over the 1944 week are in bridges, industrial and commercial buildings, earthwork and drainage, streets and roads, and unclassified construction. Subtotals for the week in each class of construction are: Waterworks, \$599,000; sewerage, \$638,000; bridges, \$776,000; industrial buildings, \$12,753,000; commercial building and large-scale private housing, \$3,990,000; public buildings, \$8,305,000; earthwork and drainage, \$317,000; streets and roads, \$6,178,000; and unclassified construction, \$8,317,000.

New capital for construction purposes for the week totals \$9,966,000. It is made up of \$6,506,000 in state and municipal bond sales, and \$3,490,000 in corporate security issues. The week's new financing brings 1945 volume to \$532,885,000, a total 21% above the \$439,838,000 reported for the 25-week 1944 period.

Postwar Construction Planning Volume \$21.3 Billions

Identified and recorded engineering projects proposed for construction in the post-war years total \$21,262,593,000 according to reports to "Engineering News-Record" in the period from January 1, 1943 through June 14, 1945. Plans are under way or completed on post-war projects valued at \$9,149,624,000, 43% of the total volume proposed, and on \$1,339,290,000 worth of projects all financing arrangements have been completed.

Senate Group Votes To Restore OWI Funds

A Senate Appropriations subcommittee has voted to restore most of the amount cut by the House from the appropriation for the Office of War Information, the Associated Press reported from Washington on June 19.

At a closed session, the subcommittee approved \$39,750,000 for the OWI for the year beginning July 1. A \$42,000,000 Budget Bureau recommendation had been scaled down to \$35,000,000 by the House Appropriations Committee, and the House slashed it further to \$13,000,000.

General of the Army George C. Marshall, Army Chief of Staff, had in effect asked reconsideration of the House cuts which eliminated all funds for OWI operations in Europe. General of the Army Dwight D. Eisenhower had written that other provisions would have to be made to carry on work the OWI is doing in Europe.

In another action on a \$900,000,000 supply bill for nearly two dozen war agencies the Senate subcommittee voted by a narrow margin to accede to House refusal to give any funds to the Fair Employment Practices Committee.

The FEPC was established by the late President Roosevelt by Executive Order to prevent war employment discriminations because of race, color or creed. The House declined to give the agency any money on the ground that it lacks statutory authority.

It was learned, however, that the attempt to amend the bill to include \$599,000 approved by the Budget Bureau for the FEPC had failed to win approval of the Senate subcommittee by only one vote.

This led an influential Southern subcommittee member to predict that the full Senate Appropriations Committee will approve the money for the FEPC when it considers the War Agencies Bill tomorrow.

Should the full committee and the Senate approve the FEPC allowance and the more generous OWI allotment these matters would be thrown into conference with the House.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on June 20 a summary for the week ended June 9 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 9, 1945	
Odd-Lot Sales by Dealers (Customers' purchases)	Total For Week
Number of orders	26,567
Number of shares	795,391
Dollar value	\$31,776,879
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	188
Customers' other sales	26,523
Customers' total sales	26,711
Number of Shares:	
Customers' short sales	7,055
Customers' other sales	738,045
Customers' total sales	745,100
Dollar value	\$26,158,554
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	150
Other sales	181,470
Total sales	181,620
Round-Lot Purchases by Dealers:	
Number of Shares	245,770
*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."	

Daily Average Crude Oil Production for Week Ended June 16, 1945 Hits New Peak

Gross crude oil production hit a new peak in the week ended June 16, 1945 at 4,888,364 barrels per day, according to estimates by the American Petroleum Institute. This was an increase of 34,950 barrels per day over the output in the preceding week and a gain of 320,114 barrels per day when compared with the production in the week ended June 17, 1944. The current figure was also 28,764 barrels in excess of the daily average figure recommended by the Petroleum Administration for War for the month of June, 1945. Daily production for the four weeks ended June 16, 1945 averaged 4,866,815 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,915,000 barrels of crude oil daily and produced 15,132,000 barrels of gasoline; 1,580,000 barrels of kerosine; 5,342,000 barrels of distillate fuel, and 9,252,000 barrels of residual fuel oil during the week ended June 16, 1945; and had in storage at the end of the week 46,370,000 barrels of civilian grade gasoline; 41,134,000 barrels of military and other gasoline; 8,512,000 barrels of kerosine; 30,397,000 barrels of distillate fuel, and 39,482,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

State	P. A. W. Recommendations June	State Allowables Begin June 1	Actual Production		4 Weeks Ended June 16, 1945	Week Ended June 17, 1944
			Week Ended June 16, 1945	Change from Previous Week		
Oklahoma	370,000	380,000	1,386,350	-1,050	386,350	331,950
Kansas	274,000	269,400	1,275,150	+25,100	264,750	284,200
Nebraska	1,000		1,900		900	1,000
Panhandle Texas			90,000		90,000	92,150
North Texas			154,650		154,250	149,400
West Texas			497,550		496,450	447,900
East Central Texas			139,900		139,050	145,000
East Texas			377,600		378,700	360,550
Southwest Texas			357,700		356,700	312,950
Coastal Texas			563,050		563,150	528,450
Total Texas	2,170,000	2,171,706	2,180,450		2,178,300	2,036,400
North Louisiana			69,050	-100	69,700	74,050
Coastal Louisiana			298,950		299,350	288,750
Total Louisiana	360,000	400,800	368,000		369,050	362,800
Arkansas	80,000	78,786	78,700	-450	79,450	80,300
Mississippi	53,000		52,000	+250	51,350	42,950
Alabama	400		700		600	100
Florida			14		15	50
Illinois	200,000		200,250	-750	199,750	205,650
Indiana	13,000		11,800	+200	11,850	12,400
Eastern (Not incl. Ill., Ind., Ky.)	64,200		64,750	+2,500	63,550	69,200
Kentucky	28,000		29,600	+600	28,650	19,250
Michigan	47,000		49,450	+1,250	47,750	50,200
Wyoming	113,500		107,650	+500	107,400	84,200
Montana	23,000		23,300		20,300	21,300
Colorado	10,500		11,550	+600	11,150	8,150
New Mexico	105,000	105,000	103,750		103,850	107,950
Total East of Calif	3,912,600		3,941,564	+28,650	3,925,015	3,718,050
California	947,000	947,000	946,800	+6,300	941,800	850,200
Total United States	4,859,600		4,888,364	+34,950	4,866,815	4,568,250

*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 14, 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 16, 1945 (Figures in thousands of barrels of 42 gallons each)

District	% Daily Crude Runs			% Gasoline		% Stocks		% Stocks	
	Refining Capacity	Average	Operating	Production at Ref.	Inc. Nat. & Dist.	of Gas Oil & Fuel Oil	of Residual Fuel Oil	Gasoline	Other
East Coast	99.5	735	92.9	1,742	6,928	5,966	5,050	8,308	
Appalachian—									
District No. 1	76.9	104	80.0	337	440	236	1,684	1,227	
District No. 2	81.2	55	117.0	174	88	86	508	892	
Ind., Ill., Ky.	87.2	719	83.9	2,625	4,029	2,170	6,925	13,211	
Okl., Kans., Mo.	78.3	335	84.2	1,465	1,669	1,198	2,275	7,221	
Inland Texas	59.8	236	71.5	952	485	902	1,286	1,628	
Texas Gulf Coast	89.3	1,190	96.2	3,993	4,960	5,362	9,804	4,545	
Louisiana Gulf Coast	96.8	271	104.2	882	1,665	1,103	2,330	2,108	
No. La. & Arkansas	55.9	84	66.7	240	1,455	191	162	1,753	
Rocky Mountain—									
District No. 3	17.1	12	92.3	38	21	32	10	72	
District No. 4	72.1	127	90.1	384	301	563	690	1,699	
California	85.8	987	99.3	2,300	8,356	21,673	10,410	3,706	
Total U. S. B. of M.									
basis June 16, 1945	85.6	4,915	90.5	15,132	30,397	39,482	*41,134	46,370	
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	
U. S. Bur. of Mines									
basis June 17, 1944	4,741			14,170	34,079	52,668	37,056	47,269	

*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 11,573,000 barrels unfinished gasoline this week, compared with 12,202,000 barrels a year ago. These figures do not include any gasoline on which title has already passed, or which the military forces may actually have in custody in their own or leased storage. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,580,000 barrels of kerosine, 5,342,000 barrels of gas oil and distillate fuel oil and 9,252,000 barrels of residual fuel oil produced during the week ended June 16, 1945, which compares with 1,488,000 barrels, 4,842,000 barrels and 9,382,000 barrels, respectively, in the preceding week and 1,295,000 barrels, 4,827,000 barrels and 9,182,000 barrels, respectively, in the week ended June 17, 1944.

Note—Stocks of kerosine at June 16, 1945, amounted to 8,512,000 barrels, as against 8,563,000 barrels a week earlier and 9,120,000 barrels a year ago.

National Fertilizer Association Commodity Price Index Declines Slightly

The weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on June 25, declined fractionally to 141.6 in the week ended June 23, 1945, from 141.7 in the preceding week. The index had advanced for five consecutive weeks before this recession, reaching new high peaks for each consecutive week. A month ago the index stood at 140.7 and a year ago at 137.3, based on the 1935-1939 average as 100. The Association's report went on to say:

Three of the composite groups of the index declined during the latest week and none advanced. The farm-products group declined fractionally with lower cotton quotations more than offsetting slightly higher prices for rye and choice cattle. The building materials group declined because of a decline in the price of gravel at St. Louis. The textiles index also declined slightly. The price of oranges advanced but this was not sufficient to raise the index for the foods group. Scrap steel also advanced slightly but not enough to affect the index for metals. There were no price changes in any of the remaining groups in the index.

During the week 2 price series in the index declined and 4 advanced; in the preceding week there were 2 declines and 7 advances; in the second preceding week there were 6 declines and 8 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX Compiled by The National Fertilizer Association 1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week June 23, 1945	Preceding Week June 16, 1945	Month Ago May 26, 1945	Year Ago June 24, 1944
25.3	Food	144.0	144.0	142.6	139.2
	Fats and Oils	145.2	145.2	145.3	145.1
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	168.0	168.1	167.4	156.5
	Cotton	214.8	216.2	215.5	206.8
	Grains	166.1	166.0	163.7	159.9
	Livestock	161.6	161.5	161.0	146.7
17.3	Fuels	132.0	132.0	130.4	130.1
10.8	Miscellaneous Commodities	133.7	133.7	133.7	132.2
8.2	Textiles	157.1	157.3	157.2	153.0
7.1	Metals	108.9	108.9	104.7	104.4
6.1	Building Materials	153.8	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	141.6	141.7	140.7	137.3

*Indexes on 1926-1928 base were: June 23, 1945, 110.3; June 16, 1945, 110.4; and June 24, 1944, 107.0.

Non-Ferrous Metals—Restrictions on Use of Zinc Removed—Copper Quiet—Quicksilver Off

"E. & M. J. Metal and Mineral Markets," in its issue of June 21, stated: "The week's developments in non-ferrous metals, with few exceptions, centered in news that originated in Washington. The gold mining order was revoked by WPB, effective July 1, and restrictions on use of zinc were removed. Congress voted to extend the Premium Price Plan for a year, along with the non-cancellable features of the bill originally demanded by the Senate. By a vote of 47 to 33, the Senate, on June 19 voted to give the President the power to reduce tariffs by 50%. In the New York market the call for copper and zinc for July shipment remained inactive. Requests for foreign lead were smaller. Quicksilver declined \$1 per flask, despite record consumption." The publication further went on to say in part:

Copper

Unless buying of copper for July picks up soon, the deliveries next month may drop close to 100,000 tons. Fabricators are still engaged in the process of reducing their inventories.

Purchase of copper raw materials up to a 30-day inventory supply without WPB authorization is now permitted. Formerly Direction 2 to Order M-9 limited such acceptances to 150 pounds (copper content) per quarter.

Order M-9 has been amended to eliminate (1) a restriction on copper-clad and copper-base alloy-clad steel scrap; (2) a limitation on the quantity of self-generated scrap that any person could keep on hand; (3) a prohibition of melting or processing copper-base alloy scrap by persons other than those engaged in production of copper raw materials or copper controlled materials; and (4) restrictions on use of scrap by utilities. Restrictions on use of fired cartridge cases, and the acceptance of delivery of scrap by scrap dealers have been removed by WPB.

Lead

The tonnage of foreign lead requested by consumers for July shipment was smaller than in recent months, probably by several thousand tons. This reflects a be-

lated shrinkage in consumption that the lead restrictions have imposed on manufacturers, observers believe. Even should stocks of lead increase during July, which is highly probable, the industry looks for no important change in the attitude of WPB officials in regard to releasing additional supplies.

Sales of lead during the last week involved 6,083 tons, which compares with 9,188 tons in the preceding week.

As a result of cutbacks in Army contracts, civilians will get about 3,000,000 collapsible lead tubes in the current quarter, WPB announced June 14. Lead quotas for dental cleansing preparations for the second quarter have been lifted from 20% of the amount used in the corresponding period of 1944 to 25%. The quota on tubes for rubber and pyroxylin cements has been raised from 40% to 50%.

Domestic refineries produced 45,848 tons of refined lead during May, which compares with 46,511 tons in April, and 45,903 tons in May last year, the American Bureau of Metal Statistics reports. The refineries shipped 40,585 tons in May, against 44,179 tons in the preceding month. Stocks at the refineries at the end of May totaled 38,488 tons, which compares with 33,234 tons a month ago and 19,536 tons at the beginning of 1945.

Zinc

Restrictions on the use of zinc have been removed through revocation of Order M-11-b and Direction 1 to that order, WPB announced June 14. The effect of this action, it was stated officially, will be to give zinc purchasers a "hunting license," as zinc continues in tight supply. Existing

allocation controls on slab zinc will be retained, according to WPB. Direction 3 to Order L-103-b, which restricted use of zinc in manufacturing home canning closures, has been revoked.

Though the industry believes that the supply situation in zinc is easing in virtually all directions and is anything but tight, the authorities in Washington are moving slowly in regard to freeing the industry of allocation. WPB officials have proposed a plan, that they hoped to put into operation in August, which would continue allocation of zinc up to 75% of production, the remainder to be set aside until about the 15th of the month for general distribution. Inquiry for zinc for July shipment was slow last week.

Aluminum

The Controlled Materials Plan was partly "open-ended" June 13 by WPB to permit aluminum producers to fill unrated orders for aluminum products, except extrusions, immediately, on condition that such action does not interfere with the filling of authorized controlled material orders they have been specifically directed to fill. This "open-ended" 18 days in advance of the July 1 date set for releasing aluminum, steel, and copper on unrated orders, was accomplished by Amendment 4 to CMP Regulation 1.

Tin

The tin situation remains unchanged. Quotations for Grade A or Straits quality tin continued at 52c. per pound.

	June	July	August
June 14	52.000	52.000	52.000
June 15	52.000	52.000	52.000
June 16	52.000	52.000	52.000
June 18	52.000	52.000	52.000
June 19	52.000	52.000	52.000
June 20	52.000	52.000	52.000

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

Quicksilver

The April statistics of the Bureau of Mines placed consumption of quicksilver at 7,500 flasks, a new monthly high. The gain in consumption has continued through May and June, yet the market appears to be amply supplied with metal, owing to larger imports, and the price situation remains unsettled. During the last week spot metal sold at \$148 per flask, a decline of \$1. On forward business prices ranged from \$146 to \$147.50 per flask.

A San Francisco dispatch said producers disinclined to name flat prices, but state that they will meet foreign competition.

Gold

Order L-208, limiting production of gold at mines in the United States, has been revoked by the War Production Board, effective July 1, 1945. The order was issued on Oct. 8, 1942, to conserve machinery and supplies for more vital war materials, as copper and zinc.

Gold mines may not be in a position to get into full production quickly owing to the existence of other limitation orders, including P-56, and the manpower shortage at the mines. However, amendments to such regulations are being considered in Washington to provide for a higher rating for gold mines for maintenance, repair, and equipment.

Silver

The London silver market was quiet and unchanged at 25½d. The New York Official for foreign silver continued at 44¼c., with domestic metal at 70%¢.

To Head WPB Unit

It has been announced that John H. Martin of Racine, Wis., has been made chairman of the War Production Board's committee on production readjustment which handles military cutbacks, according to the United Press from Washington, June 19.

Revenue Freight Car Loadings During Week Ended June 16, 1945 Dropped Over 11,600 Cars

Loading of revenue freight for the week ended June 16, 1945, totaled 872,674 cars, the Association of American Railroads announced on June 21. This was a decrease below the corresponding week of 1944 of 4,819 cars, or 0.5%, but an increase above the same week in 1943 of 4,388 cars or 0.5%.

Loading of revenue freight for the week of June 16 decreased 11,611 cars, or 1.3% below the preceding week. Miscellaneous freight loading totaled 392,344 cars, a decrease of 7,070 cars below the preceding week, but an increase of 5,247 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 106,417 cars, a decrease of 1,819 cars below the preceding week, but an increase of 1,746 cars above the corresponding week in 1944.

Coal loading amounted to 173,015 cars, a decrease of 2,265 cars below the preceding week, and a decrease of 7,087 cars below the corresponding week in 1944.

Grain and grain products loading totaled 52,900 cars, a decrease of 111 cars below the preceding week, but an increase of 7,571 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of June 16 totaled 36,788 cars, a decrease of 331 cars below the preceding week, but an increase of 7,237 cars above the corresponding week in 1944.

Livestock loading amounted to 14,683 cars, an increase of 215 cars above the preceding week and an increase of 775 cars above the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of June 16 totaled 10,426 cars, a decrease of 155 cars below the preceding week, but an increase of 488 cars above the corresponding week in 1944.

Forest products loading totaled 45,370 cars, a decrease of 1,177 cars below the preceding week and a decrease of 2,740 cars below the corresponding week in 1944.

Ore loading amounted to 74,845 cars, an increase of 2,104 cars above the preceding week but a decrease of 8,255 cars below the corresponding week in 1944.

Coke loading amounted to 13,100 cars, a decrease of 1,488 cars below the preceding week, and a decrease of 2,076 cars below the corresponding week in 1944.

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

	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	3,845,847
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
Week of June 2	837,520	810,698	667,609
Week of June 9	884,285	873,174	854,486
Week of June 16	872,674	877,493	868,286
Total	19,491,762	19,507,680	18,718,365

The following table is a summary of the freight carloadings for the separate railroads and system for the week ended June 16, 1945. During the period 61 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS), WEEK ENDED JUNE 16

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1945	1944	1945	1944
Eastern District—				
Ann Arbor	306	273	244	1,544
Bangor & Aroostook	1,303	1,074	936	335
Boston & Maine	6,988	6,913	6,335	13,974
Chicago, Indianapolis & Louisville	954	1,390	1,401	1,882
Central Indiana	40	24	44	45
Central Vermont	1,107	1,117	1,023	2,388
Delaware & Hudson	4,949	4,957	6,651	14,205
Delaware, Lackawanna & Western	8,048	8,061	8,209	10,962
Detroit & Mackinac	247	286	206	152
Detroit, Toledo & Ironton	1,731	1,780	1,904	1,271
Detroit & Toledo Shore Line	414	338	301	2,595
Erie	12,763	13,203	13,428	17,136
Grand Trunk Western	4,037	3,928	3,912	8,339
Lehigh & Hudson River	1,195	209	194	2,772
Lehigh & New England	2,260	2,225	2,142	1,675
Lehigh Valley	8,405	9,208	9,216	12,156
Maine Central	2,480	2,420	2,194	2,962
Monongahela	6,383	7,647	6,552	311
Montour	2,994	2,644	2,479	26
New York Central Lines	50,377	50,830	56,826	53,449
N. Y., N. H. & Hartford	10,084	9,308	9,995	17,825
New York, Ontario & Western	1,049	1,390	1,667	3,887
New York, Chicago & St. Louis	6,241	6,672	6,559	15,334
N. Y., Susquehanna & Western	382	419	557	2,211
Pittsburgh & Lake Erie	7,222	7,755	7,372	9,584
Fere Marquette	5,147	5,016	5,016	8,432
Pittsburgh & Shawmut	889	1,001	1,001	26
Pittsburgh, Shawmut & North	347	339	358	219
Pittsburgh & West Virginia	1,083	1,440	1,183	3,174
Rutland	366	373	331	1,214
Wabash	6,238	5,685	5,396	12,239
Wheeling & Lake Erie	5,713	6,087	6,584	4,650
Total	160,562	164,012	170,216	226,603
Allegheny District—				
Akron, Canton & Youngstown	734	698	846	1,344
Baltimore & Ohio	46,924	47,722	43,250	29,005
Bessemer & Lake Erie	5,418	7,058	6,595	2,143
Buffalo Creek & Gauley			290	
Cambria & Indiana	1,313	1,659	1,626	15
Central R. R. of New Jersey	6,897	6,712	7,245	20,100
Cornwall	468	531	627	54
Cumberland & Pennsylvania	171	246	295	16
Ligonier Valley	104	178	152	67
Long Island	1,676	1,765	1,108	4,690
Penn.-Reading Seashore Lines	1,831	1,744	1,753	2,293
Pennsylvania System	88,280	88,852	82,949	63,613
Reading Co.	15,238	15,304	14,690	27,055
Union (Pittsburgh)	16,345	19,562	12,374	6,850
Western Maryland	3,990	4,064	4,210	12,865
Total	189,299	196,095	187,010	169,920
Pocahontas District—				
Chesapeake & Ohio	28,698	28,864	29,840	14,747
Norfolk & Western	21,378	22,282	23,053	7,425
Virginian	4,437	4,542	4,890	2,456
Total	54,513	55,688	57,783	24,628

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	437	254	284	321	420
Atl. & W. P.—W. R. R. of Ala.	798	719	573	2,404	2,681
Atlanta, Birmingham & Coast	1,180	845	746	1,279	1,450
Atlantic Coast Line	10,978	12,524	13,130	9,576	9,700
Central of Georgia	3,831	3,674	3,941	4,841	5,484
Charleston & Western Carolina	401	419	459	1,674	1,762
Clinchfield	1,724	1,803	1,733	2,969	2,953
Columbus & Greenville	258	243	329	248	265
Durham & Southern	105	124	102	557	695
Florida East Coast	1,000	983	1,689	1,049	1,559
Gainesville Midland	50	52	34	132	124
Georgia	1,211	1,343	1,181	2,456	2,637
Georgia & Florida	416	403	364	789	630
Gulf, Mobile & Ohio	5,084	4,026	3,512	4,341	4,403
Illinois Central System	27,843	28,576	25,349	16,775	16,318
Louisville & Nashville	26,529	25,252	25,042	12,236	12,277
Macon, Dublin & Savannah	211	165	199	1,023	973
Mississippi Central	348	216	195	452	593
Nashville, Chattanooga & St. L.	3,401	3,180	3,320	4,616	4,391
Norfolk Southern	2,121	1,342	1,448	1,596	1,615
Piedmont Northern	406	377	355	1,260	1,139
Richmond, Fred. & Potomac	579	426	833	9,659	10,749
Seaboard Air Line	10,277	9,835	10,232	7,749	8,306
Southern System	25,151	22,608	20,842	24,645	21,474
Tennessee Central	543	687	563	734	827
Winston-Salem Southbound	129	130	100	1,097	1,063
Total	125,011	120,316	116,555	114,478	114,488

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Northwestern District—					
Chicago & North Western	19,050	20,189	19,465	15,296	11,918
Chicago Great Western	2,333	2,264	2,878	3,393	3,227
Chicago, Milw., St. P. & Pac.	22,174	21,105	19,899	11,192	10,735
Chicago, St. Paul, Minn. & Omaha	3,671	3,365	3,155	3,943	3,491
Duluth, Missabe & Iron Range	27,544	27,881	27,422	600	263
Duluth, South Shore & Atlantic	1,177	1,023	1,230	521	511
Elgin, Joliet & Eastern	8,531	8,773	8,249	9,740	11,917
Ft. Dodge, Des Moines & South	381	434	441	115	90
Great Northern	21,996	22,954	26,203	8,908	6,715
Green Bay & Western	402	492	438	979	853
Lake Superior & Ishpeming	2,522	2,673	3,410	71	46
Minneapolis & St. Louis	2,011	2,150	1,912	2,604	2,416
Minn., St. Paul & S. S. M.	8,010	6,755	7,021	3,117	3,228
Northern Pacific	11,581	11,114	11,352	7,187	5,885
Spokane International	310	247	154	572	536
Spokane, Portland & Seattle	2,793	2,975	2,808	4,350	3,256
Total	134,506	134,294	136,037	72,588	65,087

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Central Western District—					
Atch., Top. & Santa Fe System	29,103	27,233	25,092	14,937	11,941
Alton	3,904	3,461	2,896	3,995	4,184
Bingham & Garfield	356	455	616	85	67
Chicago, Burlington & Quincy	19,492	18,736	17,930	12,806	12,002
Chicago & Illinois Midland	3,239	3,098	3,155	878	856
Chicago, Rock Island & Pacific	13,311	12,142	12,514	14,368	12,420
Chicago & Eastern Illinois	2,290	2,686	2,423	4,805	6,998
Colorado & Southern	627	546	802	2,576	2,510
Denver & Rio Grande Western	3,621	3,629	3,275	7,910	5,848
Denver & Salt Lake	525	730	675	61	39
Fort Worth & Denver City	1,589	1,096	1,310	2,136	1,770
Illinois Terminal	*2,106	2,270	1,846	*2,065	1,930
Missouri-Illinois	1,148	1,176	1,048	522	488
Nevada Northern	1,444	1,779	2,070	111	138
North Western Pacific	778	940	1,076	643	728
Peoria & Pekin Union	3	0	7	0	0
Southern Pacific (Pacific)	34,624	33,647	32,897	15,309	12,779
Toledo, Peoria & Western	381	317	232	2,375	2,335
Union Pacific System	15,665	14,405	12,919	19,980	16,138
Utah	620	526	404	7	9
Western Pacific	2,124	2,124	2,179	5,201	3,991
Total	137,580	130,996	125,456	110,770	97,171

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southwestern District—					
Burlington-Rock Island	334	423	1,041	995	397
Gulf Coast Lines	5,098	5,617	5,146	2,265	2,360
International-Great Northern	3,318	3,200	2,849	3,642	4,489
Kansas, Oklahoma & Gulf	242	261	244	1,437	1,111
Kansas City Southern	4,959	6,213	6,001	3,040	2,672
Louisiana & Arkansas	3,309	3,984	4,102	2,851	2,799
Litchfield & Madison	295	246	340	1,593	1,364
Midland Valley	660	630	714	430	393
Missouri & Arkansas	125	138	167	304	342
Missouri-Kansas-Texas Lines	6,875	7,002	6,246	5,433	5,508
Missouri Pacific	16,672	16,591	17,397	18,425	19,879
Quannah Acme & Pacific	138	65	131	221	252
St. Louis-San Francisco	9,784	8,906	8,762	8,731	8,668
St. Louis Southwestern	3,452	3,291	3,524	6,637	7,731
Texas & New Orleans	10,163	14,317	13,578	5,746	5,096
Texas & Pacific	5,615	4,929	5,868	8,330	8,573
Wichita Falls & Southern	131	141	101	90	88

Items About Banks, Trust Companies

At the regular meeting of the Board of Directors of the National City Bank of New York held on June 26, DeWitt A. Forward was appointed a Senior Vice-President and Leo N. Shaw, Vice-President, was given the additional title of Deputy Manager Overseas Division. Mr. Forward has been with the bank since 1916 following graduation from Colgate University and most recently as Vice-President in charge of western business of the bank. He was formerly in charge of the National City branches in Brooklyn, taking over that territory when Peoples' Trust Company of Brooklyn was merged with National City. He has had a broad banking experience across the country and on June 25 was elected a member of the Board of Trustees of Colgate University. He is also a trustee of the Dime Savings Bank of Brooklyn and Director and Vice-President of the National City Safe Deposit Company.

Mr. Shaw came to National City in 1916 following his graduation from Amherst. Shortly after, he spent some time in Russia and was Vice Consul of the United States Consular staff there. He traveled back and forth between Siberia and Petrograd in connection with his government work and returned to the United States in 1920 to reenter the service of the National City Bank of New York. He is known throughout the world as a foreign exchange expert.

At a meeting held on June 21 of the Executive Committee of Bankers Trust Company of New York Hugh F. Curran was elected Assistant Trust Officer, and Arthur Gardner was elected Assistant Vice-President.

The appointment of John T. Corsa as Assistant Vice-President of the Bank of New York was announced on June 20 by John C. Traphagen, President of the institution. Mr. Corsa had been connected with the National State Bank of Newark since 1940 in the position of Vice-President.

The advancement of H. O. Eversmann from Assistant Vice-President to Vice-President and John C. Bancroft to Assistant Vice-President were announced by the bank on June 12.

Two new officers elected to the bank on June 12 were R. Peter Badie as Assistant Treasurer and Howard W. Green as Assistant Secretary.

Henry A. J. Ralph, heretofore Assistant Vice-President in the Bond Investment Department of Bank of America at San Francisco headquarters, has been promoted to the rank of Vice-President, and henceforth will divide his time between the bank's New York office and the San Francisco headquarters, according to announcement by L. M. Giannini, President.

Mr. Ralph is well known in banking and investment circles on both coasts, his experience in the field dating back to 1919.

DeCoursey Fales, President of the Bank for Savings in the City of New York announces the appointment of William F. Ferguson as Vice-President and Robert F. Marchant as Treasurer of the bank, effective July 1. Mr. Ferguson was heretofore Treasurer of the bank and has been in its employ since 1907. Mr. Marchant was previously the Assistant Treasurer and has been a member of the staff since 1927.

Hugh Cuthrell has been elected a trustee of the City Savings Bank of Brooklyn, N. Y. Mr. Cuthrell is Vice-President of the Brooklyn Union Gas Company.

John W. Raber has been appointed to the position of Assistant to

the President, G. W. Felter of the Greenpoint Savings Bank, Brooklyn, N. Y. Mr. Raber was formerly Auditor of the bank, and is succeeded to that position by John J. Miller.

The promotion of James R. Davie to the Presidency of the Albany Savings Bank, Albany, N. Y., was announced on June 20 by the Albany "Times-Union," which also said that Mr. Davie, who has been Executive Vice-President since March 1, 1944, succeeds Henry D. Rodgers, who retired two years ago.

Mr. Davie previously had served 10 years as senior examiner of the Second Federal Reserve Bank district, of New York City. Earlier in his career he served on the staff of the Irving National Bank in New York City and also as loaning officer at the Chatham and Phoenix National Bank.

Stockholders of the Manufacturers & Traders Trust Co. of Buffalo, N. Y., and the First National Bank of Kenmore, N. Y., on June 19 approved the merger of the institutions. This merger which is effective June 30 has previously been approved by the State Bank Commissioner.

Major Clifford L. Strang recently retired army officer has resumed his former position as President of the First Trust Company of Tonawanda, N. Y., and Executive Vice-President of the State Trust Company of North Tonawanda, N. Y., it is learned from the Buffalo "Evening News."

The election of Lawrence H. Martin as Vice-President of the National Shawmut Bank of Boston, Mass., was announced on June 22 by Walter S. Bucklin, President of the institution, according to the Boston "News Bureau." Mr. Martin joined the bank in 1928; was elected Assistant Cashier in 1938 and Assistant Vice-President in 1942.

George Bailey Bacon, Vice-President of the Merchants National Bank of Boston for the past quarter of a century, died on June 17 at the age of 58.

At a meeting of the Board of Directors of the First National Bank of Jersey City held on June 20, Kelley Graham, President, announced the promotion of Harold E. McCausland from Assistant Cashier to Assistant Vice-President. Mr. McCausland is in charge of the Bergen Square office.

In an item appearing in our issue of June 21, page 2780, it was stated that the Germantown Trust Co. of Philadelphia had transferred \$300,000 from undivided profits to surplus, increasing the latter to \$2,500,000. This was an error, since it should have been stated that the action was taken by the National Bank of Germantown and Trust Company of Philadelphia, located at 5500 Germantown Avenue. It happens that there is a Germantown Trust Co. in Philadelphia, but it was incorrect to have associated it with the action referred to. We are giving herewith the advices issued by the National Bank of Germantown & Trust Company regarding its action on June 13, which also included the announcement of the declaration of dividend, its 259th consecutive semi-annual dividend.

The Board of Directors has this day declared a dividend (the 259th consecutive semi-annual dividend) of 10%, or \$1 per share on the capital stock, payable July 2, 1945, to stockholders of record June 30, 1945. Checks will be mailed.

The Board authorized the transfer of \$300,000 from undivided profits to surplus, increasing the surplus to \$2,500,000.

The election of G. Allen Patterson as Vice-President and Treasurer of the Peoples-Pittsburgh Trust Company, Pittsburgh, Pa., was announced on June 20 by J. O. Miller, acting President of the bank. The Pittsburgh "Post-Gazette," from which this is learned, also said:

Mr. Patterson was a national bank examiner for six years and became Assistant Auditor of Peoples-Pittsburgh Trust in 1929. He was named Auditor in 1936 and Treasurer in 1941.

Admission of the Farmers & Citizens Savings Bank Company of Germantown, O., to membership in the Federal Reserve System was announced on June 20 by Ray M. Gidney, President of the Federal Reserve Bank of Cleveland. Member banks in the Fourth District now total 713. The advices from the Reserve Bank state:

"The Farmers & Citizens Savings Bank Company was organized in 1904 with a capital of \$25,000 and now has a capital of \$35,000. It serves the village of Germantown, located about 15 miles southwest of Dayton, and an adjacent trade populace estimated at 5,000.

"Albert Rettich has been President of the Germantown bank for three years and a director for 25 years. Other officers are R. A. Emrick, Vice-President; T. K. Zehring, Cashier, and H. H. Maxson, Assistant Cashier and Secretary. Directors are the officers and R. Ireland, who has been a member of the board for 35 years."

The St. Louis "Globe-Democrat" of June 19 reported that following the purchase of about 90% of the outstanding stock of Jefferson Bank & Trust Company of St. Louis, Mo., by Thomas T. Poleman and associates, it was announced that Mansfield C. Bay, formerly in the lumber business, had been elected President, succeeding O. H. Moberly, who is retiring.

It is further stated A. N. Bergfeld, formerly Cashier, was elected Vice-President and Cashier, and also was re-elected to the board. New members of the board are: Mr. Poleman, Mr. Bay, P. Walker MacMillan, George N. Meissner, Edmund T. Allen, Creighton B. Calfee and R. W. Poertner, an Assistant Cashier. Mr. Moberly's name also is included among the new directors. Mr. MacMillan was elected First Vice-President. The bank's condition statement of Dec. 31, 1944, as listed in G. H. Walker's Manual, showed: Capital, \$200,000; surplus and undivided profits, \$134,954; deposits, \$8,118,374.

Lewis A. Lapham, Executive Director of Pacific American Steamship Association, and Charles Page, Vice-President of Johnson & Higgins of California, were elected to the Board of Directors of Crocker First National Bank of San Francisco, Calif., it was announced in the San Francisco "Chronicle" on June 15.

W. H. Taplin on June 14 was named a Vice-President of the American Trust Co. of San Francisco, Calif. S. A. Heatley and J. O. Elmer, Jr., were named Assistant Vice-Presidents.

Appointment of R. V. LeSueur to the Board of Directors of the Royal Bank of Canada has been announced, according to the Toronto "Globe and Mail" of June 20, which further said:

"The new director is Chairman and President of Imperial Oil, Ltd., and President of its subsidiary, International Petroleum Co., Ltd., and is one of Canada's leading oil men.

The Directors of Barclays Bank (Dominion, Colonial and Overseas) have declared interim dividends of 4% actual on the cumu-

Davis Favors Minimum Wage Rise

Addressing a gathering of CIO and AFL textile unions' representatives and high-ranking members of the armed services, the War Production Board, War Labor Board, War Manpower Commission and his own agency, Economic Stabilization Director William H. Davis suggested a major revision in the basic wage law, the Fair Labor Standards Act, stating that he favored a 50-cents-an-hour minimum wage and minimums ranging up to 65 cents an hour for some special industries, special advices to the New York "Times" from Washington stated on June 20.

At a news conference which immediately followed the meeting, Thomas I. Emerson, general counsel of the Office of Economic Stabilization, reported the director's views as an authorized spokesman. He added later that the proposal had been under study by OES for some time.

Mr. Davis' proposal would not only raise the national minimum wage in the textile industry from 40 cents an hour to 50 cents, but provide special premium levels as high as 65 cents an hour for such troublesome industries as textile manufacturing.

The meeting was called specifically to exchange views on the problem of increasing textile production but Mr. Davis' suggestion for a substantial wage increase for textile workers appeared to be the most concrete result.

His proposals, according to the "Times," to some degree duplicated the wage demands of the CIO Textile Workers Union of America. Outlined by George Baldanzi, Executive Vice-President of the union, these demands fix a minimum textile wage of 65 cents an hour and a flat increase of 10 cents an hour throughout the industry. The AFL union, the United Textile Workers of America, seeks a minimum wage of 75 cents an hour, and "appropriate" increases.

The differential of 10 cents an hour between the CIO and the AFL requests is partly explained by the fact that the AFL group is composed largely of skilled textile workers who customarily would earn more than the unskilled employes in the CIO union.

Under the Fair Labor Standards Act, better known as the Wage-Hour Law, any increase in the national minimum wage would have to be approved by the Secretary of Labor, the New York "Times" states. For premium wage levels in other industries, the increase would first have to be recommended by a special committee comprising management, labor and public members, and then approved by the Labor Secretary.

Mr. Davis agreed with union members today, according to Mr. Emerson, that low wages for textile workers were one of the key problems, "if not the key problem," in the whole difficulty of recruiting employes and put the industry in a poor position to compete for manpower with other war industries.

Mr. Baldanzi, of the CIO union, interposed to point out that the average textile worker earns \$29 a week for working 42 hours, even with the recent increases authorized by the WLB for 55 plants. In the South, he added, this wage was reduced to \$25 to \$26 a week.

Kenneth W. Marriner, director of the WPB Textile Clothing and Leather Bureau, said the problem of increasing wages was not one on which the WPB had authority to act and added that the agency also had not recommended a wage

relative preference stock and 3% actual on the "A" stock and "B" shares, in respect of the year ending Sept. 30, 1945, subject in each case to the deduction of income tax at 8/7 s.d. in the £. The interim dividends were payable on June 15, 1945, to stockholders and shareholders on the register on May 25, 1945.

S. G. Gates, Chairman of Tecalemit, Ltd., has been appointed a Director of Westminster Bank, Ltd., of London.

increase to the WLB. These matters, the WPB textile chief said, would be submitted to the inter-agency committee, of which he is chairman, organized recently to study the textile production situation.

Action Expected on Business Tax Relief

Passage of the so-called Interim Tax Bill, providing some \$5,500,000,000 in refunds for business concerns, introduced by Chairman Robert L. Doughton (D., N. C.) of the House Ways and Means Committee, on June 18, according to the "Journal of Commerce" from Washington on that date, seemed likely before Congress adjourns for the summer after the House committee had decided to proceed with consideration of the measure without public hearings, as the "Wall Street Journal" reported on June 21, and continued:

"Chairman Doughton believes the measure can be enacted by both Houses before mid-July. Congressional leaders are aiming at an adjournment for the summer by July 10 at the earliest and July 23 at the latest.

"The interim measure provided for a speed-up of refunds from war-time business taxes. Originally they were to be paid in the post-war period to provide aid to companies having to reconvert their plants.

"In addition to faster refunds, the measure would increase the present \$10,000 exemption from excess profits taxes to \$25,000.

"Members of the Ways and Means Committee yesterday completed a study of the bill, together with a report recommending its enactment. The report was written by congressional and Treasury tax experts.

"While a vote on the question of public hearings was not taken directly, the committee did vote to proceed today with consideration of the measure and any amendments. Representatives Reed (R., N. Y.) and Robertson (D., Va.) plan to offer amendments increasing the amount of the excess profits tax exemption to some figure over \$25,000. They have not decided on the exact figure.

"Members of the committee had feared there would be a demand for public hearings and had forecast that if hearings were held the bill could not be passed before the July adjournment. Since public hearings are not likely, most members are confident the bill will get speedy approval."

China Suspends Gold Sales

The Chinese Ministry of Finance said on June 25 that Government sale of gold would be temporarily suspended starting that day. Associated Press advices from Chungking, June 25, reporting this, added:

"Hitherto more than 80,000,000 Chinese dollars have been recalled from circulation through the sale of gold, which had the effect of helping curb inflation.

"In view of the present tightness of money and in order that the Chinese currency can be stabilized, the sale of gold will be suspended until August, by which time shipments from the United States will be available.

"These shipments will total 200,000,000 American dollars allotted for the purchase of gold out of a total of 500,000,000 American dollars which are being loaned to China."