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The Financial Situation

Within the past few weeks the Department of Labor in Washington has let it be known that recent inquiries indicate that a larger proportion of the women who have been drawn into the "labor force" during the war wish to remain in it than has been commonly supposed. The number of women added to the "labor force" during the war is a matter of some dispute, the actual number depending somewhat upon the definitions of terms employed, but we should not be very far out of the way if we were to put the figure at about 5,000,000. That is to say we may for the sake of discussion assume that the number of women at work for pay or seeking work for pay in this country today is approximately 5,000,000 larger than was the case in 1940. This on the face of the figures as given would appear to be definitely less than a 50% increase. The proportion of these women now working who desire and intend to continue in the "labor force" after the war appears from the survey of the Department of Labor to vary substantially from center to center, but to be substantial.

The Old Question Again

These results, thus very briefly expressed, have again opened the old question of the effect of decisions of this sort on the part of women war-workers upon the welfare of the returning veterans, and indeed, upon the welfare of the nation in general. It appears to be the belief, or perhaps more accurately the supposition, of most of those who comment in public that the situation indicated "complicates" or makes much more difficult the "problem" of finding employment in the post-war years for all those who wish to work. Indeed many seem to assume that cut-throat competition between the women now at work and the returning

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The San Francisco Charter— A Peoples Document

By JOHN FOSTER DULLES*

Adviser to the U. S. Delegation, United Nations Conference

Mr. Dulles, Asserting That the San Francisco Charter Is "A Living and Compelling Document," Points Out That It Is a Great Improvement Over the Dumbarton Oaks Plan, Since It Provides for Remedial Action to Diminish the Causes of War. Stresses the Objectives of Affording Equal Rights to Nations, Large and Small, and to Promote Justice, Respect Human Rights and Develop International Law. Lauds Creation of an Economic and Social Council.

You have asked me to report on San Francisco. I am glad to do so, for I am a bearer of good tidings. Last Tuesday the dele-



John F. Dulles

tions of 50 nations agreed to face the future together. The fact of such agreement is itself much. What is more is that they agreed to face the future in a crusading, not a defensive mood. The Charter which emerged from San Francisco is a living and compelling document. It is a peoples document, which emerged out of democratic discussion and striving. It is a document very different from the Dumbarton Oaks Proposals which the Conference had been called to consider. Those Proposals, you

will recall, were drawn up last fall by representatives of the Big Three—Russia, Great Britain and the United States. The Proposals made a good start in the planning of a structure of world order. Such a beginning was, indeed, indispensable. The San Francisco Conference would have gotten nowhere without a well-drawn working paper on which to start. But the Dumbarton Oaks Proposals had the defects which usually occur when a few big powers get together to decide how to run the world. They generally, and naturally, conclude that the best of all possible worlds is a world which they will run. So the Dumbarton Oaks plan was built around a Security Council, backed by the military might of the Big

*An address by Mr. Dulles at the Foreign Policy Association Luncheon, Philadelphia, Pa., June 29, 1945.

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Senate Urged by Truman to Speed Charter Approval

President Truman, in Address, Reminds Congress of the Connally and Fulbright Resolutions. Says United Nations Charter Is An Expression of National and International Necessity.

President Harry S. Truman, on July 2, appeared before the Senate, and in delivering the San Francisco Charter, made the following brief address:

It is good of you to let me come back among you. You know, I am sure, how much that means to one who served so recently in this chamber.

I have just brought down from the White House and have delivered to your presiding officer the Charter of the United Nations. It was signed in San Francisco on June 26, 1945—six days ago—by the representatives of 50 nations. The statute of the International Court of Justice is annexed to the Charter. I am appearing to ask for the ratification of the Charter, and the statute annexed thereto, in accordance with the Constitution.

The Charter which I bring you has been written in the name of "We, the peoples of the United Nations." Those peoples—stretching all over the face of the earth—will watch our action here with great concern and high hope. For they look to this body of elected representatives of the people of the United States to take the lead in approving the Charter and statute and pointing the way for the rest of the world.

This Charter and the principles on which it is based are not new to the United States Senate or to the House of Representatives.

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President Truman

Vandenberg Calls World Charter Step to International Amity

Tells Senate He Will Support Ratification "With All the Resources at My Command." Doubts Whether There Could Ever Be Another or a Better Start. Holds Force Is Not the Real Genius of the New Charter.

On June 29, Senator Arthur Vandenberg (R., Mich.), a U. S. delegate to the United Nations San Francisco Conference, addressed the

Senate in what he called "a preliminary report upon my two months' official absence as a delegate at the Conference to create an international organization for peace and security." He praised the work and co-operation of his fellow delegates with whom he "labored together in good spirit and goodwill" and then entered into a detailed analysis of the Charter. The text of the address follows:

Mr. President:

I take this immediate opportunity to make this preliminary report to the Senate upon my two



A. H. Vandenberg

months' official absence as a member of the American delegation at the San Francisco Conference to create an international organization for peace and security.

It has been a difficult and burdensome assignment. But it has had its compensations not only in its privilege of association with earnest peace-seeking pilgrims from every corner of the globe, but also in its promise of a better world. I shall not here undertake a discussion of the vast detail of considerations which must be explored in subsequent debate. I am content today to state my general conclusions and the reasons that impel them.

First, Mr. President, I wish to present my compliments to my fellow-delegates and our advisers and our staff. We have labored together in good spirit and goodwill. We have had healthy differences of opinion, but we have ultimately acted in substantial unanimity from start to finish. We

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From Washington Ahead of the News

By CARLISLE BARGERON

The great battle over the disposition of the Government's vast wartime plant structure, costing some \$15 billion, instead of having been settled, as is apparently the impression of many, by the creation last year of a surplus property board, is yet to be fought. A re-examination of the law, in fact, discloses that it is not contemplated that this board shall dispose of the steel, aluminum, magnesium, air-



Carlisle Bargerone

windy studies of the whole reconversion problem. Over a period of several months they served as rival sounding boards for the radicals. They hammered against letting the plants fall into the hands of the "big interests." Various, it was proposed by men like Frankenstein and Thomas of the UAW-CIO, and Patton of the Farmers' Union, that they be used to insure "full employment," turned over to small business, to farmer cooperatives, and that no plant should be dismantled. Particularly, the aluminum holdings should be used to break up the "aluminum monopoly," the steel holdings used against the "steel trust," other plants used against the "farm implements combine." The radicals had a merry time. Bills had been fairly perfected by both committees and an important provision, one on which all the radicals insisted, required that the purchaser of any plant be required to keep it in "full" operation for two years, otherwise the Government recaptured it.

It was at this juncture that the Conservatives stepped in and pulled off as clever a legislative play as one ever saw. Under the leadership of Senator George, a joint House-Senate committee was

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a Not available this week.

Fine Phrases—Many of Them

"You may tell me that I have but to scan the present world with realistic eyes in order to see these fine phrases [of the San Francisco Charter] often contemptuously reduced to a contemporary shambles. You may tell me that some of the signatories to this Charter practice the precise opposite of what they preach even as they sign. You may tell me that the aftermath of the war seems to threaten the utter disintegration of these ideals at the very moment they are born.

"I reply that the nearer right you may be in any such gloomy indictment, the greater is the need for the new pattern which promises at least to try to stem these evil tides. The nearer right you are, the greater becomes the importance of this new self-denying ordinance which promises a chastened view. The nearer right you are, the greater is the urgency for invoking the emancipations which the San Francisco Charter contemplates. If the effort fails, we can at least face the consequence with clean hands. . . .

"America has everything to gain and nothing to lose by giving it support; everything to lose and nothing to gain by declining this continued fraternity with the United Nations in behalf of the dearest dream of humankind.

"I commend it to Congress and the country."—Senator Arthur Vandenberg.

We must confess that we find it difficult to follow many of the Senator's fine phrases. It is quite beyond us how he can half concede the doubtful faith in which these agreements have been reached, and in the next breath add that "with the Charter there is at least the restraint of a peaceful contract, for whatever that may be worth, and the grim assurance that the aggressor who breaks this contract will stand in naked infamy before the embattled conscience of an outraged world."

Neither can we understand how he, in view of the commitments the Charter would oblige us to make, can say that we can lose nothing by signing it.

Polish-Russian Conferences End With New Moscow Regime

The Moscow conferences between Polish leaders and members of the Russian Government have ended peaceably and with apparent satisfaction for those taking part in them, but with defiant protests from the London Polish Government in Exile. A Polish Provisional Government, including at least five Poles other than those in the present Soviet-sponsored Warsaw regime, was formed in Moscow as a result of the recent discussions, but, according to the Associated Press from London, June 26, the London regime said it would transfer its authority only to a government formed on free Polish soil and reflecting the will of the Polish people as expressed in free elections. The Associated Press further said:

The London Poles termed the new administration "a pseudo-government imposed upon the Polish nation, which is at present under the occupation of an alien army and an alien political police." A formal statement issued through the Polish Ministry of Information, a bureau of the London regime, said: "The so-called Polish Provisional Government of National Unity . . . has been created on the basis of an unprecedented procedure while the whole of Polish territory is occupied by the Soviet Army, and at a time when the Poles are deprived of the elementary rights of man and citizen."

On June 27 the Moscow conference broke up and leaders of the new so-called Polish Government of National Unity flew to Warsaw promising that they would build a lasting future for Poland, the United Press reported from London on that date, giving the announcement which had come over the Warsaw radio. The advices also stated:

Stanislaw Mikolajczyk, slated to be Vice-Premier and Agriculture Minister, appealed to Poles to work hand in hand "to rebuild, to heal wounds and to live in a free, independent Polish republic.

President Boleslaw Bierut of the Warsaw provisional govern-

ment, who is expected to fill the same post in the new government, said that the union of all the forces for democracy will increase to the utmost the possibility of working to rebuild all that has been destroyed and assure the future of Poland as a member of the European community.

Edward Osobka-Morawska, slated to be Premier, said that Poland must be rebuilt from the ruins and we must make our frontiers on the Oder, the Niesse and the Baltic lasting.

The Polish group arriving in Warsaw also included Wladislaw Gomolka, Deputy Premier-designate; Jan Stanczyk, slated to be Labor Minister; Wladislaw Kiernik and Henry Kolodziejski, the Warsaw broadcast said.

Meanwhile, at London, a spokesman for the Government in Exile, stating that he did not know what the future of the regime would be, declared that the Polish Army of from 200,000 to 250,000 men remains "completely loyal to us," the Associated Press reported from London, June 29.

With Big Three recognition of the new Warsaw Government expected almost momentarily, the spokesman was asked what the exiled regime intended to do when British and American recognition is withdrawn from it. He replied: "I don't know. All I know is that the Polish Government in London desires to remain by the side of the Polish armed forces who have served under its leadership."

He denied, however, a London report that the Government was looking for sanctuary either in

Eire or in Canada, and he refused to discuss a report in the News Chronicle that the exiled regime had received \$280,000,000 in credits from Britain since its arrival here in 1940 to cover the expenses of the President and Government departments. The News Chronicle added that payments to the Polish armed forces came under a separate account of \$1,200,000,000 borne by the British authorities as part of their own war expenditure.

The Polish forces are mostly stationed in Italy, Germany and Britain.

Meanwhile, today Foreign Office commentator said that formal recognition of the new Polish provisional government of national unity by the Big Three Powers awaited only assurance that the Yalta conference plan for Poland's future was being carried out by the new administration.

In part that plan called for early free elections in Poland.

The commentator would not say how soon recognition may be granted, but some predictions here placed it as early as this week end.

Meanwhile today a French Government spokesman declared in Paris that France has decided to recognize the new Provisional Polish Government at Warsaw, that the French representative at Warsaw had been instructed to notify the Polish leaders to this effect and that Foreign Minister Georges Bidault has informed London, Washington and Moscow.

At the same time the Swedish Government at Stockholm announced its decision to exchange representatives with the new Warsaw Government. The first Swedish representative will be Brynolf Eng, who has been negotiating for coal deliveries from Poland, the statement added.

Credit Extended by NYSE Firms in May

The New York Stock Exchange reported on June 14 that as of the close of business on May 31, member firms of the Exchange carrying margin accounts reported as follows:

Total of customers' net debit balances May 31, 1945, \$1,094,337,830; April 30, 1945, \$1,064,812,676. (Includes all securities, commodity and other accounts. Does not include debit balances in accounts held for other firms which are members of national securities exchanges, or "own" accounts of reporting firms, or accounts of partners of those firms.)

Credit extended to customers of U. S. Government obligations May 31, 1945, \$110,470,036; April 30, 1945, \$106,462,229. (This amount is included in net debit balance total.)

Cash on hand and in banks May 31, 1945, \$226,374,509; April 30, 1945, \$248,868,356. (Exclusive of balances segregated under the Commodity Exchange Act.)

Total of customers' free credit balances May 31, 1945, \$583,090,717; April 30, 1945, \$575,004,537. (Does not include credit balances in regulated commodity accounts or free credit balances held for other firms which are members of national securities exchanges, or free credit balances held for the accounts of reporting firms or of partners of those firms.)

Reference was made in our issue of March 29 (page 1385) to the decision of the Board of Governors of the Exchange on March 23 to request member firms to report each month the amount of credit being extended on securities to customers of member firms carrying margin accounts; the amount of such credit being extended on U. S. Government obligations; the amount of their customers' free credit balances; and the amount of cash such firms have on hand and on deposit with banks.

The State of Trade

The road to reconversion, it is becoming more and more apparent to industry, is not the short and easy one expected by some, but a road that has its full share of snares and delusions. According to Burnham Finney, writing in the trade magazine, "American Machinist," "Some government officials are just beginning to realize that reconversion is not simply a matter of lifting War Production Board controls. Labor trouble, recon-

version pricing questions, doubts about surplus disposal are hampering business planning. Moreover, since business now has to worry about the cost involved in civilian goods production, it may be apt to be less inclined to improve when material and equipment are lacking, as it did when the nation was swinging into war production."

Labor difficulties, Mr. Finney points out, loom as a major reconversion deterrent. Recent strikes in steel plants, tire factories, and other industries producing materials and items urgently needed in reconversion, have caused a considerable loss in production. In one plant alone, the cost to the nation was 16,000 tires a day. Steel strikes, Mr. Finney continued, cost reconversion thousands of tons of steel that might have been available during the July quarter, which marks the beginning of the reconversion program. Unions realize that lower take-home pay is in prospect as overtime diminishes, the work-week is shortened, and temporary lay-offs for reconversion occur.

The situation poses a real problem both for Government and industry and indications point to the fact that legislators are cognizant of the detrimental effects that labor troubles growing out of the situation may have upon the country.

With respect to the Administration's reconversion wage policy, the current issue of the magazine "Business Week," states that it can be expected that the Administration will allow a 10% increase in hourly rates to offset loss of overtime.

In an interpretation of the viewpoint of stabilization officials, the publication says: "Industries now producing the same civilian type goods on war orders: that they do in peacetime are paying an average of 108½% of basic hourly rates as a result of eight hours' overtime at time-and-a-half in each 48-hour week. This, of course, will drop to 100% on a 40-hour week, and down-grading and similar adjustments will bring the total cut in labor costs to about 10%. Increase in productivity will offset the somewhat higher fixed cost per unit.

"Balancing all this, stabilization officials conclude that the industries which have been producing their regular civilian-type goods can take a 10% wage rate boost without an increase in either cost or prices. Other industries—automobiles, for example—will be eligible for a price boost under OPA's reconversion pricing formula to help offset higher labor costs."

Steel Industry—Heavy shell steel cutbacks were made last week at St. Louis and are being replaced by rated orders involving rails and structurals. A difference of opinion, though, still prevails in the steel industry and in Washington as to the availability of the greatly sought-after steel product-sheets, "The Iron Age" reveals in its latest summary of the steel trade.

It was the opinion in most steel centers that it would be late third quarter and probably early fourth quarter before sheets in any substantial quantity would be moving to civilian manufacturers. The WPB position this week, however, holds the supply of flat rolled material will ease a bit in the latter half of the third quarter when military cutbacks are expected to be reflected at mill levels in substantial quantities. WPB Chairman J. A. Krug's estimate of 300,000 tons of sheets to be available for non-rated busi-

ness in the third quarter, however, was open to question by some.

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. If such were the case the steel mills would be less reluctant to give commitments on non-rated deliveries, states this trade authority.

There was evidence in the Cleveland district last week that may be a portent of the future ability of one mill there to offer a substantial quantity of sheets for delivery during the third quarter. Other possible signs of an earlier than expected opening in the sheet log jam are a long awaited revision of the shell container program and unofficial reports of a cutback in Navy shelter contracts. The WPB holds considerable tonnage for sheets which must be placed as rated orders.

Shell contract cutbacks held the spotlight at Pittsburgh this week, according to the magazine, with practically every producer of heavy shells being affected. A plan of moving shell contracts further west in order that the finished product would be closer to the source of use was noted in the cutback program the past week. Many contracts canceled in Pittsburgh were transferred to plants in the West.

The contemplated stepping up 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 to as high as 400,000 tons, may have an adverse affect upon the oil companies, since pipe requirements for bombs are in the three or four sizes commonly used by these companies, "The Iron Age" points out.

Headed by automotive requirements unvalidated orders increased in number last week. Since most individual non-rated orders are considerably smaller in size than the industry's average during the war period, a rise in production costs is expected to become more pronounced, because such orders will call for various sizes and types as compared with the "straight run" war orders.

Unrated buyers, it is reported, are convinced that there is little hope for shipment earlier than the late third quarter or early fourth quarter except for spot openings. Judging from past steel market history, it is the general opinion that non-rated buyers realize that being on the backlog of even unrated orders is better than not having placed an order at all.

The steel companies the past week were beginning to show signs of worry about the hold-up in claims on war contracts, the magazine notes. It is said that with 50% of the claims amounting to less than \$10,000, a huge pile up of paper work may suddenly break through and swamp steel producers. Since these claims form only a basis for final negotiation, steel companies are becoming apprehensive over the delay in speeding terminations.

Heat fatigue, equipment breakdowns and an increase in quits and absenteeism coupled with strikes continue to keep the steel ingot rate from approaching levels of a few months ago.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 88.1% of capacity for the week beginning July

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U. S. Policy Regarding Commodity Agreements

By BERNARD F. HALEY*

Director of the Office of International Trade Policy,
Department of State

Limiting His Remarks to Inter-Government Agreements Relating to Specific Commodities, Mr. Haley Sets Forth the Conditions Under Which Such Arrangements May Be Properly Made for Mutual Advantage of Importer and Exporter Countries. Urges an International Organization to Supervise, Recommend and Sanction These Agreements. Holds Specific Commodity Surpluses Will Develop Following War, Leading to Economic Maladjustments, and That, in Interest of Maintaining Future Economic Stability, and a Durable Peace, International Collaboration With Respect to Particular Commodity Problems Is Essential.

Fundamental in all plans for the establishment of a durable peace is the necessity of international collaboration for the maintenance of economic stability and for the achievement of higher levels of real incomes throughout the world. In the development of any general program of international action directed to these ends, attention must be given to the special problems of certain individual commodities of world-wide importance, the conditions of whose production are such that, unless they are given some attention, they may well be, or may become, serious sources of economic maladjustment. Hence it is important that we should make a place in our general program of foreign economic policy for international collaboration with respect to such individual problem commodities, and should insure that neglect of these commodity situations will not endanger the success of our general program directed to the expansion of world trade, the attainment of high levels of employment and income and the maintenance of economic stability.

International collaboration with respect to a particular commodity problem usually takes the form of a commodity agreement between two or more governments.† International collaboration may take the form of a loose type of arrangement between the governments of countries having an important interest in a particular commodity for joint discussion and study of the international problems of that commodity. Examples of such an arrangement are the Rubber Study Group of the Netherlands, United Kingdom and United States Governments, and the proposed international Petroleum Agreement between the United Kingdom and the United States. Broadly speaking, the function of commodity arrangements of this type is to provide a convenient and informal means by which the possibilities of promoting greater stability in the conditions of production and trade for a particular commodity may be canvassed, opportunities for the future expansion of demand may be explored, and possible anticipated difficulties may in some measure actually be prevented from developing, without quantitative regulation of production.

†Private international business arrangements with regard to commodities of the cartel variety are not considered in this paper.

*An address by Mr. Haley before the Academy of Political Science, Hotel Astor, New York City, April 5, 1945, which could not be accommodated earlier in our columns because of the paper situation.



Bernard F. Haley

tion and trade necessarily becoming involved at all.

In some cases, however, it may be necessary to have recourse to the regulation of international trade in, or production of a particular commodity under an intergovernmental commodity agreement. Export and import quotas are the most usual means by which international control may be exercised, but prices may be directly fixed, and production controls of various sorts may also be involved. Examples of this restrictive type of commodity agreement are the pre-war arrangements with regard to rubber and sugar, and the respect agreement with regard to coffee.

Growth of Commodity Controls

The entire inter-war period from 1919 to 1939 was marked by the growth of commodity control schemes, both national and international. Some of these controls were private in character; others were under government auspices. Several of the controls antedated the economic collapse of 1929, but the advent of the world depression greatly increased their scope and number. Detailed research with respect to the most important commodities made subject to international control schemes shows that the major factors responsible for the spread of commodity controls in this period were active even before the general economic collapse of 1929. They fall under three headings: First, the rapid rate of technological progress with the resultant effects on supply. Technical progress is broadly interpreted to include such disparate factors as the introduction of the tin dredge, the application of machinery on new, level wheat lands, the use of higher-yield varieties of sugar cane, and the opening up of new low-cost coffee and cotton plantations. The second factor was the growth of economic nationalism and the accompanying desire for national self-sufficiency, which frequently led to the stimulation of high-cost production and the shielding of high-cost producers from foreign competition. A third circumstance was the chronic surplus supply situation in the case of certain commodities which prevailed in the inter-war period as a result of the stimulus to the production of these commodities which occurred in the first World War. This term, "surplus supply situation," is used here to refer to cases in which the rate of production of a commodity is so high, relative to demand, that the whole supply can be disposed of only at prices regarded as ruinously low. The term "surplus supply" should not, therefore, be taken to imply that there necessarily exists an actual stockpile of abnormal size, although the latter may quite promptly come into existence if a price support policy is put into effect.

There seems no good reason to suppose that, following the present war, the impact of technology in revolutionizing raw commodity production will be less intense than in the preceding quarter-century.

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7th War Loan Drive— Credit for Sales

Incident to the closing of the 7th War Loan Drive on June 30, Allan Sproul, President of the Federal Reserve Bank of New York, in advice June 27 to issuing agents in the New York Federal Reserve District qualified for sale of Series E War Savings Bonds said:

"Although the formal period of the Seventh War Loan Drive will close at the close of business June 30, 1945, sales of United States Savings Bonds, Series E, F and G, and of Treasury Savings Notes, Series C, will continue. All subscriptions for savings bonds or savings notes processed through July 7, 1945, will be included in the national, state and county totals for the drive.

"If payment for Series C notes, Series F or G bonds, or Series E bonds to be issued by us, is made by check drawn on us, or by charge to a reserve or non-member clearing account maintained with us, the subscription and check or authorization to charge the account, as the case may be, should be received by us not later than the close of business July 7. If payment is made by a check on another bank, the subscription and check should be received by us in sufficient time so that the proceeds of collection will be available to us in finally collected funds not later than July 7. If payment is made by a banking institution by credit to a war loan deposit account on or before July 7, the subscription and advice of credit should be received by us not later than the close of business July 9, 1945.

"Sales of Series E bonds by issuing agents will be included in the totals for the drive, provided the stubs of such bonds and payment therefor are in our hands not later than the close of business July 9, 1945. Issuing agents qualified on a prepayment basis for sale of bonds to employees enrolled in the payroll allotment plan are reminded that their sales will not be credited to the drive unless the stubs of bonds issued have been received by us not later than July 9, notwithstanding that such agents have previously paid the full issue price of bonds."

Issuing agents were requested to have their remittances and reports of sales in our hands well in advance of July 9, in order to assure that all such sales would be credited toward the goals of the Seventh War Loan Drive.

Dividends Distributed By Savs. & Loan Ass'ns

By July 1 the savings and loan associations and co-operative banks of the nation distributed some \$84,460,000 in dividends for the first half of 1945, the United States Savings and Loan League reported recently. About 7,500,000 members of the armed forces and civilians will receive these earnings on the money they have saved and invested, either systematically as is the case with most of the service men, or in lump sums, in these home financing institutions.

Morton Bodfish, Chicago, Executive Vice President of the United States League, points out that earnings on their savings and loan accounts will thus help the financial adjustment of several thousand veterans getting back from the battle fronts in July. In many cases the savings have been faithfully set aside out of each pay in the savings association.

It is added that about one out of ten of the civilians will be getting the first savings and loan dividends in their lives, so great has been the increase in new investors and savers in the last six months.

Industrial Activity in May Reported by Federal Reserve Board

Summary of general business and financial conditions in the United States, based upon statistics for May and the first half of June, issued on June 23 by the Board of Governors of the Federal Reserve Board, said that industrial activity and factory employment continued to decline slightly in May. Value of department store sales increased in May and the early part of June, following the sharp decline in April. The Board's further reports:

Industrial Production

"As a result of further decreases in activity at munitions plants, the Board's seasonally adjusted index of industrial production declined in May to 227% of the 1935-39 averages as compared with 231% in April.

"A further reduction in operations at shipyards accounted for most of the decrease in activity at munitions plants, although there were small decreases in activity in the machinery and aircraft and other transportation equipment industries. The decline in aircraft was in accordance with reductions in schedules made prior to V-E day. At the end of May the Army Air Forces announced a cutback in procurement which will reduce total military aircraft production in the last quarter of the year to a level 30% below that of March.

"Steel production was maintained at a high level in May but declined somewhat during the first three weeks of June. Production of nonferrous metal products showed a sharp drop in May following a large rise earlier this year. In June brass mill products and aluminum were made available for general civilian use and after July 1 some steel also will be released.

"Production of textile, leather, paper, chemical, and petroleum products showed little change in May and total output of nondurable goods was at a level 3% above that of a year ago.

"Coal production declined 8% in May as anthracite output dropped sharply due to interruptions in mine operations in the first three weeks of the month. In the early part of June, production of both anthracite and bituminous coal increased to about the level that prevailed earlier in the year but was still somewhat below the rate of output in June, 1944. Output of crude petroleum was maintained in record volume in May and the early part of June.

Distribution

"Department store sales, which had declined sharply in April, increased in May and the first half of June, after allowance is made for the usual seasonal change. In May sales were 4% larger than in May, 1944, while sales during the first two weeks of June were 16% greater than in the corresponding period last year.

Most classes of freight carloadings showed seasonal increases in May and the early part of June and remained at a level slightly above last year's high level. Railroad shipments of manufactured goods, which reached a record volume in March of this year, have declined only slightly since that time.

Commodity Prices

Wholesale prices of consumer goods continued to advance from the middle of May to the middle of June. Anthracite was raised \$1 a ton, food prices increased somewhat further, and various miscellaneous products were higher. On the other hand, it was announced that maximum prices on used cars would be reduced 4% on July 1 and additional new regulations have been issued recently covering prices of clothing, automobile repairs, and some consumer durable goods.

Agriculture

"Prospects for major crops have deteriorated somewhat in the past

month, but still compare favorably with the past three years of generally abundant harvests. A record wheat crop of over a billion bushels was indicated by June 1 conditions; cold, wet weather in May has delayed most other crops.

"Milk production was at a record level in May and 6% larger than last year, while marketings of meat animals and poultry products were in smaller volume.

Bank Credit

"During the four weeks ending June 13, covering the period of intensified sales of securities to individuals in the Seventh War Loan, loans and investments at reporting banks in leading cities increased by close to 1.7 billion dollars. Loans for purchasing and carrying Government securities rose by 620 million dollars, as investors adjusted their portfolios in anticipation of security purchases. Advances to brokers and dealers accounted for 360 million of the increase and loans to others for 260 million. Government security holdings of reporting banks rose by 825 million dollars, reflecting continued purchases of bonds.

"Deposits of individuals and businesses at weekly reporting banks increased by about 1.3 billion dollars during the first four weeks of the drive. U. S. Government deposits at these banks declined by 300 million dollars. The time deposit expansion slackened, presumably due to the War Loan Drive. As a result of these developments the weekly average level of required reserve at all member banks increased by around 200 million dollars during the first four weeks of the Drive.

"Reserve funds to meet the increase in required reserves and a reduced currency drain of 160 million dollars were supplied through an increase of 435 million in the Government security portfolios of Reserve Banks and by substantial member bank borrowing from the Reserve Banks shortly prior to and early in the Drive. Borrowing from the Reserve Banks rose in early June to over 900 million dollars outstanding, the largest amount since the spring of 1933. The total increase in Reserve Bank credit more than offset reserve needs and the average level of excess reserves rose by about 350 million dollars to close to 1.4 billion outstanding in mid-June.

"In the week ending June 20, when large payments were made by corporations and others for securities purchased in the Drive, there was a shift of deposits from private accounts to reserve free war loan accounts and a consequent reduction of 440 million dollars in required reserves of member banks. Member bank borrowings declined in the week by nearly 550 million dollars. Reserve bank holdings of Government securities, however, increased further."

Ferguson Quits FHA

The resignation effective June 30 of Abner H. Ferguson as Commissioner of the Federal Housing Administration, tendered by him on May 5, was accepted with "reluctance and extreme regret" on June 15 by President Truman. Mr. Ferguson in resigning, indicated that he was desirous of returning to private life and the practice of private law.

The Financial Situation

(Continued from first page)

soldier and sailor will be the order of the day with unfortunate consequences of several sorts—unless "positive action" by the Government is taken to control or to cure the situation. The politicians and the leaders of New Deal thought, generally have so often repeated such ideas that they seem to have become the accepted concept of the situation even in many business circles.

Yet it seems to us that any such view is without warrant. For the sake of the present discussion, let us assume that all of the women who have been drawn into the ranks of wage and salary earners during the past three or four years will definitely wish to remain at work for wages or salaries when the war is over. We might even assume that the 60,000,000 workers, which the late President Roosevelt was so fond of talking about, will be clamoring for work a year after the defeat of Japan—that is so far as they have not already been absorbed into the economic system.

Plenty of Work!

Is there any reason why such a situation should give us great uneasiness or concern? We think not—provided, of course, that government takes pains not to interfere with or needlessly encumber the natural processes of economic behavior. To simplify the discussion, let us suppose that this assumed "labor force" of 60,000,000 is 10,000,000 greater than would have existed had there been no war. Who would constitute this additional 10,000,000, and what would they be doing had no war drawn them into business for themselves or into the wage or salary earning groups? A few doubtless would be men who in other circumstances would have been in retirement, children or youths who otherwise would still be in school, and some other similar elements in the population, but most of them doubtless would be women who otherwise would not be seeking jobs.

Now among these women additions to the "labor force" there would be some, no doubt, who otherwise would remain idle and unproductive—consumers but not producers in the economic system—but most of them would normally—as judged by standards of the past—be fully occupied as home-makers and housewives. It is only a statistical definition which in the past has kept them out of the "labor force." The work they have been doing will still have to be done by someone. Perhaps it will be done in part by earners of wages—thus offering employment to

offset in part the additions to those seeking wage earner employment. Perhaps it will be done in part by machines—which additional wage-earners will be required to make and maintain. Perhaps the children will be cared for in day nurseries, or similar institutions—which must somewhere find employees.

What if it is found that the work usually in the past done by housewives can be done by mechanized and collectivized operations with the expenditure of fewer hours of human effort than under the older system? Would that mean unemployment? It is difficult to see why it should. The time saved could either be enjoyed as leisure or employed to produce goods not heretofore available to the people so generally. As for those who otherwise would be in retirement, at school, or attending tea parties—they have to live on some part of the social product of the times in which they live. If they subsist upon past savings, or upon others who earn what the drones consume, there is precisely this much less for the remainder of the people to enjoy. If they work, and produce (directly or indirectly) what they consume, they no longer draw upon the current flow of goods and services in amounts greater than they currently add to it. How could the community complain of such a situation? Let us not forget for a moment that the production of any good or service creates the purchasing power to absorb it.

The Fundamental Fallacy

The fundamental fallacy of those who unduly fear substantial additions to the "labor force" lies in the assumption—whether consciously made or not is a matter of no importance—that there is a fixed, or at any rate limited, amount of work to be done, and in consequence a fixed or limited demand for workers. Plainly, when we come to think of it carefully, neither of these assumptions can for a moment be allowed. The amount of goods and services in demand is the amount of goods and services we want badly enough to produce. The amount of work to be done varies accordingly. If a larger proportion of us want to work after the war it can only be because more of us want more goods. If more want to work for wages after the war it can only be because more want more of the things that can be bought with wages—which of course means more demand for wage earners to produce such goods.

There is no shortage of ma-

Shaw Aligns Himself With Communists

Advices to the effect that George Bernard Shaw regards himself as a Communist, were contained in a wireless message from London to the New York "Times" on June 29, which went on to say:

He said so in a letter of support to R. Palme Dutt, an Indian, who is Communist candidate in one of the divisions in Birmingham.

What is more, Mr. Shaw considers that the electors would also be Communists if they understood that Britain's practical communism won the war in the west just as Russian communism—which Mr. Shaw says Russia learned from Britain—saved the situation in the east.

The letter also expresses the hope there will "be enough good sense in Birmingham to see that what the Communist candidate has to say about it is plain common sense and what Mr. Churchill is saying about it is arrant nonsense, like his pious protest against violence after spending 12,000,000 sterling a day for five years in the most frightful form of violence in the history of mankind."

Wishing the candidate "Good luck," Mr. Shaw's letter concludes, "Every vote recorded for you will be a vote for intelligence, knowledge of the world and essential righteousness."

Today Mr. Shaw wrote to D. N. Pritt, and described the Labor party's expulsion of Mr. Pritt and Sir Stafford Cripps as "blunders which I hope to see rebuked by a crushing victory for both of you at the polls."

Mr. Shaw went on to say he was sorry "to see the Labor party making a fool of itself by playing for a parliamentary majority of nameless yesmen in the back benches rather than for able and thoughtful pioneers."

terials in this country. If not 60,000,000 but 100,000,000 wanted to work after the war and were physically and otherwise fit for such work, there is no inherent reason why they could not be accommodated, or more accurately be able to accommodate themselves. Whether as a net result we should be better off for having that many in what we now define as our "labor force" is a question whose answer depends upon many things—since our "labor force" is largely a statistical figure which excludes many millions of productively employed people—but except for a relatively brief period of adjustment, unemployment is not one of the things we should need to fear.

The Real Questions

Whether the returning veteran is to have difficulty in finding work and getting well established in a flourishing economic system will depend not upon how many others want to work for wages, but upon the degree in which they all are willing to be reasonable in their wage demands and in their productive effort—and upon whether or not government is willing to permit an atmosphere to exist which is conducive to enterprise.

More Effective Control Over Government Expenditures Urged by U.S. Chamber of Com.

Recommendations for a more effective control over government expenditures were presented to the Joint Committee on the Organization of Congress on June 22 by Prof. Fred R. Fairchild, of Yale University, on behalf of the United States Chamber of Commerce. In his statement, Prof. Fairchild incorporated recommendations developed by the Chamber's Committee on Federal Finance, of which he is a member, and which have

had the approval of the member organizations of the Chamber. Among specific proposals were the establishment of an over-all budget committee in each house, improved control over appropriation authorizations, repeal of permanent appropriations, more frequent reporting of expenditures to Congress, more effective congressional control over the creation of government agencies and corporations, discontinuance of reappropriations, and improved appropriation procedure.

Prof. Fairchild said in part:

"It is inevitable that, so long as the war continues, the United States Government will be committed to expenditures on a gigantic scale. Even after the close of hostilities, the cost of war cannot be immediately terminated. There will be a transition period of perhaps two years, as there was after the Civil War and after the First World War. The great question now before us is—what sort of a financial set-up are we destined to have in the normal peacetime following.

"There can be no slightest doubt that, in this period, sound government financial policy will be one of the prime conditions of the problem of restoring and maintaining the American system of freedom and democracy. There must be, as essential to our future, a sound and courageous handling of the problem of the public debt. Continuous deficits in the Federal budget, even continuous failure to provide for some annual retirement of debt would threaten destruction of the American tradition of personal liberty, free enterprise, and democratic government, just as surely as would the continuation of the present high level of taxation.

"If taxation is to be reduced, and at the same time a beginning is to be made of reducing the public debt, then it follows that expenditures of Government must be cut to the indispensable minimum. It is not merely the wasteful and extravagant expenditures that must go. There will be Governmental activities which would be intrinsically desirable but which must be foregone because of their cost. Many otherwise justifiable enterprises will have to wait. Every function of Government will have to be reexamined and appraised in relation to what it will cost and to the total burden of expenditures. Total cost will impose a limit within which there must be choice as to those functions which are the most essential. The national government will have to limit its activities to what it can afford.

"This result will never be accomplished unless there be careful planning and effective control of Governmental expenditures. It is therefore especially pertinent at this time to give thought to whatever changes in the organization and the operation of Congress will help it to cope with this situation. Congress is the final authority in the field of the national finances. If control is not exercised by Congress, there will be no control. Congress must be so organized and so equipped that it can form this vital function.

"Existing congressional procedures fall far short of this requirement. In the first place, they do not provide any coordination between appropriations and anticipated revenues. It is essential that there be provided a congressional agency that will consider together both revenues and expenditures as part of the unified problem of financial legislation.

"There should be set up in each house of the Congress a commit-

tee charged with making the unified survey of the fiscal situation and, early in the session, proposing an over-all figure for the total of expenditures and revenues. This would be in broad, general terms—not presuming to dictate the details either of expenditures or of taxation. The committees' proposals would thus be considered by the Senate and the House, respectively, leading, I should think, to a most interesting and constructive debate. Dealing, as it would, with broad questions of fiscal policy, rather than the minute details which necessarily come before the appropriation committees, this might well become one of the most significant debates of the whole session."

Revenue Bureau to Scrutinize Claims Of Alien War Refugees

Directions that special attention be accorded the tax problems of alien war refugees living in the United States, to assure fair and proper taxation of the income, if any of such individuals were given to field officers of the Bureau of Internal Revenue by Joseph D. Nunan, Jr., Commissioner of Internal Revenue, on June 28, according to an announcement by the Bureau, from which we quote:

"Noting that the income tax laws exempt non-resident aliens not engaged in a trade or business in the United States from taxation on profits from transactions upon securities or commodities exchanges, the Commissioner directed careful scrutiny of claims for such exemptions. Before allowing such exemptions, proof will be required that the individuals concerned were not, in fact, residents of the United States and were not engaged in a trade or business in this country.

"Aliens in this country who are classified as 'resident aliens' are subject to the same taxes as citizens of the United States. Under the tax laws, an alien may be regarded as a 'resident' of the United States even though he intends to return to his own country. The classification of 'non-resident alien' is limited primarily to transients who are in the United States only for a very brief or fixed period of time.

"In order to establish exemption, a non-resident alien must also show that he was not engaged in a trade or business in this country. Therefore, the exemption cannot ordinarily be allowed to an alien who has, while in the United States earned compensation for personal services, participated in commercial or industrial activities, or bought and sold property.

"Aliens who desire to clarify the status of securities or commodity transactions which they have not reported in United States income tax returns for years subsequent to January 1, 1940, should consult the Internal Revenue Agent-in-Charge or the Collector of Internal Revenue in the local district in which they reside. Such interviews are advised particularly in the case of aliens planning to return to foreign countries, inasmuch as they are required to obtain tax clearance certificates before departing."

Truman Cites Winning of War With Japan And Winning of Peace Objectives

At Independence, Mo., on June 27, President Truman addressing a gathering which greeted him on his return to his home city for the first time since he assumed the Presidency, declared that "there are two things that I must accomplish as President of the United States. The first one," he said, "is to win the war with Japan—and we are winning it. The next one is to win a peace." In his address President Truman referred to an "ordeal" which he has soon to face, viz., "the meeting of the so-called Big Three some time next month in which we shall discuss the preliminaries for a final peace treaty which we hope will maintain the peace of the world for generations to come."

Expressing his appreciation of the demonstration accorded him "on the part of my people at home," the President stated that "time and again I have tried to fill this great auditorium. This is the first time I have ever succeeded."

President Truman's address follows as given in Associated Press advices from Independence:

Mr. Mayor, friends and neighbors, and fellow citizens:

I faced the National Democratic Convention in Chicago last July when I was nominated for Vice-President of the United States under my protest—a terrible ordeal, I thought. I was presiding over the Senate one day in April when I had a conference with the Speaker of the House of Representatives and I was instructed to call the White House, which I did. Mr. Early, the Presidential Secretary, told me that he wanted to see me at the White House as quickly and as quietly as I could get there. I thought that the President had come back to Washington from Warm Springs, Ga., to attend the funeral of Bishop Atwood. He was listed as an honorary pallbearer at the Bishop's funeral.

I arrived at the White House, was escorted to Mrs. Roosevelt's study, and she informed me that the President had passed away. Well, you can understand how I felt at that moment. It was necessary for me to assume a burden greater, I think, than any man has assumed in the history of the world—a tremendous burden. We called a meeting of the Cabinet. I was sworn in as President of the United States, and after attending the funeral of the late President it was my duty to address the Congress of the United States, 531 of the most critical gentlemen in the United States of America, and to state to them what, if anything, I proposed to do as President of the United States.

Yesterday I had to face the delegates of fifty nations who had met in San Francisco to prepare a charter for world peace—a terrible ordeal. All these things I am telling you about—and now I have to face and thank the people at home, who are expecting impossible things of me.

I shall attempt, as I have attempted in these other crises, to meet your expectations, but don't expect too much of me. I must have your help and your support.

There are two things that I must accomplish as President of the United States. The first one is to win the war with Japan—and we are winning it. The next one is to win a peace.

The first step toward the winning of that peace has been accomplished at San Francisco. We made the first step following a preliminary step by Woodrow Wilson and a follow-up by his great successor, Franklin Roosevelt.

I have another ordeal to face in the meeting of the so-called Big Three some time next month in which we shall discuss the preliminaries for a final peace treaty which we hope will maintain the peace of the world for generations to come.

We can't afford to have spilled this blood and tears and sweat—all the young men who are the

dream of our population, the dream of the population of Russia and Great Britain and our other allies. We mustn't under any circumstances allow that expenditure of lives and treasure to be made in vain. I am telling you all these things to let you know exactly what the responsibilities of your Chief Executive are. He can't assume those responsibilities unless he has the wholehearted support of you. I believe I have that support here in Jackson County.

From the way the people acted in San Francisco and in the great State of Washington and in Portland, Oregon, and Salt Lake City last night, I think all the people of the United States are just as anxious as I am to have a peace that will work. That is a big job. No. 1—Win the war with Japan. No. 2—Win a peace that will work. That is all I shall devote my time to from now on.

I can't tell you how much I appreciate this demonstration on the part of my people at home. Time and again I have tried to fill this great auditorium. This is the first time I have ever succeeded.

I can't tell you how very much I appreciate it. I am going to spend the next two or three days in Jackson County trying my best, with all the handicaps which a President of the United States has, to enjoy myself with you as I formerly did from the time I was county judge until I was President of the United States.

Thank you very much.

Sen. Green Proposes Social Sec. Changes

Legislation proposing broad changes in the Social Security law has been introduced by Senator Theodore F. Green (D., R. I.), according to Associated Press advices from Washington, June 25.

The chief provisions of the measure are:

1. That protection for old age, survivorship and disability be extended to all gainfully employed, including farmers and other self-employed persons, adding an estimated 20,000,000 to the insured population.

2. For every person in the armed services a wage credit of \$100 a month or more for every month spent in service.

3. That the Federal government match in full state payments for public assistance, instead of the present limit of \$40 a month a person; that the matching payments be made for all needy persons, not just to the aged, the blind and to dependent children, and that the Federal grants be proportionately higher to the poorer states.

4. That contributions from employers and employees, now 1% each, be frozen at 2% each to cover retirement, survivors', disability and hospital benefits.

5. That the unemployment compensation program be put on a grant-in-aid or matching basis, with one-half of 1% of payrolls collected from both workers and their employers.

Senator Green said he was aware that Senator Robert F. Wagner, Democrat, of New York, and James E. Murray, Democrat, of Montana, have presented more comprehensive social security legislation, including provision for medical care. But he added that he had limited his own proposal to "modifications and additions on which I think there may be fairly ready agreement."

Lend-Lease to Siberia

Advices to the effect that lend-lease supplies—cut off to Western Russia when Germany surrendered—are being shipped into Russian Siberia at the request of United States military leaders were conveyed by Leo T. Crowley, Lend-Lease Administrator, to the House Appropriations Committee according to Associated Press Washington advices June 25 which stated that the fact became public on that day when the committee released the text of his testimony made earlier in the month. From the Associated Press accounts we also quote:

"Mr. Crowley disclosed that the previously announced 'review' of Russian lend-lease actually stopped all commitments which were not then en route to Russia or being loaded on ships. The Russians were given the choice of paying cash if they want previously promised lend-lease supplies to finish uncompleted plants and the like.

"There is, however, a program that is sponsored by our military under which we are supplying aid to Russia that is going to Siberia," Mr. Crowley testified.

"My understanding with the Chief of Staff is that this aid will be continued until such time as the President and his highest military advisers advise us that they think it should be discontinued. All of the things are being included in this are items that our military feel are necessary."

Mr. Crowley testified that highest military strategists regard the Siberian lend-lease "of military advantage to the United States," and explained:

"The possibility of Russia's entry into the war against Japan acts to pin down in Northern Manchuria large numbers of Japanese troops which might otherwise be diverted against allied forces in the Asiatic theatre."

Mr. Crowley told the committee European lend-lease was cut back drastically with Germany's defeat and said it may end completely for such countries as Belgium, Holland and France by the end of the year. He expects loans from the Export-Import Bank to take up where lend-lease ends.

Detailing the Russian clamp down, except for Siberia, Mr. Crowley said: "All of the lend-lease shipments to them have been discontinued and all of the items in the process of manufacture that were not related to the Far East were either canceled or they were given the opportunity of taking them up on a payment basis."

"We have notified them that we would not supply on lend-lease terms all the machine tools and other equipment ordered prior to V-E Day and would not complete certain plants, only small portions of which have been shipped from this country, and that if they wanted to obtain the tools or complete the plants they would have an opportunity of paying cash for them—subject to competing needs."

Mr. Crowley said the entire lend-lease program could be closed out 30 days after Japan is defeated. A trickle might be continued to help American soldiers get home, he added.

His testimony disclosed, too, that lend-lease help is finding its way into Italy, although that nation—classed as a co-belligerent rather than a full ally—is not eligible to direct lend-lease.

Some lend-lease money is going to our own military forces to use in combating hunger and disease into Italy while United States troops are stationed there, he said.

"To let unrest and disease be created while our military is still there would be very unwise," he added.

Mass Trial of War Criminals Planned

The United States is planning to prosecute Nazi war criminals at one mass trial, Supreme Court Justice Robert H. Jackson, chief American prosecutor, announced, saying that it was hoped the trial might begin before the end of the summer, according to the Associated Press from London, June 22. Jackson pointed out that he was speaking only for the United States but that no objection to the proposal has so far been made by Britain, France or Russia.

The British Foreign Office has announced that discussions are soon to open among Allied representatives to draw up a list of the major criminals and settle on plans for their trial.

In his references to the proposed collective trial, according to the Associated Press, Jackson elaborated upon information obtained earlier in the day from a responsible American informant, who said that anywhere from thirty-five to 300 defendants might be tried at once on a blanket charge—unprecedented in history—of conspiracy to launch the war. The United States, he added, is relying heavily to support this charge upon the Kellogg-Briand pact which outlawed war as an instrument of national policy. The Associated Press added:

Jackson declined to estimate the number of defendants who would be brought to trial together.

The American plan envisions trial by a military tribunal with each of the four major Powers represented by one or two judges. Jackson said. As now drafted it carries no provision for representation of the smaller Powers.

At the outset of the press conference, Jackson emphasized: "No man will be given immunity because he has held a high military position if there is evidence to prove that he is a war criminal."

It was the first exposition of plans for the trial of war criminals given to newspaper men here. Jackson said that the trials would start "at the earliest possible moment—just as soon as we have a reasonably complete case."

Jackson said that speed was important lest witnesses disappear and important records be lost. Of the trial he said: "It is important that it be held soon, so that the (Nazi) movement can never be denied." The military tribunal must decide the punishments, he added.

Asked whether there was any danger of delays resulting from appeals, Jackson replied: "The only appeals they will have will be to history."

At another point he said: "We hope there will be only one trial."

"One trial to clean up the whole thing?" he was asked.

Jackson agreed.

Asked whether some of the major war criminals might seek to call as witnesses the heads of other governments with whom they have had correspondence or dealings, Jackson said: "I wouldn't be surprised at any request they may make. But the purpose of this trial is not to bring to justice the heads of other governments."

Jackson said it was not uncommon in the United States and elsewhere to try a number of defendants at the same time. He compared the projected trial to a conspiracy trial in the United States, and said of the prospective German defendants: "Where they are united in a common purpose and common plan, each becomes bound by the acts of the other."

He said that the United States was "binding into a general conspiracy charge of illegal war (against major German criminals) the whole Nazi system which attempted to exterminate all opposition."

Answering specific questions, Jackson said that the military tribunal would not consider separate atrocities committed, for example by the Twelfth SS Division, but would consider the collective evidence for collective punishment.

Responding to another question, he said that the same principle would apply in the case of unrestricted submarine warfare.

Arnold Stresses Need Of Pacific Bases

General Henry H. Arnold, commanding general of the Army Air Forces, on arrival at Honolulu from a tour of Pacific bases including Okinawa, Guam, Manila and the Marianas, asserted that the future peace of the world depended upon the United States retaining bases right across the Pacific, the Associated Press reported from Honolulu on June 24. General Arnold declared most emphatically that this country must have "unrestricted" use of Pacific Islands "necessary to our future defense."

"My trip has convinced me," he said, "that key islands in the Marshalls, Palaus, Volcanoes, Bonins and Ryukyus are vital to America's strategic defense policy."

"These islands, won at great cost of life by our fighting men—Navy, Marines, Army and Naval and Army Air Forces—are essential for our future security. Their use by the United States must be unrestricted."

The United States also must have unrestricted use of Wake, Marcus, Canton, Palmyra and Christmas Islands and American Samoa, Arnold said.

"If we are to have striking power, our air power must be in a position to carry our attacks home to the heart of any aggressor who may threaten us in future years," he asserted. "No longer can we rely on passive defense and mere bases at home."

"An enemy with a plane similar to the Superfortress will be able to destroy our cities—that is, our future enemy, whoever he may be, will be able to pulverize us unless we have the use of the bases in the Pacific."

"Yes, I have come back convinced that we must have a bridge across the Pacific."

"The future peace of the world depends on our doing this. Indeed, the fate of mankind may depend upon it."

Reiterating declarations he made on Okinawa, Arnold said that that island would be one of the most important American bases, with Superfortresses operating from it, and that the aerial offensive against Japan would reach its peak this fall when "every plane we can get our hands on" will be sent out to "eliminate industrial Japan once and for all."

Correspondents' Medal

Overseas correspondents may be awarded a "Distinguished Service News Medal" for outstanding wartime "service to their country," in a bill recently approved by the Senate Military Committee, according to the Associated Press from Washington on June 26, which said:

The committee wrote the bill to substitute for one to give a special Medal of Honor to the late Ernie Pyle, Senator Thomas, Democrat, of Utah, chairman, said the committee felt that the Government should have a "special medal for award to all outstanding war correspondents."

"I assume that Ernie Pyle will be the first to be singled out for this honor," Mr. Thomas told reporters.

All news and radio men who have covered fighting overseas would be eligible for consideration for the new medal, which would be awarded by the War or Navy Departments.

Czechoslovakia Cedes Ruthenia to Russia

The signing of a pact between the Soviet Union and Czechoslovakia, whereby the latter cedes to Russia the Carpatho-Ukraine (Ruthenia) was made known in Associated Press advices from London June 29. The agreement, it is stated, was signed in Moscow, in the presence of Premier Stalin. Moscow Associated Press accounts June 30 said:

Through the new Russian-Czechoslovak treaty, expected to be ratified quickly, the Soviet Ukraine acquires a common frontier with Hungary. The Carpatho-Ukraine, about four times the size of Rhode Island, was once part of the Austria-Hungarian Empire and went to Czechoslovakia after the World War. Csap is south of the Carpatho-Ukraine and is an important Carpathian Mountain communication center, with four railways and one highway.

Maps show that the new Soviet boundary will swing southeastward from Csap, passing four miles south of the city of Beregovo to a point six miles north of the Hungarian city of Satu-Mare, then northeastward to a point five miles south of Huszt, then along the outskirts of the town of Tachevo.

Under the cession agreement a repatriation plan will be set up between Slovakia and the Soviet Union on one hand and the Carpatho-Ukraine and the Soviet Union on the other. Persons of Ukrainian or Russian blood now living in Slovakia may apply before Jan. 1, 1946, for Soviet citizenship and persons of Slovak and Czech blood living in the Carpatho-Ukraine may apply for Czechoslovak citizenship.

A Soviet encyclopedia estimated that in 1936, persons of Ukrainian blood comprised 65% of the population of the Carpatho-Ukraine. Ukrainian is the principal language. Another 15% of the population is Hungarian.

The text of the pact, as broadcast by the Moscow radio, was given in United Press advices from Moscow, June 29, and was published as follows in the New York "Times."

The praesidium of the Supreme Soviet of the U.S.S.R. and the President of the Czechoslovak Republic, filled with the wish that the peoples of the U.S.S.R. and of the Czechoslovak Republic should live in eternal sincere friendship, and that they should be assured of a happy future in their joint collaboration, have decided with this end in view to conclude a pact and have appointed as their plenipotentiaries:

The praesidium of the Supreme Soviet of the U.S.S.R.—Vlacheslav Molotov, deputy chairman of the people's commissars of the U.S.S.R., and Foreign Affairs Commissar of the Soviet Union, and

President of the Czechoslovak Republic — Zdenek Fierlinger, president of the Council of Ministers, and Vladimir Clementis, State Secretary of the Foreign Ministry.

Who, having exchanged their plenipotentiary documents, which were found to be in due form and order, have agreed upon the following:

The Carpatho-Ukraine, which according to the Czechoslovak constitution bears the name of Sub-Carpathian Rus, and which on the basis of a pact of Sept. 10, 1919, concluded at St. Germain-Laye, entered the Czechoslovak Republic with the rank of an autonomous republic, will, according to the wish manifested by the population of the Carpatho-Ukraine and on the basis of the friendly agreement of both high contracting parties, unite with its long-standing motherland, the Ukraine, and is included in the Ukrainian Soviet Socialist Republic.

The frontier between Slovakia and the Carpatho-Ukraine, existing since Sept. 29, 1938, will, with modifications described, become the frontier between the U.S.S.R.

and the Czechoslovak republic in agreement with the map attached.

This pact is subject to confirmation by the Praesidium of the Supreme Soviet of the U.S.S.R. and the Czechoslovak National Assembly. An exchange of ratified documents will be effected in Prague. The present pact has been drawn up in Moscow in three copies, in the Russian, Ukrainian and Slovak languages. All three copies are equally valid.

Upon the authority of the Praesidium of the Supreme Soviet of the U.S.S.R., Molotov.

Upon the authority of the President of the Czechoslovak republic, Fierlinger, Clementis.

The text of a protocol appended to the pact on Carpatho-Ukraine:

The protocol to the pact between the U.S.S.R. and the Czechoslovak Republic concerning the Carpatho-Ukraine:

At the signing of the pact concerning the Carpatho-Ukraine, the two parties agreed as follows:

ARTICLE I

Tracing of the frontiers in areas agreed by Clause I of the pact will be done by a demarcation commission to be appointed, consisting of three representatives from each high contracting party, who will have the right to call a necessary number of experts. The expenses of the demarcation commission will be borne in equal share by both governments taking part.

ARTICLE II

Persons of Ukrainian and Russian nationality living in Czechoslovak territory have the right to opt for Soviet citizenship until Jan. 1, 1946. Opting proceeds according to existing Soviet laws. It becomes valid upon having received the agreement of authorities of the U.S.S.R.

Czech and Slovak nationals residing or having their permanent domicile in the territory of the Carpatho-Ukraine have the right to opt for Czechoslovak nationality during the time until Jan. 1, 1946. Opting will take place under the present laws of the Czechoslovak Republic and will become valid with the consent of Czechoslovak authorities.

Persons who have the right of above-mentioned option during the twelve months following the obtaining of consent of the relevant government will move into the state whose nationality they intend to acquire, and may take with them all their mobile goods. These goods will not be subject to any customs duties. For immobile goods, they will be compensated. Compensation also will be given to persons of Slovak or Czech nationality who have been forced to leave the territory of the Carpatho-Ukraine through enemy occupation. To these persons also belong juridical persons who should be considered Czechs or Slovaks from a point of view of legal rights existing before the occupation.

ARTICLE III

In dealing with the points of the first clause and the second article of this protocol, when questions of juridical ownership or financial order are involved, a commission of liquidation will be instituted, to which each of the high contracting parties will appoint its representatives who will hold the right to enroll persons and material indispensable for this purpose.

This commission will be entrusted with the task of transferring state property of Carpatho-

Ukraine from the Czechoslovak Republic to the U.S.S.R.

In agreement with Article II, sections three and four, of the principles upon which the liquidation committee representing the Soviet and Czechoslovak Governments, the following procedure will be pursued:

High contracting parties will decide on reimbursement, after which the payment of such obligations will be proceeded with. The liquidation of all reimbursements and repayment of divergencies will be completed within a period of eighteen months after the ratification of the treaty.

This protocol is a component part of the treaty and is subject to ratification of the main treaty. Molotov, for the Soviet Union. Clementis, Fierlinger, for the Czechoslovak Republic.

We also quote the following (United Press) from Prague July 1: "Czech sources intimated today that they were determined to maintain their interests in the Teschen area, the center of rich Silesian coal fields, in the face of any pressure from Poland.

A delegation headed by Premier Zdenek Fierlinger returned yesterday from Moscow, where it signed Ruthenia over to Russia. There were general indications that it had reached no agreement of any sort with the Poles on Teschen, and Czechs took the attitude that it was a matter for the peace table.

Czechs found the Ruthenian territory a heavy financial drain, but they have coal and rail interests in the Teschen area. Long, detailed newspaper and radio accounts of the treaty ceding Ruthenia to Russia were given today and the general reaction was that it was the best thing for everyone concerned.

House Group Charges Inefficiency to WFA

A report by a House Appropriation subcommittee charges that laxness on the part of the War Food Administration has probably resulted in loss to the Government of millions of dollars, the Associated Press reported from Washington, June 27. Poor records and false information have resulted in heavy waste of food and money, according to the report, which continued:

"Inefficiencies in administration which have resulted in some cases in commodities which are in demand in the civilian market remaining in storage until they reach such a deteriorated condition that they are unfit for human consumption."

It criticized Col. Ralph W. Olmstead, who served WFA as Director of Food Distribution until about two months ago. Col. Olmstead is in the Army.

"Obviously Col. Olmstead's position in the broad food handling picture is such as to preclude the dodging of responsibility by laying the blame on a lesser official under his jurisdiction, the report said.

The report charged specifically: 1. WFA has stored food in warehouses that have been declared unfit.

2. WFA records are so inadequate investigators could not determine the extent of losses from faulty warehousing.

3. Conditions within the agency make it "possible for unscrupulous operators in surplus commodities to defraud the Government."

4. Erroneous information was supplied Congress when it sought details of WA operations.

5. Lax personnel policies resulted in two persons with criminal records being "placed in positions of responsibility" which they later lost.

The report snooked highly of Marvin Jones as War Food Administrator and pointed out he requested the investigation of employees with criminal records.

From Washington Ahead of The News

(Continued from first page) set up and out of this a broad, general bill was evolved. Overall importance then attached to the kind of administrators that were to be appointed. Roosevelt moved quickly to head off the George measure and hold the administration in his hands. He directed Jimmy Byrnes to set up an agency to deal with the problem. Byrnes named Barney Baruch to throw together a hastily prepared report. Roosevelt could subsequently have changed the administrators, of course. But George and his associates went right ahead. To sidestep the Leftist pressure, they evolved what is a stop-gap, insofar as the controversial plants are concerned. The committee report said of these items, that they related to the country's future foreign policy, a statement at which the radicals, particularly Patton, hooted, and therefore, definite disposition of them could not be arranged at the time.

The atmosphere in Washington, and apparently in the country, generally, has changed mightily in the meantime. The radicals are in a much less advantageous position than they were. The committee report stressed that the whole surplus property disposal problem was to be solved with a view to preserving and strengthening the free competitive enterprise system. It also said that authority should be "expressly withheld" for the disposal of any plant in such a way as to adversely affect an industry. There is evidence that some of the involved industries, Steel and Oil, the latter concerned in the Government owned pipe lines, are getting ready for the fight.

As the gossip columnists would say, eyebrows are being frequently lifted at the doings and sayings of Fred Vinson's office these days. At a time when Washington has ceased to look for "bold strokes," "bold utterances" from some bureaucracy, ceased to expect them, an occasional one nevertheless issues from Fred's office. Speaking relatively, his agency seems to be the most "radical" one left around here, radical, that is, compared with the calm conservatism that seems to prevail elsewhere.

The answer very probably lies in the fact that unbeknown to most people, the widely advertised stupendous brain of Robert Nathan has crept back into planning, as Vinson's deputy. For a long time he was what was known as an ace brain truster for the War Production Board. When the Army got him, the Leftists insisted that our war effort was at an end. As was the case with most of the other brilliant young men around here whom the army finally got, he didn't last long and was given a medical discharge. He then wrote a book, after spurning, as one was to read in the Leftist press, many \$100,000 a year offers from industry. One only has to become conversant with this book, to be able to solve all of the post-war problems. It is amazing that he was able to hook onto Vinson, who is highly regarded as a substantial citizen, no radical, just a Southern Democrat of the Jimmy Byrnes' school who went along with many New Deal measures with his finger to his nose. With the irrepressible Nathan in a position of authority, it might be well to keep a close eye on Vinson's agency, the top agency on domestic problems.

Ins. Savings Ass'ns Govs.

The Council of Insured Savings Associations of New York State announced on June 30 the election of the following to serve three-year terms on the Board of Governors, beginning July 1, 1945:

Ernest A. Couvrette, President of the First Federal Savings and

Philippine Trade To Be Stimulated

The Foreign Economic Administration has sent a mission to the Philippine Islands to assist the government there in reestablishing private trade between the Islands and the United States. The mission is also negotiating the procurement of Philippine strategic commodities such as copra, fibers and sugar, according to "Journal of Commerce" reports from Washington, June 20, which continued:

"Before the war, the Islands produced most of their food requirements, imported nearly all requirements of manufactured goods, and exported, principally to the United States, large quantities of agricultural, mineral and forest products. Reports from the Philippines indicate that under the Japanese occupation little or no civilian goods were brought in from Japan or elsewhere, and that the people are suffering from want of food, clothing and all kinds of supplies.

"The mission is headed by Van Lear Woodward, Vice-President of the U. S. Commercial Co., the FEA Corporate Agency. The other members are James S. Baker, Deputy Director of the mission and Assistant Chief of the General Commodities Division of the FEA; Charles A. Gwin, wood specialist; Herbert A. Magnuson, trade member of the mission and Vice-President of Connell Brothers, San Francisco; and Col. Joseph W. Keller, Army liaison officer with the FEA.

"Meanwhile, in Washington FEA has taken measures which will make it possible for United States exports to help supply Philippine civilian needs. On May 28, FEA announced the resumption of licensing of commercial exports to the Philippine Islands. This action, announced in Current Export Bulletin 246, has been made possible because of the present availability of shipping. However, if war contingencies again cut down available shipping for the Philippines, it may be necessary to modify the current action.

FEA has placed the Philippine Islands in the country Group K, thereby making possible shipments under the broadest general license provisions. This means in effect that any commodity not in short supply in the United States may be exported to the Philippines without the necessity of obtaining an individual license from FEA.

For short supply commodities that cannot be exported under general license, exporters may submit to FEA an application for an individual license upon receipt of a firm order from an importer in the Philippine Islands.

Loan Association of Syracuse; Arthur E. Knapp, Vice-President of the Nassau Savings and Loan Association of Brooklyn; and L. F. Jenkins, Secretary of the Hastings-on-Hudson Savings and Loan Association of New York.

Resources of the Council's member insured savings associations it is stated recently passed the \$200,000,000 representing an increase of 51% since its organization on July 9, 1943.

Proposes Putting Peace Draft to National Vote

Representative Lawrence Smith (R.-Wis.) has proposed legislation designed to make provision for a national vote on the question of peace-time military training, the Associated Press reported from Washington, June 25, adding that Mr. Smith's bill would authorize the President to certify to the states for voting in the next Congressional election (1946) the following question: "Do you favor the passage of a law by Congress to compel one year of military training for young men in time of peace?"

The San Francisco Charter— A Peoples Document

• (Continued from first page)

Three, enlarged to be a Big Five by the addition of China and France.

At San Francisco, when that plan was debated by 50 nations, none of us found it good enough. It was a plan for a machine which looked all right on paper. But it was a machine which might not run when it was needed, for to make it run required that each of the five Great Powers push on the starter at the same moment. If any one of the five held back, the machine could not move. That resulted from the so-called "veto" given to each of the Big Five. Unanimity was indispensable.

Attained Unanimity

The first days of the Conference showed how difficult it would be for the Five to provide that unanimity. We met under the shadow of Big Three disagreement about Poland. Then difficulties arose with France about Syria. Often, as we sat in "Big Five" meetings, stubborn difficulties unexpectedly developed about even minor matters. It took understanding and patience on all sides to reach agreement.

Thus the Big Five themselves demonstrated to the Conference that the future peace of the world ought not to be rested wholly upon their ability quickly to agree on future measures to repress aggression. All hoped that the Security Council would turn out to be an effective body. But no one could be sure. So we all agreed to do what some of us had long wanted—we agreed to develop the possibility of the Organization's taking remedial action to diminish the causes of war. We wrote a preamble affirming our faith in fundamental human rights—in the dignity and worth of the human person—in the equal rights of men and women, and of nations large and small. We went on to dedicate the Organization to promote social progress and better standards of life in large freedoms; to practice tolerance; to heal economic and social sores, which so often breed war. We bound the Organization and all of its branches to seek justice, to develop international law, and to promote respect for human rights and for fundamental freedoms for all without distinction as to race, sex language or religion.

We made clear that the Organization was not dedicated to perpetuate the status quo or a post war status not yet fully known and which might contain much injustice. The Assembly was empowered to recommend measures for the peaceful change of any situation, regardless of origin, which might be unjust or impair the general welfare or friendly relations among nations.

An Economic and Social Council is made the agency of the Assembly to work with the members to promote higher standards of living, full employment and conditions of economic and social progress. Provision is made for a Commission on Human Rights from which we can expect a Bill of Rights.

The whole problem of colonies and dependent peoples is dealt with. There is ferment among hundreds of millions of non-white peoples in Asia and Africa who do not want to be condemned to indefinite subjection to the alien rule of western whites. By the present Charter, the nations accept as a sacred trust the obligation to promote the well-being of dependent peoples, to give them just treatment, to protect them against exploitation and to develop self-government and their free political institutions.

Through such rewriting of the Dumbarton Oaks Plan the entire

Organization was transformed. Provision for the use of force by the Security Council remains, to work if it can and if it must. A few nations still rely primarily on that. But for most of us, our hope for the future is rested primarily upon engaging the nations in great tasks of human welfare.

Nations Must Remain United

You may be thinking that all of this is very fine, but what has it to do with peace? There is a clear connection. There will be peace if the nations united in this war remain united. After the last war they did not remain united.

With the defeat of Germany, the purpose of unity seemed fulfilled. Quickly the Big Five of that war went their separate ways. The United States retired into isolation. Great Britain and France competed for power on the continent of Europe. Italy adopted in the Mediterranean an imperialistic program which the British considered a threat to their right of passage to India. Japan sought expansion in the Far East at the expense of China and of Great Britain. That disunity gave Germany the opportunity to avoid the consequences of her defeat. The Treaty of Versailles itself was hard enough so that, if enforced, it would have kept Germany impotent for a thousand years. But it was not enforced, because the victors did not remain united to enforce it.

This time, I trust, justly severe treaties will again be imposed upon our defeated enemies. But that will do no good unless this time the United Nations remain united. That is essential for lasting peace.

How can continuing unity be assured? Our past unity has been due to a common effort to remove a common peril. With that peril removed, will we not again fall apart as after the First World War? Yes, we shall fall apart, unless we can be kept united through substituting common peacetime goals for the common wartime goal of victory. It is such goals of peace that the San Francisco Charter proposes to the United Nations. We propose that intolerance, repression, injustice and want be deemed common perils of the future just as Nazi Germany and Imperialist Japan were common perils of the past and present. We propose that to overcome these perils be the common goals of peace. If those goals can catch the imagination and evoke the united efforts of the United Nations, then we shall continue to be united. Fellowship will replace conflict and that will assure that, this time, victory will bring peace.

A Common Goal Means Success

The San Francisco Conference itself illustrates how fellowship and unity derive from common effort to achieve common peacetime goals. At the beginning, the Conference was marked by conflicts and antagonisms. The "Big Five" often lined up against the "Little 45." Those who were essentially capitalistic in outlook, and those who were essentially communistic or socialistic in outlook, differed sharply as to how to express our social goals. Those who embraced different political philosophies, for example those of the Soviet Union and those of the United States and of Great Britain, found it difficult to reach agreement about such matters as the right of free discussion. It was very difficult to find a wise formula to reconcile regional claims, such as those of Pan-America, with the universal claims of world organization. Indeed, there were times when these problems seemed insolvable and when the

Conference seemed on the verge of collapse. That did not happen. It did not happen because, overriding all of our differences there was a resolve to reach a common goal. Each delegation was determined to play a part in bringing World Organization into being. Of course, each delegation wanted that Organization to conform, if possible, to their particular ideals and we each worked hard for that. But the dominant spirit was one of working together, not working against. Gradually, the differences came to seem less and less important. In the end, there came a profound sense of unity and of fellowship. I saw men who had engaged in tough debate embrace, while tears of joy dimmed their vision.

That shows how unity results when men work together competently and earnestly to achieve common goals.

The spirit which marked the close of San Francisco we must preserve. We can preserve it if we continue to work together toward new peacetime goals. That is the program of the San Francisco Charter. Membership in the New Organization will engage us to work with others to promote human rights and liberties; to eradicate intolerance; to clear away the obstacles to healthy trade; to insure social conditions which will breed sane and healthy men and women; to seek for the dependent peoples, self-government and meanwhile to avoid exploitation. Such are the goals set before the members of the New Organization.

It lies in American tradition to give world leadership in building a society which will uplift the spiritual, the educational, the material lot of men. To that our founders dedicated this nation. Now we have the opportunity to embark, in company with others, on the next great adventure, that of building a fellowship that is world-wide in scope. Out of the common difficulties, the common strivings, the common triumphs of that task can come the unity that can give us peace.

That opportunity I know we shall embrace.

Votes OWI Funds

Supporters of the Office of War Information's continuance were rewarded for their efforts to secure new funds for the agency when the Senate voted OWI a budget of \$39,670,215 to cover the next fiscal year, according to Associated Press advices from Washington, June 26. This was not the \$42,000,000 which OWI had requested in its original budget, but it was a reproof to the House which had reduced the figure to \$18,000,000.

Senator Gurney (R. S. D.), on the floor sought to slash the Senate Appropriations Committee's figure of \$39,670,215 to \$20,000,000, but was defeated 46 to 29. Then Senator Bridges (R. N. H.), tried to have the figure fixed at \$35,000,000. By defeating that amendment, the vote was automatically in favor of the committee's total, according to the Associated Press.

Senator Ball (R. Minn.), defending the agency, declared that the "accelerated surrender of the Japanese on Okinawa was helped considerably by the activities of OWI."

"This is as much a war for men's minds as it is a war of weapons," Mr. Ball declared.

Senator Chandler (D. Ky.), contended, however, that the name of the OWI should be changed to the Office of "Peace" Information, and he said that \$20,000,000 would be "adequate" for the task.

Mr. McKellar (D. Tenn.), President pro tempore of the Senate, informed Mr. Chandler that General Marshall told him it would cost "infinitely more if the Army had to take over" OWI.

The State of Trade

(Continued from page 114)

2, compared with 91.5% one week ago. This week's operating rate represents a decrease of 3.4 points from last week's rate and is equivalent to 1,613,700 net tons of steel ingots and castings, compared to 1,675,900 net tons last week and 1,689,200 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended June 23, 1945, totaled 876,442 cars, the Association of American Railroads announced. This was an increase of 3,768 cars, or 0.4% above the preceding week this year and 3,869 cars, or 0.4% below the corresponding week of 1944. Compared with a similar period of 1943, an increase of 115,512 cars, or 15.2%, is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,358,277,000 kwh. in the week ended June 23, 1945, from 4,348,413,000 kwh. in the preceding week. Output for the week ended June 23, 1945, was 0.8% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 171,500,000 kwh. in the week ended June 24, 1945, comparing with 164,400,000 kwh. for the corresponding week of 1944, or an increase of 4.3%.

Local distribution of electricity amounted to 169,800,000 kwh., compared with 162,800,000 kwh. for the corresponding week of last year, an increase of 4.3%.

Paper Production—Paper production for the week ended June 23, was 90.4% of capacity, as against 91½% 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 96% of capacity, unchanged from the previous week.

Business Failures Continue Low—Commercial and industrial failures showed a slight decline in the week ending June 28, Dun & Bradstreet, Inc., reveals. The week's failures numbered 14 against 17 in the previous week and 36 a year ago. Only two concerns failed this year for every five in the comparable week of 1944.

Failures involving liabilities of \$5,000 or more outnumbered those last week, 9 as compared with 8, but were only half the 19 in the corresponding week of 1944. Failures with liabilities under \$5,000 declined to approximately half their number in the preceding week and were less than a third those in the comparable week of last year. Manufacturing was the only industry or trade group in which failures were as numerous as a year ago.

No Canadian failures were reported this week as compared with one in the previous week and one in the corresponding week of last year.

Wholesale Food Price Index Unchanged—The Dun & Bradstreet wholesale food price index for June 26 remained unchanged at the 1945 peak of \$4.11. This marked a rise of 2.8% over the 1944 figure of \$4.00, and of 1.5% above the \$4.05 recorded two years ago. Advances this week occurred in steers and lambs, while declines were shown for rye, oats and potatoes.

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

Retail and Wholesale Trade—With the continuance of warm weather throughout the country, retail sales volume held at a high level for the country as a whole the past week. Vacation apparel such as swim suits and play clothes moved in seasonal peak quanti-

ties, cutting into inventories and causing much difficulty in the securing of replacements, according to Dun & Bradstreet, Inc. The demand for summer house furnishings and other houseware goods was reportedly high; supplies continued insufficient to meet the demand. Retail volume remained moderately above the level of a year ago.

In women's apparel special interest for the week was noted in white short-sleeved crepe blouses to wear with slacks or skirts, faille dresses, black rayon sheers, sharkskin sportswear, and 2-piece bathing suits. In the junior and misses' departments, cotton dresses and playsuits were in demand. Black playshoes were the favorite, while in the regular rationed shoe departments white was most in demand. Large brimmed, high crowned hats sold well as did white plastic and colored straw handbags and cosmetics. Men's lightweight suits and other furnishings continued to sell at a fast rate.

In household goods the supply of all types of curtains is extremely limited with seasonal demand continuing heavy. Whenever possible, stores are promoting yard goods for drapery and upholstering needs. Cooking utensils, pressure canners and anything relating to the preservation of food and canning moved off store shelves readily.

In retail food markets, the situation was little changed from last week; volume was higher than a year ago. The butter and egg shortage is easing somewhat. Demand has expanded for all canned food lines.

Retail volume for the country was estimated at 13 to 17% above that of last year. Regional percentage increases were: New England 8 to 12, East 16 to 20, Middle West 15 to 19, Northwest 7 to 10, South 9 to 14, Southwest 6 to 10, and Pacific Coast 12 to 16.

Activity in the wholesale field was comparatively quiet this week with the volume at about the same level as in recent weeks. The textile market continued routine, while activity in the apparel markets was somewhat subdued with most buying completed for the present. Buyers reportedly have 50 to 90% of their fall apparel needs—percentage varying according to item. Despite this fact second trips to the market are planned for later in the season.

Department stores sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended June 23, 1945, increased by 21% and compared with a gain of 19% in the preceding week. For the four weeks ended June 23, 1945, sales increased by 15%, and for the year to date by 12%.

Retail trade here in New York the past week maintained an active pace with high summer temperatures creating a strong demand for summer merchandise of all descriptions. Wholesale markets were heartened by the action of the WPB presaging more textiles, particularly woolsens and worsteds for civilian use. The production picture for the third and fourth quarter in women's and men's apparel is brighter at present than for months past. Wholesale food volume showed little change from preceding weeks with supplies of eggs and oranges more acute.

According to the Federal Reserve Bank's index, department stores sales in New York City for the weekly period to June 23, 1945, increased by 26% above the same period of last year. This compared with a gain of 22% in the preceding week. For the four weeks ended June 23, 1945, sales rose by 17%, and for the year to date by 13%.

Vandenberg Calls World Charter Step to International Amity

(Continued from first page)

have had the generous confidence and helpful cooperation of the President of the United States. We have had the advice of former Secretary of State Cordell Hull, to whose vision and wisdom this institution will stand as an eternal monument.

Commends Fellow Delegates

Particularly I wish to commend the Secretary of State, Edward R. Stettinius, Jr. He has been an able and inspiring leader. He has been equal to every emergency we faced. Not only as Chairman of our delegation, but also as Chairman of the Conference and its key committees, he has been as tireless as he has been efficient in driving to our goal. I am particularly happy to testify that he constantly sustained the best American tradition. He has richly earned the grateful good opinion of his country.

I want also to pay my particular tribute of affectionate appreciation to the distinguished Senator from Texas, the Chairman of the Senate Foreign Relations Committee, Mr. Connally. Without the faintest hint of partisanship at any time, he made it constantly possible for each one of us, representing the minority, to play our full role in these deliberations. He carried some of the heaviest burdens of the Conference with patience, fidelity and eminent success. He was a tower of strength to this great undertaking in every aspect of its labors. He, too, has put the nation greatly in his debt.

Mr. President, I have signed the San Francisco Charter. I believe it represents a great forward step toward the international understanding and cooperation and fellowship which are indispensable to peace, progress and security. If the spirit of its authors can become the spirit of its evolution, I believe it will bless the earth. I believe it serves the intelligent self-interest of our own United States which knows, by bitter experience in the valley of the shadow of two wars in a quarter century, that we cannot live entirely unto ourselves alone.

I believe it is our only chance to keep faith with those who have borne the heat of battle. I have signed the Charter with no illusions regarding its imperfections and with no pretensions that it guarantees its own benign aims; but with no doubts that it proposes an experiment which must be bravely undertaken in behalf of peace with justice in a better, happier and safer world.

Urges Ratification

I shall support the ratification of this Charter with all the resources at my command. I shall do this in the deep conviction that the alternative is physical and moral chaos in many weary places of the earth. I shall do it because there must be no default in our oft-pledged purpose to outlaw aggression so far as lies within our human power. I shall do it because this plan, regardless of infirmities, holds great promise that the United Nations may collaborate for peace as effectively as they have made common cause for war. I shall do it because peace must not be cheated out of its only collective chance.

I think, Mr. President, that I now know rather intimately what was in Benjamin Franklin's soul when, at the end of the American Constitutional Convention in 1787, he put his signature to that immortal document and said:

"I consent, sir, to this Constitution because I expect no better and because I am not sure it is not the best. The opinions I have had of its errors I sacrifice to the

public good. On the whole, sir, I cannot help expressing a wish that every member of the Convention who may still have objections to it would, with me, on this occasion doubt a little of his own infallibility and, to make manifest our unity, put his name to this instrument * * * and turn our future thoughts and endeavors to the means of having it well administered."

Franklin never had cause to regret his act of faith. I pretend no authentic parallel in the present instance. But in kindred faith I am prepared to proceed with this great adventure. I see no other way. In the event of its unexpected failure, I should prefer to have been associated with its hopeful trial than with a refusal to permit it to prove its expected success.

I revert briefly to Franklin. He also said:

"I doubt whether any other convention we can obtain may be able to make a better Constitution; for, when you assemble a number of men, to have the advantage of their joint wisdom, you inevitably assemble with those men all their prejudices, their passions, their errors of opinion, their local interests and their selfish views. From such an assembly can a perfect production be expected? It therefore astonishes me, sir, to find this system approaching so near to perfection as it does."

Mr. President, if that was true in a limited area among our relatively close-knit colonial States, how much more true is it when we contemplate the San Francisco Conference where 50 nations, gathered from the opposite poles and from the seven seas, separated from each other by race, language and tradition, representing 85% of the world's population, and dealing with a problem which spans the globe, sought a meeting of minds and found a common denominator to express their common purpose.

"Complications and Difficulties"

Only those who have engaged in such a universal congress—veritably the parliament of man—can wholly understand the complications and the difficulties. But they must be obvious to any thinking mind. It is no wonder we had many a troublesome day and many a critical night. It is no wonder that none of us can say that he wholly approves the net result. The wonder is that we can all approve so much.

Within the framework of the Charter, through its refinement in the light of experience, the future can overtake our errors. But there will be no future for it unless we make this start. I doubt if there could ever be another or a better start. I commend this over-all consideration to all of my colleagues who have any interest in collective security as an instrument of collective peace. I commend it to all who are listening to the prayers for peace which rise from the hearthstones of our land.

You cannot plant an acorn, Mr. President, and expect an oak from it the morning following, but you will never have an oak unless you plant the acorn. In the San Francisco Charter we undertake to plant the roots of peace. No one can say with finality how they will flower, but this I know: Without roots there will be no flowers. I prefer the chance rather than no chance at all.

My own view regarding collective security is well known. I have repeatedly stated it upon this floor. While I want a powerful Army and an invincible Navy to make our national defense as

impregnable as possible, pending the time when mutual arms limitations can be made dependably effective, I believe that no nation can hereafter immunize itself by its own exclusive action.

I say again, as I said on January 10, that since Pearl Harbor World War II has put the cruel science of mass murder into new and sinister perspective. I say again that the oceans have ceased to be moats which automatically protect our ramparts. I say again that flesh and blood now compete unequally with winged steel. War has become an all-consuming juggernaut. I say again that if World War III ever unhappily arrives, it will open new laboratories of death too horrible to contemplate. I say again that I propose to do everything within my power to keep those laboratories closed for keeps; and, Mr. President, they must be kept closed all round the earth because neither time nor space any longer promises to shield the victims of treacherous attack. We must have collective security to stop the next war, if possible, before it starts; and we must have collective action to crush it swiftly if it starts in spite of our organized precautions.

That vital aspiration, Mr. President, is the object of the San Francisco Charter. The Charter is not content merely with this latter sanguinary assignment to meet force with force when there is nothing left to do but fight. It seeks, above all else, to cure the underlying causes of wars; to correct the frictions which lead to wars; to resolve disputes by peaceful means before they take on the suicidal magnitudes of war; in a familiar metaphor, to "lock the barn before the horse is stolen."

Must Have Vision

You may tell me that I speak of the millennium. I reply, in the words of Holy Writ: "Where there is no vision the people perish." We dare not fail to try. We dare not fail to strive in this direction no matter how far we fall short of the goal.

Here, Mr. President, are 50 sovereign nations, each one of which is under the most solemn pledge that can be made under God among the peoples of the earth—under pledge to do what? Listen:

"To maintain international peace and security; and to that end to take collective measures for the prevention and removal of threats to the peace and the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which may lead to a breach of the peace."

Under pledge to do what else?

"To develop friendly relations among nations based on respect for the principles of equal rights and self-determination of peoples and to take other appropriate measures to strengthen universal peace."

Under pledge to do what else?

"To achieve international cooperation in the solution of international problems of an economic, social, cultural or humanitarian character and promotion and encouragement of respect for human rights and fundamental freedoms for all without distinction as to race, language, religion or sex."

You may tell me that I have but to scan the present world with realistic eyes in order to see these fine phrases often contemptuously reduced to a contemporary shambles. You may tell me that some of the signatories to this Charter practice the precise opposite of what they preach even as they sign. You may tell me that the aftermath of this war seems to threaten the utter disintegration

of these ideals at the very moment they are born.

I reply that the nearer right you may be in any such gloomy indictment, the greater is the need for the new pattern which promises at least to try to stem these evil tides. The nearer right you are, the greater becomes the importance of this new self-denying ordinance which promises a chastened view in 50 capitals of this earth. The nearer right you are, the greater is the urgency for invoking the emancipations which the San Francisco Charter contemplates. If the effort fails, we can at least face the consequence with clean hands.

Sketch of the Charter

Now, Mr. President, I briefly sketch the Charter's working structure. It will function through four major instruments:

(1) A General Assembly in which each signatory nation has one vote—tomorrow's "town meeting of the world"; (2) a Security Council—the executive agency for action—in which Britain, Russia, America, France and China have permanent seats together with six other nations chosen periodically by the Assembly; (3) an International Court of Justice where all nations will have the option of seeking juridical decisions; (4) a Social and Economic Council, consisting of 18 nations chosen periodically by the Assembly, which will explore those social and economic dislocations, in the family of nations, that too often breed the wars which might otherwise be avoided through voluntary readjustments.

The Security Council will have at its ultimate potential disposal—when all other resources have failed to maintain peace and security—an armed force to which the signatory States will be prepared to contribute upon call and in such proportions as shall be determined by collateral agreements made between the Security Council and these States. These agreements will not be negotiated until the new organization is in being.

Their detail is not involved in discussion of this primary treaty. But this treaty guarantees that these agreements shall be "subject to ratification by the signatory States in accordance with their constitutional processes." Hence the Senate need have no fear that this separate obligation will not subsequently be available to its full scrutiny and consent.

Force Not the Basis

There are those, Mr. President, who look upon this final availability of force, to keep the peace, as the real value of this enterprise. They argue that the aggressor of tomorrow, like the brutal aggressors of yesterday and today, will understand no language except guns and ships and planes.

They may be right. Certainly I do not disagree that the United Nations must possess the potential power to fight to keep the peace which they have won by kindred means. I agree that we must "keep our powder dry" and be prepared to "pass the ammunition." But I would not agree that force is the real genius of this new institution. On the contrary, it is my conviction that the great hope which is here held out to humankind stems largely from the solemn formula which the San Francisco Charter creates for the pacific settlement of disputes before they ever reach a fighting stage. It is my profound belief that the pacific contacts and consultations which will constantly be maintained by the Powers—and particularly by the Great Powers—plus the pacific routines which every dispute must hereafter exhaust before it is subject to any sort of sanctions, can and will resolve most, if not all, of the controversies which otherwise might lead once more to war.

Mind you, Mr. President, these routines must be consulted, under the solemn pledge of these nations; and I venture the assertion and the hope and the prophecy that they will be consulted, in view of the nature, character, and extent of this new obligation, which stands in a degree of sacred trust which has never heretofore been approached by an international obligation in the history of humankind. What are these pacific routines to which resort must be made by the large as well as by the small Powers before there can be any consideration, thought, or suggestion of resort to force? First, solution by negotiation; second, solution by inquiry; third, solution by mediation; fourth, solution by conciliation; fifth, solution by arbitration; sixth, solution by judicial settlement; seventh, solution by resort to regional arrangements; eighth, other peaceful means chosen by the disputants themselves; ninth, appropriate procedures or methods of adjustment recommended by the Security Council.

This procedure, among other things, will be a "cooling off" process. It will temper and discourage impetuous wrath which too often flames out of sudden, national hysteria. It allows time for rules of reason to re-endow our sanities. It promises justice as a substitute for force. And all the time it invokes the moral pressures of the organized conscience of the world, functioning through this organization, upon any nation, big or little, which ignores this pacific routine and draws its ruthless sword.

No Escape for Powers

You have heard much about a big power veto, to which I shall presently refer. There is no veto—no self-administered immunity bath—which can void this primary obligation which every member of the United Nations takes when it signs the San Francisco Charter. There will be no doubt about the record. The self-confessed criminal of tomorrow will stand condemned. I admit that the Security Council itself cannot go as far against one of the five Big Powers as it can against the middle and lesser Powers.

I shall discuss that in a moment. But I assert that there is no escape for any Power, however great, from the clear responsibility which it will unavoidably assume before an outraged world if it takes to the warpath before it has exhausted these paths of peace. In my view, the spiritual forces of this earth—when once thus universally aroused and organized and given a mighty oracle for militant expression—will prevail against all enemies. In my view, this is the San Francisco Charter's rendezvous with destiny.

I should like further to illuminate this point, Mr. President. The other day, in a radio quiz, I was asked the following question: "Will you trace the steps of procedure in the event of a problem? Taking the most unlikely case I can think of, supposing we and Canada were to become involved in a boundary dispute?"

This certainly would be "the most unlikely case," because the unfortified 3,000 miles of Canadian-American boundary has been an area of total peace for more than a century. I wish that were all we and the world have to worry about. Nevertheless, let me answer the question. Canada and America have their own treaties, plus a permanent Boundary Commission, to settle such disputes. This would continue to be the first recourse. If it failed, Canada and America would be further obligated under the United Nations Charter to seek a settlement by (1) negotiation, (2) inquiry, (3) mediation, (4) conciliation, (5) judicial settlement, (6) other means either on their own initiative or on the suggestion of the Security Council. It is inconceiv-

able that this routine would not succeed. But if it failed, the Security Council would call on the other United Nations to use sanctions against the designated offender—such sanctions as complete or partial interruption of economic relations and of rail, sea, air, postal, telegraph, radio, and other means of communication, and the severance of diplomatic relations. If, finally, even this procedure should fail, the Security Council could call upon the United Nations for armed force against the aggressor. It is, of course, unthinkable that any possible dispute between Canada and the United States could reach such an extreme. Further, considerations of the famous "veto" also enter this particular equation. But it nonetheless illustrates the general routine. You can apply the same routine to any other dispute. In my opinion, it is a routine which will stop almost every dispute short of the necessity for the consideration either of sanctions or of force. Here, I repeat, in my opinion, is the great practical value of the formula which we propose.

As a result of the San Francisco Conference, Dumbarton Oaks has been given a new soul. As originally drawn, it avoided any reference to justice—without which there can be no stable peace. San Francisco's Charter fills that void. The Charter names justice as the prime criterion of peace. It repeatedly dedicates itself to human rights and fundamental freedoms. It declines to accept a static world in which yesterday's inequities are frozen in a strait-jacket. It tells the General Assembly that it is empowered—and I beg of you, Senators, to listen to these words. Here is the heart and core of humanity's hope for tomorrow. The general assembly is empowered—to recommend measures for the peaceful adjustment of any situations, regardless of origin, which it deems likely to impair the general welfare or friendly relations among nations, and of situations resulting from a violation of the purposes and principles set forth in this charter.

A World Emancipation Proclamation

Mr. President, this can be a new emancipation proclamation for the world. You may tell me that it is calculated to "keep the word of promise to the ear and break it to the hope." I reply that I know no better hope. I reply that it certainly will be broken if you insist upon denying it a chance, or if you cripple it at birth.

I have had great sympathy, Mr. President, with those among my colleagues who have earnestly argued that we should know the pattern of the final peace before we undertake to create the mechanism that shall sustain it. As the Dumbarton Oaks proposal was originally drawn, this viewpoint was particularly persuasive because the proposal failed to envision any subsequent possibility of peaceful change to overtake error or injustice, in the vast and ramifying decisions and settlements affecting our Allies and our friends, which may creep into the liquidation of this war.

But I submit that the San Francisco Charter completely alters this conception. I speak with great feeling on this phase of the subject because it is one to which, if I may be allowed to say so, I devoted my persistent efforts. Frankly, I am one of those who look with anxiety upon many of these settlements and decisions, past, present and prospective. But my anxiety, Mr. President, will be less acute if I know that the United Nations, meeting periodically in a free and untrammelled general assembly, can "recommend measures for the peaceful adjustment of any situations, regardless of origin, which it deems

likely to impair the general welfare."

That is indeed a glorious assignment for tomorrow's "town meeting of the world."

Dumbarton Oaks Liberalized

In this and other aspects, I repeat, the San Francisco Charter proposes to avoid a static world. In this and other aspects, the Dumbarton Oaks plan has been greatly liberalized by the progressive labors of this Conference. I submit that justice is thus guaranteed its hearing under the healthiest possible auspices available to this distraught and tangled world. I submit that justice is infinitely better off with such a forum than it would be if such a forum were refused. I suggest that the more one fears the nature of the final peace, speaking not of our enemies but of our friends, the warmer should be one's welcome to an institution which can promise some element of orderly correction. Under such circumstances, the quicker this institution begins to function the quicker justice may hope to find its voice and mobilize its friends.

I am definitely not saying, Mr. President, that a good league can compensate for a bad peace. I am not diluting for a single instant the dreadful responsibility which will rest upon those who chart the final peace. But I am saying that, whatever the final peace may be, the protections for human rights and fundamental freedoms inherent in the San Francisco Charter will inevitably make a better, a wiser, and a safer job of it in its ultimate impacts upon humankind. We could wish for more assurance than this Charter gives, but we would desert our own ideals if we should permit our desire for the unattainable to blind us to the wisdom of embracing the boon which is at hand.

It is said, by way of assault upon this scheme of things, that the San Francisco Charter virtually delivers the world to the domination of a five-power alliance—America, Russia, Britain, France and China—since these nations permanently exercise major authority in the Security Council which we here create. It is said that this arrangement, in stark reality, becomes a three-power military alliance between Russia, Britain, and the United States, since they will become its chief instruments of peace enforcement when the need for force arises. So far as peace enforcement is concerned, I agree that there is substance to this contention. But I hasten to assert that so far as force is concerned, the world is at the mercy of Russia, Britain, and the United States, regardless of whether we form this league or not. Those happen to be the facts of life. But I submit that the world is even more at their mercy without the San Francisco Charter than with it. Without the Charter there is no curb upon these great military powers except the rivalry between them—and military rivalry has never yet been the harbinger of peace. With the Charter there is, at least the restraint of a peaceful contract, for whatever that may be worth, and the grim assurance, Mr. President, that the aggressor of tomorrow who breaks this contract will stand in naked infamy before the embattled conscience of an outraged world.

"Confronted with a Condition and Not a Theory"

I wish we might have a different plan in which there could be more decentralization of enforcement power. But that is simply equivalent to saying that I wish we might have a different kind of world. The truth of the matter is that we confront a condition, not a theory. The San Francisco Charter deals with this condition. If it did not deal with the condition it would not be worth the paper it is written on. The "condition" is that Britain, Russia, and Amer-

ica control the dominating force-factors of the earth and are calculated to thus continue for the foreseeable years ahead. To ignore this realism in our peace plans would be to wander in a wishful dream. To accept this realism and then to seek to harness it—to thus make a virtue of necessity—is to embrace the only concrete hope which logic can defend. Never forget, furthermore, my thesis that the use of force is wholly secondary to the use of the pacific tools which this Charter primarily provides. That is the vital point at which all the United Nations stand at par. Force is only the last resort. If needed, it obviously must be found where it exists.

You may say this will not work. I answer that I do not know; but I think it will, at least so long as this Charter holds the major Powers in harmony. I answer that I propose to try the only chance.

You may say that 2,000 years of history deny this military theme. I answer, Mr. President, that there was no precedent for World War II. There is no precedent for the peace-challenge we confront. We must make our own precedents in seeking to stop World War III.

The "Veto" Explained

The so-called Yalta voting formula is part and parcel of this same contemplation. I can understand the critic who, in ethical and moral grounds, condemns a voting system which permits each of these five Great Powers to enjoy the special privilege of a "veto" in the Security Council to protect itself against condemnation and collective restraint if it threatens aggression. I can sympathize with the critic who protests this discrimination. But I cannot understand the critic who permits his disappointment upon this one score to sweep him into total opposition to this entire enterprise and into total abandonment of all its precious values. I cannot understand it because, upon examination, we must admit: first, that this veto formula substantially reflects the world's realities; second, that the so-called special privilege of the Great Powers is matched by its equivalent in special responsibilities; third, that there is no alternative basis upon which to launch this great adventure; and, last but far from least, Mr. President, because this veto, which we share with others and which we could not enjoy alone is a protection against American involvements which many millions of our citizens would require as the indispensable price of our adherence to this treaty.

I say this system reflects the world's realities because if these Great Powers ever face a war with each other, the world's dream of peace is shattered, regardless of any league the wit of man might devise. It will not be shattered because of the veto. It will be shattered because of the facts. It would be idle to cherish any illusions upon this score. Peace depends, in the final analysis, upon the attitudes of these Great Powers and upon their mutual relationships. But I assert, beyond any shadow of a doubt that this United Nations organization can minimize the frictions and stabilize the international friendships and channel the orderly contacts which can go infinitely far in saving all of us from any such disaster. If, in spite of everything, the disaster comes upon us, the veto will simply have been the next war's first casualty. At least, the rest of us will have the incalculable advantage of our own collective unity in moving swiftly to our own and the world's collective defense.

Have No Alternative

I said, secondly, that there is no alternative opportunity to launch this great adventure. There is no other plan available. There was

no other basis available to the American delegation at San Francisco. The late President Roosevelt pledged his country to this formula at Yalta. We Americans have a habit of keeping our country's word—a habit, by the way, which needs to become contagious if any sort of world order shall survive. The late President exempted from the formula the right of a Great Power to veto an inquiry by the Security Council into its own dereliction; and we, at San Francisco, successfully resisted an extreme interpretation which would have permitted the use of the veto against full hearing and discussion of any other threats to peace and security. Otherwise, the Yalta formula was clear. To have denied it at San Francisco would have been to kill the Conference before it ever got under way. I doubt whether there ever would have been another Conference. The hope for organized peace would have died—what irony—at the Golden Gate. The vast advantage which the San Francisco Charter—regardless of its infirmities—holds for the hopes of humankind would have perished in the wreckage of a broken pledge. I would not have been able to square that tragedy with our promises to our fighting sons and to their mothers. And that, Mr. President, is the choice which, in my humble opinion, Congress and the country now confronts.

I have also said, Mr. President, that there is a strong substantive argument to be made for this Yalta formula. In any effective organization for peace and security in the world as it is and as it is going to be for some time to come—whether we like it or not—the Great Powers must assume special and particular responsibilities. There is no other way. To meet these special and particular responsibilities the Great Powers obviously must have special and particular authority. Without the latter, the former are impossible. This special and particular authority may be looked upon as special and particular privilege.

Great Powers' Privilege a Sacred Trust

But, in the last analysis, it is the privilege of serving the world. If it ever becomes a selfish privilege, an exploited privilege, this organization will die of cancer. For myself, I decline to write any such obituary in anticipation of a funeral which never need occur. But I do not for an instant blind myself to the overriding fact that these responsibilities, these authorities, these privileges which the Great Powers thus accept are the most sacred public trust ever created in the affairs of men. It is indispensable that this obligation be accepted in this spirit by all concerned.

If you tell me that I have no warrant in today's status of the world, for optimism upon this score, I answer that unless you develop this, or a better peace prospectus, the drums of another war may thunder in your ears as a consequence of our cynical failure at least to try to silence them.

I have also said that this veto problem invites many deeply devoted Americans to inspect our own American position before they attack this formula. Let it never for an instant be forgotten that this veto granted to the five Great Powers includes a veto for our own United States. It is our protection against our involvement in any use of our forces against our will. It is our defense against what I venture to believe would be bitterly condemned in many quarters as our "involuntary servitude" if our veto power did not exist. It is the complete answer to any rational fears that we may be subordinating our destiny to alien commands. It is the warrant that, though we cooperate wholeheartedly with the United Nations for peace and security, we

remain the captains of our own souls. It guarantees our perpetuated independence of international dictation. If the veto is viewed by some of our citizens as a cloud upon the idealism of the San Francisco Charter, let us recognize the vivid fact that for others of our citizens the cloud has a silver lining. Indeed, for millions of our people it will be all "silver lining" and no cloud at all.

No Sacrifice of Our Essential Sovereignty

In my view, Mr. President, we sacrifice none of our essential American sovereignty and none of our essential American rights when, exercising intelligent self-interest, we join ourselves in this international enterprise to seek a peace and a security which are essential to our welfare as the air we breathe. For example, the San Francisco Charter has found a practical way to intergrade regional arrangements with the over-all authority of the United Nations League, and thus to put the international organization in gear with the great inter-American system—once symbolized by the Monroe Doctrine and recently endowed with new vitality at Chapultepec. For 50 years this inter-American Union has been the most successful instrument for peace and security the world has ever seen. We do not surrender its mutual advantages. We build them into the new foundations of the larger system. We intergrade them with the larger plan.

Another example—we preserve the right of individual and collective self-defense, inherent in every sovereign State, in the event of summary attack. Another example—we exempt all essentially domestic matters from the jurisdiction of the new international authority. Another example—commended to those who want American freedom of post-war action in respect to far Pacific Island bases—we have written a trusteeship chapter in the San Francisco Charter which sets up a splendid optional program that shall lift mandates to new levels of respect for human rights and fundamental freedoms; but—and I quote from the Charter—"It would be a matter for subsequent agreement as to which territories would be brought under a trusteeship system and upon what terms." Here again that which falls short of the compulsory idealism which some of our citizens desire, is an assurance to others of our citizens that America reserves complete freedom of action to herself in this regard.

In a word, we have not created a super-State. We have not organized a "world government." We have not hauled down the Stars and Stripes from the dome of the Capitol. We have simply agreed to cooperate effectively with 49 other sovereign States in the mutual pursuit of peace and security. Our own American self-interest in that objective, as demonstrated by two World Wars in a quarter century, is as keen and as intimate and as universal as that of any other nation on this globe. Indeed, I know of no land on earth which has a greater stake in this world peace than our own United States of America.

Mr. President, in this brief report I have touched only the rim of this tremendous subject. I have presented only a sketchy outline. It falls any sort of adequate attention to many of the useful functions which the United Nations League will serve. I particularly have in mind the enormous potentialities of the proposed Social and Economic Council which will persistently facilitate "the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations, based on respect for the principle of equal" (Continued on page 122)

Senator Vandenberg Calls World Charter Step to International Understanding

(Continued from page 121)

rights and self-determination of peoples."

Improvement Over Old League

This is one of the most significant and most promising improvements on the old Geneva Covenant. I also particularly have in mind the new emphasis which is put upon international law as an institution for human service, substituting orderly justice for the jungle-creed that might makes right. I also have in mind the certainty that, with this organized vigilance, which we here mobilize, no Axis Powers nor any counterpart thereof shall ever rise again.

These and many other considerations will be the appropriate subjects of full investigation by the Senate Foreign Relations Committee and of full debate on the Senate floor. I am proud to say that I believe the San Francisco Charter can withstand such scrutiny. I have no disposition to urge precipitous haste in this consideration. I want Congress and the country to know all there is to know about this mighty enterprise.

Would Regret Delay of Ratification

On the other hand, I should deeply regret any needless or undue delay in proceeding with reasonable expedition to register the Senate's will. None of us can be unaware of the importance which will attach to our decision, nor of the impact which our attitudes will have upon the life of the world in this moment of its greatest flux. History is writing with a rushing pen and we, Mr. President, must accommodate its pace. If America is to assume the moral leadership of a better world in which we have fought our way to glorious eminence, we can scarcely be content to be among the last who care or dare to speak when this United Nations' roll is called.

Mr. President, I was still at my Conference tasks in San Francisco when Washington had the great privilege of pouring out its tumultuous welcome to General Eisenhower a few days ago. It was a

source of deep regret to me that I could not be here with you to join the grateful throng which greeted him up and down our avenues and yonder in the Chamber of the House. When I read the text of his modest, moving speech and came upon his devoted tribute to the precious memory of those brave, young martyrs who have given up the last full measure of devotion, and when I found he had said that "the blackness of the grief of those who mourn can be relieved only by the faith that all this shall not happen again," it seemed to me that the San Francisco Charter has a responsive mission which this great commander must have had in mind as he went on to say:

"The soldier knows that in war the threat of separate annihilation tends to hold Allies together; he hopes we can find peace a nobler incentive to produce the same unity. He passionately believes that, with the same determination, the same optimistic resolution and the same mutual consideration among the Allies that marshalled in Europe forces capable of crushing what had been the greatest war machine of history, the problems of peace can and must be met. He sees the United Nations strong but considerate; humane and understanding leaders in the world to preserve the peace that he is winning."

That, Mr. President, is the aspiration and the dedication of the San Francisco Charter. None of its authors will certify to its perfection. But all of its authors will certify to its preponderant advantages. It is the only plan available for international cooperation in the pursuit of peace and justice. It is laden with promise and with hope. It deserves a faithful trial. America has everything to gain and nothing to lose by giving it support; everything to lose and nothing to gain by declining this continued fraternity with the United Nations in behalf of the dearest dream of humankind. I recommend the San Francisco Charter to Congress and the country.

keep the peace. The lessons of that experience have been written into the document.

Either This or No Charter

The choice before the Senate is now clear. The choice is not between this Charter and something else. It is between this Charter and no charter at all. Improvements will come in the future as the United Nations gain experience with the machinery and methods which they have set up. For this is not a static treaty. It can be improved—and, as the years go by, it will be—just as our own Constitution has been improved.

This Charter points down the only road to enduring peace. There is no other. Let us not hesitate to join hands with the peace loving peoples of the earth and start down that road—with the firm resolve that we can and will reach our goal. I urge ratification. I urge prompt ratification.

Kansas City Address

President Harry S. Truman, at the ceremony in Kansas City, on June 28, at which he received the honorary degree of Doctor of Laws from the University of Kansas City, delivered an address in which he strongly urged the early ratification by the Senate of the San Francisco World Charter. He expressed confidence that "it will be just as easy for nations to get along in the Republic of the world as it is to get along in the Republic of the United States," and he added that "unless we lead the way there will be no peace in the world." The complete text of the address follows:

Mr. President, members of the faculty, the board of trustees of the University of Kansas City: I can't tell you how very much I appreciate this honorary degree which you have conferred. I appreciate it more than I can tell you. I have been overwhelmed since I have been back here in Jackson County, to find out just what kind of a fellow I am.

You have been exceedingly kind to me. You have absolutely disproved that maxim that a "prophet is not without honor save in his own country."

Must Live with World as a Whole

You certainly have honored me with everything possible. I hope I can deserve it. I have a tremendous task, one that I dare not look too closely at to understand, for the simple reason that it is one that no man can do by himself. I must have the wholehearted and unqualified support of the country to win the Japanese war and then to win the peace. And there is one thing we must learn—it has been a most distasteful task for us to learn it, and that is that it is absolutely necessary for the greatest republic that the sun has ever shone upon to live with the world as a whole, and not by itself.

It is difficult for us to appreciate the age in which we live. It is an attempt to secure an adjustment in this age that has brought about this terrible disaster through which we have just passed with the European situation, and through which we are now passing in the Pacific.

Night before last I arrived in Salt Lake City at 10 o'clock from San Francisco, which I had left on the same time schedule at 8 p.m. I left Salt Lake City the next morning after breakfast—and oh, what a breakfast that was—and arrived in Kansas City, Mo., in exactly three hours and a half. My grandfather made that trip time and again from 1846 to 1854 and then from 1864 to 1870, and when he made that trip it took him exactly three months to go and three months to come back.

That's the age in which we live. The time is coming when that trip, in my opinion, will be made in an hour and a half instead of

three hours and a half. The time is coming when we will be transporting the freight of the world and the express of the world and the mail of the world on schedule in the same time which the earth carries the sun around. We must become adjusted to that situation. It is no further from here to Salt Lake City and from Salt Lake City to San Francisco than it was from home to Lonejack when we were used to celebrating picnics during the Democratic campaign in the fall.

"One World"

I am anxious to bring it home to you that the world is no longer county size, no longer state size, no longer nation size—it is one world, as Willkie said. It is a world in which we must all get along. And it is my opinion that this great republic ought to lead the way. It is my opinion that this great republic ought to do and carry out those ideals of Woodrow Wilson and Franklin D. Roosevelt.

It was my privilege to be present at the signing of the charter in San Francisco, which is the first step toward the accomplishment of world peace.

U. S. Should Ratify First

Back in 1787 and 1788 our forefathers wrote a Constitution for thirteen independent states. They considered that Constitution imperfect. They had to go out on a selling program to get enough states to ratify that Constitution to put it into effect. One of those thirteen states didn't ratify that Constitution until after it was put into effect. We are going to ratify this constitution at San Francisco, and I want to see the United States do it first.

I am standing here receiving a degree, a doctor of laws. That means that we live in this country at least in an age of law and an age of reason, an age in which we can get along with our neighbors. Now, we must do that nationally. It will be just as easy for nations to get along in a republic of the world as it is for you to get along in the Republic of the United States.

Now when Kansas and Colorado have a quarrel over the water in the Arkansas River they don't call out the National Guard in each state and go to war over it. They bring a suit in the Supreme Court of the United States and abide by the decision.

There isn't a reason in the world why we cannot do that internationally. There were two documents signed in San Francisco. One of them was a charter of the United Nations, the other was a World Court. It will require the ratification of both of those charters and the putting of them into effect if we expect to have world peace for the next few generations.

U. S. Must Lead

That is one of the tasks which has been assigned to me. I am accepting the responsibility. I am going to try to carry it out. First we must win the war with Japan, and we are winning it. Then we must win the peace of the world. And unless we lead the way there will be no peace in the world.

Again I can't tell you how much I appreciate this privilege, how much I appreciate the honor. I went to the Kansas City School of Law for two years and a half. As I told the alumni this afternoon, I might have been able to finish that course in another year and a half—I say I might have—if it hadn't been for the fact that at that time I was a public servant here in Jackson County, judge of the County Court for the Eastern District, and I had so many people interested in the welfare of the county who wanted to see me that I couldn't study law.

And now I have just about—oh, I was going to say maybe a thousand times that many people who are interested in the welfare of the United States, but they

have a much more difficult time discussing that with me individually than they did when I was a country Judge. So here I am on a half-finished course, a Doctor of Laws, and I sure appreciate it.

I just didn't know how easy it was going to be to get that degree. I come back here as President of the United States and I get the first honorary degree in this university, and that certainly is appreciated by me.

You know, when I come to Jackson County I can't realize that I am the President of the United States. I feel like I am just one of your fellow citizens.

I see the same faces and I try to talk to the same people, out, you know, there is one thing that I found it impossible to do and that is to shake hands with and talk to five hundred thousand people in three days. I just can't do it, much to my regret. Now, I wish I could shake hands with everybody here tonight and listen to his tale of woe, if he has one, as I used to do, but that is impossible. I just can't do it.

I want you to consider that because I have come here and have seen all of you face to face that I have really shaken hands with every one of you, and you can go home and say that you have done it, if you will just give me that. You want me to be physically able to carry out this tremendous task which has evolved upon me. I must be physically able to do that, and I can't possibly see everybody and talk to everybody in Jackson County, and then go back to Washington and convince the Senate that they ought to ratify this. I know the Senate because I worked in the Senate for about ten years.

Again I want to thank you. I can't thank you enough. I don't dare to stop and think about it because I would just stand up here and shed tears and that is not what you want me to do. I do appreciate it more than I can tell you.

Thank you very much.

Central Savings Bank Booklet for Veterans

One of many American banks and financial institutions co-operating with the Government's GI program, Central Savings Bank of New York, is distributing to veterans free copies of "The Veteran's Guide," a 64-page booklet which describes in detail the provisions of the Servicemen's Readjustment Act of 1944. Written in non-technical language this booklet explains to returning service men and women just what they are entitled to in the way of home loans, farm loans, business loans, pensions, education, life insurance and tax relief. Veterans who plan to apply for benefits under the "GI Bill of Rights" may obtain copies of "The Veteran's Guide" by writing to the Bank or calling at its uptown office—73rd Street and Broadway—or its downtown office—4th Avenue and 14th Street.

Approve Tax Reductions Of Oil Drilling Costs

A resolution approving income tax deduction allowances on intangible oil drilling and development costs as current expenses has been passed by the House, advises to the "Wall Street Journal" from their Washington bureau stated on June 20. The measure, urged by the oil industry, is intended to overcome the effects of a decision of the New Orleans Circuit Court of Appeals which held these deductions were not allowable. The industry maintained that these intangible costs must be permitted as deductions if exploration for oil needed for war is to be carried on during the emergency.

Speed Charter Approval: Truman

(Continued from first page)

Over a year and a half ago, the Senate, after thorough debate, adopted the Connally resolution, which contained the essence of this Charter. It called for a general international organization based on the principle of sovereign equality of all peace loving states, and open to membership by all such states, large or small, for the maintenance of international peace and security. What I am now presenting to the Senate carries out completely this expression of national and international necessity.

Shortly before that, the House of Representatives passed the Fulbright resolution—also favoring the creation of international machinery with participation by the United States. You and the House of Representatives thus had a hand in shaping the Dumbarton Oaks proposals, upon which the Charter has been based.

Disagreement at a Minimum

No international document has been drawn in a greater glare of publicity than this one. It has been the subject of public comment for months. This widespread discussion has created the impression in some quarters that there were many points of disagreement among the United Nations in drafting this Charter. Naturally, much more public attention was given to the items of disagreement than to the items of agreement. The fact is that there were

comparatively few points upon which there was not accord from the very beginning. Disagreement was reduced to a minimum—and related more to methods than to principles.

Whatever differences there were were finally settled. They were settled by the traditionally democratic method of free exchange of opinions and points of view.

Charter Already Fully Discussed

I shall not attempt here to go into the various provisions of the Charter. They have been so thoroughly discussed that I am sure you are all familiar with them. They will be so thoroughly discussed on this floor that you and the people of the nation will all have a complete expression of views. In your deliberations I hope you will consider not only the words of the Charter but also the spirit which gives it meaning and life.

The objectives of the Charter are clear. It seeks to prevent future wars. It seeks to settle international disputes by peaceful means and in conformity with principles of justice. It seeks to promote worldwide progress and better standards of living. It seeks to remove the economic and social causes of international conflict and unrest. It is the product of many hands and many influences. It comes from the reality of experience in a world where one generation has failed twice to

U. S. Policy Regarding Commodity Agreements

(Continued from page 115)

century, though, granted high levels of industrial production and employment, the consequences of this expanding production upon prices may be less drastic than it was in the depression decade following 1929. Neither is it likely that governmental intervention on a national basis will automatically come to an end with the conclusion of hostilities. Furthermore, it seems reasonably clear that the war itself will give rise to a number of additional problems of adjustment in raw material production, arising out of the wartime shifts in the international production pattern and the stimulus to the development of new productive capacity that has occurred. For example, the nations that have collaborated in fighting the war against the Axis powers, shut off from their normal sources of supply of many items, have greatly expanded their own output of those products that formerly were obtained from enemy or enemy-occupied territories. A similar wartime expansion of many commodities has no doubt also occurred within the enemy areas. When the war ends and old sources of supply are reopened there may be large surpluses of these commodities, in spite of the high level of world demand that should also prevail. A surplus supply situation is also likely to arise in cases among some of the metals the production of which has been expanded many times over to meet a war demand that has been much heavier than normal peacetime requirements.

Predicts Certain Commodity Surpluses

It follows that, in the case of a number of important primary commodities we are likely to have a surplus supply situation with which to deal after the present World War is over, or in some cases even before the end of the war. In so far as we are successful in obtaining the collaboration of other nations in a broad program directed to the expansion of international trade and investment and the maintenance of high levels of production in the great industrial nations, the magnitude of such surpluses should be substantially reduced. Certainly the indirect benefits of such a broad program in stimulating the demand for raw materials should make an important contribution towards easing the problems of primary producers. Yet there are almost certain to be some commodities, particularly primary products, that will continue in surplus supply even though we may be successful in our efforts directed to the reduction of trade barriers and to the attainment of high levels of industrial production. There will be a residual of individual commodity problems which will have to be dealt with by means of international collaboration and in some cases by commodity agreements.

Commodities that are likely to continue in surplus supply for a long time, in the absence of positive government action, are in the main commodities the supply of which is relatively unresponsive to changes in price. Even though the price may decline greatly, the producers do not quickly contract their output. Such commodities are also, by an unfortunate coincidence, likely to be the sort of commodities for which the demand is relatively inelastic. Even though the price may decline substantially, the quantity taken off the market increases relatively slightly; the supply remains unabsorbed except at ruinously low

prices. Under such circumstances, which are in general the circumstances characteristic of many primary products, a surplus supply situation is not self-correcting—or in so far as it is self-correcting, the suffering involved in the process for the producers of the commodity is likely to be so distressing that nations are unwilling or unable to permit the "natural" process of readjustment of supply to demand to proceed.

Problem Is International

If the commodity characterized by such a chronic surplus supply situation happens to be an important one in the economic life of a nation, as is frequently the case, then the situation presents a number of serious problems for other nations as well. In the first place, the great decrease in price for the commodity is likely to create a chronic depression among the producers of the commodity, reducing their purchasing power and in fact the ability of their nation to buy abroad, and thus also reducing its demand for the products of other countries. Such a situation may thus contribute to undermining efforts to maintain high levels of employment and production generally.

In the second place, the government of the country producing such a commodity may find itself compelled to buttress the position of its producers of the commodity by a price support program, by the reservation of domestic and colonial markets for their own producers, and other unilateral methods of domestic relief. If there are many commodities in surplus supply in the post-war period, such unilateral action by a number of different countries would make it extremely difficult to work out successfully the multilateral arrangements for the reduction of trade barriers and the elimination of discriminations that are so much to be desired. Properly conceived and executed international commodity agreements would enhance the chances for success of the general program for the relaxation of trade barriers.

It is true that experience with past international commodity agreements has been such as would cast some doubt upon the possibilities of reconciling the characteristic methods of international commodity agreements with the requirements of a general program for the all-around reduction of trade barriers or, indeed, of any broad program for expansion of the world economy. The constructive economic purposes which commodity agreements might have served in correcting the basic causes of maladjustment in the industry were often lost sight of in the urgency of providing immediate relief for the producers of the distressed commodity, or in merely satisfying the producers' desire for higher prices. Generally speaking, international commodity agreements in the past have been largely concerned with developing effective means for restricting international trade or production in order to provide, at a minimum, a tolerable basis for survival of all the national producer groups concerned, pending a change for the better in the industry's economic fortunes. In some cases, the control schemes went far beyond this minimum objective and—whether by original design or by a gradual process of yielding to the temptation to exact higher prices—turned into instruments of monopolistic abuse. In either case, however, the emphasis in past regulation

schemes has been on the restrictive aspects of such agreements.

It should be recognized, however, that most of the commodity agreements in the past have been agreements between the governments of producing countries. Consuming countries have seldom, if ever, been adequately represented. Furthermore the emphasis has been upon the restriction of output and the maintenance of prices, and little effort has been made under the agreements to remove the basic causes of the maladjustment of supply and demand.

It is evident, then, that, in spite of the expansion of world trade that we hope to achieve, there are likely to be a number of important commodities, particularly primary products, that will be in chronic surplus supply; and that intergovernmental collaboration with regard to such situations is desirable if high levels of employment and production are to be generally maintained and if multilateral action directed to the reduction of trade barriers and the elimination of discriminations is to be successful. It is also to be noted that past commodity agreements of a restrictive variety have in important respects been defective. The use of commodity agreements in the post-war period should conform to certain specified requirements, designed to insure that their effects will be remedial and their restrictive features will be formulated with a view to the public interest.

International Organization Recommended

The emphasis in making corrective adjustments should be first upon the maximum possible stimulation of demand and only last upon a curtailment of production and trade. Although it offers serious difficulties, concerted action to find new uses or to stimulate demand in existing uses for a commodity in surplus supply is almost certain to be a less painful solution than the drastic reallocation of resources which would be called for if the problem is attacked primarily from the supply side. If the attempt to stimulate demand proves inadequate and the development of burdensome surpluses threatens to lead to economic distress and possibly to unilateral action by the producing countries, then a reallocation of resources should take place. An intergovernmental arrangement participated in by consuming and producing countries, and encompassing financial and other aids to facilitate the readjustment, may induce the affected countries to liquidate extra-marginal capacity. In such cases, measures temporarily setting production or export quotas or allocating markets may be a necessary means of easing the transition for the countries most affected.

Administration of the requirements to which any such international commodity agreement should conform should be entrusted to an international economic organization which should have the appropriate research, consultative, policy-recommending and administrative functions necessary for the integration of policy with regard to commodity agreements into the broader framework of international economic collaboration.

Such an international economic organization, once it is established should see to it that international commodity agreements between the member governments conform to the following requirements:

1. That no international commodity arrangement involving the limitation of production or exports or allocating markets should be established until after:

(a) An investigation of the root causes of the problem which gave rise to the proposal;

- (b) Determination that a burdensome surplus has developed or threatens to develop;
- (c) Determination that the conditions cannot be corrected by the operation of normal market forces;
- (d) Formulation of a program of adjustment believed to be adequate to insure substantial progress toward solution of the problem within the time limits of the arrangements.

2. That any international commodity agreement which is adopted should operate in accordance with the following principles:

- (a) It should be open to accession by any interested country;
- (b) In any such arrangement the countries adhering thereto which are largely dependent for consumption on imports of the commodity should have together a voice equal to those largely interested in obtaining export markets for their production of the commodity;
- (c) In any such agreement provision should be made, whether through the maintenance of reserve stocks or otherwise, for assuring the availability of supplies adequate at all times for world consumption requirements at reasonable prices.
- (d) Provision should be made for insuring that there are increasing opportunities for supplying world requirements from countries able to supply such requirements most effectively.

3. And finally, that an international commodity arrangement should remain in effect for a limited term, such as five years, or less. Renewal should be conditioned upon a prior study and public report as to the manner in which it has conformed to these principles and as to progress that has been made in eliminating the underlying problem.

Without entering upon a detailed examination of each of these principles, attention may be called especially to those provisions which place a joint responsibility upon the parties to an international commodity agreement for developing an acceptable program for removing the basic maladjustments in the industry in so far as the causes for such maladjustments can be said to lie within the industry itself.

In some cases the readjustment of the industry might require the reallocation of resources and the relocation of producers and workers in particular producing areas. To effect these shifts, measures of technological and financial assistance may be needed to enable countries to establish new industries or expand old ones, to re-equip agricultural producers for the cultivation of commodities promising better incomes, and to expand basic resources, such as transportation and electricity for the development of industry and agriculture. The preparation and negotiation of the details of such programs would unquestionably be a matter of considerable complexity, in which national and international agencies, such as the proposed Organization for Food and Agriculture and the proposed International Bank for Reconstruction and Development, might be expected to participate.

In other cases it might be found that the requirement of a program to remove the basic causes of maladjustment in the industry could be substantially satisfied by agreement to limit or eliminate various national measures to support commodity prices and the incomes of primary producers, such as crop loans, guaranteed prices, export subsidies, benefit payments to producers, import restrictions,

and preferential trade arrangements. Such policies frequently protect high-cost production and thus limit world markets for the products of more efficient producers. In this connection it should be pointed out that production or income subsidies to producers in importing countries tend in the same manner as export subsidies to increase production relative to demand and thus to depress world markets. Importing countries must, therefore, share with exporting countries the responsibility of bringing about a better balance of world production and consumption. It is quite possible that in some instances, particularly where world demand for the commodity shows a normal secular rate of growth, international agreements to limit or reduce subsidies, import restrictions and preferences, would suffice to ease the problem satisfactorily and thus make other steps unnecessary.

Objectives of U. S. Policy

In general, the basic objectives of our policy with regard to international agreements as to commodities in chronic surplus supply are as follows:

(a) To enable countries to find solutions to particular commodity problems without resorting to unilateral action that tends to shift the burden of their problems to other countries and thus provokes retaliatory measures and economic warfare;

(b) To prevent or to alleviate the serious economic and political problems which may arise when, owing to the difficulties of finding alternative employment, production adjustments cannot be effected in a reasonable time by the free play of market forces;

(c) To provide a period of transition which, with the assistance of such national or international measures as may be appropriate, will afford opportunities for the orderly solution of particular commodity problems by agreement between the participating governments upon a program of over-all economic expansion and adjustment designed to promote a shift of resources and manpower out of over-expanded industries into new and productive occupations.

A proper function of international commodity agreements of this type should be to provide governments with facilities for reconciling their economic policies in respect of seriously depressed branches of primary production with the board requirements of an over-all program of international economic expansion. Their purpose should be to deal with cases of actual or imminent international economic maladjustment of a serious nature. It is not intended that this form of international economic cooperation should be deliberately fostered as a permanent method of organizing international production. This, however, is not necessarily to say that there will be no need for maintaining a permanent international organization to deal with such commodity problems; even under the most favorable conditions of expanding economy that may be reasonably presupposed, there would presumably still be individual cases of maladjustment serious enough to call for specific action in this field.

Redeem Sydney Bonds

Holders of 25-year 5½% sinking fund gold bonds, due Feb. 1, 1955 of the City of Sydney, New South Wales, Australia, The Municipal Council of Sydney, are being notified that \$64,000 principal amount of these bonds have been drawn by lot for redemption on Aug. 1, 1945, through the sinking fund at par. Redemption will be made at the office of the successor fiscal agent, City Bank Farmers Trust Company, 22 William St., New York.

Moody's Bond Prices And Bond Yield Averages

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

1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
July 2	122.97	115.82	121.04	119.20	116.02	108.16	113.12	115.43	119.41
June 30	122.93	115.82	120.84	119.20	116.02	108.16	112.93	115.43	119.41
29	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.43	119.41
28	122.90	115.82	120.84	119.20	116.02	107.98	112.93	115.43	119.41
27	122.92	115.82	120.84	119.20	116.02	108.16	112.93	115.43	119.41
26	122.93	115.82	120.84	119.20	116.02	108.16	112.93	115.43	119.41
25	122.97	115.82	120.84	119.20	115.82	108.16	112.93	115.43	119.41
24	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.20
21	123.02	116.02	121.04	119.41	116.02	107.98	112.75	115.43	119.41
20	123.02	115.82	120.84	119.41	115.82	107.98	112.75	115.43	119.41
19	123.05	115.82	120.84	119.41	115.82	107.80	112.75	115.24	119.61
18	123.05	115.82	120.84	119.41	115.82	107.80	112.75	115.24	119.41
16	123.02	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41
15	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41
14	122.95	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41
13	122.95	115.63	120.84	119.20	115.63	107.80	112.56	115.24	119.41
12	122.93	115.63	120.84	119.20	115.63	107.62	112.56	115.24	119.41
11	122.93	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41
9	122.83	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41
8	122.81	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41
7	122.81	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41
6	122.67	115.63	120.84	119.00	115.43	107.62	112.37	115.04	119.41
5	122.45	115.43	120.63	119.00	115.43	107.44	112.37	115.04	119.20
4	122.36	115.43	120.63	119.00	115.43	107.44	112.37	114.85	119.20
2	122.23	115.43	120.63	119.00	115.43	107.44	112.37	114.85	119.20
May 25	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.66	119.41
18	122.31	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41
11	122.28	115.24	120.84	118.40	115.43	107.09	112.19	114.46	119.41
4	122.38	115.24	120.84	118.40	115.24	107.09	112.00	114.27	119.41
Apr. 27	122.38	115.24	120.84	118.40	115.04	106.56	111.81	114.27	119.20
20	122.44	115.04	120.84	118.40	115.04	106.56	111.81	114.46	119.20
13	122.59	115.04	120.84	118.60	115.04	106.56	111.81	114.46	119.20
6	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.46	119.20
Mar. 31	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
23	122.19	115.04	121.04	118.60	114.85	106.21	111.44	114.27	119.41
16	122.25	115.04	120.84	118.80	114.66	106.39	111.07	114.46	119.41
9	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41
2	122.05	114.66	120.43	118.60	114.46	106.21	110.70	114.27	119.61
Feb. 23	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41
Jan. 26	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
High 1945	123.05	116.02	121.04	119.41	116.02	108.16	113.12	115.43	119.61
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20
1 Year Ago									
July 3, 1944	120.15	112.37	118.60	117.00	112.19	102.96	106.21	113.89	117.40
2 Years Ago									
July 3, 1943	120.78	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61

1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
July 2	1.59	2.85	2.60	2.69	2.85	3.27	3.00	2.88	2.68
June 30	1.60	2.86	2.61	2.69	2.85	3.27	3.01	2.88	2.68
29	1.60	2.85	2.60	2.69	2.85	3.27	3.01	2.88	2.68
28	1.60	2.86	2.61	2.69	2.85	3.28	3.01	2.88	2.68
27	1.60	2.86	2.61	2.68	2.85	3.28	3.01	2.88	2.68
26	1.60	2.86	2.61	2.69	2.85	3.27	3.01	2.88	2.68
25	1.60	2.86	2.61	2.68	2.86	3.27	3.01	2.88	2.68
24	1.59	2.86	2.61	2.69	2.86	3.27	3.01	2.88	2.68
23	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68
22	1.59	2.86	2.61	2.69	2.86	3.28	3.02	2.88	2.68
21	1.59	2.86	2.61	2.68	2.86	3.28	3.02	2.88	2.68
20	1.59	2.86	2.61	2.68	2.86	3.28	3.02	2.88	2.68
19	1.59	2.86	2.61	2.68	2.86	3.29	3.02	2.88	2.68
18	1.59	2.86	2.61	2.68	2.86	3.29	3.02	2.88	2.68
17	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68
16	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68
15	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68
14	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68
13	1.59	2.87	2.61	2.69	2.87	3.29	3.03	2.89	2.68
12	1.60	2.87	2.61	2.69	2.87	3.30	3.03	2.89	2.68
11	1.60	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68
10	1.60	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68
9	1.60	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68
8	1.61	2.87	2.61	2.70	2.88	3.30	3.04	2.90	2.68
7	1.63	2.88	2.62	2.70	2.87	3.31	3.04	2.90	2.69
6	1.63	2.88	2.62	2.70	2.87	3.31	3.04	2.91	2.69
5	1.64	2.88	2.62	2.70	2.88	3.31	3.04	2.91	2.69
4	1.64	2.88	2.62	2.70	2.88	3.31	3.05	2.91	2.69
May 25	1.64	2.88	2.62	2.71	2.88	3.32	3.05	2.92	2.68
18	1.64	2.88	2.62	2.71	2.88	3.32	3.05	2.93	2.68
11	1.64	2.89	2.61	2.73	2.88	3.33	3.06	2.94	2.68
4	1.63	2.89	2.61	2.73	2.89	3.33	3.06	2.94	2.68
Apr. 27	1.63	2.89	2.61	2.73	2.90	3.33	3.05	2.94	2.69
20	1.63	2.90	2.61	2.73	2.90	3.36	3.07	2.94	2.69
13	1.62	2.90	2.61	2.72	2.90	3.36	3.07	2.93	2.69
6	1.64	2.90	2.61	2.73	2.90	3.37	3.09	2.93	2.69
Mar. 31	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69
23	1.65	2.90	2.60	2.72	2.91	3.38	3.09	2.94	2.68
16	1.65	2.90	2.61	2.71	2.92	3.37	3.11	2.93	2.68
9	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68
2	1.69	2.92	2.63	2.72	2.93	3.38	3.13	2.94	2.67
Feb. 23	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68
Jan. 26	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72
High 1945	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
Low 1945	1.59	2.85	2.60	2.68	2.85	3.27	3.00	2.88	2.67
1 Year Ago									
July 3, 1944	1.79	3.04	2.72	2.80	3.05	3.57	3.38	2.96	2.78
2 Years Ago									
July 3, 1943	1.80	3.13	2.71	2.84	3.10	3.86	3.60	2.97	2.82

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

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

Non-Ferrous Metals—New Business in Copper And Zinc Light—Indium and Mercury Decline

"E. & M. J. Metal and Mineral Markets," in its issue of June 28, stated: "Progress in reconversion in most industries that are normally heavy consumers of non-ferrous metals has been slow, which is reflected in continued quiet in purchases of copper and zinc. Even lead is not as active as formerly. A few metals remain in short supply as the first half of 1945 ends, notably tin and antimony. In regard to price developments, the last week brought downward revisions on strategic materials for one in quotations of both indium and year. OPA price control will be quicksilver. President Truman extended until pending legislation has signed the bill continuing the is finally passed, authorities in authority of RFC to pay subsidies Washington contend." The publi-

cation further went on to say in part:

Copper

Most producers reported a quiet week in copper. It is generally conceded that July shipments will be down, probably to around 100,000 tons. The question of using MRC metal of foreign origin on non-war business has been raised in several directions, and some fabricators expanding on civilian business have specified that they wish to obtain domestic metal only to take care of such transactions.

Domestic deliveries of refined copper during the first five months of 1945, and actual consumption of copper by fabricating plants, in tons, follow:

	Deliveries to Customers	Actual Consumption
January	145,904	153,904
February	172,585	165,387
March	218,488	171,558
April	161,111	147,209
May	139,203	131,670
Totals	837,291	769,728

Stocks of refined copper in the hands of fabricators increased from 326,031 tons at the end of January this year to 401,530 tons at the end of May.

Lead

WPB amended Order M-38 on June 25 authorizing storage battery manufacturers to use up to 25% of the 1944 usage for the third-quarter period. This compares with 20% use in the second quarter, the base period being the corresponding quarter of 1944.

Officials of the Tin-Lead-Zinc Division of WPB are wondering where the lead is to be obtained for meeting increased demands from domestic consumers as well as for export. They fear that imports in the third quarter will fall behind, and because of the tight situation in antimony, battery makers will be hard-pressed in obtaining additional tonnages of antimonial lead.

Lead producers are not as disturbed over the supply situation as WPB. Stocks in the hands of refiners and the Government have been increasing, and there are signs that cutbacks in lead under the war program will come along as the year progresses. Consumers will obtain between 16,000 and 17,000 tons of foreign lead for July, or all they asked for, which contrasts with 24,000 tons in June.

Sales of lead for the last week amounted to 4,494 tons, against 6,083 tons in the previous week.

Zinc

With certificates for July zinc in the hands of consumers, business improved last week. However, compared with earlier months this year, demand appeared to be slow. WPB allocated about 69,000 tons of zinc for July shipment, but members of the industry believe that consumers may not absorb more than 60,000 tons. As in copper, consumers of zinc shifting to civilian products are somewhat concerned about absorbing dutiable MRC metal.

WPB declared that Order M-11 will be amended prior to July 1. Under the revised regulations, the producer will be asked to hold zinc required for war and essential uses until the 10th of each month, after which surplus metal may be delivered on unrated orders.

Nickel

During April, Canada produced 21,661,372 lb. of nickel, against 23,514,627 lb. in March, the Dominion Bureau of Statistics reports. Production in the first four months of 1945 totaled 89,671,151 lb., which compares with 94,376,917 lb. in the Jan.-April period of 1944.

Indium

The price situation in indium remains unsettled. During the last week producers lowered the quotation to \$3 an ounce troy, a reduction of \$1. Supplies are ample, reflecting increased re-

covery of this byproduct of zinc operations that has occurred in recent years. Use of indium has expanded, but not at a rate to keep pace with production. At the beginning of the year indium was quoted at \$7.50 an ounce troy, and a year prior to that at \$10.

Daily Average Crude Oil Production for Week Ended June 23, 1945 Again Hits New Peak

Gross crude oil production again hit a new peak in the week ended June 23, 1945, averaging 4,897,864 barrels per day, according to estimates by the American Petroleum Institute. This was a gain of 9,500 barrels per day over the previous week and exceeded output in the week ended June 24, 1944 by 314,664 barrels per day. The current figure was also 38,264 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 23, 1945 averaged 4,874,614 barrels.

Refinery operations also were at new record levels, and gasoline demand continued at a high rate although civilian grade supplies showed a small increase in the week ended June 23, 1945, against a reduction in military and other grades.

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 5,018,000 barrels of crude oil daily and produced 15,367,000 barrels of gasoline; 1,519,000 barrels of kerosine; 5,014,000 barrels of distillate fuel, and 9,609,000 barrels of residual fuel oil during the week ended June 23, 1945; and had in storage at the end of that week 46,609,000 barrels of civilian grade gasoline; 40,853,000 barrels of military and other gasoline; 9,163,000 barrels of kerosine; 31,761,000 barrels of distillate fuel, and 39,893,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations	*State Allowables Begin June 1	Actual Production Week Ended June 23, 1945	Change from Previous Week	4 Weeks Ended June 23, 1945	Week Ended June 24, 1944
Oklahoma	370,000	380,000	1,384,300	+ 2,050	386,000	332,300
Kansas	274,000	269,400	1,276,500	+ 1,350	265,150	289,700
Nebraska	1,000	-----	1900	-----	900	1,000
Panhandle Texas	-----	-----	90,000	-----	90,000	92,150
North Texas	-----	-----	154,850	-----	154,450	149,400
West Texas	-----	-----	497,550	-----	497,000	447,900
East Central Texas	-----	-----	139,900	-----	139,450	145,000
East Texas	-----	-----	377,600	-----	378,150	360,550
Southwest Texas	-----	-----	357,700	-----	357,200	312,950
Coastal Texas	-----	-----	563,050	-----	563,100	528,450
Total Texas	2,170,000	\$2,171,706	2,180,450	-----	2,179,350	2,036,400
North Louisiana	-----	-----	69,200	+ 150	69,400	74,200
Coastal Louisiana	-----	-----	298,950	-----	299,150	288,750
Total Louisiana	360,000	400,800	368,150	+ 150	368,550	362,950
Arkansas	80,000	78,786	79,850	+ 950	79,350	80,250
Mississippi	53,000	-----	50,600	- 1,400	51,550	45,350
Alabama	400	-----	700	-----	650	100
Florida	-----	-----	14	-----	14	50
Illinois	200,000	-----	204,400	+ 4,150	201,900	209,550
Indiana	13,000	-----	12,900	+ 1,100	11,900	12,900
Eastern (Not incl. Ill., Ind., Ky.)	64,200	-----	65,850	+ 1,100	64,250	66,800
Kentucky	28,000	-----	30,600	+ 1,000	29,400	21,750
Michigan	47,000	-----	46,550	- 2,900	47,750	47,200
Wyoming	113,500	-----	110,300	+ 2,450	108,150	91,450
Montana	23,000	-----	20,250	- 50	20,300	21,300
Colorado	10,500	-----	11,250	+ 300	11,200	8,350
New Mexico	105,000	105,000	103,800	+ 50	103,800	108,000
Total East of Calif	3,912,600	-----	3,947,164	+ 5,600	3,930,164	3,735,400
California	947,000	\$947,000	950,700	+ 3,900	944,450	847,800
Total United States	4,859,600	-----	4,897,864	+ 9,500	4,874,614	4,583,200

*P.A.W. recommendations and state allowances, 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 21, 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 23, 1945

(Figures in thousands of barrels of 42 gallons each)

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

	% Daily Crude Runs	% Gasoline	% Stocks	% Stocks	% Gasoline	% Stocks	% Stocks
	Refining to Still	Capac- Daily	Re-Aver-	% Op-erating	Inc. Nat. Blended	Fuel Oil	Gas Oil
East Coast	99.5	739	93.4	1,793	7,259	5,908	5,494
Appalachian	-----	-----	-----	-----	-----	-----	8,416
District No. 1	76.8	110	75.3	334	605	256	1,546
District No. 2	81.2	60	120.0	169	506	63	122
Ind., Ill., Ky.	87.2	751	87.6	2,660	4,322	2,115	6,777
Okl., Kans., Mo.	78.3	398	84.9	1,477	1,792	1,236	2,243
Inland Texas	59.8	233	70.6	949	412	910	1,317
Texas Gulf Coast	89.3	1,253	101.3	3,763	5,471	5,729	9,277
Louisiana Gulf Coast	96.8	272	104.6	888	1,576	1,178	2,065
No. La. & Arkansas	55.9	84	66.7	248	646	183	924
Rocky Mountain	-----	-----	-----	-----	-----	-----	-----
District No. 3	17.1	13	100.0	41	21	34	10
District No. 4	72.1	119	74.8	422	317	534	693
California	85.8	986	99.2	2,623	8,834	21,747	10,385
Total U. S. B. of M.	85.6	5,018	92.4	15,367	31,761	39,893	40,853
Total U. S. B. of M.	85.6	4,915	90.5	15,132	30,397	39,482	41,134
U. S. Bur. of Mines	-----	-----	-----	-----	-----	-----	-----
basis June 24, 1944	4,634	-----	-----	13,937	34,240	53,349	37,944

*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 1,922,000 barrels of unfinished gasoline this week, compared with 11,971,000 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 1,519,000 barrels of kerosine, 5,014,000 barrels of gas oil and distillate fuel oil and 9,609,000 barrels of residual fuel oil produced during the week ended June 23, 1945, which compares with 1,580,000 barrels, 5,342,000 barrels and 9,252,000 barrels, respectively, in the preceding week and 1,313,000 barrels, 4,361,000 barrels and 8,759,000 barrels, respectively, in the week ended June 24, 1944.

§Note—Stocks of kerosine at June 23, 1945, amounted to 9,163,000 barrels, as against 8,512,000 barrels a week earlier and 9,308,000 barrels a year ago.

Wholesale Prices Declined 0.1% In Week Ended June 23

Lower prices for agricultural commodities caused a decline of 0.1% in the Bureau of Labor Statistics' index of commodity prices in primary markets for the week ended June 23, according to the United States Department of Labor, which on June 28 stated that "this decrease brought the index to 105.9% of the 1926 level, the same as a month ago and 2.1% above the corresponding week of last year."

The advances added:

"Farm Products and Foods—Sharply lower quotations for fresh fruits and vegetables, and declines for cows and cotton lowered average prices of farm products in primary markets by 0.8% during the week. Apples declined 8% as increased quantities reached the market. As the result of ceiling adjustments, onions decreased nearly 7% and white potatoes from 4 to 9% in various markets. Eggs and sweet potatoes advanced seasonally. Continued weakness in the market lowered quotations for beef cows more than 4%, while calves and steers were higher. Lower prices for lambs more than offset higher prices for ewes and wethers. Live poultry was high in eastern markets. Rye, not under price control, continued to advance with prices rising more than 8% during the week. Corn and wheat were fractionally higher. Cotton quotations dropped more than 2% reflecting more optimistic crop reports and cautious buying. Since the latter part of May average prices of farm products have declined 0.4% to a level 5.7% above the same week of last year."

"As a result of the decline in prices for fresh fruits and vegetables, average prices of foods in primary markets decreased 0.4% during the week. The price of rye flour, which is not under price control, rose nearly 5%, reflecting the continued advance in rye quotations. Food prices were 0.1% below the level of a month ago and 2.3% above the same period of 1944."

"Other commodities—Quotations for anthracite advanced more than 3% as OPA approved ceiling increases averaging 75 cents per ton to cover wage adjustments and to restore profit margins. This rise, together with slightly higher prices for bituminous coal and higher sales realizations for natural and manufactured gas raised the fuel and lighting materials group index by 0.2%. Turpentine prices were lower while sand and gravel advanced fractionally in some areas."

The Labor Department included the following notation in its advances:

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 26, 1945 and June 24, 1944, and (2) the percentage changes in subgroup indexes from June 16, 1945 to June 23, 1945.

WHOLESALE PRICES FOR WEEK ENDED JUNE 23, 1945 (1926=100)

Commodity Groups—	6-23 1945	6-16 1945	6-9 1945	5-26 1945	6-24 1944	6-16 1944	5-26 1944	6-24 1944
All commodities	105.9	106.0	106.0	105.9	103.7	-0.1	0	+2.1
Farm products	130.0	131.0	130.7	130.5	123.0	-0.8	-0.4	+5.7
Food	107.3	107.7	107.3	107.4	104.9	-0.4	-0.1	+2.3
Hides and leather products	118.3	118.3	118.3	118.3	117.7	0	0	+0.5
Textile products	99.1	99.1	99.1	99.1	97.3	0	0	+1.8
Fuel and lighting materials	84.7	84.5	84.5	84.6	83.8	+0.2	+0.1	+1.1
Metals and metal products	104.8	104.8	104.8	104.4	103.8	0	+0.4	+1.0
Building materials	117.3	117.3	117.3	117.2	115.9	0	+0.1	+1.2
Chemicals and allied products	95.3	95.3	95.3	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	118.6	119.0	118.8	118.5	113.2	-0.3	+0.1	+4.8
Semimanufactured articles	95.3	95.3	95.3	94.8	93.7	0	+0.5	+1.7
Manufactured products	102.0	102.0	102.0	102.1	101.1	0	-0.1	+0.9
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	99.8	99.7	99.7	99.7	98.7	+0.1	+0.1	+1.1

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JUNE 16, 1945 TO JUNE 23, 1945

		Increases	
Anthracite -----	3.2	Agricultural implements -----	0.1
Grains -----	0.2	Bituminous coal -----	0.1
		Decreases	
Fruits and vegetables -----	2.1	Other farm products -----	1.3
Livestock and poultry -----	0.1		

Steel Operations Decline Due to Holiday—Supply Situation Tight—Sheets Heavily Sold

The American Iron and Steel Institute on July 2 announced that telegraphic reports it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 88.1% of capacity for the week beginning July 2, compared with 91.5% one week ago, 91.1% one month ago and 93.9% one year ago. The operating rate for the week beginning July 2 is equivalent to 1,613,700 tons of

steel ingots and castings, compared to 1,675,900 tons one week ago, 1,668,600 tons one month ago and 1,689,200 tons one year ago. "Steel of Cleveland, in its summary of the iron and steel markets, on July 2 stated in part as follows:

"In spite of easing war requirements the steel supply situation continues tight with deliveries well extended on all products except plates and some relatively minor products, pressure for sheets and strip being particularly strong.

"An undesirable condition is developing in the sheet market as related to unrated orders. It is

reported many buyers are placing duplicate orders with several mills in an effort to obtain desired delivery. As a result much of this tonnage may be canceled later, with considerable market confusion resulting. Some producers are considering proposals to Washington that sheets and strip be taken off the "free" list entirely unless this duplication in orders can be stopped.

"Proposed cutback of 50% in the Army shell program, recently announced, may not be fully felt for sometime, as it is to be undertaken gradually over three months. Meanwhile, carbon bar schedules, which would be first

to reflect such cutbacks, are much extended, with little tonnage available for third quarter and most of that in smaller sizes. Alloy bar schedules are fairly easy, with electric furnace grades offered in August and open-hearth grades in September.

"With aid of unrated orders plate producers expect production to average about 600,000 tons per month in third quarter. This is slightly higher than recent predictions but production continues downward. The third quarter monthly estimate compares with about 810,000 tons actually produced in March, the peak of the year. There also has been a steady decline in plates produced on strip mills, with about 70,000 tons in June and 50,000 tons likely to be made in July.

"Plate tonnage is hit hardest by decline in merchant ship requirements. About 100,000 tons will be rolled for this purpose in third quarter, compared with 660,000 tons in second quarter and a far larger tonnage a year ago, when these needs were at peak.

"Many foundries are observing this week for vacation and inventory taking, in spite of pressure for castings.

"Strength is increasing in the scrap market and ceilings apply in practically all districts on steelmaking grades and cast, the latter being consistently scarce. Even borings and turnings, which have been weak and far below ceilings, continue to advance as demand persists and production declines."

Results of Treasury Bill Offering

The Secretary of the Treasury announced on July 2 that the tenders of \$1,300,000,000 or thereabout of 91-day Treasury bills to be dated July 5 and to mature Oct. 4, 1945, which were offered on June 29, were opened at the Federal Reserve Bank on July 2.

The details of this issue are as follows:

Total applied for, \$2,028,528,000. Total accepted, \$1,304,868,000 (includes \$51,883,000 entered on a fixed price basis at 99.905 and accepted in full.)

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

Range of accepted competitive bids:

High, 99.907, equivalent rate of discount approximately 0.368% per annum.

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

(59% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on July 5 in the amount of \$1,317,065,000.

U. S. Land Agencies

The special Senate committee which is investigating petroleum reserves heard Oscar L. Chapman, Assistant Secretary of Interior, state that the advantage of "bringing together in one set of books record of all land holdings and having them available so that the public and Federal agencies themselves can learn who owns a particular piece of Federally-held land" would outweigh administrative cost, and that the Interior Department recommended immediate consolidation of all government agencies charged with administration of Federal lands, according to the Associated Press from Washington, June 25.

Mr. Chapman stated that there are now more than sixty government agencies dealing with public lands.

He also urged uniform leasing and administration of conservation measures for the protection of resources on public lands.

Trading on New York Exchanges

The Securities and Exchange Commission made public on June 27 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 9, 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 9 (in round lot transactions) totaled 2,840,521 shares, which amount was 15.33% of the total transactions on the Exchange of 9,268,490 shares. This compares with member trading during the week ended June 2 of 2,207,315 shares, or 14.75% of the total trading of 7,480,600 shares. On the New York Curb Exchange, member trading during the week ended June 9 amounted to 758,660 shares or 15.64% of the total volume on that exchange of 2,425,685 shares. During the week ended June 2 trading for the account of Curb members of 451,265 shares was 14.35% of the total trading of 1,572,235.

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

WEEK ENDED JUNE 9, 1945			
A. Total Round-Lot Sales:	Total for week		%
Short sales.....	262,720		
Other sales.....	9,005,770		
Total sales.....	9,268,490		
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.....	707,430		
Short sales.....	116,970		
Other sales.....	588,650		
Total sales.....	705,620	7.62	
2. Other transactions initiated on the floor—			
Total purchases.....	409,550		
Short sales.....	39,900		
Other sales.....	317,080		
Total sales.....	356,980	4.14	
3. Other transactions initiated off the floor—			
Total purchases.....	258,939		
Short sales.....	49,050		
Other sales.....	352,952		
Total sales.....	402,002	3.57	
4. Total—			
Total purchases.....	1,375,919		
Short sales.....	205,920		
Other sales.....	1,258,682		
Total sales.....	1,464,602	15.33	

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

WEEK ENDED JUNE 9, 1945			
A. Total Round-Lot Sales:	Total for week		%
Short sales.....	51,495		
Other sales.....	2,374,190		
Total sales.....	2,425,685		
B. Round-Lot Transaction for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases.....	175,430		
Short sales.....	27,955		
Other sales.....	184,570		
Total sales.....	212,525	8.00	
2. Other transactions initiated on the floor—			
Total purchases.....	84,110		
Short sales.....	4,900		
Other sales.....	60,300		
Total sales.....	65,200	3.08	
3. Other transactions initiated off the floor—			
Total purchases.....	76,335		
Short sales.....	12,200		
Other sales.....	132,860		
Total sales.....	145,060	4.56	
4. Total—			
Total purchases.....	335,875		
Short sales.....	45,055		
Other sales.....	377,730		
Total sales.....	422,785	15.64	
C. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales.....	0		
Customers' other sales.....	88,355		
Total purchases.....	88,355		
Total sales.....	71,404		

*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."

Civil Engineering Construction \$46,540,000 For Week of June 28

Civil engineering construction volume in continental United States totals \$46,540,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 11% higher than in the preceding week, and 35% above the total for the corresponding 1944 week, but is 2% lower than the previous four-week moving average as reported to "Engineering News-Record." The report made public on June 28, continued as follows:

Public construction for the week is up 33% compared with last week, and is 10% over the 1944 week's volume. Private construction is 18% below a week ago, but exceeds a year ago by 167%. State and municipal construction gains over both the preceding week and the 1944 week, but federal volume is 13 and 48% lower, respectively, than last week and last year.

The current week's construction brings the 1945 total to \$876,155,000 for the 26-week period, a volume within 2% of the \$891,830,000 reported for the corresponding period last year. Private construction, \$256,855,000, is 28% above a year ago, but public construction, \$619,300,000, is down 10% as a result of the 16% decrease in federal volume. State and municipal volume, \$131,994,000, exceeds last year by 21%.

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

	June 28, 1945*	June 21, 1945	June 29, 1944
Total U. S. Construction—	\$46,540,000	\$41,873,000	\$34,477,000
Private Construction.....	14,690,000	18,001,000	5,508,000
Public Construction.....	31,850,000	23,872,000	28,971,000
State and Municipal.....	21,721,000	12,173,000	9,331,000
Federal.....	10,129,000	11,699,000	19,640,000

*Current week's statistics.

In the classified construction groups, gains over last week are in waterworks, sewerage, earthwork and drainage, streets and roads, and unclassified construction. Compared with the 1944 week, all classes of construction except public buildings report increases. Sub-totals for the week in each class of work are: waterworks, \$1,125,000; sewerage, \$844,000; bridges, \$301,000; industrial buildings, \$1,763,000; commercial building and large-scale private housing, \$2,190,000; public buildings, \$4,820,000; earthwork and drainage, \$3,224,000; streets and roads, \$8,821,000; and unclassified construction, \$13,452,000.

New capital for construction purposes for the week totals \$6,866,000. It is made up of \$5,166,000 in state and municipal bond sales, \$1,500,000 in RFC loans for private industrial expansion, and \$200,000 in RFC loans for public improvements. The week's new financing brings 1945 volume to \$539,751,000, a total of 22% greater than the \$443,277,000 reported for the 26-week 1944 period.

Post-War Construction Planning Volume \$21.4 Billions

Identified and recorded engineering projects proposed for construction in the post-war years total \$21,373,417,000 according to reports to "Engineering News-Record" in the period from January 1, 1943 through June 21, 1945. Plans are under way or completed on post-war projects valued at \$9,249,756,000, 43.3% of the total volume proposed, and on \$1,410,980,000 worth of projects all financing arrangements have been completed.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended June 23, 1945, is estimated by the Bureau of Mines at 11,770,000 net tons, a decrease of 80,000 tons from the preceding week and 100,000 tons less than in the corresponding week of 1944, according to the United States Department of the Interior. The total output of soft coal from Jan. 1 to June 16, 1945 is estimated at 285,487,000 net tons, a decrease of 7.2% when compared with the 307,761,000 tons produced during the period from Jan. 1 to June 24, 1944.

Production of Pennsylvania anthracite for the week ended June 23, 1945, as estimated by the Bureau of Mines, was 1,368,000 tons, an increase of 70,000 tons (5.4%) over the preceding week. When compared with the output in the corresponding week of 1944, there was an increase of 143,000 tons, or 11.7%. The calendar year to date shows a decrease of 19.5% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended June 23, 1945 showed a decrease of 6,800 tons when compared with the output for the week ended June 16, 1945; and was 30,200 tons less than for the corresponding week of 1944.

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

	Week Ended		Jan. 1 to Date	
	June 23, 1945	June 16, 1945	June 23, 1945	June 24, 1944
Bituminous coal & lignite—	11,770,000	11,850,000	11,870,000	285,487,000
Total, including mine fuel.....	1,962,000	1,975,000	1,978,000	2,052,000

*Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended		Calendar Year to Date	
	June 23, 1945	June 16, 1945	June 23, 1945	June 26, 1944
Penn. anthracite—	1,368,000	1,298,000	1,225,000	25,496,000
Total incl. coll. fuel.....	1,313,000	1,248,000	1,176,000	24,478,000
Commercial produc.	1,313,000	1,248,000	1,176,000	24,478,000

Beehive coke—

United States total 124,200 131,000 154,400 2,897,000 3,729,500 1,797,900

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

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

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

	Week Ended		June 17, 1944
	June 16, 1945	June 9, 1945	
Alabama.....	401,000	375,000	372,000
Alaska.....	6,000	6,000	7,000
Arkansas and Oklahoma.....	78,000	83,000	75,000
Colorado.....	123,000	124,000	136,000
Georgia and North Carolina.....	1,000		1,000
Illinois.....	1,428,000	1,430,000	1,471,000
Indiana.....	469,000	511,000	532,000
Iowa.....	45,000	46,000	44,000
Kansas and Missouri.....	129,000	125,000	150,000
Kentucky—Eastern.....	988,000	994,000	977,000
Kentucky—Western.....	347,000	363,000	385,000
Maryland.....	2,000	3,000	40,000
Michigan.....	95,000	116,000	81,000
Montana (bitum. & lignite).....	27,000	27,000	19,000
New Mexico.....	41,000	33,000	31,000
North & South Dakota (lignite).....	712,000	797,000	709,000
Ohio.....	2,950,000	2,980,000	3,008,000
Pennsylvania (bituminous).....	137,000	130,000	145,000
Tennessee.....	1,000	1,000	2,000
Texas (bituminous & lignite).....	134,000	137,000	126,000
Utah.....	359,000	362,000	383,000
Virginia.....	21,000	27,000	32,000
Washington.....	2,048,000	2,064,000	2,218,000
West Virginia—Southern.....	1,087,000	1,108,000	1,081,000
West Virginia—Northern.....	186,000	184,000	165,000
Wyoming.....			1,000
Other Western States.....			
Total bituminous & lignite.....	11,850,000	12,070,000	12,173,000

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

Food Subsidy Bill Signed by President

Legislation continuing for one year authority of the Reconstruction Finance Corporation to pay subsidies on principal food products and strategic materials has been signed by President Truman, the Associated Press reported from Washington, June 26. The measure limits the RFC in its total payment to producers. The Associated Press added:

"The maximum it may lay out for the fiscal year is \$595,000,000 to meat producers, \$100,000,000 for butter, \$190,000,000 for flour, \$290,000,000 for petroleum and petroleum products, \$88,000,000 for strategic metal, \$100,000,000 for miscellaneous materials and commodities.

"In a statement announcing his approval of the measure, Mr. Truman said he interpreted it as permitting administrative reductions or elimination of subsidies whenever it is shown they are no longer needed.

"I have signed this bill," he said in a statement made public at the White House, "because continuations of these subsidy payments is essential to assure necessary war output and to provide support for the stabilization program.

"I interpret it as the desire of Congress that these subsidies shall be paid only as long as, and to the extent necessary to secure needed war production under existing price ceilings. As opportunity permits, therefore, subsidy programs will be reduced or discontinued as rapidly as feasible within the limits of the present law."

"The President pointed out that administrative action to curtail copper, lead and zinc subsidies under the premium price plan would be prevented by the law during the fiscal year 1946, but said if it becomes clear that continuance of these payments at present levels is no longer necessary for war purposes, he will request enactment of new legislation permitting a reduction of such unnecessary subsidies."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on June 27 a summary for the week ended June 16 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 16, 1945	
Odd-Lot Sales by Dealers (Customers' purchases).....	For Week 27,087
Number of orders.....	832,342
Number of shares.....	\$33,438,886
Dollar value.....	
Odd-Lot Purchases by Dealers (Customers' sales).....	
Number of orders.....	192
Customers' short sales.....	28,583
Customers' other shares.....	
Customers' total shares.....	28,775
Number of Shares.....	
Customers' short sales.....	6,718
Customers' other sales.....	805,110
Customers' total sales.....	811,826
Dollar value.....	\$29,238,312
Round-Lot Sales by Dealers.....	
Number of Shares.....	80
Short sales.....	213,660
Other sales.....	
Total sales.....	213,740
Round-Lot Purchases by Dealers.....	
Number of Shares.....	236,550

*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."

Revenue Freight Car Loadings During Week Ended June 23, 1945 Increased 3,768 Cars

Loading of revenue freight for the week ended June 23, 1945, totaled 876,442 cars, the Association of American Railroads announced on June 23. This was a decrease below the corresponding week of 1944 of 3,869 cars, or 0.4%, but an increase above the same week in 1943 of 115,512 cars or 15.2%.

Loading of revenue freight for the week of June 23 increased 3,768 cars, or 0.4% above the preceding week.

Miscellaneous freight loading totaled 394,528 cars, an increase of 2,184 cars above the preceding week, and an increase of 4,897 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 106,880 cars, an increase of 463 cars above the preceding week and an increase of 3,069 cars above the corresponding week in 1944.

Coal loading amounted to 171,612 cars a decrease of 1,403 cars below the preceding week, and a decrease of 2,594 cars below the corresponding week in 1944.

Grain and grain products loading totaled 56,873 cars, an increase of 3,973 cars above the preceding week and an increase of 3,540 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of June 23 totaled 40,644 cars, an increase of 3,856 cars above the preceding week and an increase of 2,898 cars above the corresponding week in 1944.

Livestock loading amounted to 13,522 cars a decrease of 1,161 cars below the preceding week and a decrease of 1,048 cars below the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of June 23 totaled 9,776 cars, a decrease of 650 cars below the preceding week, and a decrease of 534 cars below the corresponding week in 1944.

Forest products loading totaled 45,124 cars, a decrease of 246 cars below the preceding week and a decrease of 2,512 cars below the corresponding week in 1944.

Ore loading amounted to 74,621 cars, a decrease of 224 cars below the preceding week and a decrease of 7,467 cars below the corresponding week in 1944.

Coke loading amounted to 13,282 cars, an increase of 182 cars above the preceding week, but a decrease of 1,754 cars below the corresponding week in 1944.

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

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
4 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
Week of June 2	837,520	810,698	667,609
Week of June 9	884,285	873,174	854,486
Week of June 16	872,674	877,493	868,286
Week of June 23	876,442	880,311	760,930
Total	20,368,204	20,387,991	19,479,295

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 23, 1945. During the period 70 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 23					
Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections		
	1945	1944	1945	1944	
Eastern District—					
Ann Arbor	282	220	261	1,455	1,307
Bangor & Aroostook	1,428	978	1,033	315	297
Boston & Maine	6,656	7,108	6,341	13,420	14,908
Chicago, Indianapolis & Louisville	1,056	1,240	1,199	1,994	2,390
Central Indiana	33	24	41	44	35
Central Vermont	1,109	1,066	1,081	2,123	2,296
Delaware & Hudson	4,987	4,919	4,107	11,501	12,314
Delaware, Lackawanna & Western	7,711	7,884	6,099	10,858	11,230
Detroit & Mackinac	285	274	245	145	145
Detroit, Toledo & Ironton	1,626	1,861	1,731	1,387	1,302
Detroit & Toledo Shore Line	407	316	295	2,664	2,296
Erie	13,064	13,692	11,688	17,010	17,262
Grand Trunk Western	4,016	3,871	3,814	8,049	8,497
Lehigh & Hudson River	148	211	193	3,023	2,840
Lehigh & New England	2,286	1,711	1,090	1,537	1,791
Lehigh Valley	9,516	9,066	5,823	12,000	16,594
Maine Central	2,259	2,375	2,208	2,668	2,570
Monongahela	5,554	6,377	1,963	297	358
Montour	2,800	2,531	726	28	24
New York Central Lines	50,862	49,404	52,780	52,823	55,292
N. Y. N. H. & Hartford	10,144	9,221	9,663	17,774	19,508
New York, Ontario & Western	1,207	1,322	1,253	3,251	3,530
New York, Chicago & St. Louis	6,436	6,975	6,398	14,749	16,364
N. Y. Susquehanna & Western	437	512	532	2,236	2,179
Pittsburgh & Lake Erie	7,787	7,799	6,359	9,123	8,644
Pere Marquette	5,190	5,007	4,964	8,599	7,482
Pittsburgh & Shawmut	935	919	406	26	43
Pittsburgh, Shawmut & North	328	334	305	244	199
Pittsburgh & West Virginia	1,085	1,396	755	2,803	2,901
Rutland	363	372	345	1,360	1,104
Wabash	5,781	6,054	5,010	12,031	12,488
Wheeling & Lake Erie	5,391	6,085	4,611	4,349	4,567
Total	161,169	161,124	143,319	219,885	232,757

Allegheny District—					
	1945	1944	1943	1945	1944
Akron, Canton & Youngstown	632	654	739	1,088	1,226
Baltimore & Ohio	48,338	45,392	34,540	28,652	29,860
Bessemer & Lake Erie	6,655	6,103	5,655	2,012	2,431
Buffalo Creek & Gauley	†	†	306	†	†
Cambria & Indiana	1,464	1,670	0	4	16
Central R. R. of New Jersey	6,853	6,110	5,763	19,293	19,646
Cornwall	509	555	618	53	51
Cumberland & Pennsylvania	180	236	153	12	6
Ligonier Valley	89	132	199	37	49
Long Island	1,690	1,664	1,195	4,625	4,411
Penn.-Reading Seashore Lines	1,831	1,774	1,765	2,042	2,628
Pennsylvania System	87,258	89,690	69,627	64,343	67,445
Reading Co.	15,455	14,668	12,058	26,688	28,077
Union (Pittsburgh)	16,440	19,408	20,004	7,291	7,027
Western Maryland	4,011	4,146	3,158	12,970	12,631
Total	191,405	193,822	155,780	169,110	175,504

Pocahontas District—					
	1945	1944	1943	1945	1944
Chesapeake & Ohio	27,238	28,808	14,946	14,159	14,038
Norfolk & Western	21,242	21,090	13,073	7,263	8,891
Virginian	4,179	4,603	1,994	2,606	2,392
Total	52,659	54,501	30,013	24,028	25,321

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	416	315	292	286	450
Ala. & W. P.—W. R. R. of Ala.	685	870	630	2,311	2,469
Atlanta, Birmingham & Coast	1,344	892	767	1,199	1,461
Atlantic Coast Line	11,328	12,076	13,596	9,741	9,109
Central of Georgia	4,084	3,573	4,783	4,847	5,635
Charleston & Western Carolina	561	350	403	1,541	1,728
Clinchfield	1,605	1,735	1,532	3,124	2,957
Columbus & Greenville	261	224	343	253	289
Durham & Southern	119	112	98	543	694
Florida East Coast	955	1,004	1,558	1,150	1,487
Gainesville Midland	44	42	33	110	94
Georgia	1,265	1,250	1,066	2,509	2,490
Georgia & Florida	459	445	415	792	567
Gulf, Mobile & Ohio	4,604	4,336	3,504	4,509	4,094
Illinois Central System	27,403	29,292	22,781	16,882	16,564
Louisville & Nashville	26,090	24,891	15,907	12,302	11,440
Macon, Dublin & Savannah	219	160	202	1,040	955
Mississippi Central	445	253	233	557	472
Nashville, Chattanooga & St. L.	3,303	3,098	3,344	4,462	4,742
Norfolk Southern	2025	1,505	2,457	1,459	1,363
Piedmont Northern	412	401	345	1,242	1,075
Richmond, Fred. & Potomac	509	491	388	10,624	10,954
Seaboard Air Line	10,217	9,615	10,384	8,862	8,368
Southern System	24,995	23,385	19,425	25,419	24,135
Tennessee Central	582	645	1,129	757	885
Winston-Salem Southbound	125	123	90	985	1,029
Total	124,055	121,083	105,705	117,506	115,504

Northwestern District—					
	1945	1944	1943	1945	1944
Chicago & North Western	19,283	19,150	20,454	15,406	14,006
Chicago Great Western	2,514	2,274	2,365	3,501	3,574
Chicago, Milw. St. P. & Pac.	22,682	22,114	19,559	11,064	10,983
Chicago, St. Paul, Minn. & Omaha	3,833	3,389	3,448	3,960	3,999
Duluth, Missabe & Iron Range	25,034	26,454	25,229	417	196
Duluth, South Shore & Atlantic	1,495	731	982	632	531
Elgin, Joliet & Eastern	8,585	8,985	8,669	9,790	12,214
Ft. Dodge, Des Moines & South	364	426	415	99	111
Great Northern	21,926	23,881	25,452	8,664	7,181
Green Bay & Western	422	449	417	1,139	951
Lake Superior & Ishpeming	2,669	3,180	2,638	91	50
Minneapolis & St. Louis	1,966	2,371	1,728	2,679	2,546
Minn., St. Paul & S. S. M.	7,480	7,447	7,178	3,489	3,460
Northern Pacific	11,868	11,014	11,097	6,805	6,345
Spokane International	325	189	175	590	641
Spokane, Portland & Seattle	2,725	2,893	2,633	4,484	3,729
Total	133,171	134,947	132,439	72,810	70,517

Central Western District—					
	1945	1944	1943	1945	1944
Atch., Top. & Santa Fe System	30,851	29,657	26,704	14,815	12,347
Alton	3,569	3,693	2,665	4,121	4,112
Bingham & Garfield	494	415	506	83	83
Chicago, Burlington & Quincy	19,391	18,629	16,661	13,688	12,341
Chicago & Illinois Midland	3,168	3,142	1,289	909	738
Chicago, Rock Island & Pacific	13,865	14,799	12,896	14,963	12,881
Chicago & Eastern Illinois	2,844	2,790	1,886	5,234	6,874
Colorado & Southern	607	573	662	2,939	2,524
Denver & Rio Grande Western	3,429	3,668	2,510	8,338	6,188
Denver & Salt Lake	469	730	334	44	33
Fort Worth & Denver City	1,494	1,523	1,226	2,053	1,795
Illinois Terminal	2,299	2,375	1,829	2,004	1,971
Missouri-Illinois	1,176	933	1,052	616	543
Nevada Northern	1,458	1,833	2,004	98	112
North Western Pacific	869	897	1,021	737	752
Peoria & Pekin Union	0	1	0	0	0
Southern Pacific (Pacific)	35,862	35,005	33,137	15,739	14,383
Toledo, Peoria & Western	403	293	295	2,357	2,298
Union Pacific System	16,044	15,284	13,277	21,320	18,341
Utah	585	528	97	2	2
Western Pacific	2,028	2,300	2,451	5,076	4,200
Total	140,922	139,068	122,502	114,776	102,539

Southwestern District—					
	1945	1944	1943	1945	1944
Burlington-Rock Island	403	574	1,285	946	493
Gulf Coast Lines	4,965	5,001	5,676	2,334	2,508
International-Great Northern	3,181	3,611	2,136	3,945	3,278
Kansas, Oklahoma & Gulf	300	260	251	1,164	1,030
Kansas City Southern	5,305	5,956	5,701	3,265	2,512
Louisiana & Arkansas	3,604	3,888	4,053	2,894	2,934
Litchfield & Madison	318	315	273	1,629	1,029
Midland Valley	673	691	472	453	399
Missouri & Arkansas	141	141	155	454	386
Missouri-Kansas-Texas Lines	6,684	7,620	5,985	5,290	6,218
Missouri Pacific	17,101	16,631	16,005	19,644	19,051
Quanaah Acme & Pacific	191	184	297	397	340
St. Louis-San Francisco	10,559	10,090	7,477	8,887	8,857
St. Louis Southwestern	3,689	3,186	2,783	6,658	7,567
Texas & New Orleans	9,968	12,730	13,646	5,645	5,310
Texas & Pacific	5,758	4,743	4,867	8,604	8,542
Wichita Falls & Southern	183	111	88	81	36
Weatherford M. W. & N. W.	38	34	22	21	26
Total	73,061	75,766	71,172	72,311	70,516

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

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

Items About Banks, Trust Companies

Following a meeting of the Board of Directors of the Bank of the Manhattan Company on June 23 F. Abbot Goodhue, President, announced the promotion of Jesse Harvey Assistant Treasurer to Assistant Vice President and the appointment as Assistant Treasurer of Philip Esper and George Heinrichs. Mr. Harvey is manager of the Bank's office at Park Avenue & 32nd Street. Mr. Esper is the manager of the Queens Village office and Mr. Heinrichs manager of the Woodhaven office.

J. Stewart Baker, Chairman of the Board of Directors of Bank of the Manhattan Company announced that at its meeting on June 23 the Board directed that as of June 30, 1945 the Surplus account of the Bank be increased by \$10,000,000. The increase in Surplus account from \$20,000,000 to \$30,000,000 will be effected by taking \$10,000,000 from Undivided Profits, which will be first increased by adding thereto, among other items, approximately \$3,000,000 from General Reserve against United States Government Obligations and approximately \$2,000,000 from Reserve for Contingencies.

Closed since the Japanese occupation, the Manila branch of The National City Bank of New York was reopened for business on June 28. The National City is the only American bank operating in the Philippines. The branch building on the Calle Juan Luna was one of the most modern in Manila. For three weeks after the entry of General MacArthur's troops this spring, the 37th Division fought a front line battle across the Pasig River for the Bank. The six story building is in downtown Manila directly opposite Letran College on the other side of the Pasig River where the enemy holed in during the siege. A corps of National City officials and employees went to Manila from New York several weeks ago to rush preparations for the reopening. The Manila branch of The National City Bank of New York was established in 1902 and today it is the 40th link in National City's overseas organization. Complete banking facilities will be placed at the disposal of the public in that area.

Bank of the Manhattan Co., reported as of June 30, 1945 total deposits of \$1,147,896,675 and total assets of \$1,213,922,069 compared respectively with \$1,072,419,495 and \$1,137,014,908 as of March 31, 1945. Cash on hand and due from Banks amounted to \$208,389,681 against \$241,276,558; holdings of United States Government obligations \$553,899,187 against \$550,298,549. Loans and Discounts increased to \$394,740,326 from \$292,019,726. Capital remained at \$20,000,000. Surplus increased to \$30,000,000 from \$20,000,000 and Undivided Profits after reserve of \$500,000 for quarterly dividend and the transfer of \$10,000,000 to Surplus is \$8,907,063 at the end of June.

Manufacturers Trust Co. of New York announces that Nelson B. Phillips, formerly an Assistant Vice-President of the bank, has been made a Vice-President and that Raymond C. Deering, formerly Assistant Comptroller, has been made Deputy Comptroller. Mr. Phillips was born in San Luis Obispo, Calif., and started his banking career with the Garden City Bank and Trust Co., San Jose, Calif., later moving to San Francisco. He was elected Cashier of the United States National Bank, San Francisco, and spent several years in commercial paper. Mr. Phillips opened offices for Bond & Goodwin in Seattle and Portland and later for Goldman Sachs in Seattle. In 1922 he joined Dodge Brothers in Detroit as assistant to executives, coming to

New York in 1927 when he joined Manufacturers Trust Co. He was later elected an Assistant Vice-President in charge of the bank's office at 149 Broadway. He moved to the main office on November 1, 1944, and is in the Out-of-Town Business Development Department.

Mr. Deering was born and educated in New York City. In 1919 he joined the Columbia Bank which was subsequently merged with Manufacturers Trust Co. He became an Assistant Secretary of the latter organization in 1929, and in 1932 he was appointed Assistant Comptroller. In this capacity, Mr. Deering was in charge of the formulation, installation and management of all operational functions of the bank's branch offices. In his new capacity as Deputy Comptroller, Mr. Deering will be a member of the administrative staff of the bank. Mr. Deering is a past president of the New York City Bank Comptrollers and Auditors' Conference and currently a member of its Executive Committee. He is at present Chairman of the Bank Management Conference of the New York Clearing House, a member of the Board of Governors of the New York Chapter, American Institute of Banking and a member of the Committee on Bank Management and Research of the New York State Bankers Association.

The Central Hanover Bank and Trust Co. of New York in its statement of condition as of June 30, 1945 reported total assets of \$2,022,744,833 and total deposits of \$1,896,738,598; this compares with the figures as of March 31 of \$1,830,080,812 and \$1,707,403,657 respectively. United States Government securities amounted to \$1,167,208,930 at the end of the first half of 1945 compared with \$1,085,504,863 three months ago. Loans and bills purchased on June 31 are shown to be \$466,803,621 against \$335,554,355 in March. Capital and surplus remained unchanged at \$21,000,000 and \$60,000,000 respectively while undivided profits have risen from \$29,736,185 at the end of March to \$30,261,955 in the latest report.

Fulton Trust Co. of New York reports total deposits of \$43,820,930 and total assets of \$49,336,951 in its statement of June 30, 1945, as compared with deposits of \$38,553,578 and total assets of \$44,011,815 on March 31, 1945. Cash, U. S. Government securities and demand loans secured by collateral amounted to \$45,845,805, as compared with \$40,530,551 on March 31. Capital and surplus showed no change in total at \$4,000,000 but undivided profits increased to \$1,183,248 after dividend payable July 2, 1945, as against \$1,139,035 shown on March 31, 1945.

At a meeting of the Board of Directors of Sterling National Bank & Trust Company of New York held on June 28 the bank's surplus was increased \$250,000, making the bank's surplus \$3,500,000 and total capital and surplus \$5,000,000.

Arthur S. Kleeman, President of the Colonial Trust Co. of New York announced on June 27 the appointment of Christopher F. Meyer as Assistant Secretary and Assistant Treasurer. Mr. Meyer has been with the bank since 1942 as manager of the Tax Department, during which time he spent six months in the Army. Before becoming associated with Colonial, Mr. Meyer for many years was chief accountant in an advertising firm. He is a graduate of New York University.

Guaranty Safe Deposit Co. of New York announces the appoint-

ment of Thomas G. Dunne as an Assistant Treasurer.

James J. O'Shaughnessy identified with The Bowery Savings Bank of New York and former New York State Bank Examiner died on June 26 at the age of 73. Mr. O'Shaughnessy was assistant to the Vice President in charge of the mortgage and real estate department of The Bowery Savings.

Charles F. Park Jr., Vice President of the Marine Midland Trust Co. of New York died on June 29 at the age of 64 years. Before Mr. Park joined the Marine Midland he was affiliated with the firm of Hitt, Farwell & Park.

Victor Holden, President of the Buffalo Industrial Bank of Buffalo, N. Y. announced on June 27 the election of R. J. Schutz as a director of the bank. Mr. Schutz is comptroller of the Kleinhans Co. of Buffalo.

Indicating that it is the sense of the board of directors of Webster & Atlas National Bank, of Boston, that at the July meeting they will declare a semi-annual dividend of 3%, or \$1.50 per share, to be paid July 31 to stock of record July 20, whereas for some time past the regular semi-annual dividend has been \$1 per share, the Boston "News Bureau" of June 28 added:

In line with this intention, directors have voted to transfer as of the close of business June 30, 1945, \$30,000 from undivided profits to an account "reserve for dividend payable when and if declared."

Charles E. Ebert, President of the Philadelphia Transportation Co., has been elected a director of Land Title Bank and Trust Co. of Philadelphia.

A 3% extra dividend along with a regular 2% return was declared by directors of Merchants National Bank and Trust Co. of Meadville, Pa. on June 27, at the same time that Meadville's two other banks announced plans for payment of regular dollar-per-share dividends to their stockholders. The "Tribune Republican" of Meadville, reporting this also had the following to say:

Action of the Merchants Bank board at a meeting yesterday morning brings to 8% the total 1945 dividend for their shareholders. A previous regular 2% dividend went out January 2.

Vice-President and Cashier John D. Bainer of the Merchants National said that the bank has recently transferred \$50,000 from its undivided profits to its surplus account, thus increasing the surplus account to \$300,000 or twice the amount of its capital stock. The oldest Crawford County banking institution now in existence, the Merchants bank has, in addition, built up its undivided profits to more than \$96,000 and reduced the carrying value of the banking house to \$55,600, their announcement added.

Secretary Max Nichols of the Crawford County Trust Co. said that the regular dollar-per-share dividends will be paid to Trust Co. stockholders July 1.

Vice-President and Cashier C. J. Miller of the First National Bank reported that the 1% or dollar-per-share dividends were mailed out to stockholders yesterday.

The First National Bank of Erie, Pa. recently announced the opening of two new branch offices. These offices are to be located in Lawrence Park and Westleyville Pa. In 1852 the bank was established as a private concern and was known as M. Sanford and Co. On July 1, 1863 the First National Bank of Erie, as successors to M. Sanford and Co. opened its doors for business under one of

the first twelve National Charters granted by the Federal Government.

The Calvert Bank of Baltimore, Md. according to the Baltimore "Sun" of June 20, announced that it paid off during the month the balance of capital debentures held by the Reconstruction Finance Corporation and increased its surplus account by \$100,000. The bank's capital account is now \$400,000 and its surplus account \$800,000.

It is added that the board also declared the regular semi-annual dividend of 5%, or \$2.50 a share on the capital stock, payable June 30 to stockholders of record June 27.

George A. Malcolm, vice-president and cashier of the Drovers National Bank, has been elected President of that institution and of the Drovers Trust & Savings Bank, succeeding in both positions the late William C. Cummings. In indicating this the Chicago "Sun" said:

Frederick N. Mercer, Vice-President of both institutions, and Dale E. Chamberlain, Vice-President of the national bank, were appointed senior Vice-Presidents of the two banks, and Murray M. Ostott, Vice-President and Cashier of the Drovers Trust, was elected a director of Drovers National.

Tilden Cummings, son of the late William C. Cummings and co-executor and co-trustee of his estate, was named Chairman of the Advisory Committee of both banks. Charles Aaron, co-executor and co-trustee of the Cummings estate, will continue as a director of the two banks.

Frank M. Covert and Robert Lough were appointed Assistant Vice-Presidents of the Drovers National and Leo R. Gruber was named cashier. Leslie G. Sharp and Drophmer J. Korists were made Assistant Cashiers. Harold E. Smith was appointed Assistant Cashier of the Drovers Trust.

The election of Goodwin A. Anderson as a Vice President of the Home Savings Bank of Milwaukee, Wisc. was announced recently by Fred Froede, President of the bank. It is also announced that the directors advanced Leonard A. Meyer to the post of Cashier and named Allen Ciesemier as Assistant Cashier.

The Milwaukee "Journal" reporting this also said:

Mr. Anderson has been engaged in banking here for over 30 years. For more than 15 years he was with the old Second Ward Savings Bank, and later with the Badger State Bank. He has been in the personal loan and mortgage loan department of the First Wisconsin and was manager of the war bond department.

Mr. Meyer has been a member of the staff of the Home Savings Bank for more than 25 years. He was formerly assistant cashier. Mr. Ciesemier has served with the bank since 1924. He was a paying teller until his advancement.

At a meeting of directors of the First National Bank of Minneapolis June 29, Lyman E. Wakefield, President of the bank since July 30, 1926, was named Chairman of the Board of Directors and Henry E. Atwood of Minneapolis was elected President. These official changes are the result of plans which have been under discussion for some time in anticipation of Mr. Wakefield's reaching the age of 65 within a few days. In his new position as Chairman of the Board Mr. Wakefield will continue to be an active officer of the bank. No stranger to the First National organization, Mr. Atwood resigned as Vice-President of the bank in January 1936 to become Vice-President and a director of the B. F. Nelson Manufacturing Co. of Minneapolis, manufacturers of asphalt roofing, insulation and boxes. Since April 1943 he has been a

director of the bank and has served on its Trust Committee. He will assume his new executive duties at the bank after a brief holiday and will continue as a director of the B. F. Nelson Manufacturing Co.

During Mr. Wakefield's 19 years as President, capital funds of the First National have increased from \$10,950,000 to \$18,025,000. Dividends have been paid consistently during the entire period. Deposits of the bank have increased from \$91,000,000 to more than \$335,000,000 at the present time. Mr. Wakefield has been a director of the Reserve City Bankers Association and was its President in 1934-35. From 1941 to 1944 he served as a member of the Federal Advisory Council of the Governors of the Federal Reserve Board.

A native of Keeseville, N. Y. Mr. Atwood graduated from Dartmouth College in 1913 and took a master's degree at Harvard in 1914. In 1917 he left the faculty of the University of Minnesota to enter military service as an officer of the Tenth U. S. Cavalry. Completing his service in World War I with the rank of captain, he returned to Minneapolis and entered the investment business. In 1924 he joined the staff of Minneapolis Trust Co., former First National affiliate, became its bond officer and later served as Vice-President of First Securities Corporation, investment affiliate of First Bank Stock Corporation. Following the merger of the bank and the trust company in 1933, he served as Vice-President of First National Bank until his resignation to enter the manufacturing business. He is a director of Northwestern Fire & Marine Insurance Co. and has been active on the Public Relations and Planning Committees of the Asphalt Roofing Industry. In 1935 he served as chairman of the Minneapolis Community Fund campaign and is currently a director of the Hennepin County War Chest. He is also a director of the Minneapolis Civic & Commerce Association. During the early years of World War II, Mr. Atwood headed the Minneapolis Civilian Defense Council. He is a member of the Hennepin County and Minnesota War Finance Committees, of the Minneapolis Committee for Economic Development and the Minnesota Salvage for Victory Committee.

Shirley S. Ford, President and director of the Northwestern National Bank of Minneapolis, Minn. died on June 25; he was 58 years of age. The Minneapolis "Journal" stated in part:

He (Mr. Ford) stated his banking career in 1909 as bookkeeper in the Great Falls (Mont.) National bank.

He became President and director of the Northwestern National bank in 1939 after having served since 1934 as Vice President of Northwest Bancorporation, principal shareholder of the Northwestern bank.

At the time of his death, Mr. Ford also was director of Reserve City Bankers, a national organization of city bankers, director of General Mills, Inc., the Minnesota Ontario Paper Co., the Federal Reserve Bank of Minneapolis and the Bancorporation, and a trustee of Equitable Life Insurance Co. of Iowa.

David T. Beals, President of the Inter-State National Bank, of Kansas City, Mo., on June 23 announced the election of R. H. Thomas as Vice President of the bank, effective July 1. Mr. Thomas was formerly Assistant Vice President of the Union National Bank. The Kansas City "Star" states that his first post was with the Farmers State Bank of Highland, Kan., after which he was an examiner for the Kansas State Banking Department. In 1932 he was appointed assistant manager of the RFC in Kansas City.