

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4402

New York, N. Y., Thursday, July 12, 1945

Price 60 Cents a Copy

The Financial Situation

There is something both typical and disturbing in the current stampede by virtually all members of the Senate to make a record of support for the so-called San Francisco Charter. Relatively few for a good while past have had the courage to speak their real minds about all this business. Far too successful have the so-called internationalists been in making it appear that to oppose anything that was done at San Francisco would be the equivalent of being exceedingly callous about the prospect of another world war. Somehow, they have succeeded in labeling what was done in that California City as "the only road" to a "lasting peace." The situation is the climax of a long campaign conducted with the utmost skill in making the greatest possible use of a long list of world catastrophes.

By No Means Alone

But this is a phenomenon which by no means stands alone. On the contrary it is a fitting part and parcel of the trend of the day's events and the day's management of world affairs. We think it highly unfortunate that so much pure buncombe has been preached so often about what was done at San Francisco—and doubly unfortunate that so many of the people of this country have grown to take so much of this balderdash as gospel truth. It appears to us to be quite certain that the so-called Charter can not possibly hope with any show of reason to accomplish a tithe of what many now expect of it. Indeed the American people will be fortunate if it does not in the end simply add to their burdens, their hazards and unhappiness. We can not doubt that an era of dreadful disillusionment will presently follow. All this is of course to be deeply regretted.

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Pledges Support of ABA to Bretton Woods if Enacted

W. Randolph Burgess Praises Senate Amendments, but Regrets That It Did Not Adopt House Provisions Safeguarding Use of Fund. Says Position Taken by ABA Was Consistent With Its Policy of Advocating Principles of the Bretton Woods Program, but Seeking to Safeguard It Against Possible Abuse.

W. Randolph Burgess, President of the American Bankers Association, issued a statement on July 6, after the Senate Committee on Banking and Currency had voted favorably on the Bretton Woods proposals with several additional provisions, pledging full "cooperation and support to the measure, but expressing regret that the Committee did not adopt recommendations made by the ABA" with respect to assuring the short-term use of the Fund, as was provided in the bill already passed by the House of Representatives.



W. R. Burgess

the Fund from using its resources for armament is obviously desirable. An international fund should not be available for that purpose. Furthermore, such an amendment strengthens the responsibility of the Fund for determining the use of its resources rather than having this use semi-automatic.

"The provision stating the policy of the United States as to the relationship between Bretton Woods and other elements of a sound international economic program will be helpful in preparing the way, both here and abroad, for other steps which must be taken, especially in dealing with trade practices, if Bretton Woods is to be effective.

"The omission of Section 6, which specified the gold value of the dollar to be communicated to the Fund by the United States' representative will make no difference in the action to be taken, because the present gold value is the only one which can be communicated without action by Congress. This section, however, had the virtue of specifically stating the policy of Congress with respect to the gold value of the dol-

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Explains Success of War Loan Drives

John J. Rowe, President of Fifth Third Union Trust Co. of Cincinnati, Holds Different Kinds and Maturities of Government Bonds Has Created a Better and Wider Market and That "E" Bonds Are Being Retained by Purchasers.



John J. Rowe

John J. Rowe, President of the Fifth Third Union Trust Company of Cincinnati, offers the following interesting and instructive observations on the War Financing and the War Loan drives up to the present: The very large oversubscription to the 7th War Loan Drive, on top of the great success of the earlier six Drives, leads to the following observations as we turn our thinking to the 8th Drive to come.

Obviously, there are two objectives in the policy for periodic War Loan Drives:

1. To finance the war.
2. To encourage thrift, during a period of extraordinarily high employment, so that when we return to peace, the American public will have a backlog of accumulated savings for their personal protection, and obviously, have accumulated buying power, and an increased feeling of safety if they then spend more of their annual income than they did during this war period of overtime.

The American people have undertaken, and are accomplishing the GREATEST EXPERIMENT IN THRIFT EVER KNOWN TO MAN. A few figures, which are quite rough, demonstrate this:

1. The total amount of "E" bonds outstanding, and held personally by the American public, limited to an annual direct purchase per person of \$3,750 issue

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Vinson Reports on Economic Stabilization

Director of War Mobilization and Reconversion in Third Report Urges Continuance of Price, Wage and Rationing Controls, Holding That Inflation Will Be a Continuing Threat. Says Lifting of Control by One Agency Should Not Pull Props Out of Another.

In the third Report to the President and to Congress dated July 1 and entitled "The Road to Tokyo and Beyond," Fred M. Vinson as



Fred M. Vinson

Director of War Mobilization and Reconversion, who was recently appointed to succeed Henry Morgenthau, Jr., as Secretary of the Treasury, discussed the problems of economic stabilization as related to price, wage and rationing controls and the threat of monetary inflation.

Noting that "in the last three months, inventories of civilian goods in the hands of manufacturers, wholesalers, retailers, and consumers, themselves, have generally declined, and the housewife has been having an increasingly difficult time finding what she wants in the stores," it states that "the Office of Economic Stabilization emphasizes that the best antidote for inflation is increased civilian supplies. We are pushing production of scarce items for civilians as hard as is consistent with the maintenance of war pro-

duction. However, no near-term shift in the supply-demand position is to be looked for."

The report then reviews the supply situation of civilian goods as follows:

Textiles

Military requirements for textiles in the months immediately ahead are greater than for a two-front war, partly because tropical environments are hard on clothing, partly because of the need for multiple supplies for men who move back and forth between the tropics and colder climates, partly because of the long pipe lines across the Pacific. At the same time, production of textiles has gone down. One reason has been the shift from civilian-type to the slower-woven, more durable, military-type fabrics: The principal reason, however, has been the inability of textile plants to obtain manpower.

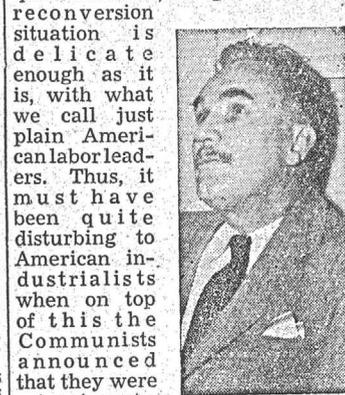
Recently the War Labor Board ordered an increase in the rate of pay in some textile plants and the new scale has been spreading throughout the industry as manufacturers seek to attract workers. But some manufacturers at this point are unwilling to boost wages without a compensating rise in price ceilings. The price-wage

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From Washington Ahead of the News

By CARLISLE BARGERON

Your correspondent has just completed a rather exhaustive investigation of what the Communists intend to do, now that they have renounced their policy of cooperation. Your correspondent did this, not with any view of red baiting, but with a realization that the Communists do constitute a group of agitators in our midst and can be quite effective, for good or bad, in our reconversion program. Our



Carlisle Bargeron

reconversion situation is delicate enough as it is, with what we call just plain American labor leaders. Thus, it must have been quite disturbing to American industrialists when on top of this the Communists announced that they were returning to their "revolutionary" activities. The question arises as to just what they meant by that, and how much additional disturbance can he cap upon a situation already loaded with dynamite.

Our pursuit of the Communist story was one of the most amusing experiences we have ever had in our life. The Communists

are tremendously flattered that their announced change of policy would be attracting so much attention. They are tremendously eager to talk about it with a newspaperman. They would give anything if we were to now become excited about them.

There seems not the slightest doubt that when Earl Browder announced the dissolution of the Communist Party a little more than a year ago, and the cooperation with American capitalism, that he acted upon orders from Moscow and he similarly acted a few weeks ago when he switched back. To know just what the Communist party is in this country is essential to an industrialist planning his post-war structure. The party is about 60,000 earnest, reasonably able agitators working for Stalin. Communism has ceased to be an ideology or a political faith. It is an amazing thing, but a fact is that the Communist party in this country is nothing in the world but a list of agents

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An "Ideology"!

"I am frequently asked whether this country can regain its old financial and industrial leadership. Well, I am full of quiet confidence. It is true that our national debt is likely to be about three times as much as it was at the end of the last war. It is true also that part consists of obligations to overseas countries of an important amount. All that is a heavy burden. But the productive capacity of the country and therefore the national income have also very substantially increased since the end of the last war. Recovery will not be easy: it will require much effort, much restraint, and, to use historic words of our great Prime Minister, much 'toil and sweat' to make full use of our productive capacity. However great the effort, it will have its compensations, for,



Lord Catto

if guided aright, it will assist that full employment policy to which the Government is committed, and with which we are all in such ardent sympathy.

"But, My Lord Mayor, recovery will need something more; it will need a resurgence of that individual initiative, that resourcefulness, and that spirit of adventure which, in war and in peace, have ever, of old, contributed to our country's prosperity and to its greatness. In that respect the City of London must give a lead and play a major part. I do not need to tell you that her position in world commerce and in finance is unique—and I would ask you to note, I say 'is' not 'was.'—Lord Catto, Governor of the Bank of England to the bankers and merchants of London.

This is the spirit, the "ideology" if you will, which made Britain great. It is likewise that which made the United States great.

The future greatness of both depends upon its survival.

Morgenthau Resigns as Treasury Head— Vinson Slated as Successor—Latter's Tax Views

The White House announced on July 5 that Henry Morgenthau, Jr. had sent to President Truman his formal resignation as Secretary of the Treasury and that the President had accepted it in a letter praising Mr. Morgenthau's service to the nation and expressing regret at his decision to resign, according to Associated Press reports from Washington on that date. The resignation is not to become effective until President Truman returns from the forthcoming Big-Three conference, expected in the next three weeks.

Mr. Morgenthau has held the Treasury post for over 11 years. From the United Press, Washington advices July 5 we quote:

Mr. Truman, accepting the resignation, thanked Morgenthau for his services. Terming Morgenthau's resignation "a distinct loss" to the government, he reviewed his federal services which began in 1933 when President Roosevelt brought him to Washington from Dutchess county, New York, to take over the Federal Farm Board.

The President praised Morgenthau's tax programs and particularly his work in the war bond program which the chief executive described as "a great achievement" deserving the thanks of the nation.

At a press conference held shortly after the President announced the resignation, Secretary Morgenthau said that he had "no plans other than to take a rest."

A White House announcement on July 6, made through an Assistant Press Secretary, stated that President Truman has indicated that he will nominate Fred M. Vinson as the new Secretary of the Treasury on his return from the forthcoming conference. Mr. Vinson, said the Associated Press, is familiar with taxes and is known as a tax authority. From these press advices we quote:

For years as Chairman of the Tax Sub-committee of the House Ways and Means Committee, ne

whipped together tax bills and led the fight to put them into law.

He served fourteen years in the House, in most cases battling down the line for President Roosevelt's ideas.

In 1938 he was appointed by Mr. Roosevelt as an Associate Justice of the United States Court of Appeals for the District of Columbia. He served for five years, then was drafted into the executive branch in the mammoth assignment of holding the line against rising prices. As Director of Economic Stabilization Mr. Vinson built a reputation for resisting pressures.

Interesting to those who want to know the shape of taxes to come is the fact that Mr. Vinson has been outspoken against any reductions in tax rates until the end of the Japanese war. In this he and Mr. Truman thoroughly agreed.

From Associated Press accounts from Washington July 7 we quote:

His (Mr. Vinson's) views on post-war taxes are contained in his report as Director of War Mobilization and Reconversion, issued a week ago today.

He declared that Government revenue needs after the war would be three times what they had ever been in peacetime.

He set down these principles as a guide in constructing the post-war tax program:

1. Taxes should be levied in such a way that they have the least harmful effect on the expansion of business investment and the creation of jobs.

Bank Officers Receive Diplomas From School

One hundred twelve bank officers from 23 states were graduated at New Brunswick, N. J. on June 29 at the 9th annual commencement of The Graduate School of Banking, conducted by Rutgers University and the American Bankers Association. Richard W. Hill, registrar of the graduate school from its inception in 1935 until 1944, delivered the commencement address at the exercises held in the Elizabeth Rodman Voorhees Chapel. A. L. M. Wiggins, immediate past President of the ABA, acted for Raymond N. Ball, President of the Board of Regents, in awarding the diplomas. Mr. Ball, President of the Lincoln-Alliance Bank & Trust Co., Rochester, N. Y. was prevented from officiating because of the sudden death of an officer of his bank. One diploma was awarded in absentia to J. Frederick Donald, Assistant Cashier of the First National Bank, Houlton, Maine, who had completed his studies before being inducted into the Armed Services.

During the ceremonies marking the graduation, Hermann G. Diekelmann, Cashier of the Horicon State Bank, Horicon, Wis., became the first recipient of the Richard W. Hill award. Mr. Diekelmann is the senior member of the class and was thus the first graduate to receive the citation. The honor was created last year by the Board of Regents to be awarded annually to the oldest member of the graduating class and was named for Mr. Hill who was first registrar of the school.

The Class of 1945 is one of the smallest graduating classes in the history of the school and reflects the impact of wartime conditions upon organized banking and its educational activities. Many of the bank officers who enrolled as members of the class two years ago are now in the armed services of the nation.

Berford Brittain Jr. of the Continental Illinois National Bank & Trust Co., Chicago, Ill., is the permanent class President and Carl W. Trempf of the First National Bank of Boston, Boston, Mass., is the permanent class secretary of the Class of 1945.

The two weeks' summer resident session of The Graduate School of Banking, closed on June 30, completing the 11th year of the school's life. The graduate school opened in 1935 and in its first 10 years 1,255 bankers have been graduated from its courses.

The men begin their studies with a resident session of two weeks at Rutgers University, and after a year of extension study of problems at home they return for a second two weeks on the Rutgers campus. After another year of intensive extension study they again come to Rutgers for a final two weeks of resident study. If, in addition to the completion of this study work they write an acceptable and original thesis on a subject in the banking or allied economic fields, they are graduated at the end of their third two weeks' session at the University.

The graduate school meets the need of bank officers for advanced study in subjects related to bank operations and service, and provides for mature bankers, courses presenting current information on national and international affairs.

2. They should be levied in such a way as to have the least harmful effect on the maintenance of mass markets and mass purchasing power.

3. Taxes must be fair among people.

4. Tax policy should be integrated with a fiscal policy designed to prevent inflation and deflation.

The State of Trade

In Congress last Friday the House of Representatives took the initial step in an effort to assist industry in its reconversion process by voting 246 to 91 for legislation aimed to improve the cash position of business. The extent of relief that is expected to accrue to industry during the reconversion period from its onerous tax burdens is placed at \$5,500,000,000. The House, however, in favoring the measure, rejected a proposal to reduce excess profits taxes by \$235,000,000 in 1945 through the medium of a retroactive increase in the exemption under this levy by a vote of 120 to 95. The increased exemption will go into effect in January, 1946.

The results thus far achieved in business' behalf were not attained without a struggle since antagonism existed in sufficient degree to prolong discussion on it, and cause its opponents to charge that it "cuts a melon" of millions of dollars for some railroads and "benefits those who made excess profits out of the war."

To this argument, the bill's advocates countered with the statement that the five-point tax revision is essential to hasten reconversion, especially for small business and in the interest of spreading employment, adding that it makes very little change in ultimate tax liabilities of corporations. The measure involves no change in individual or corporate income tax burdens and specifically provides:

1. Increase in the excess profits tax specific exemption from \$10,000 to \$25,000, effective beginning with the 1946 tax year. Tax experts estimated this would reduce excess profits obligations by \$160,000,000 in 1946.

2. That the post-war credit of 10% of the 95% excess profits tax be taken currently with respect to the tax liability of 1944 and subsequent years, reducing tax payments in 1945 or 1944 liabilities by about \$830,000,000 and in 1946 with respect to 1945 liabilities by about \$710,000,000.

3. Advance to Jan. 1, 1946, the maturity date of outstanding excess profits tax post-war refund bonds, hastening the availability of \$1,300,000,000 that otherwise would be paid from two to four years after the end of the war.

4. Speed up refunds resulting from carrybacks of net operating losses and of unused excess profits credits. Under present law these refunds, amounting to \$1,000,000,000 would be paid over an indefinite period from 1947 to 1950.

5. Hasten refunds resulting from the recomputation of deductions for amortization of emergency facilities, affecting perhaps \$1,700,000,000 otherwise to be refunded over an indefinite period.

Major interest and debate on the legislation centered on the proposal to make the excess profits exemption increase retroactive, and a provision that would permit a reorganized railroad, operating under a new charter, to retain the tax base which its preceding corporation had.

In supporting the railroad provision, Representative Carlson (Rep., Kan.), said it removes discrimination as between States and declared:

"The provision gives the railroads that reorganize the same advantages in every State that they now have only in a very few States where they must reorganize under a new charter."

Steel Industry—Indications the past week were that the delivery situation would be considerably improved, especially for civilian manufacturers, some time in the latter part of this quarter, according to "The Iron Age" in its current summary of the steel trade.

Lighter advance buying, more cancellations and some easement in inventory pressure, brought available delivery dates on most steel products last week 30 to 60 days closer than openings quoted about a month ago.

Beginning with last week, non-rated orders may now be shipped barring their interference with war business. Order books, how-

ever, are still heavily loaded with rated orders having first call on available supplies, but notwithstanding this, some unrated tonnage has found acceptance.

Terrific pressure from non-rated customers on steel mills to take tonnage and promise deliveries has developed in recent weeks, presenting more of a problem to steel companies than was at first evident. From a competitive standpoint most steel firms, states "The Iron Age," will want to take as much non-rated business as possible, as well as make the best delivery promises in order to maintain a good post-war customer relationship. Steel companies, however, except in a few instances, have not been able to help their customers' plans by furnishing firm delivery promises.

One factor noted especially the past week was the reported duplication in non-rated steel bookings. This practice of placing the same order with several steel companies, states the trade magazine, is gaining momentum and will tend further to confuse the order book picture. The procedure indulged in by consumers is with the hope of gaining an earlier delivery, and the steel mills, it appears, are unable to check the practice.

The WPB's quandary over the failure of sheet offerings to materialize as a result of fabricated product cancellations may have occasioned the request to sheet producers to tabulate and report all third quarter sheet orders of consequence on the books with customers' names, the magazine notes. The receipt of this information will be followed, it is believed, by a check with consumers, as to the possibility of additional sheet cancellations. It is reported that some major steel users already have been contacted.

From a delivery standpoint, trade publication notes that coated sheet products are becoming easier. Heavier tinplate directives are making rapid progress in dissolving extended schedules and deliveries for the first time are showing marked improvement. Some promises are being made for November as compared to January deliveries quoted a month ago. Galvanized sheets, too, for many months one of the longest delivery items in the book, also show promise of becoming easier.

Shell container and storage case program cutbacks announced this week by the Army, promise little early sheet relief. The cut in monthly schedules to become effective in July and August, will lower the level of sheet requirements somewhat, but the effect on mill books will be delayed and continued requirements, though lower, will still be quite heavy in the future.

Relaxation of railroad carbuilding schedules has been made by WPB to permit builders to arrange their own schedules to suit operating conditions. This, however, will not affect cars already scheduled.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 89.0% of capacity for the week beginning July 9, compared with 88.1% one week ago. This week's operating rate represents an increase of 0.9 points from last week's rate and is equivalent to 1,630,200 net tons of steel ingots and castings, compared to 1,613,700 net tons last week and 1,714,300 tons one year ago.

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OPA Extended Another Year; Truman Signs Bill Pass Bill to Ease Corporation Taxes

Final Congressional action on legislation to extend stabilization and price controls for another year was taken June 30, a few hours before the existing act would have expired. By a vote of 255 to 94, the House approved a compromise bill, which the Senate had already accepted, which was substantially what the Administration had been seeking, a renewal of the legislation without weakening amendments. A special dispatch to the New York "Times", from Washington, on that day, stated that aside from continuing price control for another year, the measure carried these material additions:

A modified amendment by Representative Andresen, Republican, of Minnesota, requiring OPA to obtain the prior approval of the new Secretary of Agriculture, Clinton P. Anderson, in setting food prices applying to processors, but not extending his control down to the retail stores.

A non-controversial amendment by Representative Patman, Democrat, of Texas, lifting all slaughtering limitations on every plant found by the Secretary to be sanitary, regardless of whether it had been operating under the old type of Federal inspection.

Another more or less agreed amendment, submitted in the Senate by Senator Barkley of Kentucky, the majority leader, and in the House by Representative Bates, Republican, of Massachusetts, directing the Administration to seek to guarantee to the processing industry as a group a margin of profit on each major species of livestock, that is, cattle, hogs and sheep.

A section establishing rent advisory councils.

Representative Andresen struggled to the end against the compromise bill, contending that his amendment had been vitiated and arguing that there was yet "ample time" to insist upon a new Senate-House conference.

Representative McCormack of Massachusetts, the Democratic leader of the House, cried out in reply:

"Unless this conference report is accepted today there will be no price control remaining on the law books. A vote against the conference report can justifiably be construed as a vote aiding inflation."

Representative Dirksen, Republican, of Illinois, whose amendment proposing to open OPA or-

ders to injunction suits in the Federal district courts had been rejected, also appealed to the House to refuse to accept the conference bill.

The considerable influence on the Republican side of Representative Wolcott was thrown against this view, Mr. Wolcott declaring that all legislation necessarily represented some compromise.

The bill to extend price controls, after passage, was flown by special plane to Kansas City for President Truman's signature. The President, however, brought it back to the White House with him and signed it there, declaring, according to the Associated Press from Washington on July 2, that stabilization controls will have to be extended into the postwar era. Said the President:

"Every one of us must refrain from making unnecessary purchase of scarce goods and every one of us must put as many of his dollars as possible into war bonds. In this way we can speed the day of victory and make sure that peace will bring a sound and lasting prosperity."

He declared that the renewal of the legislation without weakening amendments "gives the country reassurance that the fight against inflation will be carried on during the difficult year that lies ahead," and added:

"We shall have need for stabilization not only in fighting the war but in solving the problems of reconversion which we are already confronting."

The OPA receives an appropriation of \$174,500,000, according to the Associated Press, under a measure also pushed through at the year-end session.

(The limiting amendments which the House had sought to put through with the extension legislation and on which compromise had to be reached were given in the "Chronicle" June 28, page 2881.)

Corporation Taxes

The House passed and sent to the Senate on July 6 legislation designed to improve the cash position of corporations by speeding up payment of nearly \$5,500,000,000 of tax refunds during the next three years, the Associated Press reported on that date from Washington. Approval was by a vote of 246 to 91.

The bill would also increase exemption in excess profits taxes, effective January 1946. Efforts to make the increase retroactive for 1945 were defeated.

Approval of the bill, said the Associated Press, came after turbulent debate, in which opponents shouted that it "cuts a melon" of millions of dollars for some railroads and "benefits those who made excess profits out of the war."

Proponents argued that the five-point tax revision is needed to hasten reconversion, especially small business, and thereby aid employment. They said it makes very little change in ultimate tax liabilities of corporations.

No change is made in individual or corporation income tax burdens.

Specifically, according to the Associated Press, the five-point measure provides:

1. Increase in the excess profits tax specific exemption from \$10,000 to \$25,000, effective beginning with the 1946 tax year. Tax experts estimated this would reduce excess profits obligations by \$160,000,000 in 1946.

2. That the postwar credit of 10% of the 95% excess profits tax be taken currently with respect to the tax liability of 1944 and subsequent years, reducing tax payments in 1945 on 1944 liabilities by about \$830,000,000 and in 1946 with respect to 1945 liabilities by about \$710,000,000.

3. Advance to Jan. 1, 1946, the maturity date of outstanding excess profits tax postwar refund bonds, hastening the availability of \$1,300,000,000 that otherwise would be paid from two to four years after the end of the war.

4. Speed up refunds resulting from carrybacks of net operating losses and of unused excess profits credits. Under present law these refunds, amounting to \$1,000,000,000, would be paid over an indefinite period from 1947 to 1950.

5. Hasten refunds resulting from the recomputation of deductions for amortization of emergency facilities, affecting perhaps \$1,700,000,000 otherwise to be refunded over an indefinite period.

The big battles pivoted on the proposals of Representative Slaughter (Dem., Mo.) to make the excess profits exemption boost retroactive, and a provision that would let a reorganized railroad, operating under a new charter, retain the tax base which its preceding corporation had.

Chairman Sabath (Dem., Ill.) of the Rules Committee declared that under the railroad provision the Wabash Railroad would benefit by \$8,500,000, and Representative Eberharter (Dem., Pa.) said "those who get the benefits are those who bought the railroads in at one-half or one-third their value; the old stockholders get nothing."

But despite all the shouting those who wanted to do something about the railroad provision were blocked. By the rules under which the bill came to the floor only one amendment was allowed. Slaughter got that spot with his unsuccessful move to make retroactive the \$10,000 to \$25,000 increase in the excess profits tax exemption.

(An earlier report on Congressional action for tax relief was given in the "Chronicle" June 28, page 2892.)

U. S. and Britain Recognize New Polish Regime

The Polish Government of National Unity established at Warsaw has been accorded recognition by both the United States and Great Britain. The American Ambassador to Poland will proceed to Warsaw as soon as possible, it is announced. He is Arthur Bliss Lane, who has been our ambassador to the Polish Government at London since September, 1931, and President Truman has now appointed his Ambassador to the Warsaw Government.

The following is the formal statement of recognition by President Truman, as given by the United Press from Washington, July 5:

It is with great satisfaction that I announce that, effective today, as of 7 p.m., Eastern War Time, the Government of the United States has established diplomatic relations with the newly formed Polish Provisional Government of national unity now established at Warsaw. The establishment of this Government is an important and positive step in fulfilling the decisions regarding Poland reached at Yalta and signed on Feb. 11, 1945.

The new Polish Provisional Government of national unity has informed me in a written communication that it has recognized in their entirety the decisions of the Crimea Conference on the Polish question. The new Government has thereby confirmed its intention to carry out the provisions of the Crimea decision with respect to the holding of election.

Mr. Arthur Bliss Lane, whom I have chosen as United States Ambassador to Poland, will proceed to Warsaw as soon as possible, accompanied by his staff.

The British Foreign Office released the following announcement of its recognition of the new Polish Government, according to the United Press from London, July 6:

His Majesty's Government in the United Kingdom have received from the Prime Minister of the recently formed Polish Provisional Government of national unity in Warsaw a formal notification to the effect that a Government was established on

the 28th of June and that it has recognized in their entirety the decisions of the Crimea Conference on the Polish question.

The message requested the establishment of diplomatic relations with His Majesty's Government and the exchange of representatives with the rank of Ambassador.

His Majesty's Government welcome the establishment of the Polish Provisional Government of national unity as an important step towards fulfillment of the decisions regarding Poland embodied in the declaration on Poland issued by the Crimea Conference.

In full agreement with the United States Government, they have conveyed to Mr. Osobka-Morawski their recognition of the Polish Provisional Government of national unity and have informed him of their readiness to establish diplomatic relations with it.

In doing so, they have recalled that the Crimea decision on Poland include a provision that the Polish Provisional Government of National Unity shall be pledged to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and the secret ballot, in which all democratic and Anti-Nazi parties shall have the right to take part and to put forward candidates.

The appointment of a British Ambassador to Warsaw will be announced shortly. Pending his appointment, it is proposed to send to Warsaw as soon as possible the Hon. Robert Hankey as Charge d'Affairs ad interim.

(Establishment of the new Polish regime was reported in the "Chronicle" July 5, page 114.)

Exporters Hit British Trade Restrictions

At Discussion of International Trade Section of New York Board of Trade, They Complain of "Shut Outs" in the Sterling Area.

At the first meeting of the Forum on International Trade Problems, conducted by the International Trade Section of the New York Board of Trade, on June 20, several exporters complained of the restrictions on trading in countries comprised in the "sterling area," and it was stated by one member that Egyptian importers who have come to the United States to buy goods have been informed that if

it can be supplied with the same materials by the British, they could expect no aid from the American Government. It was inferred from these statements that there was apparently an agreement between the United States and British Governments that there should be an allotment of trading areas between the two nations. It was urged that steps be taken immediately to give United States exporters equal opportunity to sell in countries under the influence of British "blocked sterling" countries.

There were also complaints about the complex entry requirements for tourists and commercial travelers in the Latin American republics, not excepting the United States. These requirements, it was held, should be eliminated or modified, since they prove to be a great deterrent to trade and international friendship.

It was pointed out by several members that a uniform reciprocal agreement should be worked out which would simplify the existing regulations so as to permit a greater expansion of trade with Latin America.

The Forum members also favored the insertion of an arbitration clause in trade contracts and order forms such as the standard form suggested by the Inter-American Commercial Arbitration Commission.

The Second Monthly International Trade Forum will be held on Wednesday, July 19 (the third Wednesday of each month) at the headquarters of the New York Board of Trade, 291 Broadway, N. Y. Chairman, Hal F. Lee; Co-Chairman, Charles A. Richards, Vice - President, Interchemical Corp.

These Forums are a continuation of the Latin American Trade Forums initiated under Mr. Lee's direction in 1942, and are open, without charge, to all interested in the promotion of foreign trade.

Living Costs Rise in May

Living costs of wage earners and lower-salaried clerical workers rose from April to May in 43 out of 63 industrial cities surveyed each month by the National Industrial Conference Board. Declines were shown for 14 cities, while living costs were unchanged in three cities. The Board also reports:

"The largest increase, equal to 1.5%, occurred in Omaha. Other relatively large increases were in Denver and in Newark, with 1.2%, in Milwaukee and Philadelphia, with 1.0%, and in Rockford, with 0.9%. Declines ranged from 0.4% in Portland, Ore., to 0.1% in Macon. There was no change in Atlanta, Front Royal, and Spokane."

Urge Return of Employment Service to States

Twenty-eight of the Governors attending the Mackinac Island Conference favor immediate return to the states of the Employment Service which was turned over to the Federal Government at the beginning of the war. The Governors expressed themselves in response to a letter from the Commerce and Industry Association of New York, which asked them to "support the return of the Employment Service to the states immediately."

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

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

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

The Governors of the following

states wrote Mr. Miley that they favored passage of the Amendment; most of them reported they had written President Truman about their position or had taken other energetic measures to promote the bill: Iowa, Maryland, Virginia, Tennessee, Texas; South Carolina, South Dakota, Pennsylvania, Oregon, Ohio, North Dakota, North Carolina, New York, Nebraska, New Jersey, Montana, Minnesota, Washington, D. C., Alabama, Missouri, Mississippi, Maine, Illinois, Indiana, Utah, Georgia, Florida, Wisconsin, Colorado, Delaware.

Byrnes Names Assistants

The new head of the State Department, James F. Byrnes, has appointed to temporary assignment as assistants to the Secretary of State Benjamin V. Cohen, Donald S. Russell and Walter Brown, according to an Associated Press announcement from Washington, July 5. The three were on Mr. Byrnes's staff when he was director of the office of war Mobilization and Reconversion, and Mr. Cohen will be remembered as one of the late President Roosevelt's so-called "brain trusters".

Mr. Byrnes took the oath of office as Secretary of State on July 3.

The Financial Situation

(Continued from first page)

But the real tragedy lies in the fact that there are today many "charters" "on the stocks," so to speak. There is of course the Bretton Woods "charter," which, according to its framers and friends, is designed to operate in a "new world" now at long last freed of the shortcomings of the old and armed with the mechanisms and the wisdom to usher in some sort of economic and social millennium—a "new world" of which the San Francisco "Charter" is typical. Of course, those best entitled to opinions on the subject see ample reasons to doubt, indeed, often, much more than doubt. To us it appears fairly clear that what this Bretton Woods "charter" does mainly is to make the "blunders" of past years the easier to commit in the future. But facts such as these are of no avail. This experiment has been all but built into the mores of the American people. For them it is at once a symbol and a promise of glorious things to come.

Many Others

There are many more. Not all of them have attained the prominence of these two, but they will presently attain all too much. Or at all events they, or many of them, will without question be put forth as the "only hope" for this or that, and it would be foolish to take it for granted that such notions cannot or will not be "sold" to the rank and file in this country. One such program is that of managing the fiscal affairs of government not with the idea of keeping the cost of government services to a minimum, and of interfering with ordinary, legitimate business as little as may be, but with the main if not the sole objective of controlling the economic system of the country. The financial affairs of government would be employed as a tool with which now to curb, now to stimulate, now to stabilize, industry and trade. Deficits and permanently growing indebtedness are of no consequence. They more or less confessedly are probably inherent in this sort of fiscal management, but what of it?

The theory here laid down is, of course, more than a question of how much of a given volume of expenditures should be met by taxation and how much by borrowing. The concept is very much broader than that. Not only the degree in which outlays are to be met by current taxation, but, more important, the amount of such outlays are to be determined not by any ordinary standards, or any standards ever employed before in this or any other country, but by the judgment of someone in authority as to whether prices are too high or too low, the

rate of activity normal and healthy or becoming feverish, the state of employment adequate or otherwise, etc., etc. If business needs a shot in the arm—and when does it not, according to the New Deal managers?—then public outlays are to be increased and taxes made relatively lighter. Does business need curbing—when did the politician ever think that it did?—then outlays should be curtailed—even if the politician loses some of his patronage!—and taxes increased.

And this, too, is even now being put forward by some as "the only way" to permanent prosperity! And among its supporters apparently is Mr. Vinson, no less!

"Social Security" a Case In Point

It has been but a few weeks since Senator Wagner submitted a proposed so-called social security program which would make what we have been living and suffering under during the past half dozen or more years appear like child's play. President Truman has made it clear that he is definitely and firmly behind some such program. Senator Wagner is, of course, certain that if his program is not the "only way" to a new heaven and a new earth, then no other way could lead to this happy state without its aid. Indeed it has been asserted over and over again by many whose influence is great that some such program is absolutely essential not so much to great achievements after the war, but to avoid catastrophe in the post-war years.

Various other programs to make certain that wages are kept high, that working hours are to be kept short, that "small business" will be subsidized, that the farmer will continue to feed in part at the public trough, that (sic) venture capital be enticed into the economic system, and much more of the same sort are much in the talk of post-war plans. Most of them in the minds of their sponsors are indispensable and often "the only way." Too often these sponsors are able to attract considerable followings. We must not only "plan" our future, but our plans must bear as little resemblance to the past as possible, and certainly to have as little support as possible in the experience of the past. The virus seems to be in the air.

Whatever Was is Wrong

Often it appears that to most of those who have taken it upon themselves to plan our future, whatever has been is wrong. The future must be different—it would seem because of some innate virtue in being different from the

past. One wonders sometimes what these advocates of "new" programs would think or do if they only knew that there is rarely much that is really new in their ideas. Most of them are hardly more than a recrudescence and a dressing up of notions which flourished throughout the world for several hundred years prior to the birth of this nation. What these "moderns" have done is to raid the garret of its broken down mental furniture, polished and patched it up and, behold, found something new under the sun! All this may not be known to them. Probably it is not, but it is a fact nonetheless. It all has failed centuries ago and it must fail again, so long as human nature remains what it is.

These are strange times in which we live.

President Truman's July Fourth Message

President Truman's Fourth of July message to the nation was a reminder of the honor due the members of our armed forces who are carrying our "creed of liberty" to the world, according to the Associated Press from Washington on July 3, which gave the following as the President's statement:

"Again this year we celebrate July 4 as the anniversary of the day 169 years ago on which we declared our independence as a sovereign people.

"In this year of 1945 we have pride in the combined might of this nation which has contributed signally to the defeat of the enemy in Europe. We have confidence that, under providence, we soon may crush the enemy in the Pacific. We have humility for the guidance that has been given us of God in serving His will as a leader of freedom for the world.

"This year the men and women of our armed forces, and many civilians as well, are celebrating the anniversary of American independence in other countries throughout the world. Citizens of these other lands will understand what we celebrate and why, for freedom is dear to the hearts of all men everywhere. In other lands, others will join us in honoring our declaration that all men are created equal and are endowed with certain inalienable rights—life, liberty and the pursuit of happiness.

"Here at home, on this July 4, 1945, let us honor our nation's creed of liberty, and the men and women of our armed forces who are carrying this creed with them throughout the world."

Home Loan Bank Dividend

On stock of record June 30 the Federal Home Loan Bank of Chicago will pay a semi-annual dividend at the rate of 1½% per annum, it was announced on July 2 by A. R. Gardner, President. The total distribution on July 12 will be \$159,119.82, of which \$52,815.57 will go to the 457 member savings, building and loan associations in Illinois and Wisconsin, and \$106,304.25 to the Reconstruction Finance Corporation, which now holds the Treasury-subscribed stock with which the bank was started.

This dividend will bring up to \$3,558,000 the total which this reserve institution for home financing has distributed since it was opened in 1932, Mr. Gardner said. Of this amount, the Government has received a total of \$2,724,729 on its stock in the past 12 years, he explained.

Government Receipts and Expenditures for Fiscal Year 1945

Receipts and expenditures of the Government at unprecedented peaks for the fiscal year 1945 are reported in a statement by Secretary of the Treasury Morgenthau on July 3, which we give herewith:

"The financial operations of the Government for the fiscal year 1945 are set forth in the Daily Treasury Statement for June 30, 1945, released today. This statement covers the fourth fiscal year in which the country has been engaged in a two-front war, and following closely the pattern of the previous war-time years, receipts and expenditures again reached unprecedented peaks. Although the war in Europe ended in May, 1945, the full effect of its termination will not be reflected in Governmental receipts and expenditures for some time.

"Receipts for the fiscal year 1945 amounted to \$46,457,000,000 (exclusive of \$1,283,000,000 of Social Security employment taxes set aside for account of the Federal Old-age and Survivors Insurance Trust Fund), an increase of \$2,398,000,000 over 1944, the previous record year.

"Total budgetary expenditures amounted to \$100,405,000,000, an increase of \$6,661,000,000, as compared with total budgetary expenditures of \$93,744,000,000 for the fiscal year 1944.

"The net budgetary deficit for the year was \$53,948,000,000, as compared with \$49,595,000,000 for

the preceding fiscal year, an increase of \$4,353,000,000.

"Expenditures for war activities amounted to \$90,029,000,000 and continued to account for the major portion of total expenditures. In addition, war expenditures by the Reconstruction Finance Corporation and its subsidiaries, while much less than in preceding years, amounted to \$472,000,000. These war expenditures, together with interest on the public debt, tax refunds and Veterans' expenditures, accounted for about 98% of total expenditures for the fiscal year 1945, the same as for similar items in the fiscal year 1944."

The total expenditures in 1945 at \$100,405,000,000 compare with \$95,744,000,000 in 1944, while the 1945 expenditures for war activities at \$90,029,000,000 contrast with \$87,099,000,000 in 1944; the receipts of \$46,457,000,000 for 1945 compare with \$44,149,000,000 in 1944.

Urge Post-war Construction Program Reserve

The House Post-war Economic Planning Committee, in its seventh report to Congress, urges a program of at least \$5,000,000,000 reserve of State and local construction projects in order to stabilize the building industry after the war, the Associated Press reported from Washington, July 1. The committee, headed by Representative Colmer (D.-Miss.), stated that this reserve of projects should be in addition to those plans for which local financing is available.

The committee according to the Associated Press proposed the following three principles "as a foundation on which to erect a healthy national construction program":

"1. The Federal Government should hold out no promise of aid to States or municipalities during the first peace years for financing their public works—especially since many such are in a stronger financial position than before the war.

"2. The Federal Government should assume leadership in building up an adequate reserve shelf of engineering plans . . . to lay the foundation for an orderly long-term public works program, and to provide a cushion against future drastic decline in the construction industry.

"3. A construction policy board should be established in the executive office of the President to guide the public works program, and to serve the construction industry in its efforts to maintain a healthy, stable growth in relation to national income."

The construction industry, the committee warned, "must not be made a catch-all for the unemployed to the exclusion of other areas of production which can provide more sustained employment."

"We shall not," it added, "serve total economic stability by exaggerating the cycles in construction."

To avoid a period of sharply rising prices that might result from a sudden resumption of both private and public construction, the committee urged that during the transition period an expansive program of public works should "not be pitted against private construction." Such action, it cautioned, might "speed the construction industry on a cycle of inflation and depression."

The building industry, the committee pointed out, accounts normally for 15% of the national income and employs one-eighth of the labor force, and during the post-war years it should reach "a plateau of activity . . . somewhere in the neighborhood of \$21,000,000,000 annually if the national income is \$140,000,000,000." Immediately after the defeat of Ja-

pan, the committee further predicted, the demand for building will exceed available supplies of material and completed plans.

It estimated that from 250,000 to 350,000 privately financed housing units can be started immediately after the war, and reach an average of 800,000 units yearly during the first five post-war years. By the end of the fifth peace year, the committee estimated that 6,000,000 persons would be employed on construction projects.

Reduce Some Air Rates

Postmaster Albert Goldman directs attention to an announcement issued by Postmaster General Frank C. Walker that the air mail postage rate from the continental United States, including Alaska, to the Union of Soviet Socialist Republics is reduced to 30 cents a half-ounce. The former rate was 70 cents a half-ounce. The postage rate on articles mailed in United States possessions to be carried by air service to the United States and thence by air to the Soviet Union will be the prescribed postage for carriage by air to the continental United States, plus the postage for air service from the United States to the Soviet Union.

Postmaster General Walker also announced that effective immediately, the air mail postage rate to Cuba is reduced to 8 cents a half-ounce from the continental United States, Alaska, Puerto Rico and the Virgin Islands. The former rate was 10 cents a half-ounce. The advice adds:

"Also, the air mail postage rate is reduced from 10 to 8 cents a half-ounce on civilian mail to the Naval Operating Base, Guantanamo, Cuba, from the continental United States, Alaska, Puerto Rico and the Virgin Islands.

"The postage on articles mailed in the United States possessions in the Pacific to be carried by the trans-Pacific air service to the United States and thence by air to Cuba or the Naval Operating Base, Guantanamo, will be the prescribed postage for carriage by air to the continental United States, plus the postage for air service from the United States to destination."

Taft Opposes Peace Time Military Training As "Essence of Totalitarianism"

Opposing post-war universal military training, Senator Robert A. Taft, of Ohio, taking the negative side in a radio debate on July 5 on the question "Should We Have Universal Military Training after the War?" described the principle of a peacetime draft as "the essence of totalitarianism" and charged: "One reason all Army officers want conscription is because they don't take any interest in the improved conditions necessary to get an Army on a voluntary basis and don't want to be bothered with it."

Supporting Senator Taft in the debate was Dr. Felix Morley, President of Haverford College. The affirmative side of the question was argued by Dr. Edward C. Elliott, President of Purdue University, and Burgess Meredith, motion picture actor and former Captain in the Army Air Forces.

The debate was broadcast from Town Hall, 123 West 43rd Street, over WJZ and a coast-to-coast hookup of the American Broadcasting Company, said the New York "Herald Tribune" of July 6 which further reported the views of the speakers as follows:

"Dr. Elliott proposed that the idea of peacetime conscription be adopted at once and tried for about five years 'as a form of insurance for our national safety during the critical first years of the effort to test the strength and workability of the new constitution for free mankind recently written in San Francisco.' The plan should be adopted, he suggested, in a form which would allow for the discovery, development and use of the best of the scientific and technical abilities of American youth.

"Dr. Morley, on the other hand, asserted that such a program would have a dangerous effect on the scholarship and citizenship training of college students, reaching, in time, the proportions of a national calamity."

"A year of compulsory mili-

tary training—and if we grant one year, I predict the demand will soon be for two or even three—would do more than wipe 12 months from the educational calendar," he said.

"It would blunt the spirit of inquiry, dull the critical faculty and repress the development of independent judgment which all together form the hallmarks of the scientific attitude."

"My own experiences in the Army," said Mr. Meredith, "convinced me that the man who survives a modern war is the man who is prepared to fight the war."

Let's insist on universal peacetime military training, (1) to insure effective defense in case of war and to deter attack by enemies who respect nothing but superior force, (2) to implement America's peace policies by giving its diplomacy strength and standing among the nations of the world, (3) to give the trainees physical and disciplinary benefits of value in both peace and war."

"Senator Taft insisted it would not be necessary to have compulsory training, because military reserves of sufficient strength could be obtained otherwise. He suggested that training be given to volunteers in the National Guard, with a program including a basic three-month course in one summer, followed by school courses and a further three-month unit training period in another summer with pay. He said he believed 250,000 new volunteers could be recruited each year."

Seeks Rehearing Of High Court Ruling

The intention of the Associated Press to file a petition for a rehearing of the Federal Government's anti-trust case against it, was made known on June 27 by the Board of Directors of the A. P.

The petition will be filed on or before Sept. 1 in connection with the Supreme Court's decision on June 18 affirming a lower court verdict. The decision held that Associated Press by-laws violated the Sherman Anti-Trust Act and should be amended to remove competitive effects upon existing members as a factor in consideration of new applications for membership. In the New York "Times" of June 28 it was stated that the Board of Directors of the A. P. made public the following statement, addressed to members:

"Both the special committee in charge of the Government case and the Board of Directors have met with counsel on the recent Supreme Court decision. Counsel advises that the prevailing Supreme Court decision is an affirmation of the court below without change in substance.

"On consideration of the prevailing opinion, counsel has advised, and the committee and the Board have agreed, that a petition for rehearing should be filed in the Supreme Court. An extension of time for that purpose has been consented to by the Department of Justice. That extension expires on Sept. 1. If a petition for rehearing is filed by that date the mandate or order of the Supreme Court carrying out its decision is further stayed until 20 days after the decision of the Supreme Court on the petition for rehearing.

"As best we can estimate, that means, in the event the petition for rehearing should be denied, the mandate or order of the Supreme Court would come down to the special court on or about Oct. 20.

"Oral argument is not permitted on petitions for rehearing, so that the petition will be submitted on the record heretofore made plus such alleged errors in the prevailing opinion as the petition may raise.

"In the event the petition is denied, it will be necessary to amend the by-laws of the AP to conform to the decision of the special court.

"The President, with the concurrence of the Board, has been authorized to consider the form of such amendments with counsel.

"The Board does not feel that it is the appropriate agency, as such, to present to Congress any appeal for relief from the court decision that the membership may desire. This, however, should not deter any member from exercising his right of petition to the Congress, if he so elects."

The Supreme Court decision was referred to in our issue of June 21, page 2768.

Funds for NHA Rejected

A Senate Appropriations Committee, according to a committee aide, has rejected a supplemental estimate of \$18,373,000 for the National Housing Agency, the Associated Press reported from Washington, July 5. From these advices we quote:

President Truman sent the estimate to the Senate Tuesday (July 3) with a letter from the Budget Director advising that the funds would be used to provide for distressed families of service men.

Another budget-approved request for \$25,000,000 cash and \$75,000,000 to be given the Federal Works Agency for road construction, also received Tuesday, was approved as part of the Second Deficiency Bill, the committee aide said.

Reverse Lend-Lease Received by U. S. From Allies Since 1941 Reported by Crowley

War materials and services received by the United States from our allies as reverse lend-lease since the inception of the program in March 1941 have passed the \$5,000,000,000 mark, it was announced on June 28 by Leo T. Crowley, Foreign Economic Administrator, who is in charge of the lend-lease program. He stated that the total has been increased in recent weeks by the transportation of American troops from the European battle-

field to the United States in British ships, including the Queen Mary and the Aquitania, food supplies made available to our troops in the Pacific and Far Eastern theatres, and materials supplied by France, Belgium and the Netherlands in connection with the redeployment of our troops in the European theatre." Administrator Crowley also said:

"The British liner Queen Elizabeth, (which arrived in N. Y. June 29 with her first contingent of returning soldiers, carried 15,000 American troops as reverse lend-lease and without payment by the United States. The Queen Mary arrived the previous week, the Aquitania earlier in the month, and other British ships are engaged in the movement of our troops, providing that service without cost to us as reverse lend-lease. The two Queen ships alone had previously carried an estimated 1,250,000 American Troops to various theatres of war under the reverse lend-lease program.

"To the start of the current year we had received as reverse lend-lease from the British Empire, materials and services valued at \$4,656,315,000. The major share of this, totaling \$3,352,247,000, was supplied by the United Kingdom. In 1944 this aid was received at an average in excess of \$200,000,000 monthly. During the current year we have received materials and services valued at additional millions of dollars from these sources.

"In the Pacific, where the problem of supplies has grown more serious as the number of our armed forces has increased, we have received vast supplies of food from Australia and New Zealand. India, too, has supplied food for our men in the Far East. To January 1, 1945, Australia and New Zealand had given us as reverse lend-lease 2,635,434,000 pounds of food and India had given as 523,804,000 pounds."

In the final months of the European phase of the war and in the interim since, we have received increased quantities of reverse lend-lease aid from France, the Netherlands and Belgium, Mr. Crowley said.

Annual Report of Church Pension Fund

Assets of \$38,992,676 and an annual pension roll of \$1,378,528 are reported by The Church Pension Fund of the Protestant Episcopal Church in its 27th Annual Report, released July 2 for the year ended Dec. 31, 1944. The increase in assets during the year was \$1,363,253, and the report states that the market value of the Fund's investments is now \$2,635,508 in excess of their book value. The advices in the matter also state:

"The Fund is maintained on an actuarial reserve basis to provide pensions for retired Episcopal clergymen and for the widows and orphans of deceased clergymen. Since its inception in 1917 it has paid out approximately \$25,000,000 to its beneficiaries. The report is issued over the names of Bishop Cameron J. Davis as President, Bradford B. Locke as Executive Vice-President and Charles D. Dickey as Treasurer.

"Support of the Fund is derived from the income on its investments and from assessments levied against all of the parishes, missions and other ecclesiastical organizations of the Church. It is stated that the average interest earned during 1944 on the mean admitted assets, as reported to the

Insurance Department of the State of New York, was at the rate of 3.08% but that, inasmuch as the Fund's assets exceed its liabilities by \$1,889,186, this resulted in average interest earnings of 3.238% on the actuarial reserves requiring interest. The income from assessments, which are payable at the rate of 7½% of each clergyman's current salary, was \$1,192,203 in 1944. It is stated that this is the largest total from this source for any year in the history of the Fund. The assessment system has worked so successfully that against a total of approximately \$27,650,000 received from this source since 1917, the unpaid arrears are reported to be only about \$36,000. The Fund is a non-contributory system, the assessments for the active clergy being payable entirely by the Church and not by the clergymen themselves.

"Emphasis is given in the report to the growth of the Fund's liabilities, consisting mainly of actuarial reserves to cover pensions payable to present beneficiaries and the obligations of the Fund towards its future beneficiaries. The total liabilities at the end of 1944 are reported as \$37,103,490, representing an increase of \$2,454,381 during the year. It is pointed out that this is an unusually large increase and results mainly from the fact that the actuarial reserve basis was changed during the past year from a 3½% interest assumption to a 3¼% interest assumption.

"An analysis of the Treasurer's report shows that approximately 33% of the Fund's investments are in U. S. Treasury obligations. Its portfolio consists of 86.5% invested in bonds and 13.5% in stocks, most of which are preferred stocks. It is stated that The Church Pension Fund and its affiliates had subscribed, through Dec. 31, 1944, to \$9,280,000 in the various war loans."

Dulles Stresses Need For International Unity

At a Foreign Policy Association luncheon at Philadelphia, John Foster Dulles, adviser to the American delegation at the San Francisco conference, declared that the unity of the United Nations was essential to lasting peace and that such unity could be achieved only by substituting common peacetime goals for the wartime goal of victory, the Associated Press reported from there on June 29. Speaking of the San Francisco Charter, Mr. Dulles said:

"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 these 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."

Describing the United Nations charter as a "people's document, which emerged out of democratic discussion and striving," Dulles said that the spirit which dominated the parley was "one working together, not working against."

Schwellenbach Succeeds Perkins as Labor Secretary—Other New Cabinet Members

Lewis B. Schwellenbach who succeeds Frances Perkins as Secretary of Labor, was sworn into his new post on June 30, and other new Cabinet members who took their oaths at the same time were Robert E. Hannegan of Missouri, replacing Frank C. Walker of Pennsylvania as Postmaster General, and Thomas C. Clark of Texas, succeeding Francis Biddle of Pennsylvania as Attorney General, and Representative Clinton P. Anderson, who succeeds Claude R. Wickard as Secretary of Agriculture. In advices to the New York "Times" from Washington June 30 it was noted.

These shifts will alter the geographical as well as the personal make-up of the Cabinet, introducing a large representation from the West, as compared with the high proportion of Easterners who sat in the Roosevelt Cabinets.

From the same paper, we take the following from Washington July 3.

In a statement issued through the White House, Secretary of Labor Lewis B. Schwellenbach, in General Order No. 1 today, directed all labor department employes to "execute the laws" as they stand.

He explained that he sent out the order because "after six years in the Senate and four and a half years on the Federal bench I know there is a tendency in the executive branch to interpret the law the way an administrative officer thinks it should be instead of following the law as written by Congress and interpreted by the courts."

"I am not going to allow that in my Department," he said.

The announcement caused some speculation because it stated that it was made public "with the approval of the President."

To some observers the White House "approval" was a way taken by President Truman to emphasize his own viewpoint on the meticulous regard which em-

ployes of the executive branch should carry out their duties.

The General Order No. 1 follows:

"I am issuing this order now before any specific instance arises so as not to subject anyone to embarrassment. Perhaps because my previous experience has been in the legislative and judicial branches of the Government, I am peculiarly sensitive to the importance of this question.

"I must insist that in this department there is given full recognition to the fact it is the function of this department to execute the laws. The duty of an officer in this department is to accept the laws as Congress has written them and as the courts have interpreted them. The fact that he may think the Congress should have written, or the courts should have interpreted a law differently in no case justifies him in ignoring or attempting to circumvent the law. I will expect full co-operation on the policy."

Cut Federal Payroll

A drop in civil service employment of 17,614 during the month of May is reported by the Civil Service Commission, according to a United Press Washington dispatch to the New York "Times" on July 5, which added that according to the report the number of civilians employed by the executive branch within the continental United States was at the end of May, 2,897,077 as compared with 2,914,691 at the end of April.

Items About Banks, Trust Companies

The First National Bank of New York reported in its statement of condition as of June 30, 1945, total resources of \$1,291,924,162 and total deposits of \$1,151,978,625, compared, respectively, with \$1,121,306,024 and \$928,374,546 on March 31 and \$1,139,258,110 and \$1,005,698,921 on June 30, 1944. United States Government holdings in the latest report totaled \$828,982,399, compared with \$779,386,273 three months ago and \$747,135,630 a year ago. Loans and discounts are now shown to be \$209,042,486, against \$78,300,832 in the last report, and \$132,840,170 June 30, 1944. Undivided profits advanced from \$16,463,085 in last June to \$19,797,574 in March of this year, and are now \$21,040,321 (after making provision for the July 2 dividend of \$2,000,000), while capital and surplus remained unchanged during the last year at \$10,000,000 and \$100,000,000, respectively.

The Irving Trust Co. of New York announced in its statement of condition as of June 30, 1945, that total resources are \$1,307,433,289, compared with \$1,188,200,127 on March 31, while total deposits are \$1,190,537,853, against \$1,066,240,406 three months ago. Loans and discounts are now \$273,718,218 against \$214,494,615; U. S. Government securities at the latest date stand at \$798,884,101, compared with \$722,085,717; the capital is unchanged at \$50,000,000, while surplus and undivided profits are shown as \$59,686,729 at the end of June.

The Corn Exchange Bank Trust Co. of New York reported in its statement of condition as of June 30, 1945, total assets of \$787,579,723, compared with \$730,329,276 and total deposits and other liabilities of \$748,507,028, against \$691,714,211 on March 31, 1945. Holdings of U. S. Government bonds were \$549,112,237 as of June 30, against \$509,747,241 three months ago, and loans and discounts June 30 stood at \$44,691,524, compared with \$32,491,571 at the end of the first quarter of 1945. Capital remained unchanged at \$15,000,000, while surplus and undivided profits increased from \$23,615,066 on March 31 to \$24,072,695 on June 30.

The United States Trust Co. of New York announced in its statement of condition as of June 30 total resources of \$170,549,226, against \$170,187,368 on March 31, 1945; deposits of \$137,833,868, on June 30 compared with \$137,419,738; U. S. Gov. holdings are now \$99,776,136, against \$104,004,860; loans and bills purchased June 30 are \$28,596,121, compared with \$24,032,313, and surplus and undivided profits at the latest date are \$28,583,418, against \$28,569,912 at the end of March. The capital remained unchanged for the past three months at \$2,000,000; the dividend payable July 2 amounted to \$300,000.

The statement of condition of the Guaranty Trust Co. of New York as of June 30, 1945, issued July 6, shows total resources and deposits at new high points—\$3,902,835,683 and \$3,490,934,096, respectively. Holdings of U. S. Government obligations are \$2,143,853,240, a decrease from the preceding quarter. Capital and surplus remain unchanged at \$90,000,000 and \$170,000,000, respectively, and undivided profits are \$47,374,455, compared with \$45,148,336 shown in the last published statement, March 31, 1945, and with \$36,054,428 on June 30, 1944.

The Marine Midland Trust Co. of New York reported as of June 30 total deposits of \$305,442,519 and total assets of \$326,

918,459, compared, respectively, with \$303,392,631 and \$324,400,343 on March 31, 1945. Cash on hand and due from banks at the latest date amounted to \$64,430,722, against \$81,722,702; holdings of United States Government securities are now shown as \$124,211,063, against \$141,211,156, and demand loans, time loans and bills discounted are given as \$127,325,908 against \$93,242,038. Capital and surplus are unchanged at \$5,000,000 and \$10,000,000, respectively, and undivided profits are now \$3,741,086, against \$3,544,678 at the end of the first quarter of this year.

The Chemical Bank & Trust Co. of New York reported as of June 30, 1945, deposits of \$1,486,490,940 and total assets of \$1,592,331,714 compared respectively with \$1,224,334,794 and \$1,327,370,079 on March 31, 1945. Cash on hand and due from banks amounted to \$234,328,714 compared with \$205,687,461; holdings of United States Government securities to \$800,144,800 against \$736,400,527; bankers' acceptances and call loans to \$152,707,930 against \$69,513,385; and loans and discounts to \$233,373,035 against \$159,404,148. Net operating earnings for the first six months amounted to \$3,587,254 as compared to \$3,462,641 for the same period a year ago. Net profits and recoveries on securities amounted to \$1,754,083 against \$107,769 for the first six months of 1944.

Capital and surplus were unchanged at \$20,000,000 and \$60,000,000 respectively and undivided profits were \$12,343,548 against \$11,443,756 as of March 31st. The indicated net earnings on the Bank's 2,000,000 shares (par \$10.00) amount to \$.90 per share for the second quarter of 1945 as compared with \$.73 per share a year ago.

At a special meeting of stockholders of the Manufacturers Trust Co. of New York held on July 2, the increase of common capital stock of the company was authorized, as contemplated under the proposed readjustment of capital set forth in a letter to stockholders dated June 11th, to which reference was made in these columns June 14, page 2652 and June 21, page 2780.

Following the action of the stockholders, the Board of Directors authorized the transfer of \$10,000,000 from Valuation Reserves to Undivided Profits, the offering to stockholders of 412,500 additional shares of Common Stock for subscription at \$58.00 per share, and the call for redemption of all of the outstanding Convertible Preferred Stock or a total of 385,485 shares at \$50 per share plus accumulated dividends from July 15th to redemption date of August 1st, 1945. This accumulated dividend will amount to approximately 8 1/2%. No dividends on the convertible preferred will be accrued or paid after August 1, 1945.

The subscription price of \$58 per share, will be payable in New York funds at the office of Manufacturers Trust Co., Corporate Trust Department, 55 Broad St., on or before 3 p.m. July 23rd, 1945. The subscription rights evidenced by such warrants will expire at that time and thereafter all warrants will be void. Bearer warrants evidencing the right to subscribe to a fraction of a share may be exercised only when combined with other fractional share warrants aggregating subscription rights to one or more full shares. No fractional shares of common stock will be issued. The Manufacturers Trust Co. has entered into an underwriting agreement with Blyth & Co., Inc., The First Boston Corp., Goldman, Sachs & Co. and Lazard Freres & Co. and associates under which the underwriters are obligated severally to

purchase not later than August 1, 1945 at \$58 per share all of the additional shares not subscribed for by stockholders. As compensation for such commitments, the Company has agreed to pay the underwriters fifty cents per share on the 412,500 shares, plus \$1.50 per share with respect to the unsubscribed shares purchased by them. Shares subscribed for and paid for by stockholders will be issued as of August 1, 1945 and certificates representing the same will be delivered as soon thereafter as practicable.

The Statement of Condition of Manufacturers Trust Co. as of June 30, 1945 showed Capital Funds as follows: preferred stock, \$7,709,700; common stock, \$33,000,000; surplus \$33,000,000; undivided profits, \$22,103,272; total capital funds, \$95,812,972; and after giving effect to the transfer of \$10,000,000 from valuation reserves to undivided profits, the issuance of 412,500 additional shares of common stock, and the redemption of all of the outstanding convertible preferred stock, capital funds will be as follows: capital stock, \$41,250,000; surplus, \$41,250,000; undivided profits, \$27,931,598; total capital funds, \$110,431,598.

The statement of condition of Manufacturers Trust Co. as of June 30, 1945, shows Deposits of \$2,145,420,789 and Resources of \$2,261,550,127, which compare respectively with \$1,845,217,647 and \$1,957,824,482 shown on March 31, 1945. On June 30, 1944 the respective figures were \$1,694,391,593 and \$1,797,641,066. Cash and Due from Banks is listed at \$381,982,154 as against \$378,712,247 shown on March 31st and \$368,368,496 shown a year ago. United States Government Securities stand at \$1,319,364,692; three months ago they were \$1,149,132,013 and one year ago they were \$974,290,789. Loans, Bills Purchased and Bankers' Acceptances are now \$434,681,046 which compare with \$340,326,892 on March 31, 1945 and \$375,174,899 on June 30th of last year. Preferred Stock is shown as \$7,709,700, Common as \$33,000,000, Surplus as \$33,000,000 and Undivided Profits as \$22,103,272. Net Operating Earnings for the six months ending June 30th 1945, after amortization, taxes etc., as well as dividends on preferred stock, were \$4,600,560, or \$2.79 a share, which compares with \$2.31 a share for the six months ending June 30th 1944. Of this amount, \$1,649,958 was paid in dividends on the Common Stock, and \$2,950,602 was credited to Undivided Profits.

In its statement of condition as of June 30, 1945, J. P. Morgan & Co., New York, report total assets at \$831,380,819 and total deposits to be \$768,961,546, compared, respectively with \$764,341,246 and \$700,765,086 as of March 31. Cash on hand and due from banks stood on June 30, at \$127,917,605 against \$126,849,180 three months ago; U. S. Government bonds, \$527,826,102, compared with \$507,707,209. Loans and bills purchased increased from \$88,592,488 in March to \$136,088,621 on June 30 while capital and surplus remained unchanged at \$20,000,000 each, and undivided profits increased to \$5,323,368 from \$4,846,545 in the last report.

Brown Brothers Harriman & Co., private bankers, report that deposits as of June 30, 1945, totaled \$167,857,610 compared with \$161,667,691 three months ago and \$148,448,365 a year ago. Total assets on June 30 amounted to \$189,584,235 compared with \$183,559,187 on March 31, 1945, and \$169,940,171 on June 30, 1944. Capital and surplus of \$13,645,792 compared with \$13,625,185 three months ago, and \$13,566,234 a year ago. Loans and discounts were \$42,936,737 compared with \$36,568,536 on March 31, 1945, and \$42,150,908 on June 30, 1944. Other important asset items compare as

follows with figures for three months and a year ago: cash, \$36,302,714 against \$34,654,587 and \$33,869,085; and United States Government securities, \$57,517,175 against \$63,653,091 and \$53,889,513, respectively.

The Public National Bank & Trust Co. of New York reported as of June 30, 1945, total deposits of \$481,407,544 and total assets of \$508,338,625, compared, respectively, with \$422,786,360 and \$448,418,898 on March 31, 1945. Cash on hand and due from banks on June 30 amounted to \$84,656,121, against \$80,525,666; holdings of United States Government securities are now \$287,828,458 against \$253,268,726, and loans and discounts to \$123,828,754, against \$101,579,619. Capital and surplus remain unchanged at \$7,700,000 and \$9,000,000 respectively, and undivided profits on June 30 were \$4,476,251, after allowing for \$165,000 dividend payable July 2, 1945, against undivided profits of \$4,117,374 at the end of March.

The Federation Bank and Trust Co. of New York reported as of June 30, 1945, deposits of \$32,280,987.71 and total resources of \$35,704,761.06 against \$28,435,112.74 and \$31,683,205.33, respectively, as of March 31, 1945. Cash on hand and due from Banks amounted to \$7,041,293.95 against \$6,602,036.44. Holdings of United States Government Securities totaled \$13,958,731.21 against \$12,536,991.45. Loans and discounts were \$10,949,298.34 against \$9,252,805.09. Capital and surplus were unchanged at \$1,000,000.00 and \$1,200,000.00 respectively, and undivided profits were \$481,701.96 against \$446,077.12.

An increase of more than 13% in deposits in three months is reported by the Clinton Trust Co. of New York in its statement of condition on June 30, 1945. The total on that date, \$23,433,780, including United States Government deposits of \$4,343,183, compared with \$20,733,027 on March 31, and \$18,607,541 on June 30, 1944. Total assets amounted to \$24,919,036 on June 30 last, \$22,131,330 on March 31, and \$19,740,642 a year ago. Surplus and undivided profits totaled \$592,476, compared with \$573,697 on March 31, and \$482,475 at the close of the second quarter in 1944. Loans and discounts amounted to \$3,998,216 on June 30, \$2,901,663 on March 31 and \$3,269,845 on June 30, 1944. Holdings of U. S. Government securities and municipal bonds totaled \$13,469,352, \$12,258,389 and \$9,302,208, respectively, on those dates. Cash on hand and due from banks increased to \$5,232,917 on June 30 from \$4,629,489 three months earlier and \$4,631,677 a year ago.

The National City Bank of New York reported as of June 30, 1945, total deposits of \$4,503,103,517 and total assets of \$4,776,195,345 compared respectively with \$4,205,072,012 and \$4,469,686,465 on December 31, 1944. Capital and surplus were unchanged at \$77,500,000 and \$122,500,000 respectively and undivided profits are \$35,795,424 against \$28,610,465 at the end of December.

The City Bank Farmers Trust Company, the stock of which is owned beneficially by the shareholders of the Bank, reported as of June 30, 1945 deposits of \$167,409,405 and total resources of \$198,312,963 compared with \$159,973,276 and \$189,490,753 respectively on December 31, 1944. Capital and surplus were unchanged at \$10,000,000 each and Undivided Profits are \$6,878,357 as compared with \$6,332,966 at the end of 1944. The total of Deposits for the bank and trust company together, as of June 30, 1945, amounted to \$4,670,512,922 and the total of assets to \$4,974,508,303 as compared with a corresponding total at the end of 1944 of \$4,365,

045,288 and \$4,659,177,218 respectively.

Net current operating earnings, of the National City Bank of New York and of the City Bank Farmers Trust Company combined, for the first six months of 1945, after provision for taxes, depreciation and amortization were \$8,372,392 compared with \$7,880,609 for the same period in 1944. This represents \$1.35 per share for the first half of 1945 and \$1.27 per share for the same period in 1944 on the 6,200,000 shares outstanding. Total earnings, including operating earnings and profits from sales of securities net of taxes, were \$12,508,372 or \$2.02 per share and for the same period in 1944 were \$13,643,784 or \$2.20 per share. Recoveries of the Bank and Recoveries of the bank and security profits and recoveries of the trust company were transferred directly to Reserves.

Holdings of U. S. Government Obligations reported by the Bank at June 30, 1945, were \$2,450,211,199 compared with \$2,409,240,200 at the end of 1944 and Loans, discounts and bankers acceptances were \$1,133,553,536 and \$901,404,243 at the same dates. The Trust Company reported U. S. Government Obligations of \$156,193,703 and loans and advances of \$4, and loans and advances of \$4, respectively with \$147,038,694 and \$1,666,980 at December 31, 1944.

Total resources of Barclays Bank Limited as of June 30, 1945, exceeded for the first time One Billion Pounds, being reported as £1,006,807,394, according to cable advice received at the office of the New York representatives of the bank, 120 Broadway, New York City. Deposits reached the record total of £968,544,901, increasing by over Fifty Million Pounds since the end of 1944. On the asset side of the statement treasury deposit receipts (which are a form of short term Government investment) amounted to £436,000,000; investments were £212,582,549, of which £208,626,658 are securities of or guaranteed by the British Government; advances to customers and other accounts appear at £162,354,089. It was further announced by Barclays Bank Limited, London, that dividends on its A, B and C stock have been declared at the rates paid for many years past, namely, 10% per annum on the A stock and 14% per annum on the B and C stock.

In its statement of condition as of June 30, 1945, the Kings County Trust Co. of Brooklyn, N. Y., reported total deposits of \$67,723,241, compared with \$61,947,024 as of March 20, 1945, and total resources of \$76,906,665, against \$70,876,985 in the March report. Cash on hand and due from banks June 30 is shown to be \$31,057,977, while U. S. Government obligations amounted to \$28,095,688; these figures compare with \$23,858,149 and \$30,001,451, respectively, as of March 20 of this year. The capital remained unchanged for the past three months at \$500,000, while the surplus was increased from \$5,500,000 to \$7,000,000; undivided profits, which at the end of March were \$850,070, are \$423,373 at the present time.

The statement of condition of the Brooklyn Trust Co. as of June 30, 1945, shows total deposits of \$247,004,840 and total resources of \$263,825,353, comparing with \$224,812,130 and \$241,454,738, respectively, on March 31 last. Cash on hand and due from banks was \$54,435,485 against \$46,062,670, while holdings of United States Government securities were \$153,970,978 against \$146,558,876 three months ago. Loans and bills purchased totaled \$37,461,770 against \$29,855,523. Surplus was increased by \$200,000 during the quarter, being \$5,200,000 against \$5,000,000 on March 31. Undivided profits (Continued on page 240)

Vinson Reports On Economic Stabilization

(Continued from first page)

problem is being threshed out by an interagency committee which includes representatives of the Office of Economic Stabilization, War Labor Board, War Manpower Commission, War Production Board, Office of Price Administration, and other agencies.

Meanwhile, the military services are making a constant effort to reduce their needs wherever possible; additional supplies are being sought from foreign production, either in liberated areas or in Germany. (The United States has ample supplies of raw cotton.) And textile manufacture is being directed by WPB and OPA into the products in which deficits are most acute, such as work clothes and children's garments. However, these actions won't be reflected over the retail counter for several months.

Shoes

The problem in footwear is similar to that of textiles. Longer pipe-lines and new climatic conditions have boosted military consumption, though again the services have cooperated in slimming down their requirements. But declining hide supplies, primarily the result of a drop in imports, have limited shoe output.

The shortage is most acute in work and children's shoes, and steps have been taken to increase production of these lines. Extraordinary progress has been made during the past year in manufacturing shoes from nonleather materials, and the textiles needed for this purpose have been specifically earmarked.

Housing

Housing construction is going forward in the tightest areas and the War Production Board has recently relaxed its controls moderately. Nevertheless, as previously noted, materials are not in sufficient supply to permit widespread building, and therefore shortages will continue for some time.

Durable Goods

The one field in which civilian supplies will increase sharply is consumers' durable goods—automobiles, refrigerators, washing machines, and many electrical and metal products. But the flow of production will not start immediately, and when it does start will be only a trickle relative to pent-up demand.

Food, Clothing, Shelter

Since meat, sugar, fats and oils are also short (as discussed later), it is proper to say that in all phases of the American standard of living—food, clothing, and shelter—demand exceeds supply.

This general excess demand is likely to persist for some months even though consumer income is already declining as a result of decreased war production and employment. Upward price pressures will continue much longer for most consumer durable goods and housing. Such diverse tendencies would not normally exist side by side, but this will not be a normal period. If war expenditures decline sharply before reconversion has gained full momentum, demand for some goods and services may become inadequate while that for others is still excessive. In this case, to insure a smooth transition to a full flow of peacetime output, we may need to sustain total income while, at the same time, we are resisting inflationary pressures in special fields. The fight against inflation—to safeguard war production against competing civilian demands at rising prices and to protect the American family against rising living costs—must be continued.

Regarding the continuation of price controls the report states:

"Price control has served the people of the United States well during this war. From the outbreak of World War I to the Armistice (52 months), prices advanced 62%, or more than 1% per month. During the 70 months since August, 1939, just before Germany invaded Poland, the cost of living has increased 30%, or an average of four-tenths of 1% per month! Moreover, in the 25 months since the hold-the-line order went into effect in May, 1943, the rise in the cost of living has been only 1.7%, or less than one-tenth of 1% per month.

This superior performance is no accident. As far back as February, 1941 when ceilings were put on machine tool prices, the United States started fashioning an integrated price control structure. The pillars of that structure were and are: Fiscal policy, price ceilings, wage control, and rationing. In contrast, during the last war there were no wage controls; rationing was confined to only a few products, such as sugar, and storekeepers were expected to limit customers voluntarily—there was no point or coupon system. Most important of all, although some prices were fixed, most were free.

It will be the policy of the Office of Price Administration to remove price ceilings whenever an abundance of supplies exists. The objective is to eliminate price and companion wage controls as quickly as possible—to permit the market to determine what should be charged for goods and to permit collective bargaining to establish wage rates. However, inflationary pressures are too strong as yet to permit any relaxation."

Post-War Wages

In the matter of wage policy the report says:

American business is coming to realize that a high wage policy is in the long-run interest of everyone because it helps create the markets necessary to move goods from farm and factory—to store shelves—to the homes of America. And these high wages are necessary to achievement of the high standard of living which we can and must attain. Labor will continue to bargain for higher wages and management is recognizing the right of collective bargaining as a proper part of an economic democracy. This bargaining is most effective when conducted in a spirit of understanding and tolerance on both sides. Such understanding is evidenced in the growing realization within the ranks of labor, that a requisite of higher wages is higher production per man. To protect unorganized labor and to safeguard markets for business, the Government should put a floor under wages.

We must make a determined effort to substitute arbitration and other orderly procedures in the place of strikes and violence, with their inevitable hardship to the worker and great economic loss to the nation.

Preparing for VJ-Day

Commenting on what VJ-day will mean the report states:

Just as the Federal War agencies were prepared for VE-day, so must they also be prepared for VJ-day. They must have on tap a variety of plans for a variety of contingencies—particularly they must have plans for an early defeat of Japan as well as a late one.

The timing makes a great difference. Today 45% of American energies are concentrated on war and war-supporting activities; a year from now, as military needs gradually decline, only about 30% will be required. Similarly, em-

ployment in the munitions production will taper off from about 8,600,000 workers to less than 6,000,000. And whereas today the automobile, refrigerator, electrical equipment, and other consumer durable goods industries are only starting to reconvert, a year from now the reconversion process will have been well advanced, civilian production will be accelerating rapidly, and manufacturers will be prepared to take on workers. At the same time, many workers discharged from war plants will have found jobs. Hence the later VJ-day comes, the fewer war workers will have to be absorbed, the smoother will be the transition, and the shorter the lag between cut-back unemployment and reconversion reemployment. Conversely, the shorter the war, the greater will be the VJ-day dislocations. We are determined to achieve victory as soon as possible. That will save lives, and that's what counts. All agencies are concentrating on winning the war quickly. Simultaneously, they are getting ready to meet the problems which an early VJ-day will bring.

But regardless of when VJ-day comes, the problems will be much the same. Indeed, those problems are already with us: contract cancellations and terminations, plant clearance, handling of surpluses, mustering out veterans, handling unemployment claims, dropping controls. Thus getting ready for VJ-day is a continuing process. But when VJ-day comes the scale of operations will move up. The volume of terminations, of surpluses to be sold, of unemployment claims will increase sharply.

VJ-day will signal the removal of most wartime controls. Today it is necessary to see that manpower, materials, and machinery are not diverted from war production and, therefore, to maintain many restrictive orders on production, distribution, and prices. After VJ-day, the job before us will be to move resources out of war production into civilian production. Thus after VJ-day, many War Production Board controls will be a hindrance rather than a help.

But there are exceptions even to this generalization. Unless VJ-day is much longer delayed than expected, a few materials will still be too short to permit unrestricted bidding for them.

Deflation and Inflation Dangers
Emphasizing the deflationary and inflationary aspects of VJ-Day, Mr. Vinson comments:

"VJ-Day will bring a sharp contraction in munitions employment. Workers will be discharged from plants making planes, shells, tanks, guns, and ships. Also overtime will drop and shifts from high to low wage industries will be speeded up. This will result in a drop in the income and hence in the purchases of these workers.

To be sure, many workers have built up savings during the war; also unemployment compensation benefits will tide them over the unemployment period. But even liberal unemployment benefits are low compared with wages, and families whose incomes drop will curtail their expenditures—they will not buy quite so much groceries, they will put off getting shoes and clothes; they will introduce economies into their scale of living. Such curtailment of expenditures could bring about secondary unemployment—in retail stores, in textile production, and so on. As one group of workers is laid off, others are inevitably affected.

"This presents a real danger. The remembrance of the depression is clear to most of us. At the first development of widespread unemployment, even those who are not unemployed may feel economically insecure and will freeze on to their savings and spend less. This would be bound to deflate demand; manufacturers would be less anxious to expand; and instead of coming out of the war

with an expanding economy and jobs for released veterans and war workers we will face another depression.

"But there is another possibility; economic history may well repeat. During and after every war, prices have risen sharply then declined sharply. So far during this war we have managed to hold prices in check. We cannot afford to give up the fight just when it seems won. The point is that cash and cash-assets are at record levels, and that most people after VJ-Day will still have good incomes. Expanding expenditures of this group could offset contraction in purchases of the unemployed and induce an inflationary price spiral. Moreover, once production did get started, manufacturers, wholesalers, and retailers might buy inventories, fearing prices would rise. This would lead to a repetition of the 1919-20 boom and collapse.

"Thus, we must be prepared for inflation and deflation, or for a delayed inflation after an immediate deflation following VJ-Day."

Fiscal Policy

Mr. Vinson concludes his report with a discussion of fiscal policy, which, in view of his appointment as Secretary of the Treasury has special significance. Concerning this phase of post-war policy, he says:

"The post-war Federal budget will be large. It is reasonable to expect that the government will be spending, on the average, about \$25 billion a year, about three times the pre-war budget. Tax receipts will be far larger than ever before. The legacy of the war—in debt, obligations to veterans, and maintenance needs of the armed forces—accounts for most of the increase. Also, we shall want to enjoy some of our increased national income in the form of increased public services.

"The management of a budget of this size will have a tremendous influence on the level and stability of the whole economy. Whether or not to manage the budget is no issue. It must be managed. But a budget which is entirely the result of uncoordinated consideration of particular projects and policies can have perverse effects upon the economy as a whole. We need to consider and formulate a total budget in relation to the total economic situation. A fiscal policy developed on this basis can stimulate private expenditures either by reducing taxes or increasing public spending whenever private spending appears inadequate to sustain full employment. It can raise taxes or reduce Government spending whenever the level of private spending threatens inflation. Further, each type of tax and each type of expenditure must be appraised in terms of economic consequences.

"On the expenditure side of the budget the item most susceptible to flexible planning is public works. Expenditures for most other Government functions cannot be varied greatly. But both the aggregate volume of useful public works over long periods and the year-to-year timing may be adjusted over a considerable range without sacrifice of efficiency or utility.

"Appropriate use of budgetary policy for economic stabilization will require improvement of existing techniques for fiscal planning. The Administration must be prepared to submit a government budget framed and analyzed in relation to the total national budget; the Congress must be equipped to consider and, if necessary, revise the budget on the same basis. The Full Employment Bill, which I have endorsed in principle, establishes a mechanism for discharging this necessary function of government—budgetary planning—in a way which will help fulfill the necessary responsibility of government, full employment."

Pledges Support of ABA to Bretton Woods if Enacted

(Continued from first page)

lar, and advocates of United States leadership in monetary stability will regret the omission of this section.

"The Senate Committee did not adopt recommendations made by the American Bankers Association with respect to assuring the short-term use of the Fund, providing for the same directors for both Fund and Bank, and safeguarding the 'scarce currency' provision. We believe, and still believe, that safeguards of these sorts would make it easier for the management of the Fund to conduct its very difficult operations with effectiveness, safety and wisdom.

"The most important of these three recommendations related to assurance that the resources of the Fund would be protected against abuse by specifying clearly that they should be used only for short periods and thus constitute a revolving fund that really revolves. If the Fund becomes frozen, the 'scarce currency' provision would go into effect and the whole program might break down. There is still ambiguity in the language of the Fund on this point. The management of the Fund will find this a difficult problem and ought to have a clear mandate, especially from this country, which puts up the largest part of the money and has the largest vote.

"The position taken by the American Bankers Association before the Senate Committee was consistent with its policy of advocating the principles of the Bretton Woods program but seeking to safeguard it against possible abuse. There has been no major change in this policy; though after the hearings in the House the Administrative Committee and other committees of the Association meeting in New York in April agreed, as a practical matter, to emphasize safeguards to the operation of the Fund rather than merging the Fund into the Bank as was originally advocated.

"The Association has recognized a public responsibility for making its best recommendations to the Congress on important financial legislation of this sort. Whether its recommendations are taken or not it will be the policy of the Association to give its full cooperation and support to the new organization when they come into being.

More Freight Cars Placed In Service—Less on Order

The Class I railroads on June 1, 1945, had 31,283 new freight cars on order, the Association of American Railroads recently announced. This included 4,291 hopper, 4,834 gondola, 1,260 flat, 17,130 plain box, 1,800 automobile, 1,899 refrigerator, 19 stock freight cars and 50 miscellaneous cars. On May 1, last, the roads had 33,727 cars on order and on June 1, 1944, the total was 43,444.

They also had 504 locomotives on order on June 1, this year, which included 119 steam, two electric, and 383 Diesel locomotives. The total on June 1, 1944, was 643 locomotives, which included 203 steam, two electric, and 438 Diesel.

The Class I railroads put 18,818 freight cars in service in the first five months this year compared with 12,263 in the same period last year. Those installed in the first five months this year included 6,299 hopper, 3,152 gondola, 138 flat, 220 stock, 623 refrigerator, 477 automobile box, and 7,909 plain freight cars.

They also put 260 new locomotives in service in the first five months of 1945, of which 43 were steam and 217 were Diesel. New locomotives installed in the same period last year totaled 417, which included 166 steam and 250 Diesel.

The State of Trade

(Continued from page 226)

Railroad Freight Loading—Carloadings of revenue freight for the week ended June 30, 1945, totaled 893,741 cars, the Association of American Railroads announced. This was an increase of 17,299 cars, or 2.0% above the preceding week this year and 3,469 cars, or 0.4% below the corresponding week of 1944. Compared with a similar period of 1943, an increase of 41,659 cars, or 4.9%, is shown.

Railroad Income in May—Class I railroads of the United States in May, 1945, had an estimated net income, after interest and rentals, of \$64,700,000 compared with \$59,019,923 in May, 1944, according to the Association of American Railroads.

In the first five months of 1945, estimated net income of the carriers, after interest and rentals, totaled \$264,000,000 compared with \$258,127,532 in the corresponding period of 1944.

In May, 1945, net railway operating income, before interest and rentals, amounted to \$99,925,991 as against \$99,175,346 for the same month of last year.

For the first five months of this year net railway operating income, before interest and rentals, was \$439,677,038 compared with \$452,908,090 in the same period of 1944.

For the year ended May 31, 1945, the rate of return on property investment averaged 3.96% compared with 4.37% for the like period a year ago.

Operating revenues for May totaled \$823,024,606 compared with \$804,055,622 in May, 1944, while operating expenses amounted to \$547,663,749 as against \$526,767,253 in the same month of 1944.

Total operating revenues in the first five months of 1945 totaled \$3,879,480,754 compared with \$3,836,596,178 in the same period of 1944, or an increase of 1.1%. Operating expenses in the first five months of 1945 amounted to \$2,654,038,495 as against \$2,559,311,318 in the corresponding period of 1944, or an increase of 3.7%.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,353,351,000 kwh. in the week ended June 30, 1945, from 4,358,277,000 kwh. in the preceding week. Output for the week ended June 30, 1945, was 0.6% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 171,700,000 kwh. in the week ended July 1, 1945, comparing with 158,700,000 kwh. for the corresponding week of 1944, or an increase of 8.1%.

Local distribution of electricity amounted to 169,000,000 kwh., compared with 158,000,000 kwh. for the corresponding week of last year, an increase of 6.9%.

National Network Plane Rental Service Planned—At a tentative rate of \$10 per hour, you can rent a plane, leave it at your destination, and pay only for the flight between, says "Aviation News," a McGraw-Hill publication.

"A national network of 200 bases to provide airplane rental, charter, sales and service is planned by the new National Fly-Your-Self System, Inc.

"The organization will retain ownership of all flying equipment, leasing it to selected member operators. Credit cards good at any member base will be issued to regular customers. Member operators will be permitted to sell, charter and operate other types of planes.

"Tentative agreements have already been made for several Eastern operating bases, and negotiations for other bases in other parts of the country are now under way. It is understood that financing of the new venture is being privately arranged and that

no public stock offering will be made. It is proposed that the company will have a \$2,000,000 capitalization, including 200,000 shares of \$10 par common stock.

"Control of the system will be maintained through regional offices in Boston, Chicago, New York, Ft. Worth, Los Angeles, Portland, Ore., and Kansas City, which will control movements of flight equipment and supervise maintenance and repair."

Paper Production—Paper production for the week ended June 30, was 88.8% of capacity, as against 90.4% of capacity for the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 96% of capacity, unchanged from the previous week.

Wholesale Commodity Price Index—After rising to a new wartime peak of 178.19 on June 27, the Dun & Bradstreet daily wholesale commodity price index turned slightly lower, closing at 177.87 on July 3. This was still above the 177.48 recorded a week previous and compared with 172.03 on the corresponding date last year.

Grain markets were featured by irregular movements last week. Aggressive purchasing of futures by mill operators as a hedge against enlarged sales of flour to the Army and to the domestic trade made for an active and firm market in wheat. Exports of wheat and flour were reported heavy. A good demand for cash corn as well as futures from industries and feed manufacturers had the effect of holding prices close to ceilings. The progress of the corn crop was said to be favorable. Day-to-day fluctuations in rye and oats were quite erratic.

Wholesale Food Price Index Unchanged—Holding at the same level for the third consecutive week, the wholesale food price index, compiled by Dun & Bradstreet, Inc., for July 3 again registered \$4.11. This compared with \$4.01 and \$4.05 for the similar dates one and two years previous, or advances of 2.5 and 1.5%, respectively. Advances during the week included flour, oats, eggs and steers, while declines occurred in wheat, rye and potatoes.

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

Business Failures Decline—In the holiday-shortened week ending July 5, commercial and industrial failures dropped to the lowest number of any week to date in 1945, reports Dun & Bradstreet, Inc. Concerns failing numbered nine as compared with 14 in the previous week and 21 in the comparable week of 1944. Among both large and small concerns, failures fell to less than half their number in the corresponding week a year ago, with failures involving liabilities of \$5,000 or more dropping from nine last week to six in the week just ended—last year there were 21 concerns failing in this size group.

Construction was the only industry or trade group with as many as three failures. The decline from 1944's comparable week was sharpest in manufacturing and retailing where concerns failing numbered only two this week against seven a year ago.

One Canadian failure was reported, the same as in the corresponding week a year ago. There were none in the preceding week.

Retail and Wholesale Trade—The prospect of summer vacations and the Fourth of July holiday, emphasized by generally hot, sunny weather, maintained retail volume during the week at a high level despite holiday store closings, Dun & Bradstreet, Inc., re-

ports in its current weekly survey of retail and wholesale trade for the country at large. Summer clothing continued in the fore with interest growing in fall apparel. Housefurnishings sales increased in some areas. Food volume was steady with fairly good stocks of most merchandise.

Both summer and fall clothing were much in demand last week. Men's and women's bathing suits sales rose to a new high, and sales of beach accessories climbed with them. Unusually early interest was reported in fall suits and short coats. Wool system suits were bought more widely instead of scarce worsteds this year. Men's furnishings and lightweight suits sold well. Children's clothing was in demand with sun suits as prime favorites. Millinery sales lagged, though some fall styles were accepted. Non-rationed shoes in black and rationed shoes in white boosted shoe sales to unusual heights.

Small rugs continued to sell well in many types. Retail stocks of wool rugs reached a new low.

Food volume remained high as hot weather drained supplies of fruit juices, carbonated drinks, ice cream and picnic supplies. Butter supplies were beginning to catch up with demand and the egg situation seemed to have improved. Fresh produce was present in greater volume and variety and was welcomed by customers.

Retail volume for the country was estimated at 15 to 20% above that of last year, when many stores were closed for two days instead of one. Regional percentage increases were: New England, 11 to 15; East, 12 to 16; Middle West, 16 to 20; Northwest, 9 to 13; South, 9 to 14; Southwest, 18 to 23, and Pacific Coast, 15 to 19.

Activity in wholesale markets, as compared to recent weeks, was noticeably subdued during the week, due to the holiday and to the temporary slowing down of fall buying in the apparel markets. It was estimated that half as many buyers appeared in the market this week as in the previous week.

Department stores sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended June 30, 1945, increased by 16% and compared with a gain of 21% in the preceding week. For the four weeks ended June 30, 1945, sales increased by 18%, and for the year to date by 12%.

Improvement in the supply situation in textile goods for the third quarter was a feature of the wholesale markets here in New York last week. Additional buyers are expected to arrive within the next two or three weeks, however, the difficulty encountered today in obtaining reservations may affect adversely the total number of arrivals during August and September. In the matter of fall retail sales figures, it is reported that they will exceed those of a year ago. Last week retail trade here continued active.

According to the Federal Reserve Bank's index, department stores sales in New York City for the weekly period to June 30, 1945, increased by 18% above the same period of last year. This compared with a gain of 25% in the preceding week. For the four weeks ended June 30, 1945, sales rose by 21%, and for the year to date by 13%.

FDR 1-Cent Memorial Stamp on Sale July 26

Postmaster Albert Goldman announced on June 30 that the 1-cent denomination of the Roosevelt Memorial Series will be placed on sale at Hyde Park, N. Y., on July 26. The stamp will bear the portrait of Franklin Delano Roosevelt and the Roosevelt home at Hyde Park, N. Y.

Byrnes Succeeds Stettinius as Secretary of State

Following the resignation of Edward R. Stettinius, Jr., as Secretary of State, who is scheduled to represent the United States before the United Nations and on the World Security Organization created at the San Francisco Conference, President Truman appointed as Mr. Stettinius' successor in the State Department James F. Byrnes, formerly Director of War Mobilization and a Justice of the Supreme Court. After a swift Senate approval of the nomination, Mr. Byrnes took the oath of office on a terrace of the White House on July 3, as reported on that date by the Associated Press, from Washington.

The brief ceremony in the Rose Garden outside President Truman's office was witnessed by the President and the highest Government officials. Chief Justice Richard S. Whaley of the Court of Claims administered the oath, after which the new Secretary of State made the following prepared address, which the Associated Press quotes:

"I enter upon my duties as Secretary of State, deeply conscious of the great and grave responsibilities of that office.

"It is the function of the State Department to advise the President in the formulation of foreign policy and to carry out the foreign policy of the United States as determined by the President and the Congress. It follows that a change in the secretaryship at this time involves no change in the basic principles of our foreign policy in the prosecution of the war and in the struggle for enduring peace which have been charted by the late President Roosevelt and reaffirmed by President Truman.

"In advising President Truman on foreign policy I shall seek the constant help and guidance of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. My friend, Cordell Hull, with whom I have served in the Congress and in the executive branch of the Government and who has done so much to shape our foreign policy during the critical war years, has promised to give me the benefit of his wise counsel. I am glad also that I will be in a position to advise with my immediate predecessor, Mr. Stettinius, particularly on the tremendously important tasks relating to the organization of the United Nations as a permanent institution to maintain peace.

"As I am leaving within a short time to accompany President Truman at his forthcoming conference with Premier Stalin and Prime Minister Churchill, I am asking all of those in the department at home or abroad to remain at their posts and to carry on as usual. I have asked the Director of the Budget to make an investigation of the structure of the department. Until I receive that report and have an opportunity to study it and make such personal inquiry as I deem advisable, no change in personnel will be made.

"The making of enduring peace will depend on something more than skilled diplomacy, something more than paper treaties, something more even than the best charter the wisest statesman can draft. Important as is diplomacy, important as is our peace settlements and the basic charter of world peace, these cannot succeed unless backed by the will of the peoples of different lands not only to have peace but to live together as good neighbors.

"Centuries ago devout men thought that they had to fight with one another to preserve their different religious beliefs. But we have learned through long and bitter experience that the only way to protect our religious belief is to respect and to recognize the right of others to their religious beliefs.

"Today there can be no doubt that the peoples of this war-ravaged earth want to live in a free and peaceful world. But the supreme task of statesmanship the world over is to help them to understand that they can have peace and freedom only if they tolerate

and respect the rights of others to opinions, feelings, and ways of life which they do not and cannot share."

After the ceremony Byrnes and Stettinius left the White House together. Charles G. Ross, press secretary, announced that Stettinius will have an office in the White House to carry on his new duties as member of the United Nations Security Council.

Secretary of State Byrnes spent his first day in office, the fourth of July, at his desk, the New York "Times" reported on that day, receiving the chiefs of the foreign diplomatic missions and consulting with Under Secretary Joseph C. Grew and other members of the State Department staff.

Dunn, Fales Trustees Of Life Insur. Fund

Elliott V. Bell, New York State Superintendent of Banks, announced on July 3 the appointment of Harris A. Dunn, President of the North River Savings Bank, and DeCoursey Fales, President of the Bank for Savings, both of New York City, as trustees of the Savings Banks Life Insurance Fund for four-year terms beginning July 1, 1945. They will succeed Henry W. Proffitt, a trustee of the Empire City Savings Bank and a member of the firm of Barry, Wainwright, Thacher & Symmers, and George D. Whedon, President of the Monroe County Savings Bank of Rochester. Both Mr. Proffitt and Mr. Whedon have served two consecutive terms as trustees of the Fund, the maximum tenure permitted under the statute. Mr. Proffitt has been Chairman of the Fund for the last year.

Organized on July 1, 1940, the Savings Banks Life Insurance Fund is managed by a board of seven trustees appointed by the Superintendent of Banks with the consent of the Governor. Under the Banking Law the Fund provides a guaranty on life insurance policies issued by savings banks, prepares the standard forms of life insurance policies and annuity contracts, determines premium rates and unifies the mortality experience of issuing banks. There are now 30 issuing banks and 19 agency banks for savings bank life insurance. More than \$50,000,000 of savings bank life insurance is now in force in New York State.

Surplus Ships Bill Wins Com. Approval

After a year of study the House Merchant Marine Committee has approved legislation providing for the manner in which the Maritime Commission may dispose of surplus merchant ships, the Associated Press reported from Washington, June 28; from these advices we quote:

"Priority in purchases is given to United States citizens, acquisition of vessels by foreigners is restricted, and the price formula for disposal of ships not needed for a defense reserve is specified.

"The sales or charter period is limited to two years after the end of the war.

"The bill declares the intent of Congress that the United States retain a merchant fleet 'sufficient to carry its domestic water-borne commerce and a substantial portion of its water-borne export and import foreign commerce' and adequate as a naval and military reserve in time of national emergency."

Bleak Outlook on Sugar Distribution for 1945

The Anderson Sugar Committee's report gave a figure of 6,221,000 tons of sugar as possibly available for distribution in the United States for civilians and military forces for the year 1945. The break-up of this amount was 5,000,000 tons for the U. S. civilian populace and 1,221,000 tons for the U. S. military and war services.

In connection with the 5,000,000 tons estimated for the U. S. civilians, it is significant to note that the Anderson report states:

"... there is some possibility that even the 5,000,000-ton figure cannot be safely counted upon because of production uncertainties and the normal time lag in the harvesting, refining and distribution; but for the purposes of this report we will consider that 5,000,000 tons is the maximum amount that may be counted upon for distribution in civilian channels in the United States in 1945."

In order to portray vividly for

our friends the full implication of these figures, we have prepared a table, attached hereto, showing the January-April, inclusive, distribution and the May-December, inclusive, distribution from the year 1927 up to and including the current year. From this table it will be noted that the amount available for distribution from May to December of this year is the lowest on record for the period covered by our table.

When there is deducted from the 4,026,476 tons available for the period in question that which will go to the military forces, it will be seen that the amount of sugar available for civilians will be distressingly small. Furthermore, in considering these figures it must be borne in mind that in the last 18 years the population in the United States has increased materially—from 118,000,000 to 138,000,000.

U. S. DISTRIBUTION* OF SUGAR 1927-1945

(In short tons—raw sugar value)

Calendar Year—	Total	January-April	May-December	**Population
1945	16,221,000	12,194,524	4,026,476	138,100,874
1944	7,147,707	2,002,105	5,145,604	136,485,262
1943	6,334,713	1,664,603	4,670,110	134,664,524
1942	8,466,204	2,759,363	5,706,841	133,202,873
1941	8,069,457	1,850,847	6,218,610	131,970,224
1940	6,890,668	2,001,745	4,888,923	130,879,718
1939	6,867,518	1,807,346	5,060,172	129,824,939
1938	6,643,253	2,481,550	4,161,703	128,824,829
1937	6,671,402	2,253,961	4,417,441	128,053,180
1936	6,706,113	2,206,759	4,499,354	127,250,232
1935	6,623,698	1,876,972	4,746,726	126,373,773
1934	6,331,585	1,953,128	4,378,457	125,578,763
1933	6,387,041	1,842,542	4,544,500	124,839,981
1932	6,438,880	1,885,064	4,553,816	124,039,372
1931	6,702,080	2,044,482	4,657,598	123,076,685
1930	6,857,760	2,197,591	4,660,169	121,526,429
1929	6,835,360	2,126,967	4,708,393	119,861,807
1928	6,658,400	1,953,483	4,704,917	118,196,785
1927	6,591,200			

*Distribution for consumption in the United States. During the war years, the figures include deliveries for United States Expeditionary Forces.

†Estimated. Based on Anderson Report.

‡Preliminary War Food Administration figure.

§During 1941 a good portion of the distribution went into the building up of the "invisible" supply. It has been estimated that approximately 800,000 tons of the 1941 distribution were recaptured by the OPA and used principally in 1942.

¶Not available.

**Includes those in military and war services, wherever situated.

Zinc Restrictions Removed, but Supply Still Tight

All restrictions on the use of zinc have been removed through the revocation of Order M-11-b and Direction 1 to the order, the War Production Board said on June 13. The effect of this action will be merely to give zinc purchasers a "hunting license," as zinc continues in tight supply, WPB said. Existing allocation controls on slab zinc will be retained.

Direction 1 to Order M-11-b previously increased the number of permissive uses of zinc for coatings other than paint, during the second and third quarters of 1945.

Contrary to prevailing opinion, the heavy cutbacks in military requirements for brass mill products have not brought zinc requirements down to the supply level, Zinc Division officials said. Military demands for brass mill strip, as previously reported, dropped from 414,000,000 pounds monthly to 160,000,000 pounds monthly. Brass mill strip contains approximately 30% zinc.

The cutbacks reduced the "deficit" in that essential requirements and supply by approximately 75%. Zinc that can be obtained on an unrated basis after the fulfillment of all rated orders may be used for any purposes. However, in the immediate future, WPB said, there will be very little zinc available for unrated civilian demands.

Direction 3 to Order L-103-B, which restricted the use of zinc for manufacturing home canning closures, has been revoked.

The revocation, WPB said, does not affect any liabilities incurred for violation of the direction while it was in effect (April 30—June 14, 1945), or any action taken by WPB under the direction. The manufacture, use and delivery of home canning closures remain subject to other applicable orders and regulations of WPB.

Quota restrictions on the use of zinc for manufacturing home canning closures were applied for the first time by WPB on April 30, 1945, to conserve zinc and to

make capacity available for rolling zinc strip. At that time WPB restricted the amount of zinc to be used for manufacturing home canning closures in each of the second and third quarters of 1945 to no more than 30% of the weight of zinc used by a manufacturer for similar purposes during the base period of Oct. 1, 1940 through Sept. 30, 1941. On June 5, 1945, through an amendment to Direction 3, WPB increased the zinc quota for such purposes in the second and third quarters of 1945 to 70% of the weight of zinc a manufacturer used for similar purposes in the base period (or 35% per quarter).

Oregon Bankers Elect McCready President

At the 40th annual meeting of the Oregon Bankers Association, L. S. McCready, Vice-President of the First National Bank of Eugene, Oregon, was elected President of the association. Mr. McCready, who was previously Vice-President of the group, succeeds Mitchell Tillotson who is manager of the Klamath Falls branch of the First National Bank of Portland.

The Portland "Oregonian" from which this is learned also said in part:

The association elected H. W. Gauntlett, President of the Bank of Newport, Vice-President. He has been chairman of the executive committee during the past year. Ralph Thom, assistant manager of the Bank of Califor-

Truckloading Volume In May Increased 1.9%

The volume of freight transported by motor carriers in May increased 1.9% above April, but was 0.2% below May 1944, according to American Trucking Associations, Inc., which further reported as follows:

Comparable reports received by ATA from 273 carriers in 42 States showed these carriers transported an aggregate of 2,262,066 tons in May, as against 2,218,828 tons in April and 2,235,460 tons in May 1944.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 138.09.

Approximately 82% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category increased 1.3% above April and 0.2% above May 1944.

Transportation of petroleum products, accounting for about 13% of the total tonnage reported, showed an increase of 3.8% above April but was 5.5% below May of last year.

Carriers of iron and steel products hauled about 3% of the total tonnage. Their traffic volume was 6.1% above April and 11.6% above May 1944.

About 3% of the total tonnage reported consisted of miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building materials, cement and household goods. Tonnage in this class increased 10.0% above April, and 3.9% above May of last year.

Truman Not to See DeGaulle on Trip

President Truman stated at his press conference July 5 that although he will be pleased to see Gen. Charles de Gaulle at any time, he does not plan to go to Paris during his trip to Europe for the Big-Three conference near Berlin, nor does he plan to see the general at that time, a special dispatch to the New York "Times" from Washington stated on that date, from these advices we quote:

"Mr. Truman is expected to go to London before returning home, but he said today he would not confer with Prime Minister Winston Churchill before the Big Three meeting.

"This is to be a meeting of the Big Three, the President declared briefly.

"It was the late President Roosevelt's custom to confer with Mr. Churchill before meeting Marshal Joseph Stalin, notwithstanding any impression that might arise thereby of prior Anglo-American understandings.

"President Truman would not announce the date of the Big Three meeting, although last week he had expected to be able to do so at this time. All he would say was that it would be within three weeks.

"The White House said publicly what has previously been said informally—that the press will not be allowed at the meeting of the Big Three, but that communiques will be issued from the conference "as may be decided upon from time to time." It indicated that no announcement might be made that the conference was in session in advance of the first communique.

nia, was chosen Treasurer, and Jesse J. Gard, Vice-President of the United States National bank of Portland, was elected Chairman of the executive committee.

Outline Development Expenditure Plans

A survey made by the Department of Commerce, including outlines of plans of approximately 7,000 companies, reveals that during the fiscal year starting July 1 American business anticipates spending an estimated \$4,500,000,000 for plants, equipment, and alterations, an Associated Press report from Washington stated on June 21. Results of the survey were given in an article in the Commerce Department's Survey of Current Business. It said such a volume of private capital expenditures would be nearly three times the pre-war average—1937 to mid-1940. It would be far above the previous 12-month record for private expenditures of \$2,750,000,000, in the calendar year 1929.

The expected total, however, is still below combined public and private outlays during the peak war years.

According to the Associated Press the article pointed out that the survey covers "plans — not commitments", and went on to say that the replies to the survey suggest that the \$4,500,000,000 estimate is not inflated by including "nebulous plans" but reflect the considered judgment of an adequate cross-section by American industry.

Nearly 30% of the planned expenditures is for new plants.

The article says the largest gains over the prewar figures, according to the survey, are in the paper and printing group, and the textile, apparel and leather group.

Truman Signs Bill Increasing Pay of Federal Employees

The bill providing for a general average of 15% salary increase of most Federal employees was signed on June 30 by President Truman.

The bill provides an increase of 20% on salaries up to \$1,200, 10% on salaries between \$1,200 and \$4,600 and 5% for everything over \$4,600, said Associated Press advices from Washington June 30, which added:

"The measure also carries a provision for a 10% night differential and holiday pay to employees who are required to work on holidays that the President declares to be non-work days. Over time pay on basic salaries up to and including \$2,980 is provided with automatic in-grade promotions to be made every twelve and eighteen months instead of every eighteen and thirty months.

"The bill applies to all Federal workers except elected officials, Federal judges, department heads of independent agencies of the Federal government, District of Columbia municipal employees, postal employees, employees outside the continental limits of the United States, Inland Waterways Corporation employees and Tennessee Valley Authority employees.

Veterans' Housing Program

President Truman has sent to the Senate a \$100,000,000 budget request to cover a housing program for service men and veterans, \$25,000,000 direct appropriation, and \$75,000,000 contract authorization for the National Housing Agency, according to an Associated Press report from Washington, July 3, which stated:

The need, the nation's Executive said, was to provide homes for the distressed families of service men and for veterans and their families who were affected by eviction or other unusual hardships.

From Washington Ahead of The News

(Continued from first page) for a foreign country. We do not permit foreign ambassadors to go out and propagandize against this government in this country. Ambassadors who have sought to do that, have been sent home. We have told their governments that they were persona non grata. As things have shaped up, however, the Communist party in this country whom we accept and frequently get quite agitated about, is nothing in the world except a group of agitators for a foreign government in our midst.

Insofar as the announced Communist program for this country is concerned, it is far behind, certainly not ahead of what our more aggressive labor leaders are demanding. It is an unquestionable fact that people far more dangerous to the Conservatives are those who call themselves "Liberals" and denounce Communism. These Liberals, so-called, are quite worried that the new party line of the Communists will embarrass them. This is because it has their stuff. Their worry is that now, that the Communists are advocating identical policies, it will be enveloped with Communism. Red baiting, they feel, will be thrown into what they call their legitimate demands. It is interesting to note, and maybe it is quite embarrassing to some labor leaders, that the Communists are just now coming up to their demands. The question arises, naturally, as to just what constitutes Communism.

It constitutes, insofar as this writer can determine, simply another group of agitators, effective and capable agitators. They have been under wraps. The rank and file of them are frustrated people of energy who like to raise hell against any existing order. To read their literature, it is pathetic to see how much they ape one another. They use the same words and the same expressions. If certain words and phrases were cut out of their vocabulary they would be completely dumb.

So, they have been quite unhappy under the regime by which they were supposed to cooperate with American capitalism. It is not in their make-up to cooperate. Now that the wraps have been taken off of them, they are tremendously happy and are babbling like nobody's business in their press.

Recognising, however, that they are stooges, and either babble or agitate, as the word comes down from Moscow, the question arises as to just what is in the mind of the overall brain. As near as this writer can determine it, Stalin is first up against the proposition of wanting to Communize Europe, and what sort of a picture is it, when his men are selling Europe that Communism is the best of all worlds, and the Communists are cooperating with the Capitalists in the greatest of Capitalistic worlds?

The question also comes up as to how in the name of heaven Stalin hopes to get credits in this country, which he is supposed to need so badly, and at the same time, turn loose his horde of agitators, who are admittedly effective agitators, more effective than our home grown labor leaders.

The answer, as much as we have been able to fathom it, is that he must think in terms of the overall world situation, and that furthermore, he can use his stooges in this country as a lever for his demands—in this country and as pertaining to the world. There is something to this, because we have shown that we are quite afraid of him. And it is a fact that his agitators can stir up a lot of confusion in our country which is going to be quite confused anyhow.

Labor Dept. Reports Hours and Earnings in Feb.

Receipts and expenditures of the Government at unprecedented peaks for the fiscal year 1945 are reported in a statement by Secretary Frances Perkins reported on April 29. "The work-week in the durable goods group averaged 46.9 while that in the non-durable was 43.4," she said. According to Miss Perkins "all but one of the durable goods groups reported a longer work-week than in January when the New Year's holiday was observed. Total manufacturing hours per week for the durable-goods group as a whole amounted to 365 million, a decrease of almost 350,000 hours. The decline in the durable-goods group occurred in spite of increases in 8 of the 9 major groups which comprise the total." The secretary added:

"The transportation equipment group was the only one of the major durable-goods groups which reported fewer manufacturing hours worked per week than in January. The decline in employment of 40,000 in this group coupled with a decrease in the average work-week from 48.0 to 47.4 hours resulted in a reduction of 3 million hours in manufacturing time. Most of this drop was in shipbuilding and was in accordance with scheduled production needs.

"The largest increase in manufacturing hours was found in the automobile group. The increase of 817,000 hours of 2½% in this group reflects a lengthening of the work-shift in many plants.

"The work-week in the non-durable-goods group was 43.4, practically the same as in January. Total hours were 460,000 less, reflecting primarily declines in employment in 4 of the groups. The largest decline in total hours was reported by firms in the food group, particularly in the slaughtering and meat packing industry. Although a seasonal drop is expected at this time of the year, the decrease in hours as well as in employment in this industry is greater than usual and reflects in large part the falling off in hog shipments.

"Average hourly earnings for all manufacturing was slightly below January but almost 4% above February, 1944. The apparel group reported the largest percentage increase in hourly earnings, reflecting seasonal overtime work.

"Average weekly earnings in all manufacturing averaged \$47.43, a decrease of 9 cents over January. The earnings in durable-goods group decreased 10 cents to \$53.39, while that in the non-durable-goods group rose 8 cents to a level of \$38.71.

"The average hours worked per week in bituminous coal mines was 45.7, slightly higher than in January and in February, 1944. The increase over the month reflects operation on Sunday in many of the mines. In anthracite mines, the average hours per week was 41.7, considerably above the January level when the New Year's holiday was observed but only slightly above that in December, 1944."

Second Installment of N. Y. State Income Tax

The State Tax Commission at Albany called attention on July 12 to the due date on July 15 for the second installment of State personal income tax on 1944 income. Because the 15th falls on Sunday, taxpayers get an extra day. If payments are mailed, they must bear a postmark prior to midnight of next July 16 or the taxpayer is subject to delinquency penalties. Bills aggregating about \$14,000,000 have been sent to the 235,000 taxpayers who elected to pay their 1944 tax in installments. Subsequent installments will be due Oct. 15 and Jan. 15, 1946. Payments should be made to the State Tax Commission. If the new postal notes are used, taxpayers are reminded to write their names and addresses plainly on the reverse side.

Explains Success of War Loan Drives

(Continued from first page)
price per annum, now exceeds the total amount of the Federal debt after the last war!

2. The total amount of "E" bonds outstanding in the hands of the public is practically equal to the total amount of savings deposits in banks of the nation—in other words, in approximately three years, the accumulation of savings represented by ownership in "E" bonds is practically as great as the accumulation of savings in banks over a period of 100 years—as much in three years as in 100 years!

3. Accumulated capital is the factor which made private industry in this country accomplish what it has, namely, plants and machinery, and tools in manufacturing generally, amount to \$5,000 per employee, and in the case of railroads and the public utilities, as high even as \$25,000 per employee; an ability to produce in this country equal to one-half of the production of the world with only one-seventh of the population!

Is it a fair statement to say that most top executives in business did not dream in 1940 that they could produce one-half of the volume which they achieved in 1944, and may not this be the same mistake in thinking which Japan and Germany made when they started the war?

The question is frequently asked—How does it happen, and why is it that in the last war, interest yields on Government securities went up as the debt increased, while in this war, interest rates have gone down as the debt went up as much as it did?

An important factor in this seemingly astounding happening is that the Treasury Department, with great wisdom, offered a great variety of Government securities during each drive, instead of only one bond each time. This meant that each buyer, including the corporations, the insurance companies, and the individuals, had the choice of picking the type of Government obligation and the maturity which suited their individual requirements. In the vernacular of the investment banking profession, this meant that a far greater digestion of Government securities has been accomplished, and when securities are well placed, they hold their price better and are more apt to advance in price.

Much has been said about the redemption of "E" bonds by the public. The FACTS are that despite the enormous amount of "E" bonds issued, only 15% of the total issued have been redeemed. In my opinion, nothing like this accomplishment on the part of the public in being steadfast in their determination to save and hold has ever before been known. The bond-buying public deserves the greatest commendation, rather than any reproach for having cashed a small part of bonds bought.

The holders of "E" bonds are appreciating more and more that after holding their bonds for five years, if they redeem them, they are giving up an investment, which from then to maturity will yield them over 4%, while today a five-year Government obligation, in coupon form, is selling to yield only 1.32%.

The vast ARMY of War Bond Solicitors, in every county in the United States, have accomplished miracles. My hat is off to them.

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and

House Group Approves Legislation to Audit Government Agencies

The House Committee on Executive Expenditures has approved legislation which would require Federally-owned corporations to submit an annual budget and program of anticipated operations for approval or rejection by Congress, it was reported from Washington by the Associated Press on July 8. The committee stated in its report that these agencies, such as the Reconstruction Finance Corporation, largely determine the Government's fiscal policies and control its money spending.

The measure, which would also direct a yearly independent audit of most of the agencies, is known to have the endorsement in principle of President Truman.

Reporting that 101 of the Government-owned corporations are in existence, the House committee said that "in the case of many (of them) the Congress has not adequately exercised its power" of controlling their purse strings and general procedure.

A Senate Banking Subcommittee has approved a similar measure by Senators Byrd (Dem., Va.) and Butler (Rep., Neb.) and Administration spokesmen told a reporter its passage in some form is likely this session.

Mr. Truman's support was in a letter to Chairman Manasco (Dem., Ala.) of the House group. Commenting on the Byrd-Butler proposal, he said:

"I heartily favor this proposal. It is a long-delayed forward step."

The House committee said the Whittington bill is very similar to the Byrd-Butler measure, but does not impose "as stringent financial controls." It specifies, for instance, that action cannot be taken under the bill to change the substantive law under which the corporations do business. Also, it exempts the Farm Credit Administration agencies from an independent audit.

"It is not the purpose of the bill to attack or destroy any Government corporation or to place any in a strait-jacket," the committee report stated.

"Rather the bill is designed to co-ordinate the financial operations of the corporations."

Resignation of Justices

Associate Justice of the Supreme Court Owen J. Roberts has sent his resignation, effective July 31, to President Truman, thus availing himself of the right to retire at the age of 70 given Justices under the Judicial Code, a report from Washington, July 5, stated in the New York "Times". The same day the White House announced also the resignation of Justice Thurman Arnold of the United States Court of Appeals, an Associated Press dispatch from Washington reported.

Justice Roberts' departure after 15 years as a member of the Court will leave Chief Justice Harlan F. Stone the only member not appointed by the late President Roosevelt. Thurman Arnold formerly headed the Anti-Trust Division of the Justice Department. Mr. Arnold stated in his letter of resignation, according to the Associated Press, that he wanted to return to private law practice "to further the cause which was my chief interest in the Department of Justice".

President Truman accepted both resignations with expressions of regret.

Greetings by Grew to Parri Govt. in Italy

The extension by Acting Secretary of State Joseph C. Grew at Washington of a friendly American greeting to the new Parri Government in Italy was announced on June 21 in Associated Press advices from Washington, which reported Mr. Grew having the following to say in a formal statement:

"This Government is happy to learn that Italy has succeeded in forming a new government in which the newly liberated north joins hands with the south and all the parties of the Committee of National Liberation participate.

"This union of forces under the presidency of Signor Ferruccio Parri, a leader of the resistance movement—an outstanding soldier in the long fight for Italian freedom from the early days of Fascism to the last days of German invasion—is a good augury for the new government as it faces the many problems ahead.

"Not least among these is the historic task of preparing the machinery whereby the people of Italy can at long last freely and fully express their political will.

"Upon the successful functioning of that machinery will depend the reality of Italian democracy. The people of the United States will therefore follow its progress with interest and sympathy."

Under date of June 25 a wireless message from Rome to the New York "Times" said:

"Meeting the foreign press tonight for the first time, Premier Ferruccio Parri waved aside the salutation, 'Your Excellency,' and said that he preferred 'Mr. President,' at least among friends.

"The new Premier and President of the Council of Ministers thus at least informally lined up with Vice-Premier Pietro Nenni's campaign to strip Ministers officially of their title, 'Excellency'.

"Signor Parri avoided politics pending the first meeting of his Government tomorrow but told a questioner that from the point of view of the Italian Government there was absolutely no objection to the immediate publication of the armistice terms."

C. H. Powel to Head German Electrics

Charles H. Powel of Pittsburgh has been appointed by the War Department to be chief of the electrical and radio branch in the United States Group Control Council for Germany, the Associated Press reported from Washington, July 5.

Mr. Powell is president of the American Institute of Electrical Engineers and is an official of Westinghouse.

The Army said his immediate task will be to survey facilities in the American zone of occupation, establish controls under which German industries will be permitted to revive, and to see that they are so organized that they cannot become potential producers of war materiel.

Mr. Powell will join the staff of Lieutenant General Lucius D. Clay, Deputy United States Military Governor of Germany, about mid-July.

The figures this time are those of May 31, 1945, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was \$26,527,895,787, as against \$26,189,396,939 on April 30, 1945, and \$22,160,029,257 on May 31, 1944, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, total was \$3,459,434,174.

U. S. Leased Bases in Newfoundland in 1941

Criticisms of Government policy for alleged failure to obtain leases to military and naval bases in the Newfoundland area when the United States acquired other bases in British island possessions brought from Acting Secretary of State Joseph C. Grew, on June 29, a reply that the Newfoundland leases had actually been obtained as far back as 1941. Mr. Grew is indicated as saying that negotiations were begun about the time the United States delivered 50 over-age destroyers to Great Britain, but the lease was obtained in a later negotiation under which the British granted the rights "freely and without consideration" and not, the Secretary emphasized, in exchange for the destroyers. The New York "Times," reporting the foregoing, in special Washington advices, June 29, added:

Critics had complained that this Government had not only failed to obtain such leases covering areas in Newfoundland but had also constructed on them expensive American installations.

"A 99-year lease on the lands originally acquired in Newfoundland for United States military and naval bases was signed June 14, 1941," the statement said. "A supplementary 99-year lease covering additional areas was signed July 14, 1942. The site of the airfield was included in these leases. The original lease of the areas in Newfoundland was negotiated at the same time as the leases covering other 99-year bases.

"The lease for the establishment of the bases in Newfoundland was not granted in exchange for the 50 destroyers. In the exchange of notes between the British Ambassador and the Secretary of State, dated Sept. 2, 1940, which formed the basis for the negotiations leading to the establishment of the United States leased military and naval bases on British territory, the Ambassador stated that the grant of the lease of the areas in Newfoundland, as well as in Bermuda, would be given 'freely and without consideration.'

"The above-mentioned exchange of notes, together with the form leases covering all of the areas originally acquired, including those in Newfoundland, is printed in Executive Agreement Series 235, issued in 1942."

356 Anthracite Mines Returned by Govt.

The Government on June 22 returned to private ownership the 354 anthracite mines in Pennsylvania and two in Virginia which were taken over in May of this year when strikes followed protracted wage negotiations between operators and miners.

The Pennsylvania pits were taken over on May 3, and those in Virginia four days later after a prolonged dispute over contracts between the United Mine Workers Union and the pit operators. The strikes ended May 21 after a new contract was signed giving a daily wage increase of \$1.37½ to 72,000 miners. The contract was approved by William H. Davis, Economic Stabilization Director. It necessitated a price increase of \$1 a ton to domestic anthracite users.

Secretary Ickes, as the Solid Fuels Administrator, urged miners and operators to make every effort to make up the more than 3,500,000 tons of anthracite estimated to have been lost during the strikes.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES* (Based on Average Yields)										
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corp- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
July 10	122.89	116.02	121.04	119.41	116.22	108.34	113.12	115.63	119.61	
9	122.92	116.02	121.04	119.41	116.02	108.34	113.12	115.63	119.41	
7	Stock Exchange Closed									
6	122.92	116.02	121.04	119.41	116.02	108.16	112.93	115.63	119.61	
5	122.92	116.02	121.04	119.20	116.02	108.16	112.93	115.43	119.41	
4	Stock Exchange Closed									
3	122.93	115.82	121.04	119.20	116.02	108.16	113.12	115.43	119.41	
2	122.97	115.82	121.04	119.20	116.02	108.16	113.12	115.43	119.41	
June 29	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.43	119.20	
22	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.20	
15	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.20	
8	122.81	115.63	120.84	119.00	115.43	107.62	112.37	115.24	119.41	
1	122.23	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20	
May 25	122.29	115.43	120.63	118.80	115.43	107.27	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	122.26	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	112.19	114.27	119.20	
Apr. 27	122.38	115.24	120.84	118.40	115.04	107.09	112.19	114.27	119.20	
20	122.44	115.04	120.84	118.40	115.04	106.56	111.81	114.27	119.20	
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	
Feb. 23	121.92	114.66	120.02	118.60	114.66	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	116.22	108.34	113.12	115.63	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 10, 1944	120.34	112.37	118.60	117.00	112.19	102.96	106.39	114.08	117.40	
2 Years Ago										
July 10, 1943	120.77	111.07	119.20	116.41	111.25	98.88	102.96	114.08	116.80	

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)										
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corp- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
July 10	1.60	2.85	2.60	2.68	2.84	3.26	3.00	2.87	2.67	
9	1.60	2.85	2.60	2.69	2.85	3.26	3.00	2.87	2.68	
7	Stock Exchange Closed									
6	1.60	2.85	2.60	2.68	2.85	3.27	3.01	2.87	2.67	
5	1.60	2.85	2.60	2.69	2.85	3.27	3.01	2.88	2.68	
4	Stock Exchange Closed									
3	1.60	2.85	2.60	2.69	2.85	3.27	3.00	2.88	2.68	
2	1.59	2.85	2.60	2.69	2.85	3.27	3.00	2.88	2.68	
June 29	1.60	2.85	2.60	2.69	2.85	3.27	3.01	2.88	2.68	
22	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.69	
15	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68	
8	1.60	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68	
1	1.64	2.88	2.62	2.70	2.88	3.31	3.04	2.91	2.69	
May 25	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69	
18	1.64	2.88	2.62	2.71	2.88	3.32	3.05	2.92	2.68	
11	1.64	2.89	2.61	2.73	2.88	3.33	3.05	2.93	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	
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	2.84	3.26	3.00	2.87	2.67	
1 Year Ago										
July 10, 1944	1.77	3.04	2.72	2.80	3.05	3.57	3.37	2.95	2.78	
2 Years Ago										
July 10, 1943	1.80	3.11	2.69	2.83	3.10	3.82	3.57	2.95	2.81	

*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.

Moody's Common Stock Yields

For yields in prior years see the following back issues of the "Chronicle": 1941 yields (also annually from 1929), Jan. 11, 1942, page 2218; 1942 levels, Jan. 14, 1943, page 202; 1943 yields, March 16, 1944, page 1130; 1944 yields, Feb. 1, 1945, page 558.

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS						
	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
January, 1945	4.4	6.3	5.2	3.3	3.6	4.6
February, 1945	4.2	5.9	5.0	3.3	3.4	4.3
March, 1945	4.4	6.2	5.1	3.6	3.5	4.6
April, 1945	4.1	5.5	4.8	3.4	3.4	4.3
May, 1945	4.1	5.5	4.7	3.4	3.3	4.2
June, 1945	4.1	5.3	4.6	3.3	3.4	4.2

Steel Operating Rate up 1%—Backlogs Still Heavy—Volume of Rated Business Falls Off

"Signs are multiplying in the steel industry that the period of partial reconversion to civilian steel output will be almost as hectic as when the industry went from civilian production of steel to war output," states "The Iron Age" in its issue of today (July 12), which further states in part as follows:

"Although backlogs continue to be heavy and represent substantial tonnages of rated or war business, much of this unshipped material is vulnerable to future cancellations and changes in the battlefronts. Such of this tonnage is also for extended delivery. Currently, the order situation reflects a myriad of conflicting market trends.

"In the past week the volume of rated steel business in almost all districts was down sharply, but whether this indicates a definite trend remains to be seen. Part of the decline is probably due to changes in war programs and to

the necessity for contractors to gather ends together after a series of cancellations and cutbacks in munition programs.

"Some areas this week were reporting a lower level of civilian steel order volume. This was to be expected inasmuch as steel companies so far have been unable to give definite commitments for large-scale deliveries of steel for civilian purposes in the third or even the fourth quarter. The situation is extremely tight in the flat-rolled market, with about

75% of the non-rated tonnage booked involving sheets.

"The sheet situation will be the problem to which the WPB will have to find a solution soon if the distribution of steel orders is to proceed so that steel mills will not be faced with lower operations and lack of control at a time when potential steel demand remains at a high point. The freezing of most sheet schedules for the third quarter is the first step by the WPB in an attempt to get a semblance of order in the sheet market.

"All sheet orders, shipments and cancellations for the third quarter will be under strict WPB control until a study is made of the data now being collected covering third quarter sheet commitments by the mills. No open space on sheet mills with but few exceptions may be filled without specific WPB approval. As long as this freeze continues, it nullifies the permission, as far as sheets are concerned, for mills to accept unrated business in accordance with a previous WPB order.

"Other factors which have tended to prohibit anything but a small trickle of steel to civilian producers include manpower shortages in specific skills, a substantial increase in the number of outlaw strikes, hot weather and the forcing down of some steel units for urgently needed repairs. Declines in production because of these factors have the effect of substantially increasing the backlog of rated steel business."

The American Iron and Steel Institute on July 9 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 89.0% of capacity for the week beginning July 9, 1945, compared with 88.1% one week ago, 90.0% one month ago and 95.3% one year ago. The operating rate for the week beginning July 9, 1945 is equivalent to 1,630,200 tons of steel ingots and castings, compared to 1,613,700 tons one week ago, 1,648,500 tons one month ago, and 1,714,300 tons one year ago.

"Steel" in its summary of the iron and steel markets, on July 9 stated in part as follows:

"Seeking to improve the situation existing on steel mill order books War Production Board has asked producers to report principal orders on their books to the end that duplicate contacts may be detected.

"It has been apparent for some time that makers of civilian products have placed orders for the same steel with several mills, in the hope that they may obtain a place on rolling schedules. This has obscured the real situation and may have inflated backlogs materially. WPB hopes this action may make it possible to eliminate some duplications and give a truer picture of essential demand.

"At the same time Washington is exerting heavy pressure on consumers who have received cutbacks, to cancel released tonnage. This is especially the case in sheets, which are in strong spot demand for drums and containers and other military needs, in addition to rated and unrated civilian programs scheduled for third and fourth quarter. To some extent bars are in a similar position. It is also reported that consideration is being given to revocation of Direction 70, Regulation 1, which permits manufacturers of civilian goods to divert tonnages released by military cutbacks to civilian requirements of like character. At present such diversion is subject to approval by WPB and it is proposed now that further steps be taken to the extent that tonnage be cancelled.

"Although rated tonnage is declining, volume of unrated steel is increasing. In June some producers of diversified products received substantially heavier bookings than in May and in spite of cancellations attained a balance close to or exceeding shipments.

In some products, notably sheets and pipe, the latter in special demand for bombs, total volume of validated and unvalidated orders, even after cutbacks, has been well in excess of shipments. However, unrated orders in general can not be firmly scheduled, because of priority of CMP tonnage and therefore are not reflected in delivery promises.

"Major cutbacks have been in shells, but so far these have not caused much mill order cancellations and in any case they would not affect schedules much before fourth quarter. Chicago Ordnance District has announced a cutback in medium artillery ammunition components of about \$20 million per month, involving storage and cartridge cases, containers, fuzes, primers and boosters. This appears to apply mainly to future schedules. It is understood this involves a number of contracts on which production has not yet started. Contractors under production are little affected."

Presidential Succession Bill Adopted by House

A new plan of Presidential succession, requested by President Truman in a message to Congress June 19, was brought to the floor of the House by Representative Hatton W. Summers (D., Tex.), providing that the Speaker of the House would become President in event of the death or disability of both the President and Vice-President, and was passed by voice vote in the House on June 29, according to special advices on that date from Washington to the New York "Times." The bill, which in the present Administration would make Speaker Sam Rayburn (D., Tex.) President in the event of the death of Harry S. Truman, is now to be debated in the Senate, where it is felt action may be delayed although there may exist no serious opposition to the measure.

A specific recommendation by President Truman in his June 19 message was rejected by the House in passing the bill. This was that no successor to the President and Vice-President should serve any longer than the next Congressional election, or until an election called for the purpose of electing a new President and Vice-President. Mr. Summers' proposed bill had carried a provision for a special election, but this was thrown out because of the objection of Representative John Robinson (R., Ky.) and others that it might be unconstitutional.

This fear was based on the fact, the "Times" stated, that the Constitution provides that a President shall be elected to serve for four years, whereas a special election would be for some fraction of that time. The result was that provision was made for an appointed successor to fill an entire unexpired term.

General Congressional opinion was that while the Senate Republicans would have no objection to the House bill and that many would, in fact, welcome it, the Democratic Senators would not be so inclined. For, it was pointed out, a change in party control of the House, and thus of the Speakership, was always possible, say in 1946, and a Republican member of Congress thus would be first in the line of Presidential succession.

The vote in the House, although not of record, was heavily favorable to the bill. A motion to recommit, or to reject the measure in its present form, was defeated, 32 to 167, before final passage.

House debate was relatively brief and turned largely upon disputed constitutional points. The leader of the opposition, Representative Hancock, Republican, of New York, insisted the Speaker was not "an officer of the United

States" as one must be to be eligible for Presidential succession.

Mr. Summers asserted that precedents going back to the eighteenth century had been accepted that a member of Congress was in fact such an "officer" of the Government. He conceded that the matter was a "difficult" one, but argued that it had never been less than difficult.

The bill would establish this line of succession below the Vice-President, the Speaker, the President pro tempore of the Senate (Senators McKellar of Tennessee at present), the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Attorney General, the Postmaster General, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce and the Secretary of Labor.

When the measure had been approved, a great majority of members on both the Republican and Democratic sides stood applauding Speaker Rayburn, who, somewhat embarrassed, let his gavel fall briskly and passed on to other House business.

(A report of President Truman's message of June 19 asking for the new succession legislation was given in the "Chronicle" on June 28, page 2886.)

Congratulates MacArthur

President Truman sent a message of congratulations to Gen. Douglas MacArthur upon the conclusion of the Luzon campaign in which he predicted that the powerful base which the Philippines are becoming will play a part "in the final knockout blow against Japan." An Associated Press report from Kansas City, Mo., where the President stopped off on his return from the San Francisco conference, indicating this on June 29, gave the following text of the President's message to Gen. MacArthur:

"My most sincere congratulations to you and your command for the successful conclusion of the Luzon campaign. With the complete defeat of the enemy on Luzon you have swept them from all the Philippines and redeemed the promises of the American people to the loyal Filipino people.

"All Americans are happy that victory has been won with the lowest possible loss in lives. I am confident that the powerful base that we are fashioning in the Philippines will play its full part in the final knockout blow in the war against Japan and restore the world to peace, freedom and sanity."

Parcel Post to Greece

Postmaster Albert Goldman announced on July 2 that ordinary parcel post service has been resumed to Greece. The following conditions are applicable: Not more than one parcel may be sent each two weeks from the same sender to the same addressee. No parcel may weigh more than 11 pounds or be longer than 18 inches, or have a greater combined length and girth than 42 inches. Licensing requirements of the Foreign Economic Administration are applicable. For the present, registry and insurance services are not available.

Moody's Daily Commodity Index

Monday, July 3, 1945	256.5
Wednesday, July 4	Holiday
Thursday, July 5	256.7
Friday, July 6	256.4
Saturday, July 7	256.4
Monday, July 9	256.5
Tuesday, July 10	256.7
Two weeks ago, June 26	256.3
Month ago, June 9	257.6
Year ago, July 10, 1944	249.8
1944 High, Dec. 31	

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended June 30, 1945, as estimated by the Bureau of Mines, was 11,950,000 net tons, an increase of 180,000 tons, or 1.5%, over the preceding week. Production in the corresponding week of 1944 amounted to 11,886,000 tons. The total output of soft coal from Jan. 1 to June 30, 1945 is estimated at 297,555,000 net tons, a decrease of 6.9% when compared with the 319,647,000 tons produced during the period from Jan. 1 to July 1, 1944.

Production of Pennsylvania anthracite for the week ended June 30, 1945, as estimated by the Bureau of Mines was 1,328,000 tons, a decrease of 23,000 tons (1.7%) from the preceding week. When compared with the output in the corresponding week of 1944 there was an increase of 56,000 tons, or 4.4%. The calendar year to date shows a decrease of 19.0% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended June 30 1945 showed an increase of 5,400 tons when compared with the output for the week ended June 23, 1945; and was 17,500 tons less than for the corresponding week of 1944.

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

	Week Ended			Jan. 1 to Date	
	June 30, 1945	June 23, 1945	July 1, 1944	* June 30, 1945	July 1, 1944
Bituminous coal & lignite—	11,950,000	11,770,000	11,886,000	297,555,000	319,647,000
Total, including mine fuel—	1,992,000	1,962,000	1,981,000	1,928,000	2,049,000
Daily average	1,992,000	1,962,000	1,981,000	1,928,000	2,049,000

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Calendar Year to Date		
	June 30, 1945	June 23, 1945	July 1, 1944	June 30, 1945	July 1, 1944	July 3, 1937
Penn. anthracite—	1,328,000	1,351,000	1,272,000	26,677,000	32,953,000	28,861,000
*Total incl. coll. fuel.	1,328,000	1,351,000	1,272,000	26,677,000	32,953,000	28,861,000
†Commercial produc.	1,275,000	1,297,000	1,221,000	25,611,000	31,635,000	27,418,000

Beehive coke—
 United States total 129,600 124,200 147,100 3,026,600 3,876,600 1,861,400
 *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

State—	Week Ended		
	June 23, 1945	June 16, 1945	June 24, 1944
Alabama	395,000	401,000	341,000
Alaska	6,000	6,000	7,000
Arkansas and Oklahoma	88,000	78,000	92,000
Colorado	114,000	123,000	119,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,445,000	1,428,000	1,499,000
Indiana	503,000	469,000	526,000
Iowa	41,000	45,000	49,000
Kansas and Missouri	99,000	129,000	146,000
Kentucky—Eastern	936,000	988,000	965,000
Kentucky—Western	392,000	347,000	370,000
Maryland	40,000	35,000	41,000
Michigan	3,000	2,000	2,000
Montana (bitum. & lignite)	99,000	95,000	81,000
New Mexico	30,000	27,000	33,000
North & South Dakota (lignite)	43,000	41,000	33,000
Ohio	734,000	712,000	693,000
Pennsylvania (bituminous)	2,880,000	2,950,000	2,882,000
Tennessee	117,000	137,000	148,000
Texas (bituminous & lignite)	1,000	1,000	1,000
Utah	133,000	134,000	139,000
Virginia	352,000	359,000	373,000
Washington	25,000	21,000	33,000
†West Virginia—Southern	1,955,000	2,043,000	2,185,000
†West Virginia—Northern	1,151,000	1,087,000	949,000
Wyoming	183,000	186,000	163,000
Other Western States	183,000	186,000	163,000
Total bituminous & lignite	11,770,000	11,850,000	11,970,000

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

Wholesale Prices Unchanged For Week Ended June 30

Fractionally higher prices for farm products and some industrial commodities occurred during the week ended June 30, 1945, but these changes were not large enough to affect the over-all index of commodity prices in primary markets, said the U. S. Department of Labor July 5. It added that "the Bureau of Labor Statistics' index remained unchanged at 105.9% of the 1926 level, 0.2% below the first week of June 1945, but 1.7% above the corresponding week of last year."

The announcement went on to say:

"Farm Products and Foods"—Average prices for farm products rose 0.1% during the week as the result of higher quotations for livestock. Prices for cows increased more than 2% and for lambs nearly 2%. Among the grains, lower quotations for wheat and rye more than offset advances for corn. Prices for apples rose in eastern markets and lemons, onions, and sweet potatoes were higher. Prices for white potatoes were generally lower. Average primary market prices for farm products were 0.5% below the level of the end of May, but were still 3.7% above the end of June of last year.

"The fractional advance in average prices of fresh fruits and vegetables and an increase for rye flour did not change the group index for foods, which remained at a level 0.2% below a month ago, and 0.6% above the end of June, 1944.

"Other Commodities"—Higher prices for anthracite continued to reflect ceiling increases approved by OPA to cover wage adjustments and restore profit margins. Price advances occurred for fire brick and silica brick as OPA approved higher ceilings for these commodities produced in eastern states. Average prices for chemicals and allied products rose 0.1% as the result of an advance of 19% for solid logwood extract reflecting higher ceilings to cover increased costs of production of basic dyewoods, and higher prices for chestnut extract. Strong demand for better quality sheepskins raised prices of shearlings more than 2%. Mercury prices declined fractionally.

The Labor Department included the following notation in its report:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes

must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following tables show (1) indexes for the principal groups of commodities for the past three weeks, for June 2, 1945 and July 1, 1944, and (2) the percentage changes in subgroup indexes from June 23, 1945 to June 30, 1945.

WHOLESALE PRICES FOR WEEK ENDED JUNE 30, 1945 (1926=100)

Commodity Groups—	June 23, 1945					Percentage change to June 30, 1945 from—		
	1945	1945	1945	1945	1944	6-23	6-2	7-1
All commodities	105.9	105.9	106.0	106.1	104.1	0	-0.2	+1.7
Farm products	130.1	130.0	131.0	130.8	125.5	+0.1	-0.5	+3.7
Foods	107.3	107.3	107.7	107.5	106.7	0	-0.2	+0.6
Hides and leather products	118.5	118.3	118.3	118.3	116.8	+0.2	+0.2	+1.5
Textile products	99.1	99.1	99.1	99.1	97.3	0	0	+1.8
Fuel and lighting materials	84.8	84.7	84.5	84.7	83.8	+0.1	+0.1	+1.2
Metals and metal products	104.8	104.8	104.8	104.8	103.8	0	+0.1	+1.5
Building materials	117.4	117.3	117.3	117.3	115.9	+0.1	+0.1	+1.5
Chemicals and allied products	95.4	95.3	95.3	94.9	95.5	+0.1	+0.5	-0.1
Housefurnishing goods	106.2	106.2	106.2	106.2	106.0	0	0	+0.5
Miscellaneous commodities	94.6	94.6	94.6	94.5	93.3	0	0	+1.4
Raw materials	118.7	118.6	119.0	118.9	114.6	+0.1	-0.2	+3.6
Semimanufactured articles	95.3	95.3	95.3	95.3	93.7	0	0	+1.7
Manufactured products	102.0	102.0	102.0	102.1	101.1	0	-0.1	+0.5
All commodities other than farm products	100.6	100.6	100.6	100.6	99.5	0	0	+1.1
All commodities other than farm products and foods	99.8	99.8	99.7	99.8	98.7	0	0	+1.1

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JUNE 23, 1945 TO JUNE 30, 1945

Increases		Decrease	
Anthracite	0.8	Livestock and poultry	0.4
Brick and tile	0.5	Chemicals	0.2
Hides and skins	0.5	Other building materials	0.2
Fruits and vegetables	0.1		
Grains	0.5		

June Civil Engineering Construction Highest Since November, 1943

Civil engineering construction volume in continental United States totals \$190,614,000 for the four weeks of June, an average of \$47,654,000 per week and the highest weekly average volume reported to "Engineering News-Record" since November 1943. The June average week is 45% above that for May, 1945, and is up 51% compared with June 1944. The report issued on July 5, added in part:

Private construction, on the weekly average basis, tops the preceding month by 145%, is 152% higher than in the corresponding 1944 month, and the highest figure recorded since November, 1943. Public work, in reporting its highest average since last August, is 19 and 25% higher, respectively, than a month ago and a year ago. Both state and municipal construction and federal volume participate in the public increase, the former recording 33 and 44% gains over May 1945 and an 18% increase over June 1944.

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

	June, 1945* (four weeks)	May, 1945 (five weeks)	June, 1944 (five weeks)
Total U. S. Construction	\$190,614,000	\$164,955,000	\$157,811,000
Private Construction	65,714,000	33,498,000	32,569,000
Public Construction	124,900,000	131,457,000	125,242,000
State & Municipal	36,583,000	34,339,000	31,687,000
Federal	88,317,000	97,058,000	93,555,000

*Current month's statistics.

First Half Construction Volume

The June construction total brings 1945 volume to \$876,155,000, for the first half of the year, a figure within 2% of the \$891,830,000 for the opening six months of 1944. Private construction, \$256,855,000, is 28% greater than a year ago, but public work, \$619,300,000 is 10% lower. Federal volume, \$487,306,000, declines 16% from the 1944 period's total and is responsible for the decrease in the public figure as state and municipal construction, \$131,994,000, is 21% higher than a year ago.

New Capital

New capital for construction purposes for the four weeks of June totals \$28,041,000, a volume that compares with \$16,728,000 for the five weeks of June 1944. The current month's total is made up of \$21,483,000 in state and municipal bond sales, \$4,858,000 in corporate security issues, \$1,500,000 in RFC loans for private industrial expansion, and \$200,000 in RFC loans for public improvements.

New construction financing for the first half of 1945 totals \$539,751,000, a volume 22% greater than the \$443,277,000 reported for the corresponding period in 1944. Of this new financing total \$186,471,000 is in state and municipal bond sales, \$79,670,000 in corporate security issues, \$22,600,000 in RFC loans for public and private construction, and \$251,010,000 in federal appropriations for military and departmental construction.

Stabilization Board Attacks Inflation Tendencies; Endorse 3-Point Program

A three-point program designed to hold back inflationary tendencies in the field of real estate and securities is reported to have won unanimous approval of the eighteen-man Economic Stabilization Board headed by William H. Davis, according to Washington Associated Press advices on July 5.

The first point, indicative of the Government's concern over speculation and rising prices, was to limit loans for buying Stock Exchange securities. This has been accomplished by the Federal Reserve Board raising the margin requirements from 50 to 75%, effective July 5.

The other two points, the Associated Press reports, will be harder to put through. They are:

1. Limiting loans for buying real estate. This needs an order from the White House. The Sta-
2. Slapping heavier taxes on those who buy real estate or stocks

and sell them quickly at a profit. This needs an act of Congress. The present law says half of such profits are exempt from income taxes and the other half is taxable at the rate of 50% if the property is held six months or more. The proposal is to extend this to three years, thus discouraging speculators who might want to sell in a shorter time.

Mr. Davis, Director of Economic Stabilization, has made no announcement of the program. Apparently it is up to higher authorities to carry the ball from here—either War Mobilizer Fred Vinson or Mr. Truman himself.

Raising of the margin requirements involved no red tape because Congress long ago gave the Federal Reserve Board this authority.

A margin of 75% means that any one buying Stock Exchange securities on credit must put up 75% of the price himself and can borrow only 25% from his banker or broker.

The Reserve Board acted after consulting with Mr. Davis. It is represented on the Stabilization Board, along with several Cabinet members and other Federal officials, plus representatives of labor and industry.

The Associated Press further said:

"There are no direct government credit requirements for down payments on real estate at present. Should the Federal Reserve Board receive authority to regulate real estate credit, it would probably require down payments on urban real estate of about 35% and on farms between 40 and 50%.

"The exact percentages have not been determined but those figures have been discussed. Regulating mortgage in this way is opposed by real estate groups, some of which are particularly anxious to avoid credit regulation on new construction. They say it might hold back the building of homes after the war.

"Marriner Eccles, Chairman of the Reserve Board, and others have been insisting that the whole field of capital assets—real estate and securities—is the weak link in the chain of safeguards against a runaway inflation that would be disastrous to the economy. They point out that there are price ceilings on groceries and other goods and on rentals, but there are no price ceilings whatever on capital assets.

"Here's the tax situation with respect to sale of real estate or stocks now:

"When a person buys real estate or stocks and sells them at a profit within six months, he must pay both the capital gains taxes and the income tax on the profit. If he holds them more than six months he pays only the capital gains tax which goes no higher than 25%. Mr. Eccles thinks this tax ought to be 40% or 50%.

"The Economic Stabilization Board is understood to be unanimously in favor of extending the period to three years. That is, the property would have to be held three years to escape income taxes and pay only the capital gains tax.

"But the Stabilization Board is understood to have left open the question of following Mr. Eccles' recommendation of increasing the rate of the capital gains tax. There is strong opposition among groups and in Congress to both proposals."

Armed Forces Insur. Bill

A bill extending for another five years the life insurance policies issued by the Government to members of the armed forces was signed by President Truman on July 2, the United Press reported that day from Washington, adding that the act provides that these policies, originally limited to five years, be extended automatically without requiring policy holders to undergo another physical examination.

Daily Average Crude Oil Production for Week Ended June 30, 1945 Again Rises to New High

Gross crude oil production in the United States again reached a new peak in the week ended June 30, 1945, averaging 4,903,314 barrels per day, according to the American Petroleum Institute. This was an increase of 5,450 barrels per day over the preceding week and exceeded output in the week ended July 1, 1944 by 316,564 barrels per day. The current figure was also 43,714 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 30, 1945 averaged 4,885,764 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,999,000 barrels of crude oil daily and produced 15,546,000 barrels of gasoline; 1,567,000 barrels of kerosine; 4,910,000 barrels of distillate fuel, and 9,077,000 barrels of residual fuel oil during the week ended June 30, 1945; and had in storage at the end of that week; 47,189,000 barrels of civilian grade gasoline; 39,283,000 barrels of military and other gasoline; 9,676,000 barrels of kerosine; 32,213,000 barrels of distillate fuel, and 40,488,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations	*State Allowables	Actual Production	Change	4 Weeks Ended	Week Ended
	June 1, 1945	June 1, 1945	June 30, 1945	from Previous Week	June 30, 1945	July 1, 1945
Oklahoma	370,000	380,000	1,388,400	+ 4,100	386,600	338,300
Kansas	274,000	269,400	1,273,250	- 3,250	268,750	274,700
Nebraska	1,000	---	1900	---	900	1,000
Panhandle Texas	---	---	90,000	---	90,000	92,150
North Texas	---	---	154,650	---	154,650	149,400
West Texas	---	---	497,550	---	497,550	447,900
East Central Texas	---	---	139,900	---	139,900	145,000
East Texas	---	---	377,600	---	377,600	360,550
Southwest Texas	---	---	357,700	---	357,700	312,950
Coastal Texas	---	---	563,050	---	563,050	528,450
Total Texas	2,170,000	2,171,706	2,180,450	---	2,180,450	2,036,400
North Louisiana	---	---	69,200	---	69,150	72,750
Coastal Louisiana	---	---	298,950	---	298,950	288,750
Total Louisiana	360,000	400,800	368,150	---	368,100	361,500
Arkansas	80,000	78,786	80,100	+ 450	79,400	80,250
Mississippi	53,000	---	51,200	+ 600	51,400	43,900
Alabama	400	---	700	---	700	150
Florida	---	---	14	---	14	50
Illinois	200,000	---	214,500	+ 10,100	205,050	208,650
Indiana	13,000	---	12,700	- 200	12,250	12,200
Eastern—	---	---	---	---	---	---
(Not incl. Ill., Ind., Ky.)	64,200	---	66,150	+ 300	64,750	71,550
Kentucky	28,000	---	30,700	+ 100	29,950	24,700
Michigan	47,000	---	48,900	+ 2,350	48,250	51,900
Wyoming	113,500	---	108,450	- 1,850	108,500	93,950
Montana	23,000	---	20,250	---	20,300	22,100
Colorado	10,500	---	11,050	---	11,200	7,550
New Mexico	105,000	105,000	103,750	- 50	103,750	108,000
Total East of Calif	3,912,600	---	3,959,614	+ 12,450	3,940,314	3,736,850
California	947,000	947,000	943,700	- 7,000	945,450	849,900
Total United States	4,859,600	---	4,903,314	+ 5,450	4,885,764	4,586,750

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. June 28, 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 30, 1945

(Figures in thousands of barrels of 42 gallons each)

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

District	% Daily Crude Runs		% Gasoline		% Stocks		% Stocks	
	Refining to Still	Capac. Daily	duction of	at Ref.	of Gas Oil	of Re-	Gasoline	Stocks
	Op-erating	Op-erating	Blended	Inc. Nat.	Dist.	sidual	tary and	villan
	age	erated	Fuel Oil			Fuel oil	Other	Grade
East Coast	99.5	722	91.3	1,709	7,286	5,929	4,784	8,397
Appalachian	---	---	---	---	---	---	---	---
District No. 1	76.8	105	71.9	334	346	264	1,823	1,194
District No. 2	81.2	53	106.0	124	96	67	555	791
Ind., Ill., Ky.	87.2	361	93.7	2,939	4,415	2,280	7,036	12,903
Okla., Kans., Mo.	78.3	361	85.5	1,453	1,818	1,245	2,184	7,271
Inland Texas	59.8	247	74.8	970	445	921	1,225	1,683
Texas Gulf Coast	89.3	1,247	100.8	3,973	6,032	6,024	8,700	4,947
Louisiana Gulf Coast	96.8	281	108.1	845	1,803	1,120	1,979	2,006
No. La. & Arkansas	55.9	88	69.8	234	670	172	93	2,531
Rocky Mountain	---	---	---	---	---	---	---	---
District No. 3	17.1	13	100.0	40	21	36	10	76
District No. 4	72.1	126	79.2	404	322	529	693	1,677
California	87.3	913	91.6	2,521	8,959	21,901	10,201	3,713
Total U. S. B. of M.	85.8	1,999	92.0	15,546	32,213	40,488	39,283	47,189
Total U. S. B. of M.	85.8	15,002	92.1	18,367	31,761	39,893	40,853	46,609
U. S. Bur. of Mines	---	---	---	---	---	---	---	---
basis July 1, 1944	4,634	---	---	13,924	35,242	52,769	35,403	46,581

*Includes aviation and military grades, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending stocks currently indeterminate as to ultimate use, and 11,783,000 barrels unfinished gasoline this week, compared with 11,738,000 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 1,537,000 barrels of kerosine, 4,910,000 barrels of gas oil and distillate fuel oil and 9,077,000 barrels of residual fuel oil produced during the week ended June 30, 1945, which compares with 1,449,000 barrels (revised figure), 5,014,000 barrels and 9,555,000 barrels (revised figure), respectively, in the preceding week and 1,332,000 barrels, 4,507,000 barrels and 8,680,000 barrels, respectively, in the week ended July 1, 1944. †Revised figure.

Note—Stocks of kerosine at June 30, 1945, amounted to 9,676,000 barrels, as against 9,033,000 (revised) barrels a week earlier and 9,825,000 barrels a year before.

National Fertilizer Association Commodity Price Index Shows Little Change

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on July 9 declined slightly to 141.5 for the week ended July 7, 1945. A month earlier the index registered 141.6 and a year ago 138.0, all based on the 1935-39 average as 100. The report went on to say:

The farm products group declined fractionally due to lower quotations on cotton, rye, poultry and eggs which were partly offset by increased quotations on barley and cattle. The foods group declined slightly owing to lower quotations on potatoes and eggs. The fractional decrease in the cotton quotation was insufficient to affect the textiles index. All other groups in the index remained unchanged.

During the week 3 price series in the index advanced and 6 declined, in the preceding week there were 6 advances and 6 declines, in the second preceding week there were 4 advances and 2 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week	Preceding Week	Month Ago	Year Ago
		July 7, 1945	June 30, 1945	July 7, 1945	July 8, 1944
25.3	Food.....	143.1	143.6	143.9	140.9
	Fats and Oils.....	145.2	145.2	145.2	145.1
	Cottonseed Oil.....	163.1	163.1	163.1	163.1
23.0	Farm Products.....	167.2	167.7	167.2	159.8
	Cotton.....	213.9	214.0	216.2	208.6
	Grains.....	165.0	164.6	164.7	160.1
	Livestock.....	160.8	161.8	160.2	151.6
17.3	Fuels.....	133.3	133.3	132.0	130.1
10.8	Miscellaneous Commodities.....	133.7	133.7	133.7	132.2
8.2	Textiles.....	157.0	157.0	157.3	153.3
7.1	Metals.....	108.9	108.9	108.9	104.4
6.1	Building Materials.....	153.8	153.8	155.4	153.4
1.3	Chemicals and Drugs.....	125.9	125.9	125.9	126.9
.3	Fertilizer Materials.....	118.3	118.3	118.3	118.1
.3	Fertilizers.....	119.9	119.9	119.9	119.7
.3	Farm Machinery.....	104.8	104.8	104.8	104.5
100.0	All groups combined.....	141.5	141.6	141.6	138.0

*Indexes on 1926-1928 base were: July 7, 1945, 110.2; June 30, 1945, 110.3, and July 8, 1944, 107.5.

We also give below the report for the previous week:

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on July 2 was unchanged at 141.6 for the week ended June 30, 1945. A month ago the index registered 141.4 and a year ago 137.7, all based on the 1935-39 average as 100. The report continued as follows:

Three of the composite groups of the index declined during the current week and one advanced. The general level of the farm products group was only slightly lower, the decrease in quotations on cotton, wheat, rye and good cattle being nearly offset by the increase on corn, lambs, and eggs. The foods index was also slightly lower due to lower quotations on potatoes, partly offset by the increase on eggs. Increased quotations on anthracite coal advanced the fuels index but the increase on scrap steel was insufficient to affect the metals index. The textiles index was slightly lower and all other groups in the index remained unchanged.

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

Electric Output for Week Ended July 7, 1945 Exceeds That for Same Week Last Year by 1.0%

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended July 7, 1945, was approximately 3,978,426,000 kwh., which compares with 3,940,854,000 kwh. in the corresponding week a year ago and 4,353,351,000 kwh. in the week ended June 30, 1945. The output of the week ended July 7, 1945, was 1.0% in excess of that for the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Week Ended

Major Geographical Divisions—	July 7	June 30	June 23	June 16
New England.....	0.5	1.1	1.3	0.3
Middle Atlantic.....	2.9	2.3	2.8	2.2
Central Industrial.....	1.2	0.5	0.2	0.9
West Central.....	5.2	1.2	1.5	5.0
Southern States.....	6.8	3.8	3.2	7.0
Rocky Mountain.....	0.5	1.3	0.9	1.0
Pacific Coast.....	5.1	2.9	1.7	4.3
Total United States.....	1.0	0.6	0.8	1.4

*Decrease under similar week in previous year.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1945	1944	% Change over 1944	1943	1932	1929
April 7.....	4,321,794	4,361,094	- 0.9	3,892,467	1,480,738	1,696,543
April 14.....	4,332,400	4,307,498	+ 0.6	3,916,794	1,469,810	1,709,331
April 21.....	4,411,325	4,344,188	+ 1.5	3,925,175	1,454,505	1,699,822
April 28.....	4,415,689	4,336,247	+ 1.8	3,866,721	1,429,032	1,688,434
May 5.....	4,397,330	4,233,756	+ 3.9	3,903,723	1,436,928	1,698,942
May 12.....	4,302,381	4,238,375	+ 1.5	3,969,161	1,435,731	1,704,426
May 19.....	4,377,221	4,245,678	+ 3.1	3,992,250	1,425,151	1,705,460
May 26.....	4,329,605	4,291,750	+ 0.9	3,990,040	1,381,452	1,615,085
June 2.....	4,203,502	4,144,490	+ 1.4	3,925,893	1,435,471	1,689,925
June 9.....	4,327,028	4,264,600	+ 1.5	4,040,376	1,441,532	1,699,227
June 16.....	4,348,413	4,287,251	+ 1.4	4,098,401	1,440,541	1,702,501
June 23.....	4,358,277	4,325,417	+ 0.8	4,120,038	1,456,961	1,723,428
June 30.....	4,353,351	4,327,359	+ 0.6	4,110,793	1,341,730	1,592,075
July 7.....	3,978,426	3,940,854	+ 1.0	3,919,398	1,415,704	1,711,625
July 14.....	4,377,152	---	---	4,184,143	1,433,903	1,727,225
July 21.....	4,380,930	---	---	4,196,357	1,440,386	1,732,031
July 28.....	4,390,762	---	---	4,226,705	1,426,985	1,724,728

J. F. Ebersole Dies

J. Franklin Ebersole, Professor of Banking and Finance at Harvard University, died at Belmont, Mass., on June 24 at the age of 60 years. The New York "Times" in an article from Belmont stated that he served as managing director of the State Deposit Bank in Minneapolis from 1910 to 1920 and was

assistant Federal Reserve agent at the Federal Reserve Bank in that city for seven years.

He began at Harvard University as Professor of Finance in 1930. Eleven years later he was appointed to the Converse Chair of Banking and Finance, which he held at his death.

Sec. Anderson Has New Food Program

Representative Clinton P. Anderson (D-N. M.) moved into President Truman's reorganized cabinet on June 30 when he took the oath of office as Secretary of Agriculture, the Associated Press reported from Washington on that date, adding that Mr. Anderson, who had headed the House Food Committee, took with him to his new post that committee's program for relieving the food situation in the nation.

The committee's report, signed by Mr. Anderson, contained the following specific suggestions:

"That food goals be determined by war requirements and kept on an increasing basis as long as the fighting lasts.

"That government claimant agencies notify producers in advance what size crops they want—then be required to take everything demanded, thus cutting off surpluses.

"That price support programs be announced far enough in advance to let the farmer know what his market return will be before he starts his crop.

"That the spring egg support price be raised to cut off a growing black market, and that it be announced as soon as possible so poultrymen can plan their laying flocks now.

"Declaring that the hog goal for 1944 was reduced below that of 1943, even though the coming demand for pork was apparent, the unanimous statement said the Committee does

Trading on New York Exchanges

The Securities and Exchange Commission made public on July 4 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 16, 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 16 (in round lot transactions) totaled 2,966,255 shares, which amount was 14.02% of the total transactions on the Exchange of 10,578,000 shares. This compares with member trading during the week ended June 9, of 2,840,521 shares, or 15.33% of the total trading of 9,268,490 shares. On the New York Curb Exchange, member trading during the week ended June 16 amounted to 901,405 shares or 14.93% of the total volume on that exchange of 3,018,700 shares. During the week ended June 9 trading for the account of Curb members of 758,660 shares was 15.64% of the total trading of 2,425,685.

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

WEEK ENDED JUNE 16, 1945		
	Total for week	%
A. Total Round-Lot Sales:	260,740	
Short sales.....	10,317,260	
Other sales.....		
Total sales.....	10,578,000	
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.....	760,210	
Short sales.....	122,730	
Other sales.....	635,690	
Total sales.....	758,420	7.18
2. Other transactions initiated on the floor—		
Total purchases.....	358,640	
Short sales.....	29,430	
Other sales.....	370,080	
Total sales.....	399,510	3.58
3. Other transactions initiated off the floor—		
Total purchases.....	301,468	
Short sales.....	31,160	
Other sales.....	356,847	
Total sales.....	388,007	3.26
4. Total—	1,420,318	
Total purchases.....	183,320	
Short sales.....	1,362,617	
Other sales.....		
Total sales.....	1,545,937	14.02

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

WEEK ENDED JUNE 16, 1945		
	Total for week	%
A. Total Round-Lot Sales:	48,100	
Short sales.....	2,970,600	
Other sales.....		
Total sales.....	3,018,700	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	225,310	
Short sales.....	26,500	
Other sales.....	204,390	
Total sales.....	230,890	7.56
2. Other transactions initiated on the floor—		
Total purchases.....	98,155	
Short sales.....	13,400	
Other sales.....	94,890	
Total sales.....	108,290	3.42
3. Other transactions initiated off the floor—		
Total purchases.....	70,495	
Short sales.....	3,000	
Other sales.....	165,265	
Total sales.....	168,265	3.95
4. Total—	393,960	
Total purchases.....	42,900	
Short sales.....	464,545	
Other sales.....		
Total sales.....	507,445	14.93
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales.....	0	
Customers' other sales.....	91,161	
Total purchases.....	91,161	
Total sales.....	75,205	

*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 \$30,820,000 For Holiday-Shortened Week

Civil engineering construction volume for the short week due to the Fourth of July holiday totals \$30,820,000. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 63% higher than in the corresponding 1944 week, but is below the \$46,540,000 for the preceding week, and is 31% lower than the previous four-week moving average as reported to 'Engineering News-Record.' The report issue on July 5 added:

Private construction for the week is 604% above the 1944 week's total as a result of the increased activity in industrial and commercial building construction. Public construction tops last year by 6%.

The current week's construction brings 1945 volume to \$906,975,000 for the 27 weeks, a total within 0.4% of the \$910,752,000 reported for the period last year. Private work, \$269,550,000, is 33% higher than in 1944, but public construction, \$637,425,000, is 10% lower due to the 16% decrease in federal volume. State and municipal volume exceeds a year ago by 23%.

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

	July 5, 1945* (four days)	June 28, 1945 (five days)	July 6, 1944 (four days)
Total U. S. Construction...	\$30,820,000	\$46,540,000	\$18,922,000
Private Construction	12,695,000	14,690,000	1,801,000
Public Construction	18,125,000	31,850,000	17,121,000
State and Municipal.....	6,359,000	10,129,000	3,266,000
Federal	11,766,000	21,721,000	13,855,000

*Current week's statistics.

In the classified construction groups, gains over last week are in waterworks, bridges, and commercial buildings. Increases over the 1944 week are reported in all classes of work except public buildings and unclassified construction. Sub-totals for the week in each class of construction are: waterworks, \$1,426,000; sewerage, \$337,000; bridges, \$389,000; industrial buildings, \$3,057,000; commercial building and large-scale private housing, \$8,220,000; public buildings, \$3,654,000; earthwork and drainage, \$348,000; streets and roads, \$5,025,000; and unclassified construction, \$8,364,000.

New capital for construction purposes for the week totals \$21,941,000, and is made up entirely of state and municipal bond sales. The week's new financing brings 1945 volume to \$561,692,000, a total 26% above the \$446,229,000 for the 27-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 \$21,439,008,000 according to reports to 'Engineering News-Record' in the period from Jan. 1, 1943 through June 28, 1945. Plans are under way or completed on post-war projects valued at \$9,272,334,000, 43.3% of the total volume proposed, and on \$1,423,894,000 worth of projects all financing arrangements have been completed.

Non-Ferrous Metals—Amended Zinc Order Limits WPB Control to "Preferred" Business

'E. & M. J. Metal and Mineral Markets' in its issue of July 5, stated: "Cutbacks in war materials containing non-ferrous metals continue to dominate thinking in the market place, and new business in copper and zinc remains spotty in spite of open-ending of CMP on July 1 and easing of controls on civilian products. During the last week Order M-11 was amended by WPB, taking care of essential business in zinc through allocation and freeing the remainder of all limitations. MRC has extended its existing purchasing basis for chrome and manganese ores to the end of the year. Quicksilver remains inactive, and the price dropped \$1 per flask." The publication further went on to say in part:

Copper

MRC copper may be sold to any consumer making a product carrying an AA-1 rating, according to instructions issued to sellers during the last week.

The problem of stockpiling surplus material has been receiving increased attention. At a recent meeting of the Brass Mill Industry Advisory Committee there was discussion on the best methods of preparing brass for the Government's reserve. Under the stockpile plan, the Army agreed to take all surplus brass that results from cancellations. Industry members hold that the brass which they cannot use should be cast in thin slabs to facilitate handling, and each slab should be clearly stamped with the analysis of the metals contained in the alloy.

Late in 1944, the War Production Board aimed at an output of 412,000,000 lb. of brass strip monthly. The program was increased sharply during the first quarter of 1945, but this high rate was not attained. Cutbacks in brass strip since April have scaled down production to about 100,000,000 lb. a month.

Lead

Demand for lead was fair for this period of the month, sales for the last week amounting to 5,715 tons, against 4,494 tons in the week previous. Current consumption of primary lead in this country has been reduced to about 65,000 tons a month.

Shipments of automotive replacement batteries in May totaled 1,326,000 units, against 1,158,000 units in April, and 1,324,000 units in May last year, according to a preliminary report by Dun & Bradstreet.

Canada produced 28,172,344 lb. of lead during April, against 35,169,939 lb. in March, and 25,270,297 lb. in April last year, the Dominion Bureau of Statistics reports. Production of lead in the first four months of 1945 totaled 113,544,038 lb., which compares

with 111,999,228 lb. in the same period of 1944.

Zinc

WPB amended Order M-11 on June 30, doing away with allocation of zinc except on "preferred orders." A preferred order is defined as one bearing a rating of AA-3 or higher in the case of non-controlled materials and products, and in the case of controlled materials an "authorized controlled materials order."

The revised order provides that each producer and importer of zinc shall set aside the amounts and grades of zinc as directed monthly by WPB, beginning with August this year. Any zinc set aside for a particular month and for which a producer or importer has not received an order supported by notification of an allocation serial number on or before the 10th day of that month, may be delivered without restriction after that date.

Requests for zinc for war or essential business will have to be filed with WPB not later than the 12th day of the month preceding shipment, as heretofore.

Production of zinc in Canada during April amounted to 43,385,577 lb., which compares with 46,697,136 lb. in March. Production in the first four months of 1945 was 185,109,478 lb., against 181,653,808 lb. in the Jan.-April period of 1944, the Dominion Bureau of Statistics reports.

Tin

With the outlook for any immediate relief of the tin shortage unfavorable, members of the brass mill industry were reminded recently by WPB officials that use of tin in this field has been restricted to 80% of the quantity used in the corresponding quarter of 1944.

The market situation in tin remains unchanged, the selling basis continuing at 52c. per pound for "Grade A" or Straits quality metal.

Shipment quotations, in cents per pound, follow:

	Aug.	Sept.	Oct.
June 28.....	52.000	52.000	52.000
June 29.....	52.000	52.000	52.000
June 30.....	52.000	52.000	52.000
July 2.....	52.000	52.000	52.000
July 3.....	52.000	52.000	52.000
July 4.....	—	Holiday	—

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

Quicksilver

In the absence of important business, the price situation in quicksilver showed no improvement during the last week. Spot metal was available in the last few days on the basis of \$145 per flask, a decline of \$1. Early July shipment from the Pacific Coast was offered at \$144, New York basis, with intimations that this figure could be shaded.

The position of Spanish metal under prevailing dull conditions is uncertain. Sales agents are not naming flat quotations. Some operators believe that bids at \$140, duty paid, New York, July shipment from Spain, might be considered.

The market on the Coast was reported quiet with the price situation unchanged.

Silver

The London silver market was quiet and unchanged at 25½d. The New York Official for foreign silver continued at 44¼c., with domestic metal at 70¼c.

Production of silver in Canada during April amounted to 1,253,887 oz., against 1,199,546 oz. in March, and 1,299,798 oz. in April last year, according to the Dominion Bureau of Statistics.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on July 4 a summary for the week ended June 23 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 23, 1945	
Odd-Lot Sales by Dealers (Customers' purchases)	Total For Week
Number of orders.....	29,692
Number of shares.....	926,265
Dollar value.....	\$35,295,708
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales.....	226
Customers' other sales.....	30,449
Customers' total sales.....	30,675
Number of Shares:	
Customers' short sales.....	7,907
Customers' other sales.....	869,660
Customers' total sales.....	877,567
Dollar value.....	\$31,136,079
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales.....	100
Other sales.....	210,210
Total sales.....	210,310
Round-Lot Purchases by Dealers:	
Number of shares.....	248,130
*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."	

Twin City Savs. & Loan Declares Dividend

A semi-annual dividend at the rate of 2½% per annum was declared on June 29 by the Board of Directors of Twin City Federal Savings and Loan Association of Minneapolis, Minn. The dividend was payable July 1. Roy W. Larsen, President of the Association, said this would be the 45th consecutive semi-annual dividend paid. An equal dividend was declared by the Board last Jan. 1, he added. At the Board's session it also was announced that resources of Twin City Federal have increased in the last six months from \$33,574,000 to more than \$37,500,000, a gain of nearly \$4,000,000. Since 1923, when the association was formed, it has grown to the position of the fourth largest Federal savings and loan institution in the United States.

Revenue Freight Car Loadings During Week Ended June 30, 1945 Increased 17,299 Cars

Loading of revenue freight for the week ended June 30, 1945, totaled 893,741 cars, the Association of American Railroads announced on July 6. This was a decrease below the corresponding week of 1944 of 3,469 cars, or 0.4%, but an increase above the same week in 1943 of 41,659 cars or 4.9%.

Loading of revenue freight for the week of June 30 increased 17,299 cars, or 2.0% above the preceding week.

Miscellaneous freight loading totaled 397,299 cars, an increase of 2,771 cars above the preceding week, but a decrease of 537 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 108,107 cars, an increase of 1,227 cars above the preceding week and an increase of 1,116 cars above the corresponding week in 1944.

Coal loading amounted to 174,507 cars, an increase of 2,895 cars above the preceding week, and an increase of 15 cars above the corresponding week in 1944.

Grain and grain products loading totaled 62,383 cars an increase of 5,510 cars above the preceding week and an increase of 3,783 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of June 30 totaled 45,973 cars, an increase of 5,329 cars above the preceding week and an increase of 3,539 cars above the corresponding week in 1944.

Livestock loading amounted to 13,308 cars, a decrease of 214 cars below the preceding week and a decrease of 642 cars below the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of June 30 totaled 9,728 cars, a decrease of 48 cars below the preceding week, but an increase of 65 cars above the corresponding week in 1944.

Forest products loading totaled 47,235 cars, an increase of 2,111 cars above the preceding week but a decrease of 2,804 cars below the corresponding week in 1944.

Ore loading amounted to 76,234 cars, an increase of 1,613 cars above the preceding week but a decrease of 4,737 cars below the corresponding week in 1944.

Coke loading amounted to 14,663 cars, an increase of 1,386 cars above the preceding week, and an increase of 337 cars above the corresponding week in 1944.

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

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
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	866,286
Week of June 23	876,442	880,311	760,930
Week of June 30	893,741	897,210	852,082
Total	21,261,945	21,285,201	20,331,377

The following table is a summary of the freight loadings for the separate railroads and systems for the week ended June 30, 1945. During the period 68 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 30

Railroads	1945	1944	1943	Total Loads Received from Connections
Eastern District—				
Ann Arbor	260	242	253	1,455
Bangor & Aroostook	7,412	1,083	969	384
Boston & Maine	1,010	6,985	6,744	13,628
Chicago, Indianapolis & Louisville	1,112	1,315	1,271	2,084
Central Indiana	39	21	39	39
Central Vermont	1,071	1,034	1,103	2,299
Delaware & Hudson	4,858	5,173	5,932	12,301
Delaware, Lackawanna & Western	7,885	8,021	7,470	10,390
Detroit & Mackinac	295	266	226	147
Detroit, Toledo & Ironton	1,471	1,757	1,942	1,080
Detroit & Toledo Shore Line	394	283	325	2,446
Erie	12,908	13,973	12,804	16,791
Grand Trunk Western	3,978	3,969	3,878	8,109
Lehigh & Hudson River	160	213	200	3,063
Lehigh & New England	2,479	2,068	804	1,822
Lehigh Valley	8,993	8,680	6,931	11,896
Maine Central	2,449	2,233	2,454	2,885
Monongahela	6,420	6,375	5,456	295
Montour	2,975	2,538	2,130	26
New York Central Lines	51,152	50,508	56,792	52,428
N. Y., N. H. & Hartford	10,279	9,551	9,855	17,806
New York, Ontario & Western	1,006	1,335	1,328	3,309
New York, Chicago & St. Louis	6,582	6,897	6,589	15,520
N. Y., Susquehanna & Western	398	483	595	2,310
Pittsburgh & Lake Erie	7,909	8,151	7,421	10,000
Pere Marquette	5,038	5,185	4,728	7,880
Pittsburgh & Shawmut	1,002	966	922	23
Pittsburgh, Shawmut & North	345	361	400	235
Pittsburgh & West Virginia	1,046	1,435	1,135	2,748
Rutland	375	416	358	1,358
Wabash	5,868	6,068	5,577	12,409
Wheeling & Lake Erie	5,563	6,044	6,254	4,210
Total	162,853	163,429	162,895	221,376

Railroads	1945	1944	1943	Total Loads Received from Connections
Allegheny District—				
Akron, Canton & Youngstown	609	731	759	879
Baltimore & Ohio	47,313	48,164	41,713	29,289
Beasemer & Lake Erie	6,491	6,284	6,286	2,131
Buffalo Creek & Gauley	†	†	282	†
Cambridge & Indiana	1,600	1,564	57	5
Central R. R. of New Jersey	6,818	7,094	6,691	19,067
Conwall	551	513	660	58
Cumberland & Pennsylvania	146	222	267	8
Gigamon Valley	89	157	199	52
Long Island	1,874	1,788	1,178	5,194
Penn.-Reading Seashore Lines	1,727	1,780	1,715	2,232
Pennsylvania System	89,990	93,105	79,239	66,226
Reading Co.	16,090	15,220	11,565	26,413
Union (Pittsburgh)	19,318	19,575	16,351	8,208
Western Maryland	4,172	4,188	3,974	12,264
Total	196,788	200,385	170,936	172,026

Railroads	1945	1944	1943	Total Loads Received from Connections
Pocahontas District—				
Chesapeake & Ohio	28,632	27,684	28,935	14,162
Norfolk & Western	21,029	21,664	21,965	7,253
Virginian	4,156	4,136	4,738	2,450
Total	53,817	53,484	55,638	23,865

Railroads	1945	1944	1943	Total Loads Received from Connections
Southern District—				
Alabama, Tennessee & Northern	465	366	303	270
At. & W. P.—W. R. R. of Ala.	769	790	584	2,303
Atlanta, Birmingham & Coast	1,343	882	695	1,305
Atlantic Coast Line	9,335	11,311	12,179	9,565
Central of Georgia	4,288	3,866	3,966	4,652
Charleston & Western Carolina	605	515	373	1,542
Chinchfield	1,593	1,628	1,320	3,131
Columbus & Greenville	304	222	222	255
Durham & Southern	163	158	105	615
Florida East Coast	970	818	1,374	1,134
Gainesville Midland	54	56	36	116
Georgia	1,147	1,080	981	2,670
Georgia & Florida	492	456	508	550
Gulf, Mobile & Ohio	5,116	4,376	3,986	4,444
Illinois Central System	27,773	29,360	26,121	17,115
Louisville & Nashville	25,725	25,562	23,131	12,581
Macon, Dublin & Savannah	191	161	172	956
Mississippi Central	428	261	225	499
Nashville, Chattanooga & St. L.	3,348	3,385	3,071	5,012
Norfolk Southern	1,571	1,770	2,314	1,592
Piedmont Northern	451	401	399	1,281
Richmond, Fred. & Potomac	496	509	361	10,941
Seaboard Air Line	9,717	9,392	9,950	8,395
Southern System	26,241	24,246	20,378	25,169
Tennessee Central	530	712	1,134	835
Winston-Salem Southbound	138	118	104	1,209
Total	123,833	122,599	114,392	118,037

Railroads	1945	1944	1943	Total Loads Received from Connections
Northwestern District—				
Chicago & North Western	19,999	18,878	21,788	15,545
Chicago Great Western	2,452	2,329	2,404	3,561
Chicago, Milw., St. P. & Pac.	23,022	21,191	21,727	10,697
Chicago, St. Paul, Minn. & Omaha	3,883	3,256	3,789	4,113
Duluth, Missabe & Iron Range	27,280	7,604	28,762	643
Duluth, South Shore & Atlantic	1,169	1,068	1,138	616
Elgin, Joliet & Eastern	8,008	9,068	9,043	9,924
Et. Dodge, Des Moines & South	371	461	449	82
Great Northern	21,920	23,333	25,952	9,140
Green Bay & Western	559	479	320	983
Lake Superior & Ishpeming	2,076	3,195	3,470	110
Minneapolis & St. Louis	1,748	2,581	1,910	2,706
Minn., St. Paul & S. S. M.	8,046	6,919	7,828	3,499
Northern Pacific	13,256	11,218	11,111	7,031
Spokane International	236	154	121	558
Spokane, Portland & Seattle	2,894	2,932	2,832	4,613
Total	136,919	134,666	142,744	73,991

Railroads	1945	1944	1943	Total Loads Received from Connections
Central Western District—				
Atch., Top. & Santa Fe System	30,684	33,006	26,743	15,391
Alton	3,559	3,695	3,270	4,119
Bingham & Garfield	365	466	559	71
Chicago, Burlington & Quincy	19,374	18,671	19,583	13,284
Chicago & Illinois Midland	3,008	3,206	2,566	976
Chicago, Rock Island & Pacific	15,141	14,626	13,376	15,127
Chicago & Eastern Illinois	2,964	2,775	2,462	5,436
Colorado & Southern	634	543	719	2,907
Denver & Rio Grande Western	3,705	3,700	3,813	7,725
Denver & Salt Lake	545	764	680	49
Fort Worth & Denver City	1,438	1,607	1,340	2,150
Illinois Terminal	2,205	2,588	2,227	2,393
Missouri-Illinois	1,138	1,147	1,040	590
Nevada Northern	1,432	1,852	2,040	92
North Western Pacific	888	909	985	769
Peoria & Pekin Union	40	3	15	0
Southern Pacific (Pacific)	35,599	36,147	32,299	15,792
Toledo, Peoria & Western	345	297	202	2,357
Utah Pacific System	15,443	16,327	14,883	21,704
Utah	604	511	489	9
Western Pacific	2,396	2,217	2,224	5,105
Total	141,477	145,057	131,515	116,047

Railroads	1945	1944	1943	Total Loads Received from Connections
Southwestern District—				
Burlington-Rock Island	321	561	835	980
Gulf Coast Lines	6,933	5,592	5,083	3,006
International-Great Northern	4,126	2,834	2,138	5,060
Kansas, Oklahoma & Gulf	362	268	246	931
Kansas City Southern	4,870	6,097	5,619	3,341
Louisiana & Arkansas	3,339	3,928	3,766	3,089
Litchfield & Madison	338	266	363	1,459
Midland Valley	768	750	505	466
Missouri & Arkansas	167	178	148	327
Missouri-Kansas-Texas Lines	7,160	7,266	5,842	5,087
Missouri Pacific	18,061	18,616	19,241	20,200
Quanaah Acme & Pacific	159	119	192	372
St. Louis-San Francisco	10,736	10,344	8,433	8,943
St. Louis Southwestern	3,701	3,287	2,814	6,465
Texas & New Orleans	10,519	12,225	13,594	6,124
Texas & Pacific	6,318	5,120	5,044	8,949
Wichita Falls & Southern	151	113	83	60
Wichita Falls, W. & N. W.	25	26	16	27
Total	78,054	77,590	73,962	74,886

†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.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current Cumulative
1945—Week Ended				
March 3	181,377	150,486	558,285	96
March 10	177,711	152,611	580,804	94
March 17	129,948			

Items About Banks, Trust Companies

(Continued from page 230)

its were \$1,466,976 against \$1,480,113. Capital was unchanged at \$8,200,000. The statement showed that the book value of bank buildings had been written down to \$3,000,000 from \$3,500,298 on March 31 and \$3,946,321 at the end of last year, a total write-down of \$946,321 in the past six months.

The June 30th statement of The County Trust Co. of White Plains, N. Y. shows total assets in excess of \$50,000,000. Deposits of \$47,636,490 compare with \$36,421,623 a year ago; total assets of \$50,771,437 with \$38,924,589. In a letter to the stockholders which accompanied the 134th consecutive dividend payment of 25c a share, Andrew Wilson, Jr., President of the institution, referred to the earnings for the first half of the year as "reasonably satisfactory . . . in view of general conditions . . .". He also commented on the increased demand for loans in the personal credit department and the fact that during the quarter the bank has acquired a number of well selected home loans. The current statement shows total capital funds of \$2,727,791 as contrasted with \$2,191,535 on June 30th, 1944.

The Philadelphia National Bank of Philadelphia, Pa. in its statement for the quarter ended June 30, 1945, reports deposits on that date of \$768,970,525, which compares with \$695,455,654 on March 31, 1945. Total resources amounted to \$827,012,146, compared with \$755,032,419 at the end of March; cash and due from banks aggregated \$182,616,905, compared with \$188,940,990; U. S. Government securities, \$505,133,753, compared \$443,608,501; state, county and municipal securities were \$14,220,392 against \$14,327,793; other securities, \$36,192,706 against \$33,824,566; loans and discounts \$85,951,669 compared with \$69,244,944. The capital stock of the bank and the surplus at the end of June both remained unchanged at \$14,000,000 and \$28,000,000, respectively. Undivided profits were \$11,006,924 compared with \$10,437,784 at the end of March.

Bank of America National Trust & Savings Association of San Francisco, Calif., reported deposits as of June 30, 1945, to be \$4,522,553,864, compared with \$4,285,958,360 as of March 20, 1945. Total resources June 30 were announced as \$4,781,850,841, comparing with \$4,540,837,195 on the previous date. Loans and discounts at the end of June totaled \$931,247,669, compared with \$897,176,424. Surplus and undivided profits are now listed as \$115,034,051, against \$147,903,359 three months ago.

Deposits of Citizens National Trust & Savings Bank of Los Angeles, Calif., reached the highest figure ever published on June 30, 1945. Total deposits as of this date were \$339,074,962, a gain during the first six months of this year of \$44,598,344. Total resources of the bank are now \$352,792,412. President H. D. Ivey, in commenting on the activities of the bank for the first six months of this year, reported the following: "Net operating earnings for the six-month period ending June 30, 1945, were \$507,781.78, amounting to \$2.03 a share. This compares to \$443,321.12, or \$1.77 per share for the first six months of 1944. Recoveries, profit on sale of securities, etc., after providing for write-downs and charge-offs, were \$290,571.96. The net income of the bank after all expenses, reserves for taxes, depreciation, etc., and after all losses and write-downs, was \$798,353.74, or \$3.19 per share. Dividends of \$187,500 were paid;

contingent reserves were increased \$50,000, and \$560,853.74, amounting to \$2.24 per share, was added to surplus and undivided profits."

The United States National Bank of Portland, Ore., reported a new high in deposits at the call of June 30. For the first time deposits exceeded the half billion mark. Total deposits reported were \$509,589,564, with resources at \$530,064,923. These figures represent an increase of \$81,450,450 in deposits over the corresponding call date of a year ago. During the same period resources increased by \$83,523,592.

Russell F. Watson, Jesse J. Gard and Walter L. J. Davies, all of whom are Vice-Presidents of the United States National Bank of Portland, Ore., were elected members of the bank's executive committee on June 29. All have been with the bank for many years.

In its June 30 statement of condition the National Bank of Commerce of Seattle, Wash., reports deposits of \$357,069,767, compared with \$334,243,947 at the close of business March 20, last. The total resources of the bank on June 30 are shown as \$371,980,573, whereas the total on March 20 was \$348,472,118. U. S. Government securities, direct and fully guaranteed, totaled \$243,607,946 at the end of June, comparing with \$229,005,400 on March 20. Cash and due from banks at the latest date are reported as \$72,712,416, against \$74,331,621 in March. Loans and discounts are now \$43,713,390, against \$34,785,009 three months ago. Capital and surplus, at \$3,000,000 each, are unchanged from the March date, while undivided profits have risen from \$4,117,082 in March to \$4,184,066 on June 30.

Joseph S. Maxwell, Vice-President of The New York Trust Company and one of the most widely known bankers in the country, died on July 10 in New York after an illness of several months. He was 63 years old.

Born in Brooklyn, N. Y., and a graduate of the public schools of that city, Mr. Maxwell was identified with banking during his entire business career. Starting at the age of 18 with the First National Bank of New York, he occupied several positions in that institution and in 1915 was appointed an assistant cashier in charge of the credit department. Four years later, Mr. Maxwell was elected a Vice-President of the Liberty National Bank and when the Liberty National was merged with The New York Trust Company in 1921, he was elected a Vice-President of the latter company. During the twenty-four years he served as a Vice-President of The New York Trust Company, Mr. Maxwell was a leader of banking activities in the commercial field and for many years was a Senior Vice President in the commercial banking department.

Mr. Maxwell's extensive practical experience was utilized twice during his career by the banking fraternity in times of national emergency. In 1914 he was appointed a member of the subcommittee on Emergency Currency for the National Currency Association of New York. In 1933 he was one of the most active members of a special committee appointed by the New York Clearing House Association to study technical banking matters in connection with the monetary crisis which faced the country during that period. He was a member of the Reserve City Bankers Association, a member of the investment committee and a Director of the Northern Insurance Company, and a director of

the Overseas Securities Company, Inc.

The Chase National Bank of New York announces the following promotions in the official staff of the bank:

Esmond B. Gardner, Pension Trust Department, and W. Arthur Grotz, Railroad Department, to be Vice-Presidents.

James J. Major, Foreign Department, to be a Second Vice-President.

Adolphe Hague, Commercial Banking; Harry P. Hillen and David A. Scott, Foreign Department, to be Assistant Cashiers; and Irvin L. Dyer to be Assistant Comptroller.

At the regular meeting of the Board of Directors of The National City Bank of New York held July 3 the following were appointed Vice-Presidents: Horace O. Westman, A. Halsey Cook, Howard Laeri, F. Joseph Holleran, Hobart M. McPherson and Frederick C. Windisch. William M. Scott was made an Assistant Vice-President.

George P. Kennedy, President of the Lafayette National Bank of Brooklyn in New York, announced on July 9 that the board of directors has approved a \$100,000 increase in the bank's capital stock to \$850,000. In addition to this action the board has elected to issue 42,500 shares of \$20 par value common stock to replace the previously outstanding 7,500 shares of \$100 par value stock. On June 14 of this year the bank added \$25,000 to its surplus account.

The Lynbrook National Bank and Trust Co. of Lynbrook, Long Island has called in for payment on August 1 the entire issue of preferred stock outstanding, according to an announcement on July 5 by George H. Jackson, Executive Vice-President. This is learned from the newspaper "Newsday" published in Lynbrook, which says:

All preferred stock shareholders were notified on June 28 that, in accordance with a resolution adopted by the Board of Directors, the issue, with an aggregate par value of \$32,500, was being called in for payment at par and accrued dividends from Feb. 1, 1945.

In February, 1935, it was explained, the bank issued preferred stock in the amount of \$265,000. Various amounts were retired from time to time until Aug. 1, 1943, when outstanding shares of preferred stock totaled \$32,000.

On the completion of the retirement, on Aug. 1, the capital funds of the bank will total \$427,440 with deposits of \$7,129,845 and resources of \$7,587,171, it was announced.

Benjamin L. Webb, Chairman of the board of the Cortland Savings Bank, Cortland, N. Y., died on June 30 at the age of 88. Mr. Webb had been connected with that bank for 69 years. He became President in 1916 and held that position until 1939, when he assumed the chairmanship.

The Boston "Herald" reported on July 3 that directors of both banks announce the merger of Norwood Trust Co. of Norwood, Mass., and Norfolk County Trust Co. of Brookline Mass., which was effective as of the close of business June 30, 1945. The advices add:

After the merger Norfolk County Trust will have offices located in Brookline, Canton, Dedham, Franklin, Needham, Needham Heights, Norwood, Quincy, Stoughton, Walpole and East Walpole.

Capitalization has been increased to \$1,390,000, surplus and reserves to \$2,500,000 and total resources will surpass \$58,000,000.

According to the "Boston News

Bureau" of July 2 the directors of The Second National Bank of Boston have voted to transfer \$1,000,000 from undivided profits to surplus. As of June 30, it is stated the bank will have \$2,000,000 capital, \$6,000,000 surplus, \$865,000 undivided profits, and \$750,000 unallocated reserves. A similar addition to surplus was made on Dec. 31, 1943.

Plans calling for a stock dividend by increasing the par value of the stock of the Liberty Trust Co. of Cumberland, Md. from \$15 per share to \$20 have been approved by the stockholders of the institution said advices in the Baltimore "Sun" of June 27 which also stated:

"Present stockholders will be given until July 16 to purchase the new stock, after which date the shares will be offered for public sale. The new \$20-par stock will be priced at \$25. Proceeds amounting to \$250,000 will be used to retire \$200,000 of Reconstruction Finance Corporation debentures and to increase surplus by \$50,000."

W. Bladen Lowndes and Robert O. Bonnell, Presidents, respectively, of the Fidelity Trust Co. and the Public Bank of Maryland, both of Baltimore, announced on June 29 that directors of the two institutions have recommended to their stockholders a plan for merger of the Public Bank into the Fidelity. This was made known in the Baltimore "Sun" of June 30 by J. S. Armstrong, its financial editor, who also said:

"The combined banks will have total resources of more than \$60,000,000 and capital, surplus and undivided profits accounts in excess of \$3,000,000.

"As a result of the merger, the Fidelity will have five offices, in addition to its main office at Charles and Lexington Streets.

"The Fidelity Trust Co.'s banking and trust services represent a continuous development in this field beginning in 1894, and the activities of the Public Bank since 1912.

"Details of the merger plan have been forwarded to stockholders of both institutions for consideration at special meetings to be held July 17.

"The plan provides that stockholders of the Public Bank receive one share of stock of the Fidelity Trust for each four shares of their stock.

"It is proposed that Mr. Bonnell will become a Vice-President, a director, and a member of the executive committee of the Fidelity Trust Co. He will devote his attention primarily to its new business and consumer credit activities.

"In addition, two other directors of the Public Bank also would be members of the Fidelity Trust board."

Directors of the Union Bank of Commerce of Cleveland on July 5 declared a dividend of \$5 a share on the capital stock, payable July 25 to stockholders of record at the close of business July 14. The bank, which was established in 1938, began paying dividends in July, 1943, when a payment of \$3 a share was made. Similar payments were made in January and July of 1944, and in January, 1945, a payment of \$4 a share was voted by directors.

The Board of Directors of the United Bank and Trust Company, St. Louis, Mo., announced on July 2 the election of John W. Minton as President and of Carroll F. Burton as Vice-President of the bank. Both Mr. Minton and Mr. Burton have been Vice-Presidents of the National Stock Yards National Bank, National Stock Yards, Ill., for a number of years. Mr. Minton succeeds Ed. T. Murray as President of the United Bank and Trust Company. The United Bank and Trust Company is one of St. Louis' oldest financial institutions,

having been organized in 1872 as the German American Bank. The name was changed to the United States Bank of St. Louis in 1918 and the present title was adopted January 2, 1930. Into it were merged the Broadway Trust Company of St. Louis in 1929 and the Telegraphers National Bank in 1942.

The bank is capitalized at \$1,000,000 and has surplus and undivided profits of more than \$784,000. Total deposits are now more than \$24,424,000 and total resources are more than \$26,279,000.

Mr. Minton's first job after graduation from high school was with the National Stock Yards National Bank, and in the 30 years since then, he worked in practically every department of that bank. He has been Vice-President for the past 15 years, in charge of correspondent bank business, and prior to that traveled in Missouri and Arkansas as a representative of the bank's correspondent division. He is regional Vice-President of the American Bankers Association for Missouri and Illinois and during his two terms has made an outstanding record.

Mr. Burton has also spent his entire banking career with the National Stock Yards National Bank. After working in various departments of the bank, he traveled as a representative of the correspondent division in Missouri and Arkansas, and subsequently became an assistant cashier and later a Vice-President of the bank.

Increase in the capital stock of the First National Bank, Palm Beach, Florida, to \$1,000,000 from \$200,000 and declaration of a 400% stock dividend to stockholders of record on June 23, were approved at a special stockholders meeting on that date. Announcement of these changes is now made after receiving official approval from the Comptroller of the Currency, Washington, D. C. The stock dividend was accomplished by transferring \$800,000 from the surplus to the capital account, making the capital structure and reserves of the institution as follows: Capital \$1,000,000; surplus \$2,000,000; undivided profits and reserves, \$717,609; totaling \$3,717,609, which is an increase of \$934,259 over one year ago. At the same time, the stockholders unanimously voted to reduce the par value of the new stock from \$100 to \$10 per share, each stockholder receiving 50 shares of the new stock for one share of the old stock owned on June 23, 1945.

An increase of 300% in the bank's dividend rate from \$3,000 to \$12,000 per month was also announced. The cash dividend is payable the first of each month commencing July 1, 1945 to stockholders of record as of the last day of each month. On the new dividend basis and 100,000 shares outstanding it will pay 12c per share per month or \$1.44 a year, it was stated. The First National Bank in Palm Beach is the largest bank between Miami and Jacksonville. The bank has made steady and substantial progress. During the past ten years deposits have grown from \$3,200,000 to \$48,419,468 as of June 30, 1945. In addition, the Trust Department has estates, trusts, and guardianships totaling over \$27,000,000.

According to an announcement just made by President A. P. Imahorn of the Hibernia National Bank in New Orleans the directors at their regular meeting on June 26, voted to retire \$200,000 of the bank's preferred stock, thus reducing that item from the original \$1,500,000 to \$800,000. "This change," said Mr. Imahorn, "was effected by transferring \$200,000 from current earnings, and at the same time \$200,000 was added to our Surplus Account, which is thus increased from \$1,100,000 to \$1,300,000."