Final Edition

ESTABLISHED OVER 100 YEARS

In 2 Sections—Section 2

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4404 New York, N. Y., Thursday, July 19, 1945 Price 60 Cents a Copy

The Financial Situation

It appears to be very nearly universally accepted as fact that we shall suffer a great and probably rather prolonged period of strikes and other labor difficulties as soon as psychological war pressure sufficiently subsides. Indeed, the ordinary man taking note of the number of strikes even now occurring finds it difficult to avoid the suspicion that this era of domestic strife is upon us. At any rate labor leaders never tire of warning that there is great and growing unrest in the ranks of labor, that the hold-the-line program is regarded in labor circles as having robbed the wage earner of a great deal that was due him—notwithstanding the enormous if not wholly unprecedented gains in the weekly earnings of virtually all sorts of labor—and that higher wages and various other concessions will be unavoidable in the years if not the months to come. There is no want of prophets who seem to assure that we shall not escape difficulty even if extended concessions of the sort are promptly granted, so "cocky" do the unions feel and so beset with jurisdictional controversies is the entire labor field.

Obvious Truths

How all this will work itself out in actual practice must await the verdict of time, but there is certainly reason for apprehension quite sufficient to make certain observations on the situation definitely pertinent. Some of them are obvious—and should be so to the leaders of the unions who, it would appear to us, owe themselves and their followers the duty of making them clear to their membership. One of them is that past a certain point, all the monopolistic strength in the world, all the political "pull" in the universe, and all the conceivable victories in industrial battles, can do the rank and file of labor no good whatever, but on the con-

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From Washington Ahead of the News

By CARLISLE BARGERON

Some of Harold Stassen's agents have been in town recently. Washington is the great propaganda center of the universe, Moscow, perhaps being a little better, the difference between a democracy and a dictatorship being, we presume, that anybody can come here and propagandize, while in Moscow, the propaganda has to be all along one line.

Carlisle Bargeron

Well, the Stassen agents wanted to know if he had not done pretty good at the San Francisco conference. As a matter of fact, according to their peddling, he was the man who brought all parties together. When men were arguing and in conflict, this young statesman-soldier of the Middle West, worked out compromises. It looked as if the Republicans, according to these agents, were bound to turn to him in 1948 as their nominee. For one thing, the country would still be wanting a man, as they did, unfortunately in 1944, who had a knowledge of foreign affairs. Well, this young man had that knowledge and furthermore he had met Molotov, the Arabs, the Chinese, and all the other big shots at the conference.

The agents did right well on this line of talk because all you have to do is to peddle an idea in Washington and pretty soon it is in the leading journals.

We could have added to their propaganda. It seems that the American Communists are burned up about Vandenberg, Connally and Stettinius, for having refused to follow the Russian delegates on their demand that we pitch over Chiang Kai-shek, their stand against the admission of Argentina to the conference, on the Russians' proposal for the "democratizing" of the mandated, the trustee islands and the colonial possessions. The Communists would like those places to be thrown open and their being given a chance at the "democratization." It is well known just how they go about democratizing. Stassen, it seems, escaped all of these controversies. So his agents think he is the set-up for the Republican nomination in 1948.

It is a fact that Vandenberg and Connally think their estates have been tremendously helped by their attendance upon the conference. Just ordinary Americans, they have been out there mingling with world figures such as the costumed Arabs, about whom every attending correspondent is laughing that they charged all

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Boren Attacks "Trick" Utility Sales

Tells House of Representatives Manipulators Are Reaping Huge Fortunes Through Formation of "Fake" Non-Profit, Tax-Free Public Utility Corporations. Says Through Issuing Revenue Bonds, Taxpayers Lose $500 Millions Annually Without Benefits to Consumers. Calls It Prostitution of Public Ownership.

Representative Lyle H. Boren (D., Okla.), recently appointed Chairman of the special subcommittee on operations of the Public Utility Holding Company Act of the House Committee on Interstate Commerce, delivered an address in the House of Representatives on July 6 in which he accused "shrewd manipulators" of reaping fortunes because of a loophole in the law "big enough to drive a 40-mule team through." This, he holds, has been accomplished through the sale of privately owned utilities to "fake non-profit corporations," which, by issuing tax-free revenue bonds, are free from the restrictive provisions of the Public Utility Holding Company Act. Text of Mr. Boren's address to the House follows:

Lyle H. Boren

The Chairman of the Committee on Interstate and Foreign Commerce has asked a subcommittee of three to undertake a review of the operations of the Holding Company Act of 1935, with particular reference to loopholes that may have developed in the 10 years of its life due to changed tax, economic and financial circumstances.

We know that this law, sponsored in this House by our distinguished Speaker, Mr. Rayburn, when he was Chairman of the Interstate Commerce Committee, has been tested by time. It was and is a sound and wholesome law. It is one of the great reform bills of the thirties which experience has proven to be one of the most salutary of that era.

However, times have changed and new circumstances have arisen. Shrewd manipulators of finance seem to have discovered ways of reaping fortunes out of the law by some of the very methods it was enacted to correct.

The fact is that they have found a hole in the law big enough to drive a 40-mule team through and to convert to their own pockets a half billion dollar annual revenue now supporting the Federal Treasury. Meanwhile, the small and legitimate investor is frozen out.

It's a simple scheme: Wall Street bankers would convert the $18 billion private utility industry to a form of tax-free but fake public ownership by the formation of "non-profit" corporations. These corporations then issue bonds against the revenue of the property. But the bankers, in estimating annual revenue to determine the amount of bonds that can be issued include as revenue the amount of money formerly collected from customers and paid to the Federal Government.

The former tax revenue would not be passed on to the public in reduced electric rates, but diverted to their own pockets in the form of interest on these revenue bonds.

The stakes are high—this bonanza is bigger that Credit Mobilier, the "whiskey ring," and it dwarfs the swag of Teapot Dome. But with this difference: it appears to be legal. Unless an effective legislative plug against this legal loophope is enacted—and that soon—we will helplessly witness what undoubtedly will be the biggest rape of industry and raid on the Federal Treasury ever dreamed up by mind of man.

To give you an idea of the size of this scheme, here are some simple statistics:

The electric utility industry is worth, on the market, about $18 billion. In 1944 it paid in taxes to the Federal Government $468 million—or enough to support approximately $20 billion of the national debt. If this sum were taken away from the Federal Treasury by con-

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Disputes Boren's Accusations

Congressman Buffett States That Omaha Electric Committee Is Merely Vehicle Between Private and Public Ownership. Blames Government for "Trick Hurdles" Used in Consummation of Public Ownership.

Answering Rep. Lyle Boren's accusations that through loopholes in the Public Utility Holding Act, millions of dollars were being made in profits by individuals at the expense of the taxpayers of municipalities that are acquiring public utilities Rep. Howard Buffett of Nebraska on July 9, in defense of "the integrity of many outstanding citizens of his Congressional District" (Omaha) told the House of Representatives that the Omaha Electric Committee (mentioned by Rep. Boren as "a fake nonprofit corporation") was organized merely as a vehicle to accomplish municipal ownership of the former Omaha Electric Works formerly owned by the American Power and Light Co. In this connection Representative Buffett stated:

Howard Buffett

"I wish to make one point clear at the outset. I hold no brief for Mr. Aller, Mr. Myers, or any eastern interests involved in this deal or similar transactions. Furthermore, I hope the committee will genuinely endeavor to stop rascality in the utility industry. The record of this administration in this respect has been mostly bark and little bite.

"I have for many years despised the financial immorality of some top figures in the utility business, believing them a greater threat to our free enterprise system than any collectible assortment of Communists to be found in America.

Likewise, I should point out that I have not taken any part in the local controversies regarding municipal ownership of Nebraska power. However, the integrity and progressive character of numerous public-spirited citizens of Nebraska, who have worked to bring Nebraska power into true public ownership, have long commanded my admiration and respect.

"The gentleman from Oklahoma (Mr. Boren) has charged that the Omaha electric committee is a fake nonprofit corporation, set up for the purpose of evading Federal taxes. The facts are as follows:

"Some years ago, the people of Omaha were advised that under the 1935 Holding Company Act, the American Power & Light Co. must divest itself of Nebraska

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All But He Hath Fled?

"It is obvious that the scale of foreign lending contemplated by Administration policy (under the Bretton Woods program) is wasteful and dangerous. I maintain that the Government itself should only interest itself in relief and rehabilitation loans sufficient to enable foreign countries to put their own economic machinery in working order.

"I maintain that a total of five or six billion dollars would be sufficient for this purpose if wisely directed and used. I maintain that beyond this the Government should permit private investment and lending abroad, but should refuse to guarantee it, either directly or indirectly. . . .

"Our Government does not guarantee private investments in the United States, and I believe it is dangerous and unwise to embark on a permanent policy of government guarantee of private investments abroad."—Senator Robert A. Taft.

It is not necessary to agree with the Senator at all points to admire his courage to stand up and be counted as opposing a proposal about which many are dubious but against which almost no one longer speaks.

It is significant in more ways than one that Senator Barkley could and did speak of Senator Taft as "the boy who stood on the burning deck whence all but he had fled."

RFC Law Provides for Subsidiary Absorption

Signing of the Reconstruction Finance Corp. "merger law" by President Harry S. Truman, was described on June 30 by the Federal Loan Administrator, John W. Snyder, as an important step toward simplification of RFC. This consolidation of certain subsidiaries into RFC itself, which became effective July 1, was brought about by a joint resolution sponsored in the Senate by Senator Wagner, Chairman, Banking and Currency Committee, and in the House by Congressman Spence, Chairman, Banking and Currency Committee, at the request of the Federal Loan Agency. The legislation was passed without a dissenting vote in either House. It provides for the absorption by RFC of the following subsidiaries: Rubber Reserve Co., Metals Reserve Co., Defense Plant Corp., Defense Supplies Corp. and Disaster Loan Corp.

These RFC subsidiaries were, with the exception of the Disaster Loan Corp., created for purposes of national defense and war production.

"Consolidation of the subsidiaries into RFC, the parent corporation, in addition to simplifying operations, may reasonably be expected to result in some economy," the Federal Loan Administrator said. He added that "the management of their activities will remain in the board of directors of RFC, the members of which have previously served as the directors of the subsidiary corporations." He further stated:

"All outstanding contracts of the subsidiary units and all new contracts which may be necessary will be administered by substantially the same personnel as at the present time, although this personnel henceforth will be acting directly for RFC instead of acting for the subsidiaries. Thus, there will be no interference in the flow of strategic materials and other critical supplies and equipment essential to the successful prosecution of the war against Japan.

"RFC was authorized to create these defense corporations by the Act of Congress, approved June 25, 1940, when requested by the Federal Loan Administrator with the approval of the President. All but one of these subsidiaries, the Disaster Loan Corp., was created for national defense. The Disaster Loan Corp. was created to provide loans necessitated by floods or other catastrophes. Nevertheless, since it is managed by RFC officials and agents under rules and regulations prescribed by the board of directors of RFC, there is no sound basis for having these functions and duties performed by a separate corporate entity.

"In 1940, when the tremendous construction and stockpiling activities lay ahead of us, the establishment of subsidiaries was unquestionably the most effective organizational method that could be devised to cope with the defense production problems. Now that the nation has successfully constructed its 'Arsenal of Democracy,' it is possible to simplify the operations of these defense corporations.

"The subsidiaries now being merged into RFC have built plants, shipyards, pipelines, etc.; bought and sold equipment and materials, etc.; and have paid subsidies, etc., at the request of the War, Navy, and State Departments, the U. S. Maritime Commission, War Production Board and its predecessors, Supplies, Priorities and Allocation Board and Office of Production Management, the Office of the Rubber Director, the Petroleum Administrator for War, Solid Fuels Administration for War, the Office of Defense Transportation, the Office of Price Administration, War Food Administration, the Board of Economic Stabilization, Office of War Mobilization, and the Office of War Mobilization and Reconversion.

"Authorizations as of January of this year by these subsidiary corporations, together with RFC direct commitments for war purposes of approximately $2,600,000,000, have amounted in round numbers to $32,300,000,000. Disbursements have been in excess of $18,000,000,000. Repayments of loans and advances, collection of rentals and part payments on plants and equipment, and proceeds of sales of materials, etc., have been approximately $9,100,000,000. The disbursement figure includes $1,400,000,000 for direct subsidy payments, under section 2(e) of the Emergency Price Control Act of 1942, as amended, to increase or maintain production of materials defined by the President to be strategic or critical. However, this latter figure does not include losses arising from the purchase and sale of such materials."

Following is a sketch of their specialized activities, furnished by the Federal Loan Agency:

Rubber Reserve Co.—Rubber Reserve Co.'s production of synthetic rubber has been approximately 1,000,000 long tons, 737,000 tons of which were manufactured in 1944. In addition to government plants, private industry produced 26,000 long tons in 1944. The synthetic rubber plants are capable of producing at least 1,000,000 long tons of synthetic rubber a year, if necessary. Forty-seven chemical, petroleum, rubber, and industrial companies are operating the plants for account of Rubber Reserve Co. Something over $700,000,000 has been invested in plants and facilities for the manufacture of synthetic rubber.

Metals Reserve Co.—The RFC, through Metals Reserve Co., has made total commitments for the purchase of strategic and critical minerals and metals aggregating $5,174,000,000. Of this amount, $2,150,000,000 has been disbursed, and $2,149,000,00 cancelled or assigned to industry or the Foreign Economic Administration. Sales of these materials have been principally to industries engaged in war production, and have amounted to $1,313,000,000. Stockpiles on hand cost $538,600,000, and, in addition, the company has assets largely in the nature of advances to contractors, other receivables, and mining equipment and supplies in the amount of $67,800,000.

Defense Plant Corp.—The RFC, through Defense Plant Corp., has made commitments for war plants, facilities and machine tools aggregating $10,704,935,000. Of this total $757,656,000 has been cancelled, and $7,177,700,000 disbursed. The total figure includes pool order commitments for machine tools aggergating $1,985,000,000. These orders are issued to insure the machine tool manufacturer a market for his product, and, as the tools are sold by the manufacturer, RFC's obligation ceases. The corporation has only been required to buy tools under these orders aggregating $4,912,000, and its outstanding commitments at this time are only $33,271,000. In addition to the pool orders, machine tools have been supplied to 1,007 contractors in the amount of $1,087,000,000, the contractors paying a fixed rental. Total commitments include 920 complete, integrated plants, wholly owned by Defense Plant Corp., in the amount of $6,055,000,000; and the expansion of 122 existing privately owned plants in the amount of $740,000,000. These expansions are wholly owned by RFC, and are located on land owned by it or held under long term lease. Commitments for facilities to produce critical and strategic materials in foreign countries have aggregated $42,714,850.

Defense Supplies Corp. — The RFC, through Defense Supplies Corp., had authorized total expenditures in the war effort aggregating $10,350,000,000, of which $800,000,000 has been cancelled or assumed by private industry. These operations include the purchase of strategic and critical materials, the payment of extraordinary transportation costs on oil, coal, and sugar, loans and advances to contractors in connection with the purchase of materials, the payment of subsidies and other activities made necessary by the war. Disbursements for such purposes have been $5,200,000,000. Receipts from the sale of materials, repayments of loans and advances, etc., have totalled $3,600,000,000.

The signing of the RFC bill was referred to in our July 5 issue, page 126.

The State of Trade

Corporate emissions for the month of June aggregated $75,767,125, the smallest monthly figure since September, 1942, when the total amounted to $65,040,000. The Seventh War Loan Drive which began on May 14, last, and continued through June 30, accounted for the poor showing. Aside from a few small issues totaling $2,249,000, the balance of the month's financing was made up of issues placed through the private route.

Of the total flotations for the month, $1,352,125, or 1.8% was for new corporate purposes, while the balance of $74,415,000, or 98.2% was for refunding. Thus, the financing for the month followed the trend of the previous 18 months in this respect.

Private placements for June comprised five separate issues aggregating $73,250,000, or 96.7% of the total. This compares with $102,661,000, or 19.4% of the May total; $117,900,000, or 17.7% of the total reported in April; $157,275,000, or 44% reported in March; $29,600,000, or 15.7% so placed in February, and $56,414,000, or 17.9% of the total recorded in January.

Corporate financing for the first six months of 1945 had an aggregate value of $2,127,720,271 compared with $936,393,659 for the like period of 1944. The 1945 total is the largest since 1936 when $2,583,747,098 was reported. Of this year's total, $401,998,057 constituted new money, and $1,725,722,214 was for refunding purposes. In an analysis of total corporate issues for the half-year, it is found that bonds and notes comprised $1,771,055,620, as against $711,415,000 for the like period of 1944, while stocks totaled $356,664,651, as compared with $274,978,659 a year ago. The greatest portion of the total financing, $740,941,837, fell under the classification of public utilities, the largest since 1936, when $1,041,797,628 was reached. Railroads accounted for $720,531,500. This amount has never been exceeded for a like period as far as our records show, the nearest approach being in 1927, when $622,212,000 was recorded. Other industrial and manufacturing totaled $406,625,638, and all other categories, $259,621,296.

The steel industry last week showed increasing evidence that the period of partial reconversion to civilian steel output will be almost as hectic as when the industry changed over to war production, according to "The Iron Age" in its current summary of the steel trade.

Backlogs continue heavy and represent substantial tonnages of rated or war business for extended delivery, much of which is vulnerable to future cancellations and changes in the battlefronts. Currently, the order situation reflects a myriad of conflicting market trends.

A sharp decline characterized the volume of rated steel business in almost all districts the past week, but whether this indicates a definite trend remains to be seen. Part of the decline, the magazine reports, is probably due to changes in war programs and to the necessity for contractors to "gather ends together" following cancellations and cutbacks in munitions programs.

Some areas last week reported a lower level of civilian steel order volume caused by the inability of steel companies to give definite commitments for large-scale deliveries in the third or even the fourth quarter, the trade publication pointed out. The situation is extremely tight in the flatrolled market, with about 75% of the non-rated tonnage booked involving sheets.

The sheet situation poses an urgent problem which the WPB will have to solve soon if 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. 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. As long as this freeze continues, the magazine stated, it nullifies the permission, as far as sheets are concerned, for mills to accept unrated business in accordance with a previous WPB order.

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. It is believed by some that the present tight situation was caused by the overloading of sheet mills on product directives, coupled with the failure of cancellations to materialize quickly.

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 announced last Tuesday that the operating rate of steel companies (including 94% of the industry will be 89.8% of capacity for the week beginning July 16, compared with 89.0% one week ago. This week's operating rate represents an increase of 0.8 points from last week's rate and is equivalent to 1,644,800 net tons of steel ingots and castings, compared to 1,630,200 net tons last week and 1,741,800 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended July 7, 1945, totaled 726,404 cars, the Association of American Railroads announced. This was a decrease of 167,337 cars, or 18.7% below the preceding week this year and 17,943 cars, or 2.4% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 82,226 cars, or 10.2% is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to approximately 3,978,426,000 kwh. in the week ended July 7, 1945, from 4,353,351,000 kwh. in the preceding week. Output for the week ended July 7, 1945, was 1.0% above that for the corresponding weekly period one year ago.

Consolidated Edison Co., of New York reports system output of 151,300,000 kwh. in the week ended July 8, 1945, comparing with 143,900,000 kwh. for the corresponding week of 1944, or an increase of 5.1%.

Local distribution of electricity amounted to 150,100,000 kwh., compared with 142,000,000 kwh. for the corresponding week of last year, an increase of 5.8%.

Paper Production—Paper production dropped to 52.7% of mill capacity for the week ended July 7, against 87½% for preceding week because of seasonal vacation and overhaul closedowns, the American Paper & Pulp Association's index of mill activity disclosed. The production rate for corresponding week a year ago was 50.9%. Paperboard production was 62% for current week, against 96% for preceding week

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House Passes Bill Increasing Borrowing Power of the Export-Import Bank

By a standing vote of 102 to 6, the House on July 13 passed the bill increasing the capital of the Export-Import Bank from $175,000,000 to $1,000,000,000, and its lending power from $700,000,000 to $3,500,000,000. Recommendation for the Bank's expansion as a spur to post-war trade was made on July 11 by Leo T. Crowley, head of the Foreign Economic Administration, who in testifying before the House Banking Committee, said:

"The United States has before it an unusually favorable opportunity to maintain its foreign trade at high levels and at the same time ease the problems of reconversion at home and assist in the reconstruction and further development of the economies of foreign countries."

The Associated Press advices from Washington on that date also said:

Mr. Crowley supported legislation offered by Representative Brent Spence of Kentucky, Chairman of the Committee, which is expected to be speeded through Congress before a summer recess is taken. He said the Bank would provided needed financing for other nations to purchase American goods until the proposed Bretton Woods international bank begins to function. The new legislation would permit financing of portions of agreements for delivery of industrial equipment and supplies to France, Belgium and the Netherlands. It also would repeal the so-called Johnson Act of 1934, which prohibits private or Government loans to any Government in default upon its obligations to the United States.

Republican backing was thrown behind the bill, with Representative Jesse P. Wolcott of Michigan, ranking minority member of the Committee, describing it as a supplement to the Bretton Woods agreements. He added that increased capitalization would provide needed credits to finance exports when lend-lease aid to other countries is diminishing.

The House Banking Committee on July 12, by a vote of 18 to 2, had approved the legislation designed to make the Export-Import Bank an independent, permanent Government agency, with a revised administrative set-up which would drop from the board of directors the Secretaries of the Treasury and of Commerce, as well as other members, it was stated by the Associated Press from Washington July 12.

Under the new administrative set-up, the Bank, which has been operating since 1934 by Executive Order of the President, would have a new five-man board of directors headed by Mr. Crowley, as Chairman, with James F. Byrnes, Secretary of State, and three members to be appointed by the President subject to confirmation by the Senate. Salaries for the three public members would be $12,000 a year. No more than three of the five would be of one political party.

The adoption of the Bill by the House on July 13 occurred after it defeated an effort to set up "Atlantic Charter" standards for the loans. The Bill was immediately sent to the Senate with the hope of Administration leaders to forward the legislation to President Truman in Berlin.

From the Washington Associated Press accounts July 13 we quote:

By a 93 to 9 vote, the House turned back an amendment by Representative Dirksen (Rep., Ill.) that would have prohibited the Bank from making loans to countries not adhering to and "faithfully observing" the Atlantic Charter's injunctions against aggression and territorial aggrandizement, and those not respecting the right of all peoples to choose their form of government.

Democrats and Republicans joined in opposition, declaring this would mean "dollar diplomacy" and would force the President to rule on the political status of each nation before it could get a loan. Dirksen said the proposed amendment meant: "No freedom—no dough!" Chairman Spence (Dem., Ky.) of the House Banking Committee described it as "vague, indefinite and uncertain," and asked Dirksen why he did not also write the Ten Commandments and the Sermon on the Mount into his amendment.

Representative Wolcott said the amendment would "open the gate to pressure nations to adopt our political philosophy." He added: "If we are going to do that it will cost a great deal more than $3,500,000,000."

The Banking Committee told the House the expansion of the Bank is necessary to help increase America's foreign trade "and to enable the war-devastated countries to begin the immense task of reconstruction," prior to the full functioning of the $9,100,000,000 world bank being set up under the Bretton Woods agreements.

Representatives Sumner (Rep., Ill.) and Buffett (Rep., Neb.) led the opposition. Miss Sumner referred frequently to communism and told the House the legislation would "subsidize enslavement" of other peoples. Buffett said it smacked of "New Deal totalitarianism."

W. Randolph Burgess, President of the American Bankers Association, appearing before the House Banking Committee on July 12 stated that the expansion was needed immediately to finance trade prior to the setting-up of the $9,100,000,000 world bank under the Bretton Woods agreements.

He recommended these principles for Government operation of the Bank, the Associated Press reported:

1. The Bank should supplement and encourage and not replace private enterprise.

"Given a favoring atmosphere, private capital will be ready to do much of the work that needs to be done in reconstruction and development. The Export-Import Bank has followed this principle."

2. Loans should be good loans, with practical assurance of repayment.

"This is the principle that loans should be loans, and gifts should be gifts. The Export-Import Bank is set up as a lending agency and not as an agency for relief or for benefactions. The Export-Import Bank has followed this principle and its record in obtaining repayment of loans has been good."

3. Too much credit is as bad as too little.

"Foreign countries now hold very large amounts of dollars and gold, and the amount of goods available for purchase in this country is limited," he said. "The danger of inflation is considerable, and from this point of view it is necessary to make sure that the loans of the Export-Import Bank are made with care and discretion so they do not add fuel to inflationary fires. Nor is it of lasting benefit to other countries to encourage excessive borrowing."

The Export-Import Bank now operates under Mr. Crowley's direction with an 11-member board.

Reference to plans to expand the Bank appeared in our July 12 issue, page 189.

Parcel-Post to Brit. Guiana

Postmaster Albert Goldman announced on July 16 that information has been received from the Post Office Department at Washington, that effective July 16, insured parcel-post service to British Guinana is resumed.

Middle East Trade to Be Analyzed by Group

Formation of the Middle East Committee of the National Foreign Trade Council to analyze the commercial conditions and problems prevailing in the Middle East, and to draw up recommendations concerning advisable U. S. trade policy to be pursued in that area, was announced on July 15 by Eugene P. Thomas, Council President. John L. Gillis, director of Johnson & Johnson International, is Chairman of the new Committee. In addition to Mr. Gillis, members of the committee are M. W. Bowen, Socony-Vacuum Oil Co., Inc.; John C. Cooper, Vice-President, Pan American Airways System; John Hurst, sales manager, Motor Truck European Operation, International Harvester Export Co.; J. V. Murray, manager, Asiatic Division, California Texas Oil Co., Ltd.; Warren Lee Pierson, President, American Cable & Radio Corp.; J. M. Slater, Executive Vice-President, American Export Lines, Inc.; R. C. Thompson, export manager, Electric Auto-Lite Co.; R. F. Warner, partner, Frazar & Co., and Charles V. Sheehan, Vice-President, National City Bank of New York.

Mr. Gillis and Mr. Thompson were members of the Special Economic Mission to French North Africa, the Middle East and Italy, under the Chairmanship of Ambassador William S. Culbertson, which conducted an extensive survey of conditions in those areas and returned to the United States several months ago.

A bulletin to Council members described the prospective work of the committee, and said in part:

"The committee's efforts will be directed to the preparation of an analysis of the logical United States foreign trade position in the Middle Eastern Area. Based on that analysis, recommendations will be drafted regarding steps open to business and to our Government for the establishment and maintenance of that position. Attention will be devoted not only to import and export trade, but also to the global implications arising from natural resources, communications and transportation. Currency and exchange positions which affect American business in that area are also a primary consideration."

Russ-Polish Trade Pact

Polish coal and Russian raw cotton are the major items in the trade agreement concluded in Moscow on July 7 between Russia and the new Polish Government, according to information in trade circles in London on July 9, it is learned from a London wireless message July 9 to the New York "Times" which added:

"The agreement embodies a provision that both nations will apply the 'most-favored-nation' principle in all economic relations. Details of the trade treaty are lacking in London. Neither Russian nor Polish officials here were in a position to supply more than general information about the agreement. They estimated that it would cover an exchange of $120,000,000 worth of goods this year but they had no details beyond that.

"According to information relayed to foreign traders here, the agreement is similar in pattern to those concluded with Czechoslovakia, Rumania and other nations bordering Russia. It provides for the stationing of a Russian economic mission in Warsaw and for a similar Polish mission in Moscow.

"Although not a part of the formal agreement, it was said, there is an understanding between Russia and Poland giving Russia what amounts to a priority on the purchase of any product formerly exported to Germany. The priority covers the same volume of goods exported to Germany annually in normal times."

Senate Group Approves Interim Tax Bill Minus Aid to Reorganized Rails

Legislation designed to improve the cash position of corporations by approximately $5,500,000,000, already passed by the House, as an aid to speeding reconversion of industry was approved on July 12 by the Senate Finance Committee, the Associated Press reported that day from Washington, but not before a majority of the members had voted to strike from the bill special provisions which would have benefited reorganized railroads.

No other changes were made in the so-called interim tax bill as passed by the House, and it was so reported to the Senate for action. The measure will advance the date for use of credits and refunds under the excess profits tax and carry-back provisions, and increase the excess profits tax exemption from $10,000 to $25,000, beginning in 1946. The fight against the railroad relief measure, led by Senator Robert La-Follette (Prog., Wis.), resulted in a 9-8 vote in the committee to strike the provision. Strong Treasury opposition to this provision was said to have bolstered the arguments of opponents in the Senate group.

Committee sources described the controversy over the railroad measure as resulting in a vote along party lines, with Senator LaFollette joined by the Democrats. These sources predicted an effort on the Senate floor to restore the railroad amendment, according to the Associated Press, although numerous considerations, it added, raised by the proposal will probably defeat this move at this time. A further consideration of the plan, if efforts to restore it are defeated on the floor, will come when the House and Senate conferees meet to adjust differences in the measure. The Associated Press further said:

Added in the House Ways and Means Committee to the original provisions of the Joint Committee Tax Bill, the railroad provision would extend the benefits of the carry-back sections of tax law to railroads reorganized into new entities. The measure was proposed by Representative Frank Carlson (Rep., Kans.).

In Congressional quarters it was said that the provision might well have been defeated on the House floor had not a "gag" rule governed floor amendments. Under the rule by which the bill was considered in the House, no amendments were permitted except the single proposal to make the increased excess profits tax exemption retroactive so as to apply to 1945. This amendment was not adopted.

Treasury objections to the railroad provision were understood to turn principally on the fact that it would provide a form of relief retroactively and would also benefit the railroads as only one class of reorganized corporations. Since corporations generally, which have been reorganized into new entities are not permitted the benefits of the carry-backs and carry-forwards, extension of the benefit to the railroads by themselves would have been a species of special legislation, according to the view said to have been taken by the Treasury.

The Treasury was also said to have opposed the inclusion in the tax bill of a proposal which had not been studied in previous sessions by the joint committee, as was the case with other provisions of the interim tax bill.

It was at the same time doubtful that the Treasury would in any event support the measure, even if broadened to include additional corporations, for reasons which include the fact that the decision to reorganize into a new corporate entity was made in the knowledge that the carry-back benefits would not be available.

House passage of the interim tax measure was reported in the "Chronicle," July 12, page 227.

Canadian Corporations May Continue Dividends At Established Rates

On June 21, last, the Foreign Exchange Control Board at Ottowa, Canada, indicated that it is "prepared to consider applications by publicly-owned companies with established dividend rates to continue dividend payments at those rates for a limited period even though their undistributed current earnings, as defined in the Board's regulations, are not sufficient to cover such payments due to a temporary reduction of profits during the reconversion period." The Board's statement further added:

"Companies seeking approvals of dividend applications on this basis will be required to show reasonable grounds for expecting that their earnings within the next few years will be sufficient to make up any permitted over-distribution.

"Under the Foreign Exchange Control Regulations, a Canadian company having any non-resident shareholders requires a permit from the Board to make dividend payments and heretofore such permits have normally been granted only where the dividends are being paid out of earnings made since the commencement of the war.

"No permit from the Board is necessary for dividend payments where all the shareholders of a company are residents of Canada and Newfoundland."

895 Sleeping Cars Withdrawn for Use by Military Personnel

The Office of Defense Transportation on July 6 ordered the railroads and the Pullman Company to discontinue all civilian sleeping-car services up to 450 miles by July 15.

The order has caused the withdrawal of 895 sleeping cars from regular civilian use and added that number to those available for the exclusive use of military personnel.

The action was made necessary, Colonel J. Monroe Johnson, ODT Director, explained, by the unexpectedly heavy arrival of troops from Europe, well in advance of the schedule originally announced by the War Department.

"Arrivals in June," said Colonel Johnson, "were one-third greater than had been anticipated. It now appears that July arrivals will be much greater than originally expected. In fact, July well may be the biggest month of the whole program for arrivals from Europe. As troops go across the Pacific in increasing numbers there may have to be further withdrawals of sleeping cars for their use, perhaps within the next month.

"I am mindful that this action will result in considerable inconvenience to civilians, but on the other hand, I feel they will cheerfully accept the situation when they realize that it is one way in which they can make another important contribution to the war effort."

The 450-mile distance specified in the order will be measured by the shortest rail line over which regular passenger service is operated between any two points.

The Financial Situation

(Continued from first page)

trary must result in definite worsening of their economic position. The point where such a state of affairs is reached naturally varies with circumstances and with individual situations. One union or a group of unions representing a relatively small proportion of the total public can in some circumstances continue to better their own position long past the point where others must cease to move forward by following the same procedures, but they may do so only at the expense of other wage earners. Indeed it has often rather patently been the case in the past that some "strong" unions in an industry producing goods or services that the public must have more or less regardless of price, have pushed their claims successfully so far that other laborers in other fields were obliged in one way or another to pay the exactions imposed.

It also has often happened that the policies of certain unions—not infrequently accompanied by work restrictions which, far from increasing, actually reduced man-hour output — have brought real benefits to those members who were fortunate enough to continue to find employment at the same time that it made it doubly difficult for qualified union members to obtain work at all, the net result being that members of the trades in question taken as a whole were not helped, but probably actually hurt by the over-reaching of their organizations. It does not seem to us unreasonable to suggest that the leaders of the so-called labor movement in this country take such facts as these into careful consideration, and find some way in which the "strategy" of unionism during the post-war years may be intelligently based upon the greatest good of the greatest number of the members of that movement—namely wage earners—or, if it must be of members of the labor unions of the country.

Pertinent Facts

When such a point has been reached, a number of pertinent facts will at once present themselves. The first and the most important of these is that factual evidence strongly suggests that in the years immediately ahead wage earners will find it difficult, perhaps increasingly difficult, really to better their position without increasing their output per man hour, or by working a longer work week to increase the actual production per employee. It is conceded, of course, that man-hour production or production per worker is not wholly within the control of the worker. A good deal, as a matter of fact, depends upon the skill with which men and women are organized to get any given job of work done. Much likewise depends upon the tools (including machinery, of course) which are put in the hands of the workman. These are obvious truths which need cause no argument, and certainly should not be employed by any one to conceal or to evade other equally obvious facts.

The truth of the matter is —and the facts are too well known to need elaborate demonstration here—that for years prior to the war wage earners were in one way or another taking more and more of the product of the American economy for fewer and fewer hours of work per week. Various expedients had made it possible for industry to pay the workers these additional sums. Continuous and often remarkable technological progress was an indispensable factor, of course. Constantly improved means of organizing men and machines for production was another. Yet another without much doubt was the fact that production was so far below maximum that it was possible for industry to make use of its more efficient plants and productive apparatus — and in some degree its more efficient employees—leaving the higher cost elements of both to gather dust.

Post-War Prospects

Precisely how far we shall, after the war, desire to keep less efficient machinery and plant in operation which has been drawn into action as result of war pressures is not altogether clear, but full production—as the term is now currently used—will certainly require more complete employment of plant than was the case before we were drawn into the war. It is virtually everywhere insisted that we shall proceed at a production pace such that virtually every one shall be called upon to do useful work. It would appear therefore the situation as it existed when the war came to us did not offer, and would not offer were we to return to it, any great opportunity for a betterment of all wage earners by any process of bargaining or bludgeoning.

Unit Labor Costs

It is a fact repeatedly shown by official figures that in civilian goods lines unit labor cost has risen substantially, even disturbingly, during the years since 1940. If presently the unions, or the rank and file of the membership of the unions, are to insist upon still higher wages there certainly can be no avoidance of prices which are at least proportionately higher—unless some way is found to effect a large increase in the output per dollar of wages paid. As has already been seen, the pressure for technological improvements and the like had been so great prior to the war that it may be questioned whether this process can be depended upon very greatly to increase productivity after the war in the absence of a much greater degree of cooperation from the workmen than has been forthcoming in recent years—yes, even than in the war years.

This is, of course, another way of saying that labor leaders, if they are wise and if they have the ultimate good of their followers at heart, will connect further improvement in the position of the men closely with the volume of output, and will do whatever they can whenever they can to impress upon their followers the importance of full cooperation by the wage earner for the purpose of increasing output. If some such course is not followed, or at least if productivity is not somehow vastly enlarged in the post-war years ahead, it may be taken for granted that labor will not move forward as it hopes to do, that indeed effort to force a weary goose to lay more golden eggs may well do both the goose and its owner great injury.

Post-War Interstate Highways Planned

Plans are under way for a 40,000-mile system of interstate highway connecting principal cities of the United States, according to the Public Roads Administration, which gave an outline of this post-war construction project. The new interstate system, states the New York "Herald-Tribune," which reported the announcement of the program from its Washington bureau, July 7, will include the most heavily traversed rural highways in the present Federal aid system and main thoroughfares in urban areas. The "Tribune" report continues:

"The P. R. A. had asked state highway departments to submit to it by July 1 their recommendations of routes that will comprise the new highway systems. The states' proposals will be reviewed by the divisional offices of P. R. A. before they are sent here for final approval.

"State highway departments also have been asked to co-operate with county and other local highway officials and the P. R. A. in the selection of a system of secondary roads to be developed after the war, and to define the boundaries of urban areas around cities having populations of 5,000 or more. Within these boundaries special Federal aid funds, earmarked for urban improvements, will be made available through the various state highway departments to finance construction of urban expressways and circumferential routes which in many instances will be incorporated in the national interstate system. The latter will provide express routes between all cities having a population of 300,000 or more, all but two or three cities in the 100,000 to 300,000 population group and numerous smaller cities and towns.

Working Capital of U. S. Corporations In Fourth Quarter of 1944 at New High

Corporate working capital of American corporations (exclusive of banks and insurance companies) reached a new high in the fourth quarter of last year, estimated at $45.5 billion as of Dec. 31, 1944, according to the quarterly analysis made public on May 18 by the Securities and Exchange Commission. During 1944, working capital increased by $4.2 billion, not quite as high a rate as in the preceding year. This increase in working capital was more than explained by the level of retained profits, says the Commission which says:

"Even more than in the previous year, the record level of working capital at the end of December was in extremely liquid form with both cash and U. S. Government securities accounting for a very substantial portion of the total. Total current assets showed a sizable increase during the year whereas total current liabilities were practically unchanged. By far the largest change in any of the items of current assets and liabilities was the $5.0 billion increase in U. S. Government securities to a record total of $20.8 billion, a rise of 32% over the year. Cash and bank deposits showed only a slight increase amounting to $300 million. The only other significant change in the current picture was the decline in inventories amounting to $1.0 billion, almost entirely accounted for by manufacturing corporations. It is interesting to note that at the end of 1944 corporations' holdings of U. S. Governments were $4.8 billion higher than their income tax liabilities while at the end of 1943 they were approximately equal. Corporations, apparently to a considerable extent, are continuing to invest their funds in excess of current needs in Government securities. The ratio of corporate liquid funds in the form of cash and U. S. Governments to sales, which is one rough measure of liquidity, increased substantially in 1944 and is well above pre-war levels.

"In addition to the increase in working capital, corporations continued to accumulate post-war credits in refundable taxes, raising the total of such refundable taxes to $2.1 billion as of December 31, 1944, an increase of $800 million over the year. Other sources of substantial refunds payable to corporations are the provisions of the income and excess-profits tax laws for carry-back of losses and unused excess-profits credits, for accelerated amortization of emergency facilities, and for recomputation of base-period income for excess-profits determination. As for other items affecting the corporations' financial position, there was on the assets side a drop of about $2.0 billion in the net property account and on the liabilities side a reduction of $1.2 billion in long-term debt; both of these declines reflected a continuation of trends which characterized the preceding year.

"During the five-year period from the end of 1939 to the end of 1944, the increase in working capital amounted to $21 billion, a rise of 85%. Of this increase $13 billion took place in the three years since our entry into the war. In addition, during these five years, almost entirely since the end of 1941, corporations paid off $1 billion of long-term debt and accumulated a post-war credit of $2 billion in refundable taxes. Further large refunds may accrue to corporations in the post-war period as a result of other provisions of the income and excess-profits tax laws previously mentioned. On the other hand, the net property account at the end of 1944 was approximately $2.5 billion below 1939 and was roughly $5.5 billion lower than 1941.

"The most striking changes in current assets and liabilities from the end of 1939 to 1944 were the increase in cash from $10.9 billion to $23.1 billion, the increase in U. S. Government securities from $2.2 billion to $20.8 billion, and the increase in Federal income tax liabilities from $1.2 billion to $16.0 billion. The major part of these increases occurred after the end of 1941. The increase in U. S. Government securities alone, almost entirely short-term, more than offset the increase in Federal income tax liabilities.

"Up to the end of 1941 the increase in working capital took the form of inventories. Since our entry into the war inventories remained relatively constant in amount, increasing only from $25.6 billion at the end of 1941 to $26.0 billion at the end of 1944, though undergoing a drastic change in composition. Net liquid assets or working capital exclusive of inventories, in contrast, increased from $6.5 billion to $19.5 billion in the same period.

"The attached tabulation shows the working capital of all corporations in the United States on which the above discussion is based. Tables presenting more detailed data on current assets and liabilities for various industrial and size groups of corporations registered with the Securities and Exchange Commission may be obtained on request. These tables indicate that; though there was considerable variation from group to group, practically all groups of corporations shared in the rise of working capital over the war period.

*CURRENT ASSETS AND LIABILITIES OF U. S. CORPORATIONS
1939-1944
(Billions of dollars)

	1939	1940	1941	1942	1943	March 31 1944	June 30 1944	Sep. 30 1944	Dec. 31 1944
Current Assets—									
Cash on hand and in banks	10.9	13.1	13.9	17.7	22.8	22.0	21.8	24.1	23.1
U. S. Govt. securities	2.2	1.9	3.9	10.0	15.8	18.1	19.7	18.9	20.8
†Receivables from U. S. Government	--	.1	.6	4.0	5.0	4.9	4.8	4.6	4.7
Other notes and accounts receivable	22.1	23.9	27.4	23.3	22.5	22.4	21.9	22.1	22.9
Inventories	18.0	19.8	25.6	27.3	27.0	27.2	26.8	26.8	26.0
‡Other current assets	1.4	1.5	1.4	1.3	1.3	1.3	1.4	1.3	1.3
Total current assets	54.6	60.3	72.8	83.6	94.4	95.9	96.4	97.8	98.8
Current Liabilities—									
†Advances and repayments, U. S. Govt.	--	.6	.8	2.0	2.2	2.3	2.2	2.0	1.8
Other notes and accounts payable	21.9	22.6	25.6	24.5	25.7	25.7	25.2	25.7	26.7
Federal inc. tax liabilities	1.2	2.5	7.1	12.1	15.9	16.1	16.2	16.1	16.0
§Other current liabilities	6.9	7.1	7.2	8.8	9.3	9.2	9.1	9.1	8.8
Total current liabilities	30.0	32.8	40.7	47.4	53.1	53.3	52.7	52.9	53.3
Net working capital	24.6	27.5	32.1	36.2	41.3	42.6	43.7	44.9	45.5

*All U. S. corporations excluding banks and insurance companies. Data for 1939-1941 are based on Statistics of Income, covering virtually all corporations in the United States. Data for 1942-1944 are estimates based on data compiled from many different sources, including data on corporations registered with the Commission. Because of the nature of the figures, these estimates are subject to revision.

†Receivables from and payables to U. S. Government do not include amounts offset against each other on the corporation's books or amounts arising from subcontracting which are not directly due from or to the U. S. Government.

‡Includes marketable securities other than U. S. Government.

§For 1942-1944 includes provisions for renegotiation other than those combined with income tax liabilities.

The figures for the third quarter were given in our issue of March 22, page 1300.

Senate Foreign Relations Committee Favors U. S. Adoption of World Security Charter

Foreign Relations Committee Holds That Any Reservation to Give Congress Power to Decide When American Forces Are to Be Used Violates Both the Spirit of the Charter and the U. S. Constitution, and Would, in Addition, Require a Renegotiation of Whole Document.

The Foreign Relations Committee of the Senate, on July 16, submitted its report in favor of the United Nations Charter, as drawn up at San Francisco, without any reservations. Senator Hiram Johnson (R. Cal.) who after the last war opposed the League of Nations, was the only member of the Committee who opposed the report.

In answer to Senator Bushfield's (R. So. D.) argument that the provision in the Charter which permits the American delegate on the Security Council to approve the use of United States military forces, without the specific sanction of Congress was unconstitutional, the Committee's report states:

No attempt was made to define in the Charter the powers and authority of the representatives on the Security Council of its members. This was, of course, because that is a matter which must be determined by each Government for itself and is not appropriate for international agreement.

The Committee believes that the authority of the United States delegate should therefore be determined after the Charter has been ratified. However, the Committee is convinced that any reservation to the Charter, or any subsequent Congressional limitation designed to provide, for example, that employment of the armed forces of the United States to be made available to the Security Council under special agreements referred to in Article 43 could be authorized only after the Congress had passed on each individual case would clearly violate the spirit of one of the most important provisions of the Charter.

One of the fundamental purposes of the Charter is to provide forces which will be immediately available to the Security Council to take action to prevent a breach of the peace. Moreover, if a reservation of this effect were to be adopted by the Senate, the very nature of the Charter itself would be changed, and further negotiations with the other signatories of the Charter would unquestionably be necessary.

Preventive or enforcement action by these forces upon the order of the Security Council would not be an act of war, but would be international action for the preservation of the peace and for the purpose of preventing war. Consequently, the provisions of the Charter do not affect the exclusive power of Congress to declare war.

The Committee feels that a reservation, or other Congressional action, such as that referred to above would also violate the spirit of the United States Constitution, under which the President has well-established powers and obligation to use our armed forces without specific approval of Congress.

The special position of the United States as one of the five permanent members of the Security Council, whose approval is needed for any enforcement action, needs to be emphasized once again in this connection. No United States forces can be employed, no enforcement action of any kind against a nation breaking the peace can be taken, without the full concurrence of the United States acting through its delegate on the Security Council.

The Committee's report concludes by saying that the Committee is satisfied that the Charter represents a remarkable accomplishment in the process of developing international cooperation. While it may be that this is not a perfect instrument, the important thing is that agreement has been reached on this particular Charter, after months, and even years, of careful study and negotiation, between the representatives of fifty nations.

The virtual unanimity with which the results of the Dumbarton Oaks and the San Francisco Conferences have been approved by the people of the United States, and now by this Committee, is the best proof now available that a sound and practicable foundation has been achieved on which to work for peace and security.

The Committee points out, however, that neither this Charter, nor any other document or formula that might be devised, can prevent war, and the Committee would be performing a disservice to the public if its action with respect to the Charter should indicate any such opinion on its part.

The establishment of the United Nations will, at best, be a beginning toward the creation of those conditions of stability throughout the world which will foster peace and security.

The participation of our country in the United Nations will be essential to its success; in fact, the Charter cannot even become operative if we do not ratify it.

But of far greater importance will be the determination with which our Government and our people will give to the organization their active and wholehearted interest and support. This will require, on the part of our Government and of the people, both an understanding of what the United Nations is designed to accomplish and also a realization of the limitations under which it must necessarily set out to do that task. And, above all, it must be understood that to the extent to which we do participate actively in this organization, we will, by that very process, be overcoming the imperfections in the Charter.

Unless we are prepared to take all steps which are necessary to effectuate our membership in the United Nations we would be merely deceiving the hopes of the United States and of humanity in ratifying the Charter.

The question of our membership in an International Organization to Preserve Peace has been debated throughout our country and in this Congress as fully as any public issue in our history has ever been discussed.

The Committee feels that the people and the members of the Senate understand clearly the consequences and the requirements of our membership in the United Nations, and that they are prepared to undertake the responsibilities of membership in order to enjoy the privilege which that membership may ultimately bring in the form of world stability.

The Committee is convinced that participation in the United Nations is in accordance with our national interests, and that our contributions to the United Nations will be repaid many times.

The Committee, therefore, has no hestitation in recommending that the Senate advise, and consent, to the ratification of the Charter of the United Nations.

Areas of Acute Labor Shortage Drop to 55

As a result of declining munitions production and reduced manpower needs, the number of critical labor market areas has dropped sharply, the War Manpower Commission reported on July 1, in announcing labor market classifications for that date.

The WMC also said in part:

"Since V-E Day, the number of Group I areas of acute labor shortage dropped from 74 to 53. Downward revisions in munitions production scheduling will result in further loosening of labor market classifications from areas of stringency to areas of balance or surplus.

"From June 1 to July 1, eleven Group I critical areas dropped to Group II areas of slight shortage or approaching manpower balance. Most significant of these were major war centers such as San Diego, Calif.; Buffalo, N. Y., and Newark, N. J., which had been areas of acute shortage since the beginning of the war program. Other areas moving from Group I to Group II are: Anderson, Ind, Ind.; Cheyenne, Wyo.; Fostoria-Findlay-Tiffin, Ohio; Freeport, Ill.; Mansfield, Ohio; Minneapolis-St. Paul, Minn.; Springfield-Decatur, Ill., and Toledo, Ohio.

"Two Group I areas dropped to Group III, areas of substantial manpower balance, as a result of sharply reduced requirements in munitions manufacturing. These are: Elkton, Md., and Grand Rapids, Mich.

"Fourteen Group II areas shifted to Group III: Burlington, and Des Moines, Iowa; Newcastle, Ind.; New London, Conn.; Omaha, Nebr.; Council Bluffs, Ia., Sheboygan, Wis.; Shreveport, La.; South Bend, Ind.; Sturgeon Bay, Wis.; Torrington, Conn.; Tuscaloosa, Ala.; Vicksburg, Miss.; Wilmington, Del., and Zanesville, Ohio.

"Two Group III areas moved to Group IV. They are Detroit, Mich. and Fresno, Calif. The full impact of cutbacks in aircraft plants announced some time ago has resulted in a rising surplus of labor in Detroit, which only last month was classified downward from Group II to Group III.

"At the same time, increased production schedules required classification upward of two Group III areas to Group II. They are: Galveston, Texas, and Cincinnati, Ohio. One Group IV area, San Antonio, Texas, shifted to Group III.

"Added to the list for the first time as a Group II area was the formerly unclassified area of Lebanon, Pa. Current labor shortages and further anticipated shortages in urgent war items brought this area into the classified labor market list."

Parcels for Prisoners of War in This Country

On July 16 Postmaster Albert Goldman of New York reported that information has been received from the Post Office Department at Washington that the War Department advises that prisoners of war will no longer be permitted to receive parcels (except new books) mailed within the continental limits of the United States, other than from relief or aid organizations and American educational institutions approved by the Provost Marshal General. This provision does not, however, it is added, apply to members of the Italian service units serving within the United States. Parcels addressed to prisoners of war will, therefore, not be accepted for mailing except those specifically provided for.

Subscriptions Received In 7th War Loan Drive—Morgenthau Commends Results

Total subscriptions of $26,313,000,000 to the Seventh War Loan were reported by Secretary of the Treasury Morgenthau in a radio address featuring "The Seventh Challenges" broadcast from Washington July 10. Mr. Morgenthau, who, as noted in our July 12 issue (page 226) has tendered his resignation as Treasury head, which will not become effective until after President Truman's return from the "Big Three Conference", termed his talk as "somewhat in the nature of a valedictory". In indicating the results of the 7th War Loan Drive he pointed out that "we set ourselves an overall goal of 14 billion dollars." He further stated that "we asked for 7 billion dollars in individual subscriptions, and we received a total of $8,681,000,000," and he described the War bond program "as a magnificent demonstration of the voluntary team work of a free people."

From Washington advices July 10 to the New York "Times" we take the following:

The Treasury sold more war bonds in all categories than it ever had before, and failed to make only one of its goals—that for E bonds, the small-denomination bonds for individual subscribers. However, E bond sales were $3,976,000,000, which was 99.4% of the $4,000,000,000 goal. This was $1,000,000,000 higher than any E bond goal heretofore.

Results of the drive by major sales classifications, with the previous high record in each of the categories, follow:

Total — $26,313,000,000, against $21,621,000,000 in the Sixth Loan.

Corporation sales—$17,632,000,000, against $15,739,000,000 in the Sixth.

Individual sales — $8,681,000,000 against $6,351,000,000 in the Fifth.

E bonds—$3,976,000,000 against $3,187,000,000 in the Fourth.

Secretary Morgenthau's address follows:

One of the most pleasant tasks I have ever had to perform as Secretary of the Treasury is to report to you tonight the final results of the Seventh War Loan. We set ourselves, as you know, an overall goal of 14 billion dollars. The people of America have subscribed to the Mighty Seventh a total of $26,313,000,000.

We asked for $7,000,000,000 in individual subscriptions. We have received a total of $8,681,000,000.

Finally, and most important of all, we set for the wage earners of the country the difficult goal of four billion dollars in E bonds. The final figures show that E bond sales amounted to $3,976,000,000.

The War Bond program has been, I think, a magnificent demonstration of the voluntary teamwork of a free people. Through this program, more than 85 million individual Americans have enlisted in the national cause—have engaged in an act of faith.

It has seemed to me from the beginning that the essence of this program lay in its voluntary character. When I asked the Congress of the United States in January 1941, for authorization to borrow from the general public through a defense savings bond campaign, I said: "I can think of no other single way in which so many people can become partners of their Government in facing this emergency. It is the purpose of the Treasury to raise money for national defense by methods which strengthen national morale."

To achieve its aims, the Treasury sought to make the American people understand the meaning and the magnitude of the crisis that they faced. It endeavored to forge, through united action, the national unity needed to overcome our common problems.

How well this has been done the record will attest. I take particular pride in the knowledge that it was done throughout by wholly democratic means. There has been no resort at any time to coercion or intimidation or social pressure. Instead, the method pursued was to organize state by state, community by community, millions of volunteer war bond workers—drawn from the ranks of business, of labor unions, of the professions, indeed from all the segments of our society—and to let them carry the appeal to their fellow-citizens. Every American has been left free to contribute in accordance with his own conscience and his own capabilities. It is a kind of program which could have been undertaken, perhaps, in no other country in the world—a kind of program peculiarly adapted to the democratic pattern of American life.

Special praise is due, I think, to the part played in the War Bond program by the men and women in our armed services. These Americans have not been content to bear the brunt of this nation's fight for freedom; they have also played a mighty part, as citizens, in helping to finance the war weapons they have wielded.

The war bond program stands, I believe, as a powerful bulwark to the economy of this nation, both now and in the future. The savings of the American people, set aside during a time when most of our productive energy had to be devoted to making materials of war, played an indispensable part in averting the danger of inflation. The economy of the U. S. has been kept sound and secure, so that the men who have fought for us overseas can return to a land of opportunity. And in the difficult days of reconversion which lie ahead, these savings will provide an invaluable backlog of mass buying power to start civilian production on its way.

My talk to you this evening is, as you know, somewhat in the nature of a valedictory. I should like, therefore, to say a few words directly to the men and women who have so long and so faithfully and so generously given their time, their skill and their energy to the war bond program. To them belongs the full credit for what has been achieved. The service they have rendered is beyond my praise; the gratitude they have earned is beyond my power of expression. But they have found, I know, the only reward that they have ever sought: the sense of partnership in a great national undertaking.

I want to pay special tribute to the men and women who have been the leaders of the War Finance Division. Under the captaincy of Ted R. Gamble, they have worked tirelessly and devotedly to bring about the magnificent record of the war bond program. My warm appreciation goes also to my chief fiscal aid, the Undersecretary of the Treasury, Daniel W. Bell.

I thank all of you from the bottom of my heart for the cooperation you have given to me. I know that your cooperation will be continued with the same devotion and zeal under the able leadership of my successor, Judge Fred Vinson. There is still a titanic task before us.

In taking leave of you, I should like to express one thought, one testament of faith. Whatever the tasks, whatever the problems of the future, I know that we shall meet and overcome them as we have in the past through the methods of freedom, through the voluntary unity of free men.

MacArthur Declares Philippines Won From Japs

It was declared by Gen. Douglas MacArthur at Manila on July 5 that all the Philippine Islands have been won back in "the greatest disaster ever sustained by Japanese arms." In his declaration in the matter Gen. MacArthur said that the 115,600 square miles of the Philippines are being transformed into bases comparable to the British Islands to spur the march on Tokyo. Associated Press accounts from Manila went on to say:

"In 250 days of campaigning, 17 American divisions whipped 23 Jap divisions in 'one of the rare instances when . . . a ground force superior in numbers was entirely destroyed by a numerically inferior opponent.'

"Roughly 420,000 Japs were slaughtered, including such hated outfits as the Sixteenth Imperial Division which tortured American and Filipino prisoners in the 'Death March' after the 1942 fall of Bataan. A spokesman estimated that possibly 30,000 Japs survive in all the archipelago, cut up into groups and driven into mountains where they are reduced to guerrila activity.

"American ground and air personnel casualties up to July 1 were listed as 11,921 killed, 410 missing and 42,569 wounded—a total of 54,891.

"Gen. MacArthur stressed as accomplished goals of the reinvasion:

"1. Acquisition of great land-sea-air bases 'for future operations' comparable to the role played by the British Isles against Germany.

"Collapse of the 'imperial concept of a Greater East Asia Co-Prosperity Sphere and the reintroduction of democracy in the Far East.'

"3. Delivery of a 'crippling blow' to Japan's Army, Navy and Air Force.

"4. Severance of the enemy's sprawling, stolen empire so the north and south halves could 'be enveloped and attacked in turn,' while a sea-air blockade prevented raw materials from reaching Japan or reinforcements from reaching the East Indies.

"5. Liberation of 'our captured officers and men and our internees held in the Philippines.'

"Possibly 12,000 Jap survivors are scattered through the wilds of Mindanao Island; 13,000 more are holed up in mountain areas north and east of Manila on Luzon, and 5,000 more are in isolated groups among the central islands.

"A headquarters spokesman's summary, division by division, of the fate which befell the Japs, brought out that at least four divisions were sent down from Japan after the reinvasion at Leyte last October. Other divisions were jockeyed wildly from island to island in a frantic attempt to stem the tide of rising American power.

"Finally, in the bitter fight for Manila, a Jap admiral sent forth naval forces to their slaughter. Naval troops under a second admiral have been reduced to remnants on Mindanao. Before the end, the desperate Japanese even threw in civilians and members of their merchant marine.

"Gen. MacArthur, who recently was named overall commander of Army forces in the Pacific, shut the door on his Philippines assignment thus:

"'This great land mass of 115,600 square miles, with a population of 17,000,000 is now freed of the invader'."

The belief was expressed as unlikely on July 5 in some high circles in Washington that Philippine independence would be proclaimed before the end of the year despite Gen. MacArthur's announcement that the islands had been liberated. The Associated Press accounts from Washington added:

"If President Truman decides to withhold his proclamation until that time it is regarded as likely that he will make it coincide with Rizal Day, a major Philippine holiday, Dec. 30. The date marks the anniversary of the death at the hands of Spaniards of Jose Rizal, outstanding Filipino patriot.

"Further reasons advanced against immediate proclamation of independence are that the commonwealth has a general election scheduled for Nov. 6 and that military operations must continue in the islands until the estimated 30,000 remaining Japanese are eliminated."

Steel Output for First 6 Mos. Lowest Since '42

During the first six months of this year the steel industry produced 43,180,223 tons of steel ingots and steel for castings, an amount lower than for any half-year since the middle of 1942, the American Iron and Steel Institute announced on July 11. That tonnage, however, was more than two-thirds of the total steel produced in the entire year of 1929, the record peacetime production year.

The Institute's announcement further added:

"While one month (March) in the first half of this year was the third highest on record from the production standpoint, the industry encountered severe cold weather, floods, coal and labor shortages and other obstacles to production. On V-E Day operations were around 95% of capacity, but in recent weeks the rearrangement of war contracts and a series of sporadic labor disputes have depressed production.

"The six-month production for 1945 was 1,963,000 tons below the record 45,143,390 tons of steel made in the first half of 1944. Operations averaged 91.1% of capacity in the 1945-half-year, compared with 96.9% in the first half of 1944, and calculated weekly production was 1,669,123 tons against 1,735,617 tons.

"Production in June, 1945, was 6,868,717 tons, 582,086 tons below the output of 7,450,803 tons in May. The industry operated at 87.4% of capacity in June, compared with 91.8% in May. Calculated weekly production was 1,601,100 tons against 1,681,897 tons per week in May. In June, 1944, production totaled 7,234,257 tons, while operations averaged 94.1% and weekly production was 1,686,307 tons.

Special Libraries Issues Publication on Maps

Special Libraries Association announces the publication on July 2, of "Classification and Cataloging of Maps and Atlases" by Samuel W. Boggs, Chief, and Mrs. Dorothy Cornwell Lewis, Map Librarian, of the Division of Geography and Cartography, United States Department of State. The announcement states:

"The manual is primarily concerned with practices needed for separate map collections but allows for adaption to a consolidated book and map catalog. Includes information about map projections, prime meridians, centesimal system of latitude and longitude, and other technical notes, accompanied by illustrations. An outline map of the world showing the classification numbers of geographical areas has been included as well as a natural scale indicator."

The publication is regarded as of outstanding importance to geographers, cartographers, scientists, political economists, researchers, and all librarians using maps and atlases. The revised and enlarged edition is limited to 1000 copies. One hundred and eighty pages, printed price: $8.75.

Installment Lending Division Organized

Following the decision of the Council of Administration of the Illinois Bankers Association that the people of Illinois were entitled to the services of banks on installment loans, Floyd M. Condit, President of the Association and President of the First National Bank of Beardstown, Ill. announces the appointment of W. J. Ramm, Vice-President of the First National Bank of Danville, as Chairman of a special Committee of the Association to organize an Installment Lending Division. This Division of the Association will be charged with the responsibility of investigating all phases of the installment lending field from the financing of doctor bills to the installment purchase of all types of durable consumer goods from washing machines to automobiles. The Division will make a study of the best procedures for the handling of this type of business by commercial banks, which will include rates of interest, advertising policies and a general code of ethics to be adopted by the banks.

Bartholomew O'Toole, President of the Pullman Trust and Savings Bank, Chicago, is Vice-Chairman of the Committee and membership includes officers of seventeen banks throughout the State, all of which are engaged in making installment loans.

The Committee is composed of: Edward Damstra, Chicago City Bank & Trust Co.; B. J. Schneider, District National Bank of Chicago; J. F. Keeley, Lake Shore National Bank, Chicago; Elliot W. Frank, LaSalle National Bank, Chicago; Oliver B. Cottle, Merchandise National Bank of Chicago; C. W. Pearson, South Shore National Bank in Chicago; Wm. F. Gregson, The Terminal National Bank of Chicago; J. Louis Kohn, Sears Community State Bank, Chicago; E. T. Kurzdorfer, Uptown National Bank of Chicago; Lincoln E. Bundy, Streator National Bank, Streator; F. W. Zabel, The Merchants National Bank, Aurora; L. B. Wilson, State Bank of Rock Island; A. J. French, Farmers State Bank & Trust Co., Jacksonville; Edward F. Reiter, Jr., Commercial National Bank of Peoria; John H. Crocker, Citizens National Bank, Decatur; L. A. Schlafly, First National Bank & Trust Co., Alton; and R. H. Havens, Bank of Benton, Benton.

The Committee will have its organization meeting the week of September 10th in Chicago.

May Steel Payrolls 2nd Highest on Record

Steel company payrolls during May rose to the second highest monthly total on record, but number of men employed continued the decline which has gone on virtually without interruption since mid-summer of 1942, it is indicated in a report released July 13 by American Iron and Steel Institute, which further adds:

During May steel company payrolls totaled $154,035,100, as compared with $146,954,800 in April and $145,426,600 in May a year ago. The May total is exceeded only by March 1945 payrolls of $154,976,700.

An average of 564,600 employees was at work in the industry during May, as against 567,200 in April and 569,100 in May, 1944.

Wage-earning employees in the industry earned an average of 126.4 cents per hour in May, exactly the same as in April but substantially higher than average hourly earnings of 118.4 cents in May a year ago.

Wage earners worked an average of 47.7 hours per week in May, compared with 46.5 hours per week in April and 47.5 hours per week in May a year ago.

Items About Banks, Trust Companies

The statement of the Chase National Bank of New York for June 30, 1945, made public July 13, shows deposits on that date of $4,952,627,000 (the largest deposit figure yet reported by the bank), which compares with $4,497,560,000 on March 31, 1945, and $4,677,873,000 on June 30, 1944. Total resources on June 30, 1945, amounted to $5,288,247,000 compared with $4,822,301,000 on March 31, 1945, and $4,990,183,000 a year ago; cash in the bank's vault and on deposit with the Federal Reserve Bank and other banks amounted to $887,309,000 compared with $887,573,000 and $886,348,000 on the respective dates; investments in U. S. Government securities, $2,900,026,000 compared with $2,779,461,000 and $2,778,218,000; loans and discounts, $1,159,769,000 compared with $855,787,000 and $1,048,627,000. On June 30, 1945, the capital of the bank was $111,000,000 and the surplus $124,000,000, both figures unchanged during the past 12 months. The undivided profits on June 30, after deducting $5,180,000 from that account for a semi-annual dividend payable Aug. 1, amounted to $57,301,000, compared with $57,372,000 on March 31, 1945, and $43,209,000 on June 30, 1944. The net earnings of the bank for the first six months of 1945 were $1.71 per share, including net profits on securities amounting to 57 cents per share. In the corresponding period of 1944, net earnings were $1.42 per share, including net profits on securities of 19 cents per share. Net current operating earnings for the first half of 1945 were $1.14 per share, compared with $1.23 per share in the first half of 1944.

Total deposits of $1,806,291,273 are shown in the June 30 statement of condition of the Bankers Trust Company of New York, comparing with $1,586,827,778 on March 31, 1945. Total assets have risen from $1,749,872,596 at the end of March to $1,959,483,721 June 30. Cash on hand and due from banks which on March 31 were $274,083,413, are shown on June 30 as $264,549,041. Holdings of United States Government securities have increased from $977,180,771 March 31 to $1,084,819,982 at the end of the half-year. Loans and bills discounted now at $519,800,956 compare with $395,603,887 March 31. Capital at $30,000,000 and surplus at $80,000,000 June 30 are unchanged from the March 31 figure. Undivided profits have increased since the March date, viz., from $29,065,649 to $30,674,761 June 30.

Total assets of $880,310,477 are reported by the New York Trust Co. on June 30, 1945, as compared with $833,420,180 on the same date in 1944. Deposits during the year have risen from $776,837,076 to $813,621,233. Cash and due from banks on June 30, 1945, at $124,799,847, compared with $150,971,486 a year ago. United States Government obligations are now $508,936,054, compared with $455,606,903; loans and discounts at the latest date appear as $219.776,611, compared with $188,349,955 June 30, 1944. Capital continues at $15,000,000, with surplus now $35,000,000, against $30,000,000 on June 30 a year ago. Undivided profits at the end of the current half-year stand at $4,389,901, against $7,138,293 June 30, 1944.

Statement of condition of Sterling National Bank & Trust Company of New York at June 30, 1945, shows an all-time high in resources of $153,439,196, as compared with $131,960,321 on March 31, 1945. Deposits were $146,876,255, also a new high, compared with $115,661.803. Of the June total deposits, U. S. Government deposits totaled $38,004,142, as compared with $12,090,729 on March 31 last; commercial and other deposits reached an all-time high of $108,872,112 as compared with $103,571,074. Capital, surplus and undivided profits totaled $5,368,573, a new high, as against $5,085,242 on March 31. Cash and due from banks amounted to $30,376,544 on June 30, against $26,925,619 on March 31; U. S. Government securities were $86,849,158, a new high, as compared with $75,471,896; State, municipal and corporate securities amounted to $1,071,166, compared with $1,351,605; loans and discounts were $34,198,028, against $27,388,324. Stock in Federal Reserve Bank was increased $7,500 to $150,000 and surplus was increased $250,000 to $3,500,000. Reserves were $878,970, as compared with $725,173.

The statement of condition of the Grace National Bank of New York as of June 30, 1945, shows deposits of $92,942,432 as compared with $74,708,654 on March 31, 1945, and $70,082,422 a year ago. Surplus and undivided profits amounted to $3,420,930 as compared with $3,365,279 on March 31, 1945, and $3,166,388 a year ago. Cash in vault and with banks totaled $17,028,142 as compared with $15,534,161 on March 31, 1945, and $16,049,264 a year ago. U. S. Government securities were $56,254,735 as compared with $41,598,474 on March 31, 1945, and $37,747,590 a year ago. Loans and discounts were $19,052,413 as compared wtih $17,261,572 on March 31, 1945, and $16,981,036 a year ago.

The Commercial National Bank and Trust Company of New York reported as of June 30, 1945, total deposits of $283,766,170.63, and total assets of $306,997,626.85, compared respectively with $224,092,155.24 and $248,125,431.10 on March 31, 1945. The bank held cash on hand and due from banks of $45,075,719.15, compared with $46,670,071.41 on March 31, 1945; investments in United States Government securities of $208,459,135.32, compared with $160,915,430.64 on March 31, 1945. Loans and discounts of $50,078,180.54, compared with $35,250,635.33 on March 31, 1945. The bank's capital account was unchanged at $7,000,000 and its surplus and undivided profit account increased to $11,624,465.45 from $11,378,732.15 at March 31, 1945, after payment of the regular dividend. Net earnings per share for the quarter were $1.10, and for the six months of this year, $2.16.

The Half Dollar Trust and Savings Bank of Wheeling, W. Va., with deposits totaling nearly $6,000,000, has been admitted to membership in the Federal Reserve System, it is announced by President Ray M. Gidney of the Fourth (Cleveland) Federal Reserve District. The bank, in continuous operation since 1896, serves a trade population estimated at 125,000, employed chiefly in industries such as iron, steel, tinplate, glassware, tobacco products, meat packing and coal mining. It capital is $250,000 and its surplus $100,000. T. F. Thoner is Chairman of the Board of Directors of the bank; Austin V. Wood is President and director; J. H. Thomas is Executive Vice-President and director; John J. Nash is Vice-President and director; Edward W. Dreihorst is Vice-President and Secretary and director; T. S. Thoner is Cashier and C. W. Keys is Assistant Cashier. Originally incorporated in 1896 as the Germania Half Dollar Savings Bank with a paid-in capital of $25,000, the bank's name was changed in 1918 to Half Dollar Savings Bank, and in 1929 was again changed to Half Dollar Trust and Savings Bank. Directors of the bank in addition to the officers are: Carl G. Bachman, C. H. Brues, L. F. Committee,

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Boren Attacks "Trick" Utility Sales

(Continued from first page)

version of the industry to some form of tax-exempt public ownership, this $468 million of annual revenue could be capitalized in revenue bonds at 2% to 3%. The total sum of such issues which such a revenue would support would be from $15.6 billion at 3% to $23 billion at 2%.

In other words, the $18 billion industry could be sold to the public at a 100% write-up, more or less, or from $33 to $41 billion. Of course I do not contend that the public would be milked quite that dry. The bankers would have to sweeten these deals with enough sugar to attract public interest. But if they cut the gravy evenly they still would reap many billions.

This scheme already has worked in Omaha, where the $32 million Nebraska Power Co. has been sold to a fake "non-profit corporation" of four men for the swindle price of $45 million. It is believed to be in the process of negotiation in Seattle, Portland, and Spokane. It will sweep the country unless stopped. Louisville, Ky., and Cincinnati, Ohio, are listed on the bankers' books.

This conspiracy against the Treasury was hatched in Wall Street. It is the instrument of the very men who milked the public in the gay twenties when they assembled these holding companies at inflated prices and who now are going to milk us again in unscrambling their pyramided and hypothecated monopolies. They would hook us coming and going.

As a matter of fact, I have a short title for this trick corporation plan. I called it "Swindle, Inc.", with apologies to the New York prosecutor of "Murder, Inc." It is a pat term because it is an unique method of swindling the Federal taxpayer of billions by a new application of the corporate device.

For some months now I have learned this story, bit by bit, as complaints of these abuses came to me as a member of the Securities Subcommittee of the Interstate Commerce Committee. I have had conferences with some of the persons affected. Only after learning the amazing ramifications of this widespread scheme did I suggest to the Chairman of the Interstate Commerce Committee that a fuller and official study would be required. Information brought to me indicates that two men, one a Wall Street promoter with a questionable past, and the other the President of a holding company, are the chief instigators of Swindle, Inc. The first and most important figure is a Wall Street "financial agent," one Guy C. Myers—known as "Flash" Myers to his friends back in Montana before he made a hurried exit from that State some years ago. His opposite number among the holding company gang is Howard L. Aller, President of American Power & Light Co. of New York City.

It was Aller who unloaded the common stock of Nebraska Power Co. on Myers's synthetic "non-profit" corporation, the Omaha Electric Committee, Inc., for $14.4 million—stock that cost the American Power $815,000 and which had a legitimate earning value that might possibly justify a price of $5 million.

The Omaha Electric Committee, Inc., sets the pattern for Swindle, Inc. Aller's company received three times the rightful price for his property. And "Flash" Myers got an agent's commission of a known $530,000. A sweet deal for everybody—except for you and me and the rest of the taxpayers. And they've got a capital base so high that substantial rate reductions in Omaha are far away now.

The Omaha Citizens Committee, Inc., is ostensibly only a middle-man, a corporate vehicle which will buy Nebraska Power and re-sell it to Public Utility Districts. But it deliberately purchased the property at a fictitiously high price—if we include Federal tax revenues—and must re-sell to a publicly-owned district at the same or a higher price. It's an almost incredible, but true, story.

Meantime Aller and his pal "Flash" are cooking up a couple of other and even more ambitious deals. There is sound reason to believe that Aller is secretly negotiating the sale of Washington Water Power Co. in and around Spokane to one of Myers's Swindle, Inc., type corporations.

Washington Water Power Co. is owned by American Power. Its common stock has an earning value of about $20 million. But Myers, by capitalization of Federal tax avoidance, can pay $50 million, the price referred to recently in a report in the very reliable "Wall Street Journal."

Another deal reported to be on the fire between these two men involves the Pacific Power & Light Co. and the Northwestern Electric Co., adjacent companies of the American Power system, with headquarters in Portland, Oregon.

Still another Swindle, Inc., deal involves the Puget Sound Power & Light Co. of Portland—a property Myers has sought to acquire by hook or crook for years. When, under the Holding Company Act, this company was up for sale, Myers tried to get his hands on Puget Sound through a series of contracts with local Public Utility Districts. But Dr. Paul Raver, Bonneville Administrator, was called in by the Districts to act as an appraiser of the value.

Dr. Raver set the price at $90 million. The parent company, Engineers Public Service Co., held out for $95 million. The deal fell through and Engineers severed its interest in Puget Sound by distributing the common to its stockholders. Now Myers is reliably reported to have formed a syndicate of Wall Street banking houses to buy up the stock of Puget Sound at $130 million through the agency of another of his fake "non-profit" corporations of the "Swindle, Inc.," type. The deal is designed to net the common stockholders $112 million after deductions for capital gains taxes. This is $40 million, or about 45%, more than Dr. Raver found to be the legitimate value of the property.

It should be borne in mind that this prostitution of the cause of public ownership by a boodle bund of Wall Street promoters, holding company executives and their investment banker allies, finds no support from sincere and honest believers in public ownership. No more succinct summary of the attitude of such people can be found than in the statement of Dr. Raver, on June 25, when he is reported by the Associated Press as asserting that—and I quote here:

"If the savings inherent in public ownership"—unquote—refers of course to freedom from Federal taxation—again I quote: *"If the savings inherent in public ownership and operation are passed on to the absentee owners of the private utilities in the purchase price the primary purpose of public ownership is defeated."*

I should like to explain one more angle in the Swindle, Inc., boodle bund, and then I am done. That is the investment banker interest in Swindle, Inc. The investment bankers are the immediate market for these revenue bonds. Some of the blue chip banking outfits of the country are involved: Blyth & Co., Nuveen & Co., First Boston, Dillon-Reed and others.

These companies are in business to float stock and bond issues—to sell them to the public. If they float a privately-owned utility issue they must submit to the SEC regulated and supervised conditions of open, competitive bidding. This results in a middleman's margin of between 1% and 2%. But revenue bonds, issued by another instrumentality of Government—at a lower-than-Federal level—are not subject to SEC control. The result is that cozy little negotiated deals usually result in as much as a six or even a seven point spread. It is the difference between rags and riches. And it leaves a wide margin for promotional expenditures in the field of local politics.

I may have over-simplified my explanation of this situation. But any detailed explanation would require hours of your time and properly belongs in the records of a committee hearing. But I might add here that I have in my files a large collection of revealing data on the whole subject. This study of ours is not going to be a witch hunt. I don't blame the SEC, the FPC, or even the bankers and holding companies. This is a situation that developed in recent years largely due to the quadrupled Federal taxes on the private utility industry as a wartime burden. But the same plan could readily be applied to almost any other industry. This is a condition that must be explored and reported to Congress. We passed this law and we must make it work the way we intended it to work.

This wholly unforeseen development has resulted in the miscegenation of the worst elements of the Marxian and the capitalistic thinking. These worst elements are dedicated to the premise that the end justifies the means.

They are joined in a temporary mating, seeking different ends. The one seeks public ownership at any price—and high though it may be, this is one way to get it. The other seeks to make money without regard to the source. The Marxians care not how high the price, so they attain their end. The bankers care not how they foul the nest of capitalism, if they can turn an "honest" penny.

Swindle, Inc., today is legally foolproof. There is no statute to my knowledge that can stop this swindle of the Federal Treasury. If there were this study would not be needed.

It is my purpose to probe deeply into the techniques of these people and seek to discover the best means of preventing what amounts to legal thievery from the Federal Treasury of a half billion dollars annually. At least if these properties are to go to public ownership, then the tax avoidance involved should be passed on to the public in reduced rates and not to Wall Street bankers who will then have caught the public twice—coming and going.

Maryland Banks 100% In ABA Membership

Fifteen new member banks were added to the rolls of the American Bankers Association and twelve inactive members were regained during June, according to a report of the Association's Organization Committee made by its chairman, R. L. Dominick, who is also President of the Traders Gate City National Bank, Kansas City, Mo. Maryland regained its single inactive member during June, and thus became the 14th state to achieve 100% membership in the Association this year.

Defends Omaha Electric Deal

Guy C. Myers' Part in Arranging Sale Said to Have Saved Millions to Consumers.

Testifying on July 12 before the House Committee, headed by Rep. Lyle H. Boren, of Oklahoma, which is investigating the sale of public utility properties to municipalities under the Public Utilities Holding Act, the Associated Press reports that John B. Dawson, said to be former associate of Guy C. Myers, of Seattle and Washington, who negotiated the purchase of an electric property in Omaha, Neb., on behalf of the Omaha Electric Committee, Inc., defended the latter from the accusation that millions were made in the deals by the negotiators at the expense of the consumers. On the contrary, Mr. Dawson maintained that consumers were saved millions of dollars by the deal.

Mr. Dawson refuted the criticisms of Mr. Myers made by Representative Boren, and by William Ritchie, an attorney of Omaha. Mr. Boren had told the House in a prepared address that Mr. Myers was "instigator" of a "trick corporation scheme to swindle the taxpayers out of millions of dollars."

Mr. Myers merely performed a professional service in Nebraska, just like any broker," Mr. Dawson told the Committee. "He received a commission for his work which was a legitimate part of the cost of acquisition of private power companies by public groups. He negotiated the sale of 17 private firms purchased by the Consumers Public Power District and it was a remarkably successful operation. Approximately $5,000,000 in debt has been paid off and consumers have been saved a million dollars yearly in rates."

Mr. Dawson also informed the Committee that Mr. Myers had been recommended as a negotiator by J. D. Ross, a former chairman of the Securities and Exchange Commission who had studied the Nebraska power situation, and that Mr. Ross had made his study at the suggestion of Mr. Roosevelt or his advisers.

Disputes Boren's Accusations

(Continued from first page)

Power. Immediately, leading citizens became active in efforts looking toward the acquisition of Nebraska Power by the city of Omaha.

"Despite apparently insurmountable difficulties, these efforts have now reached a point where Nebraska Power is currently owned by the Omaha Electric Committee. This Omaha Electric Committee is now functioning as a temporary vehicle between private and public ownership.

"During this period the property is paying full Federal taxes the same as a private corporation would do. Actually, the recognized function of this temporary organization is to bridge the gap pending the completion of a public power district. This public power district has been authorized by the Nebraska Legislature, approved by the Governor, and thoroughly discussed in the area affected.

"Whether the price paid was high or low, it was the Federal Government that is largely responsible for the legal obstacles and trick hurdles used by the seller to make difficult the consummation of public ownership.

"Until this property is actually in the hands of the planned public power district, it will continue to pay Federal taxes. After that Commission takes over its operation, Nebraska Power, under public ownership, will and should enjoy the same tax exemption as TVA, Bonneville, and other governmentally owned utilities throughout the country. The Administration of which the gentleman from Oklahoma is a part has long espoused the cause of public power—which makes tax exemption automatic. They should be the last to oppose such benefits becoming available to the city of Omaha and neighboring communities.

"As a matter of record, Nebraska has for years occupied a position of leadership in progressive legislation. In the field of public ownership of utilities, the Metropolitan Utilities District of Omaha, serving water, gas and ice, has demonstrated to the nation competence and efficiency in public ownership."

As a result of the controversy over the sale of the Nebraska Power Co. to the Omaha Electric Committee, Inc., an investigation of the matter has been authorized by the House Interstate Commerce Committee subcommittee and hearings are to begin shortly. Mr. Boren has stated that the subcommittee of which he is Chairman, is not prejudging the Omaha case, but merely wants all the facts.

New Directors of Savings Loan Bank

Ralph H. Davies, Executive Vice-President of the Homestead Savings and Loan Association, Utica, N. Y., and Norman H. Polhemus, President of the Home Co-Operative Savings and Loan Association, Poughkeepsie, N. Y., have been elected directors of the Savings and Loan Bank of the State of New York, according to an announcement by William J. Dwyer, President of the Bank. Mr. Davies has been associated with the Homestead Savings and Loan Association since 1924 and was elected Executive Vice-President in 1942 after having served as Treasurer since 1936. He has taken an active part in matters pertaining to the Savings and Loan industry and served as the first President of the Utica Chapter of the American Savings and Loan Institute. In addition to his activities in Savings and Loan affairs, he has also contributed toward civic affairs in Utica and is a director of the Utica Fire Insurance Co., the Better Business Bureau, and is a member of the Oneida County War Loan Committee.

Previous to joining the Home Co-Operative Savings and Loan Association, Mr. Polhemus had been with the General Electric Co. in Baltimore and was also employed by the Central Gas & Electric Corp. He has taken an active part in Savings and Loan activities and was a member of the State League Committee on Uniform Accounting and Auditing Practices. During 1939 and 1940 he served as President of the Poughkeepsie Chapter of the American Institute of Banking and attended the graduate school of the Savings and Loan Institute. At the present time he is a director of the Poughkeepsie Chamber of Commerce, a trustee of Vassar Institute and the Dutchess County Red Cross.

Full Employment Act Opposed by Commerce And Industry Association as "Not Workable"

In a four page statement issued July 16 opposing the Full Employment Act of 1945, the Commerce and Industry Association, Inc., insists that "the plan is not workable" and points out that "it is the striving for jobs which makes jobs." The Act was sponsored by Senator Murray and is now before the Committee on Banking and Currency. "Its purpose is seemingly to encourage private enterprise to provide employment, but in case it does not succeed, the Act, through anticipation of such a result, provides a way for Government to take over through a separate National Budget," the Association warned.

A copy of the statement was sent to every Senator and Congressman by Thomas Jefferson Miley, Secretary of the Association. "The intention of Congress to encourage employment is a very worthy object and a sound political purpose," wrote Mr. Miley. "On the other hand, if legislation is developed and made active whose tendency would be to make for unemployment, it would be most unfortunate for the country, no matter how fine the purpose might be." The statement said in part:

"If the bill became law, it would undoubtedly prove to be most harmful to the people of the United States, as it is founded on wrong principles. The bill apparently contemplates the setting up of a balanced budget that will cover the complete economy of the United States of America. The figures of receipts and expenditures of the Federal, State, municipal and local governments of the country, and of the corporations, partnerships and individual activities, would be brought together into one complete statement. After this was accomplished it is planned to maintain investment funds in the nation at the level that might be necessary to provide jobs for all—in other words, full employment.

"A budget of this scope could not possibly be brought together and maintained even through the establishment of a tremendous bureaucracy. No way has yet been found for manipulating investment funds in and out of Government in such a manner as to hold employment on an even keel. Our economy, as carried on under the private enterprise system, has such an infinity of individual activities and contacts that they would not be controllable in a central bureau."

The Association agreed that statistical information of a certain character is of value, but pointed out that such data do not make a magic mirror through which one may peer into the future. "The Government already, through various of its 1,100 agencies, is now in possession of practically all of the economic facts available," said the statement. There is a great overlapping and duplication by the agencies which obtain statistics bearing on the business of the country.

Emphasizing the importance of individual initiative, and suggesting that Congress has an obligation to maintain this traditional American virtue, the statement said:

"It does not seem to be realized by those who sponsored Bill S. 380 that the number of jobs open cannot be measured by the amount of investment. The use of money by individuals sometimes results in creating jobs for great numbers of men in proportion to the amout involved, and sometimes for very few. It has been proved conclusively, however, that money spent by Government does not yield true jobs, meaning those which are productive, to anything like the extent that prevails when funds are utilized under the private enterprise system. Proclaiming through legislation that men have the 'right to a job' would inevitably steal the individual initiative of vast numbers of persons who would otherwise strive for jobs. It is the striving for jobs which makes jobs."

Some of the considerations advanced by the Association which must be taken into account if general employment is to exist, were:

"(1) Confidence on the part of the people that the economy of the country will be allowed to function by Government if carried on under right principles.

"(2) Business confidence cannot prevail if Government undermines industry through unwise curtailing laws, competitive practices, or usurpation of business or industrial procedure.

"(3) Government competition can destroy private enterprise even though Government may operate under a huge bureaucracy, because it can charge its losses to taxes and it pays no taxes itself.

"(4) Profit incentive is the spark that motivates business and industry under the private enterprise system.

"(5) Expenditures of Government must in time of peace be kept within the power of the people to meet them through taxation that does not take such a percenage of profit as to kill incentive, prevent the creation of new enterprises, and the expansion of the old, which provides jobs for men and women. There is no inducement to take business risks which make for employment if Government takes the profits and the entrepreneurs the losses.

"(6) Government under great bureaucracies inevitably leads to despotism, the loss of freedom, and ultimately the complete dissipation of security. The red tape that is unavoidable under bureaucratic government not only results in tremendous costs that a community cannot afford, but results in slowing up production and so makes for unemployment.

"(7) Labor laws in the interests of production and jobs must be fair to both labor and industry. If present labor laws are reconstituted so as to be fair to both labor and industry, it will make for employment.

"(8) If agriculture lives off the taxation of industry, it will make for unemployment in industry. When this occurs, and workers in industry are laid off, in self-protection they take to the growing of food either through their own vegetable gardens or by working on farms. Thus, instead of such labor making a market for the products of agriculture, their activities increase the supply of agricultural goods, and the market they provided is largely lost. Congress should make a careful study of this situation and bring the laws which relate to agriculture into such form that they will protect both agriculture and industry."

N.Y. Banks Again Trade In Pound Sterling

On June 30 liberalized British Treasury exchange regulations went into effect, and with the reestablishment of a partially free market for British pounds sterling in the United States and Central America minor fluctuations in the pound resulted, according to a review of the factors involved appearing in the "Wall Street Journal", July 6.

Early in the first week of July, according to the "Journal" account, there started some slight inter-bank transactions in the New York market, the first hint of a revival in the foreign exchange market in several years. Toward the end of the week leading New York banks quoted the "free" pound at buying rates from \$4.02½ to \$4.02⅞, with selling rates from \$4.03⅛ to \$4.03½.

The 'Wall Street Journal" continued:

Fluctuations will remain small as long as the Federal Reserve Bank continues in the market at \$4.02½ as a buyer and \$4.03½ as a seller. These rates have been maintained by the Federal Reserve as agent of the Bank of England for the past few years, buying and selling sterling to private banks. Private banks, under the arrangements in effect prior to June 30, could clear their sterling transactions either through the Federal Reserve, at these official rates, or could trade directly with their correspondents in London.

There was no inter-bank trading in New York City, and dealings of U. S. banks with certain Latin American countries (Central American accounts) were limited to sales only.

Under the new British Treasury regulations, New York banks are now at liberty to trade with each other as well as with banks in any of the other 13 designated Latin American countries.

The pound sterling rate will be governed from now on, by supply and demand. But of necessity it will be kept within fractions of the old official rate (\$4.02½-\$4.03½) as long as the Federal Reserve Bank buys and sells even on an informal, day-to-day basis. Should the Federal Reserve withdraw from the market, fluctuations easily could become more pronounced.

British exchange regulations published on June 30 are applicable to holders of sterling balances in 14 countries of the western hemisphere. These are the United States, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Salvador and Venezuela. The omission of the remaining Latin American countries from this list is because Great Britain has bilateral clearing arrangements with them and as long as these arrangements exist the flow of pound sterling, back and forth between Great Britain and these countries must remain a strictly one-lane traffic affair.

Prior to June 30, sterling balances of U. S. individuals or corporations were held in "U. S. registered accounts," and sterling balances of Central Americans in "Central American accounts." These two designations have now been eliminated, and the United States, together with the other 13 Central American and South American countries have been welded into one regional block, as far as British exchange regulations are concerned.

The 14 countries within this area can now freely buy and sell sterling balances from and to each other, can make remittances from these balances to residents in the the "sterling area," comprising most of the British Empire plus some other countries such as Egypt and Iraq, and can use them in payment of imports from the United Kingdom.

Another important feature of the British Treasury's new exchange decree is an exchange guarantee of \$4.02½ to the pound valid until September 30, 1945, for balances in U. S. registered accounts as of June 30, 1945. During that period of three months, U. S. holders of these balances have been granted an option to apply for their conversion into dollars, at the above rate, and their remittance to the United States.

The new regulations do not affect the position of U. S. holders of British securities. They, in common with other holders resident outside the sterling area, will be normally granted license to sell their securities only for the purpose of reinvestment, as heretofore. Subsequently, there has been no easing of regulations in this respect.

The State of Trade

(Continued from page 330)

and 60% for corresponding week last year.

Wholesale Commodity Price Index—A sharp decline toward the close climaxed the unsettled course of the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., the past week. The index finished at 176.89 on July 10, as compared with 177.87 a week earlier and with 172.76 at this time a year ago.

Wide price fluctuations featured leading grain markets during the week, with rye values showing marked declines under heavy liquidation, prompted largely by additional restrictions imposed by trading in futures markets. Wheat, while active for a spell, dropped sharply, reflecting the break in rye and increased receipts of new winter wheat. Late harvesting in the southwest affected the movement of new wheat and as a result shipments have failed to come up to expectations. Oats and barley were also lower for the week, but corn held firm due to lack of receipts at terminal markets.

Wholesale Food Index Off—Marking the first decline in nine weeks, the wholesale food price index, Dun & Bradstreet, Inc., reports, fell 2 cents to stand at \$4.09 on July 10. This contrasted with \$4.03 for the like date a year ago, or a rise of 1.5%. There were no individual price advances during the week. Declines occurred in rye, oats, eggs, potatoes and lambs. The index represents the sum total of the price per pound of 31 fools in general use.

Business Failures Rise—There was a sharp rise in commercial and industrial failures for the week ending July 12, reports Dun & Bradstreet, Inc. Concerns numbered 25 against 9 last week and 15 in the corresponding week of 1944. This is the third time since the spring of 1942 that failures have exceeded those in the comparable week of the preceding year. Both large and small failures were higher than a year ago. The increase from last week was greatest among large failures involving liabilities of \$5,000 or more, where the number of concerns failing was almost twice that of a year ago. On the other hand, small failures with liabilities under \$5,000 numbered 7 in the week just ended as compared with 3 last week and 5 a week ago.

Retail failures at 12, comprised a little less than half of the week's failures, showing an increase of 10 from the previous week and tripling the number in the corresponding week a year ago. Both in the manufacturing and wholesale trade the number of failures topped that of the preceding week and of the comparable period last year.

Geographically, the rise was sharpest in the Middle Atlantic States where failures numbered 11 against 1 in the preceding week. The only other region showing a marked increase was the Pacific area which numbered 7 against 3 in the previous week.

Three Canadian failures were reported against 1 in the previous week and 1 in the comparable week of 1944.

Retail and Wholesale Trade—Retail trade continued active in most sections of the country last week, upsetting calculations that volume had begun a downtrend. Many merchants see the present activity as a harbinger of heavy volume turnover.

For the week ended July 7, nation-wide sales of department stores showed the extremely sharp rise of 32% over the like period last year, according to the Federal Reserve report. In a number of areas, however, the week contained an extra business day compared with 1944. Industrial cities such as Philadelphia, Cleveland and St. Louis had the largest percentage gains.

The wholesale markets were quieter, but were buoyed by indications of better supplies for both third and final quarters of the year.

Department stores sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended July 7, 1945, increased by 32% and compared with a gain of 16% in the preceding week. For the four weeks ended July 7, 1945, sales increased by 21%, and for the year to date by 13%.

According to the Federal Reserve Bank's index, department stores sales in New York city for the weekly period to July 7, increased by 26% above the same period of last year. This compared with a gain of 18% in the preceding week. For the four weeks ended July 7, 1945, sales rose by 23%, and for the year to date by 14%.

Ill., Wis. Savs. Loan Ass'ns Increase Assets

During the three war years 1942-1944, Illinois and Wisconsin savings and loan associations which are members of the Federal Home Loan Bank System increased their assets by 29.7%, A. R. Gardner, President of the Chicago Regional Bank of the System, announced on June 25. The combined resources of those 454 home financing institutions in the state totalled \$619,274,780 on Dec. 31, 1944, as compared with \$477,447,368 at the end of 1941, Mr. Gardner said. Over the same period, he reported, government bonds and cash held by those associations rose from \$32,959,232 to \$157,463,954, with the result that their liquid assets now are equivalent to about 25.4% of their total resources—an all-time record ratio. According to Mr. Gardner "during the war years, excess funds of the public have flowed into savings and loan associations in high volume. Repayments on home loans have risen, and the proportion of withdrawals to new investments in the associations has dropped. At the same time the outlet for investments by the institutions in construction loans has narrowed sharply, because of necessary wartime restrictions on home building. Increasingly, associations have placed their surplus monies in government bonds, a relatively new form of investment for them. In consequence—as one by-product of our present economy—associations in Illinois and Wisconsin will go into the post-war period prepared to finance a large share of the great number of homes that will be built in the years following the final defeat of Japan."

In addition to their purchases of government securities, the Illinois and Wisconsin member institutions of the bank system have sold War Bonds and Stamps in the amount of \$112,673,000, making a total contribution of approximately \$270,000,000 to the U. S. Treasury's war financing program, he said. Other three year changes in the combined balance sheet for the associations are reported to include:

"A rise in mortgages held from \$364,528,040 to \$413,932,649.

"An increase in reserves and undivided profits to \$46,690,833, or by 39.4%.

"A decline in 'real estate owned'—often a troublesome item for financial institutions in the early 'thirties—from \$25,046,322 to a nominal \$5,184,466."

Truman, Churchill and Stalin Meet at Potsdam

The "Big Three" conference of President Truman, Britain's Prime Minister Churchill and Premier Stalin of Russian is in full session at Potsdam, just outside of Berlin. Reports coming to this country of the meeting give merely the information that the leaders are holding important discussions, but according to the dictum handed news correspondents, no details of the talks will be forthcoming until the conference has ended.

From Berlin, July 17, a wireless message to the New York "Times" by Raymond Daniell reported that President Truman was chosen on that day by Premier Stalin and Prime Minister Churchill to preside over the meetings of the "Big Three." The selection of Mr. Truman to preside, said the "Times" account, was made at the first formal session of the conference, at which, according to a communique, a preliminary exchange of views on common problems took place. Mr. Daniell also reported in part:

"At the same meeting, which began at 5 p.m. and lasted an hour and a half, it was decided that the three Foreign Secretaries, Anthony Eden, James F. Byrnes and Vyacheslaff M. Molotoff, should hold regular meetings to prepare the agenda of the conference. This information, which came in the communique, issued just before midnight, was the first break in the secrecy surrounding the deliberations of the heads of the three major victorious powers."

The communique, issued jointly by the three heads of Government, follows:

"The Berlin conference of the heads of government of the United Kingdom, the United States and the Soviet Union met this afternoon at 5 o'clock. By invitation of his two colleagues, the President of the United States of America will preside at the meetings of the conference.

"A preliminary exchange of views took place on matters requiring decision by the heads of government.

"It was decided that the three foreign secretaries should hold regular meetings with a view to preparing the work of the conference."

President Truman traveled to Europe on the United States Cruiser "Augusta," famed for the Atlanta Charter meeting of President Roosevelt and Prime Minister Churchill, in 1941. Arriving at Antwerp, Belgium, he drove from there to Brussels, where he boarded a plane for Germany, arriving at the Berlin airfield the afternoon of July 15, and from there drove immediately to Potsdam for the tripartite conference.

The President has indicated his anticipation of the conference lasting considerably longer than any previous conference of the three nations' leaders, due to the fact that many more problems exist to be settled and many more decisive issues are ready for discussion. It is the President's hope, the Associated Press reported from the "Augusta" on July 13, that the present conference may lay the groundwork for a permanent peace in Europe.

Mr. Truman is understood to have made a resolve against any secret commitments at his first "Big Three" meeting, but is also understood to be prepared to offer reasonable American cooperation toward the rehabilitation of Europe, expecting in return assurances that the European countries would work together for adjustment of issues that might carry the germs of war.

He was represented as feeling that a primary basis of American policy was readiness to help, when help would be welcome, in getting the United States' friends together when they disagreed.

The President holds the laying of a groundwork for permanent peace in Europe as an objective second only to speedy victory over Japan at the lowest possible cost in lives.

The President took with him to Europe an impressive group of advisers, and worked almost continuously during the Atlantic voyage with Secretary of State James F. Byrnes and Fleet Admiral William D. Leahy, the President's personal Chief of Staff. Other members of the President's party at the Potsdam conference are, according to New York "Times" advices, Secretary of War Henry L. Stimson, W. Averell Harriman, United States Ambassador to Russia; Joseph E. Davies, special adviser to the President, who arrived after a brief conference at London with Britain's Foreign Secretary Anthony Eden; also Generals of the Army George C. Marshall, Dwight D. Eisenhower, and Henry H. Arnold, and Fleet Admiral Ernest J. King; also General Brehon B. Somervell.

Prime Minister Churchill was accompanied by his daughter, Mary, and by Mr. Eden and the chiefs of Britain's air, naval and land forces; also his close friend, Lord Cherwell, who attended the San Francisco Conference.

It is said to be President Truman's plan to give a complete report of his conference with the other leaders to Congress immediately upon his return to the United States.

The departure on Saturday, July 7 of President Truman for the "Big Three" conference near Berlin was made known in press advices from Washington on July 9. Reporting that he had sailed the previous Saturday from the Norfolk, Va., naval base the United Press July 9 stated:

"This indicated that his first meeting with Premier Stalin and Prime Minister Churchill would begin within ten days. The President himself hinted recently that it would start on or before July 17.

"The time of the sailing coincided with a White House announcement that if Mr. Truman and Secretary of State James F. Byrnes traveled to the conference by air, they would use different planes to eliminate the possibility of both being killed or incapacitated in an accident.

"Mr. Byrnes, next in line for the Presidency because there is no Vice President, is aboard ship in the Presidential party, which is larger than those that usually accompanied President Roosevelt. Also with the President are Assistant Secretary of State James Dunn and Charles E. Bohlen, special assistant to Mr. Byrnes and an expert on Russia. Mr. Bohlen was Mr. Roosevelt's interpreter at conferences with Premier Stalin.

"The chief purpose of the "Big Three" meeting is to make plans for the European peace conference. It also is likely that the "Big Three" will discuss whether and when Russia will enter the war against Japan.

"This is Mr. Truman's first journey outside the United States since he succeeded Mr. Roosevelt."

From Washington July 10, United Press accounts said in part:

"Because of security considerations, no advance announcement of the date of Mr. Truman's arrival can be made, according to the White House press secretary Charles G. Ross, who is accompanying the President.

"The skipper of the fighting ship that Mr. Truman chose for his first Atlantic crossing since he returned from France after World War I is Capt. James H. Foskett

"Another cruiser makes up the force carrying the Presidential party. Rear Admiral Allan R. McCann is in command, with Capt. Robert L. Boller commanding the flagship. It is a veteran of the African, Sicilian, Italian and Normandy campaigns.

"As he headed for the "Big Three" conference to map the end of the war and lay the groundwork for a durable peace, the President traveled under conditions drastically changed from those obtaining when Germany was still fighting. There was no blackout. No destroyers or aircraft covered the cruisers, which were churning along in picture-perfect weather."

Savings and Loan and Other Institutions Qualify in Bond Redemptions

New Treasury Department regulations governing the simplified plan for the redemption of Savings Bonds of Series A through E, were made available on July 2 by Secretary Morgenthau, who pointed out that "the Public Debt Act of 1945 authorized him under certain conditions, to utilize savings and loan associations, building and loan associations (including cooperative banks), credit unions, cash depositories, industrial banks and similar financial institutions to make payments in connection with the redemption of these bonds." "Up to this time," said Mr. Morgenthau, "such payments have been made only by the Treasury Department, the Federal Reserve Banks and their branches, and incorporated banks and trust companies which have qualified for that purpose." Secretary Morgenthau's advices of July 2 added:

"Before any of these institutions will be permitted to make any such payments they must apply to and be qualified by the Federal Reserve Bank of the District in which they are located. Under the Act and the regulations, an institution must meet the following tests in order to be considered eligible to qualify to pay the bonds. It must (a) be incorporated under Federal law or under the laws of a state, territory, possession, the District of Columbia, or the Commonwealth of the Philippine Islands; (b) in the usual course of business accept, subject to withdrawal, funds for deposit or the purchase of shares; (c) be under the supervision of the banking department or equivalent authority of the jurisdiction in which it is incorporated; (d) maintain a regular office for the transaction of its business; and (e) be open daily and observe regular business hours. Full details with respect to qualification, the scope of authority of paying agents and the details of payment and accounting will be found in Department Circular No. 750, Revised.

"The experience of incorporated banks and trust companies in paying these bonds during the last nine months warrants a slight reduction in the scale of reimbursement to paying agents for the bonds which they pay and forward to the Federal Reserve Bank which qualifies them. Effective as to bonds paid on and after July 2, therefore, the reimbursement which agents now qualified, as well as the new agents which will qualify under the revised regulations, will be entitled to claim will be 15 cents each for the first 1,000 bonds paid in any one calendar quarter and 10 cents each for all over 1,000 bonds paid in the quarter."

Approve Changes in G. I. Bill of Rights

A general broadening of provisions in the G. I. Bill of Rights would be achieved in the legislation which won approval from the House Veterans' Committee, July 10, according to advices from the United Press that day from Washington. The proposed amendments are said to "do away with some of the red tape and delay that has accompanied the administration of the G. I. bill—especially the loan provisions." They would:

1. Liberalize the educational provisions of the bill to permit veterans to take short, high-cost correspondence courses as well as regular college or academic courses.

2. Increase the monthly compensation of a veteran taking an educational course to \$60 a month for a single man and to \$85 a month for a veteran with one dependent. Under present law a single man receives \$50 a month for sustenance and an ex-service man with one dependent \$75 a month.

3. Eliminate the necessity of having the Veterans' Administration approve the loans made to veterans by private bankers under the loan provisions.

Earlier, a majority of the committee had protested as "premature" approval last Friday by a 12-member quorum of a bill by the committee chairman, Representative John E. Rankin, Democrat, of Mississippi, to exempt war veterans from closed-shop provisions of union contracts, the United Press reported, and continued:

In their "minority" report 11 of the committee's 21 members charged that the measure was rushed through without full hearings and before it was determined whether such reemployment rights for veterans actually are needed.

The committee, in approving the G. I. bill amendments, voted down an attempt by Representative Rankin to include his \$1,040 bonus bill.

"This does not mean that the bonus bill is dead," one member said. "It merely means that we have deferred action on it until some future date. The bonus issue will certainly come before us again."

Under present provisions of the bill unemployed ex-service men are eligible to receive \$20 a week for one year. Representative Rankin has condemned it as "encouraging idleness," and his measure would give all service men—both employed and unemployed—\$1,040 as a "readjustment compensation."

The Rankin bill approved July 6 would require that compulsory union membership or maintenance of membership contract provisions be waived for discharged service personnel.

Nat'l Service Life Insur. Policies Extended

President Truman on July 3 signed House Bill 2949, extending the life of five-year-term National Service Life Insurance policies an additional three years from Dec. 31, 1945, the Veterans Administration reported. Approval of the Act, affecting 17,627,500 policies amounting to \$136,242,260,000 in face value, automatically extends the benefits of this insurance to members of the armed forces at premium levels originally specified in the National Service Life Insurance Act of 1940, it was stated by Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs. It is stated that insurance already converted to the three existing plans —ordinary life, 20-payment or 30-payment life—is not affected by the extension or by the premium rate extension. It is added that "the effect of the Act will be to extend for three years all insurance benefits now available to those in the armed forces without the necessity of any change being made in any allotments or deductions now in force. There will be no change in premium rates because of the time lapse between the original Act and this extension. No other changes were made in any of the provisions of the law."

From Washington Ahead Of The News

(Continued from first page)

their night club bills to the Standard Oil of California, and the correspondents joined in on this check signing melee.

Connally, particularly, has been having high glee over the timid souls who appeared before the Senate Foreign Relations Committee to oppose the San Francisco pact. Cartoons in the newspapers are showing the bedraggled League of Nations standing on the side looking in amazement at the ease with which this pact of peace loving people is going through with only Senator Hiram Johnson feebly seeking to thwart it.

That this program will be passed by the Senate, there is not the slightest doubt, and the Senators, being gentlemanly and clubable, will go over and shake hands with Connally and Vandenberg, and if Stassen should happen to fly here by Navy plane, with him. They will do this in the attitude of: "You have pulled off a tremendous racket. We wish we could have gotten in on it." Their position will be strictly one of envy.

There is this about our so-called statesmen. They have their industry. In other words, as some men produce automobiles, and come to be leaders of the automobile industry, these men produce politics and when they go off to a thing like the San Francisco conference, that is an achievement such, for example, as if they had been designated as delegates to the Rotary international. But the newspapers give more space to the politicians because they are "public men engaging in big tasks." To be able to participate in these international conferences, they have had to be in big favor of the appointive power, just as the Rotary delegates have had to play ball with their appointive power. You can imagine what a big break it was, for man and wife, for a Senator or somebody else to be named for the greatest circus of all. Even if these men, including Stassen, never get any further in their business, which happens to be politics, instead of insurance, they will have a wonderful time telling their grandsons, and anybody else who wants to listen, about how they met a lot of queer and funny dressed people.

The plain facts are that with all this nonsense, we are in for a helluva lot of trouble. Twice in a generation we went to war, first, in the preparatory stages, because we were menaced and we had to do it to protect ourselves. And then no sooner had we got into it, the story is that that menace is all nonsense, but we are fighting for high ideals, to spread democracy to all peoples.

This time, we are hooked and seem to be badly hooked. The so-called Liberals and the Communists are agitating that we must pursue those "ideals." We must permit the "democratization" of China, of Manchuria, of Belgium, of Italy, of the whole continent of Europe, of Java, of Malaya, etc. It would be an awful melee if we did this, but the Communists, with their own brand of democracy in mind, are insisting that we do and they are joined by the "Liberals." They seem to have the better part of the argument because they say they only want the people of all these nations to choose the government they want. We, with our high-sounding bunk, say the same thing. We really ought to quit getting into so many wars and talking so big about them when we do. We are in an awful ideological mess now.

Reserve Board Raises Margin Requirements To 75% on Purchases of Listed Securities

In amendments to its Regulation T and Regulation U, the Board of Governors of the Federal Reserve System has raised margin requirements from 50% to 75%, effective July 5, for credit extended by brokers and banks to finance purchases of stock exchange securities. The Board states that "the increased margins also apply to short sales." Earlier this year,—effective Feb. 5—the Reserve Board raised margin requirements for purchasing registered securities from 40 to 50%. As was noted in our issue of March 5 (page 1033) that was the first change in margin requirements made by the Board since Nov. 1, 1937, when they were reduced from 55% to 40%. With regard to the latest action announced by the Reserve Board on July 3, Associated Press advices from Washington on that date said:

"The Federal Reserve Board took two major steps today to reduce loans in the stock market and thereby cut down on speculation:

"1. It raised the margin requirements from 50 to 75%, the highest ever. The change, effective July 5, will reduce the size of new loans to finance purchases or short sales of stock exchange securities. It means that when a person buys or sells stock short on credit he must put up a margin of 75% and can borrow only 25% from his banker or broker.

"2. The Board announced another change, effective on July 16, designed to squeeze some of the existing credit out of the market. If a person holds several securities in a single account, and sells some of them, he must use the proceeds to bring the margin on the remaining securities up to 75%.

"This rule applies to loans under both Regulation T and Regulation U. Except to this extent, neither regulation requires that existing accounts or loans be brought up to 75%.

"The Federal Reserve Board often has said that raising margin requirements would not eliminate speculation because it would not affect cash sales and cash is 'the important factor' in the rising market.

"A spokesman repeated this tonight, but said it is hoped that the new regulations will have 'some effect' as a quieting influence."

In its announcement July 3, the Board said:

"The amendments include, in addition, technical changes in the regulations, effective July 16, 1945, to simplify and strengthen the supporting rules. A new provision in Regulation T requires that the proceeds of sales of securities in accounts that are undermargined under the new requirements shall be used to the extent necessary to increase the margin on the remaining securities in the account until they are on a 75% basis. The same rule is applied to loans by a new provision of Regulation U. Except to this extent, neither regulation requires that existing accounts or loans be brought up to the 75% level. Neither Regulation T nor Regulation U is applicable to loans for purposes other than purchasing, carrying or trading in securities."

The text of the amendments as made public by the Board, follows:

Amendment No. 4 to Regulation T

"Regulation T is hereby amended in the following respects, the changes in the supplement to the regulation and the new section 4(g) to become effective July 5, 1945, and the other changes to become effective July 16, 1945.

"1. Section 3(b) is amended so that the second paragraph will read as follows:

"If a creditor effects for or with any customer any transactions consisting of purchases of securities in a general account, other than purchases of exempted securities or purchases to reduce or close out short positions, the creditor must obtain a deposit as specified in the previous paragraph at least as large as would be required by that paragraph if such purchases were the only transactions in the account on that day (except that such deposit need be no larger than that which would be sufficient to eliminate any excess of the adjusted debit balance over the maximum loan value of the securities in the account). No withdrawal of cash or registered or exempted securities shall be permissible if the account, after such withdrawal, would have an adjusted debit balance exceeding the maximum loan value of the securities in the account, except that exempted securities may be withdrawn upon the deposit in the account of exempted securities having maximum loan value equal to or in excess of the maximum loan value of the exempted securities withdrawn or upon the deposit of cash equal to or in excess of such maximum loan value.

"2. Section 3(d) is amended so that the last paragraph will read as follows:

"In case the general account is the account of a partner of the creditor or the account of a joint adventure in which the creditor participates, the adjusted debit balance shall be computed according to the foregoing rule and the supplementary rules prescribed in sections 6(a) and 6(b).

"3. Section 4(b) is amended to read as follows:

"(b) **Special Omnibus Account**—In a special omnibus account, a member of a national securities exchange may effect and finance transactions for a broker or dealer from whom the member accepts in good faith a signed statement to the effect that he is subject to the provisions of this regulation (or that he does not extend or maintain credit to or for customers except in accordance therewith as if he were subject thereto) and from whom the member receives (1) written notice, pursuant to a rule of the Securities and Exchange Commission concerning the hypothecation of customers' securities by brokers or dealers (Rule X-8C-1 or Rule X-15C2-1), to the effect that all securities carried in the account will be carried for the account of the customers of the broker or dealer and (2) written notice that any short sales effected in the account will be short sales made in behalf of the customers of the broker or dealer other than his partners.

"4. Section 4(c) is amended by striking out both provisos in paragraph (5) and by adding the following new paragraph (8):

"(8) Unless funds sufficient for the purpose are already in the account, no security other than an exempted security shall be purchased for, or sold to, any customer in a special cash account with the creditor if any security other than an exempted security has been purchased by such customer in such an account during the preceding 90 days, and then, for any reason whatever, without having been previously paid for in full by the customer, the security has been sold in the account or delivered out to any broker or dealer: **Provided**, that an appropriate committee of a national securities exchange or a national securities association, on application of the creditor, may authorize the creditor to disregard for the purposes of this section 4(c) (8) any given instance of the type therein described if the committee is satisfied that both creditor and customer are acting in good faith and that circumstances warrant such authorization.

"5. Section 4(c) (6) is amended by inserting the words 'or a national securities association' following the words 'a national securities exchange.'

"6. Section 4 is amended by adding the following new subsection (g):

"(g) **Specialist's account.**—In a special account designated as a specialist's account, a creditor may effect and finance, for any member of a national securities exchange who is registered and acts as a specialist in securities on the exchange, such member's transactions as a specialist in such securities, or effect and finance, for any joint adventure in which the creditor participates, any transactions in any securities of an issue with respect to which all participants, or all participants other than the creditor, are registered and act on a national securities exchange as specialists; and such specialists account shall be subject to all the conditions to which it would be subject if it were a general account except that—

"(1) At any time when the Board in the supplement to this regulation shall have prescribed for specialists' accounts a special maximum loan value or special margin for short sales, the maximum loan value of a registered security (other than an exempted security) having loan value in such specialist's account shall be such special maximum loan value, and the amount to be included in the adjusted debit balance of such account as the margin required for short sales shall be such special margin for short sales.

"(2) A specialist's account shall not be subject to the restrictions specified in the second paragraph of section 3(b) but a transaction consisting of a withdrawal of cash or registered or exempted securities from the account shall be permissible only on condition that the transactions (including such withdrawal) on the day of such withdrawal would not create an excess of the adjusted debit balance of the account over the maximum loan value of the securities in the account or increase any such excess.

"7. Section 6(c) is amended to read as follows:

"(c) No guarantee of a customer's account shall be given any effect for purposes of this regulation.

"8. The supplement is amended to read as follows:

"Maximum Loan Value for General Accounts — The maximum loan value of a registered security (other than an exempted security) in a general account, subject to section 3 of Regulation T, shall be 25% of its current market value.

"Maximum Loan Value for Specialists' Accounts—The maximum loan value of a registered security (other than an exempted security) in a specialist's account, subject to section 4(g) of Regulation T, shall be 50% of its current market value.

"Margin Required for Short Sales in General Accounts—The amount to be included in the adjusted debit balance of a general account, pursuant to section 3(d)(3) of Regulation T, as margin required for short sales of securities (other than exempted securities) shall be 75% of the current market value of each such security.

"Margin Required for Short Sales in Specialists' Accounts—The amount to be included in the adjusted debit balance of a specialist's account, subject to section 4(g) of Regulation T, as margin required for short sales of securities (other than exempted securities) shall be 50% of the current market value of each such security.

Amendment No. 5 to Regulation U

"Regulation U is hereby amended in the following respects, the changes in the supplement to the regulation and the new section 3(o) to become effective July 5, 1945, and the other changes to become effective July 16, 1945.

"1. Section 1 is amended so that the third paragraph will read as follows:

"While a bank maintains any such loan, whenever made, the bank shall not at any time permit any withdrawal or substitution of collateral if, after such withdrawal or substitution, the loan exceeds the maximum loan value of the collateral, unless:

"(1) In the case of a withdrawal, the loan is reduced by an amount equal to the current market value of the collateral withdrawn; or

"(2) In the case of a substitution, the loan is reduced by an amount equal to any excess of the current market value of the collateral withdrawn over the maximum loan value of the collateral deposited.

"If the maximum loan value of the collateral has become less than the amount of the loan, such amount may nevertheless be increased if there is provided additional collateral having maximum loan value at least equal to the amount of the increase.

"2. Section 2(b) is amended so that it will read as follows:

"(b) Any loan made prior to July 16, 1945, to any person whose total indebtedness to the bank at the date of and including such loan does not exceed $1,000.

"3. Section 2 is amended by deleting subsection (e) and substituting in lieu thereof the following new subsection (e):

"(e) Any loan to a broker or dealer secured by any securities which, according to written notice received by the bank from the broker or dealer pursuant to a rule of the Securities and Exchange Commission concerning the hypothecation of customers' securities (Rule XC-1 or Rule X15C2-1), are **securities carried for the account of one or more customers**, provided the bank accepts in good faith from the broker or dealer a signed statement to the effect that he is subject to the provisions of Regulation T (or that he does not extend or maintain credit to or for customers except in accordance therewith as if he were subject thereto).

"4. Section 3 is amended by deleting subsection (o) and substituting in lieu thereof the following new subsection (o):

"(o) A loan to a member of a national securities exchange who is registered and acts as a specialist in securities on the exchange for the purpose of financing such member's transactions as a specialist in such securities shall not be subject to the provisions of the third paragraph of section 1, but the bank shall not at any time permit withdrawals or substitutions of collateral for such a loan that would create or increase a deficiency in the maximum loan value of the collateral below the amount of the loan, nor shall the bank increase the amount of a loan if the collateral is deficient unless additional collateral is provided having maximum loan value at least equal to the amount of the increase.

"5. The supplement to Regulation U is amended so that it will read as follows:

"For the purpose of section 1 of Regulation U, the maximum loan value of any stock, whether or not registered on a national securities exchange, shall be 25% of its current market value, as determined by any reasonable method.

"Loans to Specialists—Notwithstanding the foregoing, a stock, if registered on a national securities exchange, shall have a maximum loan value of 50% of its current market value, as determined by any reasonable method, in the case of a loan to a member of a national securities exchange who is registered and acts as a specialist in securities on the exchange for the purpose of financing such member's transactions as a specialist in securities."

Cotton Report as Of July 1, 1945

The Crop Reporting Board estimates the acreage of cotton in cultivation in the United States on July 1 at 18,355,000 acres, which is two million acres or 9.8% less than last year, and 30% less than the 10-year (1934-43) average. The acreage planted in 1945 is only 40% of the record of 45,968,000 acres planted in 1925. Assuming 10-year average abandonment, a total of 18,034,000 acres is indicated for harvest in 1945. This would be the smallest acreage of cotton harvested in the United States since 1885.

All States except the Western irrigated States show smaller acreages than last year. Almost one-half of the total acreage reduction is in Texas, largely as a result of extreme drought in the northwestern part of the State. Substantial decreases are also indicated for the Mississippi River delta areas of Missouri, Arkansas and Louisiana, where excessive and continued rainfall during the spring interfered with planting operations. North Carolina, Georgia and Florida also show sharp reductions. Smaller reductions are indicated in the acreage planted in Mississippi, Alabama, and South Carolina.

The total acreage planted to American-Egyptian cotton is estimated at 6,400 acres, compared with 14,700 acres planted last year and 75,300 acres, the 10-year average. This reduction represents a continuation of the downward trend in acreage of American-Egyptian, which reached a peak of 193,000 acres in 1942.

The sharp reduction in cotton acreage as compared with last year, although attributed mostly to unfavorable planting weather, also reflects difficulties in securing adequate labor for the relatively large amount of hand work required for cultivation and harvesting of the crop. Considerable difficulty was experienced in harvesting the 1944 crop.

Time for Filing Claims Against Alien Property Custodian Extended to Dec. 1

Francis J. McNamara, Deputy Alien Property Custodian, announced on July 7 that he had extended the deadline for filing claims against the Alien Property Custodian to December 1, 1945. The action taken was in the form of an amendment to APC General Order No. 21, he said. Mr. McNamara explained that vesting orders generally provide for a one-year period within which notices of claims may be filed by any person except a resident of an enemy country. However, he said, the deadline for filing had been extended several times previously.

The Deputy Custodian pointed out that there is now pending before Congress legislation that may clarify the Alien Property Custodian's powers with respect to such claims, and that the action extending the filing date was taken so that no undue hardship or inequity would be caused prospective claimants. As of June 30, 1945, Mr. McNamara said, the Office of Alien Property Custodian had received 4,423 notices of claims.

Notices of claims, Mr. McNamara said, must be submitted on Form APC-1 if they relate to general types of property and on Forms APC-16 and 17 if they involve vested patents. Claim forms may be obtained from either the Washington or New York offices of the Alien Property Custodian.

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	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
July 17	122.90	116.22	121.04	119.61	116.22	108.34	113.12	115.82	119.61
16	122.94	116.22	121.04	119.61	116.22	108.34	113.12	115.63	119.61
14	Stock Exchange Closed								
13	122.89	116.22	121.04	119.61	116.22	108.34	113.31	115.63	119.61
12	122.87	116.02	121.04	119.41	116.22	108.34	113.12	115.63	119.61
11	122.87	116.02	121.04	119.41	116.22	108.34	113.12	115.63	119.61
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	119.41
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	119.41
8	122.81	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41
1	122.23	115.43	120.63	119.00	115.43	107.44	112.37	114.85	119.20
May 25	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20
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	112.00	114.27	119.41
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	114.46	106.04	110.52	114.08	119.41
Jan. 26	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
High 1945	123.05	116.22	121.04	119.61	116.22	108.34	113.31	115.82	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 17, 1944	120.18	112.56	118.60	117.01	112.37	102.96	106.39	114.08	117.40
2 Years Ago									
July 17, 1943	120.43	111.25	119.20	116.80	111.44	99.20	103.13	114.27	117.20

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

1945— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
July 17	1.60	2.84	2.60	2.67	2.84	3.26	3.00	2.86	2.67
16	1.59	2.84	2.60	2.67	2.84	3.26	3.00	2.87	2.67
14	Stock Exchange Closed								
13	1.60	2.84	2.60	2.67	2.84	3.26	2.99	2.87	2.67
12	1.60	2.85	2.60	2.68	2.84	3.26	3.00	2.87	2.67
11	1.60	2.85	2.60	2.68	2.84	3.26	3.00	2.87	2.67
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	2.68	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	.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	2.84	2.60	2.67	2.84	3.26	2.99	2.86	2.67
1 Year Ago									
July 17, 1944	1.79	3.03	2.72	2.80	3.04	3.57	3.37	2.95	2.78
2 Years Ago									
July 17, 1943	1.82	3.10	2.69	2.81	3.09	3.80	3.56	2.94	2.79

*These prices are computed from average yields on the basis of one "typical" bond (3¾% 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.

Latest Summary of Copper Statistics

The Copper Institute on June 11 released the following statistics pertaining to production, deliveries and stocks of duty-free copper:

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE
(In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production *Crude	Refined	Deliveries to Customers †Domestic	Export	‡Refined Stocks End of Period	Stock Increase (+) or Decreases (—) Blister	Refined
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,417	— 16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	—48,671	— 67,208
Year 1942	1,152,344	1,135,708	1,635,236	----	65,309	+16,636	— 10,255
Year 1943	1,194,699	1,206,871	1,643,677	----	52,121	—12,172	— 13,188
Year 1944	1,056,180	1,098,788	1,636,295	----	66,780	—42,608	+ 14,659
5 Mos., 1945	366,428	374,826	837,291	----	63,841	— 8,398	— 2,939
Jan., 1944	95,400	92,781	101,779	----	45,800	+ 2,619	— 6,321
Feb., 1944	95,712	87,128	124,800	----	36,489	+ 8,584	— 9,311
Mar. 1944	101,247	99,118	156,083	----	37,259	+ 2,129	+ 770
Apr., 1944	92,530	95,280	156,233	----	38,382	— 2,750	+ 1,123
May, 1944	94,534	98,580	165,887	----	37,074	— 4,046	— 1,308
June, 1944	89,070	93,958	141,139	----	42,467	— 4,888	+ 5,393
July 1944	86,224	93,650	121,898	----	48,050	— 1,426	+ 5,583
Aug., 1944	82,769	91,047	139,515	----	50,991	— 8,278	+ 2,941
Sept., 1944	82,776	88,384	118,054	----	51,412	— 5,608	+ 421
Oct., 1944	82,653	89,068	126,590	----	49,358	— 6,415	— 2,054
Nov., 1944	76,466	87,145	127,517	----	58,051	—10,679	+ 8,692
Dec., 1944	76,799	82,649	156,800	----	66,780	— 5,850	+ 8,729
Jan., 1945	73,754	67,726	145,904	----	59,715	+ 6,028	— 7,065
Feb., 1945	67,496	69,950	172,585	----	57,142	— 2,454	— 2,573
Mar., 1945	76,537	76,395	218,488	----	51,861	+ 142	— 5,281
Apr., 1945	74,392	75,436	161,111	----	55,453	— 1,044	+ 3,592
May, 1945	74,249	85,319	139,203	----	63,841	—11,070	+ 8,388

*Mine or smelter production or shipments, and custom intake including scrap.

†Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.

Note—Statistics for the month of April, 1945 have been revised.

Market Value of Bonds on New York Stock Exch.

The New York Stock Exchange announced on June 11 that as of the close of business May 31, there were 1,031 bond issues, aggregating $111,506,456,268 par value with a total market value of $114,857,381,979. The comparable figures for April 30 were 1,040 bond issues, aggregating $111,818,948,262 par value; total market value $115,280,044,243.

In the following table listed bonds are classified by governmental and industrial groups with the aggregate market value and average price for each:

Group—	May 31, 1945 Market Value $	Average Price $	April 30, 1945 Market Value $	Average Price $
U. S. Government (incl. N. Y. State, Cities, etc.)	98,193,501,422	104.14	98,335,011,120	104.29
U. S. companies:				
Amusement	7,575,000	101.00	7,593,750	101.25
Automobile	5,930,500	102.25	5,930,500	102.25
Building	2,879,385	104.25	6,097,440	103.63
Business and office equipment	14,791,680	107.00	14,722,560	106.50
Chemical	42,228,875	104.01	42,303,250	104.20
Electrical equipment	20,625,000	103.13	20,600,000	103.00
Financial	42,357,589	103.28	42,326,439	103.21
Food	234,505,838	105.45	234,456,963	105.43
Land and realty	13,135,125	79.90	13,119,150	79.80
Machinery and metals	14,954,711	102.02	24,132,797	102.28
Mining (excluding iron)	75,917,380	96.48	75,561,619	95.93
Paper and publishing	31,979,841	104.35	32,129,043	104.84
Petroleum	630,785,430	104.07	629,342,462	104.28
Railroad	8,351,526,568	95.50	8,556,478,171	95.21
Retail merchandising	7,204,320	101.21	7,236,995	99.92
Rubber	44,436,563	104.25	67,550,470	103.85
Shipping services	21,600,820	101.74	21,477,591	101.16
Steel, iron and coke	317,067,835	105.44	327,165,389	105.13
Textiles	35,317,670	103.00	35,317,670	103.00
Tobacco	255,973,409	104.79	257,293,791	105.21
Utilities:				
Gas and electric (operating)	2,900,087,119	107.24	2,927,478,877	107.69
Gas and electric (holding)	60,372,950	108.14	60,291,086	107.82
Communications	1,080,665,139	111.35	1,099,633,325	112.14
Miscellaneous utilities	110,658,608	80.88	108,891,718	79.59
U. S. companies oper. abroad	160,405,286	93.34	160,849,721	93.38
Miscellaneous businesses	24,035,000	104.50	24,265,000	105.50
Total U. S. companies	14,507,017,641	99.65	14,802,245,777	99.56
Foreign government	1,477,778,167	76.02	1,463,549,658	75.20
Foreign companies	679,084,749	95.48	679,237,688	95.36
All listed bonds	114,857,381,979	103.01	115,280,044,243	103.10

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

1943—	Market Value $	Average Price $	1944—	Market Value $	Average Price $
May 29	81,048,543,830	99.47	June 30	96,235,324,054	100.53
June 30	80,704,321,646	99.64	July 31	102,284,657,208	100.71
July 31	80,352,221,151	99.35	Aug. 31	102,328,885,992	100.74
Aug. 31	80,109,269,964	99.23	Sep. 30	102,017,012,414	100.61
Sept. 30	80,149,558,292	99.37	Oct. 31	101,801,493,498	100.71
Oct. 30	90,501,768,934	99.45	Nov. 30	101,377,604,946	100.92
Nov. 30	90,076,888,558	99.02	Dec. 31	112,620,708,662	101.35
Dec. 31	90,274,071,634	99.38			
1944—			1945—		
Jan. 31	90,544,387,232	99.78	Jan. 31	114,019,500,804	101.91
Feb. 29	96,837,573,171	100.21	Feb. 28	114,881,605,628	102.58
Mar. 31	95,713,288,544	100.32	Mar. 31	114,831,886,516	102.53
Apr. 29	95,305,318,075	100.31	Apr. 30	115,280,044,243	103.10
May 31	93,849,254,814	100.62	May 31	114,857,381,979	103.01

Cottonseed Receipts to May 31

On June 12 the Bureau of the Census issued the following statement showing cottonseed received, crushed and on hand, and cottonseed products manufactured, shipped out, on hand and exported for the month ended May 31, 1945 and 1944.

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State—	*Received at mills *Aug. 1-May 31 1944-45	1943-44	Crushed Aug. 1-May 31 1944-45	1943-44	On hand at mills May 31 1944-45	1943-44
United States	4,287,726	3,915,306	4,001,520	3,826,293	397,062	177,789
Alabama	271,502	261,097	257,791	251,373	20,848	11,909
Arizona	53,840	59,652	53,908	58,500	59	1,155
Arkansas	466,697	372,240	389,053	354,282	87,444	27,541
California	118,655	124,435	116,926	129,726	1,923	1,605
Georgia	361,138	357,922	354,316	336,806	26,674	23,354
Louisiana	173,486	205,634	174,104	204,697	1,357	1,480
Mississippi	703,219	708,850	644,617	670,892	74,168	49,498
North Carolina	285,007	224,027	257,383	215,967	34,861	9,125
Oklahoma	217,765	110,517	217,826	109,841	2,001	2,468
South Carolina	229,298	196,478	230,130	192,379	4,840	6,692
Tennessee	344,918	279,622	313,088	267,386	41,607	15,502
Texas	935,776	909,975	879,658	927,410	87,014	27,234
All other states	126,425	104,857	112,720	107,034	14,266	226

*Includes 7,400 tons and 1,560 tons destroyed during 1944-45 and 1943-44, respectively, but does not include 118,256 and 90,336 tons on hand Aug. 1, 1944 and 1943, nor 73,033 and 48,817 tons reshipped during the seasons 1944-45 and 1943-44.

COTTONSEED PRODUCTS PRODUCED, SHIPPED OUT, AND ON HAND

Products—	Season	On hand at beginning of Season Aug. 1	Produced Aug. 1-May 31	Shipped out Aug. 1-May 31	On hand May 31
Crude oil (thousand pounds)	1944-45	*29,759	1,241,671	1,229,781	†95,305
	1943-44	23,283	1,195,471	1,185,195	65,143
Refined oil (thousand pounds)	1944-45	‡239,934	§1,089,120	------	¶310,944
	1943-44	207,409	1,085,104	------	333,188
Cake and meal (tons)	1944-45	28,050	1,837,396	1,766,457	98,989
	1943-44	18,542	1,775,116	1,744,164	49,494
Hulls (tons)	1944-45	14,793	927,423	868,171	74,045
	1943-44	11,964	894,911	880,606	26,269
Linters (running bales)	1944-45	61,920	**1,171,355	1,177,751	††55,524
	1943-44	135,927	1,142,217	1,107,324	170,820
Hull fiber (500-lb. bales)	1944-45	476	19,966	20,041	401
	1943-44	556	21,456	21,465	547
Grabbots, motes, &c. (500-lb. bales)	1944-45	10,025	46,376	48,015	8,386
	1943-44	14,106	46,699	44,023	16,782

*Includes 8,636,000 pounds at oil mills, 18,480,000 pounds at refining and manufacturing establishments, and 2,643,000 pounds in transit.

†Includes 20,526,000 pounds at oil mills, 66,608,000 pounds at refining and manufacturing establishments, and 8,171,000 pounds in transit.

‡Includes 235,924,000 pounds at refining and manufacturing establishments, 1,937,000 pounds held elsewhere, and 2,073,000 pounds in transit.

§Produced from 1,177,980,000 pounds of crude oil.

¶Includes 306,357,000 pounds at refining and manufacturing establishments, and 4,587,000 pounds held elsewhere and in transit.

**Includes 224,072 bales first cut, 883,344 bales second cut, and 63,939 bales mill run.

††Includes 16,790 bales first cut, 35,969 bales second cut, and 2,765 bales mill run.

Imports and Exports of Cottonseed Products

In the interest of national security, the Department of Commerce has discontinued, until further notice, the publication of current statistics concerning imports and exports of cottonseed products.

Disparages Rumors of Jap Peace Feelers

Recent rumors of peace feelers from the Japanese have been classified by Acting Secretary of State Joseph C. Grew as an attempt to stir up dissension in the United States and among the Allied nations, the Associated Press reported from Washington, July 10. The objective, said Mr. Grew, is peace short of unconditional surrender in spite of the fact that they surely realize that defeat is inevitable. From the Associated Press we quote:

Mr. Grew related several instances of what he called these "alleged peace feelers" and then wound up a statement on the subject by declaring: "The policy of this Government has been, is, and will continue to be, unconditional surrender . . . that is the best comment I can make upon peace feelers and rumors of peace feelers of whatever origin."

The United States, the Acting Secretary emphatically asserted, has "received no peace offer from the Japanese Government, either through official or unofficial channels."

"Conversations relating to peace," he continued, "have been reported to the Department from various parts of the world, but in no case has an approach been made to this Government, directly or indirectly, by a person who could establish his authority to speak for the Japanese Government, and in no case has an offer of surrender been made

"In no case has this Government been presented with a statement purporting to define the basis upon which the Japanese Government would be prepared to conclude peace."

"What the Japanese always seek with their peace feelers," Mr. Grew said, "is to find out the American position and to use the whole idea of an end to the war as a means of stirring up argument over peace terms in order to create dissension."

Result of Treasury Bill Offering

The Secretary of the Treasury announced on July 16 that the tenders of $1,300,000,000 or thereabout of 91-day Treasury bills to be dated July 19 and to mature Oct. 18, 1945, which were offered on July 13, were opened at the Federal Reserve Bank on July 16.

The details of this issue are as follows:

Total applied for, $2,044,672,000.

Total accepted, $1,305,479,000 (includes $68,084,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

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

There was a maturity of a similar issue of bills on July 12 in the amount of $1,318,179,000.

Moody's Daily Commodity Index

Tuesday, July 10, 1945	256.7
Wednesday, July 11	256.6
Thursday, July 12	256.7
Friday, July 13	256.5
Saturday, July 14	256.3
Monday, July 16	255.8
Tuesday, July 17	254.6
Two weeks ago, July 3	256.5
Month ago, June 16	257.5
Year ago, July 17	248.2
1944 High, Dec. 31	254.4
Low, Nov. 1	245.7
1945 High, June 12	258.0

Daily Average Crude Oil Production for Week Ended July 7, 1945, Decreased 17,114 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 7, 1945, was 4,886,200 barrels, a decrease of 17,114 barrels below the record high reached in the preceding week. It, however, exceeded the corresponding week of last year by 307,200 barrels per day and was 6,300 barrels in excess of the daily average figure recommended by the Petroleum Administration for War for the month of July, 1945. Daily production for the four weeks ended July 7, 1945, averaged 4,893,973 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 5,006,000 barrels of crude oil daily and produced 15,082,000 barrels of gasoline; 1,589,000 barrels of kerosine; 4,875,000 barrels of distillate fuel, and 9,238,000 barrels of residual fuel oil during the week ended July 7, 1945; and had in storage at the end of that week 47,047,000 barrels of civilian grade gasoline; 39,282,000 barrels of military and other gasoline; 9,739,000 barrels of kerosine; 33,677,000 barrels of distillate fuel, and 40,754,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations July	*State Allowables Begin. July 1	Actual Production Week Ended July 7 1945	Change from Previous Week	4 Weeks Ended July 7 1945	Week Ended July 8 1944
Oklahoma	380,000	380,000	†388,750	+ 350	386,950	337,900
Kansas	274,000	269,400	†242,300	—30,950	266,800	266,250
Nebraska	1,000	----	†900	----	900	900
Panhandle Texas			87,500	— 2,500	89,400	89,150
North Texas			152,300	— 2,350	154,050	151,550
West Texas			521,400	+23,850	503,500	463,100
East Central Texas			139,000	— 900	139,700	148,350
East Texas			379,500	+ 1,900	378,050	363,550
Southwest Texas			360,750	+ 3,050	358,450	319,750
Coastal Texas			568,950	+ 5,900	564,550	531,400
Total Texas	2,170,000	‡2,174,285	2,209,400	+28,950	2,187,700	2,066,850
North Louisiana			69,750	+ 550	69,300	71,300
Coastal Louisiana			296,900	— 2,050	298,450	285,400
Total Louisiana	360,000	400.800	366,650	— 1,500	367,750	356,700
Arkansas	80,000	78,786	80,000	— 100	79,600	80,400
Mississippi	53,000		52,000	+ 800	51,450	44,150
Alabama	500		750	+ 50	700	150
Florida	----		250	+ -236	73	50
Illinois	200,000		209,250	— 5,250	207,100	208,450
Indiana	13,000		11,050	— 1,650	12,100	13,950
Eastern— (Not incl. Ill., Ind., Ky.)	64,200		60,300	— 5,850	64,250	62,150
Kentucky	28,000		30,000	— 700	30,250	21,850
Michigan	47,000		49,100	+ 200	48,500	51,400
Wyoming	118,200		110,300	+ 1,850	109,250	80,650
Montana	22,000		20,800	+ 550	20,400	22,100
Colorado	12.000		10,900	— 150	11,200	8,300
New Mexico	105,000	105,000	103,300	— 450	103,650	108,000
Total East of Calif	3,927,900		3,946,000	—13,614	3,948,623	3,730,200
California	952,000	§952,000	940,200	— 3,500	945,350	848,800
Total United States	4,879,900		4,886,200	—17,114	4,893,973	4,579,000

*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 July 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 2 to 15 days, the entire state was ordered shut down for 5 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 5 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JULY 7, 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 Refining Capacity Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Ref. Inc. Nat. Blended	‡Stocks of Gas Oil & Dist. Fuel Oil	‡Stocks of Residual Fuel oil	‡Gasoline Stocks Military and Other	‡Gasoline Stocks Civilian Grade
East Coast	99.5	704	89.0	1,555	7,771	6,060	5,332	7,581
Appalachian—								
District No. 1	76.8	104	71.2	318	371	272	1,797	1,307
District No. 2	81.2	52	104.0	148	124	92	169	1,134
Ind., Ill., Ky.	87.2	793	92.5	2,768	4,804	2,393	6,425	13,410
Okla., Kan., Mo.	78.3	398	84.9	1,385	1,990	1,313	2,054	7,184
Inland Texas	59.8	234	70.9	946	404	931	1,245	1,719
Texas Gulf Coast	89.3	1,239	100.2	3,883	5,595	5,937	9,071	5,782
Louisiana Gulf Coast	96.8	282	108.5	880	1,718	1,010	1,865	1,934
No. La. & Arkansas	55.9	86	68.3	225	1,153	182	82	1,772
Rocky Mountain—								
District No. 3	17.1	12	92.3	40	21	35	----	80
District No. 4	72.1	130	81.8	374	342	611	658	1,678
California	87.3	972	97.5	2,560	9,384	21,918	10,584	3,466
Total U. S. B. of M. basis July 7, 1945	85.8	5,006	92.1	15,082	33,677	40,754	*39,282	47,047
Total U. S. B. of M. basis June 30, 1945	85.8	4,999	92.0	15,546	32,213	40,488	39,283	47,189
U. S. B. of M basis July 8, 1944		4.658		13,523	35,993	54,185	35,870	46,353

*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 12,040,000 barrels unfinished gasoline this week, compared with 11.960,000 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 1,589,000 barrels of kerosine, 4,875,000 barrels of gas oil and distilate fuel oil and 9,238,000 barrels of residual fuel oil produced during the week ended July 7, 1945, which compares with 1,567,000 barrels, 4,910,000 barrels and 9,077,000 barrels respectively, in the preceding week and 1.400.000 barrels, 4,590,000 barrels and 8,822,000 barrels, respectively, in the week ended July 8, 1944.

Note—Stocks of kerosine at July 7, 1945, amounted to 9.739,000 barrels, as against 9,676,000 barrels a week earlier and 10,134,000 barrels a year before.

Electric Output for Week Ended July 14, 1945 1.9% Below That for Same Week Last Year

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 14, 1945, was approximately 4,295,254,000 kwh., which compares with 4,377,152,000 kwh. in the corresponding week a year ago and 3,978,426,000 kwh. in the week ended July 7, 1945. The output of the week ended July 14, 1945, was 1.9% lower than that for the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— July 14	July 7	June 30	June 23
New England	*2.6	*0.5	1.1	*1.3
Middle Atlantic	*1.4	2.9	2.3	2.8
Central Industrial	*2.8	*1.2	*0.5	*0.2
West Central	2.6	5.2	1.2	1.5
Southern States	2.4	6.8	3.8	3.2
Rocky Mountain	*1.9	0.5	1.3	0.9
Pacific Coast	*6.8	*5.1	*2.9	*1.7
Total United States	*1.9	1.0	0.6	0.8

*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	3,882,467	1,480,738	1,696.543
April 14	4,332,400	4,307,498	+ 0.6	3,916,794	1,469,810	1,709,331
April 21	4,411,325	4,344,188	+ 1.5	3,925,175	1,454,505	1,699,822
April 28	4,415,889	4,336,247	+ 1.8	3,866,721	1,429,032	1,688,434
May 5	4,397,330	4,233,756	+ 3.9	3,903,723	1,436,928	1,698,942
May 12	4,302,381	4,238,375	+ 1.5	3,969,161	1,435,731	1,704,426
May 19	4,377,221	4,245,678	+ 3.1	3,992,250	1,425,151	1,705,460
May 26	4,329,605	4,291,750	+ 0.9	3,990,040	1,381,452	1,615,085
June 2	4,203,502	4,144,490	+ 1.4	3,925,893	1,435,471	1,689,925
June 9	4,327,028	4,264,600	+ 1.5	4,040,376	1,441,532	1,699,227
June 16	4,348,413	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	4,295,254	4,377,152	— 1.9	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	1,426,986	1,724,728

Steel Output Again Rises—Sheet and Strip Situation Tight—Reconversion Orders Drop

"The War Production Board this week was still continuing its efforts to ease the tight steel sheet situation, but so far the relief has been negligible," states "The Iron Age" in its issue of today (July 19), which further reports in part as follows: "It is believed, however, that by the fourth quarter, deliveries on non-rated sheet orders will be much easier than at present.

"Some trade sources say that even if a large volume of cancellations should result from WPB's move they probably would not reach mill books until some time next week. Cancellations covering all types of steel orders in June surpassed by a wide margin the experience in any other month this year. Despite this volume of cancellations, deliveries are still quite extended.

"Validated or rated order volume regained somewhat the sharp losses reported last week and averaged about the same tonnage as in recent weeks. Non-rated requests, however, were still at low ebb.

"The reduction in orders for reconversion production is largely due to the heavy backlogs of unrated tonnage already being carried by most mills, with enough of this business on the books to carry the mills for six months after the end of the Controlled Materials Plan. Customers as well as steel producers feel that the future beyond that point is too uncertain to attempt to negotiate additional business.

"Order books for bar and semi-finished steel items are fairly well filled through the remainder of this year and into the first quarter of 1946. Tinplate schedules for November have been almost completely filled by canmakers' orders and December is about the earliest delivery date for tinplate.

"Cancellations in cold drawn bar tonnages have expanded recently due to realignments in schedules for small shells. The OPA may this week adjust base prices on cold finished bar and shafting. It is understood that the base price will be lowered but that extras will be rearranged so that the net change in the price of these items will not be much if any.

"A substantial reduction has been made in carryovers for steel bar items by most mills although in one area the undelivered tonnage is still large. Heavy deliveries slated for the last quarter of this year may be expected to wipe out the remainder of the carryovers.

"The supply of merchant wire items is still inadequate to meet the heavy demand. Small size nails and bail ties are said to be extremely short. Steel posts and wire products generally were experiencing a heavy demand this past week.

"Steel firms report that cancellations of war contracts are having little effect on the manpower situation. One of the most difficult problems in the steel industry is the inability to obtain common labor. The increasing numbers of men appearing at employing offices, as they are laid off at the other plants, are not ready to take a reduction in wages but are seeking a job matching their previous one in pay.

"The lack of skilled manpower for the production of cold rolled sheets is a major factor in keeping down the output of that item. One steel producer has said that if adequate manpower were available, cold rolled sheet production could be increased as much as 50% with existing facilities.

"Progress is being made in the completion of pre-termination agreements between steel producers and military buying agencies. According to indications at Pittsburgh steel producers have, temporarily at least, won their fight to have claims for steel in process on government contracts based on a commercial price set-up rather than on the basis of an arbitrary formula."

The American Iron and Steel Institute on July 16 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 89.8% of capacity for the week beginning July 16, compared with 89.0% one week ago, 88.8% one month ago and 96.8% one year ago. The operating rate for the week ended July 16, is equivalent to 1,644,800 tons of steel ingots and castings, compared to 1.630,200 tons one week ago, 1,626,500 tons one month ago, and 1,741,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on July 16 stated in part as follows:

"Serious situation in the sheet and strip industry, having a bearing on reconversion, is increasingly recognized by the War Production Board.

"Ten days ago sheet and stripmakers' order books for third quarter were frozen but late last week this order was partially rescinded, books being reopened for July and August for all consumers and through entire third quarter for the smaller buyers.

"The original order covered hot-rolled sheets and strip, hot-rolled pickled, cold-rolled, galvanized and silicon sheets for entire third quarter.

"Reason for the change was that the freeze came too late to be of material effect on mill schedules and also because the prior order cutting inventories from 60 to 45 days is expected to result in cancelations that will ease the tight supply materially.

"Indications are that manufacturers producing less than $50,000 worth of goods will receive supplies for civilian goods fairly promptly, being given preferred treatment under Regulation 27, under the provision that Z-3 orders, applying in such cases, may be shipped before all unrated orders, after CMP orders have been filled.

"Meanwhile sheet mills are booked up for the remainder of the year and such cancelations as they have received have affected remote deliveries almost exclusively, little relief being seen on nearby deliveries. Practically all sheet orders on rolling schedules are rated, with a few having priorities assistance to meet essential demand for special purposes. Unrated orders are being held in abeyance until it is possible to schedule them without interfering with rated business.

"In pig iron the supply is practically even with demand, with tightness developing in spots, though no distress has been met so far. Foundries are making some progress in increasing castings output as labor shortage is slightly relieved, and are seeking additional iron for inventory to meet expected further increase. Steelworks furnaces require all the iron they can produce and have little available for merchant buyers. A number of blast furnaces are down for repairs, which further shortens production.

"Scrap supply is tight, as acute as at any time during the war in some areas. Greatest shortage appears in industrial material, reduced by war cutbacks. Most steelmakers are in the market for material and all signs of weakness have disappeared, springboards being paid in most instances. Permission has been given some open-hearth melters to buy electric furnace scrap for their furnaces."

Railroad Credit Corporation Makes Payment of ½ of 1%

E. G. Buckland, President of the Railroad Credit Corporation, recently announced that the corporation will make a liquidating distribution on July 31 of ½ of 1% of its fund as of June 30, amounting to $362,134.

Of this amount $336,869 will be paid in cash and $25,264 will be credited on the carriers' indebtedness to the corporation.

This will bring the total amount distributed to $67,909,581, or 92½% of the original fund contributed by carriers participating in the Marshalling and Distributing Plan 1931. Of this total, $39,280,274 will have been returned in cash and $28,629,306 in credits.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended July 7, 1945 as estimated by the Bureau of Mines, was 8,060,000 net tons, a decrease of 3,860,000, or 32.4%, below the preceding week. This decrease was due in part to the observance of the holiday on July 4. Output in the corresponding week last year amounted to 8,674,000 net tons. The total production of soft coal from Jan. 1 to July 7, 1945 is estimated at 305,585,000 net tons, a decrease of 6.9% when compared with the 328,321,000 tons produced during the period from Jan. 1 to July 8, 1944.

Production of Pennsylvania anthracite for the week ended July 7, 1945, as estimated by the Bureau of Mines, was 933,000 tons, a decrease of 395,000 tons (29.7%) from the preceding week. When compared with the output in the corresponding week of 1944 there was an increase of 72,000 tons, or 8.4%. The calendar year to date shows a decrease of 18.3% when compared with the corresponding week of 1944.

The Bureau also reports that the estimated production of beehive coke in the United States for the week ended July 7, 1945 showed a decrease of 20,800 tons when compared with the output for the week ended June 30, 1945; and was 18,400 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	
Bituminous coal & lignite—	July 7, 1945	*June 30, 1945	July 8, 1944	†July 7, 1945	July 8, 1944
Total, including mine fuel	8,060,000	11,920,000	8,674,000	305,585,000	328,321,000
Daily average	‡1,612,000	1,987,000	1,735,000	1,918,000	2,039,000

*Revised. †Subject to current adjustment. ‡Average based on five working days.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	‡July 7, 1945	§June 30, 1945	July 8, 1944	July 7, 1945	July 8, 1944	July 10, 1937
*Total incl. coll. fuel	933,000	1,328,000	861,000	27,610,000	33,814,000	29,513,000
†Commercial produc.	896,000	1,275,000	827,000	26,507,000	32,461,000	28,037,000
Beehive coke—						
United States total	108,600	129,400	127,000	3,135,000	4,003,600	1,924,400

*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

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

	Week Ended		
State—	June 30, 1945	June 23, 1945	July 1, 1944
Alabama	372,000	395,000	340,000
Alaska	6,000	6,000	5,000
Arkansas and Oklahoma	95,000	88,000	87,000
Colorado	120,000	114,000	127,000
Georgia and North Carolina	1,000	*	*
Illinois	1,352,000	1,445,000	1,441,000
Indiana	550,000	508,000	537,000
Iowa	45,000	41,000	45,000
Kansas and Missouri	125,000	99,000	149,000
Kentucky—Eastern	947,000	936,000	959,000
Kentucky—Western	407,000	392,000	376,000
Maryland	40,000	40,000	42,000
Michigan	3,000	3,000	4,000
Montana (bitum. & lignite)	103,000	99,000	83,000
New Mexico	30,000	30,000	42,000
North & South Dakota (lignite)	43,000	43,000	34,000
Ohio	770,000	734,000	738,000
Pennsylvania (bituminous)	2,958,000	2,880,000	2,920,000
Tennessee	123,000	117,000	131,000
Texas (bituminous & lignite)	1,000	1,000	1,000
Utah	121,000	133,000	137,000
Virginia	355,000	352,000	373,000
Washington	25,000	25,000	31,000
†West Virginia—Southern	1,984,000	1,955,000	2,063,000
‡West Virginia—Northern	1,155,000	1,151,000	1,060,000
Wyoming	188,000	183,000	161,000
§Other Western States	1,000	*	*
Total bituminous & lignite	11,920,000	11,770,000	11,886,000

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

Wholesale Prices Declined 0.1% In Week Ended July 7

The Bureau of Labor Statistics' index of commodity prices in primary markets declined 0.1% during the week ended July 7, as the result of lower quotations for agricultural products. According to the U. S. Department of Labor July 12 "the index, at 105.8% of the 1926 level, was 0.2% below a month ago but 1.8% above the first part of July, 1944." The Department's advices added:

"Farm Products and Foods—Average prices for farm products dropped 0.5% during the week as the result of lower quotations for livestock, grains and fruits and vegetables. Calves dropped more than 2%, steers 1% and sheep nearly 3% as increased shipments, particularly of lower grades, reached the markets. Live poultry prices were lower. Seasonal movements raised prices for eggs and oranges and lowered quotations for apples and onions. Potatoes from the 1944 crop were higher while new potatoes were generally lower. Fresh milk at Chicago declined fractionally and lemons dropped sharply. Cotton prices continued to decline on improved crop reports. Grains were generally lower, with quotations for wheat, corn and barley declining fractionally while rye advanced. Since the first part of June average prices for farm products have declined 1.0%, but were still 4.3% above the corresponding week of last year.

"Average primary market prices for foods were 0.1% lower during the week as the result of lower quotations for fresh fruits and vegetables and fresh milk. Wheat flour declined fractionally. Average food prices were 0.1% below a month ago and 1.1% above early July of 1944.

"Other Commodities — Continued upward adjustments in prices for anthracite, permitted by OPA to compensate for higher costs, were offset by lower sales realizations for electricity to leave the group index for fuel and lighting materials unchanged during the week. Lower mill realizations for Ponderosa and Idaho pine lumber and substantially lower prices for turpentine reflecting increased supplies lowered average prices for building materials by 0.1%. Butyl acetate advanced as the result of higher production costs and realizations on Western pine lumber increased. Mercury prices continued to decline in a slow market and acetone was substantially lower with an improved supply situation."

The Labor Department included the following notation in the 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 9, 1945 and July 8, 1944, and (2) the percentage changes in subgroup indexes from June 30, 1945 to July 7, 1945.

WHOLESALE PRICES FOR WEEK ENDED JULY 7, 1945

(1926=100)

Commodity Groups—	7-7 1945	6-30 1945	6-23 1945	6-9 1945	7-8 1944	Percentage change to July 7, 1945 from— 6-30 1945	6-9 1945	7-8 1944
All commodities	105.8	105.9	105.9	106.0	103.9	—0.1	—0.2	+1.8
Farm products	129.4	130.1	130.0	130.7	124.1	—0.5	—1.0	+4.3
Foods	107.2	107.3	107.3	107.3	106.0	—0.1	—0.1	+1.1
Hides and leather products	118.5	118.5	118.3	118.3	116.8	0	+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	84.8	84.7	84.5	83.8	0	+0.4	+1.2
Metals and metal products	104.8	104.8	104.8	104.8	103.8	0	0	+1.0
Building materials	117.3	117.4	117.3	117.3	115.8	—0.1	0	+1.3
Chemicals and allied products	95.4	95.4	95.3	95.3	95.6	0	+0.1	—0.2
Housefurnishing goods	106.2	106.2	106.2	106.2	106.0	0	0	+0.2
Miscellaneous commodities	94.6	94.6	94.6	94.6	93.3	0	0	+1.4
Raw materials	118.3	118.7	118.6	118.8	113.8	—0.3	—0.4	+4.0
Semimanufactured articles	95.2	95.3	95.3	95.3	93.7	—0.1	—0.1	+1.6
Manufactured products	102.0	102.0	102.0	102.0	101.1	0	0	+0.9
All commodities other than farm products	100.6	100.6	100.6	100.6	99.5	0	0	+1.5
All commodities other than farm products and foods	99.8	99.8	99.8	99.7	98.7	0	+0.1	+1.1

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JUNE 30, 1945 TO JULY 7, 1945

Increases			
Anthracite	0.6	Other foods	0.1
Decreases			
Fruits and vegetables	0.7	Paint and paint materials	0.3
Livestock and poultry	0.7	Cereal Products	0.1
Grains	0.5	Dairy Products	0.1
Other farm products	0.4	Lumber	0.1

National Fertilizer Association Commodity Price Index Registers Slight Decline

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on July 16 declined fractionally to 141.2 for the week ended July 14, 1945, from 141.5 for the preceding week. A month earlier the index stood at 141.7 and a year ago at 138.0, all based on the 1935-39 average as 100. The report continued as follows:

The farm products group was fractionally lower, although the cotton subgroup made a substantial advance. The grains index decreased, due to lower quotations on wheat and rye which more than offset the increased quotation on barley. The livestock index also decreased, the lower quotations on good and choice cattle being only partly offset by increased qutations on sheep and eggs. Quotations on timothy hay was slightly lower. The foods index declined with lower quotations on flour, potatoes, and dressed fowl. The textiles index showed a small advance. All other groups of the index remained unchanged.

During the week 5 price series in the index advanced and 8 declined, in the preceding week there were 3 advances and 6 declines, in the second preceding week there were 6 advances and 6 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 July 14, 1945	Preceding Week July 7, 1945	Month Ago June 16, 1945	Year Ago July 15, 1944
25.3	Food	142.4	143.1	144.0	140.8
	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	167.1	167.2	168.1	159.8
	Cotton	216.4	213.9	216.2	208.0
	Grains	163.7	165.0	166.0	160.2
	Livestock	160.6	160.8	161.5	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	157.3	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	118.3
.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	141.2	141.5	141.7	138.0

*Indexes on 1926-1928 base were: July 14, 1945, 110.0; July 7, 1945, 110.2, and July 15, 1944, 107.5.

High Memberships of CIO and AFL Have Resulted in Unprecedented Reserves

"The CIO and AFL are staking their future in part on the turn of a coin," A. C. Croft, President of the National Foremen's Institute, reported to the Institute's Advisory Board on July 13. The CIO, he stated, is building up morale and "security" by spending its money on education and propaganda; the AFL by soaking its funds into war bonds to assure itself financial strength in the potentially union-hostile post-war era.

"Unprecedently high memberships in both organizations have brought unprecedented revenues," Mr. Croft said. 'For the most part the AFL has followed its traditional policy of banking its reserves. CIO unions, on the other hand, have invested the larger part of their assets in new organizing drives, in legislative and educational campaigns. Consequently, a postwar depression period will supposedly find AFL unions in a far stronger position than the CIO to survive intact. AFL unions frequently pay unemployment benefits; very few CIO unions do."

As examples of AFL unions with large treasuries, Mr. Croft cited the International Brotherhood of Teamsters, $15,000,000; the Hotel and Restaurant Employees, $16,000,000; International Ladies Garment Workers, $7,707,753; International Brotherhood of Electrical Workers, $7,606,000; the Bricklayers, Masons and Plasterers $8,239,821, and the relatively small International Typographical Union (150,000 members), $5,541,534.

It is added that 2 independent unions, the Brotherhood of Railroad Trainmen and the Brotherhood of Locomotive Engineers, have assets of $41,000,000 and $32,000,000, respectively. Another, the United Mine Workers, which John L. Lewis is expected to return to the AFL fold by October, has $12,000,000.

In contrast, it is pointed out the CIO's United Automobile Workers, the world's largest union (over 1 million members), has total assets of only $2,669,136 and its expenditures have been exceeding its income during the past three months. The other two top CIO organizations are the Amalgamated Clothing Workers with approximately $5,000,000 and the United Steelworkers with approximately $4,000,000.

Mr. Croft reported that the large discrepancies in assets and reserve funds between AFL and CIO unions did not especially perturb the latter's leadership. "They expect to retain their membership," he stated, "by throwing all available effort and money behind legislative and educational campaigns. The CIO theory is that even in a period of depression and unemployment, members will stick closely to their union if it is battling all-out for a full employment program, increased unemployment compensation, extended social security and medical care, etc."

This philosophy is so deeply rooted in the CIO, he asserted that no CIO union, alarmed as some of them are at the possibility of post-war unemployment, has decided to forego any important part of its usual activities in order to build up reserve funds. "Privately, however," Mr. Croft told the Advisory Board, "CIO leaders will concede that if mass unemployment occurs and if unemployment compensation is not increased, the CIO will suffer relatively more than the AFL."

Seeks End of British Exchange Restricting American Trade

Assistant Secretary of State Clayton on July 12 pledged the United States to seek a speedy post-war end to British exchange controls restricting American trade with nations in the sterling bloc.

In a letter replying to Representative Emanuel Celler's written appeal asking the State Department "to open trade channels with India," Mr. Clayton, the Associated Press reported, said:

"I agree that something must be done, and done soon, to open further our trade channels with India."

The press advices from Washington July 5 added:

"While the State Department regards Britain's sterling bloc controls 'as appropriate and necessary,' during wartime, Mr. Clayton said the United States wants them ended 'as soon as practicable.'

"Representative Celler called upon Britain to end her 'dog in the manger attitude which says if England can't supply goods to India no one else can.'

"In his letter Mr. Clayton stressed that the State Department believes 'exchange controls on current transactions, however necessary in wartime, are restrictive to free enterprise and that they tend to create international ill will.'"

Trading on New York Exchanges

The Securities and Exchange Commission made public on July 11 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 23, 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 23 (in round-lot transactions) totaled 3,331,086 shares, which amount was 14.45% of the total transactions on the Exchange of 11,529,100 shares. This compares with member trading during the week ended June 16, of 2,966,255 shares, or 14.02% of the total trading of 10,578,000 shares. On the New York Curb Exchange, member trading during the week ended June 23 amounted to 834,095 shares or 12.90% of the total volume on that exchange of 3,233,350 shares. During the week ended June 16 trading for the account of Curb members of 901,405 shares was 14.93% of the total trading of 3,018,700.

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

WEEK ENDED JUNE 23, 1945

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	354,200	
‡Other sales	11,174,900	
Total sales	11,529,100	
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	865,460	
Short sales	187,110	
‡Other sales	729,380	
Total sales	916,490	7.73
2. Other transactions initiated on the floor—		
Total purchases	386,650	
Short sales	49,020	
‡Other sales	315,710	
Total sales	364,730	3.26
3. Other transactions initiated off the floor—		
Total purchases	331,358	
Short sales	32,300	
‡Other sales	434,098	
Total sales	466,398	3.46
4. Total—		
Total purchases	1,583,468	
Short sales	268,430	
‡Other sales	1,479,188	
Total sales	1,747,618	14.45

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

WEEK ENDED JUNE 23, 1945

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	28,395	
‡Other sales	3,204,955	
Total sales	3,233,350	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	218,635	
Short sales	14,190	
‡Other sales	221,470	
Total sales	235,660	7.03
2. Other transactions initiated on the floor—		
Total purchases	106,165	
Short sales	5,500	
‡Other sales	89,090	
Total sales	94,590	3.10
3. Other transactions initiated off the floor—		
Total purchases	71,760	
Short sales	3,000	
‡Other sales	104,285	
Total sales	107,285	2.77
4. Total—		
Total purchases	396,560	
Short sales	22,690	
‡Other sales	414,845	
Total sales	437,535	12.90
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	92,042	
Total purchases	92,042	
Total sales	77,519	

*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 $49,009,000 for Week

Civil engineering construction volume in continental United States totals $49,009,000 for the week. This volume, not including construction by military engineers abroad, American contracts outside the country, and shipbuilding, exceeds the $30,820,000 reported to "Engineering News-Record for the holiday-shortened preceding week, is 16% higher than the previous four-week moving average, but is 22% under the 1944 record high reported for the week last year. The report made public on July 12 went on to say:

Private construction for the week tops a year ago by 14%, but public work is 27% lower due to the 34% drop in federal volume. State and municipal construction is up 5% compared with the 1944 week.

The current week's construction brings 1945 volume to $955,-984,000 for the 28 weeks, a total within 2% of the $973,262,000 reported for the corresponding period last year. Private construction, $279,800,000, is 32% higher than a year ago, but public work, $676,-184,000, is 11% lower as a result of the 17% drop in federal. State and municipal construction, $147,743,000 is 22% above the 1944 period.

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

	July 12, 1945* (five days)	July 5, 1945 (four days)	July 13, 1944 (five days)
Total U. S. Construction	$49,009,000	$30,820,000	$62,510,000
Private Construction	10,250,000	12,695,000	9,013,000
Public Construction	38,759,000	18,125,000	53,497,000
State and Municipal	9,390,000	6,359,000	8,966,000
Federal	29,369,000	11,766,000	44,531,000

*Current Week's Statistics.

In the classified construction groups, gains over the short preceding week are in sewerage, industrial and public buildings, earthwork and drainage, streets and roads, and unclassified construction. Gains over the 1944 week are in bridges, industrial and public buildings, earthwork and drainage, and streets and roads. Subtotals for the week in each class of construction are: waterworks, $996,000; sewerage, $624,000; bridges, $292,000; industrial buildings, $6,397,000; commercial building and private mass housing, $2,665,000; public buildings, $15,490,000; earthwork and drainage, $847,000; streets and roads, $8,345,000; and unclassified construction, $13,353,000.

New capital for construction purposes for the week totals $909,-821,000. It is made up of $3,768,000 in state and municipal bond sales, $10,738,000 in corporate security issues, $2,000,000 in RFC loans for private industrial expansion, $754,315,000 in federal appropriations for military and departmental construction, $60,000,000 in REA loans for rural electrification, and $79,000,000 in federal-aid highways construction. The current week's new financing brings 1945 volume to $1,471,513,000, a total of 230% above that reported for the period last year.

Post-War Construction Planning Volume $21.6 Billions

Identified and recorded engineering projects proposed for construction in the post-war years total $21,555,974,000 according to reports to "Engineering News-Record" in the period from January 1, 1943 through July 5, 1945. Plans are under way or completed on post-war projects valued at $9,432,093,000, 43.8% of the total volume proposed, and on $1,463,540,000 worth of projects all financing arrangements have been completed.

Non-Ferrous Metals — Lead Demand Increased —June Copper and Zinc Deliveries Sharply Off

"E. & M. J. Metal and Mineral Markets," in its issue of July 12, stated: "Statistics for June disclosed that deliveries of copper and zinc fell sharply. Copper delivered to consumers dropped to 94,031 tons, and zinc shipments declined to 54,478 tons. Cutbacks in the war program caused fabricators to reduce their inventories. Actual consumption of both metals in June was well above the tonnages delivered, authorities believe. July is expected to show little or no improvement over June. Lead demand last week was good and would have been greater except for limitation orders on consumption. Quicksilver declined $1 per flask." The publication further went on to say in part:

Copper

Deliveries of refined copper to domestic consumers dropped from 139,203 tons in May to 94,031 tons in June. The decline in the movement of copper was even larger in volume than generally estimated. Deliveries for June were the smallest since July 1940. The figures for May and June, compiled by Copper Institute, are summarized as follows, in tons:

	June	May
Production:		
Crude	72,159	*74,469
Refined	74,377	85,319
Deliveries	94,031	139,203
Stocks at end	70,738	63,841

*Revised.

Lead

Call for lead for August shipment was fairly active during the last week, sales involving 10,000 tons, against 5,715 tons in the previous week. Producers believe that consumption of primary lead for the summer months has become stabilized under restrictions now in force at around 60,000 tons a month. Available new supplies are sufficient to take care of this demand and leave a fair tonnage to enlarge the stockpile. The trade estimates that the stockpile will amount to 85,000 tons by the end of July, or fully 20,000 tons larger than that reported earlier in the year when WPB became alarmed over the statistical position of the metal.

Zinc

Shipments of zinc declined in June to 54,478 tons, which compares with 66,972 tons (revised) in May and the top for the war period of 94,494 tons recorded for March of the current year, according to the American Zinc Institute. The lower rate of shipments was expected, and reflects cutbacks in the war program. In view of the fact that deliveries earlier in the year were in excess of requirements, the sharp drop in the movement of zinc since March was greater than the fall that occurred in actual use of the metal, the industry believes.

Production of slab zinc in June was 66,607 tons, which compares with 69,440 tons in the preceding month. Manpower shortages caused the drop in output. The peak in producion was 86,037 tons in March 1944.

Stocks increased for the third consecutive month, rising to 183,-136 tons at the end of June. The low for this year was 168,539 tons as April ended.

With consumers reducing their inventories to fit into the rapidly changing demand-supply situation, the industry believes the decline in shipments during June was greater than that which occurred through cutbacks in the war program. Until civilian business in zinc products improves substantially, consumers not engaged in war work are inclined to move slowly in placing new business. Stocks of zinc are likely to increase over the summer period.

Cadmium

The supply situation in cadmium is still viewed as tight and distribution is limited to rated orders.

Molybdenum

Production of molybdenum concentrates in the United States in May contained 3,198,600 lb. of Mo., against 2,979,900 lb. in April. Shipments to domestic consumers and for export amounted to 3,418,-700 lb. in May, against 3,181,800 lb. in April. Stocks in the hands of producers and consumers (excluding Government stocks) at the end of May totaled 17,780,613 lb., against 18,455,221 lb. a month previous and 19,365,590 lb. at the end of 1944, according to the Bureau of Mines.

Tin

Purchases of tin concentrates from Bolivian sources are continuing on the same basis as earlier in the year even though the formal agreement expired on June 30, 1945. Work on extending the pricing arrangement was postponed for a time because Bolivian officials and others concerned with the deal had to attend the San Francisco Conference. Some producers hope for a higher settlement basis, to offset rising costs.

Efforts to salvage tin in the United States are being intensified, largely because of increased demands for the metal that are certain to develop in the transition period.

The price situation here remains fixed on the basis of 52 cents per pound for "Grade A" or Straits quality tin. Forward metal was nominally as follows:

	Aug.	Sept.	Oct.
July 5	52.000	52.000	52.000
July 6	52.000	52.000	52.000
July 7	52.000	52.000	52.000
July 9	52.000	52.000	52.000
July 10	52.000	52.000	52.000
July 11	52.000	52.000	52.000

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

Quicksilver

Dealers experienced a quiet week in quicksilver and continued unsettlement in prices. Spot metal was available on the basis of $144 per flask on quantity business, a reduction of $1 from the price named in the preceding week. Quicksilver for shipment over the next month or two was wholly nominal, but trade authorities believe that metal could have been purchased at around $140 to $142 per flask, New York.

San Francisco advices state that production in California is falling, owing to labor shortages at the mines and recent pressure on the price structure.

Spanish agents are not naming flat shipment prices under prevailing conditions.

Actual consumption of quicksilver in the United States this summer is said to be the highest on record, but inability to estimate future needs tends to make buyers cautious.

Silver

The London silver market was quiet last week and the price continued at 25½d. The New York Official for foreign silver was unchanged at 44¾c., with domestic metal at 70⅝c.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on July 11 a summary for the week ended June 30 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 30, 1945

	Total For Week
Odd-lot Sales by Dealers (Customers' purchases)	
Number of orders	34,380
Number of shares	1,071,464
Dollar value	40,471,537
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	206
*Customers' other sales	35,786
Customers' total sales	35,992
Number of Shares:	
Customers' short sales	8,300
*Customers' other sales	1,025,081
Customers' total sales	1,033,381
Dollar value	37,826,299
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	70
†Other sales	260,490
Total sales	260,560
Round-Lot Purchases by Dealers:	
Number of shares	270,620

*Sales marked "short exempt" are reported with "other sales."

†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Revenue Freight Car Loadings During Week Ended July 7, 1945, Decreased 167,337 Cars

Loading of revenue freight for the week ended July 7, 1945, totaled 726,404 cars, the Association of American Railroads announced on July 12. This was a decrease below the corresponding week of 1944 of 17,943 cars, or 2.4%, and a decrease below the same week in 1943 of 82,226 cars or 10.2%.

Loading of revenue freight for the week of July 7 decreased 167,337, or 18.7% below the preceding week, due to July 4th holiday.

Miscellaneous freight loading totaled 334,595 cars, a decrease of 62,704 cars below the preceding week, and a decrease of 4,159 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 93,442 cars, a decrease of 14,665 cars below the preceding week but an increase of 2,334 cars above the corresponding week in 1944.

Coal loading amounted to 117,951 cars, a decrease of 56,556 cars below the preceding week, and a decrease of 6,011 cars below the corresponding week in 1944.

Grain and grain products loading totaled 54,932 cars, a decrease of 7,451 cars below the preceding week and a decrease of 2,188 cars below the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of July 7 totaled 40,843 cars, a decrease of 5,130 cars below the preceding week and a decrease of 91 cars below the corresponding week in 1944.

Livestock loading amounted to 10,895 cars, a decrease of 2,413 cars below the preceding week and a decrease of 427 cars below the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of July 7 totaled 7,498 cars, a decrease of 2,230 cars below the preceding week, but an increase of 292 cars above the corresponding week in 1944.

Forest products loading totaled 31,591 cars, a decrease of 15,644 cars below the preceding week and a decrease of 1,662 cars below the corresponding week in 1944.

Ore loading amounted to 69,743 cars, a decrease of 6,491 cars below the preceding week and a decrease of 5,403 cars below the corresponding week in 1944.

Coke loading amounted to 13,255 cars, a decrease of 1,413 cars below the preceding week, and a decrease of 427 cars below the corresponding week in 1944.

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

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
5 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
5 weeks of June	4,364,662	4,338,886	4,003,393
Week of July 7	726,404	744,347	808,630
Total	21,988,349	22,029,548	21,140,007

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 7, 1945. During the period 64 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JULY 7

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	216	229	190	1,269	1,191
Bangor & Aroostook	1,274	801	915	421	465
Boston & Maine	5,625	5,225	5,096	12,544	13,287
Chicago, Indianapolis & Louisville	973	1,125	1,321	1,999	2,025
Central Indiana	36	22	23	29	31
Central Vermont	843	870	908	1,945	2,213
Delaware & Hudson	3,972	3,917	6,596	10,804	11,689
Delaware, Lackawanna & Western	6,478	6,300	7,285	9,980	10,708
Detroit & Mackinac	248	190	217	144	144
Detroit, Toledo & Ironton	1,417	1,716	1,920	1,160	1,022
Detroit & Toledo Shore Line	323	269	284	2,156	1,889
Erie	10,665	10,992	11,681	16,028	16,335
Grand Trunk Western	3,299	2,888	3,301	7,346	7,231
Lehigh & Hudson River	131	161	150	2,536	2,242
Lehigh & New England	1,691	1,726	1,893	1,436	1,534
Lehigh Valley	6,570	7,236	8,063	10,129	14,037
Maine Central	2,357	1,768	1,840	2,798	2,400
Monongahela	4,897	4,707	5,439	363	361
Montour	2,052	1,842	2,222	26	21
New York Central Lines	42,226	41,943	52,349	45,151	47,023
N. Y., N. H. & Hartford	7,683	6,389	8,193	16,375	17,027
New York, Ontario & Western	1,006	1,254	1,305	3,187	3,742
New York, Chicago & St. Louis	6,028	5,985	6,135	14,214	15,495
N. Y., Susquehanna & Western	314	311	467	2,107	1,917
Pittsburgh & Lake Erie	6,056	6,414	6,640	8,628	7,516
Pere Marquette	4,092	4,233	4,176	7,293	7,070
Pittsburgh & Shawmut	680	720	987	18	21
Pittsburg, Shawmut & North	224	295	377	196	222
Pittsburgh & West Virginia	842	1,076	1,055	2,652	2,493
Rutland	289	264	311	1,151	1,220
Wabash	5,021	5,586	4,547	10,961	12,154
Wheeling & Lake Erie	4,758	5,095	5,672	3,881	4,332
Total	132,286	131,549	151,558	198,927	209,057
Allegheny District—					
Akron, Canton & Youngstown	475	703	720	916	1,296
Baltimore & Ohio	38,074	39,293	39,483	25,940	27,708
Bessemer & Lake Erie	5,820	6,264	6,355	1,814	2,164
Buffalo Creek & Gauley	†	†	214	†	†
Cambria & Indiana	916	1,117	1,623	9	4
Central R. R. of New Jersey	5,143	5,661	6,389	17,138	18,974
Cornwall	386	403	686	40	41
Cumberland & Pennsylvania	118	156	244	5	10
Ligonier Valley	100	92	117	33	27
Long Island	1,629	1,332	973	4,531	4,257
Penn-Reading Seashore Lines	1,544	1,555	1,575	2,169	2,930
Pennsylvania System	72,724	77,564	80,392	54,866	60,402
Reading Co.	12,775	11,531	13,012	25,158	26,181
Union (Pittsburgh)	17,149	18,524	19,230	7,277	7,324
Western Maryland	3,002	3,265	3,967	12,013	11,205
Total	159,855	167,460	175,040	151,909	162,523
Pocahontas District—					
Chesapeake & Ohio	19,101	21,025	29,242	11,839	11,292
Norfolk & Western	14,255	15,573	22,098	6,220	7,099
Virginian	2,596	3,010	4,864	2,066	2,127
Total	35,952	39,608	56,204	20,125	20,518
Southern District—					
Alabama, Tennessee & Northern	395	306	289	285	392
Atl. & W. P.—W. R. R. of Ala.	704	717	559	2,167	2,426
Atlanta, Birmingham & Coast	1,366	876	735	1,233	1,213
Atlantic Coast Line	9,253	9,245	11,247	8,467	9,102
Central of Georgia	3,454	3,324	3,512	4,149	5,029
Charleston & Western Carolina	713	619	389	1,593	1,377
Clinchfield	1,328	1,123	1,558	2,387	2,424
Columbus & Greenville	214	182	314	242	309
Durham & Southern	71	101	75	381	472
Florida East Coast	796	733	1,219	1,052	1,295
Gainesville Midland	43	41	38	128	94
Georgia	1,063	1,080	1,001	2,419	2,447
Georgia & Florida	390	409	421	631	588
Gulf, Mobile & Ohio	4,049	3,790	3,379	4,338	4,041
Illinois Central System	23,220	23,959	24,304	15,608	14,854
Louisville & Nashville	19,627	20,433	24,442	11,901	11,676
Macon, Dublin & Savannah	280	135	165	815	810
Mississippi Central	*428	231	257	*499	627
Nashville, Chattanooga & St. L.	3,076	2,809	2,839	4,487	4,542
Norfolk Southern	1,091	1,436	2,557	1,416	1,767
Piedmont Northern	314	312	253	1,277	1,058
Richmond, Fred. & Potomac	419	327	360	9,556	9,382
Seaboard Air Line	8,838	8,011	9,095	7,416	7,849
Southern System	21,755	19,944	19,466	22,405	22,704
Tennessee Central	510	559	568	703	1,011
Winston-Salem Southbound	115	109	101	980	857
Total	103,512	100,811	109,143	106,535	108,346
Northwestern District—					
Chicago & North Western	16,041	15,737	18,588	14,409	12,517
Chicago Great Western	2,293	1,910	2,133	3,399	3,217
Chicago, Milw., St. P. & Pac.	17,086	15,925	16,034	10,093	9,199
Chicago, St. Paul, Minn. & Omaha	3,279	2,565	3,197	3,722	3,531
Duluth, Missabe & Iron Range	24,730	27,094	31,291	364	261
Duluth, South Shore & Atlantic	643	521	1,010	550	559
Elgin, Joliet & Eastern	7,804	8,320	8,166	8,980	9,477
Ft. Dodge, Des Moines & South	387	359	376	92	91
Great Northern	18,385	20,777	24,921	8,560	6,272
Green Bay & Western	299	326	346	897	990
Lake Superior & Ishpeming	2,026	2,607	2,892	66	66
Minneapolis & St. Louis	1,779	1,721	1,421	2,648	2,414
Minn., St. Paul & S. S. M.	5,981	5,504	7,038	3,237	2,973
Northern Pacific	9,035	7,901	9,070	6,207	5,240
Spokane International	144	135	114	483	568
Spokane, Portland & Seattle	1,243	1,013	1,696	4,220	3,211
Total	110,155	112,415	128,293	67,927	60,586
Central Western District—					
Atch., Top. & Santa Fe System	27,286	28,512	23,485	14,293	12,270
Alton	3,093	3,085	3,289	3,832	4,183
Bingham & Garfield	149	226	369	86	70
Chicago, Burlington & Quincy	15,793	16,234	17,730	13,074	11,650
Chicago & Illinois Midland	2,258	2,172	2,736	901	903
Chicago, Rock Island & Pacific	13,047	13,130	12,314	14,783	12,464
Chicago & Eastern Illinois	2,482	2,186	2,382	4,891	6,545
Colorado & Southern	580	461	623	2,921	2,018
Denver & Rio Grande Western	2,648	2,907	2,731	7,285	5,553
Denver & Salt Lake	376	551	672	116	30
Fort Worth & Denver City	966	1,487	1,000	2,016	1,518
Illinois Terminal	1,686	2,230	1,581	2,282	1,576
Missouri-Illinois	1,141	1,162	1,042	614	557
Nevada Northern	249	20	2,076	42	79
North Western Pacific	414	590	746	691	655
Peoria & Pekin Union	30	9	5	0	0
Southern Pacific (Pacific)	28,367	29,005	28,726	14,659	11,990
Toledo, Peoria & Western	299	272	208	2,233	2,272
Union Pacific System	13,944	15,256	14,541	21,092	16,054
Utah	439	289	509	3	0
Western Pacific	1,980	1,898	1,944	4,832	4,005
Total	117,227	121,662	118,709	110,646	94,392
Southwestern District—					
Burlington-Rock Island	292	637	402	896	283
Gulf Coast Lines	4,690	5,438	4,830	2,491	2,423
International-Great Northern	2,480	2,520	2,351	3,772	3,488
Kansas, Oklahoma & Gulf	338	228	258	1,054	1,007
Kansas City Southern	3,964	5,688	5,409	2,937	2,503
Louisiana & Arkansas	3,396	3,565	3,553	2,720	2,763
Litchfield & Madison	200	224	369	1,321	1,045
Midland Valley	750	646	696	413	314
Missouri & Arkansas	174	112	155	360	508
Missouri-Kansas-Texas Lines	6,614	6,629	5,285	4,383	5,141
Missouri Pacific	17,099	17,458	17,436	19,370	19,142
Quanah Acme & Pacific	84	93	71	351	334
St. Louis-San Francisco	9,413	9,004	7,865	8,043	8,332
St. Louis-Southwestern	3,299	2,948	2,577	6,532	6,830
Texas & New Orleans	9,357	10,938	13,512	6,102	5,519
Texas & Pacific	5,099	4,624	4,813	8,200	8,314
Wichita Falls & Southern	134	50	77	59	22
Weatherford M. W. & N. W.	34	20	24	29	22
Total	67,417	70,822	69,683	69,033	67,989

*Previous week's figure. †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 1945—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
April 7	203,891	146,832	604,720	92	94
April 14	159,733	158,938	604,214	97	94
April 21	125,708	162,040	564,631	98	95
April 28	142,387	158.854	546,311	99	95
May 5	223,162	161,764	605,892	97	95
May 12	152,208	153,111	602,717	94	95
May 19	126,285	158,532	565,867	97	95
May 26	129,327	157,794	532,257	97	95
June 2	168,204	153,359	546,211	93	95
June 9	189,674	159,228	575,167	97	95
June 16	129,618	159,230	537,182	96	95
June 23	115,768	157,932	491,287	96	95
June 30	166,083	156,447	499,505	96	95
July 7	180,155	99,960	575,918	62	94

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Would Provide $25 A Week Jobless Pay

Legislation which its sponsor emphasized was offered "by request" of the Administration was presented to the House, July 9, by Representative Robert L. Doughton (D.-N. Car.), chairman of the House Ways and Means Committee, in the form of a bill calling for increases in unemployment compensation to a maximum of $25 a week, Associated Press advices from Washington stated. These advices said:

"The legislation would blanket under the unemployment compensation program around 3,000,000 Federal workers and 160,000 maritime workers and open the way for other groups not now covered to participate in the jobless benefits.

"Immediate indications were that the legislation will travel a rocky road, with its ultimate fate in doubt.

"Representative Harold Knutson (R., Minn.), senior Ways and Means Republican, quickly predicted its defeat, pointing out that the committee flatly rejected a similar proposal last fall 'and the complexion of the committee hasn't changed.'"

Specifically, the Associated Press reported, the legislation provides:

"1. Maximum unemployment payments to be raised from present averages of $15 to $18 weekly (varying by states) to $25 weekly.

"2. The number of weeks of compensation to be increased to 26 in any year. In approximately one-third of the states no worker now can receive more than 18 weeks of benefits in any one year.

"3. Grant to Federal and maritime employees the same rights to unemployment benefits as now are available to other workers.

"In addition, agreements with states under the legislation could provide for coverage of other groups of workers, not now included in the program, and for higher weekly benefits to all covered workers up to two-thirds of the individual's previous weekly earnings, not to exceed $25 a week.

"The Federal Government would pay the bill for the Federal and maritime workers, and would reimburse the states for the cost of the increased payments under the legislation. The increased benefits would be paid by state unemployment compensation agencies, and no change would be required in the laws of the states, which handle the compensation programs.

"Mr. Truman, in a special message to Congress May 28, said the major remaining gap in the reconversion program is 'the lack of adequate benefits for workers temporarily unemployed during the transition from war to peace.'"

Lumber Movement—Week Ended July 7, 1945

According to the National Lumber Manufacturers Association, lumber shipments of 454 mills reporting to the National Lumber Trade Barometer were 13.2% above production for the week July 7, 1945. In the same week new orders of these mills were 53.7% more than production. Unfilled order files of the reporting mills amounted to 114% of stocks. For reporting softwood mills, unfilled orders are equivalent to 43 days' production at the current rate, and gross stocks are equivalent to 36 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 5.6%; orders by 9.7%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 41.0% less; shipments were 35.6% less; and orders were 17.7% less.

Items About Banks, Trust Companies

(Continued from page 334)

Charles A. Dick, William J. Gompers, William A. Hannig, Ernest W. Krause, Fred J. McCoy, Raymond C. Norteman, H. L. Robinson, Karl G. Sailer, Charles Sonneborn, Sr., and W. J. Wingerter.

The June 30, 1945, statement of condition of the Fifth-Third National Bank of Cincinnati shows total resources of $264,813,998, compared with $253,154,688 on March 20, 1945. Total deposits June 30, 1945, are $249,075,547 against $237,812,138 on the March date. Cash and due from banks at the end of June are reported as $62,975,225 against $64,840,280 March 20, 1945. Holdings of U. S. bonds now at $121,8993,482, contrast with $120,089,187 in March. Loans and discounts June 30 were reported as $60,577,703 against $48,358,242 March 20. Capital stock and surplus continue at $6,000,000 each, respectively, while undivided profits June 30 amount to $1,685,632, compared with $1,312,581 on March 20.

Deposits of $2,610,658,198 are reported by the Continental Illinois National Bank & Trust Company of Chicago, Ill., in its statement of condition June 30, 1945, compared with $2,335,523,569 on March 20 this year. In the bank's June 30 statement total resources of $2,787,216,011 are shown, against $2,509,444,923 on March 20. U. S. Government obligations under date of June 30 appear as $1,754,412,224, contrasting with $1,601,473,004 on March 20. Cash and due from banks are now $513,247,226, compared with $496,601,517 in March; loans and discounts June 30 are reported as $456,015,920, against $332,350,296 March 20. Capital stock and surplus at $60,000,000 each remain unchanged, while undivided profits have risen from $19,577,898 on March 20 to $23,277,842 on June 30.

The Harris Trust & Savings Bank of Chicago in its June 30 statement of condition shows total deposits of $527,909,616 as compared with $506,829,544 on March 20 this year. Total resources have risen in the interval from $539,107,748 to $560,396,844. The June 30 statement shows holdings of U. S. Treasury bills and certificates of $86,888,636, compared with $116,428,079 on March 20, and holdings of U. S. Government bonds and notes of $153,462,321 June 30, against $119,670,961 March 20. Loans and discounts stand at $110,605,583 June 30, compared with $109,482,772 March 20. Capital and surplus, at $3,000,000 and $12,000,000, respectively, continue unchanged from the March figures while undivided profits have risen from $1,634,314 to $1,826,745 at the latest date.

F. K. Houston, President of Chemical Bank & Trust Company of New York, has announced the appointment of Charles E. Rance as Assistant Manager of the Foreign Department. Mr. Rance has engaged in export banking here and in virtually every Central and South American country since 1926 and joined the staff of the bank in 1943.

Guaranty Trust Company of New York has announced the appointment as Trust Officer of Jackson Stephens Hutto, former counsel and superintendent of the New York State Banking Department who has recently been associated with the New York law firm of Chadbourne, Wallace, Parke & Whiteside. Mr. Hutto was born in Morrillton, Ark., was graduated from Hendrix College, Conway, Ark., and later attended Harvard Law School, from which he received his LL.B. degree in 1930. He was engaged in law practice in New York with the firm of Hornblower, Miller & Garrison for several years prior to 1934, when he joined the State Banking Department as assistant counsel. Two years later he was made counsel and deputy superintendent, and in October, 1942, was appointed Superintendent of Banks, in which capacity he continued until his resumption of law practice in 1943.

Frederick E. Hasler, President of The Continental Bank & Trust Co. of New York announced on July 17 that Paul A. Albus and John F. Hughes, Assistant Secretaries, have been promoted to Assistant Vice-Presidents of the bank. Mr. Albus will cover the southeastern territory and Mr. Hughes the New Jersey, Long Island and Westchester territory. Two other promotions were also announced. Raymond Robrecht, credit manager of the Seventh avenue office of the bank, was advanced to Assistant Treasurer and Raymond Young, credit manager at the Madison avenue office, was promoted to Assistant Secretary.

Adrian M. Massie and Charles J. Stewart, Vice-Presidents of the New York Trust Company, were elected trustees of the company on July 17, according to an announcement by John E. Bierwirth, President. Mr. Massie, a graduate of Yale University, 1919, is well known in banking and trust circles and has been associated with the Investment and Trust Divisions of the New York Trust Company. Before joining the company in 1934 as Vice-President, he had been associated with the Bank of America and the City Bank-Farmers Trust Company. Mr. Stewart has been a senior Vice-President in the Banking Division since 1934. After graduating at Yale University in 1918 and before joining the bank in 1930, he was identified with the real estate business in Dallas, Texas. Appointed Assistant Vice-President of the New York Trust Company in 1931, he was placed in charge of the company's branch at Madison Avenue and 40th Street and following his election to a Vice-Presidency he has been associated with commercial banking.

Manufacturers Trust Co., New York, announces the following promotions from Assistant Secretary to Assistant Vice-President: John J. Cunningham and George W. Mott of the bank's main office, and Addison B. Bingham, Roger D. Elton, Edward J. Grady, Sydney L. Hammer, William A. Knawa, Irving Tropp and Alfred R. Weil, all of whom are located in branch offices of the bank.

Manufacturers Trust Company, New York, has announced the following promotions to the office of Assistant Comptroller: Edward J. Gresser, Stephen F. Casko and Paul A. Remmell. Mr. Gresser started his banking career in 1906 with the Germania Bank which later changed its name to Commonwealth Bank and in 1927 was merged with Manufacturers Trust Company. For the past 16 years he has held an administrative position in the Comptroller's Department at the bank's main office in connection with bank operations. In 1935 Mr. Gresser assisted in the formulation of the Personal Loan Department of the bank. He is past President of the bank's Twenty-Five Year Club and has been active for a number of years in the New York City Bank Comptrollers and Auditors Conference and the Bank Management Conference of the New York Clearing House. Mr. Casko was graduated from the American Institute of Banking in 1938. He joined Manufacturers Trust Company in 1925. In 1942 Mr. Casko was granted a leave of absence from the bank to work in Washington with the OPA and the American Bankers Association in formulating the current Ration Banking Plan and putting it into effect in all banks throughout the country. At the present time, Mr. Casko is a Special Consultant to the OPA. He is a member of the board of directors of the Williston National Bank, East Williston, Long Island. Mr. Remmell has been associated with Manufacturers Trust Company since 1924 and during the last 10 years has held an administrative position in the Comptroller's Department. In his new capacity as Assistant Comptroller, Mr. Remmell will handle personnel administration.

Orlando H. Harriman, former Vice-President and Director of the closed Harriman National Bank, of New York, died on July 2 at the age of 74 years Mr. Harriman started his banking career in the 1890's when he joined the First National Bank of New York, and later joined the Harriman bank of which his brother was President. When that institution was closed in 1933. Mr. Harriman joined the insurance brokerage firm of W. F. Martin & Co. with which he was connected at the time of his death.

On July 3 Harvey D. Gibson, President of Manufacturers Trust Co., was host at a luncheon in honor of Joseph J. Slonim, Assistant Vice-President. The occasion marked Mr. Slonim's 40 years of continuous service with the bank and took place at the bank's main office, 55 Broad Street. Mr. Slonim entered the banking profession July 1, 1905, at the age of 15, when he joined the Mutual Alliance Trust Co. In 1915 the company was absorbed by Chatham Phenix National Bank, which in turn was merged with Manufacturers Trust Co. in 1932. In 1924 Mr. Slonim was made an Assistant Cashier, and three years later Assistant Vice-President. During his entire banking career he has remained at the same office at the corner of Bowery and Grand Street, and since 1933 he has been officer in charge of that office.

The merger of the Lincoln-Alliance Bank & Trust Company of Rochester, N. Y., and the Rochester Trust & Safe Deposit Co., approved by the stockholders of the two institutions on July 2, became effective on July 6. The State Banking Department announced on July 5 that approval had been given to a certificate of increase of capital stock of the Lincoln-Alliance Bank & Trust Co. from $5,760,000, consisting of 40,000 shares of convertible preferred stock of the par value of $50 each and 188,000 shares of common stock of the par value of $20 each, to $7,360,000, consisting of 40,000 shares of convertible preferred stock of the par value of $50 each and 268,000 shares of common stock of the par value of $20 each. The merger is effected under the title, "Lincoln Rochester Trust Company."

In the Rochester "Times-Union" of July 3 it was stated: "One share of Rochester Trust common will be exchanged for 1.4 shares of Lincoln-Rochester common and $2 in cash. Rochester Trust directorate has called the entire issue of its convertible preferred stock as of Sept. 30, and under terms of the merger, holders of this stock have the following options:

"They may hold it for redemption at $52.50 per share on or before Oct. 1; they may exchange it for Lincoln-Rochester common and receive .91 of a share of Lincoln-Rochester common plus $1.30 in cash for each share, or they may exchange it not later than Oct. 1 for Lincoln-Rochester common on a share for share basis. Owners of Lincoln-Alliance stock will continue to hold that stock unchanged."

At a meeting of the directors of the State Street Trust Company of Boston, held July 16, it was unanimously voted to take two important steps affecting the company's capital structure. One was the transfer, effective immediately, of $1,000,000 from undivided profits to the present surplus of $5,000,000. The other was to recommend to the stockholders the reduction of the present par value of its shares from $100 to $20, each old share to be exchanged for five new shares and the total capital stock to be increased from 40,000 shares to 200,000 shares. A meeting of the stockholders to pass upon the recommendations will be called for Sept. 10. The change in the par value of the shares is in line with current corporate practice. The transfer of undivided profits to surplus gives the company a capital of $4,000,000, a surplus of $6,000,000 and, on the basis of the July 1, 1945 figures, undivided profits of $1,216,907.46.

George W. Holt, Jr., Vice-President, Treasurer and director of the Lincoln Trust Company, of Providence, R. I., on July 3 was elected a Vice-President of the Providence National Bank of that city by the directors of the latter institution, according to the Providence "Journal" which in announcing this said:

"His position as Treasurer of the Lincoln Trust Company will be filled by Donald Kirkpatrick, formerly of the First National Bank of Boston.

"The post he assumes at the Providence National Bank is newly created, and while his assignment will be general, he will be primarily concerned with credits, business development and public relations.

"Mr. Holt's original banking affiliation was with the old Westminster Bank in Providence, subsequently taken over and liquidated by the R. I. Hospital Trust Company. He joined the Hospital Trust Company and aided in the liquidation, after which, he went to the Lincoln Trust Company as Treasurer.

"He was later made Vice-President and elected a director. He has been associated with the Lincoln Trust Company for 20 years.

"Mr. Holt is Treasurer of the Rhode Island Bankers' Association and a director of the Rhode Island Credit Men's Association."

Announcement was made July 16 by the Tradesmens National Bank and Trust Co. of Philadelphia that its board of directors has declared a quarterly dividend of 40 cents per share on the $20 par value stock, payable Aug. 1, 1945, to stockholders of record at close of business July 23, 1945. In addition, $570,000 has been transferred from undivided profits to surplus, bringing the surplus to $4,200,000.

The Equitable Trust Co. of Baltimore Md., recently announced the creation of a common trust fund. This fund is to be established under the act of the Maryland Legislature which became effective on June 1.

The purpose of the fund is to provide wider investment diversification for small trust funds than has been possible in the past and to give small trusts investment advantages now available only to much larger trusts.

This fund says the company is to be established by combining funds of many small trusts in this one fund, each will thus own an interest in a broad list of securities proportionate to its investment. Participation in a Common Trust Fund is limited by Federal Regulations to not more than $25,000 from any one trust.

Major enlargement of the quarters of the La Salle National Bank, at 135 South La Salle Street, Chicago, occasioned by fourfold development of businesss and long postponed due to war conditions, has been completed and opened for operations on July 9, according to President C. Ray Phillips. Pointing out the increased facilities have been needed for some time past, Mr. Phillips indicated the bank's deposits increased from some $7,000,000 when operations were begun in the Field Building in 1940 to more than $41,250,000 as of June 30, 1945. Over the same period, it was said, customers of the La Salle National Bank increased from 7,000 to 18,604. "While the total number of customers increased almost three-fold," Mr. Phillips stated, "our commercial customers increased five-fold and, for them to be provided our character of service, required much more space and personnel. Consequently, even though more than 10% of our customers deal with us entirely by mail, we are gratified to have been permitted the needed expansion."

The main banking quarters, now occupying nearly one-third of the entire ground floor of the Field Building, is distinctive from most banks in its almost home-like atmosphere. In place of the usual marble, La Salle National Bank has combined butternut wood panelling extensively with painted plaster of rough texture. Drapes, carpeting, acoustical ceiling and air-conditioning are also features of the equipment.

The officers and directors of the National Bank of Commerce of Lincoln, Neb., announce the death of its President, M. Weil.

The Mercantile-Commerce Bank and Trust Company, of St. Louis, has announced the appointment of Stanley Fletcher and Edward E. Marshall as Assistant Vice-Presidents; Victor F. Moeller, Assistant Trust Officer; George C. Eschbacer, Assistant Secretary, and John J. Lackey, Assistant Manager of the Insurance Department.

D. P. Harrison was recently elected a Vice-President of the Merchants Bank of Kansas City, Mo. Mr. Harrison has served as Finance Commissioner of Missouri in two Republican administrations and had also served as President of the Missouri Bank & Trust Co. of Kansas City. The Kansas City "Star" of July 2, in reporting this, also said, in part:

"The Merchants Bank today not only added another executive to its staff, but the board of directors voted to increase the capital stock from $200,000 to $250,000 and to make a similar increase in surplus, both out of undivided profits."

The Board of Governors of the Federal Reserve system announced the absorbtion on June 16 of the Kootenai Valley State Bank of Troy, Montana by the First State Bank of Libby, Montana.

The Los Angeles "Times" announced on June 29 that the Union Bank & Trust Co. of Los Angeles on June 28 honored three of its officers upon their completion of 25 years of service with the organization. On behalf of the bank, President Ben R. Meyer presented J. C. Lipman, Vice-President; Don R. Cameron, Senior Trust Officer, and Miss Margaret Morris, Assistant Trust Officer, with watches commemorating the event.

H. Lloyd Sutherland, a Vice-President of the Bank of America National Trust & Savings Association of San Francisco, died on June 26. Mr. Sutherland had been connected with the Bank of America for 20 years and had been Vice-President since 1935.