

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4408

New York, N. Y., Thursday, August 2, 1945

Price 60 Cents a Copy

The Financial Situation

Little is to be gained by the effort, in which certain of us appear to be engaged, to convince ourselves that the results of the British general election lack profound significance. It may well be that actual changes in Great Britain will be less profound than one accustomed to our political habits might expect. It is a fact, as we are now constantly reminded, that the British are a people who believe essentially in orderly, not to say gradual, change, and it may well be that the election does not indicate any great danger of abrupt action of the sort which might be expected of Russia, or even of France, in like circumstances.

Some "Explanations"

We are reminded, and rightly so, that it is one thing to espouse what we should term "crack-brain" causes when not in power and quite another to give effect to rather reckless campaign utterances, or radical party "programs" devised when there was no expectancy of having to assume responsibility. Those are on strong ground, too, who tell us of the technical and other difficulties confronting any group undertaking to do what the Labor Party in Britain has set forth as its aims, and call attention to the time which must be consumed before much of their program can be given effect. All this, and similar reasoning, are not to be brushed aside without study, but when all is said and done no real doubt can be entertained that the British electorate, whatever its motives and whatever the causes, has swung in unprecedented fashion from a party which, whatever its faults, clung fairly consistently to sound economic ideas, to one which, whatever its merits, has with as great consistency been rather more than sympathetic to all the queer ideas and programs which today wear the label

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Morgenthau Releases Final Report

Retiring Treasury Secretary Tells Congress That His Policy Has Been to Fit Tax System to Needs of the Times. Says Post-war Taxpayers' Burdens and Soundness of Public Debt Structure Will Depend on Achieving a Lasting Peace and Full Employment. Expresses Concern for Bretton Woods Program, for Preventing Germany and Japan From Fomenting War, and for Problems Growing Out of Reconversion.

In a report to the Congress prepared immediately prior to his retirement as Secretary of the Treasury, and now released, Henry Morgenthau, Jr., discusses the broad reasons for his interest in the problems of peace and reconversion.



H. Morgenthau, Jr.

"The tax bill of the American public after this war, the burden imposed on the taxpayer by that tax bill and the soundness of this nation's whole public debt structure will be affected in a major way by the degree of success we achieve in solving the problems of lasting peace and full employment," Secretary Morgenthau said in a concluding section of his report. "The policies of the Treasury Department in the fiscal field are, therefore, inexorably affected by what is done in these fields.

"Specifically, if the end of this war finds a world torn with fear and suspicion—with nations doubtful of the real intentions of other nations—this country and

other countries will be compelled to seek security through the maintenance of a huge military establishment," entailing immense expenditure.

The recognition of this fact intensified the Secretary's concern for the success of the Bretton Woods program "and the formulation of an effective program from preventing Germany and Japan from fomenting another war."

On the domestic front, the report indicates concern for the reconversion period. If the period is marked by unemployment, retrenchment and an economy of scarcity, the cost of government will fall heavily on the depleted income of the taxpayer, regardless of tax rates, the report says.

But if incomes are high and business is good, the cost of government—including the servicing of the debt—can be met with substantially lower taxes.

"Incomes will be high and business will be good if this country undertakes a speedy post-war reconversion accompanied by intelligent protection for the wage-earner's pay envelope, stability in farm prices and reasonable profits for business. Such a program calls for a high order of

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Danger to American Democracy In United Nations World Charter

By HON. BURTON K. WHEELER*
United States Senator From Montana

In Senate Address, Mr. Wheeler Cautions That Power Politics and Totalitarian Tyranny Will Lead Us Into a Third World War, and We Will Sign Our Own Death Warrant as a Nation When This Charter is Ratified Unless Certain Humanitarian Principles Are Upheld by the Great Powers. Holds Our Constitutional Principles Are Threatened.

I want at this point earnestly to assert that I am speaking out of my deep concern for the future. The fate of my native land and the principles of democracy, of a constitutional representative republic,

and all the glorious traditions and liberties with which this native land of mine has been blessed are all at stake.

I believe in President Truman and have confidence in his determination to steer our ship of state through the stormy seas ahead as best he knows how. What I have to say further is moved only by my concern to strengthen his hand and to shoulder my own responsibility for salvaging America from the tragic consequences of war-provoking policies and commitments and acts which I have wholeheartedly and bitterly opposed. We confront a new responsibility as a nation. We in America, together with all the other peoples on earth, as distinguished from the rulers of some countries, are determined that so far as lies within our power, war shall not again lay its heavy curse upon us. But, Mr. President, we must deal with the trying problems which now tax the combined resources of the human mind and heart by rising to the challenge of the unprecedented future we confront. If by some great tragedy of misguided fervor we



Burton K. Wheeler

should in our haste perpetuate the very policies and practices which have brought this war upon us, not even the Almighty could save us from ourselves. Ours is the challenge of a broken and despairing humanity to find some heroically intelligent and creative solution to the threat of a third world war which is already rooted and growing in conflict between western civilization and the Communist totalitarian tyranny in the East.

What I am saying is that a failure on our part to meet this challenge will boomerang against everything we still hold sacred. If we are to participate in this proposed new world organization as a convert to power politics, with all its attendant evils of imperialistic expansion and militarism, we shall sign our own death warrant as a nation when this charter is ratified unless, Mr. President, we go in determined that certain principles shall be enunciated by the five great powers, or the three great powers. I say "the three great powers," because every one recognizes the fact that only three great powers

are going to determine what this organization is to do.

I believe with William Henry Chamberlain that:

"An independent American policy, conceived in terms of American interest is more imperative than ever, after San Francisco has created such a superficial semblance of unity, which is likely to be destroyed at any moment by some new crisis, some new clash of national interest. The first condition is that we define our aims and obligations clearly and precisely.

"For the second time within a generation we have committed the unpardonable blunder of drifting into war without making any serious attempt to see that our associates, whom we supplied so lavishly with manpower, munitions, and supplies, were prepared to honor their professed war aims; they wanted our tanks, not our ideas; our men, not our moral principles."

The trouble with so many ideal-

*An address by Senator Wheeler in the Senate on July 24.

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From Washington Ahead of the News

By CARLISLE BARGERON

Your correspondent has read a tremendous lot of stuff about how the Labor victory in Britain will have repercussions in this country, how, for one thing, it will pep up our dormant radicals; perhaps, revive Henry Wallace which is about the worst thing we could visualize.

This picture which we are getting is quite disturbing, however,

to the British contingent in Washington, about whom it has been said, is a larger force than that which burned the city in 1812. When we say contingent, we mean their newspapermen and their hordes of embassy attaches, and their publicity agents. Good fellows, that they are, we might, for the sake of accuracy, put them all in the light of the latter. They are disturbed. They are worried that we are misinterpreting what happened in Britain. They are insisting this, while our own domestic propagandists, are writing and talking about the tremendous ramifications of the thing and how it will



Carlisle Bargeron

undoubtedly pep up our Wallacites.

It seems that, after all, Britain has a right to its own clean fun just as we have over here, but for us to get the impression that Britain has really changed, is absolutely wrong—and dangerous in world relations because such an attitude might affect the attitude of our investors, the Government and otherwise. This would be a calamity, our British friends assure us.

To listen to these friends who are working quite assiduously at assuring us that nothing fundamental has happened in Britain, you would think that it is truly amazing how wrong we can be on first conclusions.

You say to them, now after all, the fact is that the Labor government intends to take over the railroads, and they respond in their deep, abdominal way:

"But my dear fellow, don't you realize that many American municipalities have taken over the

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Billion Export Credit to Russia Is Planned

Plans for the proposed new Export-Import Bank funds were disclosed by Leo Crowley, Foreign Economic Administrator, on July 17 when he told a Senate Committee that \$1,000,000,000 of the \$2,800,000,000 proposed increase were scheduled to be made available to finance exports to Russia, and that the remaining \$1,800,000,000 were designed for aid in rehabilitating the economies of European countries plus some \$200,000,000 for financing exports to Latin America, according to a Journal of Commerce report on that date from Washington.

Aid to Britain and to extremely unstabilized countries like Poland and Italy, the report said, will be sought through channels outside the Export-Import Bank. The advices continued.

While Administrator Crowley stated that \$750,000,000 to \$1,000,000,000 would be the reasonable amount to expect that the Russians would get from this allocation (\$2,800,000,000), he added, "I would not want to say that \$1,000,000,000 would not be a fair amount over the next 12 months to finance our export trade to Russia."

He supplemented his statements on foreign loan plans by these two observations on Export-Import Bank policy:

1. Loans will be made for a 15 to 20 year period, and in some cases for a 30-year period. Most of the loans will however run from 15 to 20 years and some will be as short as 10. A period of three to five years may be allowed before amortization is to begin; it would proceed thereafter.

2. The Export-Import Bank cannot make the loans now planned with the same degree of security that it has in the past. "Providing the economic situation of the world stabilizes itself I think these loans would be repaid, but I would not want to say that in lending that much money there will not be losses."

Mr. Crowley confirmed reports previously carried in The Journal of Commerce that the Export-Import Bank will not be used for financial assistance of the dimension of that required in the case of Great Britain, or for taking care of special situations such as have arisen in Italy.

He told the Senate Banking and Currency Committee, before which he appeared to ask immediate action on the Export-Import Bank legislation, that the amount requested did not include an appropriation for Britain. Mr. Crowley testified that he did not see how, with the \$2,800,000,000 asked, there could be enough available to take care of any large amount of aid to Britain from that source.

Countries specifically mentioned which would be assisted in addition to Russia, were Belgium, Holland, Denmark and Norway. Mr. Crowley added that "other countries" would also fall in this category and that \$100,000,000 to \$200,000,000 would "undoubtedly take care of most of the loans to South America."

Supplemental plans for financial assistance to foreign countries were described as including the type of aid under consideration for Italy and Poland. Mr. Crowley explained that the Export-Import Bank could not make loans to such countries at this time because of the situation which exists there, that some degree of stability must first be attained through some kind of preliminary assistance.

Without going into specifics, the FEA Administrator said, "it is our hope that we will be able to find some way to lend money for machinery and equipment to Poland. We will have to feel our way along as we cannot just extend them a loan for several million for equipment."

Speaking of Italy, Mr. Crowley indicated the desire to provide

assistance which would not give rise to an Italian debt. "A loan," he said, "would give rise to a debt and I don't think they could pay it back. These must be some stimulant provided for their economy before plunging them into debt."

The Administration is known to be preparing a special program for Italian aid, expected to be submitted to Congress before the end of the year. The program is intended to tide Italy over the extreme situation in which this country finds itself as a result of the war.

Discussing Lend-Lease plans, Mr. Crowley elaborated on earlier statements by disclosing that no commitments are being made under the French Lend-Lease agreements for supplies which cannot be delivered prior to Dec. 31 of this year. Some locomotives, trucks and boxcars are included in the deliveries planned for this year.

He told the committee that this same situation applies for all countries except Britain and China. Russia was a third possible exception, which Mr. Crowley said he preferred to discuss off the record.

Mr. Crowley's statements on the \$1,000,000,000 credit for Russia were made after Senator Robert Taft (Rep., Ohio) declared flatly that the Administration is committed to a loan of this size. He said he was willing to reveal the authority for his assertion in a closed session. Mr. Crowley in effect substantiated the report, although he stated that no "formal" application had as yet been made by the Russians.

The propriety of the Export-Import Bank's embarking on substantial loans to foreign governments was questioned by Senator Taft. Mr. Crowley replied that credits are needed at once, the Export-Import Bank's funds are exhausted, and the Bretton Woods Reconstruction Bank will not be prepared to fulfill these functions for some year or 18 months. He proposed that Congress review the entire program next June and decide then what further steps need be taken.

"Financial News" Buys Controlling Interest in London "Fin. Times"

Announcement was made on July 25 by Lord Camrose, Chairman of the London "Financial Times," that the controlling interest in that publication had been sold to the London "Financial News." The announcement as contained in a London wireless message to the New York "Times" July 25, said:

"The controlling interest in The Financial Times held by Lord Camrose, and his family has been sold to the Financial News, Ltd. Lord Camrose, Col. Michael Berry and W. T. Slatcher have retired from the board and Gen. G. P. Daway, Maj. Crosthwaite Eyre and R. N. Ahern have been elected directors.

"A circular is being issued offering to minority holders of The Financial Times, Ltd., the same price as that paid for the controlling interest, namely 14s 3d a share. The circular also will give notice of a meeting of stockholders to consider a resolution for the acquisition of The Financial Times, Ltd., of the copyright of The Financial News and the subsequent amalgamation of the two papers."

The New York "Times" advices added: "The two daily newspapers have been rivals in the coverage of financial and business news of the empire since 1838, when The Financial Times was started. The Financial News was founded in 1834. A single publication, probably called "Financial Times" is expected to result."

Incentive Compensation Plan Adopted by NYSE

The adoption by the New York Stock Exchange of an "Incentive Compensation Bonus Plan," was made known on July 27 by Emil Schram, President of the Exchange, in advices to the employees of the exchange and its affiliated companies. In his announcement Mr. Schram states that the plan, retroactive to Dec. 3, 1944, has been adopted "in order to compensate employees directly for additional work performed during periods of active volume, rather than by possible year-end bonuses." He added:

"The Plan is applicable to all active employees of the Exchange and its affiliated companies. Formal approval of the War Labor Board was received today covering employees subject to its jurisdiction. Similar approval has been received from the Treasury Department covering employees subject to its jurisdiction.

"Although we hope to continue it indefinitely, the Plan is subject to modification or discontinuance by the Exchange at the end of the period provided in the plan, i.e., Oct. 15, 1946.

"For your information, the gross bonus for the first period (Dec. 3, 1944-March 31, 1945) will be 12.9% of the total compensation earned by each employee during the period. The gross bonus for the second period (April 1-June 23, 1945) will be 12.3% of each employee's compensation for that period. The percentages are determined by a formula, which relates the daily average reported volume of trading in stocks on the Exchange to the total number of employees of the Exchange and its affiliated companies. Payment of the bonus for these two periods will be made on Tuesday July 31.

"The Exchange is happy to take this means of compensating its employees for their extra efforts in handling the larger markets of the last six months with the reduced force available."

The plan sets out that "(1) All employees of the Exchange and its affiliated companies, including temporary employees, employees on a trial or probationary basis, and employees on vacation, normal sick leave or other excused absence, but excluding employees on leave of absence while in military service, shall be considered as active employees for the purpose of this Plan. As of Jan. 1, 1945, the total number of active employees computed on this basis was 979.

"(2) In determining for the purposes of this Plan the average daily volume of trading for any week, the reported share volume for the week as released by the Exchange shall be divided by the number of days on which the Exchange was open for the transaction of business, counting Saturday as a half day.

"(3) The bonus payments shall not be considered as part of an employee's normal rate of pay for the purposes of the Exchange's sick leave, pension, group term life insurance or other plans maintained for employees, nor for the purposes of computing overtime rates or deductions for absences, etc.

Truman Felicitates Belgium On Its Independence Day

President Truman congratulated Prince Charles, Regent of Belgium, on July 21 in a message on the occasion of the Belgian independence day. Reporting this, special Washington advices to the New York "Times" quoted the President as saying:

"I am happy to convey to you and to the Belgian people on this anniversary of Belgian independence day the congratulations and best wishes of the people of the United States."

The State of Trade

The Interstate Commerce Commission's decision of last May, which will eliminate some of the advantages in freight rates Eastern shippers have enjoyed over shippers of the South and West and which takes preliminary effect Aug. 30, constitutes "one sound step toward establishing that equality of opportunity for all sections of the country essential to a nation that bears the proud title, The United States." This is the opinion James H. McGraw, Jr., expressed in an editorial, "Freight Rates and Industry Location," appearing in the August issue of the McGraw-Hill publications.

"The decision has been enthusiastically hailed as an Emancipation Proclamation for industrial development in the South and West," the article states. "It also has been roundly condemned as a meddling control measure that ignores valid differences in haulage costs and recklessly blots out one of the important factors determining the location of American industry.

"Cooler appraisals," the article continues, "indicate that the net effect of the rate changes will be far less drastic than predicted by the more passionate advocates or adversaries. The Commission's order, unless modified, or successfully contested in the courts, will require: (1) eventual establishment of a single freight classification, or grouping of commodities for rate-making purposes, for application throughout the United States; (2) a single level of "class rates"—or rates established for groups of commodities and primarily applying to manufactured and semi-manufactured articles of high value—in the area east of the Rocky Mountains. This level is to be about 15% higher than the present Eastern scale.

"Because it will take some time, probably several years, to work out a uniform classification in place of the three major classifications now existing, a preliminary adjustment is provided.

"Under this adjustment, existing classifications will remain in effect, but the rates on articles moving on class rates will be increased 10% in Eastern or Official Territory—the area east of Lake Michigan and the Mississippi River and north of the Ohio River. On the other hand, rates will be reduced 10% on articles moving on class rates in the South and West, and on those moving interterritorially.

"If differences between territorial rate levels are removed, the interterritorial freight-rate problem largely disappears. So it is an important question whether such differences are justified. The Commission, the editorial observes, has found they are not justified, either by differences in transportation costs or by other valid considerations. From that finding came the order to establish a uniform level of class rates and a single freight classification."

Steel Industry—A sudden but not trend-making increase in rated steel business the past week lifted the volume of this type of orders to the highest point since the end of the European war. Steel sales offices, however, conceded that there was little possibility that this condition would be repeated or that it indicated any reversal in the recent leveling off of CMP steel orders. "The Iron Age" stated in its current summary of the steel trade.

During the past week most steel centers reported that backlogs of unrated civilian orders now exceed those of rated bookings with many companies. Unrated business volume last week showed little change from recent experience, mainly because of a continuance in extended deliveries and the inability of most companies to give concrete commitments.

The flat-rolled steel picture with respect to sheets is now as tight as it was during 1942 and 1943 for plates. Mill schedules are filled far into next year on some items, but some steel sources

continue to predict that the fourth quarter of this year will see a far different picture, the magazine states.

Recently it was disclosed to a Sheet and Strip Industry Committee by WPB officials that little if any steel sheet and strip of the gages needed for automobiles passenger car output would be available in July and August. Prospects for September deliveries on an unrated basis are said to be somewhat brighter, but would probably not reach anywhere near requirements.

It is expected that the next two months in the steel industry will reflect pretty much the same conditions as those in the past month or so, with no real progress made on the delivery situation until Oct. 1. At that time it is understood all steel orders must be re-validated, priorities reconfirmed, and all requirements restated. This inventory of all rated steel needs is expected to disclose definite openings on mill books, eliminate duplicate ordering, and cancel out orders which apply to canceled contracts, the above trade authority observed.

The recent easement in the plate and structural delivery situation received a temporary setback the past week when Navy requirements for 129,500 tons of this type of products materialized. Directives will be placed for August deliveries, pushing back rated and unrated orders for plates and structurals which had been set for that month.

The pattern by which the auto industry is securing sheet requirements for production of its initial passenger cars is gradually becoming clear. Despite silence of the mills some unrated tonnage apparently has been placed in spot openings although close WPB control now being exercised will probably plug this loophole. Some materials have been secured from steel warehouses with secondary dealers sharing in this business.

The backbone source for the more fortunate automobile manufacturers for the production of cars, "The Iron Age" notes, has been stocks of deep drawn sheets held since the cessation of passenger car output in 1942. Special treatment of such material because of ageing has been necessary.

Freight car news this week features the placing of orders for 1,400 cars by the Erie RR. as follows: 700 50-ton box cars, 600 70-ton drop-end gondolas and 100 70-ton covered hopper cars.

Contrary to reports last week, the magazine points out that the base price of cold-finished carbon steel bars is expected to be advanced while some extras will be lowered. First reports had the base price lowered.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 90.8% of capacity for the week beginning July 30, compared with 90.77% one week ago. This week's operating rate represents an increase of 0.1% from last week's rate and is equivalent to 1,663,100 net tons of steel ingots and castings, compared to 1,661,300 net tons last week and 1,735,800 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended July 21, 1945, totaled 882,323 cars, the Association of American Railroads announced. This was a decrease of 945 cars, or 0.1% below the preceding week this year and 19,769 cars, or 2.2% below the corresponding week last year.

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U. S. Chamber Would Clarify Confused Federal Financial Situation

Measures to clarify the confused Federal financial situation now hampering business are proposed in a set of policies adopted by the membership of the Chamber of Commerce of the United States. Among other things the Chamber devotes attention to the present estate and inheritance taxes, imposed by Federal and State Governments, and states that "the effects of present rates and provisions are damaging socially and economically." It is declared by the Chamber that "the Federal Government should take the leadership in reduction of rates to a point where these destructive effects will be avoided."

Referring to the Government's fiscal policies, the Chamber urges a "resolute endeavor to reduce expenditures, curtailment or operations of Government corporations" and recognition "that taxation should not continue long at its present level."

As to the Federal Reserve System, the Chamber points out that "vigilance is needed for the safeguarding of the essential principles of the System incident to the transition from war to peace" as problems "give rise to proposals affecting monetary and banking procedures."

The Chamber submits as follows its attitude on the several subjects:

"Declarations of policy covering a wide range of economic subjects were voted upon by the membership in a mail referendum taken on a set of proposals advanced by the Chamber's standing Committee on Policy. Ordinarily, Chamber policies are adopted in annual meeting, but this year the annual meeting was abandoned because of transportation difficulties, and the mail ballot procedure was substituted.

"The declarations do not set forth a complete presentation of Chamber policies. They were designed to bring up to date existing policies in need of revision. Some are new; some modify existing policies to shape them to current conditions, and others are reaffirmations of policies expiring under a five-year limitation rule.

"The declarations in finance follow:

Estate and Inheritance Taxes

"In the proposed revision of the Federal tax structure there should be the most earnest attention to consequences of the present estate and inheritance taxes, which are levied by Federal and State Governments under a system which in effect gives the Federal Government control of the burdens. The effects of present rates and provisions are damaging socially and economically. There is discouragement of the natural desire to make family provisions and a serious impairment of incentive. There is dissipation of productive capital, with all of the public detriment that follows. The consequences bear hardest upon small enterprises, which must continue to have an important place in the business structure.

"The Federal Government should take the leadership in reduction of rates to a point where these destructive effects will be avoided. There should be consolidation of the present double schedule of rates, and in mitigation of the devastating effects of these taxes there should be freedom from tax for an accumulation of liquid assets, in insurance or other readily realizable form, for the definite purpose, and to the necessary amount, of meeting the death taxes. To prevent the disastrous effects of forced sales of non-liquid assets, among which real estate is important, the states should follow the example of the Federal government by extending the time for the payment of these taxes upon such assets to permit realization of fair values. The extension should be for at least 5 years, with interest after one year upon deferred installments.

"Estate and gift tax legislation in 1942 created injustices through

altering the prior treatment of powers of appointment. If the Congress cannot agree upon the necessary rectification at an early date it should extend the statutory time limit to July 1, 1946.

"Preparations should be made to surrender the whole field of estate and gift taxation to the states at the earliest practicable date.

Federal Reserve System

"In facilitating the financing of the war, the Federal Reserve System again has demonstrated its inherent strength. Both in peace and war it has operated to the advantage of the American economy. It is a vital part of the mechanism of commerce, industry and agriculture. The experience of the years has proved the wisdom of the Chamber in supporting the System during the period of inception and development and in opposing hasty innovations.

"Vigilance is needed for the safeguarding of the essential principles of the System as the problems of the transition from war to peace give rise to proposals affecting monetary and banking procedures. There should be continued opposition to any change in the Federal Reserve System which does not add to its strength and usefulness.

Fiscal Policies

"Maintenance of the credit of the government is essential for complete victory and successful transition from war to peace.

"There should be continuous and resolute endeavor to reduce expenditures, curtail operations of government corporations, and otherwise prepare for a balance of the budget, with suitable provision for debt retirement, soon after hostilities cease. In these preparations it must be recognized that taxation should not continue long at its present level.

"Continuance of our system of democracy and free enterprise, economic expansion, employment, and revenues for the government itself depend upon permitting taxpayers to retain sufficient income after taxes to reward incentive and risk-taking.

"Business enterprises should now be permitted every practical safeguard of working capital, including prompt refunds and offsets against Federal tax liabilities of amounts due from the government. While it may not be feasible to make substantial reduction of taxes until the cessation of all hostilities, definite and early provision should be made for the expiration of the excess profits tax at the end of the taxable year in which hostilities cease but without diminution of the right to carry back credits and losses.

"Early in the transition period there should be reductions of the rates applicable to ordinary incomes of corporations and individuals. Such other changes in the revenue system as will place it upon a peacetime basis should be made as soon as possible.

"Appropriate methods should be adopted of relieving, if not abolishing, the double taxation of corporate income and dividends, without resort to any form of tax upon undistributed profits. Adequate deductions should be permitted for depreciation, deferred maintenance and reserves. There should be extension of the permission to carry forward operating losses and other suitable recognition of the principle of averaging income over a reasonable period of years.

"Many necessary technical and administrative amendments to the revenue laws have been urged in

recent years. Decision upon them by the Congress has been deferred for one reason or another. Thorough consideration should be given the proposals at the earliest practicable date and appropriate action taken to clear up the obscurities, unintended hardships and palpable injustices in existing tax legislation.

Inter-Governmental Tax Conflict

"Under modern conditions conflicts of taxes between the states and Federal government and among the states themselves handicap the free flow of commerce and impair the economy of the nation. Every effort should be made to eliminate such conflict through effective co-ordination and simplification of federal-state and interstate tax relationships and to prevent duplicate and multiple taxation wherever practicable.

State and Local Taxes

"There should be constant attention to reduction generally of the encroachment of the Federal government upon the states' sources of revenues, both by reason of principle and in order to enable the states concurrently to relieve the Federal government of expenditures made upon their behalf."

Congressional Junkets Abroad Are Banned

House members whose summer recess plans included tours abroad, either wholly or partially at government expense, have been forced to reconsider them by a directive from President Truman, reported by the Associated Press from Washington, July 26, which stated that only Congressmen whose foreign excursions had the formal approval of Congress would have their trips arranged and expenses paid by the government.

It was understood that this regulation was the result of an unprecedented number of applications to the War Department for clearance for free or cut-rate trips. From the Associated Press we quote:

"The President's memorandum, sent to Speaker Sam Rayburn by White House aids, in effect reiterated a recent ban laid down by the late President Roosevelt against Congressional tours under Army or Navy auspices and at Army or Navy expense unless they had been formally approved by Congress.

"Committee already authorized to travel will pay their own way out of Congressional funds.

"A subcommittee of the House Foreign Affairs Committee will leave Aug. 5 for England, France and Italy. They will be followed on Aug. 12 by another group from the same committee to visit Russia and Balkans.

"On Aug. 28 about 20 members of the House Commerce Committee will leave for England and Europe to study newsprint, communications, aviation and petroleum.

"About Aug. 7 six members of the State Department subcommittee of the House Appropriations Committee expects to leave for foreign capitals. They have been invited by the State Department and do not consider their plans affected by Mr. Truman's directive.

Two other House committees—Roads and Territories—plan to investigate in Alaska and Latin America during the recess.

"Several other groups, not specifically authorized to travel, are awaiting clarification of the President's order."

Senate Adopts Peace Charter

Only Two Votes Registered Against Measure. Connally and Vandenberg Make Lengthy Addresses Urging Full Ratification. Wheeler Stated He Will Vote for It "Reluctantly, and Will Call for Limitations on U. S. Delegate's Authority Later." Question of Future Congressional Action on Use of Military Force Still Undecided.

The Senate, on July 22, opened the debate on the United Nations Charter. Senator Tom Connally (D., Texas), the Chairman of the Senate Foreign Affairs Committee, which approved the measure, with but one dissenting vote, that of Senator Hiram Johnson (R., Calif.) opened the speechmaking with an address in which he pleaded for an overwhelming favorable vote "that would be heard around the world."

He was followed by Senator Arthur A. Vandenberg (R., Mich.), also a member of the Senate's Foreign Affairs Committee, and like Senator Connally, a U. S. delegate at the San Francisco Conference. Senator Vandenberg also asked for a favorable vote.

Of the several addresses and remarks on the floor of the Senate during the debate, the only excitement to relieve the monotony of the proceedings was the storm of protest created by the statements made by Senator Burton K. Wheeler (D., Montana), in an address on July 23 extending over a period of three hours. Senator Wheeler, though stating that he will "reluctantly" vote for the U. S. adoption of the Charter, termed it a document of "pious intentions" and that it could not deal with power politics. He created a storm of protests, when he served notice that he would at a future time place a limit of the power of the United States delegate on the Security Council to use the nation's armed forces. This brought Senator Barkley, the Democratic floor leader and several other proponents of the measure to their feet in protest that to adopt the Charter, and later amend it by Senate action, would be tantamount to its repudiation, and Senator Wheeler was challenged to introduce his amendment before the Charter was ratified.

"I do not want the people of the United States," Senator Hatch, of New Mexico, asserted, "to be maneuvered into any position. If any reservation is to be offered, I should like to have it offered now. I should like it to be done frankly, clearly and honestly."

After a number of other Senators made addresses on the adoption of the Charter, during which the question of the determination of authority by Congress to authorize or limit the use of the military forces of the United States in the event that it was called for under the provisions of the Charter, a vote was finally taken on Saturday, July 28. The result was 89 in favor, and two against. The negative votes were cast by Senators William Langer (R., N. D.) and Henrik Shipstead (R., Minn.) Senator Hiram W. Johnson (R., Cal.), who as a member of the Foreign Relations Committee, opposed the measure, was too ill to attend the session in which the vote was taken and his vote was paired against the vote of Senators John Thomas (R., Ida.) and Reed (R., Kan.), who favored adoption of the Charter.

Just prior to the final vote, a message from President Truman was read and placed in the record, in which the Chief Executive promised that both Houses of Congress would be consulted on any agreement as to the allocation of U. S. military forces to the new world organization. The text of the President's message was as follows:

"During the debate in the Senate upon the matter of the Senate's giving its advice or consent to the Charter of the United Nations, the question arose as to the method to be followed in obtaining approval of special agreements with the Security Council referred to in Article 43 of the Charter.

"It was stated by many Senators that this might be done in the United States either by treaty or by the approval of a majority of both Houses of Congress. It was also stated that the initiative in this matter rested with the President and that it was most important to know before action was taken on the Charter which course was to be pursued.

"When any such agreement or agreements are negotiated it will be my purpose to ask the Congress by appropriate legislation to approve them."

Potsdam Conference Nearing Its Close

The new Prime Minister of Britain, Clement R. Attlee, with his newly-appointed Foreign Secretary, Ernest Bevin, flew to Potsdam following the British elections to take the places of Winston Churchill and Anthony Eden at the conference of the Big Three, which was reported by the Associated Press on July 28 to be nearing its climactic stage, with the conclusion expected within another few days.

It was stated that despite the surprise felt at the overwhelming defeat of the Churchill Government, confidence was expressed that the change would not result in an alteration in Britain's foreign policy.

As at earlier intervals in the conference proceedings, official statements to the press, July 29, according to the Associated Press, were that "the work of the conference is progressing satisfactorily." During the course of the preceding week Associated Press reports from Potsdam had stated that President Truman was said to have won important American aims at the conference, and to have established a cordial friendship with Premier Stalin which may result in unexpected Russian concessions. Rumors persist of the likelihood of Russia's joining with the other Allies against Japan, but although they were strengthened by a visit from the Allies' Supreme Commander in Southeast Asia, Admiral Lord Louis Mountbatten, who flew, almost immediately after his Manila talks with Gen. Douglas MacArthur, to the Potsdam conference where he talked with the Big Three including Premier Stalin, there is no definite indication that Russia will enter the Pacific war.

Reports from Potsdam, July 29, indicated that virtually all the major questions on the agenda of the tripartite conference had been thoroughly discussed and that there remained only the work of bringing together in a single document the numerous tentative agreements of the Big Three. It is intimated that the Asiatic war may not even be mentioned specifically in the final communique.

It is stated that President Truman's wish is to return home as soon as possible and that he will probably forego a visit to England despite the cordial invitation of King George and Government leaders. The President is expected to report to the nation by radio the results of the conference immediately upon his return to Washington.

The Financial Situation

(Continued from first page)

"liberalism," and has actively espoused most of them. It is true that there seems to be no tendency toward the sort of ruthless expropriation of private property and the callousness toward human life that characterized the Russian and the German "experiments," but the fact that "due compensation" is promised existing owners of properties to be "socialized" speaks eloquently either of utter lack of responsibility as regards fiscal management, or else a blind faith in such strange financial doctrines as those sponsored by Keynes in Britain and Hansen in the United States.

But all these phases of the eruption across the Atlantic are primarily the concern of the British people. It is true, of course, that the United Kingdom is heavily indebted to us—some of the obligations acknowledged but long in default, others in that ill-defined state in which Lend-Lease has placed them—but it is doubtful whether we for that reason have any right to ask Britain to adopt or to refrain from adopting any particular internal policy. In any event it is extremely questionable in point of fact, and has been for a long, long while past, whether we should ever be able to collect any very large part of this debt no matter what party or combination of parties was in power in that country or what economic policy the government of that country adopted. We have no more right to protest or to object to the results of this election than Britain had to act in a similar way after any of the sweeping New Deal victories during the past dozen years.

Definitely of Concern To Us

But all this cannot be construed to mean that what has happened across the water is of no concern to us. On the contrary, it is a matter of very great and very direct concern to us. It is not true, so we believe, that the outcome in Great Britain affords any sound basis for encouraging a further swing to the left in this country. Doubtless it will be so construed by the New Deal politicians, who will in all probability try to use it as an instrument for adding to the influence of Secretary Wallace. They may succeed—we make no pretense of being a political prophet—but we are definitely of the opinion that there would be no logical support either for such an effort or for any success it might attain. We have had our New Deal for upwards of 12 years, and notwithstanding the alleged growth in influence of certain "Southern conservatives" in the Democratic party, we still have it, and from all appearances will

continue to have it, with President Truman in the White House. Great Britain, following suit somewhat belatedly, is apparently just about to install hers—which as might be expected is a British version with the marks of Continental influences strongly in evidence. We find it difficult to imagine why any one should suppose that what the British have done affords any reason why we should want to push our own folly further or faster, or why one should suppose that the rank and file of the voters will believe so.

But there are other directions in which this election most certainly should affect our policies. Of course, there is no reason why it should be permitted to alter our ordinary relations with the United Kingdom. On the contrary, we should be foolish to stand aloof or in any way undertake to suggest that we suppose that such matters are our affair—just as we should be foolish not to trade with Russia or to take steps designed to rebuke Stalin or any of the others in that country for the way in which they conduct their internal affairs. But this is not the whole story. Both Russia and the United Kingdom are looking for much post-war "assistance" from this country. We are certainly in no way obligated to "finance" any revolutionary changes in Great Britain or the maintenance of the Communistic regime in Russia. This is not to say that private enterprise should be prevented or discouraged from lending its funds to either of these countries or their nationals on the basis of their judgment of the credit risks involved. But this is an era of a different sort of international finance, and the Bretton Woods agreements seem to promise a long continuance of that era.

Let Them Stand on Their Own Feet

These latter proposals are hazardous enough in any event. They are doubly so when questions of loans to foreign governments are very likely, indeed almost certainly, to be decided on grounds foreign to the ideas and gauges common in private industry and finance. Indeed it is this aspect of the matter which most disturbs thoughtful observers when they study the instruments in connection with the setting in which they must function. It is unlikely that the private American investor would undertake to supply the funds with which the Labor Party in Great Britain is to buy the private property of millions of British subjects—or the sweeping mechanization of

British industry, which appears to be a part of that Party's plan for the future. That is, he would not do so in existing circumstances unless there are "guarantees." We must see to it that no such "guarantees," arising not so much out of conviction of the economic soundness of the projects in question as out of political pressures and predictions, are forthcoming.

Herein lies a situation which the American people would ignore at their own risk. The situation would be different if the actual results of such experiments as that in Russia were permitted to be known. In that event the world would soon learn the shortcomings of these systems. But secrecy dominates the scene in Russia, and rarely are the results of publicly owned enterprises reported accurately and understandably to the public. Let us make certain that at least so far as we are concerned these "experiments" in Russia and Britain stand on their own feet.

President Reviews American Troops

President Truman took advantage of the recess in the Potsdam conference, when Winston Churchill returned to England for the election returns, by flying to United States Army headquarters at Frankfurt-on-the-Main, Germany, July 26, to meet General Eisenhower and to review two veteran American divisions, the 84th Infantry and the 3rd Armored.

During his two hour visit with the troops, the President, according to the Associated Press in its advices from Frankfurt, expressed his delight at the opportunity of spending some time with the American soldiers. The Associated Press reported the President as saying:

"You have fought so that we can live, think and act as we like," he said. "The President took off by plane at 4:17 p.m., after getting a first-hand view of the American occupation zone.

Speaking on a roadside near Weinheim, President Truman said that he was "glad to get a chance to look at good American soldiers." One regret, he added, was that in this war he was not allowed to wear a uniform, "although I tried hard enough." Instead, he said, he found himself responsible for the welfare of all American soldiers, "and I hope I can fulfill that responsibility."

The President also promised that he would try to implement the principles of his predecessor, President Roosevelt, in sponsoring a program which would permit all men to think and act as they like. The President's tour was a brief holiday from the Big Three conferences at Potsdam and covered dozens of towns surrounding Frankfurt. Apparently in good spirits, he said that he was "feeling fine."

After lunch at the headquarters of Major-Gen. Alexander R. Bolling, Commander of the 84th, the President was taken just outside Weinheim, where 286 Misourians from various outfits had assembled for his review. After shaking hands with many, he told them in a brief speech that he had admired President Roosevelt "more than any other man in the world."

Morgenthau Releases Final Report

(Continued from first page)

statesmanship on the part of our industrial and financial leaders. A great responsibility falls upon them."

Mr. Morgenthau's final report as Secretary of the Treasury closes with these words:

"In the long and sometimes trying years during which I have held stewardship over the financial affairs of this Nation, I have leaned very heavily upon the support and the inspiration of the great President under whom I served—Franklin D. Roosevelt. It was President Roosevelt who gave me the opportunity to serve. It was President Roosevelt's confidence which enabled me to carry through the policies which have governed our fiscal affairs through the crisis years of the great depression and the greatest of World Wars. I could not take leave of my stewardship without an expression of my gratitude and affection for him.

"There are bright horizons before us. Under the leadership of President Truman, we can move toward them, if we will, in the new national unity forged for us by war. We can move toward, and beyond, them with the sure confidence of a free people who have found in the ways of freedom a pattern for the solution of whatever problems may confront them."

The reason for the issuance of the report, some months in advance of the normal appearance of the annual report of the Secretary of the Treasury, and for the broad field it covers, is set forth as follows in a foreword:

"Since I am about to retire as Secretary of the Treasury, and since the more important data dealing with the operations of the Treasury Department are already available, it seems fitting that I should give an accounting of the last fiscal year under my stewardship. Actually, most operations of the Department are not rigidly partitioned into fiscal years, but are affected by developing conditions and policies. Therefore, this accounting deals broadly with the period since January 1934, the date on which I assumed the Secretaryship. And since we should utilize whatever light the past and present can throw toward the future, I am noting certain matters in which further action seems desirable."

The body of the report deals with the major subjects of Taxation, Borrowing, International Monetary and Financial Developments, and Administration.

The following is a digest of the report, by subjects:

Taxation

The report states: "Treasury tax policy in the past 12 years has been guided by the rapidly changing needs of the nation in depression, recovery, defense and war. While holding firm to certain basic tax objectives—fairness in distribution of tax burdens, ease of administration and taxpayer compliance, and active support of the nation's economic policies—the Treasury has continually sought to adapt the tax system to fit the needs of the time. These same considerations apply to revision of the tax system that will be necessary to adapt it to post-war conditions."

The report notes that through a combination of tax increases and a rising national income the total yield of internal revenue taxes grew from \$2,670,000,000 in the fiscal year 1934 to \$5,340,000,000 in the fiscal year 1940, and that under the impact of war, 1940 collections were multiplied 8 times to reach \$43,800,000,000 in 1945. "In contrast with World War I, when less than one-third of our expenditures were financed from taxes and other non-borrowing sources, we have in this war

financed 41% of our total expenditures since July 1, 1940, from such sources, and reached a peak of 46% in the fiscal year 1945."

In the pre-war period, Treasury tax policy was directed chiefly toward making the tax system more equitable and combating tax avoidance. Loopholes which still need to be closed, it is noted, allow interest upon state and municipal securities to escape taxation, give married couples in community property states special advantages, and provide "overly generous depletion allowances on oil, gas and mineral properties."

Other recommendations during the thirties included an undistributed profits tax and steps to alleviate taxation which discriminated against certain types of business, operated as irritants or otherwise hampered business expansion. Attention was also paid to the need for coordinating Federal, State and local tax systems to prevent overlapping and conflicting taxes.

Wartime tax policy, in a series of steps, has resulted in tax revenues meeting nearly half of current expenditures, "without sacrificing standards of equity and justice," the report says. "The test of taxation according to ability to pay has in general been met through heavy reliance on progressive taxes, through special relief provisions to avoid hardship and through continued efforts to close avenues of escape from just taxation. . . . Through the introduction of withholding and the drastic simplification of individual tax returns, the compliance burden of the mass of taxpayers has been greatly eased."

The wartime tax system has also "played a major role in restricting war profiteering and curbing inflation," it is noted. This has been done without hampering wartime production, the report points out. At the same time, the Treasury has opposed a tax pattern for individuals which would "encroach harmfully upon the standard of living." Throughout the development of these policies, it is noted, emphasis has been placed upon "the need of cutting down borrowing by courageous taxation, so that our post-war debt problem would be more manageable and that our returning service men and women would not be burdened with the cost of the war they had fought for us."

In the field of post-war taxation it is noted that staff members from the Treasury have aided the Joint Committee on Internal Revenue in preparation of tax legislation, recently enacted for the pre V-J Day period, and adds that "although this legislation meets the more immediate interim problems it does not deal with more fundamental long-range aspects of post-war taxation. Work on these is being continued by the Joint Committee staff and Treasury staff."

The report also deals with the currently intensified campaign against tax evasion and points out that "The objective of this campaign is not merely to detect and punish those who have evaded their obligations, but also to encourage respect for the law."

Borrowing

Federal expenditures in the present war period already are approximately nine times those of the World War I period—\$325,000,000,000 as against \$37,000,000,000—and gigantic sums have had to be borrowed by the Government to supplement its tax revenues. But the net cost of each dollar borrowed in this war is only about one-third that of the last war. This is pointed out by Secretary Morgenthau in the section of his report reviewing the Treasury's wartime borrowing program. The period covered is

from June 30, 1940, to July 9, 1945, when final figures on the 7th War Loan were tabulated.

Rising interest rates which were paid on Government loans for World War I had reached an average of 4.22% on June 30, 1920, the report notes. Declining rates paid on loans for World War II were down to an average of 1.94% on June 30, 1945. The net cost per dollar borrowed for World War II has been further lowered by reason of the fact that interest paid on all Government securities issued since March 1, 1941, has been subject to the full rates of the Federal income tax, whereas the yield of World War I securities was either wholly or partially tax exempt.

"I have said on previous occasions, and I say here again, that I do not anticipate an increase in interest rates (with a consequent decline in bond prices) after this war," the retiring Secretary commented. He pointed out that while interest rates have no effect on prices during war, a low level of rates will be a highly important factor in stimulating employment in the post-war period.

The wartime borrowing program has been keyed to two objectives other than that of reasonable interest rates, the Secretary said. One of these has been the raising of the necessary funds in such a manner as to minimize inflation dangers. The other has been the offering of securities suited to the needs of purchasers.

As an anti-inflation safeguard it was necessary to borrow substantially from other sources than banks. The Treasury set about accomplishing this by offering savings bonds of Series E, F and G issues and other securities planned to meet specific needs; by launching its payroll savings plan of regular bond purchases by wage and salary earners; and by conducting war loan campaigns aimed specifically at non-bank investors.

As an indication of the success of these steps, the report notes that of a \$211,000,000,000 increase in the interest-bearing public debt during the period from July 1, 1940, through July 9, 1945, non-bank investors absorbed about \$122,000,000,000 and commercial and Federal Reserve Banks about \$89,000,000,000.

The savings bonds offered to small individual investors as part of the wartime borrowing program are completely free from risk, it is noted. This fact is one of the important features of the Treasury plan to adapt its wartime securities to the needs of the various classes of buyers. The savings bonds have guaranteed redemption values, which protect the purchaser in the event that he is compelled to part with his securities. In contrast, securities sold to small investors in World War I were of the marketable type, and when market prices dropped precipitously after the war, many small investors suffered.

The report says that from July 1, 1940, through July 9, 1945, \$51,000,000,000 was raised by selling savings bonds to approximately 85,000,000 persons. Of this total, bonds to the amount of \$43,000,000,000 still are outstanding.

Of days to come, Secretary Morgenthau remarked:

"The job of war finance is not yet finished. The peak, both in war expenditures and in borrowing requirements, has probably passed; but, in some respects the most crucial period still lies ahead. This is because, while the physical dimensions of the problem are shrinking, its psychological difficulties may increase.

"Periods of crisis unite men in action for the common good, while victory too often brings relaxation and recrimination. I am sure, however, that the people of the United States are not going to hazard the post-war economic stability, which is now almost within their grasp, by prematurely

relaxing their efforts on the War Bond front, or any other."

International Monetary and Financial Developments

In the sphere of international money and finance, the last twelve years have been the most important in United States history, the report notes. During the period this nation's monetary policy has had two objectives—restoration of our international economic position through revaluation of the dollar and stable exchange arrangements following revaluation.

Stabilization of currencies at exchange rates prevailing in 1933, while the World Monetary and Economic Conference was in session in London, would have perpetuated the serious overvaluation of the dollar, it is explained. But once readjustment had been effected, the Treasury proceeded with its policy of international monetary cooperation. The Tripartite Declaration of September, 1936, and numerous bilateral agreements are cited.

"The experience of the 1930's convinced me that it was possible to obtain international agreement on foreign exchange problems," Secretary Morgenthau said. "Accordingly, in 1941, I instructed the Treasury staff to begin work on the international monetary and financial problems that would confront us after the war."

From this sprang the Bretton Woods Agreements, accepted by the Congress of the United States in legislative action just completed. In the overwhelming votes by which the Bretton Woods bill was approved, Secretary Morgenthau said, "The American people and their Congress demonstrated to all that they are united in their willingness to fulfill the grave responsibilities of world leadership."

The report recites the various steps taken in carrying out gold and silver policies.

World War II, with its widespread battlefronts, presented currency and exchange problems unique in world history, the report notes. From the time in 1942 when the Treasury provided the gold coin which General Clark carried to North Africa by submarine, and throughout the campaigns in Europe and the Pacific, new procedures were required to meet totally new conditions.

The report discusses in detail the aid rendered by the Treasury to the Chinese Republic, in 1937 and subsequent years, and the steps taken to facilitate supplies for the British and French governments, prior to the institution of Lend-Lease.

The development of Foreign Funds Control, it is noted, likewise traces from activities instituted by the Treasury, several years prior to the outbreak of World War II, to limit the benefits which aggressor nations might obtain by seizing the foreign exchange assets of invaded countries.

In the ensuing economic warfare program, the United States applied a "scorched earth" policy to currency and securities which could not be removed from the Philippines and planned similar protective measures in the event that Hawaii should be invaded. The report adds:

"We prevented the use of United States financial facilities by the enemy even in cases wherein no frozen funds were involved. Because the dollar is the strongest currency in the world, it is the medium of exchange most widely used in international transactions. Through cooperation received from our banks, we were able to examine hundreds of financial transactions handled through United States facilities or persons in countries which were not blocked, thus preventing the enemy from using channels such as South America for effecting transactions inimical to us."

As the war progressed it be-

came apparent that the Government required further information on American property interests abroad. Under a reporting system instituted two years ago, it is noted, some 235,000 reports were obtained, and preliminary tabulations of these reports indicate total holdings abroad of approximately \$13,000,000,000.

With the cessation of hostilities in Europe an orderly program for terminating freezing controls is being put into effect. The basic principles followed in this procedure, it is noted, are these:

"The rights of American creditors and other American claimants must be adequately safeguarded; assets held in the names of persons within blocked areas, but which actually belong to the enemy, must continue under American control; no benefits must be permitted to accrue to elements which have collaborated with the enemy; looted property must be returned to rightful owners and transfers executed under duress and compulsion must be vitiated."

In administering freezing controls, the Treasury has also been concerned with the large number of accounts held in the name of neutrals which actually represent enemy assets.

During the Bretton Woods Conference a resolution was adopted calling upon all neutral nations to cooperate in solving this problem, the report notes, adding:

"Our success in securing the forthright and active cooperation of the neutrals in such programs will have a direct bearing on the unfreezing of their assets in this country, for such measures can be taken only after bona fide neutral assets have been segregated from cloaked enemy assets.

Otherwise, neutral accounts in our own banks may serve as havens for the ill-gotten gains of Nazi war criminals. Indiscriminate unblocking might permit the Nazis to keep their loot as a nest egg for another war."

Administration

Pointing out that the United States Treasury is "the largest financial institution in the world", the section of the report devoted to administration cites a number of statistics indicating the magnitude of its operations. During the last fiscal year there passed through the Treasurer's money accounts more than \$500,000,000,000 of receipts and disbursements, including public debt and currency transactions, at the rate of \$1,500,000,000 per working day. The Division of Disbursement issued nearly 82 million checks, amounting to over \$19,000,000,000. All told, the Treasurer of the United States paid over 332 million checks involving \$189,000,000,000. The Bureau of Engraving and Printing produced 1,700,000,000 pieces of currency, bonds, notes, certificates and bills, representing a money value of \$245,000,000,000. The Bureau of the Mint produced 2,600,000,000 separate domestic coins, with a money value of nearly \$125,000,000 and 1,400,000,000 individual foreign coins.

In carrying out fiscal operations involving these immense sums of public monies, the retiring Secretary noted, he had been guided by three fundamental procedural principles:

"(1) The maintenance of adequate control over the funds and securities at a minimum of administrative expense; (2) prompt and courteous service to taxpayers, public creditors and others with whom the Treasury does business; and (3) a full and complete disclosure for the Congress and the nation of the financial operations of our Government."

The report notes continuous steps to improve working conditions and safeguard the health and well being of Treasury workers, and points out that the organization of more than 97,000 employees has one of the lowest

turnover rates of the Federal agencies.

Establishment of a permanent Fiscal Service within the Treasury, the coordination of the work of law enforcement agencies, and the decentralization of much of the work of the Bureau of Internal Revenue through the establishment of field offices, are among the administrative improvements of recent years, as noted in the report.

The report also summarizes recommendations made by Secretary Morgenthau to the Congress and the President.

In 1939, it is noted, the Secretary suggested "that if the Ways and Means and Appropriations Committees of the House and the Finance and Appropriations Committees of the Senate would meet each session as one joint committee on fiscal policy to consider the overall aspects of the expenditures and revenue program, simplification and greater effectiveness would result."

The report also suggests simplifications of the financial structures of Government-owned corporations and more lucid public reports covering their finances. The retiring Secretary added:

"To me, the outstanding weakness in the management of Federal fiscal business is the absence of a single, responsible officer to whom the President may look for complete and comprehensive policy direction over the entire field of borrowing, lending, spending and insuring. . . . Since the Treasury Secretary is charged with the responsibility for raising the funds, managing the public debt, collecting the taxes and maintaining the accounts, he is identified as the Chief Fiscal Officer. Yet in actual practice the area of control and influence exercised by the Secretary of the Treasury is largely limited to one side of the ledger. He is not in a position to exert proper influence over the use and disposition of the funds; he must raise and account for to the nation. This weakness is a material handicap to the functioning of the Treasury Department and, moreover, to the orderly and unified conduct of this Government's financial affairs."

In this direction the report suggests establishment of a National Committee for Fiscal Affairs of which the Secretary of the Treasury would be chairman. The committee would consist of representatives from each of eight subcommittees covering the fields of (1) Industrial Finance (2) Agricultural Finance (3) Foreign Finance (4) Maritime Finance (5) Money and Credit (6) Housing Finance (7) Public Works Finance (8) Federal Budget.

It is suggested in this connection that many corporate organizations could be dissolved and their functions woven into those of the executive departments. Mr. Morgenthau added that personally he felt that the responsibility for preparing and submitting the President's budget should be returned to the Treasury.

Almost coincident with the release of his report to Congress Secretary Morgenthau issued the following statement regarding the passage of the Bretton Woods bill:

"The completion of legislative action on the Bretton Woods Agreements will be an inspiration to the peoples of the United Nations who believe that international problems can and must be solved through world cooperation.

"The responsible leaders of the United Nations have recognized in the San Francisco Charter and in the Bretton Woods Fund and Bank that peace is possible only in a prosperous world. We know now that peace and prosperity are indivisible and that they can be achieved only if countries work together to bring about a better world.

"The vote of 61 to 16 in the Senate and the vote of 345 to 18 in the House show clearly that

there is no partisan division in Congress or the country on this policy. The American people are united in their determination to cooperate with other countries in the settling of international problems by the method of discussion and agreement.

"Senators Wagner and Tobey and Congressmen Spence and Wolcott have given the country a splendid example of non-partisan leadership. The people of this country are indebted to them for what they did as delegates at the Bretton Woods Conference and for their fine work in securing the enactment of this legislation.

"It is hoped that the other United Nations will follow the lead of the United States by promptly accepting membership in both the Fund and Bank. Such acceptance will be the realization of the policy of international cooperation for which the Treasury has striven during its eleven years under my direction."

Vinson Takes Oath As Treasury Head

As the outgoing Secretary of the Treasury, Henry Morgenthau, Jr., looked on, his successor, Fred M. Vinson of Kentucky, took the oath of office on July 23. Mr. Morgenthau, according to the Associated Press in its Washington dispatch, told the several hundred witnesses of the ceremony that had he had the choice of his own successor "I would have picked Fred Vinson." The press account also said:

Speaker Sam Rayburn presided at the swearing-in ceremony, which was attended by cabinet members, members of Congress and friends of the new Secretary.

In a speech of acceptance, Mr. Vinson said he faced the future "with no illusion as to the ease of the task," and called for the "co-operation of the American people."

"I believe in the common sense of the American people," he said. "The Government can't do the job alone. The American people must do the job."

Mr. Vinson said, "There are trying, difficult days ahead, both on the home front and on the war front."

"We must have a stable world, else our economy will not be stable," he declared. "You cannot have a stable world economy without a sound stable economy in the United States of America."

Vinson praised Morgenthau as a man "who has kept the faith."

Mr. Morgenthau also won the plaudits of Congressional leaders for his eleven and one-half years of service through one of the most momentous financial periods in the nation's history. "I doubt if any man in history had the difficulties in financing the country in trying times that he had," Senator White declared.

Representative Patman of Texas, added the conviction that with Mr. Morgenthau "will go the approbation of the American public for a job excellently done."

Ooms Patent Commissioner

Casper Ooms of Illinois, nominated by President Truman on July 12 to be Commissioner of Patents, was sworn into office on

Casper Ooms of Illinois, nominated July 20. The Senate confirmed the nomination July 19. The Patent Office, now that Mr. Ooms has assumed office, can resume the issuance of patents, said Associated Press advices from Washington, July 20, which further stated:

For a time no patents were issued, as they have to be signed by the Commissioner or Acting Commissioner. The 30-day limit in which the Acting Commissioner can sign them, however, ended before Mr. Ooms took the oath.

Mr. Ooms, 32-year-old patent lawyer from Chicago, succeeds Conway P. Coe, resigned.

Five Year Survey by SEC of Listed Corporations

Making public on July 17 another in the series of statistical reports of the survey of American listed corporations, the Securities and Exchange Commission stated that this survey of "balance sheet data, 1939-1943," is presented in three parts, of which Part I was released on the date indicated. The Commission states:

"The five-year survey covers 118 industry groups with total assets of approximately \$62,000,000,000 in 1943. Parts I and II contain data on 1,120 companies in 76 manufacturing industry groups and Part III contains data on 413 companies in 42 non-manufacturing industry groups. The total assets of the 76 manufacturing groups, amounting to approximately \$53,000,000,000 in 1943, are estimated to be more than half the assets of all manufacturing enterprises in the United States.

"The study was compiled at the request of various government agencies and data are presented for each individual company and for each combined industry group.

"Data for the 498 companies in 1939, 508 in 1940, 519 in 1941, 528 in 1942 and 527 in 1943, included in the 40 manufacturing groups presented in Part I, show that net worth, total assets and net working capital increased in each of the years. Net worth increased from \$7,684,033,000 in 1939 to \$9,408,617,000 in 1943; total assets increased from \$10,210,109,000 to \$18,831,843,000, and net working capital increased from \$4,463,189,000 in 1939 to \$6,579,794,000 in 1943."

Regarding dividends, cash and cash items, assets, etc., of the companies surveyed, the Commission has the following to say:

"Dividends paid by these companies on their preferred stock amounted to \$88,438,000 in 1939, \$87,858,000 in 1940, \$102,909,000 in 1941, \$100,867,000 in 1942 and \$112,190,000 in 1943, of which \$6,957,000, \$9,351,000, \$19,051,000, \$16,194,000 and \$14,787,000, respectively, were arrears paid in cash. Dividends paid on their common stock amounted to \$437,033,000 in 1939, \$508,621,000 in 1940, \$535,586,000 in 1941, \$501,979,000 in 1942 and \$530,582,000 in 1943, of which \$4,417,000, \$4,581,000, \$2,816,000, \$4,141,000 and \$10,832,000, respectively, were paid in stock.

"Cash and cash items of \$1,184,221,000 in 1939 rose during the five years covered to reach \$2,640,524,000 in 1943. Marketable securities of \$363,018,000 in 1939 declined to \$337,172,000 in 1940 and then rising in each year reached \$1,803,576,000 in 1943; in the latter year they included \$548,648,000 of United States tax notes. Trade receivables increased in each of the years covered advancing from \$1,202,794,000 to \$2,868,048,000. Inventories followed the same pattern and increased during this period from \$2,850,836,000 to \$5,520,099,000. Total current assets were \$5,670,669,000 in 1939, increased in each year and reached \$13,612,563,000 in 1943.

"Land, buildings and equipment before reserves rose from \$6,514,521,000 in 1939 to \$7,566,489,000 in 1943. After deduction of reserves, land, buildings and equipment was \$3,508,906,000 in 1939 and rose to \$3,841,748,000 in 1941 and then declined to \$3,675,630,000 in 1943. Emergency plant facilities included in land, buildings and equipment, net, amounted to \$24,298,000 in 1940, \$115,979,000 in 1941, \$180,577,000 in 1942 and \$149,375,000 in 1943.

"Post-war refunds of excess profits taxes in 1943 which these companies will receive from the U. S. Government amounted to \$263,943,000 for the 527 companies reporting in that year.

"Notes payable, accounts payable and accrued items increased in each year. From 1939 to 1943 they climbed from \$238,418,000 to \$787,150,000; \$316,223,000 to \$1,391,297,000; and from \$434,456,000 to \$3,720,232,000, respectively. U. S. tax notes in the amount of \$83,346,000 in 1941, \$445,002,000 in 1942 and \$978,516,000 in 1943, were deducted by registrants from their

tax provisions included in accrued items. Total current liabilities rose in each year and advanced from \$1,207,480,000 in 1939 to \$7,032,769,000 in 1943.

"Total long-term debt of \$843,117,000 in 1939 declined to \$829,790,000 in 1940 and then rose in each year to reach \$1,130,258,000 in 1943. Total preferred stock reported as \$1,408,753,000 in 1939 declined in 1940 to \$1,394,285,000 and then rose to \$1,437,892,000 in 1942 and again declined to \$1,428,073,000 in 1943. Total common stock increased in each year and rose from \$3,476,368,000 in 1939 to \$3,539,055,000 in 1943. Capital surplus increased from \$856,693,000 to \$955,681,000 and earned surplus increased from \$1,942,221,000 to \$3,485,791,000 during the period covered.

"Of the 40 industry groups covered in this volume, aircraft and aircraft equipment reported the largest total assets in 1943. Data reported for this industry group are for 28 registrants in 1939, 31 in 1940, 32 in 1941, 33 in 1942 and 31 in 1943. The net worth reported by these companies amounted to \$171,127,000 in 1939, \$231,861,000 in 1940, \$313,650,000 in 1941, \$414,456,000 in 1942 and \$465,535,000 in 1943. Total assets for these same companies rose from \$327,939,000 in 1939 to \$873,625,000 in 1940, \$1,545,357,000 in 1941, \$2,820,868,000 in 1942 and \$3,392,088,000 in 1943. These same companies show that net working capital increased from \$81,178,000 in 1939 to \$86,771,000 in 1940, \$178,747,000 in 1941, \$292,809,000 in 1942 and \$434,902,000 in 1943. Dividends on preferred stock were \$2,407,000 in 1939, \$2,506,000 in 1940, \$2,432,000 in 1941, \$4,036,000 in 1942 and \$3,899,000 in 1943, while dividends paid on the common stock of these companies amounted to \$19,255,000 in 1939, \$30,950,000 in 1940, \$43,363,000 in 1941, \$37,831,000 in 1942 and \$39,091,000 in 1943. During the five years covered, total current assets increased from \$233,223,000 to \$3,086,186,000. During the same period, total current liabilities increased from \$152,045,000 to \$2,621,284,000.

"The group showing the second largest total assets in 1943 was electrical supplies and equipment, miscellaneous with 32 companies reporting in 1939, 1940 and 1941 and 33 companies reporting in 1942 and 1943. These companies reported net worth of \$590,346,000 in 1939, \$603,977,000 in 1940, \$664,933,000 in 1941, \$691,338,000 in 1942 and \$715,135,000 in 1943. Total assets amounted to \$766,464,000 in 1939, to \$861,571,000 in 1940, \$1,167,318,000 in 1941, \$1,489,671,000 in 1942 and \$1,473,716,000 in 1943. Net working capital for these same companies advanced from \$332,709,000 in 1939 to \$378,033,000 in 1940, \$441,611,000 in 1941, \$468,090,000 in 1942 and \$524,326,000 in 1943. Dividends paid on the preferred stock of these companies amounted to \$1,226,000 in 1939, \$1,776,000 in 1940, \$1,662,000 in 1941, \$1,705,000 in 1942 and \$1,662,000 in 1943 with dividends on the common stock amounting to \$55,411,000 in 1939, \$74,700,000 in 1940, \$73,983,000 in 1941, \$61,594,000 in 1942 and \$61,238,000 in 1943. Total current assets for these registrants rose from \$448,740,000 in 1939 to \$1,073,199,000 in 1942 and then declined to \$1,043,682,000 in 1943, while total current liabilities rose from \$86,031,000 in 1939 to \$605,109,000 in 1942 and then declined to \$519,356,000 in 1943.

"The industry group reporting the third largest total assets in 1943 was railroad equipment with 19 companies reporting in 1939 and 1940 and 20 companies report-

ing in 1941, 1942 and 1943. These companies reported net worth of \$621,311,000 in 1939, \$638,757,000 in 1940, \$659,113,000 in 1941, \$673,051,000 in 1942 and \$681,736,000 in 1943. Total assets of these companies rose from \$765,889,000 in 1939 to \$840,722,000 in 1940, \$972,437,000 in 1941, \$1,250,829,000 in 1942 and \$1,371,720,000 in 1943. Net working capital for these registrants amounted to \$211,894,000 in 1939, \$230,641,000 in 1940, \$254,940,000 in 1941, \$297,752,000 in 1942 and \$315,779,000 in 1943. These corporations paid dividends on their preferred stock amounting to \$976,000 in 1939, \$963,000 in 1940, \$2,368,000 in 1941, \$4,665,000 in 1942 and \$12,204,000 in 1943 and dividends on the common stock amounting to \$10,436,000 in 1939, \$22,408,000 in 1940, \$27,945,000 in 1941, \$27,985,000 in 1942 and \$27,139,000 in 1943. Total current assets for the group amounted to \$266,335,000 in 1939 and rose in each year to reach \$832,810,000 in 1943, while total current liabilities amounted to \$54,441,000 in 1939 and rose in each year to reach \$517,031,000 in 1943."

Bill Would Broaden Unemployment Aid

A bill introduced in the Senate July 17, goes further than similar legislation introduced by Representative Doughton (D.-N. C.), before the House recessed for the summer, in seeking to carry out President Truman's request for broader unemployment compensation payments. The Senate bill, introduced by Senator Harley M. Kilgore (D.-W. Va.), in addition to augmenting State unemployment benefits with Federal funds to bring payments to a maximum of \$25 a week and extending the duration of payments to twenty-six weeks in any year, as reported from the Associated Press from Washington, would:

"1. Amend the so-called G.I. Bill of Rights to increase veterans' unemployment benefits from a flat \$20 a week to \$25 for single persons and \$30 for those with dependents. In addition, veterans would have to serve only ninety days instead of the present nine and one-half months to qualify for the maximum of 52 weeks of payments.

"2. Provide for payment of travel allowances to workers referred to new jobs in another city by the United States Employment Service. These allowances would not exceed amounts paid to civilian employees of the Government.

"3. Extend benefits to Federal workers, maritime workers, agricultural processing workers and those employed in small firms not now covered by State laws.

"4. Amend the Federal unemployment tax act to extend its provisions to employers of one (instead of eight) or more, effective January 1.

"The House bill made no additional provision for veterans, nor did it include travel allowances or coverage of agricultural processing workers.

"Senator Kilgore listed as co-sponsors Senators Murray (Mont.), Wagner (N. Y.), Thomas (Utah), Guffey (Pa.) and Pepper (Fla.)"

Bonds of City of Brisbane Drawn for Redemption

Holders of City of Brisbane Thirty-Year Sinking Fund 5% Gold Bonds due March 1, 1957, are being notified that, in operation of the sinking fund, \$44,000 of the bonds have been drawn by lot for redemption on Sept. 1, 1945, at 100%. The selected bonds, with unexpired interest coupons attached, should be surrendered at The National City Bank of New York, 55 Wall Street, New York. Interest on the selected bonds will cease from and after the redemption date. On July 23, 1945, \$12,000 principal amount of bonds previously called for redemption had not been presented.

Guaranteed Full Employment Plan in Labor-Management Contract Ordered by WLB.

The insertion of a guaranteed full employment plan in a labor-management contract was ordered by the War Labor Board on July 28, at which time, with industry members dissenting, it upheld the New York Regional Board in directing that such a plan be inserted in the first contract being negotiated for 300 salesmen employed by 88 Thom McAn Shoe Stores in the New York metropolitan area. Associated Press advices from Washington, reporting this, further said:

"The United Retail, Wholesale and Department Stores Employees (C.I.O.) represents the men.

"The plan provides for a guaranty of 44 hours a week for 52 consecutive weeks per year for regular full time employees and five nights and a Saturday weekly for 52 weeks for regular part time workers.

"The Board said that the union-sought clause is in the standard contract for the industry in New York and that the company operating the stores—Melville Shoe Corporation—subscribes to it in practice but did not wish to be bound by contract to a plan barring lay-offs irrespective of needs.

"The Board last November refused to grant a union-requested clause guaranteeing 50 weeks of 40 hours each in the Big Steel dispute case, but said it would have approved any reasonable plan agreed to by the union and the companies.

"A sub-committee of the Office of War Mobilization Advisory Board has asked Murray W. Latimer, Chairman of the Railroad Retirement Board, and Arthur S. Meyer, New York labor relations expert to make a presidential-directed study of guaranteed wage plans.

The WLB also reversed the regional board and divided 7 to 5, in refusing to require the company to grant to regular employees six working days sick leave with full pay during the year. But over the protest of industry members, it directed the company to put into operation its offer to supplement its group health and insurance plan by granting full-time employees employed for more than six months but less than a year three days sick leave a year with full pay.

"The National Board also vacated a provision of the regional Board's order requiring the employer to fill all job vacancies. It upheld all other parts of the regional order which denied a closed shop, granted maintenance of membership, denied a differential for women salesmen, granted two weeks vacation after one year of service and denied a progression schedule for apprentices.

Exch. by NY Reserve Of Danish Currency

Announcement was made on July 27 by the Federal Reserve Bank of New York that arrangements have been made whereby, up to and including Aug. 13, the recently called Danish krone currency notes issued by the Danmarks Nationalbank, the central bank of Denmark, may be forwarded to the Reserve Bank, accompanied by a written application for the exchange of such notes for an equivalent amount of Danish currency of new issue. The Reserve Bank's announcement, issued by President Allan Sproul, follows:

"The Danish authorities have recently announced that Danish krone currency notes in all denominations heretofore issued by Danmarks Nationalbank (which is the central bank of Denmark) dated 1943 or previous years have been withdrawn from circulation in Denmark on July 23, 1945; that new Danish currency notes dated 1944 are being issued; and that importation of called notes into Denmark on or after July 23, 1944, is prohibited except with the per-

mission of Danmarks Nationalbank.

"Arrangements have been made whereby up to and including Aug. 13, 1945, all such called notes held in the United States or its territorial possessions may be forwarded to the Federal Reserve Bank of New York for account of Danmarks Nationalbank accompanied by a written application for the exchange of such notes for an equivalent amount of Danish currency notes of the new issue. Such application should be submitted in duplicate, should be sworn to before a notary public or similar officer, and should contain the following information: (1) The full name, address, nationality and occupation of the applicant. (2) If the applicant is not the owner, the same particulars should also be given about the owner. (3) The number and denomination of each note, and the total face amount of notes deposited. (4) A full statement of the manner in which the notes were acquired, including how, when, where, from whom and for what purpose. (5) What the applicant knows concerning the circumstances under which the notes were imported into the United States, including the names of the persons participating therein, the date of importation and the date of exportation from Denmark, whether or not such exportation was authorized by the Danish authorities and the reason if not so authorized. If the applicant has no knowledge or information concerning such circumstances he should so state. (6) That the owner of such notes holds no other called Danish currency notes than those listed in such statement and has made no other application for redemption. Any available documentary evidence in support of such application should be attached thereto. If such notes were included in a report filed on Treasury Department form No. TFR-300 or No. TFR-500, it would be helpful for the applicant to state that fact.

"The Federal Reserve Bank of New York will receive and hold such notes for account of Danmarks Nationalbank, will give the holder a receipt, and will transmit the accompanying application to the appropriate Danish officials. The Danish authorities state that if they are satisfied that the notes are genuine and were acquired legitimately the holder will receive new Danish currency notes, krone for krone.

"The notes and applications should be sent to Federal Reserve Bank of New York, Foreign Department, Federal Reserve P. O. Station, New York 7, N. Y. They will be sent at the expense and risk of the holder; and they may be sent direct or through the holder's bank. The Federal Reserve Bank of New York is not authorized to receive any notes after Aug. 13, 1945, unless mailed in an envelope postmarked not later than Aug. 13, 1945, or forwarded by a bank with a statement to the effect that they were received by such bank on or before Aug. 13, 1945."

Taylor Back From Abroad

Myron C. Taylor, personal representative of the late President Roosevelt to Pope Pius XII, recently returned from abroad, accompanied by Mrs. Taylor. After leaving Rome they visited Paris and London. Mr. Taylor on his arrival at LaGuardia Field on July 14 is said to have declined to comment on his trip or affairs abroad.

Surrender Ultimatum Rejected by Japan

Described by President Truman's press secretary, Charles Ross, as, "in effect, an ultimatum by the three major powers at war with Japan," a proclamation was issued from Potsdam, Germany, on July 26, by the United States, Great Britain and China, offering Japan a last chance to accept Allied terms of surrender or suffer consequences even worse than those inflicted upon Germany.

The text of the three-power proclamation as issued from Washington by the Office of War Information, and reported by the Associated Press, follows:

"1. We, the President of the United States, the President of the national government of the Republic of China and the Prime Minister of Great Britain, representing the hundreds of millions of our countrymen, have conferred and agreed that Japan shall be given the opportunity to end this war.

"2. The prodigious land, sea and air forces of the United States, the British Empire and China, many times reinforced by their armies and air fleets from the west, are poised to strike the final blow at Japan. This military power is sustained and inspired by the determination of all Allied nations to prosecute the war against Japan until she ceases to resist.

"3. The result of the futile and senseless German resistance to the might of the aroused free peoples of the world stands forth in awful clarity as an example to the people of Japan.

"The might that now converges on Japan is immeasurably greater than that which, when applied to the resisting Nazis, necessarily laid waste to the land, the industry and the method of life of the whole German people.

"The full application of our military power, backed by our resolve, will (underscored) mean the inevitable and complete destruction of the Japanese armed forces and just as inevitably the utter devastation of the Japanese homeland.

"4. The time has come for Japan to decide whether she will continue to be controlled by those self-willed militaristic advisers whose unintelligent calculations have brought the Empire of Japan to the threshold of annihilation, or whether she will follow the path of reason.

"5. The following are our terms: we will not deviate from them; there are no alternatives; we shall brook no delay.

"6. There must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest, for we insist that a new order of peace, security and justice will be impossible until irresponsible militarism is driven from the world.

"7. Until such a new order is established and until there is convincing proof that Japan's war-making power is destroyed, points in Japanese territory to be designated by the Allies shall be occupied to secure the achievement of the basic objectives we are here setting forth.

"8. The terms of the Cairo declaration shall be carried out and Japanese sovereignty shall be limited to the Islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine.

"9. Japanese military forces after being completely disarmed shall be permitted to return to their homes with the opportunity to lead peaceful and productive lives.

"10. We do not intend that the Japanese shall be enslaved as a race or destroyed as a nation, but stern justice shall be meted out to all war criminals, including those who have visited cruelties upon our prisoners.

"The Japanese government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. Freedom of speech and religion and of thought, as well as respect for the fundamental human rights, shall be established.

Surrender Terms For Japan Urged

A communication is purported to have been sent to President Truman urging him to stop the Pacific "slaughter" by outlining specific surrender terms, according to a statement by Senator Kenneth Wherry, of Nebraska, Republican whip in the Senate, who said he had been informed by a "high military source," whom he declined to name, that such a communication had been sent.

Under suggestions in the alleged communication, the Associated Press reported from Washington, July 23, Japan would be stripped of its conquests and steps would be taken to destroy its capacity for aggression, but the Emperor would retain his throne and Japan proper would avoid occupation.

Senator Wherry told a reporter he was given to understand that the "high military source" compiled a list of Japanese "peace feelers" indicating the terms on which Japan might stop fighting. Partly on the basis of this compilation a letter to Mr. Truman was drafted, Senator Wherry quoted his informant as saying. Senator Wherry said he was not informed who actually wrote the letter, but he understood that the "high military man"—there was no indication just how high he was—agreed with the tenor of the letter.

The Associated Press account as given in the New York "Herald-Tribune" continued:

The purported communication to the President, an unsigned copy of which Senator Wherry handed to a reporter, follows:

"President Harry S. Truman
"Potsdam Conference
"Potsdam, Germany

"Won't you stop slaughter of American boys and Japanese civilians immediately by message from Potsdam promising Japan that immediately after her unconditional surrender the Emperor will be reinstated in accordance with Secretary Byrnes' promise that Japan shall retain her social and religious freedom and that the Emperor shall be empowered to set up a new Cabinet, acceptable to the Allies and one that will protect our vital interests. Further, that we do not regard military occupation of Japan proper as necessary but that a control commission be authorized to see to it that while Japan's social and economic problems are left in her own hands, her capacity for military aggression shall be completely destroyed. Other terms would be as already proclaimed in Cairo Declaration, with the added provision for the ordered withdrawal of Japanese troops from the Continent after the Allies have moved in."

Senator Wherry said he thought that if terms such as these were not acceptable to the President and the State Department, Mr. Truman ought to lay down the conditions that were.

"If those terms aren't harsh enough," Senator Wherry said, "then let's fix terms that are and let the Japanese know what they are. If we can end this war on our own terms by just stating the conditions now, we might save a great many lives."

Acceptance by Japan of the Cairo conditions, it was pointed out, would strip her of all of the islands in the Pacific which she has seized or occupied since the beginning of World War I in 1914.

She also would be forced to give up to the Chinese Manchuria, Formosa and the Pescadores and would, in the language of the Cairo Declaration, be "expelled from all other territories which she has taken by violence and greed."

The Cairo Declaration, signed by President Roosevelt, Prime Minister Churchill and Generalissimo Chiang Kai-shek, also pledged freedom and independence for Korea "in due course."

Equal Rights Bill Wins House Group Approval

Before recessing for the summer, the House Judiciary Committee reported favorably the equal rights amendment, thus placing it for the first time on the House calendar although it has been introduced every year for 21 years. The New York "Times," in reporting the committee's action, in a special dispatch from Washington, July 16, pointed out that a minority report, made by seven members of the 27-member committee, made last-minute passage before the House recessed, impossible at present when one objection blocks legislation. The Associated Press reported:

"Nothing will be done about it until Congress reconvenes," said Representative Summers, chairman of the Judiciary Committee. "And then we will have to have a rule before it comes to the floor. I don't know what the disposition of the Rules Committee will be."

The committee voted on April 24 to report the amendment favorably. The delay of almost three months since then was attributed to the heavy duties of those who wrote the report. The sharp difference of opinion between the majority and the minority reports indicated a lively debate when the measure eventually reaches the floor.

The text of the amendment, as given in Washington advices to the New York "Herald-Tribune," follows:

"That equality of rights under the law shall not be denied or abridged by the United States or any state on account of sex. Congress and the several states shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation. This amendment shall take effect three years after the date of ratification."

The same account said:

The majority report, written by Representative Cravens (D.-Ark.), directed attention to the fact that "the platforms adopted by both major political parties included in their 1944 platforms recommendations in support of a so-called equal rights amendment."

"The committee definitely feels that the laws of many States and of the United States, under the guise of protecting the safety and welfare of the female sex, have in fact discriminated against such sex in various economic fields of activity or have entirely excluded females from participation in economic fields in which they are as equally proficient as men and in which they can serve without injury to their health or the public interest." The question was raised as to whether "claimed benefits" of such laws might be "without substance."

"To say the least of the matter," the majority report added, "many of the large organizations of women represented at hearings before the committee have expressed a sincere desire to waive the so-called preferential benefits now accorded to women by various laws so as to permit them to follow economic activities from which they are now excluded."

"Minority views took up four pages of the six-page report. Representatives Celler of New York, Lane of Massachusetts, Gorski of Illinois, Feighan of Ohio, all Democrats, and Gwynne, Republican of Iowa, joined in a statement calling the proposed legislation a "Mischief-breeding abstraction."

They claimed that it would "erase from the statute books laws relating to widow's pensions, the right of dependent wives and children to support of husband and father, alimony, and guardianship," and would "offer no alternative safeguarding measures." They pointed out that the amendment "is not supported by any major labor group nor by any organization having long experience in the field of industrial problems," since "it would destroy State wage-and-hour laws for women and bring back sweatshop employment standards." They said that numerous women's organizations were opposed to the amendment, and prophesied that it would "boom-

erang in the form of 'unequal rights'."

Representative Hobbs (D.-Ala.), and Russell (D.-Tex.), added a charge that the equal rights amendment would "mean further centralization of power in Washington and in a field that is most sacred."

They added: "The power here sought to be taken from the States is to regulate the home, the marriage relation, the welfare of children under parents, property rights of wives, widows and orphans, and the health, happiness and morale of most of the sovereign people."

Australia Complains Jap Terms Too Easy

Australia's Minister for External Affairs, Herbert V. Evatt, expressed dissatisfaction with the terms of surrender offered Japan in the Allied ultimatum issued July 26, and complained that Australia had not been consulted before issuance of the proclamation, according to United Press, Sydney, advices, July 29.

Mr. Evatt said, the report stated, that the proclamation foreshadowed peace terms for Japan more lenient than those which may be offered Germany, and charged that even a slight sign of any tenderness toward Japanese imperialism is entirely misplaced. Such signs appear, he said, "despite the outrageous cruelties and barbarities systematically practiced by and under the Japanese imperialist regime, detailed evidence of which was obtained by the Australian Government and placed before the War Crimes Commission in London."

Mr. Evatt went on to say, according to the United Press, that: "The post-war security of Australia, New Zealand and India was bound up in the future of Southeast Asia, and depend upon the peace settlement with Japan, yet Australia's first knowledge of the proclamation came from press reports."

"In all Australia's past statements of foreign policy," he said, "we have fully recognized the right of initiative of the leadership of the main belligerents, in relation to preliminary discussions of a peace settlement, but before final definite decisions are taken, nations like Australia, which have been most active in the war, are also entitled to participate through their accredited representatives in all relevant deliberations and conferences."

"In the particular case of the ultimatum against Japan, this principle was departed from. It is hoped that the United Kingdom Government will, in the future, insist upon its full rank and recognition."

"In spite of the lessons that should have been learned from the many early disasters of the Japanese war, there are still some people now who do not realize that the post-war security of the Australian and New Zealand peoples, and India too, are integrally bound up with the destiny of Southeast Asia and are therefore directly dependent upon the terms of the peace settlement with Japan," he continued.

"The ultimatum was of fundamental importance to Australia, yet our first knowledge of both its terms and publication came from the press."

"Special steps were rightly taken to secure the concurrence of China in the ultimatum, but Australian interest and concern are no less significant than those of China."

"11. Japan shall be permitted to maintain such industries as will sustain her economy and permit the payment of just reparation in kind, but not those industries which will enable her to rearm for war.

"To this end access to, as distinguished from control of, raw materials shall be permitted. Eventual Japanese participation in world trade relations shall be permitted.

"12. The occupying forces of the Allies shall be withdrawn from Japan as soon as these objectives have been accomplished and there has been established in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible government.

"13. We call upon the government of Japan to proclaim now the unconditional surrender of all Japanese armed forces, and to provide proper and adequate assurances of their good faith in such action. The alternative for Japan is prompt and utter destruction."

Japan's rejection of the surrender ultimatum was expressed officially by Premier Kantaro Suzuki, and quoted by the Tokyo radio in a Japanese-language broadcast beamed to the United States and recorded by the Federal Communications Commission, according to the New York "Times" on July 30, in a declaration that "so far as the Imperial Government of Japan is concerned it will take no notice of this proclamation."

The Associated Press, on July 27, from San Francisco, had reported that the semi-official Japanese Domei news agency published the statement that the Allied ultimatum to surrender or meet destruction would be ignored, but that a few hours later the Tokyo domestic radio toned down the news agency's comments by its assertion that the hard-pressed empire would "adopt a policy to strive toward completion of the Greater East Asia war, in conformity to the hitherto established basic principles"; Domei had declared that Japan would fight "to the bitter end."

However, Suzuki's statement, as given in the New York "Times" July 30 report, termed the Allied ultimatum "merely an expansion of the Cairo Declaration," and declared that "there is no change whatsoever in the fundamental policy of our Government in regard to the prosecution of the war."

Opposes Morgenthau's Proposal

According to the Associated Press, U. S. Budget Director Harold D. Smith expressed astonishment when informed of the late Secretary of the Treasury Morgenthau's proposal to shift the Budget Bureau to the Treasury Department where, according to Mr. Morgenthau, it had been originally placed. According to the Associated Press dispatch, Budget Director Smith said he felt "a certain astonishment" because the Treasury never has had the responsibility of preparing the Government's annual fiscal estimate.

Mr. Smith added to a reporter, continues the dispatch, that although the Budget Bureau had a "loose connection" with the Department until 1939, it never was under Treasury control.

Other budget officials also opposed Mr. Morgenthau's recommendation, saying the Bureau is a part of the President's staff, and should remain so.

Danger to American Democracy In United Nations World Charter

(Continued from first page)

istic Americans is that they judge all the other countries on the face of the earth by the same high ideals and principles which we have here in the United States. They do not realize that the people of many of the countries in Europe and Asia do not even know what democracy means, because they have never understood it. They have been ruled by an iron hand. Democracy means one thing to a Chinaman or a Russian, and it means quite a different thing to the people of the United States.

What other power on earth is going to sacrifice itself to guarantee the strengthening and perpetuation of our way of life if not America?

Mr. President, what I am saying is simply this: This charter expresses the maximum of agreement possible among the great victor powers in this war. I assume that to be correct. It has been heralded across the world as the great beginning of a new and warless world. It is, we have been told, a seed which must be watered and nourished that a great tree of peace and security may some day shelter the international lions and lambs together beneath its shade.

But, Mr. President, the facts which I have herein documented point to another and wholly different conclusion. If this is the beginning of genuine international cooperation and good faith, it is also the end. Does any sane man in his right mind think that the horror that has been loosed upon a suffering and broken humanity has furthered the possibility of peace and security—or the guarantee of the "four freedoms"? Does anyone imagine that the chaos, famine, disease, immorality, suffering, and the stinking desert of conflict that has been made of Europe and that is fast being spread over the Orient, is fertile ground in which the roots of democracy can flourish? Are the proponents of this charter attempting to tell the American people that the catastrophic consequences of this most hideous struggle of all time are conducive to the development of stable governments and societies in which the lessons of the past are so integrated into the social, legal, and diplomatic structure of nations that we may look now toward reliance upon a new reign of law and not to a reversion to trust in brute force? Any man who holds out such an ethereal dream as a prospective reality to the American people is simply deluding himself.

Can it be possible that America has not yet learned her lesson? Can it be that this fatuous marriage of idealism with a neo-realism based on pure and undiluted might and violence which our propaganda peddlers have sold to the American people is not the cause for the present pathological state of mind that holds this country in its grip? Are we such fools that we are pointing to the outcome of this war as a gracious and unprecedented blessing to American hopes and dreams, to American security and to American society in the years ahead?

Mr. President, Miss Dorothy Thompson was one who screamed for our entrance into this war. She shouted that she would gladly give her son for the cause. She was in the vanguard of those who took every occasion to turn the minds of the American people against what I believe to be their own highest interests. Yet on July 19, 1945, Miss Thompson wrote:

"We began the war with the Atlantic Charter and will end it

with no compass or standards whatever, in a world of chaos. We began it to 'end war' and shall finish it with an international armaments race between the victors."

Is there any question about that, with Russia already saying that she wants a big navy, and we pleading for peacetime conscription?

Miss Thompson further said: "We made it in behalf of the 'peace-loving' nations and shall finish it with permanent conscription in the United States."

Mr. President, I predict here and now that unless the present trend in international affairs is arrested, unless the resort to the brutal and inhuman practices of power politics is killed at its roots, Dorothy Thompson's warning inevitably will be fulfilled in a third world catastrophe that will befall us whether we want it or not. I am afraid that American statesmen have learned nothing from history, for, by the provisions of this charter, we seem to be repeating the tragic blunders of the past. When I was in Europe I talked with some of our leading diplomats. They all said Europe has learned nothing from this war. As a matter of fact, Mr. President, there is today not a country in Europe which, if it had the money, the men, and the machines, would not be at the throat of another.

Elizabeth Latimer wrote of the Holy Alliance in her book, *Russia and Turkey*:

"By the Congress of Vienna in 1815 it was laid down as a law of Europe that there were five great powers, namely, England, France, Russia, Prussia, and Austria. There were seven second-rate powers, namely: Spain, Portugal, Naples, Turkey, Holland, Sweden, and Denmark. Besides these there were third-rate states more or less dependent on the five great powers. It was agreed that no one of the five great powers was to aggrandize itself (except as regarded colonies) without giving the other four a right to take something to their own advantage, that would keep even the balance of power. If any two great powers went to war the other three had liberty to negotiate, or if need were, to intervene by force of arms, provided there was a chance that the balance of power might be disturbed."

But, Mr. President, these are not the only mistakes we are repeating. We are continuing lend-lease into the hands of the bitterest rivals history records. We can expect only one result from such misguided action.

Mr. President, it was on May 22, 1933, that Mr. Norman H. Davis, Chairman of the United States delegation at the General Disarmament Conference in Geneva, joined with Britain in setting in motion this bloody war we have just finished. That was the year in which Mr. Molotov said:

"The danger of new wars has become particularly imminent."

England had just embarked on a policy which called for the rebuilding of Germany's military strength, overriding France's bitter protest at the Conference. President Roosevelt's representative, Mr. Davis, remarked before the Conference:

"It would neither have been just nor wise, nor was it intended that the Central Powers should be subject for all time to a special treatment in armament."

Just prior to May 22, 1933, when this speech was made, Hitler had made a speech in the Reichstag demanding that Germany be restored to an armament parity with the other nations of the world.

Mr. Davis said in regard to that speech:

"The recent speech by the German Chancellor before the Reichstag clarifying the German attitude and policy with regard to disarmament and endorsing the proposal of President Roosevelt has been most helpful. This, and also the subsequent announcement made here by our colleague, Herr Nadolny, of Germany's acceptance of the British plan as the basis of the future convention, have so altered the situation as to justify us in assuming that we can now resume our consideration of this plan with real hope of agreement."

Can it any longer be said that our failure to enter the League of Nations brought on the World War? There was our own representative at the Conference saying that Germany should be permitted to rearm. There were the British saying, in spite of the French protests, that Germany should be permitted to rearm. So it cannot be said that members of the Senate were responsible for what happened, because our own representatives at the Conference put their stamp of approval upon it.

In the same year the American Government not only tolerated the expanding aggression of Japanese war lords, but we actually increased the flow of oil, scrap iron, and other essential war materials to Japan, without which Japan would have been helpless to expand her aggression, without which there could have been no Pearl Harbor. And up until the year 1939 in Europe and 1941 in Asia, by our stupid policies which actually served to build up both Hitler and Tojo, by attempting to prevent the inevitable consequences which followed on these blunders, and by swinging from the extreme of appeasement to that of war, we found ourselves compelled to build up Russia, which only a few months before we had denounced as one of most tyrannical governments on the face of the earth.

We were told that America in so doing was to serve as the arsenal of democracy. But I submit, Mr. President, that nothing could be further from the truth. The staggering truth about the consequences of our stupidity is that by this war we have caught the peoples of Europe and the peoples of Asia in the mighty jaws of a military machine unprecedented in history, a machine which we helped to strengthen and enlarge until the mind of man cannot even grasp the extent of its destructive fury.

Yet now, Mr. President, again having learned nothing from the past, America is being used to build up a new world struggle between two great imperialistic nations, a struggle for world trade, world markets, world resources, world power, and world domination, in which again we shall be called to pour out what is left of our once vast storehouses of treasure, raw materials and of blood.

Surely we owe it to our people to tell them the truth about this prospect. For myself, what I am saying has been proven time and again both by the facts of history and also out of the mouths of our most passionate proponents of international supercollaboration. Even Russia's distinguished former foreign commissar, Maxim Litvinov, in 1933 warned the nineteenth assembly of the League of Nations what the continued appeasement of Hitler meant. Little did he realize how what he said would apply to America's relations to Russia today. He said:

"There are inside and outside the League two tendencies, two conceptions of how best to preserve peace. There exists an opinion that when some state announces a foreign policy based on aggression, on the violation of other people's frontiers, on the violent annexation of other people's

possessions, on the enslavement of other nations, on domination over entire continents, the League of Nations has not only the right but also the duty of declaring loudly and clearly that it has been set up to preserve universal peace; that it will not permit the realization of such a program, and that it will fight that program by every means at its disposal.

"There is, however, another conception—that the aggressor be treated with consideration, and his vanity be not wounded. It recommends that conversations and negotiations be carried on with him, that he be assured that no collective action will be undertaken against him, and no groups or blocs formed against him—even though he himself enters into aggressive blocs with other aggressors—that compromise agreements be concluded with him, and breaches of those very agreements be overlooked; that his demands, even the most illegal, be fulfilled; that journeys be undertaken, if necessary, to receive his dictates and ultimatums; that the vital interests of one State or another be sacrificed to him; and that if possible no question of his activity be raised at the League of Nations—because the aggressor does not like that, takes offense, sulks. Unfortunately, this is just the policy that so far has been pursued toward the aggressors; and it has had as its consequence three wars, and threatens to bring down on us a fourth."

Mr. President, the people of the United States and their elected

representatives in this Senate body have been maneuvered into a position where they are not going to be able to do anything more than to acquiesce in an ultimatum. They are not going to be given the chance to endorse a nobler instrument of collective action and purpose. They have been told they must accept this instrument or nothing. Those who have been responsible for this situation know perfectly well that the people of the United States are against war now as much as they were before Pearl Harbor. So are the other peoples of the earth against war. Yet today the people of the United States are among the last free people who are able to speak their mind against war through their representatives in government.

I gravely fear that this charter will even take away from the people of America the right to be heard on the crucial issues of war and peace in the future, even though it is claimed by the proponents of this charter that by some strange miracle it will bring about at least a partial restoration of sanity, decency, and law in international relations. Indeed we have even been told that it is the greatest document ever conceived by the mind of man, that it insures world peace and prosperity, and that as the only hope of the world, we must ratify it or chaos will prevail. I am seriously worried as to whether, after the charter is ratified, the people of the United States will have anything to say about it.

Foreign Trade Council Has Reparations Plan Outlines Steps to Secure Equitable American Participation In Enemy Reparations and Transmits Plan to State Department for Use by Moscow Reparations Commission

Proposals to assure equitable American participation in the division of enemy reparations, and to assure compensation for foreign losses of United States nationals on a basis no less favorable than that accorded nationals of any of the other United Nations, have been transmitted by the National Foreign Trade Council to the Department of State to be forwarded to the Reparation Commission now sitting in Moscow.

Drawn up by the Council's Foreign Propertyholders Protective Committee, of which Robert F. Loree, Vice-President, Guaranty Trust Company, is Chairman, the proposals were distributed on July 23 by a bulletin issued to Council members.

The Committee's statement of proposals includes the following sections:

"... Enemy assets located in a United Nation shall be at the disposal of the United Nation in which they are located and shall not be included in the common pool."

"Property rights and interests of which the nationals of any United Nation are the beneficial owners, including the assets of corporations, the stock of which is owned by the nationals of any United Nation, wherever such property rights and interests may be situated, shall not be utilized for the purpose of reparation."

"Each United Nation shall be entitled to receive its pro rata share of reparations under as favorable terms as to method and time of payment as those accorded to any other United Nation."

"Reparations in kind shall be granted those countries that could profit from them and desire them, provided such a course will not lessen enemy responsibility or ability to make other compensation for losses."

"Property rights and interests of which nationals of any United Nation are the beneficial owners, including the assets of corporations, the stock of which is owned by the nationals of any United

Nation, shall be restored to their owners as promptly as possible. To that end the nationals of each of the United Nations shall have free and equal access to their properties located within the zone occupied by the other."

A Two-Phase Problem

The reparations problem, the bulletin pointed out, falls into two phases—

Firstly: "The substance of these statements is based upon our understanding that the Moscow Reparation Commission is to determine the total amount of reparations which Germany shall pay; that each of the United Nations will present its total demands, including claims for private losses, to the Reparations Commission, and that the total sum to be received from Germany will be apportioned equitably among the United Nations."

Secondly: "Thereafter, the distribution of each nation's share will rest with each Government."

To assist the Committee in determining the principles of settlement which will be advocated on behalf of the U. S. claimants, and to aid individual claimants in the preparation, filing and prosecution of war-loss claims, a study of experience on war claims following World War I is being pressed. Draft chapters of this study, according to the bulletin, are now being reviewed preparatory to printing and distribution.

Among the topics to be treated in the study are: World War I Claims Against Germany; Mixed Claims Commission — United States and Germany; Presentation of War Claims; Preparation of Evidence; Nationality of Individuals; Nationality of Corporations, and Claims for Estates, Cash, Bank Deposits, Securities and Debts.

France In Desperate Need of Essential Foods, Minister States

At a conference with Secretary of Agriculture Clinton P. Anderson, Christian Pineau, French Minister of Supplies, in this country to survey the possibilities of acquiring imports for France, disclosed that the most immediate needs of his country were for wheat, sugar, fats and meat, and that he hoped to be permitted to purchase these products from the Allied pool, special advices to the New York "Times" stated, July 13, from Washington sources, and continued:

The deficit in wheat, the French Minister stated, will run this year to 100,000 bushels a month in France and 200,000 a month in North Africa, because of the drains on French supplies during the German occupation. Fats, including butter and oils, he said, were largely looted by the Germans and the same is true of the French herds of cattle and sheep. Sugar, he said, is short because it was impossible to gather last year's sugar-beet crop because of the lack of fuel for refining and because of the shortage of manpower.

French rations now have been established, the Minister said, on the basis of 350 grams of bread a day, 500 grams of sugar a month, 100 grams of meat a week and 500 grams of fats a month. In the cities, which are suffering much more than the country districts, he said, supplements are offered in the way of macaronis and jam, especially to children and old people, so that the aver-

age rations now should provide each person with about 1,500 calories a day.

In addition to these are fruits and vegetables in season which are ration-free. Especially in the cities, however, the Minister said, the people are short of their rationed supplies because of difficulties in transport. Farm people, he said, are faring better, and are sending food parcels to their relatives in the towns.

He estimated that there were 16,000,000 persons in France still undernourished. Black market conditions in the cities, he said, are functioning in such a way as to insure that persons of wealth are much better fed than poorer people.

The Minister said he fully realized the difficulties that the United States itself was now facing in the way of food supplies. He declared that the import program he was presenting was based on minimum needs, and called for products that might be supplied by the Allies largely outside the United States.

Senator Byrd Notes Increase in Govt. Jobs— Urges Immediate Dropping of 300,000

Reporting on July 26 that the civilian payroll of the Government in this country had passed the three-million mark without reference to the more than a half-million War Department employes abroad, Senator Byrd, Chairman of the Joint Committee on Reduction of Non-Essential Federal Expenditures, stated that it was his firm conviction "that at least 300,000 Federal employes could be immediately eliminated without interference with the prosecution of the war."

According to special Washington advices July 26 to the New York "Times" from which the foregoing is taken, Senator Byrd stated that the number of Federal civilian employes increased by 126,130 in June, and of that total 110,049 were hired by the War Department outside the United States. The number of Army employes within the United States was reduced by 3,378 in the same month, he added, said the "Times" advices, which also had the following to say:

After the war ended, he said, "we should return to a total Federal employment of certainly less than a million employes," adding that even this figure was in excess of the Federal employment of normal times.

The increase during June, Senator Byrd stated, meant that 100 civilian employes were added to the public payroll every hour of the working day here, and that 600 civilian employes were hired

every hour for Government duties abroad. The Federal payroll would soon reach a total of eight billion dollars, he added.

In line with Senator Byrd's recommendation, Congress has enacted provisions, effective July 1, which authorized the Bureau of the Budget to establish personnel ceilings and submit a quarterly analysis of Federal employment showing the number of civilian employe reductions which have been made.

Government departments and agencies which showed increases in June included: Treasury, 5,282; Navy, 4,589; Veterans Administration, 3,032; Commerce, 2,004; Interior, 953; Justice, 535; Office of Price Administration, 663; Federal Security Agency, 802; Reconstruction Finance Corporation, 597; and General Accounting Office, 525.

Those showing decreases included: Office of Censorship, 1,887; State Department, 696.

NWLB Rejects State Amendment Against Closed Shop

The National War Labor Board, in rejecting a petition by the Attorney General of Florida, J. Tom Watson, that it intervene because of a state constitutional amendment adopted last November, declaring the right of persons to work shall not be denied or abridged on account of membership or non-membership in a union, upheld a maintenance-of-union-membership directive from the Regional WLB at Atlanta in a case involving three American Federation of Labor unions at the Port St. Joe, Fla., paper mill. In reporting the NWLB decision, the Washington Associated Press, on July 20, stated that a United States District Court had recently held the state amendment valid. The advices went on to say:

The paper mill did not appeal from the regional board maintenance-of-membership directive, but the state itself took up the issue.

In Tallahassee, Attorney General Watson said he did not be-

lieve that the WLB had held the War Labor Disputes Act superior to Florida's anti-closed shop amendment.

"Although I have not seen the order yet," he said, "I know that no question of such superiority was submitted to it in the case referred to, and I conclude that it could not have gone beyond the issues presented in any holding or order which it might have made. In upholding a maintenance-of-union-membership directive it does not necessarily override the right-to-work constitutional provision."

The National Board, in its de-

cision today, held that the War Labor Disputes Act is supreme when in conflict with either state law or state constitution.

In reaching its decision, the Board said it was guided by Article 6, Section 2, of the United States Constitution, which states:

"This Constitution, and the laws of the United States which shall be made in pursuance thereof . . . or which shall be made under the authority of the United States shall be the supreme law of the land, and the judges in every state shall be bound thereby, anything in the Constitution or laws of any state to the contrary notwithstanding."

Under the standard maintenance-of-membership clause workers are allowed 15 days to decide whether to withdraw from a union. Those remaining members must keep up their union dues for the duration of the contract or lose their jobs.

The first agreement between the Florida company and the unions in 1939 contained a union security clause. The concern makes sulphate kraft linerboard, corrugated board and kraft pulp. The WLB said three other comparable paper mills in Florida have full union-shop agreements reached through negotiations.

The three unions involved in today's decision are the International Brotherhood of Paper Makers, International Brotherhood of Electrical Workers and International Association of Machinists. Together they represent about 450 workers.

Vote to Liberalize GI Bill of Rights

With fewer than 100 members on the floor, the House on July 18, just before voting itself an 11-week recess, passed unanimously by voice vote a series of amendments to the GI Bill of Rights, the major provisions of which are designed to liberalize the loan and education sections of the veterans' benefits law passed last year, according to Washington advices from the Associated Press, which also stated:

"Not scheduled for consideration until after the summer recess ending in October, the legislation was called up unexpectedly by Chairman Rankin (D., Miss.) of the Veterans' Committee.

"Most House members already had left Washington, and Mr. Rankin threatened to block adjournment plans by insisting on the presence of a quorum unless his legislation was considered immediately.

"The new measure, which requires Senate approval, makes only minor changes in the hospitalization, employment, unemployment compensation, and administrative titles of the original G. I. Bill of Rights.

"In the education and loan titles it makes these major revisions:

"Education: Extends from two to four years after discharge the time in which a study course may be started; extends from seven to nine years after the war's end the time in which education or training may be given at Government cost; provides for short intensive postgraduate or vocational courses of less than 30 weeks; permits the Government to finance correspondence courses; increases from \$50 to \$60 the monthly educational subsistence allowance of a veteran without dependents, and from \$75 to \$85 the allowance for a veteran with dependents.

"Loans: Extends from two to six years after discharge or the end of the war the time in which a veteran may apply for a Government-financed loan; permits a qualified veteran to negotiate with any established lending agency or any agency or individual approved by the Veterans' Administrator for

a loan for the purchase of a home, farm or business in any amount; retains the existing limitation of 50% of the principal, or \$2,000, whichever is less, on the amount of the loan the Government will guarantee; prohibits the negotiation of loans until 30 days after a veteran's discharge; provides that the loan application need be approved only by the lender, instead of by the Veterans' Administration; and provides that the reasonable value of property involved in a loan shall be determined by the lender's appraisal.

"The overall purpose of the revisions, Representative Rankin said, is to overcome complaints that have grown out of administration of the original law and to facilitate the return to civilian life of discharged veterans. Its enactment now, he said, was urgent because of large numbers of service men being discharged."

N. Y. Banks Sold Third Of Govt. Bonds Issued

The banks of New York State sold more than one-third of all the Government bonds issued by the United States Treasury since Pearl Harbor as their part in helping to finance the war, according to the New York State Bankers Association, which on July 28 announced that a survey among 800 member banking institutions shows that New York banks sold approximately \$59½ billions of the total of \$176 billions of War Bonds and other Government securities sold during that three and one-half year period. The Association states:

"This vast amount, which is more than two and a half times the total dollar value of the Liberty and Victory Bonds sold to finance World War I, made available to the Government sufficient funds to finance 266 days of the war at what during this time was the average daily rate of expenditure—\$233,000,000 each 24 hours."

The Association reports that of the \$59½ billions sold by the state's banks, \$42,500,000 in bonds were issued during the seven war loan drives. It adds that in the Seventh War Loan, which closed July 7, the New York State banks sold \$7,980,000,000 of War Bonds, Treasury Notes, Certificates and other Government securities, representing 2,000,000 individual sales transactions.

It is pointed out that the part New Yorkers played in financing the war was an incidental disclosure of the second war effort survey conducted by the New York State Bankers Association to ascertain the impact of the war upon the state's financial institutions and enable them to plan an orderly readjustment to peace time demands.

Remittances Sent to Blocked Nationals

Remittances up to \$1,000 a month for living expenses are now being accepted by the American Express Company for transmitting to blocked nationals in foreign countries, under Treasury Department general license No. 32, Ralph T. Reed, company President, announced on July 26. The announcement said:

"The maximum remittances authorized have been increased from \$500 to \$1,000 for such countries as France, Greece, Norway, Denmark, Italy, and many others, as well as such islands as Sicily, Sardinia and the Dodecanese group in the Aegean Sea. Exceptions are payees who are nationals of Germany, Italy, Japan, Bulgaria, Hungary or Rumania and who reside within Portugal, Spain, Sweden, Switzerland or Tangier, who may only receive up to \$100 per month plus

Ahead Of The News From Washington

(Continued from first page) ownership of their transport system?"

You agree to this, and you say, how about the coal industry. They say, oh yes, that has always been a bad industry and really needing government attention, but when you come right down to it, the Churchill "Tory" government had already "nationalized" the coal industry. It develops that the operation of the mines is still in the hands of private industry and that the Laborites intend to take this over.

Then you ask, how about the nationalization of the iron and steel industries, and these defenders of the British private enterprise system say, oh, that was to be expected, the industries have been operated so inefficiently in the past that they should be nationalized so that Britain can compete in world markets.

Appalled with explanations, you ask these apologists how about the nationalization of the Bank of England. Oh, they say, that is something on the order of your Federal Reserve System. Well, then, how about that business of nationalizing the lands.

Oh, they say, that will never come about. Do you think Britain is going Communist? Do you think the English people will ever go Communist?

Those are questions which your correspondent can't answer. What we are attempting to report is that while a lot of agitating stuff is coming out of Britain, particularly from such as Harold Laski, the British contingent here, is quite mindful of what it may do to our investors, and apparently Laborites and Conservatives alike, think they need these investors. It is a fine commentary on the socialistic system.

It is apparent to this writer that the Britishers in Washington, regardless of hue, would rather our own propagandists drop this business of how their elections are likely to have ramifications over here.

Aside from what they say, we think our domestic propagandists have been immeasurably picked up, but when all of their shouting is over, they are still up against some plain facts. These are:

We doubt seriously whether Truman will be influenced.

If he is influenced, what can he do about it?

The tremendous change that has come over our government is that the man in the White House is not a "leader." The Congress is in the saddle today. It is predominantly conservative. Truman may send messages up to it by way of keeping his record clear. Before the great Roosevelt that that is what a President was supposed to do. It was understood that this was so, and nobody complained.

We can't see a situation of Truman trying to drive Congress, and of his getting anywhere if he did.

It may be that the British overturn will come to influence our own politics. It is clear that the Leftists are seeking to make it do that. But our Leftists need a leader, an inspiration. The only man they have in sight, Henry Wallace, seems to be bottled up in the cabinet.

\$25 for each member of the household, the maximum being \$200.

"In addition, under provisions of general license No. 33, citizens of the U. S. in these blocked countries may receive up to \$1,000 a month for living and traveling expenses, as well as an additional sum not exceeding \$1,000 if to be used for enabling the payee or a member of his household to return to the U. S."

The State of Trade

(Continued from page 546)

sponding week of 1944. Compared with a similar period of 1943, a decrease of 1,515 cars, or 0.2%, is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,384,547,000 kwh. in the week ended July 21, 1945, from 4,295,254,000 kwh. in the preceding week. Output for the week ended July 21, 1945, was 0.1% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 167,100,000 kwh. in the week ended July 22, 1945, comparing with 159,200,000 kwh. for the corresponding week of 1944, or an increase of 4.9%.

Local distribution of electricity amounted to 166,200,000 kwh., compared with 153,700,000 kwh. for the corresponding week of last year, an increase of 8.1%.

Business Failures Rise—In the week ending July 26, commercial and industrial failures increased to almost twice the number a week ago, reports Dun & Bradstreet, Inc. Concerns failing numbered 22 as compared with 12 in the previous week and 19 in the corresponding week of 1944. This was the fifth week in 1945, and the second week in July that failures have exceeded those in the comparable weeks of last year.

There were three times as many large failures involving liabilities over \$5,000 as there were small failures. Furthermore, these large failures doubled their number in the prior week, 17 as compared with 8, and were considerably heavier than in the same week a year ago when 10 large failures occurred. Among small failures, on the other hand, only one more concern failed than in the preceding week and in this size group failures were only half the number a year ago.

All industry and trade groups except retailing showed an increase from last week. The gain was sharpest in manufacturing where failures rose from one a week ago to seven in the week just ended—some three times heavier than in 1944's comparable week.

Three Canadian failures occurred against one a week ago and two in the corresponding week of 1944.

Paper Production—The ratio of United States paper production to mill capacity for the week ending July 21, 1945, as reported by the American Paper & Pulp Association, was 87.2%, compared with 88.5% (revised) for preceding week and 91.2% for corresponding week a year ago. Paper board production was at 96% for the same week, compared with 90% for preceding week and 94% for corresponding week a year ago.

Wholesale Food Price Index Advances—The wholesale food price index rose one cent further in the past week, registering \$4.11 on July 24. This compared with \$4.03 for the corresponding dates one and two years previous. The rise reflected advances in eggs, potatoes and rye. Quotations for wheat, steers and lambs were down slightly.

The index, compiled by Dun & Bradstreet, Inc., represents the sum total of the price per pound of 31 foods in general use.

Wholesale Commodity Index Lowest in Five Months—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., turned downward this week, reaching the lowest level since mid-February on July 24—175.97. This compared with 177.11 on July 17, and with 171.79 last year at this date.

Trends in leading grains were mixed as prices moved irregularly

over a moderate range during the week.

There was little change noted in the tight situation in lard and fats although supplies of the former showed a slight increase during the first half of July.

Cotton markets fluctuated nervously as prices alternately rose and fell, closing around 30 points off from a week earlier. Weakness was attributed largely to the favorable progress of the war in the Pacific, which resulted in recurrent rumors of a possible early peace.

The Boston raw wool market continued very slow with sales of domestic greasy and scoured wool light and only occasional transactions reported for piecing out purposes. There appeared to be considerable uncertainty in the trade as a result of recent cancellations and deferment of delivery dates on Government orders. Spot foreign wools with few exceptions were in slower demand and prices trended somewhat easier as offerings increased.

Retail and Wholesale Trade—Retail sales were substantially maintained for last week despite discouraging rain in some areas of the country and heat in others. Department store sales were reported considerably over last year but food volume was about even, thus making the total retail gain only moderately above the previous year, according to Dun & Bradstreet, Inc. Summer apparel continued leading as mid-season was reached. Retailers' stocks of men's furnishings, such as shirts and underwear, continued to decline; demand became more intensive. Children's wear has gained steadily over the past three months and more new stores and departments have been opened devoted exclusively to this line. Fall merchandise moved well wherever it was displayed. Fall hats in the upper price bracket sold best with black as the leading color.

Luxury items—jewelry and cosmetics—sold in greater volume than in the previous week; fur suits were promoted in specialty shops and fur departments. Piece goods departments reported increased sales over last year with cotton in greatest demand. Wool coatings and tweeds sold as rapidly as supplied.

The usual seasonal demand for canning equipment was curtailed by more stringent sugar rationing. Hardware retailers received a better flow of small tools and lawn fencing, which helped lift sales above last year. Although the Army and Navy are discouraging travel, Summer resorts reported the largest number of guests since pre-war years.

The volume of sales in butcher shops was lower than a year ago, although better than the previous week, while the sales volume of restaurants was higher. The supply of poultry in retail markets increased over last week. Meat was generally adequate to meet available points; greatest improvement was in beef and veal. The fresh produce picture was favorable as supply met demand and prices fell. Aided by the reduction of point requirements butter sales increased over last week.

Retail sales for the U. S. were estimated at 10 to 15% above 1944. Regional percentage increases were: New England and Middle West, 6 to 11; East, 12 to 17; Northwest, 8 to 13; South, 10 to 14; Southwest, 10 to 15, and Pacific Coast, 11 to 15.

This week wholesale volume approximated that of last week, a level slightly above a year ago. Both apparel activity, as indicated by the number of buyers arriving in the markets, and the volume of wholesale food transactions were somewhat below last week's

level, although marginally above a year ago.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended July 21, 1945, increased by 14% and compared with a gain of 15% in the preceding week. For the four weeks ended July 21, 1945, sales increased by 19%, and for the year to date by 13%.

Here in New York retail trade last week advanced sharply in response to seasonal clearance sales and the accumulation of newspaper advertising held back during the strike.

Quiet ruled in the wholesale markets with food volume continuing to suffer from merchandise shortages. Foodstuff sales at retail showed some slight increase with meat supplies somewhat larger and the reopening of fresh fruit and vegetable distribution.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to July 21, 1945, increased by 11% above the same period of last year. This compared with a gain of 12% in the preceding week. For the four weeks ended July 21, 1945, sales rose by 16%, and for the year to date by 13%.

Simplified Priorities System Announced

Details of a revised and simplified priorities system leading to ultimate discontinuance of priorities assistance for "virtually everything except military requirements" as soon as war-supporting and essential civilian production no longer needs general help, were announced on June 30 by J. A. Krug, Chairman of the War Production Board. Mr. Krug announced a six months' transition period from July 1 to December 31, 1945 to "give business an opportunity to adjust its operations to the new system," which will go into effect after January 1, 1946.

Mr. Krug said transition to the revised and simplified priorities system was necessary because "the military services have substantially reduced their supply programs as a result of victory in Europe." The WPB advices also said:

"The new priorities system will be introduced gradually during the period from July 1 through December 31, 1945, which will be known as the 'transition period.' This period is designed to cushion the impact of the transition from a system under which nearly all production has been regulated to a new system under which military requirements will have top priority but civilian business will generally operate both without production restrictions and without affirmative priorities assistance.

"Meanwhile the procedures outlined in the new 'Priorities Regulation No. 29' will be instituted gradually during the latter half of 1945. There will also be changes in other WPB regulations and orders, and the Board cautioned that if there should be any inconsistency between PR 29 and any other WPB regulation or order, PR 29 controls 'unless the other expressly states the contrary.'

"Under the new priorities rating system the present AA rating method and the Controlled Materials Plan will be discontinued at the end of 1945 and replaced by a system in which the AAA rating will still be assigned in emergencies as under existing procedures but a new MM rating will be assigned by military agencies. WPB itself will assign the MM rating only in cases where it is clearly necessary for the war effort or for requirements of similar urgency.

"During the transition period from July 1 to December 31, the

MM rating will be equivalent to AA-1. The AA ratings also will be retained for certain materials, such as textiles, if it is not practicable to adapt existing controls to the new system.

"Beginning October 1, 1945, no more AA ratings will be assigned by WPB or other agencies except for deliveries to be made before January 1, 1946. Prior to October 1, 1945, WPB will cancel outstanding AA ratings calling for delivery after the end of 1945, whenever this can be done without interfering with war production or war-supporting activities. Further details on this phase of the transition will be announced later.

"Beginning as soon as possible after July 1, 1945, the military services will assign the MM rating to orders and contracts placed during the transition period for deliveries during or after the transition period. They also may change existing orders with AA ratings to MM ratings if necessary to assure delivery on schedule.

"WPB will, if necessary, provide additional procedures to give priorities assistance for war-supporting or highly essential civilian purposes. This may be in the form of a new rating junior to the MM rating or in the form of some other procedure. This will not be announced until more information is available as to the supply of materials for non-military use.

"At the end of the transition period, December 31, 1945, the Controlled Materials Plan and all its regulations will expire automatically, except that part of it which restricts inventories. However, the delivery of controlled materials during the third and fourth quarters of 1945 will continue to be regulated by the plan alone and not by ratings."

U. S. Savings & Loan League Shows Gains as Compared With Last Yr.

Wartime conditions among the savings and loan associations and co-operative banks, chiefly manifested in the inflow of money, reached their peak in the first five months of 1945, it was reported on July 21 by the United States Savings and Loan League. A survey of current operations and financial position of these institutions recently completed by their 53-year-old trade organization showed that the net receipts of savings and investments up through the end of May were 36% greater than last year, and that the repayments on home loans, monthly contractual payments and voluntary payments in advance, were 23.2% ahead of last year's performance. The League also says:

"Partially stemming the flood of new funds was an increase of 21.4% in the amount of money loaned this year during the first five months compared with the like period of 1944. W. M. Brock, Dayton, Ohio, pointed out.

"The reports are from savings and loan institutions with a third of all the assets in the system and represent 45 different states. A net increase of 1.5% in their total home loans outstanding was cited as a triumph over increasing odds, since the dribbling off of home building has narrowed the field for new mortgage lending. This year's net gain in the savings and loan institutions' loan portfolio was about 13.5% larger than their gain in the first five months of 1944, Mr. Brock indicated.

"These reporting associations, about 400 in number, had closed or in process by the end of May 3,600 loans to veterans for home ownership, with about \$16,500,000 advanced to this specialized group of borrowers under the G.I. Bill of Rights."

Sav.-Loan Ass'ns Show Increase in Mortgages

Mortgage lending activities of the 243 savings and loan associations in New York State showed a record-breaking increase for the first six months of 1945 according to estimated figures released by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations. Mortgage loans granted by the associations from January 1st to June 30, 1945, he reports, totaled \$52,903,207, an increase of 44%, or \$16,151,880, over the corresponding period in 1944. Of this total, \$45,867,884, or 87%, was used for the purchase of homes and \$4,230,109, or 8%, for the conversion of non-reducing mortgages to the monthly amortized plan offered by savings and loan associations. Construction, repair and other loans totaled \$2,805,214, or 5%. Mr. Woodard's announcement also says:

"Savings by the general public in the 243 savings and loan associations of New York State also showed a record-breaking increase for the first half of 1945. Savings in these institutions increased 9.2%, or \$48,066,559, since January 1, 1945 as compared to \$32,927,517, or 7.4%, for the first six months of 1944."

Based upon these figures, Mr. Woodard estimated that the total resources of the associations on June 30th had reached the amount of \$352,233,551. Mr. Woodard also announced that the associations exceeded all past performances in sales and purchases of United States Government securities during the Seventh Loan Drive. Sales of E, F and G Bonds and other securities to the general public as reported by 143 of the 243 associations in the state totaled \$13,311,300 compared to the savings and loan quota of \$12,500,000, while purchases by the associations for their own portfolios aggregated \$41,689,300, or nearly twice the quota of \$22,500,000.

Luxemburg Forms 1st Army

The founding by the Duchy of Luxemburg of an army, the first in its history, with an American West Pointer as its chief of staff was made known in Associated Press advices from Luxemburg July 24. The head of the new army is Lieut. Col. Arnold Sommer, of Albion, N. Y., commander of the 114th Anti-Aircraft Battalion, said the press advices, as given in the New York "Herald Tribune," which also had the following to say:

The idea grew out of Allied plans for utilizing available man power in the liberated countries, and received prompt approval from Grand Duchess Charlotte and Prince Felix.

Col. Sommer said Brigadier General C. O. Thrasher, commander of the Oise base section, told him to "come up here and do the job."

"That was June 1," Col. Sommer said. "When we got here there was no staff, no army, no laws making an army legal.

"We blueprinted enough laws to take care of compulsory training, disciplinary actions and financial requirements. The government passed them and the Grand Duchess signed them July 4. We have inducted 1,325 men and formed two battalions of light infantry."

With the exception of two American captains, all the officers are Luxemburgers. Captain Robert L. Richters, of Massachusetts, commands one battalion, and Captain Winston A. Schmidt, of Lyons, Kan., the other.

Col. Sommer said the army was equipped by the British and fed by the Americans.

It is noted in the press account that Luxemburg formerly maintained a military force of 500 gendarmes, or police.

Electric Output for Week Ended July 28, 1945 Exceeds That for Same Week Last Year by 1.0%

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended July 28, 1945, was approximately 4,434,841,000 kwh., which compares with 4,390,762,000 kwh. in the corresponding week a year ago and 4,384,547,000 kwh. in the week ended July 21, 1945. The output of the week ended July 28, 1945, was 1.0% in excess of that for the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended—			
	July 28	July 21	July 14	July 7
New England.....	*1.5	*1.0	*2.6	*0.5
Middle Atlantic.....	2.8	3.0	*1.4	2.9
Central Industrial.....	*0.4	*1.3	*2.8	*1.2
West Central.....	5.8	2.9	2.6	5.2
Southern States.....	6.5	4.1	2.4	6.8
Rocky Mountain.....	*1.8	*1.6	*1.9	0.5
Pacific Coast.....	*4.1	*5.0	*6.8	*5.1
Total United States.....	1.0	0.1	*1.9	1.0

*Decrease under similar week in previous year.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1945		1944		% Change over 1944	1943	1932	1929
	1945	1944	1944	1943				
April 7.....	4,321,794	4,361,094	4,321,794	4,361,094	0.0	3,882,467	1,480,738	1,696,543
April 14.....	4,332,400	4,307,498	4,332,400	4,307,498	+ 0.6	3,915,794	1,469,810	1,709,331
April 21.....	4,411,395	4,344,188	4,411,395	4,344,188	+ 1.5	3,925,175	1,454,505	1,639,822
April 28.....	4,415,841	4,336,247	4,415,841	4,336,247	+ 1.8	3,866,721	1,429,032	1,688,434
May 5.....	4,397,330	4,233,756	4,397,330	4,233,756	+ 3.9	3,903,723	1,436,928	1,698,942
May 12.....	4,302,361	4,238,375	4,302,361	4,238,375	+ 1.5	3,969,161	1,435,731	1,704,426
May 19.....	4,377,221	4,245,678	4,377,221	4,245,678	+ 3.1	3,992,250	1,425,151	1,705,460
May 26.....	4,329,605	4,291,750	4,329,605	4,291,750	+ 0.9	3,990,040	1,381,452	1,615,085
June 2.....	4,203,502	4,144,490	4,203,502	4,144,490	+ 1.4	3,925,893	1,435,471	1,689,925
June 9.....	4,327,028	4,264,600	4,327,028	4,264,600	+ 1.5	4,040,376	1,441,532	1,699,227
June 16.....	4,348,413	4,287,251	4,348,413	4,287,251	+ 1.4	4,098,401	1,440,541	1,702,501
June 23.....	4,358,277	4,325,417	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	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	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	4,295,254	4,377,152	- 1.9	4,184,143	1,433,903	1,727,225
July 21.....	4,384,547	4,380,930	4,384,547	4,380,930	+ 0.1	4,196,357	1,440,386	1,732,031
July 28.....	4,434,841	4,390,762	4,434,841	4,390,762	+ 1.0	4,226,705	1,426,986	1,724,728

Study of Wage Guarantee Starts

The feasibility of a guaranteed wage to the millions of American workers who are obliged to meet the problems of periodic layoffs in a peacetime year is to be the subject of a study promoted by the War Mobilization and Reconversion Committee, according to the Associated Press from Washington, July 25, which also stated that Murray Latimer, Chairman of the Railroad Retirement Board and former Harvard professor, and Arthur S. Meyer, New York State mediator, will conduct the study.

Announcement of the project and appointments was made by Eric Johnston, head of the United States Chamber of Commerce and chairman of a subcommittee which will oversee the inquiry. From the Associated Press we quote:

Mr. Meyer will consult with management, labor and other persons throughout the nation who have had some experience with a guaranteed wage or who could contribute to a solution of the issue. Latimer will conduct the research.

Mr. Johnston, who said he had a three-month guaranteed wage plan for employees of his own Washington Brick & Lime Co. in Spokane, Seattle and Portland, pointed out that the issue of a guaranteed wage for any length of time—not just annually—would be embraced.

The study, which will take from six to 18 months to complete, is the result of the "Big Steel" decision of the War Labor Board last Nov. 25.

The Board had referred the CIO Steelworkers' demand for a guaranteed annual wage to the late President Roosevelt with the suggestion that a study be conducted for basic steel and other industries.

The steel workers had sought a guarantee of 40 hours a week for 50 weeks after a three-month probationary period, with annual two weeks' paid vacations after five years of service.

The President then delegated the task to James F. Byrnes, then War Mobilization and Reconversion Director, who in turn appointed a subcommittee of his advisory committee to do the job. Johnston, with Philip Murray, head of the CIO and the Steel Workers Union; Anna Rosenberg, New York Labor advisor, and Albert Goss, of the National Grange, made up this committee.

The actual study will be carried on by a staff to be assembled by Latimer and Meyer.

Mr. Johnston emphasized that "few are talking seriously of a compulsory guaranteed wage" but that the entire study was based on

the premise that everything about it was voluntary.

Ted Silvey, chairman of the CIO's Reconversion Committee, told the newsmen that the CIO was not anxious to have a guaranteed income legislated by Congress, but instead preferred to make it a matter of collective bargaining.

Mr. Johnston said the study would have to determine what the effect would be on small businesses and new ventures if every employer were to be committed months in advance on his payroll. The effect on seasonal businesses, such as canneries, summer resorts, and fashion houses, were other questions to be considered, he said.

He conceded that "probably there will be no one formula found to be satisfactory to all."

Mr. Johnston said he was confident that "if feasible methods are proposed that industry will be anxious where it can to keep operations on a steady basis."

"Industry can make more money by steady operation," he added.

The expanding economy on which a guaranteed wage would depend can be anticipated in wider domestic and foreign markets after the war, Mr. Johnston said.

Govt. Bonds Sold by N. Y. State Banks

The sale to the public by New York State banks of more than 29,000,000 individual Government bonds representing a total purchase price of \$59½ billions was cited by the New York State Bankers Association on July 29 as indicative of the success of banking's effort to defeat inflation by encouraging all Americans to help finance the war. The sales made between Pearl Harbor and the conclusion of the Seventh War Loan Drive, represent about two bonds to every man, woman and child in the State. More than 26,500,000 of the bonds, the survey showed, were the so-called "savings bonds" series E, F, and G.

Additional millions of bonds, the Association pointed out, have been purchased directly and through payroll savings plans

from theatres and companies licensed as bond selling agents.

It is also stated that since Pearl Harbor the State's 700 commercial banks have devoted more than 570,000 man-hours a month to selling and handling U. S. securities. The average-size bank, with 65 employees, is setting aside 900 hours a month for selling and redeeming bonds, reporting sales to the Treasury, maintaining war loan deposit accounts, and performing other services incident to war financing.

On July 31 the Association pointed out that eight major war services in addition to War Bond sales and on top of a 40% increase in normal banking business have kept New York State's 700 commercial banks on their mettle during the last three and one-half years.

In addition to selling \$59½ billions of War Bonds to New Yorkers a survey made by the Association's bank management committee showed the banks performed the following services from Pearl Harbor to V-E Day:

"1. Cashed or handled for deposit a monthly average of 4,606,784 United States Government checks. This is approximately equivalent to handling each month a Government check for each family in New York State.

"2. Conducted 'ration banking' handling 2,966,794 items monthly for 153,020 separate accounts and thereby made possible orderly handling of ration stamps, coupons, tokens, and checks of retailers.

"3. Granted 460,305 war production loans—industrial, agricultural, and housing—for a total of nearly \$7,000,000.

"4. Made payroll deductions for purchase of United States War Savings Bonds.

"5. Helped the Treasury's income tax withholding plan, issuing weekly receipts to employers for money withheld from employees' pay envelopes.

"6. Assisted in the enforcement of regulation W, the anti-inflation device to curb consumer borrowing, handling forms required of every applicant for consumer credit of \$1,500 or less.

"7. Enabled war industry to meet payrolls vastly increased by war work, with cash or checks.

"8. Assisted the Treasury in Foreign Funds Control, first to protect the assets of friendly aliens from seizure by Axis and later as a weapon of economic warfare, by 'blocking' thousands of accounts involving millions of dollars."

According to the Association the facts about banking's wartime services were developed from a survey designed to ascertain the impact of the war upon the State's financial institutions and enable them to plan an orderly readjustment to peacetime economy.

Avery Succeeds Peck As Land Bank Head

Lt. Col. M. D. Avery, St. Paul, will succeed Frank W. Peck as President of the Federal Land Bank of St. Paul on Sept. 30, it was stated in the Minneapolis "Journal" of July 21, which also said: "Mr. Peck resigned to become managing director of the Farm Foundation, Chicago. Avery has just returned from more than three years of military duty in Europe.

"Mr. Peck, who had headed the Land Bank for seven and one-half years, has been a trustee of the Farm Foundation for three years. He formerly was director of agriculture extension at the University of Minnesota."

Steel Operations 0.1% Higher - Producers Set Up So-Called Precautionary Schedules

"There was little in the steel market this week to encourage civilian manufacturers to expect early delivery on items which would start the reconversion wheels rolling at a reasonable speed but there were signs that should the war with Japan end sooner than now thought, steel mills would be in a good position to take full advantage of such an event," states "The Iron Age" in its issue of today (Aug. 2), which further reports in part:

"For the time being at least deliveries to civilian steel users are in no better position than they were a month ago. Rated steel orders are still heavy and backlogs on such business are large.

"However, in the past week many of the reluctant civilian steel consumers have become tired standing on the order sideline and have stepped up the volume of their orders even though they have no idea when deliveries will be made. Among such consumers are the automobile group and home appliance makers. They and many other steel users are taking no chances now in case the war with Japan should come to a sudden end. Nor are they planning definitely that it will. They are just being cautious and remembering historically that those who place their orders first have the greatest chance to benefit.

"Just as steel users with non-rated business have awakened to the fact that heavy and severe war cancellations would greatly change the steel market picture so have steel producers themselves. The latter have set up so-called precautionary schedules that could be quickly put into operation should war events take a sudden turn for an ending. Even while this is going on there have been sudden spurts in demand for war steel which have displaced not only the chances for early delivery of non-rated business but have forced changes in schedules for orders carrying CMP ratings.

"The net result of these general market trends reflects a waiting game on the basis that if the war lasts longer than supposed, orders will be in, and if it ends sooner than expected with orders in, there is a better chance of steel mills getting over the 'confusion' period sooner and consumers getting their steel in a more orderly fashion.

"A sudden end of the Japanese war, however, would for a short time paralyze steel finishing mills because of the impact of cancellations. The possible shutdowns would last only so long as alternate steel mill schedules could be put into effect. That ingot output would be severely slashed is not envisioned because of the need for raw steel when schedules have become reorganized. Once finishing mills are started again it is expected that most mills will have enough business in their backlogs to keep them running for from four to six months at capacity.

"Specific steel market news this week indicated that the large Navy order for a floating dry dock has been placed. The bulk of the 65,000 tons of plates for August delivery went to western steel mills. The more than 40,000 tons of structural steel was distributed among many mills. The placement of this order has pushed back deliveries on rated steel business not as urgent.

"The automobile industry, which has found sheets tighter than ever even though having been promised their quota, is changing some carbon bar needs over to alloy bars because the former have such extended deliveries. It is also reported that auto companies find a bottleneck in their quest for tin for coating automobile engine bearings and many companies are working on substitutes.

"Railroad passenger car output has been revised upward 675 units to carry through the balance of the year. Early indications of the 1946 railroad rail needs show a demand far exceeding the steel industry's capacity to produce controlled cooled rails. Freight car requirements have been so

heavy of late that actual completion of the orders placed and those to follow may not take place until a year after the war ends."

The American Iron and Steel Institute on July 30 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 90.8% of capacity for the week beginning July 30, compared with 90.7% one week ago, 88.1% one month ago and 96.5% one year ago. The operating rate for the week beginning July 30 is equivalent to 1,663,100 tons of steel ingots and castings, compared to 1,661,300 tons one week ago, 1,613,700 tons one month ago, and 1,735,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on July 30 stated in part as follows: "Close control of steel is being maintained by War Production Board as the result of efforts by that agency, particularly in the scarce light flat products, sheets and strip. This is reflected in an increasing number of cancellations not ascribed to recent cutbacks in war orders.

"These cancellations still are far from sweeping but represent loosening in tonnage that can be brought under Washington direction for application to needed purposes. Contributing to these cancellations is the recent revision of Direction 70, Regulation 1. This permitted steel originally allocated on war contracts to be used for civilian purposes and as first drawn applied to all Class A civilian-type end products. Recently this has been modified to apply to a limited number of products, principally construction machinery. This action is said to have been taken not only to eliminate certain abuses inherent in the order as originally written but to make it possible to channel steel for both military and civilian consumption.

"Another recent ruling, Direction 76, Regulation 1, provides that consumers may not change allotment numbers on sheets and strip so as to substitute a rated order for one that has been cut back. These rulings and the order to reduce inventories from 60 to 45 days, with general rescreening of third and fourth quarter allocations, are beginning to open up some tonnage for purposes regarded by Washington as especially essential. On the other hand, there has been an easing in control of stainless steel sheets with recent open-ending of this product. Most producers, however, hold out little hope of shipment of unrated tonnage before November.

"Pig iron supply continues sufficient for needs, though there is no excess and no stocks are accumulated. Castings inquiries still exceed ability of foundries to accept and much needed tonnage can not be taken. Several blast furnaces down for repairs are nearing completion and are expected to resume production soon, which will relieve the shortage somewhat. An uncertainty in the future of pig iron is threat of shortage of coal, causing fear for supply of metallurgical coke for blast furnaces. Present indications are for a marked shortage and coke stocks are low, with little hope of building them up for winter.

"Scrap is increasingly scarce, some dealers regarding the present situation the worst since the beginning of the war."

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES† (Based on Average Yields)									
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
July 31	122.27	115.82	120.84	119.41	115.82	108.16	112.93	115.82	119.20
30	122.34	115.82	120.84	119.41	115.82	108.16	113.12	115.82	119.20
28	Stock Exchange Closed								
27	122.39	115.82	120.84	119.20	115.82	108.16	112.93	115.63	119.00
26	122.39	115.82	120.84	119.20	115.82	108.16	112.93	115.82	119.20
25	122.50	116.02	121.04	119.20	116.02	108.16	112.93	115.82	119.20
24	122.62	116.02	121.04	119.20	116.02	108.34	113.12	115.82	119.20
23	122.64	116.02	121.04	119.20	116.02	108.34	112.93	115.82	119.20
21	Stock Exchange Closed								
20	122.80	116.02	121.04	119.41	116.02	108.34	112.93	115.63	119.41
19	122.84	116.02	121.04	119.41	116.02	108.34	112.93	115.63	119.41
18	122.86	116.02	121.04	119.41	116.02	108.34	112.93	115.63	119.41
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	113.12	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	119.41
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	112.93	115.43	119.41
June 29	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.43	119.41
28	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41
27	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41
26	122.81	115.63	120.84	119.00	115.63	107.62	112.37	114.85	119.20
25	122.23	115.43	120.63	119.00	115.43	107.44	112.37	114.85	119.20
24	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.66	119.41
23	122.31	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41
22	122.36	115.24	120.84	118.40	115.43	107.09	112.00	114.27	119.41
21	122.38	115.24	120.84	118.40	115.24	107.09	112.19	114.27	119.20
20	122.38	115.24	120.84	118.40	115.04	107.09	111.81	114.27	119.20
19	122.59	115.04	120.84	118.60	115.04	106.56	111.81	114.27	119.20
18	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
17	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
16	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
15	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
14	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
13	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
12	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
11	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
10	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
9	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
8	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
7	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
6	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
5	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
4	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
3	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
2	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
June 30	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
29	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
28	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
27	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
26	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
25	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
24	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
23	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
22	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
21	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
20	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
19	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
18	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
17	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
16	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
15	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
14	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
13	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
12	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
11	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
10	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
9	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
8	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
7	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
6	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
5	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
4	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
3	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
2	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
June 30	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
29	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
28	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
27	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
26	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
25	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
24	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
23	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
22	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
21	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
20	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
19	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
18	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
17	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
16	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
15	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
14	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.20
13	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.27	119.

Trading on New York Exchanges

The Securities and Exchange Commission made public on July 25 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 July 7, 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 July 7 (in round-lot transactions) totaled 1,312,385 shares, which amount was 14.08% of the total transactions on the Exchange of 4,662,080 shares. This compares with member trading during the week ended June 30, of 3,909,636 shares, or 15.07% of the total trading of 12,973,920 shares. On the New York Curb Exchange, member trading during the week ended July 7 amounted to 353,110 shares of 13.01% of the total volume on that exchange of 1,357,371 shares. During the week ended June 30 trading for the account of Curb members of 978,295 shares was 12.38% of the total trading of 3,951,870 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares) WEEK ENDED JULY 7, 1945

A. Total Round-Lot Sales:	Total for week	%
Short sales.....	149,970	
†Other sales.....	4,512,110	
Total sales.....	4,662,080	
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.....	369,050	
Short sales.....	70,070	
†Other sales.....	341,790	
Total sales.....	411,860	8.38
2. Other transactions initiated on the floor—		
Total purchases.....	88,490	
Short sales.....	10,500	
†Other sales.....	109,330	
Total sales.....	119,880	2.23
3. Other transactions initiated off the floor—		
Total purchases.....	122,360	
Short sales.....	36,740	
†Other sales.....	164,005	
Total sales.....	200,745	3.47
4. Total—		
Total purchases.....	579,900	
Short sales.....	117,310	
†Other sales.....	615,175	
Total sales.....	732,485	14.08

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares) WEEK ENDED JULY 7, 1945

A. Total Round-Lot Sales:	Total for week	%
Short sales.....	19,010	
†Other sales.....	1,338,361	
Total sales.....	1,357,371	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	105,380	
Short sales.....	6,200	
†Other sales.....	105,205	
Total sales.....	111,405	7.99
2. Other transactions initiated on the floor—		
Total purchases.....	32,650	
Short sales.....	1,900	
†Other sales.....	39,200	
Total sales.....	41,100	2.72
3. Other transactions initiated off the floor—		
Total purchases.....	19,360	
Short sales.....	3,450	
†Other sales.....	33,765	
Total sales.....	43,215	2.30
4. Total—		
Total purchases.....	157,390	
Short sales.....	11,550	
†Other sales.....	184,170	
Total sales.....	195,720	13.01
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales.....	0	
†Customers' other sales.....	53,407	
Total purchases.....	53,407	
Total sales.....	41,021	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.
 †In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.
 ‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."
 §Sales marked "short exempt" are included with "other sales."

Wholesale Prices Unchanged in Week Ended July 21, Labor Dept. Reports

The Bureau of Labor Statistics index of commodity prices in primary markets remained unchanged during the week ended July 21, at 105.6% of the 1926 average, said the United States Department of Labor on July 26. "Prices in general moved irregularly, with minor gains made by some agricultural commodities," said the Department's advices, which added that "the overall index was 0.3% below the level of a month ago and 1.6% above the corresponding week of last year." The Department also reported:

"Farm Products and Foods—Fractionally higher prices for grains and for fruits and vegetables raised the group index for farm products by 0.2% during the week. Rye quotations continued to advance on speculative buying and corn prices were higher. Quotations for wheat were fractionally lower, as increased quantities reached the market. Prices for eggs advanced more than 1% in accordance with seasonal changes in ceilings. Prices for ewes rose nearly 7% in response to small marketings. Quotations for apples were higher and oranges advanced seasonally. White potatoes from the new crop were higher, partly as the result of disaster ceilings permitted by OPA. Lemons were substantially lower with a heavy crop and onions dropped with the expiration of disaster ceilings previously permitted.

Average prices for farm products were 1.2% below four weeks ago and 3.5% above mid-July of last year.

"Average prices for foods rose 0.3% during the week as the result of the higher quotations for fruits and vegetables and for eggs. In addition, rye flour continued to advance while prices for wheat flour were fractionally lower. Primary market prices for foods were 0.7% below four weeks ago and 0.5% above mid-July 1944.

"Other Commodities—Prices for industrial commodities moved in a narrow range during the week. Continued adjustments in anthracite prices to the higher ceilings permitted by OPA in June were offset by lower sales realizations for natural and manufactured gas to leave the group index for fuel and lighting materials unchanged. Mercury prices declined approximately 3% as the market continued weak. Quotations for turpentine were higher and common brick advanced fractionally. The group index for all commodities other than farm products and foods has remained unchanged for the past four weeks at a level 1.1% above mid-July of last year."

The Labor Department included the following notation in its report:

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

The following tables show (1) indexes for the principal groups of commodities for the past three weeks, for June 23, 1945 and July 22, 1944; and (2) percentage changes in subgroup indexes from July 14, 1945 to July 21, 1945.

Commodity Groups—	WHOLESALE PRICES FOR WEEK ENDED JULY 21, 1945 (1926 = 100)					Percentage change to July 21, 1945, from—		
	7-21 1945	7-14 1945	7-7 1945	6-23 1945	7-22 1944	7-14 1945	6-23 1945	7-22 1944
All commodities.....	105.6	105.6	105.8	105.9	103.9	0	-0.3	+1.6
Farm products.....	128.5	128.2	129.4	130.0	124.1	+0.2	-1.2	+3.5
Foods.....	106.5	106.2	107.2	107.3	106.0	+0.3	-0.7	+1.5
Hides and leather products.....	118.5	118.5	118.5	118.3	116.8	0	+0.2	+1.5
Textile products.....	99.1	99.1	99.1	99.1	97.4	0	0	+1.7
Fuel and lighting materials.....	84.8	84.8	84.8	84.7	83.9	0	+0.1	+1.1
Metals and metal products.....	104.8	104.8	104.8	104.8	103.8	0	0	+1.0
Building materials.....	117.3	117.3	117.3	117.3	115.9	0	0	+1.2
Chemicals and allied products.....	95.2	95.2	95.4	95.3	95.4	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.....	117.7	117.6	118.3	118.6	113.8	+0.1	-0.8	+3.4
Semimanufactured articles.....	95.2	95.2	95.2	95.3	93.8	0	-0.1	+1.5
Manufactured products.....	101.9	101.9	102.0	102.0	101.1	0	-0.1	+0.8
All commodities other than farm products.....	100.6	100.6	100.6	100.6	99.5	0	0	+1.1
All commodities other than farm products and foods.....	99.8	99.8	99.8	99.8	98.7	0	0	+1.1

Commodity Groups—	PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JULY 14, 1945, TO JULY 21, 1945	
	Increases	Decreases
Fruits and vegetables.....	0.9	Other farm products..... 0.2
Anthracite.....	0.6	Brick and tile..... 0.1
Grains.....	0.5	Paint and paint materials..... 0.1
Other foods.....	0.2	
Gas.....	1.0	Non-ferrous metals..... 0.1
Cereal products.....	0.2	

Changes in Holdings of Recquired Stock Of N. Y. Stock & Curb Listed Firms

The New York Stock Exchange announced on June 15 that the following companies have reported changes in the amount of stock held as heretofore reported by the Department of Stock List:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Adams Express Company, The, common.....	1,114,199	1,128,983
American Ice Company, preferred.....	2,201	4,201
American Locomotive Company, 7% preferred.....	22,200	10,446
American Machine and Metals, Inc., common.....	35,043	31,043
Associated Investment Company, common.....	43,594	43,334
Atlas Corporation, common.....	3,270	16,186
Borden Company, The, capital.....	182,794	184,194
Columbia Pictures Corporation, preferred.....	200	300
Copperweld Steel Company, preferred.....	12,466	12,946
General Motors Corporation, common.....	109,814	116,114
Gimbel Brothers, preferred.....	23,351	23,542
International Minerals & Chemical Corp., common.....	91,909	83,959
Jewel Tea Co., Inc., common.....	2,236	2,100
Johnson & Johnson, common.....	33,029	32,833
Preference.....	1,449	1,440
Madison Square Garden Corporation, capital.....	44,100	48,600
National Cylinder Gas Company, common.....	4,619	14,519
Newport News Shipbuilding and Dry Dock Co., preferred.....	38,900	39,300
Outboard, Marine & Manufacturing Company, common.....	43	44
Plymouth Oil Company, common.....	3,699	4,299
Radio-Keith-Orpheum Corporation, 6% preferred.....	4,750	1,084
Rustless Iron and Steel Corporation, common.....	12	14
Safeway Stores Incorporated, common.....	45,301	45,302
Sheaffer (W. A.) Pen Co., common.....	6,230	6,124
Sinclair Oil Corporation, common.....	954,137	954,139
Twentieth Century-Fox Film Corporation, preferred.....	75,750	76,450
Wilson & Co., common.....	20	22
Preferred.....	26,803	50,697

- NOTES**
- (1) Acquired 200 shares, and cancelled for Sinking Fund purposes 11,954 shares.
 - (2) Acquired during the months of February, March and May, 1945.
 - (3) Issued to employees from Feb. 24, 1945, to May 19, 1945.
 - (4) Decrease represents shares delivered under the employees' extra compensation plan.
 - (5) Recquired 1,220 and cancelled 4,886.

The New York Curb Exchange made available on June 16 the following list of issues of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Air Investors, Inc., conv. pref.....	80	200
American General Corp., common.....	430,483	435,586
Carman & Co., Inc., class A.....	730	830
Equity Corp., \$3 conv. pfid.....	612	613
Fedders Mfg. Co., Inc., common.....	73,920	74,445
Hearn Department Stores, Inc., 6% preferred.....	8,802	None
Holt (Henry) & Co., Inc., common.....	25,874	26,144
Hygrade Food Products Corp., common.....	None	1,730
International Utilities Corp., common.....	29,239	30,440
Klein (D. Emil) Co., Inc., common.....	248	264
Knot Corp., common.....	20,369	20,569
Lane Bryant, Inc. 7% preferred.....	11,040	11,060
Midland Oil Corp., \$2 conv. pref.....	10	17
Niagara Share Corp., B common.....	12,565	None
Stein (A.) & Co., common.....	213,081	216,181
Preferred.....	8,656	8,706

Weiss Chicago Mgr. of N. Y.-N. J. Port Board

Howard S. Cullman, Chairman of the Port of New York Authority, announced on July 31 the appointment of George H. Weiss as Manager of the Chicago office to be opened by the joint New York-New Jersey port agency. Mr. Weiss until recently was Manager of the Marine Department of the Chicago "Journal of Commerce." The location of the Chicago office, which will be opened on Oct. 1, will be announced later. Establishment of a Chicago office by the New York Port Board, it is announced, was approved by the Port Authority Commissioners last May as part of the program to meet intensified competition for Middle Western commerce from rival North Atlantic and gulf ports, and to assure a high level of Port employment at New York in the post-war period, Chairman Cullman said. "Mr. Weiss is an outstanding expert in the fields of ocean and railroad transportation and has had extensive experience in the Port of New York as well as in Chicago," the Port Authority Chairman stated.

Mr. Weiss was born and educated in New York and was active in business and newspaper work here until 1930, when he went to Chicago. He was on the staff of the New York "Journal of Commerce" from 1904 to 1915, first as assistant and later as shipping editor, and from 1915 to 1924 he was editor of the "Marine News." For the next six years he was engaged in the marine supply business in New York.

Mr. Cullman explained that the Chicago office of the Port of New York Authority will be similar to those of other Port agencies already established there, and will be staffed by a Manager and a Secretary. Shippers throughout the central western territory will be contacted, and the office will work with railroads and steamship lines to obtain the routing of freight through the New York-New Jersey Port gateway.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on July 25 a summary for the week ended July 14 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 July 14, 1945	
Odd-Lot Sales by Dealers—	Total
(Customers' sales).....	For Week
Number of orders.....	19,482
Number of shares.....	577,712
Dollar value.....	\$24,302,733
Odd-Lot Purchases by Dealers—	(Customers' sales)
Number of Orders:	
Customers' short sales.....	50
*Customers' other sales.....	21,532
Customers' total sales.....	21,582
Number of Shares:	
Customers' short sales.....	2,027
*Customers' other sales.....	457,616
Customers' total sales.....	459,643
Dollar value.....	\$18,142,104
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales.....	60
†Other sales.....	90,810
Total sales.....	90,870
Round-Lot Purchases by Dealers—	
Number of shares.....	237,580
*Sales marked "short exempt" are reported with "other sales."	
†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."	

Daily Average Crude Oil Production for Week Ended July 21, Rose 250 Barrels to New High

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 21, 1945 was 4,944,250 barrels, another new high, up 250 barrels per day over the preceding week and an increase of 328,800 barrels per day when compared with the corresponding week of last year. The current figure also exceeded the daily average figure recommended by the Petroleum Administration for War for the month of July, 1945 by 54,350 barrels. Production for the week ended July 14, 1945 was 57,800 barrels per day in excess of that for the week ended July 7, 1945. Daily output for the four weeks ended July 21, 1945 averaged 4,919,450 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,927,000 barrels of crude oil daily and produced 15,430,000 barrels of gasoline; 1,442,000 barrels of kerosine; 5,090,000 barrels of distillate fuel, and 9,071,000 barrels of residual fuel oil during the week ended July 21, 1945; and had in storage at the end of that week 46,253,000 barrels of civilian grade gasoline; 39,677,000 barrels of military and other gasoline; 10,894,000 barrels of kerosine; 35,458,000 barrels of distillate fuel, and 42,480,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations July 1 1945	*State Allowables Begin July 1 1945	Actual Production Week Ended July 21 1945	Change from Previous Week	4 Weeks Ended July 21 1945	Week Ended July 22 1944
Oklahoma	380,000	380,000	1,390,750	+ 1,050	389,400	341,200
Kansas	274,000	269,400	1,282,350	+ 4,650	268,900	285,300
Nebraska	1,000	---	1,900	---	900	900
Panhandle Texas			87,500	---	88,100	89,150
North Texas			152,300	---	152,900	151,550
West Texas			521,400	---	515,450	463,550
East Central Texas			139,000	---	139,200	148,350
East Texas			379,500	---	379,050	363,550
Southwest Texas			360,750	---	360,000	319,750
Coastal Texas			568,950	---	567,450	531,400
Total Texas	2,180,000	2,184,285	2,209,400	---	2,202,150	2,067,300
North Louisiana			70,400	---	70,000	72,050
Coastal Louisiana			296,900	---	297,400	285,400
Total Louisiana	360,000	400,800	367,300	---	367,400	357,450
Arkansas	80,000	78,786	79,750	---	80,000	80,500
Mississippi	53,000	---	52,300	+ 500	51,850	44,950
Alabama	500	---	1,000	+ 50	850	200
Florida	---	---	200	---	150	50
Illinois	200,000	---	205,800	+ 3,650	207,950	208,250
Indiana	13,000	---	13,350	+ 450	12,500	12,650
Eastern (Not incl. Ill., Ind., Ky.)	64,200	---	63,800	- 2,450	64,150	61,400
Kentucky	28,000	---	29,600	---	30,200	23,150
Michigan	47,000	---	45,300	- 8,600	49,300	49,600
Wyoming	118,200	---	114,900	- 450	112,250	87,750
Montana	22,000	---	20,800	---	20,650	22,100
Colorado	12,000	---	11,800	+ 1,100	11,100	8,900
New Mexico	105,000	105,000	103,250	---	103,400	108,500
Total East of Calif	3,937,900		3,992,550	---	3,973,100	3,760,150
California	952,000	\$952,000	951,700	+ 1,900	946,350	855,300
Total United States	4,889,900		4,944,250	+ 250	4,919,450	4,615,450

*PAW 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. July 12, 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 STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JULY 21, 1945 (Figures in thousands of barrels of 42 gallons each)

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

District	% Daily Crude Runs Refining to Stills	% Daily Crude Runs to Stills	% Operating age	% Operating age	% Gasoline Production at Ref. Inc. Nat. Blended	% Stocks of Gas Oil & Fuel Oil	% Stocks of Residual Fuel Oil	% Gasoline Stocks of Mill. & Dist. Other	% Stocks of Gasoline & Dist. Other
East Coast	99.5	79.3	100.3	1,903	8,478	6,708	5,325	7,943	
Appalachian									
District No. 1	76.8	93	63.7	294	363	252	1,740	1,233	
District No. 2	81.2	52	104.0	161	115	119	176	1,160	
Ind., Ill., Ky.	87.2	84.2	98.2	2,927	5,231	2,598	6,065	13,150	
Okl., Kan., Mo.	78.3	32.2	81.4	1,376	2,117	1,374	1,763	6,816	
Inland Texas	59.8	224	67.9	979	399	901	1,161	1,743	
Texas Gulf Coast	89.3	1,124	90.9	3,743	6,114	5,730	9,995	4,680	
Louisiana Gulf Coast	96.8	278	106.9	906	1,716	1,054	2,313	1,945	
No. La. & Arkansas	55.9	92	73.0	276	658	206	133	2,462	
Rocky Mountain									
District No. 3	17.1	13	100.0	46	21	38	---	83	
District No. 4	72.1	116	73.0	383	334	626	656	1,590	
California	87.3	918	92.1	2,436	9,912	22,874	10,340	3,448	
Total U. S. B. of M. basis July 21, 1945	85.8	4,927	90.7	15,430	35,458	42,480	*39,677	46,253	
Total U. S. B. of M. basis July 14, 1945	85.8	4,945	91.0	15,349	34,804	41,489	39,322	46,079	
U. S. B. of M. basis July 22, 1944		4,677		14,242	37,216	55,744	36,203	44,465	

*Includes aviation and military grades, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending stocks currently indeterminate as to ultimate use, and 11,399,000 barrels unfinished gasoline this week, compared with 11,727,000 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 1,442,000 barrels of kerosene, 5,090,000 barrels of gas oil and distillate fuel oil and 9,071,000 barrels of residual fuel oil produced during the week ended July 21, 1945, which compares with 1,611,000 barrels, 5,197,000 barrels and 9,337,000 barrels, respectively, in the preceding week and 1,456,000 barrels, 4,972,000 barrels and 8,767,000 barrels, respectively, in the week ended July 22, 1944.

Note—Stocks at refineries at July 21, 1945, amounted to 10,894,000 barrels, as against 10,610,000 barrels a week earlier and 11,378,000 barrels a year ago.

Civil Engineering Construction \$41,090,000 for Week

Civil engineering construction volume in continental United States totals \$41,090,000 for the week. This volume, not including construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 18% below the total reported for last week, 10% lower than the previous four-week moving average, and compares with \$41,066,000 for the 1944 week, according to "Engineering News-Record." The report issued on July 26, added:

Private construction for the week is 32% lower than a year ago, but public construction is 20% higher. Federal construction is 23% lower than a year ago while state and municipal is up 190% compared with the 1944 week.

The current week's construction brings 1945 volume to \$1,047,139,000 for the 30 weeks, compared with \$1,050,391,000 for the corresponding period last year. Private construction, \$298,649,000, is 25% above last year, but public construction, \$748,490,000 shows a decrease of 8%, due to the 15% drop in federal construction. State and municipal construction, \$173,618,000, is 29% above the 1944 period.

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

	July 26, 1945* (five days)	July 19, 1945 (five days)	July 27, 1945 (five days)
Total U. S. Construction	\$41,090,000	\$50,065,000	\$41,066,000
Private Construction	10,500,000	8,349,000	15,553,000
Public Construction	30,590,000	41,716,000	25,513,000
State & Municipal	15,021,000	10,854,000	5,191,000
Federal	15,569,000	30,862,000	20,322,000

*Current Week's Statistics

In the classified construction groups, gains over the preceding week are in bridges, commercial and industrial buildings and earthwork and drainage. Gains over the 1944 week are in waterworks, bridges, highways and unclassified construction. Subtotals for the week in each class of construction are: waterworks, \$1,339,000; sewerage, \$557,000; bridges, \$4,657,000; industrial buildings, \$6,401,000; commercial building and private mass housing, \$1,881,000; public buildings, \$11,240,000; earthwork and drainage, \$2,165,000; streets and roads, \$5,197,000; unclassified construction, \$7,653,000.

New capital for construction purposes for the week totals \$7,762,000 and is comprised solely of state and municipal bonds. New construction financing for the year to date, \$1,485,700,000, is 4% below the volume reported for the corresponding 30-week period in 1944.

Post-war Construction Planning Volume \$21.7 Billions

Identified and recorded engineering projects proposed for construction in the post-war years total \$21,752,883,000 according to reports to "Engineering News-Record" in the period from January 1, 1943 through July 19, 1945. Plans are under way or completed on post-war projects valued at \$9,612,286,000, 44% of the total volume proposed, and on \$1,579,730,000 worth of projects all financing arrangements have been completed.

Non-Ferrous Metals—August Zinc "Set-Aside" Fixed by WPB—Copper Stockpiles Increasing

"E. & M. J. Metal and Mineral Markets," in its issue of July 26, stated: "The Tin-Lead-Zinc Division, WPB, has fixed the August 'set-aside' for zinc. The percentages that are to be held in reserve for essential business were about in line with expectations. Statistics compiled by fabricators of copper indicated that consumption of the metal dropped to 117,492 tons during June, which contrasts with deliveries by producers of 94,031 tons in the same month. The stockpile of copper continues to expand. Reserve stocks of lead are increasing, owing chiefly to the limitation orders that are restricting consumption. Quicksilver was lower in price in the absence of important buying. The feeling that the war with Japan may end before long was a market factor." The publication further went on say in part:

Copper

Refined copper may now be purchased by all eligible purchasers without certification, preference rating, or authorization number from the Reconstruction Finance Corporation, according to a joint statement issued July 21 by that agency and the War Production Board. Eligible purchasers are defined in WPB's copper order (m-9) and its directions. It was also stated that purchasers who are unable to obtain their copper requirements from copper producers should place their orders with an agent of RFC. If for any reason the required copper cannot be obtained from either of these sources, purchasers desiring copper should apply to the Copper Division, WPB, in Washington.

Fabricators consumed 117,492 tons of copper during June, against 131,670 tons in May and the peak of 171,558 tons in March. Stocks of copper in the hands of fabricators at the end of June totaled 378,076 tons, against 401,530 tons a month previous. The stockpile of copper is in-

creasing. At the end of June it amounted to 281,600 tons, and the industry believes that by the end of July it may total close to 325,000 tons.

Lead

New business placed in the domestic market for lead during the last week was in moderate volume, sales totaling 4,997 tons. Consumers learned that WPB will release around 19,000 tons of foreign lead in August, or about the same tonnage as in the preceding month. Imports are coming through at a good rate, and the stockpile is growing. By the end of August it is likely to exceed 100,000 tons.

With reserve supplies increasing, most observers feel that the restrictions should be eased, particularly in reference to white lead.

June production of lead by refineries operating in the United States amounted to 38,626 tons, against 45,848 tons in May, and 39,755 tons in June last year, the American Bureau of Metal Statistics reports. A summary of the domestic figures for May and June, in tons, follows:

	June	May
Stock at beginning	36,488	33,234
Production:		
Domestic	34,513	42,126
Secondary and foreign	4,113	3,722
Total	38,626	45,848
Domestic shipments	39,658	40,585
Stock at end	37,462	38,488

Zinc

WPB has asked producers and importers to set aside zinc for

preferred needs in August in the following percentages of estimated supply: Special High Grade, 60%; Regular High Grade, 40%; Brass Special, 50%; Intermediate, 75%, and Prime Western, 75%. Consumers holding preference certificates are required to place such business by the 10th of the month. After this date, sellers may dispose of unsold zinc as free metal. There was a fair demand for free metal, indicating that consumers were eager to get away from Government restrictions.

Mine production of zinc in the United States in terms of recoverable metal amounted to 53,205 tons in May, which compares with 51,808 tons in April, the Bureau of Mines reports.

Aluminum

Output of primary aluminum in April amounted to 103,200,000 pounds, against 106,200,000 pounds in March, according to the Aluminum and Magnesium Division, WPB. Production of secondary aluminum in April totaled 66,200,000 pounds, which compares with 67,600,000 pounds in March.

Shipment of aluminum products amounted to 225,800,000 pounds in April, 2% less than in March.

Magnesium

Production of primary magnesium in May amounted to 6,407,000 pounds, against 6,412,000 pounds in April, the Aluminum and Magnesium Division, WPB, reports. Primary production is expected to increase because of the recently announced expansion program.

Output of secondary magnesium in May came to 2,773,000 pounds, which compares with 2,784,000 pounds in April.

Tin

Negotiations for renewing the tin concentrate contracts with Bolivian producers have been resumed by FEA. Renewal of the agreement was postponed in June because of other pressing business, and contracts that expired on June 30 were kept open for review at a later date. Some of the producers have asked for a revision of the terms that, in effect, would result in a higher price.

The market situation in tin was unchanged last week. Quotations for Straits quality tin continued at 52¢ per pound. Shipments prices were nominally as follows:

	Aug.	Sept.	Oct.
July 19	52.000	52.000	52.000
July 20	52.000	52.000	52.000
July 21	52.000	52.000	52.000
July 22	52.000	52.000	52.000
July 23	52.000	52.000	52.000
July 24	52.000	52.000	52.000
July 25	52.000	52.000	52.000

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

Quicksilver

The statistics of the Bureau of Mines confirmed earlier reports that consumption of quicksilver was of record proportions in May. The battery program was responsible for sending consumption up to 8,900 flasks in that month. Use of quicksilver in other applications declined. Domestic production in May amounted to 3,300 flasks, an increase of 300 flasks over the previous month. Stocks in consumers' and dealers' hands at the end of May stood at 15,600 flasks, or only 200 flasks less than at the end of April. Import statistics are not yet available, but the industry believes that more than 23,000 flasks of quicksilver arrived here from abroad since the beginning of the year.

Prices remained unsettled and spot metal was available at \$138 to \$142 per flask, depending on quantity. Sellers said that August arrival was available at \$135, and August-September shipment from abroad was \$130 to \$133.

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 44¾¢, with domestic metal at 70¢.

Revenue Freight Car Loadings During Week Ended July 21, 1945 Decreased 945 Cars

Loading of revenue freight for the week ended July 21, 1945, totaled 882,323 cars, the Association of American Railroads announced on July 26. This was a decrease below the corresponding week of 1944 of 19,769 cars, or 2.2%, and a decrease below the same week in 1943 of 1,515 cars, or 0.2%.

Loading of revenue freight for the week of July 21 decreased 945 cars, or 0.1% below the preceding week.

Miscellaneous freight loading totaled 391,912 cars, an increase of 2,958 cars above the preceding week, but a decrease of 9,006 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 103,684 cars, a decrease of 1,193 cars below the preceding week but an increase of 1,054 cars above the corresponding week in 1944.

Coal loading amounted to 168,883 cars, a decrease of 6,198 cars below the preceding week, and a decrease of 6,102 cars below the corresponding week in 1944.

Grain and grain products loading totaled 68,552 cars, an increase of 2,907 cars above the preceding week and an increase of 8,829 cars above the corresponding week in 1944. In the Western districts alone, grain and grain products loading for the week of July 21 totaled 45,362 cars, a decrease of 795 cars below the preceding week but an increase of 4,785 cars above the corresponding week in 1944.

Livestock loading amounted to 13,680 cars, an increase of 387 cars above the preceding week but a decrease of 290 cars below the corresponding week in 1944. In the Western districts alone loading of livestock for the week of July 21 totaled 9,734 cars, an increase of 503 cars above the preceding week, and an increase of 231 cars above the corresponding week in 1944.

Forest products loading totaled 44,014 cars, an increase of 512 cars above the preceding week but a decrease of 6,715 cars below the corresponding week in 1944.

Ore loading amounted to 76,712 cars, a decrease of 543 cars below the preceding week and a decrease of 7,756 cars below the corresponding week in 1944.

Coke loading amounted to 14,886 cars, an increase of 225 cars above the preceding week and an increase of 217 cars above the corresponding week in 1944.

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

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
5 Weeks of March	4,018,627	3,916,737	3,845,547
4 Weeks of April	3,374,438	3,275,546	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
Week of July 14	883,268	903,901	877,335
Week of July 21	882,323	902,092	883,838
Total	23,753,940	23,835,541	22,901,180

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 21, 1945. During the period 56 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 21

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	256	329	222	1,357	1,438
Bangor & Aroostook	1,525	1,204	930	332	244
Boston & Maine	6,740	6,532	6,157	13,442	13,628
Chicago, Indianapolis & Louisville	1,271	1,462	1,456	1,947	2,111
Central Indiana	45	25	30	38	57
Central Vermont	1,078	1,060	1,118	2,204	2,162
Delaware & Hudson	4,773	5,008	6,636	11,630	12,434
Delaware, Lackawanna & Western	7,629	7,842	7,704	9,762	11,526
Detroit & Mackinac	277	263	163	118	131
Detroit, Toledo & Ironton	1,582	1,848	2,099	1,136	1,336
Detroit & Toledo Shore Line	343	371	268	2,485	2,614
Erie	12,805	13,445	14,267	15,913	17,376
Grand Trunk Western	3,908	3,920	3,614	7,758	7,758
Lehigh & Hudson River	176	188	168	3,560	2,512
Lehigh & New England	2,117	2,038	2,264	720	1,593
Lehigh Valley	8,095	8,863	8,569	11,380	16,232
Maine Central	2,919	2,498	2,258	2,800	2,426
Monongahela	6,445	6,300	6,403	339	397
Montour	2,624	2,649	2,435	15	20
New York Central Lines	51,584	53,437	54,567	49,998	55,780
N. Y., N. H. & Hartford	9,318	9,208	9,664	16,686	18,181
New York, Ontario & Western	896	1,341	1,349	2,835	3,199
New York, Chicago & St. Louis	7,257	6,973	7,235	14,919	16,220
N. Y., Susquehanna & Western	351	440	523	2,032	2,172
Pittsburgh & Lake Erie	7,675	7,973	7,532	9,464	8,976
Pere Marquette	5,319	5,485	4,905	7,479	8,232
Pittsburgh & Shawmut	917	734	913	28	21
Pittsburgh, Shawmut & North	208	356	422	188	262
Pittsburgh & West Virginia	1,079	1,337	1,152	2,874	2,909
Rutland	358	382	367	1,099	1,164
Wabash	6,262	6,601	5,699	11,131	12,195
Wheeling & Lake Erie	6,122	5,726	5,377	4,031	4,811
Total	161,954	163,839	166,468	209,731	230,116

Allegheny District—	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Akron, Canton & Youngstown	774	817	724	1,124	1,352
Baltimore & Ohio	48,346	47,663	43,641	25,845	31,143
Bessemer & Lake Erie	6,343	6,449	6,465	2,280	2,290
Buffalo Creek & Gauley	4	1	291	1	1
Cambria & Indiana	1,663	1,640	1,801	11	7
Central R. R. of New Jersey	6,234	7,415	7,182	18,691	21,663
Cornwall	442	549	667	42	57
Cumberland & Pennsylvania	171	219	253	31	9
Ligonier Valley	121	128	126	75	58
Long Island	2,389	2,248	1,463	4,321	4,185
Penn-Reading Seashore Lines	1,787	1,701	1,788	2,214	2,658
Pennsylvania System	88,792	90,011	86,237	63,251	67,256
Reading Co.	14,490	14,461	16,073	27,495	30,870
Union (Pittsburgh)	18,635	19,724	20,201	7,326	7,474
Western Maryland	4,106	4,407	4,308	13,117	13,548
Total	194,293	197,432	191,220	165,823	182,570

Pocahontas District—	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Chesapeake & Ohio	28,653	29,886	29,454	15,323	14,021
Norfolk & Western	20,670	21,848	22,537	6,797	9,328
Virginian	4,369	4,468	4,915	2,143	2,285
Total	53,692	56,202	56,906	24,263	25,634

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	541	443	266	294	468
Atl. & W. P.—W. R. R. of Ala.	722	903	556	2,437	2,435
Atlanta, Birmingham & Coast	834	1,102	826	1,124	1,245
Atlantic Coast Line	8,802	9,766	11,305	9,009	9,702
Central of Georgia	3,573	3,888	3,694	3,992	5,879
Charleston & Western Carolina	1,079	683	507	1,669	1,687
Clinchfield	1,703	1,778	1,691	3,068	3,030
Columbus & Greenville	218	189	302	230	312
Durham & Southern	136	124	110	676	656
Florida East Coast	914	937	1,152	1,071	1,271
Gainesville Midland	43	49	44	110	100
Georgia & Florida	1,290	1,247	1,123	2,773	2,515
Georgia & Florida	412	373	289	671	671
Gulf, Mobile & Ohio	4,867	4,346	3,567	4,797	4,707
Illinois Central System	27,833	29,162	28,337	16,624	16,653
Louisville & Nashville	26,453	26,674	25,635	12,417	11,600
Macon, Dublin & Savannah	340	293	281	691	793
Mississippi Central	448	364	269	489	555
Nashville, Chattanooga & St. L.	3,239	3,404	3,142	4,650	5,169
Norfolk Southern	1,240	1,276	1,892	1,153	1,903
Piedmont Northern	391	370	349	1,182	1,230
Richmond, Fred. & Potomac	441	386	458	9,162	11,555
Seaboard Air Line	9,303	10,143	9,785	7,979	8,447
Southern System	25,970	24,857	22,333	24,868	24,641
Tennessee Central	561	777	530	991	860
Winston-Salem Southbound	120	128	96	949	1,032
Total	121,473	123,662	118,539	113,076	119,264

Northwestern District—	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Chicago & North Western	19,797	19,110	22,294	14,634	13,295
Chicago Great Western	2,343	2,434	2,769	3,578	3,581
Chicago, Milw., St. P. & Pac.	22,753	22,300	20,560	11,882	10,266
Chicago, St. Paul, Minn. & Omaha	3,594	3,081	3,716	3,809	3,721
Duluth, Missabe & Iron Range	27,617	27,500	29,729	265	222
Duluth, South Shore & Atlantic	951	685	796	515	562
Elgin, Joliet & Eastern	8,810	9,605	8,627	8,647	10,813
Ft. Dodge, Des Moines & South	445	416	428	83	86
Great Northern	21,347	25,283	26,246	8,776	7,076
Green Bay & Western	403	461	404	1,044	1,016
Lake Superior & Ishpeming	2,576	3,810	3,239	107	57
Minneapolis & St. Louis	2,152	2,169	1,801	2,643	2,614
Minn., St. Paul & S. S. M.	7,142	8,083	7,555	3,589	3,056
Northern Pacific	11,056	12,045	13,835	6,326	6,229
Spokane International	334	173	153	531	572
Spokane, Portland & Seattle	2,549	3,037	2,680	4,166	3,271
Total	133,869	140,192	144,832	70,595	66,437

Central Western District—	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Ach., Top. & Santa Fe System	30,070	30,223	22,343	15,454	12,892
Alton	3,323	3,625	3,610	3,853	4,359
Bingham & Garfield	299	493	617	83	97
Chicago, Burlington & Quincy	21,461	20,194	21,981	13,127	11,693
Chicago & Illinois Midland	2,349	3,156	3,184	793	881
Chicago, Rock Island & Pacific	14,196	14,935	13,550	15,862	13,341
Chicago & Eastern Illinois	2,991	2,856	2,580	4,796	7,364
Colorado & Southern	665	683	887	2,845	2,405
Denver & Rio Grande Western	3,439	3,850	3,760	6,683	6,068
Denver & Salt Lake	565	772	697	101	53
Fort Worth & Denver City	941	1,199	1,009	2,385	1,821
Illinois Terminal	1,922	2,384	1,977	2,123	2,163
Missouri-Illinois	1,317	1,136	1,049	644	601
Nevada Northern	1,239	1,670	2,058	111	106
North Western Pacific	916	1,092	943	1,081	791
Peoria & Pekin Union	22	2	24	0	0
Southern Pacific (Pacific)	35,314	34,636	34,218	15,234	14,055
Toledo, Peoria & Western	402	306	271	2,059	2,043
Union Pacific System	19,114	17,133	15,906	19,245	16,817
Utah	673	473	567	2	3
Western Pacific	2,491	1,992	2,057	5,137	3,985
Total	143,709	142,810	133,288	111,618	101,538

Southwestern District—	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Burlington-Rock Island	309	699	432	719	292
Gulf Coast Lines	4,543	5,676	5,665	2,383	2,613
International-Great Northern	2,889	2,876	2,566	3,267	3,756
Kansas, Oklahoma & Gulf	399	229	327	957	955
Kansas City Southern	3,999	5,926	5,346	3,365	2,878
Louisiana & Arkansas	3,438	3,663	3,501	2,833	2,477

Items About Banks, Trust Companies

The Continental Bank and Trust Company of New York observed on Aug. 1 the 75th Anniversary of its founding on Aug. 1, 1870. Its original quarters were in the old Equitable Building at 120 Broadway. For the past half century, it has been located at the corner of Broad Street and Exchange Place; it has occupied three of the four corners at that intersection. In its early days, the Continental was especially identified with export and import trade, and with securities houses. In recent years, all departments have extended their services substantially and it is pointed out it is today a broadly diversified commercial bank and trust company. During the four years since Frederick E. Hasler, now President and Chairman of the Board, became chief executive of the Bank, its resources have more than doubled.

Manufacturers Trust Company of New York announced that under its recent offer to common stockholders of 412,500 shares of new common stock at \$58 per share, proceeds of which are to be used to redeem the bank's preferred stock outstanding and for additional capital funds, a total of approximately 311,000 shares or 75.39% was subscribed at the time the rights expired. The underwriters recently offered the balance of approximately 101,500 shares to the public. Details regarding the issuance of the new stock appeared in these columns July 12, page 230.

The New York Agency of the Bank of South Africa, Ltd., at 67 Wall Street, announces that it has been informed by the Head Office in London, that Jasper Nicholas Ridley was elected a member of the Bank's Board of Directors on July 4. He is also a Director of several other British Banks and Companies.

J. Warren Slattery, President of J. B. Slattery & Bro., Inc., was recently elected a trustee of the Kings Highway Savings Bank of Brooklyn, N. Y., it was announced on July 24 by Daniel T. Rowe, President of the bank, according to the Brooklyn "Daily Eagle" which stated that Mr. Slattery heads the company founded by his father 38 years ago for the manufacture of gas ranges.

It is learned from the Boston "News Bureau" of July 28 that a special meeting of the shareholders of the Second National Bank of Boston, has been called for August 29 to vote on two major proposals: (1) to increase the common stock of the bank from \$2,000,000 to \$3,200,000 by transferring \$1,200,000 from surplus to capital (thereby reducing surplus from \$6,000,000 to \$4,800,000) and by increasing the par value of the present 80,000 shares from \$25 to \$40 per share; (2) to increase the common stock of the bank from \$3,200,000 to \$4,000,000 by sale of 20,000 additional shares of \$40 par at a selling price of \$100 per share.

The Philadelphia National Bank of Philadelphia, Pa., announced on July 27 the appointment of Louis W. Bishop as an Assistant Vice-President beginning Aug. 1st.

The merger of the Public Bank of Maryland into the Fidelity Trust Company of Baltimore, became effective on July 28, and the three offices of the Public Bank opened on July 29 under the name of the Fidelity Trust Company. The Baltimore "Sun" of July 29, in reporting this, said:

"Robert O. Bonnell, former President of the Public Bank, will assume his duties tomorrow as a Vice-President of the Fidelity Trust Company, at the main office of that bank at Charles and Lexington Streets. The other officers and personnel of the Public

Bank will continue at their present locations.

"S. M. Trott, Vice-President of the Public Bank, and Milton Stegman, Assistant Cashier, have become assistant Vice-President and Assistant Auditor, respectively, of the Fidelity Trust Co."

A previous item regarding the proposed merger appeared in our July 26 issue, page 448.

20 Resources of \$1,312,335,491 are shown by the Nat'l Bank of Detroit, Detroit, Mich., in its statement of condition as of June 30, 1945, as compared with \$1,266,954,503 on March 20. Deposits of the bank at the latest date are reported as \$1,250,481,979, against \$1,216,059,438 in March. Cash on hand and due from other banks on June 30 is shown as \$257,779,236 compared with \$280,344,673 on March 20. Holdings of United States Government securities appear in the June 30 statement as \$825,037,550 contrasting with \$780,910,842 on March 20. Capital funds of \$53,234,036 are shown in the June 30 statement, comprising preferred stock, \$8,500,000; common stock, \$12,500,000; surplus, \$27,500,000; undivided profits, \$4,734,036. Capital fund March 20, aggregating \$42,897,573, were made up of preferred stock of \$8,500,000; common stock, \$10,000,000; surplus, \$19,000,000, and undivided profits of \$5,397,573.

Lyman E. Wakefield, President of First National Bank of Minneapolis, from July 30, 1926, until June 29 of this year when he was named Chairman of its Board of Directors, died on July 25, of coronary thrombosis. Mr. Wakefield was taken ill on June 16. After a month at Abbott Hospital, Minneapolis, he had returned to his home. Mr. Wakefield, who was born July 7, 1880, on the Wakefield farm, Long Lake, Minn., entered the employ of the First National Bank, Austin, Minn., in 1897, as messenger and janitor. Five years later he went with the Northwestern National Bank of Minneapolis, serving that institution until 1911, advancing to the position of Assistant Cashier. He then became Treasurer and later Vice-President of Wells-Dickey Company, Minneapolis investment bankers, and also served as Vice-President of Wells-Dickey Trust Company. In 1925 when Wells-Dickey Trust Company and Minneapolis Trust Company consolidated, he became Vice President of First Minneapolis Trust Company, the resulting organization. A year later he was elected President of the First National Bank, in which capacity he served until his advancement last month to the Chairmanship of the Board of Directors. He was succeeded at that time by the election of Henry E. Atwood of Minneapolis as President of the bank. During Mr. Wakefield's Presidency deposits of the bank increased from \$91,000,000 to more than \$335,000,000, and capital funds from \$10,950,000 to \$18,025,000.

In 1934-35 Mr. Wakefield was President of the Association of Reserve City Bankers. He was a past President of the Minneapolis chapter of the American Institute of Banking. From 1941 to 1944 he was a member of the Federal Advisory Council of the Federal Reserve Board, Washington, D. C. He served as Vice-President, director and member of the Executive Committee of First Bank Stock Corporation from its organization in 1929. He was President and director of the Minneapolis & Eastern Railway. In addition he was a director of Northwestern Fire & Marine Insurance Co., Northwestern National Life Insurance Co., Minneapolis, St. Paul & Sault Ste. Marie Railway Co. and Geo. A. Hormel Co.

He was a trustee of Carleton College, Northfield, Minn., of the Carnegie Endowment for Inter-

national Peace, and of the Minneapolis Foundation. In 1926 he was General Chairman of the Minneapolis Community Fund and at the time of his death was a director of the War Chest of Minneapolis & Hennepin County, Inc. He had served as a member of the Finance Committee of the United States Chamber of Commerce.

The directors of the Northwest Bancorporation of Minneapolis announced on July 19 the election of Clarence E. Hill as director of Banco. Mr. Hill was recently elected Chairman of the Board of Northwestern National Bank & Trust Co. said the Minneapolis "Journal," which also stated that announcement was further made that Von E. Luscher was elected Vice-President of Northwest Bancorporation, Carl E. Voigt, Assistant President, and Arthur R. Evans, manager of the investment department.

The directors of the National Bank of Commerce, of Lincoln, Neb., announced on July 27 the election of Byron Dunn as its President, succeeding the late M. Weil.

The Peoples Bank & Loan Co., Lewisville, Ark., became a member of the Federal Reserve System on July 26, it is announced by the Federal Reserve Bank of St. Louis, which said:

"The new member was incorporated Aug. 23, 1911. It has a capital of \$30,000, surplus of \$22,000, and total resources of \$984,473. Its officers are: W. D. Stewart, President; J. B. Burton, Vice-President; T. P. LeMay, Vice-President, and J. C. Landes, Cashier. The addition of the Peoples Bank & Loan Co. brings the total membership of the Federal Reserve Bank of St. Louis to 488."

Total deposits of \$343,621,945 are shown by the Mercantile-Commerce Bank and Trust Company of St. Louis in its June 30 statement, of which \$276,176,590 represent demand, savings and time deposits and \$67,445,355 U. S. War Loan and other public funds. On March 20 the bank reported total deposits of \$307,468,067—that total being made up of \$262,128,862 demand, savings and time deposits and \$45,339,205 War Loan and other public funds. The bank's total resources of \$368,717,993 on June 30 compare with \$336,833,295 on March 20. Cash and due from banks on June 30 amounted to \$78,897,733, against \$75,919,229 March 20. U. S. Government obligations June 30 are reported as \$197,176,471 compared with \$177,714,272 March 20. At the latest date (June 30) capital stock is shown as \$12,500,000; surplus as \$5,000,000 and undivided profits as \$3,780,683; these figures contrast with capital stock March 20 of \$10,000,000; surplus \$7,500,000 and undivided profits of \$3,633,265.

According to the St. Louis "Globe Democrat," it is announced that the trust business of United Bank and Trust Company of St. Louis has been taken over by St. Louis Union Trust Company, effective July 21. The paper from which we quote added:

"United Bank is withdrawing from the trust field and plans to limit its activities to the banking field. Officials of the two institutions stated that this action was taken 'because of the increasing complexity of trust administration and a desire on the part of the United Bank & Trust Company to intensify its efforts in the banking field.'"

Special advices July 21 from Austin, Tex., to the Dallas "Times Herald," said:

"Six Texas banks have increased their capital stocks during the past 30 days, records of

the State Department of Banking show.

"The Texas State Bank of Alice increased its capital stock from \$75,000 to \$100,000 by payment of a stock dividend.

"The Texas State Bank at Jacksonville, by means of cash subscription, increased its common capital stock from \$75,000 to \$100,000.

"The Waxahachie Bank and Trust Company increased its common capital stock from \$75,000 to \$100,000 by payment of a stock dividend.

"The First State Bank and Trust Company of Lufkin, by cash subscription, increased its stock from \$75,000 to \$100,000.

"The First State Bank of Seagraves increased its common capital stock from \$17,500 to \$25,000 by payment of a stock dividend.

"The Commercial State Bank of Sinton increased its common capital stock from \$50,000 to \$100,000 by payment of a stock dividend."

The San Francisco "Chronicle" of July 20 reported that Wilfrid L. Wylie, Assistant Vice-President in the business extension department of Bank of America National Trust & Savings Association of San Francisco, has been advanced to the rank of Vice-President. Mr. Wylie joined the Bank of America in Los Angeles in 1937 and has made his office at San Francisco headquarters since 1943.

The directors of the Midland Bank Ltd. of London announced on July 12 that the Earl of Feversham has been elected to a seat at their board and at the board of the Midland Bank Executor & Trustee Company Ltd.

Redeem Netherlands Currency—Announcement By Federal Reserve Bank

It was made known on July 24 by Allan Sproul, President of the Federal Reserve Bank of New York that the Netherlands authorities have recently announced that guilder currency notes heretofore issued by the Netherlands Government or by De Nederlandsche Bank in denominations of 100 guilders have been withdrawn from circulation in the Netherlands as of July 14, 1945, and that similar measures will probably be taken in the future with respect to notes in smaller denominations.

In his advices to banks and trust companies in the New York Reserve District Mr. Sproul stated:

"Arrangements have been made whereby up to and including Aug. 4, 1945, guilder currency notes issued prior to July 14, 1945, by the Netherlands Government or De Nederlandsche Bank in denominations of 100 guilders or less may be forwarded to the Federal Reserve Bank of New York for account of the Netherlands Government for redemption. Such notes should be accompanied by a written statement, in duplicate, sworn to before a notary public or similar officer, applying for redemption of the notes and containing the following information: (1) The full name, address, nationality and occupation of the applicant. (2) If the applicant is not the owner the same particulars should also be given about the owner. (3) The number and denomination of each note, whether issued by De Nederlandsche Bank or the Netherlands Government, and the total amount of notes deposited. (4) A full statement of the circumstances under which the notes were acquired, including how, when, where, from whom and for what purpose. (5) What the applicant knows concerning the circumstances under which the notes were imported into the United States, including the names of the persons participating therein, the date of importation and the date of exportation from the Nether-

lands, whether or not such exportation was authorized by the Netherlands Exchange Control and if not so authorized, why not. If the applicant has no knowledge or information concerning such circumstances he should so state. (6) That the owner of such notes holds no other Netherlands guilder notes than those listed in such statement and has made no other application for redemption. Any available documentary evidence in support of such statement should be attached thereto. If such notes were included in a report filed on Treasury Department form No. TFR-300 or No. TFR-500, it would be helpful for the applicant to state that fact.

"The Federal Reserve Bank of New York will receive and hold all such notes for account of the Netherlands Government, will give the holder a receipt and will transmit the accompanying statement to the appropriate Netherlands officials. It is our understanding that if the Netherlands authorities are satisfied that the notes are genuine and that they were acquired legitimately the holder will be paid therefor in United States dollars at the rate of \$37.38 per 100 guilders.

"The notes and statements should be sent to Federal Reserve Bank of New York, Foreign Department, Federal Reserve P. O. Station, New York 7, N. Y., at the expense and risk of the holder, and they may be sent direct or through the holder's bank. The Federal Reserve Bank of New York is not authorized to receive any notes after Aug. 4, 1945, unless mailed in an envelope postmarked not later than Aug. 4, 1945, or forwarded by a bank with a statement to the effect that they were received on or before Aug. 4, 1945."

It is pointed out by Mr. Sproul that "the foregoing arrangement does not apply to, and we are not prepared to receive, either (1) notes in denominations of more than 100 guilders, which we understand were withdrawn from circulation in the Netherlands sometime ago, or (2) notes of the Netherlands overseas territories of Curacao, Surinam, or the Netherlands East Indies."

Lend-Lease To Australia

Lend-Lease goods valued at more than \$1 billion were received by Australia from the United States up to the end of last April, it was officially disclosed, at Canberra, Australia, on July 22, according to Associated Press advices from that city, which added:

"Reciprocal Australian Lend-Lease goods and services to America between April, 1942, and last March totaled about \$800 million.

"The official report showed that U. S. forces received \$10.5 million worth of Australian radar and signal equipment—one-fifth of the total output of the Commonwealth radio industry, which before 1942 had no experience in this technique.

"The report said American carbon black, tire fabric and synthetic rubber received under Lend-Lease was used in part in Australia to produce tires for American forces. It added that Lend-Lease tractors, seed and other farming equipment were used to increase food production for American forces."

Kincaid Named V.-P. of Richmond Fed. Reserve Bk.

The Federal Reserve Bank of Richmond announced on July 23 the appointment of Dr. E. A. Kincaid as Vice President of the Bank. The Baltimore "Sun" reporting this stated that Dr. Kincaid has directed the research of the bank since his employment on Jan. 1, 1937.