

Easing Of Hard Money Policy Assured If Recession Comes

By STERLING F. GREEN

WASHINGTON (AP)—The "hard dollar" policy of the Eisenhower administration will be eased promptly if a business recession looms, a leading banker told the American Bankers Assn. (ABA) today.

Roy L. Reiser, vice president of the Bankers Trust Co., New York, assured the group's 79th convention here the government will stick to its "mildly restrictive" credit policy while business booms.

But the Federal Reserve Board's quick corrective action this spring, when swiftly rising interest rates and a credit squeeze "distressed and disorganized" the financial markets, proved the alertness of the money managers in Washington, Reiser said. He added:

"In an economic downturn, the authorities will almost certainly shift rapidly toward a pronounced easing of credit."

Reiser suggested that interest rates have reached their peak but show no sign of early decline. He said credit may be moderately tighter the rest of this year, but "a business downturn would accentuate the seasonal easing of credit in early 1954."

Few of the 7,000 delegates seemed to expect more than a mild and brief readjustment in the wake of the mobilization boom. Most of those interviewed avoided even the word "recession." To a

man they approved the "sound money" policy of the Republican administration.

Assn. President W. Harold Brenton, in an interview, described the economy as "very healthy." He suggested that business activity has reached a high plateau "where it will remain for several months."

Brenton, president of the State Bank of Des Moines, said some shipping is to be expected on the basis of current trends in autos and farm machinery. But he added: "I believe the long run trend of the economy will be up."

Reiser's address was prepared for a meeting 9 a.m., EST of the savings and mortgage division, one of the four major units which make up the organization of 16,873 banks and branches. The other divisions — state banks, national banks, and trust — scheduled separate sessions.

Reiser told the bankers "no significantly damaging effects" were noticeable from last spring's credit crisis. It was eased when the Federal Reserve lowered the reserve requirements of member banks by about a billion dollars, thereby boosting their lending power by about six billions.

But the money shortage and some misinterpretation of official statements, he said, caused "increasing anxiety regarding the future and contributed to the evaporation of market confidence."



ADMIRING THE NEW truck at Stewart Lennox Volunteer Fire Department are Fire Chief Rodney Mathers and Assistant Fire Chief Albert Loomis. The GMC truck is equipped with a Dean high pressure pump, around 240 gallon booster tank, and has a 200 foot hose on each reel. So far the truck has been on one run -- to a house -- from its location at 3519 Emerald.

Hughes Discloses Damage to Big Plane

SAN PEDRO, Calif. (AP)—Howard Hughes has disclosed that a break of an earth dike at the harbor has caused damage of more than five million dollars to his gigantic wooden flying boat, the world's largest airplane.

The flying boat has been under experimental construction more than 10 years under a government contract. It has a wing span of 330 feet and is 219 feet long. The plane weighs more than 200 tons and its tail is as tall as a two-story building. It is designed for a passenger capacity of 700.

The earth dike had been constructed by a dredging company to retain material pumped from the harbor bottom.

The hangar of the eight-engine plane was flooded with thousands of tons of mud, silt and water.

Trade Fall-Off Farm Ill Cause

WASHINGTON (AP)—The Agriculture Department says farm prices are down and farm surpluses are up because of a big postwar decline in the amount of U.S. farm goods sold abroad.

The department reported Sunday that farm exports during the year which ended July 1 totaled \$2,900,000,000 in value — 30 per cent below the preceding year and 20 per cent below the average of the past five years.

The report said the export decline came while domestic consumption was high and production was a record level. Reduced export, it is said, caused agricultural prices principal farm products to accumulate.

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Red China Rule Gets Shake-Up

HONG KONG (AP) Red China ousted its finance minister and the secretary-general of the central government's administration council in a weekend shakeup which observers here feel was ordered because the nation is lagging in the first year of its five-year plan.

The official Red China News Agency reported that Radio Peiping made the announcements during the 28th meeting of the Central People's Government Council.

In the reshuffle affecting 13 government bureaus, Li Wei-Han, secretary general of the administrative council, was replaced by Hal Chung-Hsun, a vice chairman of the cultural and education committee.

Po Yi-Po, minister of finance, was replaced by Teng Hsiao-Ping, a vice premier of the government council.

Other shifts were made in the ministries of post offices, foods, light industry, forests, labor, culture, banks and state planning council.

'U. S. Puts Money Ahead of Security'

ALBANY, N.Y. (AP)—Sen. Symington (D.-Mo.) holds that if Americans knew "the truth" about their military strength, "there would be far less interest in tax reduction and far more" in national defense.

Symington, secretary of the Air Force in the Truman administration declared Sunday the United States was putting "money ahead of security" to the "delight of the Communist conspirators."

He told an estimated 10,000 persons at "I Am An American Day" ceremonies here that "today or tomorrow America is faced with superior military strength on the part of an enemy who has repeatedly declared his determination to destroy us."

Walter Ziemba, now starting his 11th season as assistant grid coach at Notre Dame, was the regular center on the 1941 and 1942 Irish teams.

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TO MOSCOW

TAIPEH, Formosa (AP)—The official news agency of Nationalist China's interior ministry said Monday Red Chinese premier Chou En-Lai went secretly to Moscow Sept. 5 with proposals for strengthening Communism in East Asia.

The Ta Tao agency said its information came from reliable sources in Peiping. However, such Nationalist reports often prove erroneous.

Man Claiming To Be Beria Sought By McCarthy Group

WASHINGTON (AP)—Sen. McCarthy's investigations subcommittee hopes to know within a few days, an informant said today, whether a mysterious figure who claims to be Lavrenty Beria really is the deposed Kremlin police boss.

The Wisconsin Republican has refused to be quoted on the matter at all.

A person familiar with the Senate group's operations said, however, that investigators are convinced Beria has escaped from Russia and is hiding, in terror of his life, in a neutral European country.

Other government sources, also asking not to be quoted by name, were skeptical, saying the chances of Beria's having escaped from behind the Iron Curtain were "one in a million."

The Senate source said today "a new man has gone over who will know him if it is Beria," and that a report from this person can be expected within a few days.

This source said the man who calls himself Beria had been contacted by agents of McCarthy's subcommittee and had sought political asylum in the United States in exchange for disclosure of Russian secrets.

Officials in the executive branch of the government said they knew nothing which would lead them to believe Beria, former head of the Russian secret police, has managed to get out of Russia. At the same time, it was made clear this government would be glad to receive any man who knows as many of the Kremlin's secrets as Beria does.

So far as is known in the West, Beria was last seen in public in Moscow on May 1. Soviet Premier Malenkov denounced him as a traitor July 9 and ousted him from his post as home minister and first deputy chairman of the Council of Ministers.

His name has not been mentioned in the Russian press or radio in recent weeks, and there has been no recent mention of any trial. This has led to some speculation here that he may already have been executed.

The Senate source said an agent of McCarthy's subcommittee had flown to a "neutral, non-Communist

country" in Europe and, after talking with the purported Beria, reported he is convinced the man is who he says he is. It was then, he said, that another agent who could identify Beria was sent.

This source predicted that the State Department would issue a statement about the whole matter shortly. But a department spokesman said he did not know anything about the Beria case.

The Senate source said the man representing himself as Beria said he had escaped with three aides in an airplane and that, if given refuge in the United States, will talk only with McCarthy or Vice President Nixon. The source said McCarthy's agents have been in touch with him about a month.

The source added that, unless the story proves to be a hoax, there is a good chance the man will be brought to this country.

In Baltimore, Col. Ullius L. L. Amoss, head of the International Services of Information, a private espionage outfit, said he had been contacted in Europe this summer by persons who said Beria had escaped from Russia.

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