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The Financial Situation

It is interesting at times to speculate about the probable reaction of some outside observer, seated, say, upon a mountain top on Mars, to the behavior of homo sapiens. The current scene would be of special interest to him. In France he would see patriots — apparently with the approval of the other enemies of Germany—placing the life of their fellow citizens in jeopardy on charges of having “collaborated” with a foreign conqueror. At the same moment across the Rhine he could look down upon these other enemies of Germany — with the almost certain approval if not participation of France — busily engaged in seeking out and using German citizens who are willing or can be persuaded to “collaborate” with the conquerors of their country in the establishment of a regime harsher on the whole and certainly far more foreign to German history, custom or thought than was that of Germany in France. Yet to many, if not to most, observers in this country—and so far as can be ascertained, those in foreign countries—collaboration seems as natural and as commendable in Germany as it was thought to be unnatural and damnable in France.

Indeed, we suspect that merely to set these facts forth in this manner will prove shocking to many Americans whose patriotism is as unquestionable as we know ours to be. To such, Nazism and all its ways were so hateful and inhuman, which they were in many particulars, and the old regime in France, the Totalitarianism in Russia, and what still passes of the democracies of Great Britain and the United States so intrinsically meritorious and so perfectly suited to the needs of mankind the world over, which they are not in many particulars, that it is the plain privilege, nay obligation, of the conquerors in the present

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From Washington Ahead of the News

By CARLISLE BARGERON

It seems a little silly at this late date to be writing about the atomic bomb which combined American and British genius have



Carlisle Bargeron

devised, because there will now undoubtedly be nothing of the world left, including the “Chronicle.” It was not the purpose of American and British genius working in such collaboration as is seldom seen among men, to destroy the world, of course, but some one of those brave kid pilots will have carelessly dropped one of the bombs.

As of this writing, it is not known just what destruction the bomb caused in Japan—just what was its effect. But the announcement certainly scared Washington almost to death, and the indications are that it didn't give the country any appetite.

There is needless apprehension on our part, we are assured. The young pilots are not to be permitted to bring any of the bombs home. Their sale at Macy's is to be prohibited. In the hands of another President, it is true that these infernal things might be dangerous, just as Mr. Roosevelt

once said that such power as he had, in another's hands would be dangerous.

Mr. Truman plans to ask Congress to set up a commission to control this discovery. He is a typical American, a Middle Westerner, springing from the people, so there is no reason to believe he will permit it to be used against Republicans or Republican States. He can be trusted to use the bombs sparingly, so we can thank our stars that we have this sort of man in the White House. Even if he were to slip from grace, there is Charlie Ross, a Washington newspaperman, at his side. Charlie, it is pointed out, always has his feet on the ground.

Inasmuch as it is to take the place of oil, coal and water power as our energy of tomorrow, it is pointed out that oil can be used to kill off mosquitoes, and our scientists have gone so far with coal that it can furnish our chocolate bonbons and women's stockings. So there should be no great change in our economy, except you wonder what will be done with water power. Its elimination would kill off one of our greatest political controversies and a lot of politicians. The feeling is that for this reason it will be preserved in some form.

In the meantime the bomb that was dropped over Japan and the announcement of it here was

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An American Politician Looks at the British Election

By ALF M. LANDON*

Former Presidential Candidate Holds That Since the Labor Victory Means Britain Will Be the First Democratic Nation That Embarks Upon a Complete Program of Government Ownership, It Will Be a Test of Whether Socialism Can Be Reconciled With Individual Freedom and Technological Progress. Sees Possibility of a “Third Party” In This Country With British Left Wing Program Which May Throw Republican Votes to Truman if He Opposes It. Points Out That if Labor Party Pushes Its Plans It May Be the Straw That Will Break Up British Empire. Says “Our American System Is Now Practically Isolated to Western Hemisphere.”

I am tempted to start with a personal note—in a light vein. I was somewhat distressed to have good editorial writers refer to my first year in the major league as an inept campaign. Some of those same papers are now calling Mr. Churchill's campaign inept.



Alf M. Landon

1. Some see in the result a great danger and threat to democracy.

2. Others see it as depriving the world and the British Empire of leaders—valuable leaders particularly needed in the reconstruction period immediately ahead of us.

3. Others view the result with apprehension as inciting a worldwide leftist movement—just as Russia is abandoning the pure communism of Lenin and Trotsky and is following the line of Peter the Great.

4. The question is large in the minds of many as to whether the traditional foreign policy of the British Empire will be carried out or not.

As for number one, we will see for the first time an attempt to apply the principles of socialism—in a limited way—to a great democracy.

The domestic policies the Labor

party advocated in this last campaign have been in use in part in many countries. Canada has a Government-owned trans-continental railroad operated in competition with privately-owned railroads. France has had a Government-owned telephone system and is headed towards a communal ownership of all industries. No country, however, except Russia, has embarked on as nearly a completely Government-owned program as Britain has committed itself to in the last election.

We will now see—from the bleachers—how the principles of socialism will work in a democracy.

The arena is as vastly different from Russia as the policies. England, the home of the Magna

Charta—the mother of parliaments—the land of Shakespeare and Milton—of Puritan and Cavalier—the first country of the old world to recover from the dark ages a new sense of dignity of the individual—is a vastly different arena than Russia.

Russia never has discovered the power to a country in religious freedom and political liberty. Communal ownership is as old as time itself. But, it has never been found in place with religious freedom and political liberty.

So even a limited communal ownership in a land whose proud boast for centuries has been that every man's home is his castle, is

*An address by Mr. Landon before the Kiwanis Club, Topeka, Kans., Aug. 6, 1945.

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The Potsdam Agreement

The Big Powers Lay Down Provisions for Curbing Germany's Industrial Power to Wage War. Will Deprive Germany of Her Main Industries, Including the Merchant Marine and Removal of Industrial Equipment by Way of Reparations. Poland and Russia to Divide East Prussia. U. S. and Great Britain to Determine Disposal of Captured Gold.

On August 2, one day after the adjournment of the Three Power Conference at Potsdam, Germany, the text of the Agreement arrived and was released. In this text

which contained no reference to the settlement of the war with Japan, there was outlined the treatment of Germany particularly with reference to de-industrialization and reparations, as well as a tentative reconstruction of the former Reich's boundaries. The Agreement established a Council of Foreign Ministers, which will include representatives of China and France, as well as of the “Big Three” to continue the necessary work for a peace settlement. The political as well as the economic principles to be followed with reference to Germany are contained in the Agreement. The principles evidently aim at curbing Germany's future economic power by depriving her of her main industries, by removing her industrial equipment, by disposing of her merchant marine, and by appropriating parts of her territory, such as industrial Silesia, East Prussia and parts of Pomerania. It is provided that the German gold captured by the Allies shall be at the disposal of Great Britain and the United States, Russia relinquishing all claims thereto.

The complete text of the Potsdam Declaration, as reported by an Associated Press dispatch in

the New York “Herald Tribune” follows:

I

Report on the Tripartite Conference of Berlin

On July 17, 1945, the President of the United States of America, Harry S. Truman; the Chairman of the Council of People's Commissars of the Union of Soviet Socialist Republics, Generalissimo J. V. Stalin, and the Prime Minister of Great Britain, Winston S. Churchill, together with Mr. Clement R. Attlee, met in the tripartite conference of Berlin. They were accompanied by the Foreign Secretaries of the three governments, Mr. James F. Byrnes, Mr. V. M. Molotov and Mr. Anthony Eden; the chiefs of staff and other advisers.

There were nine meetings between July 17 and July 25. The conference was then interrupted for two days while the results of the British election were being declared.

On July 28 Mr. Attlee returned to the conference as Prime Minister, accompanied by the new Secretary of State for Foreign Affairs, Mr. Ernest Bevin. Four days of further discussion took

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Why Not Just Go To Work?

"Now that we have laid the groundwork for external peace with justice, there remains the necessity to find the basis for peace with justice on the home front. We must create a mutual equitable relationship between capital and management, on the one hand, and organized labor on the other hand—protecting the legitimate rights of each, and always consulting the general welfare—to the end that needless strife shall not impair reconversion and permanently jeopardize the country and all its citizenship.

"Therefore, I am moved to inquire whether you would not believe it possible to assemble a United Industrial Peace Conference of our own under your able chairmanship, in which all these interests may assemble—bound together, as they inevitably are, by the knowledge, whether admitted or not, that there can be no prosperity for one without common prosperity for all—and frankly face the need for a better, a surer and a wiser code for their mutual advancement in the desperately uncertain times that lie ahead in an otherwise chaotic post-war world.

"Is it not possible that such a conference could escape from entrenched rivalries long enough to deal fundamentally with the equities which are prerequisite to the healthy pursuit of better times for all—and for all America?"—Senator Vandenberg to the Secretary of Labor.

We fear that the Senator is much too optimistic about what was accomplished at San Francisco. We are certain that he is too hopeful about the results of such a conference as he now suggests—that is, if he would expect more than words.

Are we not growing a little delirious about collectivist action?

British Elections — Attlee, Labor Party Leader, Replaces Churchill as Prime Minister

Great Britain's Labor Party, advocating a Socialist program for national reconstruction, overwhelmingly defeated Prime Minister Winston Churchill's Conservative regime on July 26, and King George VI that night commissioned Labor Leader Clement R. Attlee to form a new government. A short time earlier Mr. Churchill had presented to the king the resignation of his defeated "caretaker" administration.

Stating that the Labor Party's lead in Commons seats over Winston Churchill's Conservatives was nearly 2 to 1, in compilations at mid-afternoon the Associated Press London advices July 26 said:

Mr. Churchill himself and Foreign Secretary Anthony Eden escaped the tidal wave and were returned to their seats in Commons, but a dozen of their most prominent colleagues were defeated.

The returns were from the July 5 election, the nation's first general poll in 10 years.

The Labor Party campaigned on a platform calling for nationalization of basic industries. From the Associated Press we also quote:

With votes in 627 of Britain's 640 constituencies counted, the Laborites and allied parties had captured 417 seats, against 210 for the Conservatives and their allies. Labor candidates had won 390 contests, Conservatives only 195. Results of the remaining 13 contests will not be made known until early in August.

Addressing a cheering, tumultuous mass meeting of his followers, Mr. Attlee said "we are embarked on a great adventure of democracy, freedom and social justice."

Simultaneously the outgoing Mr. Churchill, in a farewell statement to the nation as premier, declared that victory over Japan may come "much quicker than we have hitherto been entitled to expect."

"The decision of the British people has been recorded in the votes counted today," he said. "I have therefore laid down the charge which was placed upon me in darker times.

"I regret that I have not been permitted to finish the work against Japan. For this, however,

with Sir Edward Bridges, secretary to the Cabinet, and Gen. Sir Hastings Ismay, chief of staff to the Ministry of Defense.

The new Government leaders were sworn in after several members of Winston Churchill's Government saw the King and relinquished their seals of office.

Mr. Attlee's selection of the six Labor Party stalwarts as the nucleus of his Cabinet was hailed by the British Labor press as constituting a new deal in British Government.

With the new Premier due to arrive at Potsdam today to take his place as a member of the Big Three, his announcement of initial major appointments indicated that he was determined that national business should operate smoothly during his absence. The rest of the Cabinet will be named later.

Mr. Attlee himself took the posts of Minister of Defense and First Lord of the Treasury, which were also held by Churchill.

Other Cabinet selections were: Hugh Dalton, Chancellor of the Exchequer; Herbert Morrison, Lord President of the Council and Leader in the House of Commons; Arthur Greenwood, Lord Privy Seal; Sir Stafford Cripps, President of the Board of Trade, and Sir William Allen Jowitt, Lord Chancellor.

The state opening of Britain's new Labor-dominated parliament was postponed on July 29 from Aug. 8 until Aug. 15. King George VI it was stated will outline the government's policies in a speech from the throne.

With the resignation of Prime Minister Winston Churchill on May 23, he formally dissolved the wartime coalition cabinet formed by him in 1940, and on May 25 he announced the senior members of the Cabinet which he had been requested by King George VI to organize to serve until the election on July 5. While it was stated in Associated Press London accounts, July 5, that a new Government had been chosen that day it was added that the results would not be known until July 26, after the absentee soldier vote had been counted. The King in announcing the resignation of Mr. Churchill, made known that at the latter's request Parliament would be dissolved by Royal proclamation on June 15.

WLB Wage Policy To Be Debated

The plan of the National War Labor Board's public members to relax controls on voluntary wage increases is meeting with resistance on the part of both labor and industry, according to Associated Press Washington advices of Aug. 1. Details are to be withheld until labor and management can prepare dissenting reports. The proposal of the public members is being drafted for presentation to Economic Stabilizer William H. Davis as a preliminary to decision by President Truman, but announcement of specific points of the plan will not be made until the other members' views are ready for release simultaneously.

Appropriation Bill for War Agencies Approved

President Truman on July 17 signed a \$769,364,850 appropriation bill financing operations of 17 home front agencies for the current fiscal year, said Associated Press advices from Washington on that day, which added:

"Containing \$35,000,000 for the Office of War Information and \$250,000 for the Fair Employment Practice Committee, the bill was the last of the big supply measures of the present Congress.

It was held up on Capitol Hill more than a month as Southerners fought to withhold funds from the FEPC."

The State of Trade

Viewed from the standpoint of its possible effects on American trade, the recent overwhelming victory of the Labor Government in England over that of the Conservative Party headed by Winston Churchill, means, according to "Business Week," in a current weekly analysis of "The War and Business Abroad," that Washington must importantly alter its plans for the implementation of its post-war commercial policy.

In setting forth its reasons for such a belief, the article points out that:

"Liberalized foreign trade—along lines outlined in the master lend-lease agreement—will get second billing by the new Attlee government. Pledged above all else to improve the standard of living, the Labor government has already given a clue to the stand it will take on most foreign trade issues by hinting that the distribution of food may have to be nationalized in order to assure minimum supplies of all basic foods.

"The same reasoning can be applied to the housing situation until the present acute shortage is eased. Since building authorities have intimated this will require a minimum of 10 years, the outlook for unrestricted trade in the whole range of building materials and supplies is not bright.

"Thus, bulk buying of imported supplies—along lines pursued during the war—can be expected to continue longer under the Labor government than if the Churchill Conservatives were in power. The same kind of government control is likely to continue for some time in the export field," the magazine observes.

"With only limited supplies of goods available for export, labor probably will see to it they are sold where the best bargain can be driven—in the form of essential raw material to meet domestic needs, or at particularly advantageous prices, or to boost Britain's long-term foreign trade position.

"Washington's plans to remove currency controls, lower tariffs and return trade to private hands will be bought only at a price from Britain's new leaders. Labor's avowed intention to nationalize key industries is relatively less alarming to Americans despite the obvious adverse effects on the London Stock Exchange the past week. The Churchill government was as committed to nationalization of the ailing coal industry as is Attlee's. Labor, however, may speed up the process.

"If nationalization of transport," the article continues "means simply the creation of a public corporation to manage the unified industry, Britishers take comfort from the fact that the London transport system has long operated under such control—and at a profit to stockholders. The real test of Labor's ability to carry out its broad platform promises along this line will come when the iron and steel industry swings into the limelight.

"Admittedly obsolete though basic to a successful domestic development or strong export program, the industry is strongly entrenched and probably will put up the keenest opposition to government interference—particularly since it has already announced the beginning of a bold modernization program.

"Keys to an undertaking of the British shift to the left are these three factors:

"(1) While Britain is obviously giving socialization a tryout, change will come slowly, in line with the country's traditional caution.

"(2) Though industries will be nationalized, there is at least no threat to expropriate individual owners or stockholders without 'reasonable' compensation.

"(3) Despite the labor landslide, the Attlee government will remain in office only so long as it carries out to the satisfaction of

the public the program it has promised."

Concluding, the article states that "Britain's democratic system still functions and Churchill's re-election to the House of Commons indicates that the Labor government will face a shrewd, experienced and determined opposition before it can sell to Parliament the innovations it proposes."

Steel Industry—Signs in the steel market the past week failed to encourage civilian manufacturers to expect early delivery on items which would start the reconversion wheels rolling at a reasonable speed. There were indications, however, that should the war with Japan end sooner than we expect, the steel mills would be in a good position to take full advantage of such an event. At present, deliveries to civilian steel users are no better than they were a month ago. Rated steel orders are still heavy and backlogs on such business large, so states "The Iron Age" in its current summary of the steel trade.

The past week has seen many reluctant civilian steel consumers, tired of standing on the order sideline, stepping up the volume of their orders without any idea when deliveries will be made. Among such consumers are the automobile group and home appliance makers. They are operating on the basis that those who place their orders first have the greatest chance to benefit, the magazine points out.

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, and they in turn have set up so-called precautionary schedules that could be quickly put into operation should the war terminate suddenly. Notwithstanding this, there have been sudden spurts in demand for war steel which have both displaced the chances for early delivery of non-rated business and forced changes in schedules for orders carrying CMP ratings.

Mills are continually sorting and analyzing all non-rated orders to see what type of operational pattern can be made quickly as war contracts are cancelled and as war demands become less, according to the trade publication.

A sudden end of the Japanese war 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, the magazine continues, 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.

The steel industry is coming around to the belief that the effect of a sudden end to hostilities would not create the sharp dislocation in steel operations which was at first looked for. Contingent upon the further expansion in volume of non-rated orders which took a terrific upward drive in the Chicago district the past week, and providing there is not too much duplication of orders, the changeover from war steel output to complete civilian output will not be too great (Continued on page 658)

Lend-Lease Aid Abroad \$39 Billion, Crowley Reports—Reverse Lend-Lease \$5.6 Billion

Figures covering transactions of the U. S. Government abroad from July 1, 1940 through March 31, 1945, made public on July 31 by Leo T. Crowley, Foreign Economic Administrator, show that through March 31, the United States furnished \$39,000,000,000 worth of lend-lease aid. In addition, it is announced, \$373,000,000 of relief supplies were shipped through March for use abroad, mainly through U. S. Army. It is estimated, says Mr. Crowley, that by March 31 reverse lend-lease had reached \$5,600,000,000. During the 4 3/4 years, Mr. Crowley indicates that according to reasonably complete reports, Government agencies spent \$11,437,000,000 abroad and received \$3,257,000,000, excluding purchases and sales of gold. It is added that "these Government disbursements have amounted to about 40% and private payments to about 60% of total payments abroad since July 1, 1940." A summary of the transactions in the 4 3/4 years, also has the following to say:

Mr. Crowley also announced that \$585,000,000 of U. S. Government loans and advances made abroad since 1940 were outstanding on March 31. On that date the United States also held abroad installations built at an estimated cost to the United States of about \$1,800,000,000, mainly for Army and Navy air bases, transport facilities, port facilities and troop housing accommodations. It was emphasized that these loans and installations figures are to a large extent included in the \$11,400,000,000 total reported disbursements.

Disbursements Abroad

Over half of the \$11,400,000,000 disbursed abroad was spent on supplies and materials, largely for war production and civilian uses in the United States. In many cases, Mr. Crowley said, the Government gets its money back by reselling the goods to private buyers in the United States. Nearly two-thirds of all supplies and materials procured abroad have come from Canada and Latin America. Copper, sugar, rubber, tin and aluminum, all vital scarce items, have been foremost in the procurement program.

Pay to the U. S. armed forces abroad has been the other big war-period foreign expenditure. Preliminary data indicate that over \$4,000,000,000 has been put in the pockets of U. S. personnel overseas. This figure does not include the large amount of pay and allowances allotted directly to families, for War Bonds, and for other purposes in the United States. Payments to troops overseas have been heaviest in the United Kingdom, Australia, France and Italy. Remittances home since mid-1944, however, Mr. Crowley said, have totaled about two-thirds of all current pay to troops overseas, greatly reducing the impact of U. S. troop spending on prices abroad. In most cases, it was pointed out, U. S. troops abroad are paid in local currencies, and the figures reported represent the dollar costs of these currencies.

Relief Supplies Furnished

Through March 31 this Government furnished abroad as relief supplies \$250,000,000 of foodstuffs, fats and oils. It also furnished nearly \$50,000,000 worth of clothing and footwear, \$25,000,000 worth of medical supplies, and \$20,000,000 worth of coal and petroleum products. Agricultural, transportation and industrial equipment comprised most of the rest of the \$373,000,000 total furnished. The great bulk of these supplies went to Europe, mainly to Italy and France. Over \$300,000,000 of the total was civilian supplies furnished by the War Department, for which bills will be rendered to the foreign governments concerned. Other U. S. Government-financed supplies were furnished abroad through the American Red Cross, the United Nations Relief and Rehabilitation Administration, the

Navy Department and the War Refugee Board. Relief supply shipments have been heavy since March 31, Mr. Crowley said, and June 30 figures may be double those for March 31. These supplies, it was emphasized, are in addition to civilian-type goods furnished under lend-lease and in addition to privately-financed relief.

Loans and Advances Outstanding

Repayment experience on the \$1,100,000,000 of Government loans and advances disbursed since 1940 (since 1934 for the Export-Import Bank) has been very good, Mr. Crowley stated. Loan repayments have been made on schedule, with \$511,000,000 now outstanding against disbursements of \$888,000,000. All except \$74,000,000 of \$239,000,000 disbursed as advance payments against procurement abroad has been liquidated.

On March 31, the Reconstruction Finance Corporation held \$281,000,000 still outstanding of \$390,000,000 loaned to the United Kingdom before Pearl Harbor to finance needed war supplies. The Export-Import Bank on the same date had \$204,000,000 of loans outstanding and \$318,000,000 of undischarged loan commitments. These loans and commitments, together with transactions since March, had used up the bank's \$700,000,000 lending authority. Recent legislation has expanded the bank's lending authority to \$3,500,000,000.

In addition to regular loans and advances, by March 31, \$260,000,000 had been paid to China against a \$500,000,000 financial aid commitment passed by Congress in 1942. The purpose of this aid is to help stabilize the Chinese economy and prosecute the war against Japan. Terms of repayment are to be settled after the war.

Installations

Only very preliminary figures are available on installations held abroad. As of March 31, however, 3,400 installations were reported, mainly by the War Department. A large number of these installations were received under reverse lend-lease at no cost to the United States, especially in the United Kingdom, Australia, India and France. The cost of U. S.-constructed installations held on March 31 was reported as \$1,776,000,000, of which \$828,000,000 was reported for airbases. The sum of \$284,000,000 was reported as the cost of transportation facilities, and \$239,000,000 of seaports, wharves and docks. Reported non-military facilities cost about \$60,000,000, about two-thirds of which was spent on metal mining and processing facilities in Latin America.

In spite of the vast scale of U. S. military operations, the dollar cost to the United States of installations in Europe during this war was less than half the \$185,000,000 spent in the last War. This was because most of the installations of the present war in England, France, Belgium and the Netherlands were furnished to the United States under reverse lend-lease. U. S. expenditures during this war were largest for installations in Canada, China, Iran, Cuba, and on the 99-year lease Atlantic bases received from Britain in 1940 in exchange for the 50 over-age destroyers. Canada pays cash for U. S. goods and services, Mr. Crowley recalled, and in turn does not provide reverse lend-lease to the United States. It was also recalled that U. S. construction of facilities on

the 99-year lease bases is in accord with the original agreements made in 1940.

These figures have been gathered by the Clearing Office for Foreign Transactions and Reports established in the Foreign Economic Administration at the request of President Roosevelt pursuant to suggestions from members of Congress that some agency be made responsible for providing consolidated, over-all data on U. S. Government transactions abroad. The Clearing Office was set up as a service organization for Government agencies and for Congress. Detailed figures, classified by country and by type of transaction, are now being compiled regularly for the use of Congress and the executive branch of the Government; data will be released publicly as security permits.

From special advice to the New York "Herald Tribune" from its Washington bureau we take the following relative Government disbursements and receipts during the 4 3/4 years:

By geographical areas, government disbursements were: American republics, \$3,003,000,000; British commonwealth, \$5,666,000,000; China, \$837,000,000; France, \$500,000,000; Italy, \$124,000,000; the Netherlands, \$234,000,000; Russia, \$147,000,000.

Government receipts were: American republics, \$248,000,000; British commonwealth, \$2,005,000,000; China, \$137,000,000; France, \$446,000,000; Italy, \$8,000,000; the Netherlands, \$59,000,000; Russia, \$12,000,000.

Loans and advances outstanding were: American republics, \$585,000,000; British commonwealth, \$302,000,000; China, \$50,000,000; Russia, \$25,000,000.

In lend-lease, the United States furnished American republics \$38,972,000, received no reverse; furnished the British commonwealth \$27,483,000,000, received \$4,645,000,000 reverse; furnished China \$309,000,000, received \$4,000,000 reverse; furnished France \$486,000,000, received \$291,000,000; furnished the Netherlands \$141,000,000, received \$2,000,000, and furnished Russia \$9,132,000,000, received \$2,000,000.

U. S. Commerce Chamber Opposes Higher Payments For Unemployed

Opposition is voiced by the U. S. Chamber of Commerce to Administration proposals for payment of more liberal unemployment benefits to discharged war workers, saying that the assertion that the Federal Government "must provide supplementary unemployment benefits to meet the needs of the reconversion period is not borne out by the record." Reporting this, Associated Press advices from Washington Aug. 4 said:

President Truman has asked Congress to authorize use of Federal funds to bring State unemployment payments up to a maximum of \$25 weekly for 26 weeks during the reconversion period. His request is scheduled for early Congressional consideration after the summer recess.

The Chamber declared that an analysis of State unemployment compensation laws disclosed that "all States have liberalized their laws since the adoption of the Social Security system."

The changes were said to include expanded coverage, larger benefits, lengthened duration of payments and reduced waiting periods.

The Chamber also issued a report suggesting that public works provided an inadequate balance wheel for stabilizing the national economy, but asserting that public works could not carry the entire burden of stabilizing the construction industry. Private construction must be encouraged, it was stated, to maintain a steadier flow of investment funds into new structures and improvements.

To Urge Relaxation of Trade Controls

National Foreign Trade Council to Press Freedom of Enterprise Principle in New International Chamber of Commerce Council Meeting in London.

Eugene P. Thomas, President of the National Foreign Trade Council, on August 6, just prior to part in the meeting of the Council of the International Chamber of Commerce, issued a statement in which he urged a more rapid progress in the relaxation of Government controls on international trade.

"Last year, at the International Business Conference in Rye," Mr. Thomas declared, "the way was cleared for decisive moves leading to the resumption of international commercial relationships in accordance with policies in which a large measure of uniformity was sought."

"The next major move, from the viewpoint of policy clarification, will be the meeting of the Council of the International Chamber of Commerce in London, which opens Aug. 14. It is expected that this meeting will be followed by an inter-Governmental conference on world trade problems early in 1946. The recommendations of the International Chamber, therefore, may well prove of major consequence."

"Traditionally, and through repeated public declarations, our Government stands committed to a policy of freedom of individual enterprise in foreign trade. Wartime restrictions on export and import transactions, as well as actual Government purchasing and distribution operations, have now been modified to some extent. The United States, however, will benefit most fully from its post-war foreign trade if a maximum of freedom is permitted those who conduct that trade. Restrictive regulations, indispensable in the earlier stages of the war, should now be lifted with increasing speed so that effective business adjustments can be made."

"The meeting of the Council of the International Chamber, its first since the outbreak of the war six years ago, brings together delegates from 20 countries. It is opportune as its agreement on recommendations may presage the restoration of peacetime world trade, and underscore the necessity for more rapid progress in the relaxation of Government controls imposed by all these countries and others on their foreign trade."

Approximately 20 countries will be represented at the first meeting of the Council of the International Chamber of Commerce to be called since before the outbreak of the war, which will convene in London Aug. 13. The United States will be represented by eight delegates from United States Associates, the former American section of the International Chamber, which is now headed by Philip D. Reed, Chairman of the General Electric Co.

Other U. S. delegates include William Black of Peat, Marwick Mitchell & Co., New York; Robert M. Gaylord, board Chairman of the National Association of Manufacturers, and President, Ingersoll Milling Machine Co., Rockford, Ill.; W. L. Hemingway, President of the Mercantile-Commerce Bank & Trust Co., St. Louis; Paul G. Hoffman, Chairman of the Committee for Economic Development and President of the Studebaker Corp., South Bend, Ind.; Amory Houghton, Board Chairman of Corning Glass Works, Corning, N. Y.; William K. Jackson, Vice-President, United Fruit Co., Boston; Eugene P. Thomas, President of the National Foreign Trade Council, New York; John P. Gregg is Secretary of the delegation, and Executive Director of United States Associates.

Winthrop W. Aldrich, Chairman of the Chase National Bank, and recently elected President of the revived International Chamber of

Commerce, will preside over the London meetings.

The countries to be represented at the London meeting of the Council of the International Chamber of Commerce are as follows: Australia, Belgium, Canada, China, Czechoslovakia, Denmark, Finland, France, Great Britain, Greece, Italy, Mexico, Norway, Portugal, Spain, Sweden, Switzerland, The Netherlands, United States, and Yugoslavia.

WPB Relaxing Controls Speedily as Possible

While "remembering always that the War Production Board's first job is the war against Japan," J. A. Krug, Board Chairman, stated on July 27 that "the Board is relaxing and canceling its wartime controls as speedily as the one-front war will permit." This does not mean, however, he said that with the revocation of an order, or the "open-ending" of any wartime controls, the American public can expect to see store shelves stocked with civilian items immediately. Mr. Krug observed that "victory in Europe—V-E Day—meant many things to many people. It meant two things to the War Production Board: (1) direction of all effort toward the full and quick prosecution of the war against Japan; (2) the beginning of reconverting America's industrial might to production for our peacetime economy." He continued:

"The War Production Board, in all of its public announcements of order cancellations, has been most careful to emphasize that other orders, other controls, as well as limited supplies of materials, may well be restricting factors toward the procurement of materials and components for production of any civilian end item.

"It must be borne in mind that reconversion involves many temporary and localized problems of production. WPB is doing everything possible to facilitate quick solution of these problems. It will get completely out of the way of business in the fastest time possible, removing all wartime controls consistent with the successful progress of our war against Japan. The War Production Board is doing everything possible to help break bottlenecks and to aid business, small and large, to reconvert quickly.

"All of this takes time. Our nation is still engaged in the toughest war in its history. Many materials—textiles, tin, lumber, certain chemicals—so essential to production of peacetime end products, are in tight supply and the military has first call on them.

"Perhaps the return of many civilian end products will not be as rapid as many have wishfully thought. In general, however, the picture is bright. The War Production Board feels confident that American industry and labor, working as a team within our resilient economy, can achieve the same production goals in reconversion as were achieved in converting to meet a war-production program of tremendous proportions. With each passing day, materials will flow into civilian production in an ever-growing stream.

"V-E Day was the start of that stream. Already that stream is getting larger. It will continue to grow and grow as we draw nearer to our primary objective—the heart of Tokyo. Meanwhile, America's consuming public must be patient, for we must remember the war against Japan comes first."

The Financial Situation

(Continued from first page)

instance to "extirpate" the "ideology" of Nazi Germany, and perfectly natural for sensible Germans to wish to have a hand in the process and be applauded for it.

Out of Touch With Reality

Of course, there is a large, if not dominating, element of the wholly unrealistic in all such thinking. It simply does not correspond to the plain facts of the situation. Neither could the courses of action being taken on strength of it be successfully defended by appeal to reason or to history. But if this were all that is involved, perhaps the whole matter could without a great deal of harm be ignored as somewhat academic and removed from the practical day-to-day affairs of the peoples of the earth. Unfortunately, however, this is not all that is involved—not by any means. While we are patting ourselves on our backs upon the "avoidance of the errors of 1918", it is impossible for the detached and impassionate observer to escape the fear, not to say the conviction, that we are laying the basis for future wars or future chaos or both.

Indeed, it appears to us that the basic errors of Versailles are being repeated upon an immensely vaster scale. After World War I the treatment meted out to Germany made possible the success of Adolph Hitler and his cohorts in attracting Germans to his banner, and, for that matter, in gaining a not unsubstantial sympathy outside of Germany. A rather general feeling that matters were not very well handled at the peace conference and in subsequent years may very well have been in substantial part responsible for the "supine" course of France and Great Britain during the earlier days of Hitler's hectic and reckless career. For long years the "blunders" of Versailles, in the minds of Americans at least, lay in the scramble of the victorious powers to care for their own interests, and in the concomitant callous disregard, not to say contempt, for the welfare or the future of the German people.

Errors of Versailles

Now, so thoroughly has Germany proved undeserving and so fully have the Nazi policies alienated the sympathies of the world, indeed won the embittered hatred of the most of the remaining peoples of the universe, that the "errors of Versailles" have come to be the failure then to condemn German nation to virtual extirpation, and the German people to permanent impotence and penury. The "blunders" of

the post-Versailles years are now regarded as the failure to march into Germany and decapitate both Hitler and his followers when they first raised their heads. This sort of doctrine appears to have ruled the minds of the "Big Three" at Potsdam. Certainly the determination to look after territorial and other "interests" was no less in evidence than it was at Versailles. Indeed the process of looking after them was much more vigorously and much more boldly pursued—and, so far as known, without anything akin to the Wilsonian protests. Equally evident is it that the determination simply to "put Germany out of the way" for good and all is much more controlling today than it was in 1918.

The simple truth of the matter is that were it not for the examples set by Russian and German totalitarianism (for which read man's inhumanity to man) in the interim, it would be impossible for most men to credit their senses when they read of some of the determinations reached at Potsdam. The grand manner in which territory is taken away from people owning it for centuries and handed to others who never had possession of it—and, indeed, had so far as known in some instances made no claim upon it—has no parallel in modern times. Upon the scale it is indulged in now, there is certainly no precedent in human history. The mass shipment of peoples about Europe as if they were cattle is quite beyond anything heretofore known, and plans for the massing of German peoples in what is left of Germany, crippled as it is from the war and the bombing, and as further crippled as it is to be by exactions in the name of reparations—to say nothing of the arbitrary over-all limitation of the "standard of living" of the German people in the years to come—all this must, of necessity, raise incredulous questioning in the minds of any sane man.

Not the Whole Story

Nor is this the whole story. If apparently reliable accounts are to be trusted, a good deal is yet to be done—a good deal which could not be accomplished at Potsdam, partly at least because of conflict of the imperial interests of Russia and Great Britain. In such matters as these it appears that the interests of third parties which did not at some early date take an active part in the fight against the Axis are to be ignored almost as completely as are those of Germany itself—and this quite regardless of whether such countries had

any solid ground for going to war against Germany or any one else. Apparently, in a "modern" war every country, great and small, with but very few special exceptions, must quickly "pick the winner" and "join up", or later take the consequences, which are not likely to be pleasant. This seems to be the lesson for neutrals out of the Potsdam meeting. So far as known not even the Nazis, the Fascists, or the Japanese ever reached this extreme of world domination—although of course they might have taken a similar course had they won the war.

The Real Question

But the real question is this: Do such policies as these and the programs to which they necessarily give rise encourage peace and progress in the world? Unless one is prepared, as we are afraid all too many are, to accept the Pax Romana idea of world peace, it is difficult for us to understand how anyone could possibly answer a question in the affirmative.

Progress in Drive Against Tax Evaders

Secretary of the Treasury Vinson made public on July 30 the following memorandum, addressed jointly to Joseph J. O'Connell, Jr., General Counsel of the Treasury Department, and to Joseph D. Nunan, Jr., Commissioner of Internal Revenue:

"As one of my first official acts as Secretary of the Treasury, I want to make clear my firm determination that the Treasury Department drive against tax evaders shall be prosecuted to the utmost.

"As President Truman has said: 'We are not fighting this war to make millionaires, and certainly we are not going to allow the black market operators or any other racketeers to be in a favored class, when the men in the armed forces, and our citizens generally, are sacrificing so heavily.'

"I should like to have you prepare for me at once a joint report indicating what progress has been made to date on this important Treasury task, and specifying what further action is recommended to make our efforts fully successful.

"I am going to back this drive all the way.

"Copies of this memorandum should be made available to all officials of the Bureau of Internal Revenue and to other interested Treasury personnel."

Air Mail Restrictions

Postmaster Albert Goldman announced July 30 that information has been received from the Post Office Department at Washington that effective at once, articles weighing up to 1 pound may be accepted for dispatch by air to the destinations listed below:

Algeria, Azores, Belgium, Corsica, Denmark, Faroe Islands, France, Gibraltar, Great Britain and Northern Ireland, Iceland, Ireland, Luxembourg, Madeira Islands, Morocco, Netherlands, Norway, Portugal, Rio de Oro, Spain, Sweden, Switzerland, Tunisia, Union of Soviet Socialist Republics.

The restrictions limiting the weight of air mail articles for said countries to two ounces are modified accordingly.

N. Y. Board of Trade Acts on Sterling Pool

The Executive Committee of the New York Board of Trade, following the address of Congressman Emanuel Celler on the restrictions on American foreign trade imposed by the British Sterling Pool (see the "Chronicle" of Aug. 2, page 514), passed a resolution on July 27, authorizing the organization to make a complete investigation into the operations of the pool, with particular reference to its effect in hampering United States exports. This was in line with Congressman Celler's recommendation. Mr. Celler pointed out the handicaps imposed by the British sterling pool on our trade with India, South Africa and other members of the Sterling Area.

Hearing on Full Employment Bill

Legislation designed to aid in establishing full post-war employment is due for early consideration when Congress reconvenes after its summer recess. A subcommittee of the Senate Banking and Currency Committee held two days of hearings, prior to the Senate's adjournment, on a bi-partisan measure which aims to provide Federally financed work when private investment and expenditures fall below the level necessary to furnish jobs for enough people, the Associated Press reported from Washington, July 30 and 31.

The measure would require the President to submit to Congress each year a "national production and employment budget." A new division would be set up in the President's executive offices to calculate how many jobs are available to the nation and how many wage earners there are for the jobs. The "job budget" would be sent to Congress which then would work out with private industry how best to avoid deep slumps in employment. Federal projects would be the next resort. The Associated Press reported:

The committee chairman, Senator Robert F. Wagner, Democrat, of New York, and Senators James E. Murray, Democrat, of Montana, and Wayne Morse, Republican, of Oregon, saw the issue of post-war employment as the primary factor in the British election upheaval which ousted the Churchill government.

"The war-weary British," said Senator Wagner, "were not satisfied that the government in power was sufficiently resolute in its determination to achieve post-war full employment."

Senator Murray said the British have "turned toward Socialism" as a possible solution to post-war security. Unless America provides a program of job opportunity for all, he added, there'll be "nothing but conflict and recrimination" for the traditional United States capitalistic system.

Senator Morse commented: "It was recognized that the young men of Great Britain were confronted with the danger of no economic opportunity when they return from the wars."

The Oregonian, a labor expert with the National War Labor Board before he came to the Senate, declared "Democracy rests on capitalism and capitalism rests on democracy. . . . If we don't make them work together, we'll lose both."

Senator Morse spoke also for Senators Charles W. Tobey, Republican, of New Hampshire, and George D. Aiken, Republican, of Vermont, requesting permission to appear next fall with amendments and to seek the right to be co-sponsors of the measure under consideration.

Senator Joseph C. O'Mahoney, Democrat, of Wyoming, explained in detail, by chart, the economic history of the nation, which he said, was replete with the "boom or bust" cycle of depression and great prosperity.

Unless government plans now how best to utilize private enterprise, "we'll lose our freedom," he said. Where private enterprise is unable to take up the slack, the government must be prepared to step in, he said.

Senator O'Mahoney said the relief spending of the '30s was "in-

efficient and unproductive because WPA avoided the use of machines. "We must avoid another WPA."

The following day Senator Elbert D. Thomas, Democrat, of Utah, stated to the committee, according to the Associated Press: "In the adoption of the selective service act the Congress accepted the theory of guaranteeing a man called under the draft his job when he returned to civilian life." The principle of full employment was further sanctioned in the passage of the surplus property disposal act, he added.

Full employment was written into that bill's objectives to be a guidepost in the disposal of surplus war property, Senator Thomas asserted.

Representative Patman, Democrat, of Texas, said, the bill had nothing to do with "made" work nor was it intended to help those unwilling to work. Testifying in behalf of the legislation, he asserted:

"We are talking about useful employment, not just made work. We are talking about opportunities for all who are able to work and who are willing to work."

Mr. Patman noted the bill's proviso that the Federal Government "has an obligation" to take up unemployment slack when private enterprise is unable, but he said: "This can mean useful public works necessary and desirable public services. It can mean direct or guaranteed loans to veterans, home owners, State or local governments. But the major point is that there is to be no new WPA."

The hearings before the Banking Committee were recessed until Congress returns, Oct. 8.

N. Y. State Banks Amass Half Billion for Post-War Credit to Small Business

The banks of New York State are prepared to lend small business more than a half billion dollars in the post-war battle against unemployment, the New York State Bankers Association announced on Aug. 4. To make certain that even the smallest bank will be able to meet the credit needs of its community, the New York City banks have created a \$100,000,000 credit group which will participate in loans that exceed the lending limits of smaller institutions.

The Association reports that it has conducted a survey to determine the impact of the war on the State's 700 commercial banks and to help them plan for the future. It disclosed that the banks will have a total of \$503,025,651 available for loans to retailers, wholesalers, small manufacturers and other businessmen. The Association further says:

"Fifty per cent of the banks said they had organized a department for making loans to small business and 85% stated that they had publicized the fact that such credit would be available.

"To meet the specialized credit needs of the reconversion period banks are perfecting techniques and forms for term loans to be paid off in installments over a period of several years, field warehouse loans, loans against accounts receivable, trust receipt loans and other types of credit especially designed to help the businessman who is trustworthy and competent but who has only a moderate amount of capital."

Mead Committee Urges Single War Output Head

The Mead War Investigating Committee of the Senate, in its fourth annual report, urged that a one-man control be established over all war mobilization and production, and recommended that the Office of War Mobilization and Reconversion, with John W. Snyder at its head, take direct control over all war agencies on a supervisory operating basis, according to special advices to the New York "Times" from Washington on July 29. The revised set-up was necessary, the Committee stated, if widespread post-war unemployment was to be averted with its serious economic repercussions.

Characterizing the work of smooth reconversion to peacetime industrial activity as of foremost importance, the Committee went on to say that this work could be accomplished only by an agency with the highest authority.

Included in the Committee's report was the blunt assertion that the Administration had failed so badly to prepare the country adequately for the transition from war to peace, the New York "Times" continued, that "should the war with Japan end at an early date, we will find ourselves in a sorry state economically." The balance of the "Times" advices stated in part:

The Committee criticized the Office of War Mobilization, once headed by James F. Byrnes, now Secretary of State, and later by Fred M. Vinson, now Secretary of the Treasury, as not trying "to run war mobilization." Instead, it was asserted, the office had been content with the role of "conciliator" and "umpire."

"It must plan and issue orders and not confine itself to umpiring disputes," the report said. "At this stage of the war program, it is particularly the reconversion functions of this office which require such attention. The office also should be empowered, organized and staffed so that it can take active steps to aid reconversion, including action cutting across inter-agency lines in the furthering of individual reconversion projects."

"We must get a move on or we will get into real trouble, especially if the war against Japan should come suddenly to an end," the report said.

"If that happens, and we all hope and pray that it will, we will be largely unprepared to cope effectively with the many home economic problems. Reconversion will not have progressed far enough to absorb the manpower that will suddenly be released. Government work programs, designed to cushion the shock, will not have been established. We will probably experience widespread unemployment."

"The job ahead is not easy. And much is at stake. We must accomplish our objectives because failure can prove as costly as military defeat."

Beyond its recommendation for revitalizing of the Office of War Mobilization the Committee made specific recommendations that civilian agencies dealing with foreign governments and peoples be integrated under the Secretary of State.

Speeding up of reconversion and expediting of war program cut-backs, giving ample advance information on these plans to industry, were called for.

Attention must be given to the conservation of the country's resources, the Committee asserted, to the accumulation of stock piles of strategic materials, and technological research.

The report had much to say about manpower.

Deploring the handling of the war surplus problem to date, the Committee said:

"Surpluses must be moved more expeditiously, with less confusion and with a much more definitely coordinated policy as to the objectives to be sought in their disposition. Both at home and abroad the surplus disposal picture has been unsatisfactory."

As to cut-backs, the Committee

was of the opinion that "even a larger cut can, and will, be achieved in war production," between now and early next year than the 35 to 40% below the level of last March which is contemplated.

It gave the following reasons for this conclusion:

"Larger quantities of supplies are now being produced and shipped, and made ready for shipment than can be immediately discharged, utilized or promptly stored and secured in the advance Pacific bases at this time. Vast quantities of equipment are in the European theater and available for redeployment."

"When these have been fully inventoried, the War Department will probably be able further to revise downward its requirements for new production."

"It also would be aided if the greatest use is made of materials lend-leased to our Allies who no longer have need for them."

"It also appears likely that as the war in the Pacific develops, the War Department will find that its present procurement schedules will build large inventories above actual needs."

The Committee was especially critical of the dual failure to deal adequately with surplus disposal and speeding up of industrial reconversion.

"We are short almost everything," the Committee declared. "Prices have continued to rise. Each day adds to the possibilities of the development of an inflationary wave."

In conclusion, the Committee stated it is making a study of means for "setting up a peacetime organization designed to keep us from again becoming unprepared to defend ourselves."

In setting out its conclusions the Committee had the following to say, in part:

"Although progress is being made, reconversion has not proceeded as swiftly as it should have following the cessation of hostilities in Europe. Retarding factors include delay in planning, delay in announcing and making cut-backs, lack of both raw and semi-finished materials and tools, insufficient information available to industry to make plans far enough in advance, and lack of manpower in some key places."

"There has not been sufficient help from the Government to industries and business desiring to reconvert. This lack is particularly noticeable in connection with problems which cut across the jurisdictional lines of existing agencies. These require the active intervention of a top agency with power to get results. The Office of War Mobilization and Reconversion, acting too often as a conciliator rather than an executive, fails to fill this need."

"The progress which has been achieved is due in large part to the WPB which promptly revoked a large number of orders and regulations and 'open-ended' the controlled-materials plan."

"The slow pace of reconversion and the failure to release large surplus by this time, taken together with the continued high income of the public and the return of large numbers of soldiers, creates an increasing danger of inflation due to the large amounts of money in circulation and the relatively small amount of purchasable goods."

"Widespread unemployment has not developed up to this point mainly because of the number of workers and veterans taking vacations, the backlog of labor needed by civilian industry and the slowness with which war production is being cut back

"The fact that we have escaped serious unemployment up to this time should not mislead us into the belief that all is well. The Army has a great reservoir of manpower which it is very slow in releasing. Industry requires a relatively insignificant portion of this manpower to aid in speeding up reconversion, but up to this point has received very little help in the form of releases from the Army."

The Committee recommendations as given in the "Times" account follow:

"1. The Office of War Mobilization and Reconversion should be put on a supervisory operating basis with direct control over the other war agencies. It must plan and issue orders and not confine itself to umpiring disputes. At this stage of the war program, it is particularly the reconversion functions of this office which require such attention. The office also should be empowered, organized, and staffed so that it can take active steps to aid reconversion, including action cutting across inter-agency lines in the furthering of individual reconversion projects. There is little work of more importance today. It can be accomplished only by an agency with the highest authority."

"2. The various civilian agencies dealing with foreign governments and peoples should be integrated under the Secretary of State."

"3. We must now utilize and divert into peacetime channels our productive capacity that is not needed for our military production. Our first responsibility is the winning of the war as soon and completely as possible. For that reason there should be no diversion of production capacity of manpower that would conflict with this program. On the other hand, the war production and military manpower needs should be reviewed with the utmost care from the point of view of the earliest possible relief of bottlenecks in the reconversion of industry to peacetime purposes. There should be the most careful consideration given to, and the coordinated efforts of all war agencies concentrated on, the release now from the armed forces of a limited number of men whose services are essential to early reconversion of industry. Small numbers of men released now for this purpose will make possible sooner the employment of much larger numbers of workers who will be released from war production. Among the principal industries needing workers in this category are lumbering, transportation, coal mining, cotton textiles, and, to a limited but important extent, steel. War production programs should be cut back as soon as possible, with more advance notice to industry than in the past."

"4. In order to direct workers to the places where jobs will be available and to provide the types of workers needed where industry is short of labor, accurate information must be gathered and made available to workers and employers throughout the country."

"5. Surpluses must be declared and moved more expeditiously and with a more definitely coordinated policy concerning the objectives to be attained in this disposition."

"6. Attention must be given to the conservation of the country's resources, to the accumulation of stock piles of strategic materials, and to technological research."

Redeem Panama Bonds

Holders of 26-year 3½% external secured refunding bonds, series B, due March 15, 1967, of the Republic of Panama are being notified that \$112,000 principal amount of these bonds have been drawn by lot for redemption on Sept. 15, 1945, at 102½%,

Dress Manufacturers Declare OPA Price Order "Ruinous Rather Than Regulatory"

In a brief filed in Washington on July 30 with the Office of Price Administration, the Affiliated Dress Manufacturers, Inc., urged modifications of the OPA's maximum average price order, contending that the order as constituted at present will defeat its own purpose because it is "ruinous rather than regulatory." The brief asserts that, unless modified, the regulation "will destroy the gains made by American fashion during the war," according to an account in the New York "Herald Tribune" of July 31, which went on to say: "Prepared by Louis Nizer, counsel to the organization, the brief describes Affiliated Dress Manufacturers, Inc., as composed of 278 firms—one-third of the number of dress producers in New York—and doing an annual volume of \$200,000,000, one-third of this city's total output. Price lines covered by the membership range from \$22.75 and up to \$5.75 down. According to the brief, New York City accounts for 85 to 90% of the nation's unit output of dresses and 80% of the dollar volume."

"Declaring that Affiliated desired 'in essence to improve the order by making it more workable' and that the 'hardships for the attainment of M. A. P.'s aims were accepted as inevitable,' the brief asserted that the association wished 'only to eliminate certain oppressive features which are not only unnecessary but actually are inimical to those purposes.'

"Among the subjects covered in the nine specific recommendations for relief are an allowance of 10% for increased costs, this being described as covering only a fraction of the actual increase; a tolerance of 10%; the exclusion of inventories on hand when M. A. P. went into effect from the application of the order; an optional broadening of categories; the exclusion of mark-down and close-out sales in the base period from the M. A. P. computation; the liberalizing of the surcharge provisions, this to include, among others, the extending of the initial make-up period from 30 to 60 days; allowances for general changes in conditions since 1943; simplification of record-keeping provisions and the granting of recognition for the specific problems of the couturiers to avert highly destructive repercussions upon the American fashion field and the industry as a whole."

Wills on FCC

Ex-Governor William H. Wills, of Bennington, Vt., took his oath of office on July 25 as a member of the Federal Communications Commission, to succeed Norman S. Case. He was appointed by President Truman on June 13, and was confirmed by the Senate on July 12.

The new Commissioner served two terms as Governor of Vermont—from 1941 to 1943 and from 1943 to 1945. He was born in Chicago on Oct. 26, 1882, of Vermont parents who returned to Vermont with him when he was still a small boy. He was educated in the public schools of Vermont and has honorary LL.D. degrees from Norwich University the University of Vermont, and Middlebury College. He was in the dry goods business from 1900 to 1915 when he entered the real estate business. He has been President of the William H. Wills Insurance Agency, Inc., Bennington, since 1928. He is a former director of the County National Bank. Commissioner Wills began his political career when he was elected to the 1929-3 term as a member of the Vermont State House of Representatives. He was a State Senator from 1931 to 1935, President pro tem from 1935 to 1937. He was elected Lieutenant-Governor in 1937 and Governor in 1941, was re-elected in 1943.

through operation of the sinking fund. Redemption will be made at head office of the fiscal agent, The National City Bank of New York, 55 Wall Street.

OPA Pricing Retards Reconversion in Upholstered Furniture

The assertion that the Office of Price Administration reconversion pricing has set the "profit factor" for the upholstered furniture industry so low that a lull in production will ensue and the industry's transition to normal peacetime output will be retarded was made on Aug. 1 by Irving R. Kass, counsel to the Upholstered Furniture Manufacturers Association, who declared that the OPA is "holding reconversion back with a tight fist, anything that they may state for the record notwithstanding." In thus making known the exception which Mr. Kass takes to the policy of the OPA, the New York "Herald Tribune" of Aug. 2 added:

Reconversion in the upholstered furniture industry, Mr. Kass pointed out, is largely a question of shifting the same or an additional number of men and machines from Government to civilian work, and extending operations into the lower-priced furniture field for the mass market, now largely discontinued in favor of quality production.

Declaring that the industry will find it impossible to reconvert, expand its payrolls and risk capital for what he termed "nominal returns," he asserted that "the economic situation in general may reach a point where the OPA in controlling inflation may cause a depression instead."

Citing "the unsuccessful MAP program, which even the OPA now concedes was a bit premature," Mr. Kass urged that "profitable competition be invited to the point where supply overtakes demand with a consequent lowering of price, thus doing away with the necessity of controls and ceilings." He asserted that "we had that right after V-E Day, when the manufacturers were trying to sell merchandise below their ceilings, due to a lowered demand."

Skeleton Meeting of Wholesale Druggists

Because of the wartime travel emergency, the National Wholesale Druggists' Association has decided to substitute a skeleton meeting of its officers for the usual annual meeting of the membership in September, according to an announcement by E. Allen Newcomb, Secretary. The Executive Committee of the N.W.D.A. has worked out a plan by which all essential business of the annual meeting can be transacted through the use of proxies, Mr. Newcomb said. He explained that reports of special committees, nominations for various offices and information on all problems requiring decisions are being sent to the membership, along with proxy forms on which the 215 active members are asked to designate one of the officers or members of the Board of Control to act for them.

The skeleton meeting will be held in New York on Sept. 27 and all special papers prepared for the meeting will be made available to the entire membership as usual, he said.

Revised Federal Budget Entails \$85 Billions

Acting on instructions from President Truman, Budget Director Harold D. Smith, on August 1, issued a revised Federal budget of \$85,000,000,000, on the assumption that the war with Japan would last until next summer or longer. The fiscal year 1946, which began July 1, anticipates Government spending of \$85,000,000,000, compared with the \$100,000,000,000 in fiscal 1945.

In reporting the issuance of the revised budget, the Associated Press in its Washington dispatch of August 1, pointed out that the new estimate is slightly above the \$83,000,000,000 estimate sent to Congress last January, primarily because of our new obligations in the field of international finance.

As far as the January estimate of war spending is concerned, there has been no change in the earlier figure of \$70,000,000,000, even though the European war has ended since that time. Mr. Smith stated that if the Pacific war should be over before the end of fiscal 1946, the "outlook would be drastically altered."

War spending in the fiscal year just ended was \$90,000,000,000. Thus a \$20,000,000,000 drop is contemplated.

Mr. Smith said war production is sinking to a one-front level. He declared that even on this level, war production will be "enormous"—enough to assure United States troops "overwhelming superiority in weapons and fire power."

In addition, the \$70,000,000,000 will pay for redeployment, plus requirements for occupation and relief in Europe.

The 1946 budget now contains, the Associated Press reported, three new items of expenditure for international finance, as follows:

1. Payments to the international monetary fund, \$950,000,000. This doesn't include \$1,800,000,000 which will also go into the international fund but which is not to be counted as an expenditure because it will be simply transferred from the Exchange Stabilization Fund established in 1934.

2. Payments for capital stock of the International Bank for Reconstruction and Development, \$317,000,000. This is 10% of the total United States quota in the international bank.

3. About \$1,000,000,000 for capital stock of the Export-Import Bank. Congress authorized further expansions of this institution—by increasing its borrowing authority to \$2,500,000,000—but this won't appear as a Federal expenditure. Thus, international finance adds nearly \$2,300,000,000 to the 1946 budget.

Receipts for the fiscal year now are estimated at \$39,000,000,000, compared with the record-breaking collections of \$46,500,000,000 in the year just ended.

(Reduced Federal spending is expected to cut national income, with a resulting drop in tax payments.)

The new \$39,000,000,000 estimate for receipts is \$2,200,000,000 less than estimated in January. The main reason for this revision is the new business-aid tax law permitting corporations to take certain refunds currently instead of waiting until after the war.

Since receipts will drop less than expenditures, the Federal deficit will be less this year—dropping from \$54,000,000,000 to \$46,000,000,000—but Mr. Smith said this fact "should not suggest that we need to be less concerned about economic stabilization."

In this connection, he told reporters that "the faster we can get reconversion moving, the less difficulty we will have with problems of economic stabilization."

He indicated that a powerful weapon in preventing inflation is fast production of civilian goods. Mr. Smith said the Federal debt will exceed \$295,000,000,000 by the end of the fiscal year, next June 30, if the Pacific war continues until then.

An increase of \$36,500,000,000 in the debt is forecast during the 12 months.

Urge Prevention of German Domination of Optical Glass Industry

The statement that World War II has given the United States supremacy in production of optical glass and it must exert eternal vigilance to prevent Germany from ever again threatening that dominance, was made, on Aug. 6 by M. Herbert Eisenhart, President of Bausch & Lomb Optical Co., to the United Press at Rochester, N. Y. Elmer C. Walzer, United Press Financial Writer, in Rochester advices appearing in the New York "World-Telegram," reporting this further quotes Mr. Eisenhart as follows:

"Modern wars are optical wars," he declared, "and optical glass ranks equally with gasoline, rubber and essential metals on the list of critical military materials. Records show that our optical glass has matched and surpassed, in quality and quantity, the best that Germany has to offer. The successes of our Navy and Army prove what we have known—that America leads the world in design and manufacture of all optical products."

America's industry surmounted a difficult problem in optical glass in World War I, he explained, but when the war was over the many companies using optical glass resumed purchase of it from the Germans, who were able to produce it more cheaply.

His company, however, continued to turn out the valuable material, Mr. Eisenhart said, and when the second war came it was in a position to supply at once the glass needed for military instruments when the German supplies were cut off.

These instruments included giant, as well as small, range finders; gun sights for tanks, planes and ships; binoculars, searchlight reflectors, microscopes, photographic apparatus and numerous technical devices indispensable in warfare.

Big Three Message to Churchill Lauds Work

In a message addressed to Winston Churchill, on Aug. 2, by the Big Three, incident to their Potsdam (Berlin) Conference, they stated that the "whole world knows the greatness of his work, and it will never be forgotten."

According to Associated Press advices from London, Aug. 2, the message read:

"President Truman, Generalissimo Stalin and Prime Minister Attlee, assembled at the final session of the Berlin conference, desire to send a message of greetings to Mr. Winston Churchill. They wish to thank him for all his work in the first part of the Berlin conference, which helped greatly to lay the foundations of its successful conclusion.

"They remember with gratitude the untiring efforts and the unconquerable spirit with which at earlier conferences and throughout the war he served our common cause of victory and enduring peace. The whole world knows the greatness of his work, and it will never be forgotten."

The same advices stated that the Big Three also sent a message to former Foreign Secretary Anthony Eden, noting "the lasting value of his work at earlier conferences and international meetings which has contributed so much to victory, unity and peace."

As was noted in our issue of Aug. 2 (page 547) the new British Prime Minister, Clement R. Attlee, with his newly-appointed Foreign Secretary, Ernest Bevin, flew to Potsdam following the British elections to take the places of Messrs. Churchill and Eden at the Big Three conference.

An American Politician Looks At the British Election

(Continued from first page)

world trade. It definitely increases the trend towards bilateral trade treaties.

The conception of a likeness of the policies of the Commintern and the British Labor Party comes rather from a somewhat similar background rather than a direct connection.

A vast social gulf exists between the labor scale in Russia based on piecework and the labor scale in Britain and America based on a common level.

Britain has decided to graft a socialism on an ancient system of individual enterprise without disturbing the fundamental rights of the individual. A Labor Government must now cease to speak for labor alone and must speak for all Englishmen.

We have a valuable opportunity to see how it works in an Anglo-Saxon democracy. The observant citizen has always been bothered by the question of how the authority and control necessary to the State in socialism can be reconciled with the fundamental principles of freedom. It will now be demonstrated in practice instead of in theory.

However, one fundamental difference between American labor unions and British labor unions must be kept in mind. American labor was always willing to accept the introduction of new machinery, increasing the efficiency and volume of output.

It only asked for an increased share of the increased profits resulting from the new machines. But British labor always resisted technological progress. It will be very interesting to watch their record as manager of their antiquated coal mining, for instance. As you know, the English record of production per man-hour is far below the American record.

Now as to number two: Will the world be deprived of valuable leaders? The new men will be just as able administrators as their predecessors.

Sees a New Party

As to number three: Will there be a world-wide leftist movement? The British election unquestionably means a new high-pressure area has been formed. The American New Dealers are feeling their oats.

Either Mr. Truman will yield to them or the Left-Wing New Dealers will form a third party.

I don't think after this British election that the Left-Wing New Dealers will stand for any middle-ground position. Political parties mean nothing to them. In politics, it is easy to confuse personalities and policies. There are too many high-ranking New Deal casualties already to make them very happy with Mr. Truman.

Now the third party financed and smartly handled by the P. A. C. does not necessarily mean the election of the Republican ticket.

We may see a duplication of 1924—with the shoe on the other foot. In that campaign, the Republicans changed a good many votes the last few weeks by saying the LaFollette-Wheeler ticket might cause a deadlock in the Electoral College. Therefore vote for Coolidge. In 1948—if there is a third-party ticket backed by the P. A. C.—we may see the Democrats make the same plea for Republican votes for Truman, and getting them.

The Influence on Foreign Policy

But it's number four—the foreign policies of the British Labor Government—that holds the biggest potentialities for all the world.

Their domestic platform raises a big barrier to the American program of removing obstacles to

world trade. It definitely increases the trend towards bilateral trade treaties.

That the Labor Government will be friendly to Russia goes without saying. But will Russia be friendly to the Labor Government?

As is well known, the conflict without a war that went on between the Lion and the Bear for over a century, is almost a cardinal point in the foreign policy of both countries.

The question before the house is:

1. Is Britain strong enough to carry on its traditional foreign policies?

2. If so, is the Labor Government willing?

Britain has been unquestionably weakened. The British Empire is right on the verge of breaking up just as did the Roman Empire and the Spanish Empire. If the Labor Government drastically pushes its communal plans, it will be the straw that breaks the lion's back.

If the Labor Government is willing to pursue the Empire policy, what of Greece, Italy, Yugoslavia, Turkey, Iran, Iraq, Palestine, India, and Spain—where friendly and pro-British Governments are vital to her life line—where Britain and Russia are carrying on their traditional underdog conflict. Russia is looking down on India from Kyber Pass and is now trying to establish a dominant position in the Mediterranean.

Will Russia now join Mr. Attlee and recognize "in the era of the common man" the ancient British position in all of the Near East and accept their spheres of influence? Or will her policies be the same in relation to the Labor Government as they were with the Conservative Government?

If she doesn't join "in the era of the common man," Mr. Attlee's Government must be prepared to surrender without a struggle to Russia, or give up their domestic program. He cannot carry on a titanic movement on two fronts at the same time.

Americanism Isolated to Western Hemisphere

It's not a question of the ultimate soundness or unsoundness of the Labor party's program. It's simply a question that Mr. Attlee is like a general on the battlefield who tries to reverse his position in the face of the enemy.

Mr. Laski says the Labor Government is against all monarchies, but the Kings of Greece, of Yugoslavia, of Saudi Arabia—to mention a few of the key spots vital to the British Empire—are British friends and allies. If Britain loses her position and prestige with these countries, Mr. Attlee may be like Little Red Riding Hood, and the British will find out how big grandma's teeth are. Or will the two sympathetic Governments of Russia and Britain work together in foreign affairs? If they do, will it mean one more Government taking its orders from Moscow and thus the liquidation of the British Empire? Will the common bond be maintained at the expense of the British Empire? Or will the Lion and the Bear really lie down together in a truly "hands off" policy for all countries? Or does the continuance of the British and Russian Empires mean a conflict that is irrepressible, regardless of the Government in power in Britain.

The pattern of world peace depends on the answer to these questions:

In any event, as it stands today—despite our great military victories—our American system of government is practically isolated to the Western Hemisphere.

Calls For Labor-Management Parley

Senator Vandenberg Proposes a Government Sponsored Conference to Conclude an Agreement on Post-War Labor Relationships. Secretary of Labor Schwollenbach and President Green of AFL Approve.

Senator Arthur A. Vandenberg (R. Mich.) who was a delegate to the San Francisco United Nations Conference, which drew up a plan for an International Economic and Social Council, addressed a letter to Secretary of Labor Lewis B. Schwollenbach recommending the call, under Government sponsorship, of an industry-labor conference to thrash out the problems facing the readjustments which will be required for reconversion from a war to a peace economy.

"Now that we have laid the groundwork for external peace with justice, there remains the necessity to find the basis for peace with justice on the home front," Senator Vandenberg states in his letter. "We must create a mutual equitable relationship between capital and management, on the one hand, and organized labor on the other hand—protecting the legitimate rights of each, and always consulting the general welfare—to the end that needless strife shall not impair reconversion and permanently jeopardize the country and all its citizenship."

"When the delegations of fifty United Nations met at San Francisco," continues the Vandenberg letter, "their ideas were miles apart in many instances. After intimate and friendly consultation, in which each frankly faced the problem of the other, we came finally to a unanimous agreement, despite repeated crises which were supposed to be insurmountable. It was triumph of the council table.

"Is it impossible to apply this formula at home in respect to these vital industrial relationships? Responsible management knows that free collective bargaining is here to stay. Responsible labor leadership knows that irresponsible strikes and subversive attacks upon essential production are the gravest threats to the permanent success of labor's Bill of Rights. American Government knows that social statutes are futile except as they largely stem from mutual wisdom and mutual consent.

"Therefore, I am moved to inquire whether you would not believe it possible to assemble a United Industrial Peace Conference of our own under your able chairmanship, in which all these interests may assemble—bound together, as they inevitably are, by the knowledge, whether admitted or not, that there can be no prosperity for one without common prosperity for all—and frankly face the need for a better, a surer and a wiser code for their mutual advancement in the desperately uncertain times that lie ahead in an otherwise chaotic post-war world.

"Is it not possible that such a conference could escape from entrenched rivalries long enough to deal fundamentally with the equities which are prerequisite to the healthy pursuit of better times for all—and for all America?"

Mr. Vandenberg then referred in his letter to the informal "charter" for future labor-management relationship agreed upon by President Green of the A. F. of L., President Murray of the CIO and Eric Johnston of the U. S. Chamber of Commerce, and concluded his letter by saying:

"In peace abroad is not enough. We must have peace at home. It must be peace with justice. I doubt whether it can be dictated by summary legislation (except as a last resort). I decline to believe that it cannot be written into law by the common recommendation of all concerned if they can meet together, under proper auspices, to face a challenge which cannot long go unanswered."

Secretary Schwollenbach, in replying to Senator Vandenberg agreed to the proposal. "It was demonstrated at San Francisco," Mr. Schwollenbach stated "that men can agree even though they speak different languages. They cannot agree unless there is some common denominator in their thinking. There must be some measure of mutual confidence in their approach. When representatives of industry and labor meet at the bargaining table they cannot have that mutual confidence unless both believe that an agreement can be reached which is fair and just. That is why justice is required in the solution of our industrial problems."

Mr. Schwollenbach added that he had given considerable thought to the proposition and that his views regarding it were expressed in an address which he made in Superior, Wisc. on July 21.

William Green, President of the A. F. of L. expressed the desire of his organization to co-operate, as always, in any movement to establish industrial peace, while Eric A. Johnston, speaking for the U. S. Chamber of Commerce, also endorsed the proposal. Ira Mosher, President of the National Association of Manufacturers also backed the proposal.

According to special dispatch to the New York "Times," Philip Murray, president of the Congress of Industrial Organizations, suggested that Senator Vandenberg's proposal for calling a labor-industry-Government conference headed by the Secretary of Labor, be enlarged to include Secretary Wallace of the Department of Commerce.

In a letter to Secretary of Labor Schwollenbach, Mr. Murray stated that, while giving his endorsement of the conference, the proposal "necessarily leads to concrete measures such as the obnoxious Ball-Burton-Hatch bill," and he argued that "the elimination of industrial disputes must rest on a much sounder base." That basis "is the fulfillment of our national objective of an expanding economy with full production and full employment."

"The conference," wrote Mr. Murray, "since it will be composed of representatives of organized labor and industry, should be convened by yourself, as Secretary of Labor, and Henry A. Wallace, as Secretary of Commerce.

"The most pressing issues that should command the attention of the conference," he further added, "are:

"(a) An adequate wage policy which shall assure a high level of purchasing power for the masses of the people to sustain an expanding economy of full production and full employment;

"(b) The enactment of the Pepper-Hook bill establishing a 65-cent minimum wage and thereby eliminating substandard conditions;

"(c) The enactment of the Murray-Patman full employment bill which would extend a mandate to government to assure full employment in our nation;

"(d) The enactment of the Fair Employment Practices Bill which will eliminate the despicable practices in industry of discrimination on grounds of race, religion or color that necessarily result in strife and turmoil;

"(e) Consideration of ways and means to extend through collective bargaining an annual wage for wage earners which would

George Predicts Early Tax Cuts

Senator Walter F. George (D.-Ga.), Chairman of the Senate Finance Committee and of the joint committee on internal revenue taxation, told a press conference on July 27 that he favored a complete revision of the tax program immediately following V-J Day in order to aid business in its task of reconverting to peacetime activity, the United Press reported from Washington. Senator George offered little hope to individuals of early reduction in taxes, stating that corporation reductions must be considered first so that employment may be maintained and post-war production be put into momentum.

He urged that Congress have a new tax program "either enacted or ready to lay down for enactment" as soon as hostilities cease. "It is highly important," Senator George said, "because all taxpayers must know as soon as possible what their post-war tax burden is going to be so that they can plan their lives and their businesses properly." He forecast a complete revision of Federal tax laws which will reduce the Treasury's tax income by between \$18,000,000,000 and \$27,000,000,000. It is now \$46,000,000,000, the United Press stated, and continued to report:

Although firmly opposed to any general reduction before V-J Day, the Administration favors early revision of tax structure for use when the time comes. Secretary of the Treasury Fred M. Vinson, who will have a large part in determining post-war taxes, told Congress recently: "There is an important benefit to early adoption of a post-war tax program. The sooner uncertainties in post-war tax structure are removed the sooner business . . . will make commitments . . . and the faster men can be put to work."

Senator George warned that deficit spending—government expenditures greater than government income—must stop to preserve stability of the dollar.

"We've got to get away from deficit spending," he said. "We are taking a great risk in continuing it, for it might raise a question in the people's mind as to the soundness of our money—weaken faith in our dollar, in our gold reserve. The only real way to avoid this risk is to stop deficit spending."

He said the joint Congressional tax committee hopes to complete its study of post-war revenue during the summer recess and report to the tax-making House Ways and Means Committee and to the Senate Finance Committee when Congress reconvenes. The finance committee will begin hearings in late October on the whole tax program—individual and business taxes; social security and unemployment compensation.

He based his tax estimates on a prediction that the minimum post-war budget will be around \$16,000,000,000. Actually, he said, it may run as high as \$25,000,000,000. For fiscal 1946, it is \$83,000,000,000.

The post-war budget should be based mainly on the taxpayers' ability to pay, rather than on need, he said.

"It is putting the cart before the horse to fix a budget first and then draw up a tax program. We first must find out what the taxpayer can stand and fix the budget accordingly."

effectively establish freedom from fear and freedom from want;

"(f) Enactment of appropriate legislative measures to protect freedom of enterprise for small business and afford appropriate assistance through taxes and otherwise to small business, thereby encouraging swift reconversion and full employment."

Murray, Green Approve Vandenberg Proposal

The Congress of Industrial Organizations has indicated through its President, Phillip Murray, that it would be glad to send representatives to an industrial peace conference which might be called on the basis of a proposal by Senator Vandenberg (R.-Mich.), the Associated Press reported on Aug. 3 from Washington, adding that a day earlier William Green, President of the American Federation of Labor, had expressed the willingness of his organization to cooperate in such a movement. It is also intimated that the proposal will have the support of John L. Lewis if it is Government-sponsored. Eric Johnston, President of the United States Chamber of Commerce, has indicated his group's endorsement of such a conference.

To Ask Reconversion Control for WPB

John W. Snyder, Director of the Office of War Mobilization and Reconversion, announcing the creation of an Inter-Agency Committee to speed reconversion of the construction industry, indicated on Aug. 2 that he would shortly recommend to President Truman the extension of the War Production Board's operations to cover the field of reconversion. In reporting the announcement made at Washington Aug. 2, the Associated Press pointed out that the proposal would enable the WPB to employ its broad war-time priority powers to break bottlenecks which might obstruct a rapid return to high-level peacetime industrial activity. The WPB would work under policies laid down by directive from Mr. Snyder, according to two officials familiar with the trend of Administration thought.

This would make of the WPB a ready-to-use operating arm of the OWMR during the reconversion period, carrying out in part the recommendation of the Senate War Investigating Committee.

Hugh Potter of Houston, Texas, has been appointed construction coordinator to head the newly organized Federal Inter-Agency Committee, which will be composed of representatives of the OWMR, the Office of Economic Stabilization, the WLB, the Office of Price Administration, the National Housing Agency, the National War Labor Board, the Federal Works Agency, the War Manpower Commission, the Departments of Commerce and Labor, and the Smaller War Plants Corporation.

ABA on Legislative Developments

In a comprehensive appraisal of recent legislative developments affecting the Servicemen's Readjustment Act, a bulletin issued Aug. 3 by the Committee on Service for War Veterans of the American Bankers Association summarizes the loan provisions of an amendment to the Act recently passed by the House of Representatives, reviews legislative proposals which preceded House endorsement of the bill, and reiterates the Association policy with regard to bank loans to veterans under the G.I. Bill.

Second in a series of Committee publications entitled "Banks and the War Veteran," the bulletin also sets forth for the nation's 15,000 banks the highlights of the ABA Committee's action in the sphere of veteran relations and the parallel activity among State Associations and community banking groups.

According to the bulletin, Title III of the House-passed bill contains the substance of several im-

portant changes in the Act recommended by the ABA, notably, the extension of time within which a veteran may apply for a loan, use of the honorable discharge as a certificate of eligibility, the automatic guaranty of loans, and permitting national banks to make real estate loans to veterans on the same basis as other lending institutions. The bulletin adds:

"The new bill however does not provide for the enlargement of the purpose for which loans can be made, such as for the purchase of inventories, seed, feed and fertilizer, stock in corporations or shares in partnerships, and similar extensions believed by the ABA Committee to make the Act more flexible and permit its wider application."

These extensions were among the proposed revisions recommended by Chester R. Davis, Chairman of the Committee on Service for War Veterans, when he spoke for the ABA during a public hearing before the House Committee on World War Veterans' Legislation. At the hearing, Mr. Davis endorsed changes proposed in the Act which had been approved by the ABA. He commented favorably on the provisions to facilitate bank handling of G.I. Loans which were proposed in bills introduced earlier by Senator Johnson of Colorado and Congressman Rankin of Mississippi, Chairman of the House Committee on World War Veterans' Legislation, the objectives of which had been approved by the ABA Committee. At the same time, Mr. Davis opposed those provisions of another set of bills which provided for expanding the authority of Federal savings and loan associations in connection with loans both to veterans and to others. "It is significant," the bulletin comments, "that the sections relating to the Federal savings and loan associations were omitted in H.R. 3749, the bill passed by the House of Representatives."

Margin Accounts of NYSE Member Firms

Under date of Aug. 1 the New York Stock Exchange announced:

"Members of firms of the New York Stock Exchange have reported, in response to the Exchange's questionnaire distributed at the suggestion of the Federal Reserve Board, that, as of June 30, 1945, they were carrying 137,752 open margin accounts for customers. The most recent previous date for which comparable figures are available is Nov. 30, 1938, when member firms reported 256,504 open margin accounts."

In its issue of Aug. 2 the New York "Times" stated:

"Several factors have contributed to the sharp diminution in these accounts. Among them are the three increases in margin requirements since 1940. On last Feb. 5 the Federal Reserve Board raised requirements for the purchase of securities from 40% to 50%. This was followed by another rise on July 5 to 75%.

"Both the Stock Exchange and the Curb Exchange contributed to discouragement of margin trading when they put into effect in March, 1943, a rule which prohibited any such accounts in stock selling at \$5 a share or less. This was followed on March 3, 1945, by applying the rule to all stock selling at less than \$10 a share.

"Significantly, the comparatively few margin accounts today refute the impression expressed in some financial quarters that there has been widespread speculation during the past five or six years.

"In addition to the control factors cited, many member firms of both New York Exchanges require that cash accounts be kept on a basis as high as 90% and there are some brokerage houses which carry no margin accounts on their books."

The Potsdam Agreement

(Continued from first page)

place. During the course of the conference there were regular meetings of the heads of the three governments accompanied by the Foreign Secretaries, and also of the Foreign Secretaries alone. Committees appointed by the Foreign Secretaries for preliminary consideration of questions before the conference also met daily.

The meetings of the conference were held at the Cecilienhof, near Potsdam. The conference ended on Aug. 2, 1945.

Important decisions and agreements were reached. Views were exchanged on a number of other questions, and consideration of these matters will be continued by the Council of Foreign Ministers established by the conference.

President Truman, Generalissimo Stalin and Prime Minister Attlee leave this conference, which has strengthened the ties between the three governments and extended the scope of their collaboration and understanding, with renewed confidence that their governments and peoples, together with the other United Nations, will insure the creation of a just and enduring peace.

II

Establishment of a Council of Foreign Ministers

The conference reached an agreement for the establishment of a Council of Foreign Ministers representing the five principal powers to continue the necessary preparatory work for the peace settlements and to take up other matters which from time to time may be referred to the council by agreement of the governments participating in the council.

The text of the agreement for the establishment of the Council of Foreign Ministers is as follows:

1. There shall be established a council composed of the Foreign Ministers of the United Kingdom, the Union of Soviet Socialist Republics, China, France and the United States.

2. (I) The council shall normally meet in London, which shall be the permanent seat of the joint secretariat which the council will form. Each of the foreign ministers will be accompanied by a high-ranking deputy, duly authorized to carry on the work of the council in the absence of his foreign minister, and by a small staff of technical advisers.

(II) The first meeting of the council shall be held in London not later than Sept. 1, 1945. Meetings may be held by common agreement in other capitals as may be agreed from time to time.

3. (I) As its immediate important task, the council shall be authorized to draw up, with a view to their submission to the United Nations, treaties of peace with Italy, Rumania, Bulgaria, Hungary and Finland, and to propose settlements of territorial questions outstanding on the termination of the war in Europe. The council shall be utilized for the preparation of a peace settlement for Germany to be accepted by the government of Germany when a government adequate for the purpose is established.

(II) For the discharge of each of these tasks the council will be composed of the members representing those states which were signatory to the terms of surrender imposed upon the enemy state concerned. For the purpose of the peace settlement for Italy, France shall be regarded as a signatory to the terms of surrender for Italy. Other members will be invited to participate when matters directly concerning them are under discussion.

(III) Other matters may from time to time be referred to the council by agreement between the member governments.

4. (I) With a view to considering a question of direct

interest to a state not represented thereon, such state should be invited to send representatives to participate in the discussion and study of that question.

(II) The council may adapt its procedure to the particular problem under consideration. In some cases it may hold its own preliminary discussions prior to the participation of other interested states. In other cases, the council may convoke a formal conference of the states chiefly interested in seeking a solution of the particular problem.

In accordance with the decision of the conference, the three governments have each addressed an identical invitation to the governments of China and France to adopt this text and to join in establishing the council.

The establishment of the Council of Foreign Ministers for the specified purposes named in the text will be without prejudice to the agreement of the Crimea Conference that there should be periodic consultation among the foreign secretaries of the United States, the Union of Soviet Socialist Republics and the United Kingdom.

The conference also considered the position of the European Advisory Commission in the light of the agreement to establish the Council of Foreign Ministers. It was noted with satisfaction that the commission had ably discharged its principal tasks by the recommendations that it had furnished for the terms of Germany's unconditional surrender, for the zones of occupation in Germany and Austria, and for the inter-Allied control machinery in those countries. It was felt that further work of a detailed character for the co-ordination of Allied policy for the control of Germany and Austria would in future fall within the competence of the Allied Control Council at Berlin and the Allied commission at Vienna. Accordingly, it was agreed to recommend that the European Advisory Commission be dissolved.

III

Germany

The Allied armies are in occupation of the whole of Germany and the German people have begun to atone for the terrible crimes committed under the leadership of those whom, in the hour of their success, they openly approved and blindly obeyed.

Agreement has been reached at this conference on the political and economic principles of a co-ordinated Allied policy toward defeated Germany during the period of Allied control.

The purpose of this agreement is to carry out the Crimea Declaration on Germany. German militarism and Nazism will be extirpated and the Allies will take in agreement together, now and in the future, the other measures necessary to assure that Germany never again will threaten her neighbors or the peace of the world.

It is not the intention of the Allies to destroy or enslave the German people. It is the intention of the Allies that the German people will be given the opportunity to prepare for the eventual reconstruction of their life on a democratic and peaceful basis. If their own efforts are steadily directed to this end, it will be possible for them in due course to take their place among the free and peaceful peoples of the world.

The text of the agreement is as follows:

The political and economic principles to govern the treatment of Germany in the initial control period.

A. Political principles.

1. In accordance with the agreement on control machinery in Germany, supreme authority in Germany is exercised on instruc-

tions from their respective governments, by the commanders in chief of the armed forces of the United States of America, the United Kingdom, the Union of Soviet Socialist Republics and the French Republic, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole, in their capacity as members of the control council.

2. So far as is practicable, there shall be uniformity of treatment of the German population throughout Germany.

3. The purposes of the occupation of Germany by which the control council shall be guided are:

(I) The complete disarmament and demilitarization of Germany and the elimination or control of all German industry that could be used for military production. To these ends:

(A) All German land, naval and air forces, the S.S., S.A., S.D. and Gestapo, with all their organizations, staffs and institutions, including the general staff, the Officers' Corps, Reserve Corps, military schools, war veterans' organizations and all other military and quasi-military organizations, together with all clubs and associations which serve to keep alive the military tradition in Germany, shall be completely and finally abolished in such manner as permanently to prevent the revival or reorganization of German militarism and Nazism.

(B) All arms, ammunition and implements of war and all specialized facilities for their production shall be held at the disposal of the Allies or destroyed. The maintenance and production of all aircraft and all arms, ammunition and implements of war shall be prevented.

(II) To convince the German people that they have suffered a total military defeat and that they cannot escape responsibility for what they have brought upon themselves, since their own ruthless warfare and the fanatical Nazi resistance have destroyed German economy and made chaos and suffering inevitable.

(III) To destroy the National Socialist party and its affiliated and supervised organizations, to dissolve all Nazi institutions, to insure that they are not revived in any form, and to prevent all Nazi militarist activity or propaganda.

(IV) To prepare for the eventual reconstruction of German political life on a democratic basis and for eventual peaceful cooperation in international life by Germany.

4. All Nazi laws which provide the basis of the Hitler regime or established discrimination on grounds of race, creed or political opinion shall be abolished. No such discriminations, whether legal, administrative or otherwise, shall be tolerated.

5. War criminals and those who have participated in planning or carrying out Nazi enterprises involving or resulting in atrocities or war crimes shall be arrested and brought to judgment. Nazi leaders, influential Nazi supporters and high officials of Nazi organizations and institutions and any other persons dangerous to the occupation or its objectives shall be arrested and interned.

6. All members of the Nazi party who have been more than nominal participants in its activities and all other persons hostile to Allied purposes shall be removed from public and semi-public office, and from positions of responsibility in important private undertakings. Such persons shall be replaced by persons who, by their political and moral qualities, are deemed capable of assisting in developing genuine democratic institutions in Germany.

7. German education shall be so controlled as completely to eliminate Nazi and militarist doctrines and to make possible the successful development of democratic ideas.

8. The judicial system will be reorganized in accordance with the principles of democracy, of justice under law, and of equal rights for all citizens without distinction of race, nationality or religion.

9. The administration of affairs in Germany should be directed toward the decentralization of the political structure and the development of local responsibility. To this end:

(I) Local self-government shall be restored throughout Germany on democratic principles and in particular through elective councils as rapidly as is consistent with military security and the purposes of military occupation;

(II) All democratic political parties with rights of assembly and of public discussions shall be allowed and encouraged throughout Germany;

(III) Representatives and elective principles shall be introduced into regional, provincial and state (land) administration as rapidly as may be justified by the successful application of these principles in local self-government;

(IV) For the time being no central German government shall be established. Notwithstanding this, however, certain essential central German administrative departments, headed by state secretaries, shall be established, particularly in the fields of finance, transport, communications, foreign trade and industry. Such departments will act under the direction of the Control Council.

B. Economic Principles.

10. Subject to the necessity for maintaining military security, freedom of speech, press and religion shall be permitted, and religious institutions shall be respected. Subject likewise to the maintenance of military security, the formation of free trade unions shall be permitted.

11. In order to eliminate Germany's war potential, the production of arms, ammunition and implements of war as well as all types of aircraft and seagoing ships shall be prohibited and prevented. Production of metals, chemicals, machinery and other items that are directly necessary to a war economy shall be rigidly controlled and restricted to Germany's approved post-war peace-time needs to meet the objectives stated in Paragraph 15. Productive capacity not needed for permitted production shall be removed in accordance with the reparations plan recommended by the Allied commission on reparations and approved by the governments concerned or if not removed shall be destroyed.

12. At the earliest practicable date, the German economy shall be decentralized for the purpose of eliminating the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts and other monopolistic arrangements.

13. In organizing the German economy, primary emphasis shall be given to the development of agriculture and peaceful domestic industries.

14. During the period of occupation, Germany shall be treated as a single economic unit. To this end common policies shall be established in regard to:

(a) Mining and industrial production and allocations;
(b) Agriculture, forestry and fishing;
(c) Wages, prices and rationing;
(d) Import and export program for Germany as a whole;
(e) Currency and banking, central taxation and customs;
(f) Reparation and removal of industrial war potential;
(g) Transportation and communications.

In applying these policies account shall be taken, where appropriate, of varying local conditions.

15. Allied controls shall be imposed upon the German economy

but only to the extent necessary:

(A) To carry out programs of industrial disarmament and demilitarization, of reparations, and of approved exports and imports.

(B) To assure the production and maintenance of goods and services required to meet the needs of the occupying forces and displaced persons in Germany and essential to maintain in Germany average living standards not exceeding the average of the standards of living of European countries. (European countries means all European countries excluding the United Kingdom and the Union of Soviet Socialist Republics.)

(C) To insure in the manner determined by the Control Council the equitable distribution of essential commodities between the several zones so as to produce a balanced economy throughout Germany and reduce the need for imports.

(D) To control German industry and all economic and financial international transactions, including exports and imports, with the aim of preventing German from developing a war potential and of achieving the other objectives named herein.

(E) To control all German public or private scientific bodies, research and experimental institutions, laboratories, etc., connected with economic activities.

16. In the imposition and maintenance of economic controls established by the Control Council, German administrative machinery shall be created and the German authorities shall be required to the fullest extent practicable to proclaim and assume administration of such controls. Thus it should be brought home to the German people that the responsibility for the administration of such controls and any breakdown in these controls will rest with themselves. Any German controls which may run counter to the objectives of occupation will be prohibited.

17. Measures shall be promptly taken:

(A) To effect essential repair of transport;
(B) To enlarge coal production;
(C) To maximize agriculture output, and
(D) To effect emergency repair of housing and essential utilities.

18. Appropriate steps shall be taken by the Control Council to exercise control and the power of disposition over German-owned external assets not already under the control of United Nations which have taken part in the war against Germany.

19. Payment of reparations should leave enough resources to enable the German people to subsist without external assistance. In working out the economic balance of Germany the necessary means must be provided to pay for imports approved by the Control Council in Germany. The proceeds of exports from current production and stocks shall be available in the first place for payment for such imports.

The above clause will not apply to the equipment and products referred to in paragraphs 4 (A) and 4 (B) of the reparations agreement.

IV

Reparations from Germany

In accordance with the Crimea decision that Germany be compelled to compensate to the greatest possible extent for the loss and suffering that she has caused to the United Nations and for which the German people cannot escape responsibility, the following agreement on reparations was reached:

1. Reparation claims of the U. S. S. R. shall be met by removals from the zone of Germany occupied by the U. S. S. R. and from appropriate German external assets.

2. The U. S. S. R. undertakes to settle the reparation claims of

Poland from its own share of reparations.

3. The reparation claims of the United States, the United Kingdom and other countries entitled to reparations shall be met from the western zones and from appropriate German external assets.

4. In addition to the reparations to be taken by the U. S. S. R. from its own zone of occupation, the U. S. S. R. shall receive additionally from the western zones: (A) 15% of such usable and complete industrial capital equipment, in the first place from the metallurgical, chemical and machine-manufacturing industries, as is unnecessary for the German peace economy and should be removed from the western zones of Germany, in exchange for an equivalent value of food, coal, potash, zinc, timber, clay products, petroleum products and such other commodities as may be agreed upon.

(B) 10% of such industrial capital equipment as is unnecessary for the German peace economy and should be removed from the western zones, to be transferred to the Soviet Government on reparations account without payment or exchange of any kind in return.

Removals of equipment as provided in (A) and (B) above shall be made simultaneously.

5. The amount of equipment to be removed from the western zones on account of reparations must be determined within six months from now at the latest.

6. Removals of industrial capital equipment shall begin as soon as possible and shall be completed within two years from the determination specified in Paragraph 5. The delivery of products covered by 4 (A) above shall begin as soon as possible and shall be made by the U. S. S. R. in agreed instalments within five years of the date hereof. The determination of the amount and character of the industrial capital equipment unnecessary for the German peace economy and therefore available for reparations shall be made by the Control Council under policies fixed by the Allied Commission on Reparations, with the participation of France, subject to the final approval of the zone commander in the zone from which the equipment is to be removed.

7. Prior to the fixing of the total amount of equipment subject to removal, advance deliveries shall be made in respect of such equipment as will be determined to be eligible for delivery in accordance with the procedure set forth in the last sentence of Paragraph 6.

8. The Soviet Government renounces all claims in respect of reparations to shares of German enterprises which are located in the western zones of occupation in Germany as well as to German foreign assets in all countries except those specified in Paragraph 9 below.

9. The governments of the United Kingdom and the United States of America renounce their claims in respect of reparations to shares of German enterprises which are located in the eastern zone of occupation in Germany, as well as to German foreign assets in Bulgaria, Finland, Hungary, Rumania and eastern Austria.

10. The Soviet Government makes no claims to gold captured by the Allied troops in Germany.

V

Disposal of the German Navy and Merchant Marine

The conference agreed in principle upon arrangements for the use and disposal of the surrendered German fleet and merchant ships. It was decided that the three governments would appoint experts to work out together detailed plans to give effect to the agreed principles. A further joint statement will be published si-

multaneously by the three governments in due course.

VI

City of Koenigsberg and the Adjacent Area

The conference examined a proposal by the Soviet Government that pending the final determination of territorial questions at the peace settlement the section of the western frontier of the Union of Soviet Socialist Republics which is adjacent to the Baltic Sea should pass from a point on the eastern shore of the Bay of Danzig to the east, north of Braunsberg-Goldap, to the meeting point of the frontiers of Lithuania, the Polish Republic and East Prussia.

The conference has agreed in principle to the proposal of the Soviet Government concerning the ultimate transfer to the Soviet Union of the city of Koenigsberg and the area adjacent to it as described above subject to expert examination of the actual frontier.

The President of the United States and the British Prime Minister have declared that they will support the proposal of the conference at the forthcoming peace settlement.

VII

War Criminals

The three governments have taken note of the discussions which have been proceeding in recent weeks in London between British, United States, Soviet and French representatives with a view to reaching agreement on the methods of trial of those major war criminals whose crimes under the Moscow declaration of October, 1943, have no particular geographical localization. The three governments reaffirm their intention to bring those criminals to swift and sure justice. They hope that the negotiations in London will result in speedy agreement being reached for this purpose, and they regard it as a matter of great importance that the trial of those major criminals should begin at the earliest possible date. The first list of defendants will be published before Sept. 1.

VIII

Austria

The conference examined a proposal by the Soviet Government on the extension of the authority of the Austrian provisional government to all of Austria.

The three governments agreed that they were prepared to examine this question after the entry of the British and American forces into the city of Vienna.

IX

Poland

The conference considered questions relating to the Polish provisional government and the western boundary of Poland.

On the Polish provisional government of national unity they defined their attitude in the following statement:

A.—We have taken note with pleasure of the agreement reached among representative Poles from Poland and abroad which has made possible the formation, in accordance with the decisions reached at the Crimea Conference, of a Polish provisional government of national unity recognized by the three powers. The establishment by the British and United States Governments of diplomatic relations with the Polish provisional government has resulted in the withdrawal of their recognition from the former Polish Government in London, which no longer exists.

The British and United States Governments have taken measures to protect the interest of the Polish provisional government as the recognized government of the Polish state in the property belonging to the Polish state located in their territories and under their control, whatever the form of this property

may be. They have further taken measures to prevent alienation to third parties of such property. All proper facilities will be given to the Polish provisional government for the exercise of the ordinary legal remedies for the recovery of any property belonging to the Polish state which may have been wrongfully alienated.

The three powers are anxious to assist the Polish provisional government in facilitating the return to Poland as soon as practicable of all Poles abroad who wish to go, including members of the Polish armed forces and the merchant marine. They expect that those Poles who return home shall be accorded personal and property rights on the same basis as all Polish citizens.

The three powers note that the Polish provisional government in accordance with the decisions of the Crimea Conference has agreed to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot in which all democratic and anti-Nazi parties shall have the right to take part and to put forward candidates, and that representatives of the Allied press shall enjoy full freedom to report to the world upon developments in Poland before and during the elections.

B.—The following agreement was reached on the western frontier of Poland:

In conformity with the agreement on Poland reached at the Crimea conference the three heads of government have sought the opinion of the Polish Provisional Government of National Unity in regard to the accession of territory in the north and west which Poland should receive. The President of the National Council of Poland and members of the Polish Provisional Government of National Unity have been received at the conference and have fully presented their views. The three heads of government reaffirm their opinion that the final delimitation of the western frontier of Poland should await the peace settlement.

The three heads of government agree that, pending the final determination of Poland's western frontier, the former German territories east of a line running from the Baltic Sea immediately west of Swinemunde, and then along the Oder River to the confluence of the western Neisse River and along the western Neisse to the Czechoslovak frontier, including that portion of East Prussia not placed under the administration of the Union of Soviet Socialist Republics in accordance with the understanding reached at this conference and including the area of the former Free City of Danzig, shall be under the administration of the Polish state and for such purposes should not be considered as part of the Soviet zone of occupation in Germany.

X

Conclusion of Peace Treaties and Admission to the United Nations Organization

The conference agreed upon the following statement of common policy for establishing, as soon as possible, the conditions of lasting peace after victory in Europe:

The three governments consider it desirable that the present anomalous position of Italy, Bulgaria, Finland, Hungary and Rumania should be terminated by the conclusion of peace treaties. They trust that the other interested Allied Governments will share their views.

For their part the three governments have included the preparation of a peace treaty for Italy as the first among the immediate important tasks to be undertaken by the new Council of Foreign Ministers. Italy was the first of the Axis powers to break with Germany, to whose defeat she has made a material contribution, and has now joined with the Allies in

the struggle against Japan. Italy has freed herself from the Fascist regime and is making good progress toward the re-establishment of a democratic government and institutions. The conclusion of such a peace treaty with a recognized and democratic Italian government will make it possible for the three governments to fulfill their desire to support an application from Italy for membership of the United Nations.

The three governments have also charged the Council of Foreign Ministers with the task of preparing peace treaties for Bulgaria, Finland, Hungary and Rumania. The conclusion of peace treaties with recognized democratic governments in these states will also enable the three governments to support applications from them for membership of the United Nations. The three governments agree to examine each separately in the near future, in the light of the conditions then prevailing, the establishment of diplomatic relations with Finland, Rumania, Bulgaria and Hungary to the extent possible prior to the conclusion of peace treaties with those countries.

The three governments have no doubt that in view of the changed conditions resulting from the termination of the war in Europe, representatives of the Allied press will enjoy full freedom to report to the world upon developments in Rumania, Bulgaria, Hungary and Finland.

As regards the admission of other states into the United Nations organization, Article 4 of the Charter of the United Nations declares that:

"1. Membership in the United Nations is open to all other peace-loving states who accept the obligations contained in the present charter and, in the judgment of the organization, are able and willing to carry out these obligations;

"2. The admission of any such state to membership in the United Nations will be effected by a decision of the General Assembly upon the recommendation of the Security Council."

The three governments, so far as they are concerned, will support applications for membership from those states which have remained neutral during the war and which fulfill the qualifications set out above.

The three governments feel bound, however, to make it clear that they for their part would not favor any application for membership put forward by the present Spanish Government which, having been founded with the support of the Axis powers, does not, in view of its origins, its nature, its record, its close association with the aggressor states, possess the qualifications necessary to justify such membership.

XI

Territorial Trusteeships

The conference examined a proposal by the Soviet Government concerning trusteeship territories as defined in the decision of the Crimea Conference and in the charter of the United Nations organization.

After an exchange of views on this question it was decided that the disposition of any former Italian territories was one to be decided in connection with the preparation of a peace treaty for Italy and that the question of Italian territory would be considered by the September Council of Ministers of Foreign Affairs.

XII

Revised Allied Control Commission Procedure in Rumania, Bulgaria and Hungary

The three governments took note that the Soviet representatives on the Allied control commission in Rumania, Bulgaria and Hungary have communicated to their United Kingdom and United States colleagues proposals for improving the work of the control

commission now that hostilities in Europe have ceased.

The three governments agreed that the revision of the procedures of the Allied control commissions in these countries would now be undertaken, taking into account the interests and responsibilities of the three governments which together presented the terms of armistice to the respective countries, and accepting as a basis the agreed proposals.

XIII

Orderly Transfers of German Populations

The conference reached the following agreement on the removal of Germans from Poland, Czechoslovakia and Hungary:

The three governments, having considered the question in all its aspects, recognize that the transfer to Germany of German populations, or elements thereof, remaining in Poland, Czechoslovakia and Hungary, will have to be undertaken. They agree that any transfers that take place should be effected in an orderly and humane manner.

Since the influx of a large number of Germans into Germany would increase the burden already resting on the occupying authorities, they consider that the Allied Control Council in Germany should in the first instance examine the problem with special regard to the question of the equitable distribution of these Germans among the several zones of occupation. They are accordingly instructing their respective representatives on the Control Council to report to their governments as soon as possible the extent to which such persons have already entered Germany from Poland, Czechoslovakia and Hungary, and to submit an estimate of the time and rate at which further transfers could be carried out, having regard to the present situation in Germany.

The Czechoslovak Government, the Polish Provisional Government and the Control Council in Hungary are at the same time being informed of the above and are being requested meanwhile to suspend further expulsions pending the examination by the Governments concerned of the report from their representatives on the Control Council.

XIV

Military Talks

During the conference there were meetings between the chiefs of staff of the three governments on military matters of common interest.

Approved:

J. V. STALIN
HARRY S. TRUMAN
C. R. ATTLEE

LIST OF DELEGATIONS For the United States

The President, Harry S. Truman.
The Secretary of State, James F. Byrnes.
Fleet Admiral William D. Leahy, U. S. N., chief of staff to the President.
Joseph E. Davies, Special Ambassador.
Edwin Pauley, Special Ambassador.
Ambassador Robert D. Murphy, political adviser to the Commander in Chief, United States zone in Germany.
W. Averell Harriman, Ambassador to the U. S. S. R.
General of the Army George C. Marshall, Chief of Staff, United States Army.
Fleet Admiral Ernest J. King, U. S. N., Chief of Naval Operations and Commander in Chief, United States Fleet.
General of the Army H. H. Arnold, United States Army Air Forces.
General Brehon B. Somervell, Commanding General, Army Service Forces.
Vice-Admiral Emory S. Land, War Shipping Administrator.

(Continued on page 658)

The Potsdam Agreement

(Continued from page 657)

William L. Clayton, Assistant Secretary of State.
James C. Dunn, Assistant Secretary of State.
Ben Cohen, Special Assistant to the Secretary of State.
H. Freeman Matthews, Director of European Affairs, Department of State.
Charles E. Bohlen, assistant to the Secretary (together with political, military and technical advisers).

For the United Kingdom

The Prime Minister, Mr. Winston S. Churchill, M.P.; Mr. C. R. Attlee, M.P.
The Secretary of State for Foreign Affairs, Mr. Anthony Eden, M.P.; Mr. Ernest Bevin, M.P.
Lord Leathers, Minister of War Transport.
Sir Alexander Cadogan, Permanent Under Secretary of State for Foreign Affairs.
Sir Archibald Clark Kerr, H. M. Ambassador at Moscow.
Sir Walter Monckton, head of the United Kingdom delegation to Moscow Reparations Commission.
Sir William Strang, political adviser to the Commander in Chief, British zone in Germany.
Sid Edward Bridges, Secretary of the Cabinet.
Field Marshal Sir Alan Brooke, Chief of the Imperial General Staff.
Marshal of the Royal Air Force Sir Charles Portal, Chief of the Air Staff.
Admiral of the Fleet Sir Andrew Cunningham, First Sea Lord.
Gen. Sir Hastings Ismay, Chief of Staff to the Minister of Defense.
Field Marshal Sir Harold Alexander, Supreme Allied Commander, Mediterranean theater.
Field Marshal Sir Henry Maitland Wilson, head of the British

joint staff mission at Washington, and other advisers.

For the Soviet Union

The Chairman of the Council of People's Commissars, J. V. Stalin.
People's Commissar for Foreign Affairs, V. M. Molotov.
Fleet Admiral N. G. Kuznesov, People's Commissar, the Naval Fleet of the U. S. S. R.
A. I. Antonov, Chief of Staff of the Red Army.
A. Y. Vyshinski, Deputy People's Commissar for Foreign Affairs.
S. I. Kavtaradze, Assistant People's Commissar for Foreign Affairs.
I. M. Maisky, Assistant People's Commissar for Foreign Affairs.
Admiral S. G. Kucherov, Chief of Staff of the Naval Fleet.
F. T. Gusev, Ambassador of the Soviet Union in Great Britain.
A. A. Gromyko, Ambassador of the Soviet Union in the United States of America.
K. V. Novikov, member of the Collegium of the Commissariat for Foreign Affairs, Director of the Second European Division.
S. K. Tsarapkin, member of the Collegium of the Commissariat for Foreign Affairs, Director of the United States Division.
S. P. Kozyrev, director of the first European division of the Commissariat for Foreign Affairs.
A. A. Lavrishchev, director of the division of Balkan countries, Commissariat for Foreign Affairs.
A. A. Sobolev, chief of the political section of the Soviet military administration in Germany.
I. Z. Saburov, assistant to the chief of the Soviet military administration in Germany.
A. A. Golunsky, expert consultant of the Commissariat for Foreign Affairs, and also political, military and technical assistants.

The State of Trade

(Continued from page 650)

a hurdle. The WPB, however, believe that there is little chance of abandoning the Controlled Materials Plan before the end of the year despite pressure from steel companies to do so. The latter believe, the magazine concludes, that if CMP was thrown overboard there still would be enough capacity to take care of war orders and a more general leeway to properly schedule civilian business. But such an appeal at the moment has fallen on deaf ears.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 87.9% of capacity for the week beginning August 6, compared with 90.8% one week ago. This week's operating rate represents a decrease of 2.9% from last week's rate and is equivalent to 1,610,000 net tons of steel ingots and castings, compared to 1,663,100 net tons last week and 1,737,500 tons one year ago.

A series of unauthorized work stoppages in key operations of the steel industry, the Association adds, will cause production of steel ingots and castings for the current week to be the lowest for any week since the beginning of July 15, 1940.

Railroad Freight Loading—Carloadings of revenue freight for the week ended July 28, 1945, totaled 886,271 cars, the Association of American Railroads announced. This was an increase of 3,948 cars, or 0.4%, above the preceding week this year and 23,219 cars, or 2.6%, below the corresponding week of 1944. Compared with a similar period of 1943, an increase of 746 cars, or 0.1%, is shown.

Railroad Income in June—Class I railroads of the U. S. in June, 1945, had an estimated net income, after interest and rentals, of \$66,100,000, compared with \$61,337,052 in June, 1944, according to the Association of American Railroads. In the first six months of 1945, estimated net income amounted to \$325,000,000 compared with \$322,533,400 in the corresponding period one year ago.

In June, 1945, net railway operating income, before interest and rentals, totaled \$96,114,902 compared with \$99,517,169 in May, 1944. For the half-year net railway operating income was \$535,786,815 compared with \$552,425,259 in the same period of 1944.

In the 12 months ended June 30, 1945, the rate of return on property investment averaged 3.91% compared with a rate of return of 4.34% for the similar period a year ago.

Operating revenues for June totaled \$820,389,757 compared with \$799,475,442 in June, 1944, while operating expenses totaled \$541,707,405 compared with \$518,466,530 in the same month of 1944.

Total operating revenues in the first six months of 1945 totaled \$4,699,870,508 compared with \$4,636,071,620 in the same period of 1944, or an increase of 1.4%. Operating expenses in the first six months of 1945 amounted to \$3,195,745,900 compared with \$3,077,777,848 in the corresponding period of 1944, or an increase of 3.8%.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,434,841,000 kwh. in the week ended July 28, 1945, from 4,384,547,000 kwh. in the preceding week. Output for

the week ended July 28, 1945, was 1.0% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 168,300,000 kwh. in the week ended July 29, 1945, comparing with 167,600,000 kwh. for the corresponding week of 1944, or an increase of 0.4%.

Local distribution of electricity amounted to 166,900,000 kwh., compared with 158,800,000 kwh. for the corresponding week of last year, an increase of 5.1%.

Paper Production—The ratio of United States paper production to mill capacity for the week ending July 28, 1945, as reported by the American Paper & Pulp Association, was 93.4%, compared with 89.8% (revised) for preceding week and 91.3% for corresponding week a year ago. Paperboard production was at 95% for the same week, compared with 96% for preceding week and 96% for corresponding week a year ago.

Business Failures Decline—After an upswing last week, commercial and industrial failures fell off a little in the week ending Aug. 2, reports Dun & Bradstreet, Inc. However, this was the second consecutive week that failures have outnumbered those in the comparable week of 1944. Eighteen concerns failed in the week just ended, as compared with 22 in the previous week and 15 a year ago.

There were twice as many large failures as there were small, but in both size groups failures exceeded the number in last year's comparable week. Large concerns failing with liabilities of \$5,000 dropped from 17 a week ago to 12 this week—one more than in the same week of 1944. Only a negligible change occurred in small failures. Concerns failing with liabilities under \$5,000 numbered six as compared with five in the previous week and four last year.

Small decreases from a week ago appeared in manufacturing, retailing and commercial service, but failure in all trade and industry groups either equalled or exceeded the number in the corresponding week of 1944.

No Canadian failures were reported, nor were there any in the corresponding week of last year. A week ago there were three failures reported in Canada.

Wholesale Commodity Average Up Slightly—Reflecting firmer grain prices, the Dun & Bradstreet daily wholesale commodity price index held quite steady during the past week, closing at 176.28 on July 31, comparing with 175.97 on July 24 and with 171.76 on the corresponding date a year ago.

Grain markets as a rule maintained a firm undertone during the week. Wheat prices averaged higher despite bumper crop prospects and a peak movement of new winter wheat to market. Heavy government buying of cash wheat was a factor, as was good buying of futures by mills.

Although it is still late, the corn crop, aided by hot weather, made excellent progress. Trading in corn was very light due to lack of offerings and small receipts.

Flour purchases by large chain and independent bakers reached substantial proportions in anticipation of a reduction in the subsidy rates for August. Trading in hog markets was again restricted by small receipts which cleared easily at ceiling prices.

There was a feeling of caution in leading cotton markets last week as the old crop season drew to a close. Trading volume was moderate and price movements held in a narrow range with closing values showing little change from a week earlier.

In leather markets, the demand appeared to be for high quality leathers, with less interest shown in the lower grades. Demand from makers of civilian shoes ap-

peared to slacken. Trading in hides was expected to be active this week on the new permits which expire August 11. Cattle slaughter for July was somewhat off from the June kill. Output of shoe factories and tanneries was still hampered by insufficient manpower.

The raw wool market at Boston remained dull although there was a little more activity noted in domestic wools as a result of a request for bids by the Quartermaster Corps for additional deliveries of serges and flannel cloth for shirting. There was good demand for Australian fine wools, both spot and to arrive.

Wholesale Food Price Index Declines—Continuing to move in a narrow range, the wholesale food price index, compiled by Dun & Bradstreet, Inc., dropped back one cent to stand at \$4.10 on July 31. Compared with last year's \$4.03, this represented a rise of 1.7%. Advances during the week were registered in wheat, rye, eggs and potatoes, while declines occurred in flour, oats, barley, sheep and lambs.

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

Retail and Wholesale Trade—Although the volume of retail trade for the country at large continue above the figure for last year, it decreased from the previous week, according to Dun & Bradstreet, Inc. Food volume was lower than the week before. Retailers received a small quantity of previously unavailable household goods which were quickly bought by consumers.

Women's summer sportswear and children's clothes continued to be emphasized in apparel volume, although successful promotional activities started on fall merchandise. Fall millinery sales in all price brackets were large. Fur sales were over the corresponding week of 1944. Men's wear continued steady with last year. Swiss silk crepe and English cotton nets at high prices were in demand; woollen piece goods sold in unseasonably large volume as consumers planned fall wardrobes early.

Sales of canning equipment, which last week were reported low because of sugar rationing, have since increased to a level above last year. Some pre-war household utensils, such as electric irons, clocks, and can openers, began to appear in slightly greater quantities. Some small staple hardware items and a few steel products were received by hardware stores. There was an increased demand for better furniture.

Food volume decreased slightly from last week. The meat situation was eased with increased supplies and decreased point values. Frozen food stores received a steady flow of business. Fresh fruit and vegetables are reaching the market in fairly large quantities.

Retail sales for the U. S. were estimated at 8 to 13% above 1944. Regional percentage increases were: New England, 6 to 10; East, 10 to 14; Middle West, 9 to 13; Northwest, 8 to 12; South, 6 to 10; Southwest, 13 to 17, and Pacific Coast, 9 to 14.

Wholesale trade also was up compared to 1944, but about even with recent weeks. Orders for fall apparel took the place of most of the summer reorders. Transactions in the textile markets were lower. Wholesalers were able to deliver larger amounts of hardware. Automobile parts and accessories were in great demand and in some sections were somewhat easier to obtain. Increased demands pushed grocery volume above the 1944 level.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended July 28, 1945, increased by 15% and compared with a gain of 14% in the

preceding week. For the four weeks ended July 28, 1945, sales increased by 19%, and for the year to date by 13%.

Activity continued in retail trade here in New York last week with the increase in sales volume on a percentage basis over last year smaller than in the preceding week. Wholesale apparel markets received some encouragement from reports that governmental order M-388 would be dropped, a development which, it was believed, according to the New York "Times," would lead to larger supplies for the last quarter of the year. Continued shortages brought about a decline in wholesale food volume, while retail volume remained for the most part unchanged.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to July 28, 1945, increased by 30% above the same period of last year. This compared with a gain of 11% in the preceding week. For the four weeks ended July 28, 1945, sales rose by 19% and for the year to date by 14%.

War Loan Purchases by Savs. & Loan Ass'n's

Final tabulation of the Seventh War Loan purchases of the Savings and Loan Associations and co-operative banks show \$811,895,000 poured from these home financing institutions into the Treasury, the United States Savings and Loan League reports. A. E. Albright, Akron, O., National Chairman of the League's Committee on Bond Purchases, says that the combined institutions, besides more than doubling any previous war loan performance, bought 232% of their self-imposed quota for this drive. Advances from the League on Aug. 4 added:

"Figures from some 455 associations from which more detailed information was available show that before the drive started they had 25.3% of all assets invested in Government Bonds, and the purchases during the Seventh will take this percentage into new high territory, Mr. Albright said.

"It was just three years ago, he pointed out, that the United States League started marshalling the resources of the associations for helping finance the war. Their first effort was a self-imposed quota of \$100,000,000 of bond purchases for the last half of 1942, and their purchases since that time, including the Seventh War Loan, amount to more than \$2,500,000,000.

Albania Pact for Supplies

A wireless message from Rome, Italy on August 2 to the New York "Times" had the following to say:

"An agreement between Enver Hoxha, Premier of Albania, and Col. D. R. Oakley Hill, chief of the United Nations Relief and Rehabilitation mission in Albania, whereby the UNRRA will furnish Albania with food, textiles, engineering equipment and medical and agricultural supplies was signed yesterday, it was announced here today.

"Roy Cochran, former Governor of Nebraska, who is UNRRA liaison chief at Allied Force Headquarters, witnessed the signatures.

"The agreement provides that UNRRA supplies shall be made available for distribution "without discrimination" by Albanian authorities. Those who can afford to will pay, with any such sums to be applied to further relief and rehabilitation within the country. Military liaison brought into Albania 9,500 tons of supplies and 334 vehicles between April 11 and June 30."

Steel Production Off 3.2%—Ordering For Military Needs Reduced—More Cutbacks Made

"Indications are mounting that the military appetite for steel for prosecution of the Japanese War may be nearly satiated within the next 60 days," states "The Iron Age" in its issue of today (Aug. 9), which further adds in part: "Consumption after that period will be determined by immediate requirements, always subject to revision, but long-range needs will be definitely reduced.

"In fact, continuing pressure from business and political quarters may compel military to disgorge tonnage which has clogged mill schedules. Until this prospect becomes reality, however, civilian producers must still live on hope alone. The first tangible indications that a home had been found for the bulk of most 'must' requirements for sheet steel products came from last week's notification to the mills by WPB that third quarter sheet schedules had been unfrozen. If no rated orders are on hand, mills may insert unrated civilian orders to plug whatever holes may appear in schedules. Prior to the freeze early in July such spot openings had afforded minor tonnages for the automotive industry and others. Current prospects are that spot openings before the end of September will be few and tonnages thus made available small. Keeping a close check on the mill diet, WPB still requires that openings must be reported to it before new orders are scheduled for production.

"Reduced ordering for military needs last week widened the gap by which rated order volume now trails civilian ordering.

"Bad news for civilians lies in comparison of delivery dates currently quoted by mills with those prevailing a month ago. Plate orders have kept pace with production making October the earliest available date compared with September quoted last month by the larger producers. Navy orders have fallen heaviest on Western mills whose backlog has been severely depleted. The Navy orders also have pushed structural deliveries as far back as December from September offerings made last month. Carbon bar deliveries still are quoted for December by most mills, although quality grades now are not available until February. Strip deliveries continue on a four to five month basis, with some independent producers having earlier openings. The barrier facing would-be civilian buyers, unless relief materializes, is indicated by sheet deliveries extending into March, 1946. Cold rolled sheets, chief concern of the automotive industry, have become only slightly easier, with December schedules still holding the first openings.

The American Iron and Steel Institute on Aug. 6 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 90% of the steel capacity of the industry will be 87.9% of capacity for the week beginning Aug. 6, compared with 90.8% one week ago, 89.0% one month ago and 96.6% one year ago. The operating rate for the week beginning Aug. 6 is equivalent to 1,610,000 tons of steel ingots and castings, compared to 1,663,100 tons one week ago, 1,630,200 tons one month ago, and 1,737,500 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on Aug. 6, stated in part, as follows: "While overall pressure for steel is easier, heavy requirements still burden mill books and operating rates have reached midsummer without having gone more than a trifle below 90% of capacity with prospects promising for continued active demand for months ahead.

"Cancellations are being received more freely but there also is much new tonnage, especially considering the volume of unrated work awaiting scheduling.

"Shell demand has been main-

tained in much better degree than expected and while the small ammunition program is off decidedly requirements of a number of larger projectiles, rockets and some types of bombs are still heavy. As long as shell needs are reasonably sustained steel production is not likely to meet a sharp dip.

"Considerable activity continues in other war work, involving not only bars and shell forgings but sheets, strip, shapes, tubing and in better degree than expected even in plates, in spite of the decline in shipbuilding.

"Unrated tonnage is accumulating, though less rapidly than in early summer, because of better appreciation of difficulty in getting definite delivery promise. Even in plates unrated tonnage has not been easy to place as had been expected. One eastern plate-maker estimates that unrated plate bookings this quarter will not be more than 20% of the total, if it reaches that level.

"To correct the inequality caused by the recent advance of \$2 per ton on hot-rolled carbon bars without an equivalent increase on cold-finished, Office of Price Administration has allowed the ceiling on cold-finished to be raised \$2 per ton. However, this is accompanied by elimination of certain extras which were charged previously. This is the first compensatory price action taken by OPA on steel products since government price control was effected. OPA also has permitted warehouses to pass along this increase on cold-finished bars to their customers."

Pensions for Disabled Veterans Liberalized

Under a bill passed by the Senate, pension rates for disabled veterans have been liberalized, raising the payments substantially over the level approved by the House. United Press advices from Washington Aug. 2 reporting this further said:

"The measure goes to conference with the House to be acted on when Congress reconvenes in October.

"Under the Senate version, pensions would be increased to these figures:

"For the loss of two limbs at a level preventing normal knee or elbow action with prosthetic devices, or blindness in both eyes—\$235 a month.

"For loss of two limbs so near the shoulders or hips that prosthetic devices cannot be used, or the "anatomical loss" of both eyes—\$265 a month.

"For loss of both hands or both feet, or of one hand and one foot, or blindness in both eyes with 5/200 vision or less, or a permanent bedridden state necessitating regular aid and attendance—\$200 monthly."

Carville U. S. Senator

E. P. Carville, former Governor of Nevada, was sworn in as a United States Senator on July 26 before debate was resumed on the United Nations charter, the United Press reported from Washington. He succeeds the late Sen. James G. Scrugham. Mr. Carville, who arrived in Washington on July 26, flew from Nevada in order to cast his vote for the charter, which he said "has the almost unanimous endorsement of the people of Nevada." The death of Senator Scrugham was noted in our issue of July 12, page 213.

Ahead Of The News From Washington

(Continued from first page)

nothing like what is being dropped over the CIO leaders nearly every day. We doubt if there is any more panic among the enemy than there is among them. They are the reconversion problem about which you hear so much. There is growing evidence that, left to themselves, the returning soldiers and the present war workers would fit rather easily into our economy, but not the CIO leaders. They see their mushroom unions and membership falling out from under them in the transition, and there is largely where our tremendous and seemingly insoluble reconversion problem lies. They are the ones who are demanding that Congress return and increase unemployment benefits and pass "full employment" legislation, and the like. And they have induced a lot of editors and columnists to shout their alarms.

Exactly what they are up against may be gleaned from the experience of Willow Run when it closed. As we understand it, some 30,000 workers were thrown out. At first the overwhelming majority of them seemed to disappear in thin air. It developed that a lot were just resting up and have subsequently reappeared to claim their unemployment compensation, to rest up some more. But more than 10,000 have never been heard from. They went back to their homes, they got employment elsewhere, they just disappeared. The CIO can't collect from these people. To exist it can't just have workers disappearing this way, men and women who have been making around \$100 a week, the great majority of them realizing that the jig would be up some day. The CIO has got to have an "organized" reconversion so it can collect dues in the process.

In this connection a pretty pickle has developed out in Detroit. Ford has made known what the entire motor industry wants but hasn't had the audacity yet to announce. It brings up a very interesting question. Ford is taking the attitude that a veteran whether he has ever worked for Ford or not, should be permitted to be employed in its plant on an equal basis with a 4-F.

The fact is that all of our industries are now loaded up; indeed, so are our service industries, with incompetents. They are the people who are unionized and have established seniority against everyone who happens never to have worked in that industry before. Ford says frankly, and the rest of the automobile industry feels likewise, that he would like to avail himself of the young talent coming back from the wars. He wants an applying veteran's seniority, notwithstanding the veteran has never worked for him, to begin with his entrance into the armed service.

"You've got a problem here that can be argued up and down interminably. Bringing in the veterans in a wholesale fashion would be a good way to break up the union. Unquestionably, though, there is better talent available among the discharged soldiers than what industry has had to depend on since Pearl Harbor. The motor industry plans to pitch its appeal on a high patriotic plane.

Can you wonder that the CIO leaders consider that tomorrow is fraught with peril? It is for them.

But they are resourceful fellows and they are getting places with their agitation. Little did Senator Vandenberg know, when he called upon Labor Secretary Schwellenbach to call a labor-management conference to deal with mighty reconversion problems, that it was the CIO's con-

Adjournment of Congress Until October 8; Senate Post-Recess Plans Formulating

The Senate summer recess began at 9:09 p.m. August 1, and although, like the House recess commenced July 21, it is scheduled to last until October 8, the legislators could be summoned back to Washington by either the majority or minority leaders. This might occur should the war with Japan end suddenly, possibly necessitating emergency reconversion legislation or immediate action to reduce taxes.

The day before the Senate adjournment some of the Senate New Dealers met and discussed strategy for forcing action on reconversion and social legislation as soon as the recess ends, according to the United Press, in a Washington dispatch, July 31, which continued:

Senators Claude Pepper (D-Fla.) and Harley M. Kilgore (D-W.Va.) called the meeting to "examine the situation and see what further legislation is necessary to meet the growing problems of reconversion and unemployment." For three hours they and 15 party colleagues discussed the need for additional veterans' legislation, the full employment bill, health, education, agriculture and public works measures.

Besides Messrs. Pepper and Kilgore, the meeting was attended by Democratic Senators Elbert D. Thomas, Utah; James M. Mead, Rhode Island; Theodore F. Green, Rhode Island; Elmer Thomas, Oklahoma; Brien McMahon, Connecticut; Hugh Mitchell, Washington; Tow Stewart, Tennessee; Theodore Bilbo, Mississippi; Abe Murdock, Utah; Olin D. Johnston, So. Carolina; Glenn Taylor, Idaho; George Radcliffe, Maryland; Edwin C. Johnson, Colorado; Warren Magnuson, Washington, and Scott W. Lucas, Illinois.

Democratic Leader Alben W. Barkley, of Kentucky, was not invited to the meeting. Senators Pepper and Kilgore said the reason was that they did not want to embarrass him by questions as to whether he had committed the Democratic Party to a program of progressive legislation. Senator Pepper, however, disavowed any "Young Turk" intentions and denied that the meeting was prompted by any fear that the Truman administration is taking a too conservative trend.

"On the contrary," he said, "it should be emphasized that some of the legislation discussed here was recommended by President Truman. I believe that if he still were a member of the Senate he would be among us today."

Senator Barkley declined, the United Press report went on to say, to comment on the meeting or its objectives, but he told reporters that he was working on his own recommendations for a party program after the recess.

Mr. Barkley said he had been working for several weeks on a list of legislative recommendations by President Truman and the late President Roosevelt on which Congress has not yet acted. He mentioned additional reconversion legislation, unemployment compensation, expansion of social security and an increase in minimum wage standards—subjects also discussed by the New Deal wing at its luncheon meeting.

Mr. Pepper said his plan was to "bring into focus a progressive program for the nation to consider during the recess and on which I hope Congress will act promptly when the vacation is over."

"It seems to me we have been very generous with business," he said. "Now we should do something about the human side of the (reconversion) problem."

The following day Senator Barkley told the Senate, as it

emerged on top.

prepared to embark on its vacation, that it faced numerous urgent domestic legislative tasks when it returned in October, some being direct requests from President Truman, others carry-overs from President Roosevelt's program which was embraced without reservation by his successor.

Senator Barkley suggested to the Senators, according to the Associated Press report from Washington, Aug. 1, that they give consideration during the recess to these other "pressing problems" which face the country, besides its primary task of defeating Japan:

1. Legislation authorizing the President to reorganize the agencies and departments of the executive branch of government.
2. Widening of unemployment compensation coverage, with increased benefits during the reconversion period and supplementary Federal payments to create a national minimum standard.
3. Comprehensive housing legislation.
4. Creation of a single surplus property administrator, instead of a board.
5. Full employment legislation.
6. Reduction of taxes as soon as practicable.
7. Broadening of the social security law.
8. Elimination of cartels and monopolies.
9. Financial aid by Government to business.
10. Water power development.
11. Highway improvement and construction.
12. Study of Mr. Roosevelt's proposed "economic" bill of rights.

As for taxes, Barkley observed that the Federal Government collected \$43,000,000,000 in income taxes on individuals and corporations last year, an amount he said he did not think necessary after the defeat of Japan. He estimated that from \$20,000,000,000 to \$22,000,000,000 a year would be necessary to carry on government after the war.

Senator Taft of Ohio, Chairman of the Republican Steering Committee, expressed dissatisfaction with the agenda presented by Majority Leader Barkley. "Senator Barkley laid misleading emphasis on several things," he declared, according to the Associated Press, Aug. 2. For instance, Mr. Taft told a reporter, Republicans are more interested in seeing that real jobs are available after reconversion than they are in the amount and duration of unemployment compensation. The Senator indicated that a Republican legislative program would also await the Senate when its members returned to Washington in the Fall.

E-R Mortgage of East River Savings Bank

The E-R (Economy Rate) Mortgage of the East River Savings Bank of New York is being publicized through a series of promotional pieces. A folder describing the mortgage service emphasizes the fact that information may be secured at each of the 5 offices of the bank and describes the five features of The Economy Rate Mortgage Loan: 1. Individual Plans; 2. Easy to Repay; 3. Limited Fees; 4. Economy Rates of Interest; 5. Long-Range Service.

Moody's Bond Prices And Bond Yield Averages

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

1945— Daily Averages	U.S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Aug. 7	122.25	116.02	120.84	119.00	116.02	108.34	112.93	115.82	119.00	
Aug. 6	122.33	116.02	120.84	119.20	116.02	108.34	113.12	115.82	119.00	
Aug. 5	Stock Exchange Closed									
Aug. 4	122.36	115.82	120.84	119.20	116.02	108.16	112.93	115.82	119.00	
Aug. 3	122.30	116.02	120.84	119.41	116.02	108.16	112.93	115.82	119.20	
Aug. 2	122.28	115.82	120.84	119.41	115.82	108.16	112.93	115.82	119.20	
Aug. 1	122.39	115.82	120.84	119.20	115.82	108.16	112.93	115.63	119.00	
July 27	122.80	116.02	121.04	119.41	116.02	108.34	112.93	115.63	119.41	
July 26	122.89	116.22	121.04	119.61	116.22	108.34	113.31	115.63	119.61	
July 25	122.92	116.02	121.04	119.41	116.02	108.16	112.93	115.63	119.61	
July 24	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.43	119.41	
July 23	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.20	
July 22	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41	
July 21	122.81	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41	
July 20	122.23	115.43	120.63	119.00	115.43	107.44	112.37	114.85	119.20	
July 19	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20	
July 18	122.31	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41	
July 17	122.26	115.24	120.84	118.40	115.43	107.09	112.19	114.46	119.41	
July 16	122.38	115.24	120.84	118.40	115.24	107.09	112.00	114.27	119.41	
July 15	122.38	115.24	120.84	118.40	115.04	107.09	112.19	114.27	119.20	
July 14	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20	
July 13	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41	
July 12	121.93	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60	
July 11	120.93	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60	
July 10	123.05	116.22	121.04	119.61	116.22	108.34	113.31	115.82	119.61	
July 9	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20	
1 Year Ago	Aug. 7, 1944	120.00	112.56	118.80	117.00	112.19	103.30	106.92	114.27	117.20
2 Years Ago	Aug. 7, 1943	120.19	111.25	119.20	117.00	111.62	99.04	103.13	114.08	117.40

1945— Daily Averages	U.S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Aug. 7	1.65	2.86	2.61	2.70	2.85	3.26	3.01	2.86	2.70	
Aug. 6	1.64	2.85	2.61	2.69	2.85	3.26	3.00	2.86	2.70	
Aug. 5	Stock Exchange Closed									
Aug. 4	1.64	2.86	2.61	2.69	2.85	3.27	3.01	2.86	2.70	
Aug. 3	1.64	2.85	2.61	2.68	2.85	3.27	3.01	2.86	2.69	
Aug. 2	1.64	2.86	2.61	2.68	2.86	3.27	3.01	2.86	2.69	
Aug. 1	1.64	2.86	2.61	2.69	2.86	3.27	3.01	2.87	2.70	
July 27	1.64	2.86	2.61	2.69	2.86	3.27	3.01	2.87	2.68	
July 26	1.60	2.85	2.60	2.68	2.85	3.26	2.99	2.87	2.67	
July 25	1.60	2.84	2.60	2.67	2.84	3.26	2.99	2.87	2.67	
July 24	1.60	2.85	2.60	2.68	2.85	3.27	3.01	2.88	2.68	
July 23	1.60	2.85	2.60	2.69	2.85	3.27	3.01	2.88	2.68	
July 22	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.69	
July 21	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68	
July 20	1.64	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68	
July 19	1.64	2.88	2.62	2.70	2.88	3.31	3.04	2.91	2.69	
July 18	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69	
July 17	1.64	2.88	2.62	2.71	2.88	3.32	3.05	2.92	2.68	
July 16	1.64	2.89	2.61	2.73	2.88	3.33	3.05	2.93	2.68	
July 15	1.63	2.89	2.61	2.73	2.89	3.33	3.06	2.94	2.68	
July 14	1.63	2.89	2.61	2.73	2.90	3.33	3.05	2.94	2.69	
July 13	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69	
July 12	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68	
July 11	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72	
July 10	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74	
July 9	1.59	2.84	2.60	2.67	2.84	3.26	2.99	2.86	2.67	
1 Year Ago	Aug. 7, 1944	1.80	3.03	2.71	2.80	3.05	3.34	2.94	2.79	
2 Years Ago	Aug. 7, 1943	1.84	3.10	2.69	2.80	3.08	3.81	3.56	2.95	2.78

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

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

National Fertilizer Association Commodity Price Index Advances to Previous Peak

The weekly wholesale commodity price index, compiled by the National Fertilizer Association and made public on Aug. 6, advanced slightly to its previous all-time peak of 141.7 for the week ended August 4, 1945, from 141.5 of the preceding week. A month ago the index stood at 141.5, and a year ago at 138.8, all based on the 1935-1939 average as 100. The Association's report went on to say:

The farm products group reached a new high point with its three component groups sharing in the advance. The grains index advanced because of higher prices for wheat at Kansas City for rye. The livestock index reached a new high point with higher prices for lambs and eggs more than offsetting lower prices for sheep. Timothy hay at New York advanced during the week. The foods index advanced fractionally, with the quotations for potatoes and eggs advancing slightly. The textiles index also advanced slightly. All other groups in the index remained unchanged.

During the week 8 price series in the index advanced and only 1 declined; in the preceding week there were 6 advances and 5 declines; in the second preceding week there were 4 advances and 6 declines.

Each Group Bears to the Total Index	Group	Latest	Preceding	Month	Year
		Week	Week	Ago	Ago
25.3	Food	144.0	143.6	143.1	141.6
	Fats and Oils	145.0	145.0	145.2	145.1
	Cottensed Oil	162.4	162.4	163.1	163.1
23.0	Farm Products	168.4	167.7	167.2	162.9
	Cotton	214.4	213.0	213.9	201.5
	Grains	164.0	163.5	165.0	157.8
	Livestock	163.0	162.3	160.8	158.7
17.3	Fuels	133.3	133.3	133.3	130.1
10.8	Miscellaneous Commodities	133.9	133.9	133.7	132.2
8.2	Textiles	157.0	156.8	157.0	152.4
7.1	Metals	108.9	108.9	108.9	104.4
6.1	Building Materials	153.8	153.8	153.8	154.0
1.3	Chemicals and Drugs	125.8	125.8	125.9	126.9
.3	Fertilizer Materials	118.3	118.3	118.3	118.3
.3	Fertilizers	119.9	119.9	119.9	119.7
.3	Farm Machinery	104.8	104.8	104.8	104.5
100.0	All groups combined	141.7	141.5	141.5	138.8

*Indexes on 1926-1928 base were: Aug. 4, 1945, 110.4; July 28, 1945, 110.2, and Aug. 5, 1944, 108.1. †Revised.

Non-Ferrous Metals - Current Use of Copper Estimated at Around 110,000 Tons a Month

"E. & M. J. Metal and Mineral Markets," in its issue of August 2, states: As August opened it became evident that the volume of business for the month will hold at about the same rate as in July. Producers estimate that copper consumption this month will total around 110,000 tons. Fabricators, in most instances, are reducing their inventories. There was a fairly active demand for Prime Western zinc for galvanizing. Antimony metal has moved into a stronger position than antimony oxide, indicating that the call for the latter for flameproofing has dropped. Controls on use of iridium have been lifted. Canada has eased its limitation order on nickel. Quick-silver remains unsettled and lower prices were named last week, establishing spot metal at \$135 per flask. The publication further went on to say in part as follows:

Copper
Consumers experienced no difficulty in obtaining copper. With imports in good volume, a fairly large tonnage will be added to the stockpile during August. There was some improvement in export business. Liberated countries are looking for copper, but the credit situation hampers business so far as private transactions are concerned.

Lead
Lead was removed from the list of "critical materials" and placed on the list of products still under "surveillance," according to an announcement by WPB last week. With stocks increasing, producers hope for a gradual easing of at least some of the controls. Receipts of lead in ore and scrap by United States smelters amounted to 48,638 tons in June, against 43,510 tons in May. The gain resulted from larger imports.

Zinc
A good volume of zinc business was placed during the last week, a natural development in view of the fact that certificates for preferred orders were released quite recently by WPB. Demand was chiefly for Special High Grade and Prime Western. However, from present indications, requests for August zinc, covering all grades, are not expected to absorb the month's production. Dissatisfaction over the present arrangement for taking care of preferred and ordinary business continues.

Nickel
Munitions Minister Howe, Ottawa, announced on July 26 that Canadian restrictions governing the sale and use of nickel anodes and primary nickel have been rescinded. The regulations limited purchases of nickel anodes for plating to 110 lb. per month, and allowed dealers to carry not more than a three-months' supply. Purchases in excess of these amounts could be made only under permit. Purchase of primary nickel was limited to 500 lb. per month, with larger quantities allowed only under permit. Reports on stocks and consumption had to be filed monthly.

Iridium
The War Production Board announced on July 30 that all controls on the distribution and end uses of iridium, one of the metals in the platinum group, have been removed by revocation of Order M-49. Iridium was used extensively in the manufacture of electrical contact points, and as a hardening agent in platinum. With controls still operative in platinum, the removal of restrictions on iridium are not expected to open up the market for the metal in the manufacture of non-essential products.

Lead
Sales of lead for the week totaled 5,090 tons, against 4,997 tons in the week previous. Shipments of automotive replacement batteries during June amounted to 1,325,000 units, against 1,326,000 units in May and 1,368,000 units in June last year, preliminary figures by Dun & Bradstreet indicate. The estimated industry total for Canada was 81,900 batteries for June, 76,600 for May, and 65,800 for June, 1944.

Tin
The tin situation remains unchanged. During the last week, WPB again listed tin among the few metals that remain on the critical list and issued another warning to consumers to conserve on supplies. The warning was directed chiefly at manufacturers engaged in planning for civilian production.

Forward quotations on Straits quality tin, in cents per pound, were nominally as follows:

	Aug.	Sept.	Oct.
July 26	52.00	52.00	52.00
July 27	52.00	52.00	52.00
July 28	52.00	52.00	52.00
July 29	52.00	52.00	52.00
July 30	52.00	52.00	52.00
July 31	52.00	52.00	52.00
Aug. 1	52.00	52.00	52.00

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

Production of refined lead in Mexico amounted to 22,024 tons in May, which compares with 16,081 tons in April, the American Bureau of Metal Statistics reports. Production in the first five months of 1945 amounted to 86,455 tons, an average of 17,291 tons a month. Output for all of 1944 totaled 193,464 tons, an average of 16,122 tons a month.

Quicksilver
In the absence of any important business, the market for quicksilver during the last week remained unsettled and prices at all times more or less nominal. Large consumers who were approached in reference to placing forward business in Spanish metal replied that they were "not interested." Under these circumstances, importers of Spanish quicksilver said they were in no position to "quote" the market at less than \$140. Domestic metal on spot was offered at \$135 per flask in several directions, though some sellers held to around \$140 and even higher. Business was done in prompt shipment from the Pacific Coast at \$132 per flask, New York. Forward metal for shipment from Mexico was available at less than \$130 per flask. Consumers, with few exceptions, have been reducing their inventories, with Japanese developments a factor.

Aluminum
Production of primary aluminum during May amounted to 104,000,000 lb., against 103,200,000 lb. in April. Production of secondary aluminum in May amounted to 66,000,000 lb. against 63,000,000 lb. in April.

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 44¼¢, with domestic metal at 70½¢.

Illinois Bankers Name Personnel Committee

In order to provide greater incentives and to make the career of banking more desirable and attractive to bank personnel, including both staff members and officers, the Council of Administration of the Illinois Bankers Association authorized the appointment of a Special Committee on Bank Personnel, it was made known on July 28.

Floyd M. Condit, President of the Association and President of the First National Bank of Beardstown, announces the appointment of George L. Luthy, President of the Commercial National Bank of Peoria, as Chairman and James E. Mitchell, President of the First National Bank in Carbondale, as Vice-Chairman of this Committee. The Committee, the advices state, will make a comprehensive study of all factors affecting bank employees—such as pay schedules, working conditions and hours; profit-sharing and pension plans and various types of insurance, including hospitalization, health and accident and life.

The membership of the Committee, consisting of 10 members from every section of the State, is as follows:

D. E. Chamberlin, Drovers National Bank, Chicago; J. DeForest Richards, Nat'l Boulevard Bank of Chicago; George C. Williams, State Bank & Trust Company, Evanston; Fred A. Gerding, First National Bank, Ottawa; Philip L. Speidel, First National Bank, Lake Forest; B. H. Ryan, State Bank of East Moline, East Moline; F. R. Rantz, Elliott State Bank, Jacksonville; M. C. Norton, First National Bank, Champaign; J. W. Haegen, First National Bank, Sullivan and E. J. Karsch, Sparta State Bank, Sparta.

The Committee will hold its organization meeting at the Palmer House, Chicago, the week of September 10th.

\$2,500 Pay Increase Tax Free for House Members

On July 23 Associated Press advices from Washington reported that members of the House will not pay income taxes on their expense allowance of \$2,500 a year if their returns state that the money was "fully expended in the performance of official duties." The advices as given in the New York "Times" added:

A Treasury ruling to this effect was disclosed today in a letter from the Commissioner of Internal Revenue Joseph D. Nunan Jr. to Representative O'Neal of Kentucky, printed in the Congressional Record.

Members of the House will not have to itemize in their tax returns the ways in which they spend the \$2,500. (Ordinarily a taxpayer claiming deductions for business expenses must itemize these expenses.)

However, if requested by the Internal Revenue agent examining his return, a Representative "will, like any other taxpayer who receives an expense allowance from his employer, be required to substantiate the claimed deduction by showing that the entire \$2,500 was used for expenses which are properly deductible" under the Internal Revenue Code.

Moody's Daily Commodity Index

Tuesday, July 31, 1945	254.9
Wednesday, Aug. 1	254.9
Thursday, Aug. 2	255.0
Friday, Aug. 3	255.4
Saturday, Aug. 4	255.2

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 14, 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 14 (in round-lot transactions) totaled 1,594,109 shares, which amount was 14.90% of the total transactions on the Exchange of 5,348,950 shares. This compares with member trading during the week ended July 7, of 1,312,335 shares, or 14.08% of the total trading of 4,662,080 shares. On the New York Curb Exchange, member trading during the week ended July 14 amounted to 439,365 shares or 14.34% of the total volume on that exchange of 1,531,485 shares. During the week ended July 7 trading for the account of Curb members of 353,110 shares was 13.01% of the total trading of 1,357,371 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 14, 1945		
A. Total Round-Lot Sales:		
Short sales.....	128,690	
Other sales.....	5,220,260	
Total sales.....	5,348,950	
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.....	442,940	
Short sales.....	74,640	
Other sales.....	330,220	
Total sales.....	404,860	7.92
2. Other transactions initiated on the floor—		
Total purchases.....	124,540	
Short sales.....	8,700	
Other sales.....	143,860	
Total sales.....	152,560	2.59
3. Other transactions initiated off the floor—		
Total purchases.....	159,050	
Short sales.....	27,130	
Other sales.....	283,029	
Total sales.....	310,159	4.39
4. Total—		
Total purchases.....	726,530	
Short sales.....	110,470	
Other sales.....	757,109	
Total sales.....	867,579	14.90

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

WEEK ENDED JULY 14, 1945		
A. Total Round-Lot Sales:		
Short sales.....	21,305	
Other sales.....	1,510,180	
Total sales.....	1,531,485	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	117,670	
Short sales.....	7,955	
Other sales.....	123,015	
Total sales.....	130,970	8.12
2. Other transactions initiated on the floor—		
Total purchases.....	36,755	
Short sales.....	4,800	
Other sales.....	54,720	
Total sales.....	59,520	3.14
3. Other transactions initiated off the floor—		
Total purchases.....	32,410	
Short sales.....	3,200	
Other sales.....	58,840	
Total sales.....	62,040	3.08
4. Total—		
Total purchases.....	186,835	
Short sales.....	15,955	
Other sales.....	236,575	
Total sales.....	252,530	14.34
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales.....	0	
Customers' other sales.....	81,447	
Total purchases.....	81,447	
Total sales.....	50,355	

*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 Rose 0.2% in Week Ended July 28 Labor Dept. Reports

The first increase since early June occurred in the Bureau of Labor Statistics' index of commodity prices in primary markets during the week ended July 28, when the general average advanced 0.2%, according to the United States Department of Labor, which on Aug. 2 said that "higher quotations for agricultural products were responsible for the rise." The index, at 105.8% of the 1926 average was 0.1% below the level at the end of June, and 1.8% above the corresponding week of last year," said the Department which also reported:

"Farm Products and Foods—Average market prices for farm products rose 0.9% during the week as the result of higher quotations for fruits and vegetables and eggs. Apple prices were substantially higher in Eastern markets following a further increase in disaster allowances by OPA. Lemons and oranges advanced seasonally and white potatoes in eastern markets were higher reflecting shorter supplies. Onion quotations continued to decline following OPA's removal of the disaster ceiling. Prices for eggs rose more than 2% as seasonal adjustments were made in ceiling prices. Cotton quotations were fractionally lower. Quotations for steers rose nearly 2% as a result of the severe shortage of animals on the market. Among the grains, oats and wheat were seasonally

lower, corn quotations declined, and rye prices rose fractionally. Average prices for farm products were 0.3% below the level of four weeks earlier and 4.5% above the end of July, 1944.

"The increase of more than 4% in quotations for fruits and vegetables raised the index for foods by 0.8%. Prices for oatmeal dropped with seasonally lower demand. Average food prices were 0.1% above the end of June and 2.0% above a year ago.

"Other Commodities—No important price movements occurred for other commodities during the week. Mercury quotations declined, continuing the decrease which began several months ago. Turpentine prices also were lower. During the month of July, average prices for building materials and chemicals and allied products declined fractionally while other industrial groups remained unchanged, but the decreases were not sufficient to affect the group index for all commodities other than farm products and foods which remained unchanged for each week during the month, at a level 1.1% above the end of July, 1944."

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 past three weeks, for June 30, 1945 and July 29, 1944 and (2) percentage changes in subgroup indexes from July 21, 1945 to July 28, 1945.

WHOLESALE PRICES FOR WEEK ENDED JULY 28, 1945
(1926 = 100)

Commodity Groups—	Percentage change to July 28, 1945, from—						
	7-28 1945	7-21 1945	7-14 1945	6-30 1945	7-29 1944	7-21 1944	6-30 1944
All commodities.....	105.8	105.6	105.6	105.9	103.9	+0.2	-0.1
Farm products.....	129.7	128.5	128.2	130.1	124.1	+0.9	-0.3
Foods.....	107.4	106.5	106.2	107.3	105.3	+0.8	+0.1
Hides and leather products.....	118.5	118.5	118.5	118.5	116.8	0	0
Textile products.....	99.1	99.1	99.1	99.1	97.4	0	0
Fuel and lighting materials.....	84.8	84.8	84.8	84.8	83.9	0	0
Metals and metal products.....	104.8	104.8	104.8	104.8	103.8	0	0
Building materials.....	117.3	117.3	117.3	117.4	115.9	0	-0.1
Chemicals and allied products.....	95.2	95.2	95.2	95.4	95.4	0	-0.2
Housefurnishing goods.....	106.2	106.2	106.2	106.2	106.0	0	0
Miscellaneous commodities.....	94.6	94.6	94.6	94.6	93.3	0	0
Raw materials.....	118.5	117.7	117.6	118.7	113.8	+0.7	-0.2
Semimanufactured articles.....	95.2	95.2	95.2	95.3	93.8	0	-0.1
Manufactured products.....	101.9	101.9	101.9	102.0	101.1	0	-0.1
All commodities other than farm products.....	100.6	100.6	100.6	100.6	99.5	0	0
All commodities other than farm products and foods.....	99.8	99.8	99.8	99.8	98.7	0	0

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JULY 21, 1945, TO JULY 28, 1945

Increases		Decreases	
Fruits and vegetables.....	4.3	Other foods.....	0.5
Other farm products.....	1.7	Livestock and poultry.....	0.4
Cereal.....			
0.5		Grains.....	

Engineering Construction Volume Highest Since Mid-July 1943

Civil engineering construction volume reached \$76,351,000 for the week, the highest weekly volume reported to "Engineering News-Record" since July 15, 1943. It is 86% higher than the total for the preceding week, and up 140% compared with the corresponding 1944 week. The volume is for continental U. S. only, and does not include military construction abroad, American contracts outside the country, and shipbuilding. The report issued on Aug. 2 went on to say:

Both private and public work are the highest reported in 1945. Private work tops all weekly totals reported since Nov. 11, 1943, and public construction is the highest since Oct. 12, 1944. Private work, as a result of the increased volume of commercial and industrial building, is 198% above last week and 253% over last year. Public work is 47 and 96% higher, respectively, than a week ago and a year ago.

The current week's volume brings 1945 construction to \$1,123,490,000 for the 31 weeks, 3% above the \$1,082,209,000 for the corresponding 1944 period. This is the first time 1945 cumulative volume has climbed above last year except in the opening week of the year. Private construction, \$329,970,000, is 33% above last year, but public construction, \$793,520,000, is down 5% due to the 12% decline in Federal volume. State and municipal volume, \$186,156,000, gains 30% over the 1944 period.

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

	Aug. 2, 1945	July 26, 1945	Aug. 3, 1944
Total U. S. construction.....	\$76,351,000	\$41,090,000	\$31,818,000
Private construction.....	31,321,000	10,500,000	8,864,000
Public construction.....	45,030,000	30,590,000	22,954,000
State and municipal.....	12,538,000	15,021,000	7,673,000
Federal.....	32,492,000	15,569,000	15,281,000

In the classified construction groups, all classes of construction except bridges report increases over the preceding week. All classes of work are above their respective 1944-week totals. Subtotals for the week in each class of construction are: water works, \$3,804,000; sewerage, \$891,000; bridges, \$810,000; industrial buildings, \$12,634,000; commercial building and private mass housing, \$10,043,000; public buildings, \$21,669,000; earthwork and drainage, \$3,624,000; streets and roads, \$9,666,000; and unclassified construction, \$13,210,000.

New capital for construction purposes for the week totals \$19,133,000. It is made up of \$9,046,000 in State and municipal bond sales, \$1,000,000 in corporate security issues, and \$9,087,000 in Federal funds for construction in the District of Columbia. The week's new financing brings 1945 volume to \$1,504,833,000, a total 3% below the \$1,559,680,000 for the 31-week period in 1944.

Post-War Construction Planning Volume \$21.9 Billions

Identified and recorded engineering projects proposed for construction in the post-war years total \$21,872,635,000 according to reports to "Engineering News-Record" in the period from Jan. 1, 1943 through July 26, 1945. Plans are under way or completed on post-war projects valued at \$9,716,978,000, 44% of the total volume proposed, and on \$1,629,579,000 worth of projects all financing arrangements have been completed.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Aug. 6 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Aug. 9 and to mature Nov. 8, 1945, which were offered on Aug. 3, were opened at the Federal Reserve Bank on Aug. 6.

The details of this issue are as follows:

Total applied for, \$2,007,639,000.
 Total accepted, \$1,317,735,000 (includes \$52,114,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

(62% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Aug. 9 in the amount of \$1,307,423,000.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Aug. 1 a summary for the week ended July 21 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 21, 1945

Odd-Lot Sales by Dealers—		Total
(Customers' sales)	Number of orders.....	For Week
	Number of shares.....	24,592
	Dollar value.....	711,867
		\$27,340,148
Odd-Lot Purchases by Dealers—		Total
(Customers' sales)	Number of orders.....	For Week
	Customers' short sales.....	96
	Customers' other sales.....	21,307
	Customers' total sales.....	21,403
Number of Shares:		Total
Customers' short sales.....	3,619	
Customers' other sales.....	530,491	
Customers' total sales.....	534,110	
Dollar value.....	\$20,705,860	
Round-Lot Sales by Dealers—		Total
Number of Shares:	Short sales.....	For Week
	Other sales.....	170
		120,010
	Total sales.....	120,180
Round-Lot Purchases by Dealers—		Total
Number of shares.....	Short sales.....	For Week
	Other sales.....	270,170

*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."

Truman Felicitates Norway King on Return to People

President Truman, in a birthday message to King Haakon of Norway on Aug. 3 expressed American satisfaction that the King this year was again among his own people. Special advices to the New York "Times" quotes the President as saying:

"The knowledge that Your Majesty is again among your own people on this anniversary of your birth is deeply gratifying to the American people who followed with greatest sympathy the hardship and suffering through which Norway passed during the long years of Nazi occupation. The people of the United States therefore join with me in sending you today heartiest congratulations and best wishes for the coming year."

Daily Average Crude Oil Production for Week Ended July 28, 1945, Decreased 14,250 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 28, 1945 was 4,930,000 barrels, a decrease of 14,250 barrels from the high record reached in the preceding week. It was, however, 321,550 barrels per day in excess of the output for the corresponding week in 1944, and exceeded the daily average figure recommended by the Petroleum Administration for War for the month of July, 1945, by 40,100 barrels. Daily production for the four weeks ended July 28, 1945 averaged 4,926,100 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 4,996,000 barrels of crude oil daily and produced 16,106,000 barrels of gasoline; 1,438,000 barrels of kerosene; 4,598,000 barrels of distillate fuel, and 9,586,000 barrels of residual fuel oil during the week ended July 28, 1945; and had in storage at the end of that week: 46,277,000 barrels of civilian grade gasoline; 39,731,000 barrels of military and other gasoline; 11,081,000 barrels of kerosene; 36,071,000 barrels of distillate fuel, and 42,283,000 barrels of residual fuel oil.

	*P. A. W. Recommendations July	*State Allowables Begin. July 1	Actual Production		4 Weeks Ended July 28 1945	Week Ended July 29 1944
			Week Ended July 28 1945	Change from Previous Week		
Oklahoma	380,000	380,000	1,390,400	— 350	389,900	339,500
Kansas	274,000	269,400	1,278,450	— 3,900	270,200	279,250
Nebraska	1,000	—	850	— 50	900	950
Panhandle Texas	—	—	87,500	—	87,500	89,150
North Texas	—	—	152,300	—	152,300	151,550
West Texas	—	—	521,400	—	521,400	463,550
East Central Texas	—	—	139,000	—	139,000	148,350
East Texas	—	—	379,500	—	379,500	363,550
Southwest Texas	—	—	360,750	—	360,750	319,750
Coastal Texas	—	—	568,950	—	568,950	531,400
Total Texas	2,180,000	2,184,285	2,209,400	—	2,209,400	2,067,300
North Louisiana	—	—	70,400	—	70,300	72,350
Coastal Louisiana	—	—	296,900	—	296,900	284,400
Total Louisiana	360,000	400,800	367,300	—	367,200	357,750
Arkansas	80,000	78,786	79,550	— 200	79,850	80,500
Mississippi	53,000	—	51,650	— 650	51,950	45,050
Alabama	500	—	1,000	—	950	200
Florida	—	—	150	— 50	200	50
Illinois	200,000	—	199,700	— 6,100	204,200	207,600
Indiana	13,000	—	13,300	— 50	12,650	13,400
Eastern (Not incl. Ill., Ind., Ky.)	64,200	—	63,250	— 550	63,400	53,150
Kentucky	28,000	—	29,950	+ 350	30,000	24,950
Michigan	47,000	—	47,700	+ 2,400	49,000	50,850
Wyoming	118,200	—	114,650	— 250	113,800	93,450
Montana	22,000	—	20,800	—	20,800	21,900
Colorado	12,000	—	12,150	+ 350	11,400	8,600
New Mexico	105,000	105,000	103,250	—	103,250	103,500
Total East of Calif	3,937,900	3,983,500	3,983,500	— 9,050	3,979,050	3,752,950
California	952,000	952,000	946,500	— 5,200	947,050	855,500
Total United States	4,889,900	4,935,500	4,930,000	— 14,250	4,926,100	4,608,450

*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 19, 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 28, 1945

(Figures in thousands of barrels of 42 gallons each)

District—	% Daily Crude Runs		Production of Gasoline		*Stocks of Gas Oil	*Stocks of Residual Fuel Oil	*Stocks of Gasoline	*Stocks of Distillate Fuel	*Stocks of Residual Fuel Oil
	Refining to Still	Capac. Aver. % Op-erating	Inc. Blended	at Ref. & Dist.					
East Coast	99.5	808	102.1	1,934	9,083	6,389	5,770	7,622	
Appalachian									
District No. 1	76.8	96	65.8	346	537	266	1,562	1,271	
District No. 2	81.2	53	106.0	114	114	120	225	1,073	
Ind., Ill., Ky.	87.2	821	95.8	2,952	5,083	2,701	5,976	13,228	
Okl., Kan., Mo.	78.3	389	82.9	1,478	2,263	1,395	1,746	6,549	
Inland Texas	59.8	248	75.2	1,013	552	969	1,103	1,677	
Texas Gulf Coast	89.3	1,209	97.7	4,115	5,625	5,526	10,561	5,588	
Louisiana Gulf Coast	96.8	264	101.5	974	1,683	1,091	2,171	2,312	
No. La. & Arkansas	55.9	85	67.5	255	960	206	137	1,677	
Rocky Mountain									
District No. 3	17.1	13	100.0	44	21	38	10	87	
District No. 4	72.1	113	71.1	372	340	608	625	1,535	
California	87.3	897	90.0	2,509	9,810	22,974	9,845	3,658	
Total U. S. B. of M.	85.8	4,996	91.9	16,106	36,071	42,283	39,731	46,277	
Total U. S. B. of M.	85.8	4,927	90.7	15,430	35,458	42,480	39,877	46,253	
U. S. B. of M. basis	4,629	14,123	37,805	56,667	36,988	44,308			

*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 11,314,000 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 1,438,000 barrels of kerosene, 4,598,000 barrels of gas oil and distillate fuel oil and 9,586,000 barrels of residual fuel oil produced during the week ended July 28, 1945, which compares with 1,442,000 barrels, 5,090,000 barrels and 9,071,000 barrels, respectively, in the preceding week and 1,321,000 barrels, 4,801,000 barrels and 8,732,000 barrels, respectively, in the week ended July 29, 1944.

Note—Stocks of kerosene at July 28, 1945, amounted to 11,081,000 barrels, as against 10,894,000 barrels as week earlier and 11,490,000 barrels a year before.

Weekly Goal and Coke Production Statistics

The total production of bituminous coal and lignite during the week ended July 28, 1945, is estimated by the United States Bureau of Mines at 11,930,000 net tons, an increase of 430,000 tons, or 3.7%, over the preceding week. Output in the corresponding week of 1944 was 12,385,000 tons. The total production of soft coal from Jan. 1 to July 28, 1945, is estimated at 340,591,000 net tons, a decrease of 3.7% when compared with the 364,969,000 tons produced during the period from Jan. 1 to Jan. 29, 1944.

Production of Pennsylvania anthracite for the week ended July 28, 1945, as estimated by the Bureau of Mines, was 1,189,000 tons, an increase of 13,000 tons (1.1%) over the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 34,000 tons, or 2.8%. The calendar year to date shows a decrease of 16.6% when compared with the corresponding period of 1944.

The Bureau also reports that the estimated production of beehive coke in the United States for the week ended July 28, 1945, showed a decrease of 4,500 tons when compared with the output for the week ended July 21, 1945; and was 36,000 tons less than for the corresponding week of 1944.

	Week Ended		July 29, 1944	Jan. 1 to Date	
	July 28, 1945	July 21, 1945		July 28, 1945	July 29, 1944
Bituminous coal & lignite—	11,930,000	11,500,000	12,385,000	340,591,000	364,969,000
Total, including mine fuel—	1,988,600	1,917,000	2,064,000	1,921,000	2,039,000

*Revised. †Subject to current adjustment.

	Week Ended			Calendar Year to Date		
	July 28, 1945	July 21, 1945	July 29, 1944	July 28, 1945	July 29, 1944	July 31, 1937
Penn. anthracite—	1,189,000	1,176,000	1,223,000	31,257,000	37,466,000	31,225,000
*Total incl. coll. fuel	1,189,000	1,176,000	1,223,000	31,257,000	37,466,000	31,225,000
†Commercial produc.	1,141,000	1,129,000	1,174,000	30,008,000	35,967,000	29,664,000
Beehive coke—	103,400	108,300	139,400	3,474,600	4,433,000	2,115,500

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

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

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

State—	Week Ended		
	July 21, 1945	July 14, 1945	July 22, 1944
Alabama	379,000	398,000	355,000
Alaska	6,000	6,000	7,000
Arkansas and Oklahoma	93,000	88,000	87,000
Colorado	124,000	125,000	117,000
Georgia and North Carolina	—	1,000	1,000
Illinois	1,190,000	1,369,000	1,409,000
Indiana	574,000	593,000	553,000
Iowa	42,000	47,000	49,000
Kansas and Missouri	99,000	113,000	150,000
Kentucky—Eastern	945,000	936,000	975,000
Kentucky—Western	408,000	403,000	405,000
Maryland	40,000	40,000	41,000
Michigan	2,000	2,000	2,000
Montana (bitum. & lignite)	33,000	112,000	83,000
New Mexico	31,000	29,000	31,000
North & South Dakota (lignite)	41,000	44,000	37,000
Ohio	768,000	770,000	652,000
Pennsylvania (bituminous)	2,752,000	2,865,000	2,946,000
Tennessee	138,000	131,000	155,000
Texas (bituminous & lignite)	1,000	1,000	2,000
Utah	124,000	131,000	131,000
Virginia	338,000	365,000	376,000
Washington	27,000	18,000	28,000
West Virginia—Southern	2,010,000	2,030,000	2,177,000
West Virginia—Northern	1,095,000	1,180,000	1,047,000
Wyoming	190,000	195,000	157,000
Other Western States	—	1,000	—
Total bituminous & lignite	11,500,000	12,010,000	11,973,000

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

Electric Output for Week Ended Aug. 4, 1945 Exceeds That for Same Week Last Year by 0.7%

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 Aug. 4, 1945, was approximately 4,432,304,000 kwh., which compares with \$4,399,433,000 kwh. in the corresponding week a year ago and 4,434,841,000 kwh. in the week ended July 28, 1945. The output of the week ended Aug. 4, 1945, was 0.7% in excess of that for the same week last year.

Major Geographical Divisions—	Week Ended			
	Aug. 4	July 28	July 21	July 14
New England	+2.1	+1.5	+1.0	+2.6
Middle Atlantic	+1.6	+2.8	+3.0	+1.4
Central Industrial	+2.4	+0.4	+1.3	+2.8
West Central	+5.4	+5.8	+2.9	+2.6
Southern States	+6.9	+6.5	+4.1	+2.4
Rocky Mountain	+0.9	+1.8	+1.6	+1.9
Pacific Coast	+2.2	+4.1	+5.0	+6.8
Total United States	0.7	1.0	0.1	+1.9

*Decrease under similar week in previous year.

Week Ended—	1945	1944	% Change over 1944	1943	1932	1929
May 5	4,397,330	4,233,756	+ 3.9	3,903,723	1,436,928	1,698,942
May 12	4,302,381	4,238,375	+ 1.5	3,969,161	1,435,731	1,704,428
May 19	4,377,221	4,245,678	+ 3.1	3,992,250	1,425,151	1,705,460
May 26	4,329,605	4,291,750	+ 0.9	3,990,040	1,381,452	1,615,085
June 2	4,203,502	4,144,490	+ 1.4	3,925,893	1,435,471	1,689,925
June 9	4,327,028	4,264,600	+ 1.5	4,040,376	1,441,532	1,699,227
June 16	4,348,413	4,287,251	+ 1.4	4,098,041	1,440,541	1,702,501
June 23	4,358,277	4,325,417	+ 0.8	4,120,038	1,456,961	1,723,428
June 30	4,353,351	4,327,359	+ 0.6	4,110,793	1,341,730	1,592,075
July 7	4,378,426	4,340,854	+ 1.0	4,199,398	1,415,704	1,711,625
July 14	4,295,254	4,377,152	— 1.9	4,184,143	1,433,903	1,727,225
July 21	4,384,547	4,380,930	+ 0.1	4,196,357	1,440,386	1,732,031
July 28	4,434,841	4,				

Revenue Freight Car Loadings for the Week Ended July 28, 1945 Increased 3,948 Cars

Loading of revenue freight for the week ended July 28, 1945, totaled 886,271 cars, the Association of American Railroads announced on Aug. 2. This was a decrease below the corresponding week of 1944 of 23,219 cars, or 2.6%, but an increase above the same week in 1943 of 746 cars or 0.1%.

Loading of revenue freight for the week of July 28 increased 3,948 cars, or 0.4% above the preceding week.

Miscellaneous freight loading totaled 390,700 cars, a decrease of 1,212 cars below the preceding week, and a decrease of 10,005 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 103,507 cars, a decrease of 177 cars below the preceding week and a decrease of 338 cars below the corresponding week in 1944.

Coal loading amounted to 173,075 cars, an increase of 4,192 cars above the preceding week, but a decrease of 6,464 cars below the corresponding week in 1944.

Grain and grain products loading totaled 67,849 cars a decrease of 703 cars below the preceding week but an increase of 10,441 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of July 28 totaled 43,658 cars, a decrease of 1,704 cars below the preceding week but an increase of 3,933 cars above the corresponding week in 1944.

Livestock loading amounted to 14,353 cars, an increase of 673 cars above the preceding week but a decrease of 525 cars below the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of July 28 totaled 10,522 cars, an increase of 788 cars above the preceding week, and an increase of 326 cars above corresponding week in 1944.

Forest products loading totaled 46,213 cars, an increase of 2,199 cars above the preceding week but a decrease of 6,899 cars below the corresponding week in 1944.

Ore loading amounted to 76,258 cars, a decrease of 454 cars below the preceding week and a decrease of 8,915 cars below the corresponding week in 1944.

Coke loading amounted to 14,316 cars a decrease of 570 cars below the preceding week, and a decrease of 514 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944. All districts reported decreases compared with 1943, except the 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
4 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
4 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
Week of July 28	886,271	909,490	885,525
Total	24,640,211	24,745,031	23,786,705

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 28, 1945. During the period 61 roads showed increases when compared with the corresponding week a year ago.

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	288	285	235	1,377	1,419
Bangor & Aroostook	1,344	1,065	939	325	530
Boston & Maine	6,699	6,670	6,394	12,517	14,014
Chicago, Indianapolis & Louisville	1,141	1,265	1,432	1,935	2,130
Central Indiana	38	29	29	46	68
Central Vermont	1,030	1,156	1,078	2,093	2,382
Delaware & Hudson	4,897	5,232	6,717	11,383	12,956
Delaware, Lackawanna & Western	7,659	8,059	7,909	11,583	10,860
Detroit & Mackinac	269	198	190	1,425	1,440
Detroit, Toledo & Ironton	1,775	1,758	2,132	2,304	2,666
Detroit & Toledo Shore Line	397	325	290	2,304	2,666
Erie	13,268	13,403	14,448	15,694	18,033
Grand Trunk Western	3,691	4,027	3,743	7,977	7,834
Lehigh & Hudson River	149	161	158	3,440	2,623
Lehigh & New England	2,155	2,038	2,090	1,032	1,782
Lehigh Valley	8,832	8,871	9,052	11,085	16,034
Maine Central	2,783	2,356	2,284	2,688	2,736
Monongahela	6,436	6,477	6,388	333	349
Montour	2,865	2,634	2,245	19	14
New York Central Lines	51,889	52,749	56,789	49,826	55,722
N. Y., N. H. & Hartford	10,081	9,216	9,903	16,579	18,222
New York, Ontario & Western	895	1,296	1,280	3,245	3,246
New York, Chicago & St. Louis	7,396	6,686	7,561	14,947	16,169
N. Y., Susquehanna & Western	404	402	460	2,087	2,196
Pittsburgh & Lake Erie	7,192	8,112	7,686	9,701	9,049
Peré Marquette	5,212	5,755	5,017	7,223	7,984
Pittsburgh & Shawmut	883	865	906	34	22
Pittsburgh, Shawmut & North	228	366	426	236	269
Pittsburgh & West Virginia	968	1,394	998	2,724	3,103
Rutland	378	399	350	1,170	1,140
Wabash	6,625	6,181	5,404	10,907	12,455
Wheeling & Lake Erie	6,554	6,170	5,293	4,274	4,536
Total	164,421	165,610	169,806	210,349	232,021
Allegheny District—					
Akron, Canton & Youngstown	805	741	798	1,020	1,284
Baltimore & Ohio	48,190	48,423	43,718	27,092	31,458
Bessemer & Lake Erie	6,312	7,251	6,066	2,121	2,294
Buffalo Creek & Gauley	1	1	289	1	1
Cambria & Indiana	1,618	1,708	1,832	9	8
Central R. R. of New Jersey	6,615	7,152	7,325	18,219	20,953
Corwall	452	478	686	46	63
Cumberland & Pennsylvania	171	214	227	16	12
Ligonier Valley	136	150	133	72	53
Long Island	2,632	2,611	1,857	4,337	4,862
Penn.-Reading Seashore Lines	1,651	1,603	1,720	2,288	2,847
Pennsylvania System	90,391	91,420	90,013	62,978	67,793
Reading Co.	15,029	14,257	16,356	27,307	30,055
Union (Pittsburgh)	19,174	19,563	22,072	7,389	7,711
Western Maryland	4,038	4,708	4,344	12,603	13,145
Total	197,214	200,279	197,436	165,497	182,538
Chesapeake District—					
Chesapeake & Ohio	28,981	29,849	29,015	14,845	13,800
Norfolk & Western	21,206	22,258	22,885	7,578	8,656
Virginian	4,590	4,752	5,016	2,151	2,218
Total	54,777	56,859	56,916	24,574	24,674

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	554	428	271	302	497
Atl. & W. P.—W. R. R. of Ala.	796	798	631	2,336	2,228
Atlanta, Birmingham & Coast	916	882	848	1,118	1,312
Atlantic Coast Line	9,459	10,086	11,368	9,090	9,823
Central of Georgia	3,784	3,915	3,784	4,300	5,423
Charleston & Western Carolina	865	712	372	2,094	1,661
Clinchfield	1,963	1,942	1,793	3,333	3,095
Columbus & Greenville	252	197	311	223	281
Durham & Southern	87	127	113	654	541
Florida East Coast	760	832	1,483	1,038	1,391
Gainesville Midland	47	48	48	114	107
Georgia	1,401	1,324	1,074	2,841	2,280
Georgia & Florida	600	399	491	562	690
Gulf, Mobile & Ohio	4,854	4,558	3,846	5,045	4,655
Illinois Central System	27,183	28,165	28,498	16,657	16,722
Louisville & Nashville	27,025	26,915	25,885	12,608	11,804
Macon, Dublin & Savannah	285	206	258	715	721
Mississippi Central	413	315	267	525	870
Nashville, Chattanooga & St. L.	3,267	3,155	3,284	4,316	4,741
Norfolk Southern	1,023	1,626	1,591	1,275	1,651
Piedmont Northern	429	382	350	1,275	1,179
Richmond, Fred. & Potomac	521	440	434	8,564	10,816
Seaboard Air Line	8,879	9,701	9,629	7,815	8,736
Southern System	26,372	26,212	22,076	25,087	25,441
Tennessee Central	604	662	520	908	770
Winston-Salem Southbound	132	127	100	1,035	1,005
Total	122,471	124,154	119,325	113,811	118,451
Northwestern District—					
Chicago & North Western	19,782	19,829	22,313	15,200	13,627
Chicago Great Western	2,262	2,574	2,849	3,615	3,219
Chicago, Milw., St. P. & Pac.	22,856	22,578	21,171	11,449	10,493
Chicago, St. Paul, Minn. & Omaha	3,511	3,193	4,191	4,048	3,874
Duluth, Missabe & Iron Range	26,225	30,502	27,335	346	307
Duluth, South Shore & Atlantic	705	548	1,024	545	425
Elgin, Joliet & Eastern	8,340	9,559	8,610	9,335	10,899
Ft. Dodge, Des Moines & South	387	426	448	119	84
Great Northern	20,771	24,201	26,935	9,776	7,200
Green Bay & Western	386	475	422	901	1,036
Lake Superior & Ishpeming	2,114	2,562	2,679	68	48
Minneapolis & St. Louis	2,241	2,168	2,027	2,767	2,678
Minn., St. Paul & S. S. M.	6,794	7,769	7,106	3,351	3,225
Northern Pacific	11,674	12,207	11,647	6,880	6,405
Spokane International	340	178	204	607	627
Spokane, Portland & Seattle	2,927	3,256	2,881	4,747	3,431
Total	131,315	141,705	141,843	73,754	67,578
Central Western District—					
Atch., Top. & Santa Fe System	29,253	29,045	21,339	16,083	13,469
Alton	3,629	3,624	3,367	3,705	4,411
Bingham & Garfield	320	321	462	88	78
Chicago, Burlington & Quincy	21,813	20,885	22,308	13,529	12,958
Chicago & Illinois Midland	3,037	3,256	3,000	839	810
Chicago, Rock Island & Pacific	13,177	14,887	13,064	14,755	13,742
Chicago & Eastern Illinois	3,082	2,850	2,520	4,672	6,621
Colorado & Southern	753	765	899	3,346	2,450
Denver & Rio Grande Western	3,475	4,161	3,990	7,323	5,913
Denver & Salt Lake	621	755	709	76	15
Fort Worth & Denver City	860	1,126	988	2,293	2,053
Illinois Terminal	2,028	2,610	1,856	2,267	2,240
Missouri-Illinois	1,265	1,193	1,207	720	561
Nevada Northern	1,384	1,658	1,362	120	113
North Western Pacific	963	1,124	959	1,080	967
Peoria & Pekin Union	10	11	11	0	0
Southern Pacific (Pacific)	34,004	34,320	33,399	14,489	15,111
Toledo, Peoria & Western	370	304	269	2,062	2,001
Union Pacific System	19,390	18,618	16,306	21,756	17,990
Utah	618	449	602	6	7
Western Pacific	2,340	2,066	2,604	4,692	4,327
Total	142,392	144,018	131,821	113,901	105,867
Southwestern District—					
Burlington-Rock Island	422	777	386	805	312
Gulf Coast Lines	4,591	5,549	4,504	2,520	2,644
International-Great Northern	2,729	2,758	1,840	3,198	3,698
Kansas, Oklahoma & Gulf	369	318	325	1,069	981
Kansas City Southern	3,517	5,907	4,876	3,368	2,881
Louisiana & Arkansas	3,278	3,859	3,206	2,666	2,658
Litchfield & Madison	357	319	349	1,306	1,249
Midland Valley	761	737	709	549	434
Missouri & Arkansas	213	167	207	536	344
Missouri-Kansas-Texas Lines	6,790	6,751	5,415	4,515	5,260
Missouri Pacific	19,997	18,469	17,325	18,366	19,180
Quanahe Acme & Pacific	122	65	63	463	428
St. Louis-San Francisco	10,778	10,077	9,224	8,513	8,764
St. Louis-Southwestern	3,870	3,234	2,703	6,253	7,516
Texas & New Orleans	9,767	12,288	11,762	5,476	5,800
Texas & Pacific	6,100	5,440	5,321	7,225	8,053
Wichita Falls & Southern	10				

Items About Banks, Trust Companies

Frank K. Houston, President of the Chemical Bank & Trust Company of New York, announces the appointment of Pierce Onthank as Assistant Vice-President. Mr. Onthank is a graduate of Williams College and the Harvard School of Business, and began his banking career in 1927 with the First National Bank of Boston, Mass. In June, 1940 he was elected Vice-President of the New London City National Bank of New London, Conn., becoming President of that bank in 1941. He will report for duty with the Chemical on Sept. 4.

Irving Trust Company of New York announced on Aug. 2 the promotion of George W. Dietz, Morgan S. MacDonald, and John F. McIlwain from the rank of Assistant Secretary to Assistant Vice-President. Mr. Dietz is associated with the company's out of town business, Mr. MacDonald with its New York City business and Mr. McIlwain with its personal trust business.

At a meeting of the board of directors of Sterling National Bank & Trust Co. of New York, on Aug. 2, Henry W. Drath was elected an Assistant Vice-President. He will be in the foreign department of the bank's main office at Broadway and 39th Street. Mr. Drath was formerly in the foreign department of the Chase National Bank at the main office, and before the war traveled extensively in European countries on the bank's behalf.

Alvin G. Brush, Chairman of the board of American Home Products Corp., was elected to the board of directors of Manufacturers Trust Co. at a meeting held on Aug. 6. Mr. Brush is also a director of Buck Hill Falls Co., H. D. Roosen Co., and Stevens Nelson Paper Co. He has been Chairman of the board of American Home Products Corp. since 1935. In addition to his business affiliations Mr. Brush is also a trustee of Long Island College of Medicine.

David M. Williams, Executive Vice-President of the Washington Irving Trust Co. of Port Chester and Tarrytown, N. Y., died on July 30. He was 57 years of age. In the New York "Sun" of Aug. 1 it was stated:

"He became Executive Vice-President of the bank when it assumed the deposit liabilities of the First National Bank of Port Chester in 1941. He had been Assistant to the President of the latter institution. Active in civic work, Mr. Williams was an organizer of the community chest, a former President of the Rotary Club, and an officer or member of other groups."

State Street Trust Co. of Boston directors, according to the "Boston News Bureau," have voted to recommend to stockholders the reduction of the present par value of the bank's shares from \$100 to \$20, each old share to be exchanged for five new shares and the total capital stock to be increased from 40,000 to 200,000 shares. From the same news account we quote:

"They also have voted the transfer, effective immediately, of \$1,000,000 from undivided profits to the present surplus of \$5,000,000. After this transfer the bank will have capital of \$4,000,000, surplus of \$6,000,000 and, on the basis of the July 1, 1945, figures, undivided profits of \$1,213,907.

"A meeting of stockholders to pass upon the recommendations will be called for Monday, September 10."

Kelley Graham, President of the First National Bank of Jersey City, N. J., and Louis R. Buckbee, President of the Harrison

National Bank of Harrison, N. J., have announced that a consolidation of the two banks is under consideration by their respective boards of directors. Preliminary discussions have disclosed considerable interest in the proposed step, it is stated.

The advices also state: "The Jersey City institution is desirous of extending its activities in this section of the county and the management of the Harrison National Bank is aware of the greater scope of service which may be rendered to the community by such a consolidation, the First National Bank of Jersey City having a much larger capital structure. Both institutions have shown continued substantial growth in number of depositors as well as in deposits, and their combined total assets would make one of the largest banks in Hudson County.

"It is contemplated that the present office of the Harrison National Bank will be known as the Harrison Office of the First National Bank of Jersey City. Horatio W. Manning, at present Vice-President of the Harrison National Bank, will be Vice-President of the consolidation institution in charge of the Harrison Office."

President John K. Thompson of the Union Bank of Commerce of Cleveland reported on July 25 that the bank's net profit for six months ended June 30, 1945, after transfers to reserves was \$304,984. This is equal to \$8.64 a share on the 35,300 outstanding shares of capital stock. In the corresponding period last year net profit was \$214,896, or \$6.09 a share. Net earnings from current operations in the first half of 1945 before transfers to reserves were \$442,970, or \$12.55 a share, comparing with \$335,255, or \$9.50 a share, in the first half of 1944. It is also stated that Union Bank of Commerce has an asset of substantial value in capital stock of Union Properties, Inc. Nothing is included in the foregoing earnings figures relating to this asset.

The Cleveland Trust Co. of Cleveland, O., announced on July 29 the promotion of Harold A. Wood from manager of the bank's credit department to Assistant Treasurer and the appointment of Wilbur G. Wheeler as manager of the credit department, according to the Cleveland "Plain Dealer."

Election of directors for the newly organized Kenosha National Bank, of Kenosha, Wis., was announced simultaneously with the report that all of the stock had been subscribed, and that the maximum number of stockholders, 100, had been reached. This is learned from special advices from Kenosha to the Minneapolis "Journal" which also said:

"The directors are Judge Edward J. Ruetz, Ald. John T. Steinmetz, Hans Guttormsen and H. C. Hyslop, businessmen; Chris A. Juliani and Leo E. Vaudreuil, attorneys, and Daniel H. Cooney, formerly of Sheboygan, who will be in charge of the business of the bank.

"The bank is capitalized at \$200,000. The new bank will occupy quarters of the former United States National Bank and is expected to open for business about Sept. 1."

Directors of First Bank Stock Corp. of Minneapolis, it is learned from the Minneapolis "Journal" of July 20, have declared a semi-annual dividend of 40 cents per share on capital stock of the corporation, payable Sept. 10, to stockholders of record at close of business Aug. 17. The advices also stated:

"Total to be paid amounts to \$1,132,475.20. A dividend of 35

cents per share, amounting to \$990,915.80, was paid to stockholders on March 12.

"The 72 bank affiliates of First Bank Stock Corp. had combined net operating earnings for the first half of 1945 aggregating \$2,906,537.

"The portion thereof applicable to the parent corporation, together with results of the operations of the corporation and other active affiliates, produced combined net operating earnings of \$2,786,659 or the equivalent of 98 cents per share on the 2,831,188 shares of stock outstanding on June 30, 1945.

"The latter figure compares with combined net operating earnings of \$2,413,492, equal to 85 cents per share, for the first half of 1944."

After 60 years of active business life, Theodore Albrecht, Vice-President of Northwest Bancorporation of Minneapolis, announced on Aug. 1 his retirement, effective at once. Mr. Albrecht, says the Minneapolis "Journal," became Vice-President of Banco in 1929, when that organization acquired control of the Union Investment Co., of which he was President. From the paper indicated we also quote:

He helped organize a number of banks in North Dakota and Minnesota, at one time being a director in 26 banks. In 1911 he was elected Secretary of the Union Investment Co. of Minneapolis, which was formed in 1903 and is the oldest group banking organization in the United States. He assumed the Presidency of that firm in 1921.

At the time Northwest Bancorporation acquired control of it, Union Investment Co. included 32 banks in Minnesota, North Dakota and Wisconsin.

In his duties as Vice-President of Banco, Mr. Albrecht continued to serve as President of Union Investment and of Northwest Mortgage Co., also a Banco subsidiary.

The First National Bank of Atlanta, Ga., announces that Frank F. Davis resumed his position Aug. 1 as Vice-President of the bank following his release as a lieutenant-colonel in the United States Army.

Mills B. Lane, Chairman of the board of the Citizens & Southern National Bank and founder and first President of the Georgia Bankers Association, died on Aug. 6. Associated Press advices from Savannah, in reporting his death, said:

His father established the private banking house of R. Y. Lane & Company in Valdosta, Ga., after the Civil War, and Mr. Lane went to work there in 1881 after two years at Vanderbilt University. In 1888, with his father, he organized the Merchants Bank of Valdosta. He came to Savannah in 1891 as Vice-President of the Citizens Bank of Savannah, predecessor of the Citizens & Southern National Bank. Mr. Lane was President from 1901 to 1923, when he became Chairman of the board.

He was Vice-President and director of the Savannah Sugar Refinery and director of the Ocean Steamship Company, the Savannah & Atlantic Railway, and several other corporations. His family includes four sons, viz.: Mills B. Lane, Jr., First Vice-President of the Citizens & Southern National Bank; Hugh Comer Lane, President of the Citizens & Southern National Bank of South Carolina; Romer Young Lane and Edward Lane. Mr. Lane was 84 years of age.

The recently authorized increase in the capital and surplus of the Republic National Bank of Dallas, Tex., was ratified at a special meeting of the shareholders recently. In reporting this

advice in the Dallas "Times-Herald" July 24 said:

"The stockholders adopted a resolution, voted by the directors July 10, authorizing an increase in the capital and surplus of the bank to \$20,000,000. The capital stock will be increased from \$7,500,000 to \$10,000,000 and the surplus from \$7,500,000 to \$10,000,000.

"At present there are 375,000 shares of stock outstanding and the stockholders' resolution provides for the issuance of 125,000 additional shares at \$40 per share, with preemptive 'rights' to the shareholders of record as of July 24, 1945, subject to payment not later than Aug. 14. Three 'rights' will be required for each new share of stock obtained at \$40 per share.

"The \$5,000,000 increase in our structure was voted by the directors and stockholders," said Fred F. Florence, President of the bank, "because of the increase in the volume of business and in anticipation of the expansion and new installations in the South by national and state concerns which view the post-war potentialities of this area with great favor."

W. W. Gibbs, Jr., a Vice-President of the Security-First National Bank of Los Angeles and the founder and first President of the Los Angeles chapter of the American Institute of Banking, died on July 25 from a heart attack while on his way home from the bank, according to the Los Angeles "Times." He was 72 years of age.

Sir Frederick Williams-Taylor, director of the Bank of Montreal and one of Canada's leading bankers and a prominent figure in international finance, died at Montreal on Aug. 2. He was 82 years of age.

Harbor Improvement Project Voted

A bill authorizing expenditure of \$2,738,000 for harbor improvements at Savannah, Ga., and \$1,867,000 at Two Harbors, Minn., was vetoed by President Truman on July 31, according to special advices to the New York "Times" from Washington, on that date. The President, in his veto message, expressed objection to the bill on the ground that, as passed by the House, it omits a provision deferring construction of the project until after the war unless needed in the prosecution of the war.

"It seems to me that piecemeal legislation of this nature is inappropriate," the "Times" reported, the President to have said, "since it does not take into account a well-considered and well-rounded plan for projects to be undertaken in a definite order of national preference and desirability.

"Approval of the bill under consideration would permit, upon the availability of funds therefor, the immediate undertaking of these two projects and thus place them in a status preferential to the large number of projects that have been authorized by Congress during the war period which are not essential to the prosecution of the war."

The "Times" further said: "Delivery of the President's veto message to the clerk of the House posed a parliamentary problem for which there was no precedent.

"If the House now stood adjourned the bill would be considered dead since there would be no later opportunity for a taking of a vote to override the veto. But since the House is in recess until Oct. 8, the question arises whether it will have an opportunity to vote on a motion to override after it is reconvened.

"This parliamentary question cannot be decided until the Representatives meet in the fall, the House Parliament said."

Mutual Bank Deposits, Assets at New Peak

Further gains in deposits, number of depositors and assets during the first six months of the year have been announced by the National Association of Mutual Savings Banks, bringing these totals to new record levels. Today mutual institutions are serving the largest number of the people in their 129 years of operation, safeguarding the greatest sum of small capital ever held by one group of banks, according to the announcement issued Aug. 3.

Commenting upon the significance of this accumulated capital, President Isaac W. Roberts of the Association and President of The Philadelphia Saving Fund Society, said: "As the Pacific war progresses and draws to a close, more and more active consideration will be given to the task of conversion and the economy necessary to an orderly change from war to peace. The too early and too rapid removal of price control, accompanied by the unleashing of pent-up purchasing power and before a reasonable balance between supply and demand has been established, easily might produce disastrous inflation."

Deposits in the first six months were increased by \$1,046,602,570, the largest increase ever registered for mutual deposits in a six-month period, the present top mark being \$14,378,413,200. Increase of assets balanced the gain in deposits—this asset gain amounting to \$1,140,682,415, a total of \$15,953,333,612.

From the advices of the Association we also quote:

"According to mutual savings bank officials the number of depositors is a tested guide of savings trends. The increase of mutual depositors in the first half year was 404,504, raising the total to the record of 16,725,733. As each account usually represents the welfare of at least two persons, the figures indicate that at least a fourth of the American people have a first line of defense in their mutual savings accounts.

"Combined surplus of mutual savings banks rose by \$85,135,960 to the high point of \$1,539,874,268, which established a surplus ratio of 10.7%, one of the most substantial afforded any large sum of small capital.

"Although deposits were brought to an imposing total, the average passbook balances for 16 millions of accounts was \$859.66, which included all types of special purpose accounts, such as Christmas Clubs and school savings. Regular accounts—far in the majority—averaged \$1,052.06. The average dividend rate paid upon deposits was 1.70%.

"While assisting the public in every possible way with its day to day banking in limited sums, every mutual savings bank is a distributing agency of War Savings Bonds and has helped the public to buy \$2 billions of these securities."

New Argentine Bond Issue

The Federal Reserve Bank of New York announced on Aug. 4 the receipt from the Banco Central de la Republica Argentina, at Buenos Aires, of the following cablegram dated Aug. 2:

"Argentine Government will offer for public subscription during period between 6th and 9th August 100,000,000 pesos new bonds to be called Credito Argentino Interno 3% 1945-55 with cumulative sinking fund 2% per annum during first five years and 16.612% during remaining five years. Sinking fund will operate quarterly, both cases. Net placing price 94.50%. Amount to be offered may be increased within total authorized amount 300,000,000 pesos after reserve of up to 20% has been set aside for market regulation purposes."