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The Financial Situation

Until last week, at any rate, no topic had so extensively engaged the attention of the public and, in a sense, of official Washington, as "reconversion," yet there is all too much reason to fear that the end of the war has caught the Government unprepared to do what it must do if industry is to do what is demanded of it during the months ahead. Nor can it be reasonably argued that the cessation of hostilities at this early date is a particularly great surprise—at least to those who have been guiding the affairs of the nation and who are and have been responsible for preparation for peace. Even if Japan had chosen to commit national hara kiri the struggle could not have continued many months longer, and in the circumstances avoidance of the ultimate in fanatical self-sacrifice has for some time appeared altogether too probable to be brushed aside.

Government Tasks

The obligations resting upon the Federal Government are both specific and general. It may well be that the latter are in the long run more important than the former, but both are vital enough. The nature of the more specific tasks may be illustrated quite simply. Apart from demobilization of the men in the armed forces and problems immediately connected therewith, they for the most part have to do with the Government's own immediate and direct part in enabling business to reconvert promptly to peacetime operations. According to a report issued recently by the Securities and Exchange Commission, some 408 manufacturing corporations engaged in war production carried on their books at the end of 1944 taxes accrued on 1944 operations and payable to the Federal Government during 1945 in the amount of \$3,625 million. On the same

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We Must Not, Indeed!

"A score of Fascist nations have shifted to Communism, and half a dozen nations once liberty-loving are shifting to Socialism. The most recent chapter is the Socialist victory in Britain.

"Whatever the particular name of these European systems may be, whether it be Communism, Socialist or the decoy term, 'planned economy,' they are all collectivist. They all have a common base in bureaucratic power over the liberties and economic life of the people.

"The less violent forms claim that government can dictate or operate economic life and still preserve personal liberty. But history shows over and over again that bureaucrats, to stay in power and to enforce their ideas, must in the end dominate the making of laws, the press, the courts and the police.

"Inevitably and invariably, the totalitarian 'liberals' find themselves whittling away the freedom of men. Their utopia is a will-o'-the-wisp that leads implacably to the swamps of serfdom.

"You have seen a form of collectivism in our own country. You are familiar with the pre-war growth of governmental power over our own citizens. To this are added the controls necessary to win the war.

"Indeed, the time has come when America should again proclaim our faith. We should proclaim our resolution to hold it. We should cease

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Herbert Hoover

Japan Surrenders Pres. Truman Reports on Potsdam

Announcement of the Japanese surrender and the end of the war was made by President Truman on August 14 at a special press conference held at the Executive Offices at 7 p.m. Simultaneously with the announcement broadcast in this country, the acceptance by Japan of the allies' conditions of surrender was officially made known in London, England, Moscow, Russia, and Chungking, China.

President Truman's announcement of the Japanese Government's surrender was made in a statement as follows, according to United Press advices from Washington August 14:

"I have received this afternoon a message from the Japanese Government in reply to the message forwarded to that Government on Aug. 11. I deem this reply a full acceptance of the Potsdam declaration, which specifies the unconditional surrender of Japan. In the reply there is no qualification.

"Arrangements are now being made for the formal signing of surrender terms at the earliest possible moment.

"General Douglas MacArthur has been appointed the Supreme Allied Commander to receive the Japanese surrender. Great Britain, Russia and China will be represented by high-ranking officers.

"Meantime, the Allied armed forces have been ordered to suspend offensive action.

(The Allies' first order to Japan, issued at once by President Truman, was for the Japanese to stop the war on all fronts.)

"The proclamation of V-J Day must wait upon the formal signing of the surrender terms by Japan."

The text of the Japanese surrender statement as broadcast on Aug. 14 and given in the New York "Times" of Aug. 15 follows: "Communication of the Japanese Government of Aug. 14, 1945, addressed to the Governments of the United States, Great Britain, the Soviet Union and China.

"With reference to the Japanese Government's note of Aug. 10 regarding their acceptance of the provisions of the Potsdam Declaration and the reply of the Governments of the United States,

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Warns Japan to Accept Terms. Says We Must Have Bases for Military Protection and Reiterates There Were No Secret Agreements Among "Big Three." Calls for End of "Selfish Control" of International Waterways. Reveals Secret of Atom Bomb Remains With Ourselves, Great Britain and Canada Who Will "Constitute Themselves Trustees of This New Force." Will Continue "March to a Lasting Peace."

Pres. Harry S. Truman in a radio address on August 9 to the nation on the Potsdam Conference stated emphatically that "we

must do all we can" to spare the nation from the ravages of a future war, and to that end "we are going to maintain military bases necessary to the complete protection of our interests and of world peace." "We will acquire these bases," he said, "by arrangements consistent with the United Nations Charter."

He warned Japan against a continuation of the conflict and spoke of the atom bomb as a development necessary to offset the plans of the Hitler Government to produce the same



President Truman

weapon, saying, "We won the race of discovery against the Germans." He revealed that the secrets of the new weapon "are known only to the United States, Great Britain and Canada and that these nations will constitute themselves trustees of this new force," stating also that Russia had agreed to enter the war against Japan before the successful use of the bomb was demonstrated. He spoke of the problems confronting the Conference with relation to Poland and other devastated countries as well as the question of reparations and explained the basis on which agreements on these matters were arrived at and he warned that we must do all we can to help avert starvation and chaos in Europe. He concluded his address by asserting that democratic countries have proven themselves "more powerful, more enduring and more creative than any other

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From Washington Ahead of the News

By CARLISLE BARGERON

The report of the atomic bomb saddened this country. The impression is that the people as a whole shared none of the expressed high glee of our high officials. It is doubtful if we have yet realized its full significance, or just how devastating it can be and probably will be.

For example, you may be a man who has been making his

living and supporting his family out of the manufacture of textile products. It has been looked upon hitherto as a very legitimate trade, nothing that the young daughters or sons should be embarrassed about because their father was engaged in it. But supposing now that the State Department decides to barter him out of business in an agreement with Britain under the increased authority to negotiate reciprocal tariff treaties. The State Department would be doing this, in its wisdom, in the interest of world trade, and good neighborliness. If the manufacturer should happen to protest, he will be crucified in the welter of the great world-mindedness that has come to us. Doesn't he realize, he will be asked, that the world has shrunk. Doesn't he realize that there is now an atomic bomb loose in the world, and while we,



Carlisle Bargeron

Britain and Canada, for the present, have the secret of it sewed up, that other nations will soon get it, and therefore we cannot, under any circumstances give any offense to the other nations.

It seems that now that this world has shrunk, and incidentally, it was this Nation that shrunk it, not any foreign nation—no nation having yet shown that it can accomplish our chores—and therefore we have got to spend the rest of our lives kowtowing to these nations, giving them our substance, adjusting our way of living to them.

It might be thought that we have exaggerated the situation. But this correspondent saw a group of Californians come here to try to defeat the Mexican water treaty. They thought this treaty hurt them. Whether it does or not is something we can't pass upon. But the point is that this group of American citizens had not the slightest hearing. The State Department said the treaty was necessary to "implement" our international policy. If the treaty were not ratified, the Senate was told, and the Eastern newspapers wrote, the countries of the world, looking to us for cooperation, would be just downright heartbroken. It seems that these

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Text of Bill Increasing Lending Authority Of Export-Import Bank

The bill increasing the lending authority of the Export-Import Bank, which passed the House on July 13, and the Senate on July 20, became a law on July 31, when it was signed by President Truman while returning from the Berlin (Potsdam) conference. The House action on the bill, which increases the lending power of the Bank from \$700,000,000 to \$3,500,000,000 was referred to in these columns July 19, page 331. Approval of the bill by the President was noted in our Aug. 9 issue, page 639. The text of the newly enacted law follows.

(H. R. 3771)

An Act

To provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export-Import Bank Act of 1945."

Sec. 2. (a) The Export-Import Bank of Washington, District of Columbia, a banking corporation organized under the laws of the District of Columbia as an agency of the United States, is continued as an agency of the United States, and in addition to existing charter powers, and without limitation as to the total amount of obligations thereto of any borrower, endorser, acceptor, obligor, or guarantor at any time outstanding, it is hereby authorized and empowered to make loans, to discount, rediscount or guarantee notes, drafts, bills of exchange, and other evidences of debt, or participate in the same, for the purpose of aiding in the financing and facilitating of exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agency or nationals thereof. The Bank is hereby authorized to use all its assets, including capital and net earnings therefrom, and to use all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions as such agency.

(b) It is the policy of the Congress that the Bank in the exercise of its functions should supplement and encourage and not compete with private capital, and that loans, so far as possible consistently with carrying out the purposes of subsection (a), shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment.

Sec. 3. (a) (1) The management of the Export-Import Bank of Washington shall be vested in a Board of Directors consisting of the Administrator of the Foreign Economic Administration, who shall serve as Chairman, the Secretary of State, and three persons appointed by the President of the United States by and with the advice and consent of the Senate. The Secretary of State, to such extent as he deems it advisable, may designate to act for him in the discharge of his duties as a member of the Board of Directors any officer of the Department of State who shall have been appointed by and with the advice and consent of the Senate.

(2) If the Foreign Economic Administration ceases to exist in the Office for Emergency Management in the Executive Office of the President, the President of the United States shall appoint by and with the advice and consent of the Senate another member of the Board of Directors. The member so appointed shall serve for the remainder of the existing terms of the other three appointed members, but successors shall years. After the Foreign Economic Administration ceases to be a member of the Board of Directors the President of the United States shall, from time to time,

designate one of the members of the Board to serve as Chairman.

(3) Of the five members of the Board, not more than three shall be members of any one political party. Each of the appointed directors shall devote his time not otherwise required by the business of the United States principally to the business of the Bank. Before entering upon his duties each of the directors so appointed and each officer of the Bank shall take an oath faithfully to discharge the duties of his office. The terms of the appointed directors shall be five years, except that the terms of the directors first appointed shall run from the date of appointment until June 30, 1950. Whenever a vacancy occurs among the directors so appointed, the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the director whose place he is selected to fill. Each of the appointed directors shall receive a salary at the rate of \$12,000 per annum, unless he is an officer of the Bank, in which event he may elect to receive the salary of such officer. No director, officer, attorney, agent, or employee of the Bank shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly personally interested.

(b) A majority of the Board of Directors shall constitute a quorum.

(c) The Board of Directors shall adopt such bylaws as are necessary for the proper management and functioning of the Export-Import Bank of Washington, and may amend the same.

(d) There shall be an Advisory Board consisting of the Chairman of the Export-Import Bank of Washington, who shall serve as Chairman, the Secretary of State, the Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the Board of Governors of the Federal Reserve System, which shall meet at the call of the Chairman. The Advisory Board may make such recommendations to the Board of Directors as it deems advisable, and the Board of Directors shall consult the Advisory Board on major questions of policy.

(e) Until October 31, 1945, or until at least two of the members of the Board of Directors to be appointed have qualified as such directors, whichever is the earlier, the affairs of the Bank shall continue to be managed by the existing Board of Trustees.

(f) The Export-Import Bank of Washington shall constitute an independent agency of the United States and neither the Bank nor any of its functions, powers, or duties shall be transferred to or consolidated with any other department, agency, or corporation, of the Government unless the Congress shall otherwise by law provide.

Sec. 4. The Export-Import Bank of Washington shall have a capital stock of \$1,000,000,000 subscribed by the United States. Payment of \$1,000,000 of such capital stock shall be made by the surrender to the Bank for cancellation of the common stock heretofore issued by the Bank and purchased by the United States. Payment for \$174,000,000 of such capital stock shall be made by the surrender to the Bank for cancellation of the preferred stock heretofore issued

by the Bank and purchased by the Reconstruction Finance Corporation. Payment for the \$825,000,000 balance of such capital stock shall be subject to call at any time in whole or in part by the Board of Directors of the Bank. For the purpose of making payments of such balance, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this section of the subscription of the United States to the Bank and repayment thereof shall be treated as public-debt transactions of the United States. Certificates evidencing stock ownership of the United States shall be issued by the Bank to the President of the United States, or to such other person or persons as he may designate from time to time, to the extent of the common and preferred stock surrendered and other payments made for the capital stock of the Bank under this section.

Sec. 5. (a) The Secretary of the Treasury shall pay to the Reconstruction Finance Corporation the par value of the preferred stock upon its surrender to the Bank for cancellation. For the purpose of making such payments to the Reconstruction Finance Corporation the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this subsection to the Reconstruction Finance Corporation shall be treated as public-debt transactions of the United States.

(b) Any dividends on the preferred stock accumulated and unpaid to the date of its surrender for cancellation shall be paid to the Reconstruction Finance Corporation by the Bank.

Sec. 6. The Export-Import Bank of Washington is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations; but the aggregate amount of such obligations outstanding at any one time shall not exceed two and one-half times the authorized capital stock of the Bank. Such obligations shall be redeemable at the option of the Bank before maturity in such manner as may be stipulated in such obligations and shall have such maturity and bear such rate of interest as may be determined by the Board of Directors of the Bank with the approval of the Secretary of the Treasury. The Secretary of the Treasury is hereby authorized and directed to purchase any obligations of the Bank issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this section of the purchase price of such obligations of the Bank and repayments thereof by the Bank shall be treated as public-debt transactions of the United States.

Sec. 7. The Export-Import Bank of Washington shall not have outstanding at any one time loans and guaranties in an aggregate amount in excess of three and one-half times the authorized capital stock of the Bank.

Sec. 8. The provisions of the existing charter of the Bank relating to the term of its existence, to the management of its affairs, and to its capital stock are superseded by the provisions of this Act and the Bank shall be

exempt from compliance with any provisions of law relating to the amendment of certificates of incorporation or to the retirement or increase of stock of District of Columbia corporations and from the payment of any fee or tax to the Recorder of Deeds of the District of Columbia determined upon the value or amount of capital stock of the Bank or any increase thereof.

Sec. 9. The Export-Import Bank of Washington shall transmit to the Congress semi-annually a complete and detailed report of its operations. The report shall be as of the close of business on June 30 and December 31 of each year.

Sec. 10. Section 9 of the Act of Jan. 31, 1935 (49 Stat. 4, ch. 2), as amended, is repealed.

Sec. 11. Notwithstanding the provisions of the Act of April 13, 1934 (48 Stat., ch. 112, p. 574), any person, including any individual, partnership, corporation, or association, may act for or participate with the Export-Import Bank of Washington in any operation or transaction, or may acquire any obligation issued in connection with any operation or transaction, engaged in by the Bank.

Approved July 31, 1945.

UNRRA Budget Increase Sought By Lehman

An estimate that "more than \$2,000,000,000" in new funds will be necessary to carry on the task of the United Nations Relief and Rehabilitation Administration in 1946 was announced at London on Aug. 11 by Herbert H. Lehman, Director General of the UNRRA, because, he said, the work had been "suddenly doubled" by the approach of the end of the war in the Pacific. Only a few days before, Aug. 8, Mr. Lehman stated that more than \$1,500,000,000 additional funds would be required by the UNRRA for the coming year's operations. At that time he warned participating nations that the winter ahead may be "one of the grimmest in history" for the peoples of Europe unless supplementary aid to the funds originally appropriated be forthcoming in the near future.

Delegates of the 43 member nations were told by Mr. Lehman, the Associated Press reported from London, Aug. 8, that of the original contributions only \$175,000,000 would remain uncommitted by the end of 1945, and that unless further contributions are made "the name of the United Nations will be a mockery in Europe this winter." The Press advised on that date added:

Of the original total of \$1,862,387,598 pledged to finance the UNRRA activities, the United States authorized an expenditure of 72%. There was no change proposed in the plan for financing, so presumably the American Congress will be asked to appropriate the same proportion of the new levy.

"We stand before the crisis," Mr. Lehman said. "We must act and we must act now. It is inconceivable that the United Nations could abandon the peoples of the liberated areas of Europe at the moment of their greatest peril. They must be brought safely through the following harvest. Give them another year, and we can look forward with some confidence to a minimum of health and stability."

Mr. Lehman said that his estimates of the UNRRA needs for 1946 constituted no more than a tentative forecast.

Approval of Russia's recent request for \$700,000,000 worth of UNRRA supplies would boost the total for 1946 to close to \$2,300,000,000. The Soviet's application will probably be acted upon before the conference closes.

"The plain fact is," Mr. Lehman said, "that the resources provided for the UNRRA at the Atlantic City meeting are far from enough

to bring about even a minimum of relief and rehabilitation for countries requiring UNRRA assistance."

The UNRRA agreed at Atlantic City upon a financial system whereby so-called contributing countries would be assessed upon a basis of 1% of their national income for the 12-month period ending on June 30, 1943. A number of countries, then under German or Japanese occupation, were virtually bankrupt, without any ascertainable national income.

Mr. Lehman said that the UNRRA "has neither the authority nor the inclination to infringe in the slightest degree upon the sovereignty of any country," but he cautioned governments receiving UNRRA aid that it is "they who must collect and distribute their own resources, stamp out black markets and hold prices to a reasonable level."

He had a special word for China "behind the blockade," declaring that China is "enduring inflation and disease," and that the relief so far provided in that country "could hardly be called a beginning."

Mr. Lehman also noted that the chances of any meat shipments from the United States to liberated Europe before Oct. 1 were remote. "Against the UNRRA request of 167,000 long tons of food for shipment in August from the United States, the administration had received by June 30 commitments by the United States War Food Administration amounting to only 62,000 long tons," he added.

Mr. Lehman listed as some of the UNRRA accomplishments as follows:

Delivery of 1,250,000 tons of supplies worth \$295,000,000, landed cost, up to June 30.

Shipment of large quantities of supplies for agricultural rehabilitation, including tractors, farm machinery, farm animals, fertilizer and seeds.

Shipment of a limited amount of supplies for industrial rehabilitation, including machinery, repair parts, trucks and railroad cars.

Shipment of medical supplies to combat malaria and typhus.

He said that one of the biggest problems was securing inland transportation. He noted that the UNRRA now has roughly 4,000 persons on its rolls working with the military in repatriation of Europe's millions of displaced persons, and has another 1,000 workers awaiting assignment.

From London Aug. 11 Press advice said, UNRRA officials are considering an increase in assessments of the member nations by an additional 1% of national income to raise funds for the 1946 program. Member nations are now assessed 1% of national income, and unofficial estimates are that the United States' contribution would grow from \$550,000,000 to \$1,100,000,000 under the proposal, the dispatch added.

Sweden and Argentina Enter Trade Agreement

Argentina and Sweden agreed to "intensify their commercial interchange" in official notes exchanged on Aug. 4 at a ceremony attended by Foreign Minister Cesar Ameghino and the Swedish Ambassador, Otto Winther, according to a cablegram received by the Associated Press, said advice from Buenos Aires Aug. 5 published in the New York "Journal of Commerce" which likewise stated:

Sweden promised to facilitate export to Argentina of Swedish chemicals, machinery, automobiles, trucks, newsprint and other manufactured articles and to build up to six vessels for the Argentine State merchant fleet.

Argentina will send Sweden textiles and agricultural products, including wheat, corn, pork, hides and wines.

Congress to Reconvene in September

With the war's end so definitely in sight, President Truman indicated, on Aug. 11, the need for Congress to reconvene earlier than Oct. 8, as originally intended, and accordingly Senator Alben W. Barkley (D.-Ky.), majority leader, announced after a visit with the President that Congress would be called back Sept. 4.

This necessitates immediate preparation of legislation to be ready for enactment when the Congress returns, the New York "Times" pointed out on Aug. 11; in reporting the announcement from Washington. The House, the "Times" stated, would be called back into session by its majority leader, John W. McCormack (D.-Mass.).

"The President feels," Senator Barkley is reported by the "Times" as having stated, "that Congress should reconvene as soon as possible, but he realizes there would be no point in bringing the members back if there is no legislation ready to be handled."

"So I am going out now to talk with the committees of the Senate to see what can be done about getting this emergency legislation ready. I think it can be ready by Sept. 4, but I am not prepared to say that definitely."

Then, the New York "Times" report continued, he listed five measures which he regarded as "emergency legislation" in view of the imminent end of the war with Japan:

"1. Amendment of the Social Security laws to raise the unemployment compensation payment to \$25 a week for 26 weeks. Recommended by President Roosevelt, this is regarded as an essential relief measure for the temporary unemployment which will come during reconversion.

"2. Revision of the Surplus Property Disposal Act to provide, among other things, for a single director, as originally recommended by Bernard M. Baruch, instead of the present three-man board.

"3. The 'Full Employment Bill,' which would provide for an annual measurement of the job expectancy of private industry, with provision for supplemental work financed by the Government to keep the total unemployment level at a minimum. Brief introductory hearings have been held on the bill.

"4. Continuation of such war agencies and powers as may be deemed essential for the reconversion period.

"5. The bill introduced at the instance of President Truman which would give him sweeping powers to reorganize the executive departments of the Government.

"Almost at once dissent arose in the Senate Military Affairs Committee over Senator Barkley's listing of the proposed change in the Surplus Property Disposal Act as urgent. It was the Senate which was responsible for substituting the present board for the House version of the original bill which called for one administrator.

"Senator Elmer Thomas, Chairman, said that he had found no evidence of any feeling in the committee that one administrator would in any way solve the problem of surplus disposal."

"Senator O'Mahoney, Democrat, of Wyoming, declared that there was nothing 'demanding' or 'basic' about passage of the surplus property law amendment. Only the full employment bill, he added, was vitally important.

"Senator Barkley did not include taxes in his list of urgent legislation, although Senator George, Chairman of the Finance Committee, had asserted recently that he regarded post-war tax relief as vitally important and would hold hearings early in October regardless of what the House Ways and Means Committee did.

"Senator Barkley said that it was doubtful whether tax revision belonged in the emergency category since the House Committee's tax hearings probably could not begin until near the end of the year."

Senate Post-War Housing Proposals

Before Congress recessed for the summer, legislation was introduced by Senators Robert F. Wagner (D.-N. Y.) and Allen J. Ellender (D.-La.) designed to promote a national post-war housing program by Federal appropriations amounting to \$31,000,000 in the first year, with annual increases to raise the total to \$133,000,000 at the end of five years.

Coincidentally with this proposal came a recommendation from a Senate Post-War Study Committee, the Associated Press stated in a dispatch from Washington, Aug. 2, which proposed a 10-year national housing program with a construction goal of 1,250,000 new dwelling units a year, nearly five times the pre-war average.

The program, the press advices state, embraces continuation of low-rent public housing, aid for cities to redevelop "blighted" and slum areas, continued federal insurance of mortgages on small homes (the F.H.A. plan), guarantees of income for investors who agree to a low return on investments in housing and aid for farm housing.

Mr. Ellender said he believed the program would not take more than \$133 million from the Federal Treasury in contributions in any one year.

Senator Taft (Rep., Ohio), who headed the study group, said "the building of a million and a quarter homes a year would stimulate an expenditure upwards of \$5 billion to \$6 billion annually and, directly and indirectly, provide for three to four million jobs."

The average number of residential units built annually during the 10-year period ending with 1939 was 273,000 at an annual cost of slightly over \$1 billion.

The Wagner-Ellender Bill provides for consolidation of all Federal Housing activities under the National Housing Administration. They are consolidated at present but under a presidential executive order which holds good only through the war.

The plan for aid to cities redeveloping "blighted" areas calls for local agencies to acquire the land, clear it and prepare for redevelopment. The Federal Government would make annual contributions thereafter to enable the city to lease the land, or sell it, at a figure which would interest private developers.

There is provision also for federal loans to the cities under an interest formula which Mr. Ellender said worked out to about 2½%.

Elliott to Aid on Post-War Planning

J. A. Krug, Chairman of the War Production Board, announced on Aug. 7 the resignation of William Y. Elliott, Vice-Chairman for Civilian Requirements, who is leaving WPB on Aug. 15 after five years of service to become staff consultant of the Special Congressional Colmer Committee on Post-War Economic Policy and Planning. The WPB announcement says:

Mr. Elliott will go on a mission to Europe the middle of this month with the committee to study rehabilitation needs and economic control policies in Europe and their bearing on the American economy. Only recently Mr. Elliott returned from the Philippines as a member of the Tydings Commission. This fall, he will, resume his position at

Plans for Huge Public Works Program

Without stating when the plans would actually be put into effect, Budget Director Harold Smith announced on Aug. 1, according to a report to the "Journal of Commerce" from Washington on that date, that the Government had a potential "shelf" of public works totaling close to \$25,000,000,000, and that by next June would have a program of \$4,100,000,000 completely planned and ready to be inaugurated.

Mr. Smith is said to have reported to Congress, in transmitting his revised budget, that the volume of authorized public works to be planned in detail by June 30, 1946, is \$4,100,000,000. The "Journal of Commerce" report continues:

"The execution of many of these projects, however, will be spread over a two- to five-year period," he said.

The potential \$25,000,000,000 "shelf" of public works includes \$9,270,000,000 of plans authorized by the end of last June plus \$15,000,000,000 "proposed but unauthorized projects." The latter are not yet planned in detail, Mr. Smith said.

The volume of \$4,100,000,000 completely planned projects, anticipated by the end of next June, is part of the \$9,270,000,000 of authorized plans. According to the statements made here today, the Government will have a backlog of authorized but unplanned projects of \$5,142,000,000 remaining when the present fiscal year comes to a close.

To date detailed plans have been completed for public works costing \$1,906,000,000, of which \$1,255,000,000 represents direct Federal public works and \$651,000,000 Federal loans and grants.

Mr. Smith gave the totals in presenting Congress with a table which he described as showing the present status of the planning of public works to be financed by the Federal Government.

He reported that \$20,600,000 will be used in the fiscal year 1946 for planning Federal public works, \$17,000,000 for advances to States and municipalities for general public works planning, and grants of \$5,000,000 for State highway planning.

In transmitting the January budget to Congress, the late President Roosevelt had emphasized the necessity of continuing to "stock up a shelf of meritorious construction and development projects to be undertaken as manpower and material become available."

By the end of the fiscal year, he said, detailed plans will be ready for about \$1,500,000,000 of Federal public works, and also substantially ready for a billion-dollar program of Federal-aid highways, half of the road program to be financed with State funds.

"We need a larger shelf of detailed plans in order to be prepared for the post-war program," President Roosevelt added. He mentioned that programs were being developed for Federal loans and guarantees to stimulate private construction; that plans had been completed or were in the "design stage" for about \$3,000,000,000 of State and local public works, excluding Federal-aid highways.

Harvard University as Professor of Government in the University's Department of Government.

A. C. Hill, Jr., Deputy Vice-Chairman for Civilian Requirements, has been named by Mr. Krug as Vice-Chairman of OCR to succeed Mr. Elliott. "The functions of the Office of Civilian Requirements", Mr. Krug said, "will continue playing the same important part in the War Production Board in the future as it has in the past, for without a sound civilian economy, the war effort would suffer immeasurably."

The State of Trade

A complete shift in our domestic economy from that of war to peace gave promise of descending upon the country like an avalanche as a result of Japan's offer to the Allies on Friday, last, to accept the terms of the Potsdam ultimatum with the single reservation that the Emperor be permitted to retain his sovereignty and "privileges."

The Big Four Allied governments in a reply on the following day (Saturday) agreed to permit Emperor Hirohito to retain his throne temporarily, but at the same time made it clear that his authority would be subject to that of a supreme Allied commander during the occupation of Japan with the Emperor's future depending upon the will of the Japanese people as expressed in a free election.

Up to late Tuesday afternoon of this week the four allied governments were still awaiting Japan's decision. The situation grew tense and the air was charged with rumors of Japan's acceptance of the terms. Lending credence to these rumors, a United Press report on the same day, announced that a Japanese broadcast monitored by the FCC at 12:01 p.m. (EWT) said Japan's reply to the Allies "is now on its way to the Japanese minister at Bern." The Tokyo radio broadcasts indicated, the report stated, that when the news does come it will be acceptance of the Allied unconditional surrender terms.

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Fresh impetus was given on Saturday to the hastening of reconversion inspired by the imminence of peace through the large-scale cancellation of war contracts by war procurement agencies of the government to free necessary materials. Informed sources in Washington, it was reported, estimated that 90% of all war contracts would be cancelled with the coming of V-J Day. The Army and Navy, it is understood, have already sent out orders for the immediate cancellation of \$4,000,000,000 in war contracts, including \$1,200,000,000 for 95 warships.

With the long awaited peace a reality, the problem of unemployment once again casts its towering shadow over the nation. Available figures envision unemployment involving more than 6,000,000 people in the 30 days following the surrender of Japan. Director of the Office of War Mobilization and Reconversion, John W. Snyder, announced from the White House on Saturday, last, that the Government would act immediately to "give the maximum possible assistance to reconversion of industry." The speed with which reconversion will get under way will depend upon the re-employment of millions of displaced American workers and a more stable and healthy national economy.

New Capital Flotations—The volume of corporate financing for the month of July reached \$961,535,209, the largest monthly total since September, 1929, when \$1,507,376,014 was reported. The July figure compares with \$75,767,125 in June and \$211,244,801 in July, 1944. Activity for the month may be attributed to the release of a large backlog of is-

suces which was held in abeyance during the Seventh War Loan Drive. The poor showing in June similarly was attributed to the war bond drive which commenced May 14 and continued through June 30. As in the previous 19 months the largest portion of the month's financing, \$749,921,243, or 78%, fell under the refunding column and \$211,613,966, or 22%, was for new money purposes.

Public utility financing dominated the month's flotations, the total adding up to \$290,662,360; other industrial and manufacturing accounted for \$251,347,892; railroad financing reached \$108,436,000; oil, \$125,000,000; iron, steel, coal, copper, etc., \$106,000,000, and miscellaneous, \$80,088,957.

The financing for the month was featured by the numerous stock issues, both preferred and common. The total stock emissions of \$304,344,209 for July surpassed any month since May, 1930. In the latter period, the total footed up to \$433,640,468.

Private placements for July comprised 15 separate issues aggregating \$130,955,000, or 13.6% of the total. This compares with \$73,250,000, or 96.7% of the total for the month of June; \$102,661,000, or 19.4% in May; \$107,060,000, or 16.3% of the total reported in April; \$157,275,000, or 44% reported in March; \$29,600,000, or 15.7% so placed in February and \$56,414,000, or 17.9% of the total recorded for January.

Steel Industry—Indications were mounting the past week to a point where the military appetite for steel for prosecution of the Japanese War may be nearly satiated within the next 60 days, according to "The Iron Age" in its current summary of the steel trade.

Continuing pressure from business and political quarters, the magazine pointed out, may compel the military to disgorge tonnage which has clogged mill schedules. "The first tangible indications that a home has 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," this trade authority noted and added, "if no rated orders are on hand, mills may insert unrated civilian orders to plug whatever holes may appear in schedules."

Reduced ordering for military needs last week widened the gap by which rated order volume now trails civilian ordering. Navy orders for 30,000 tons of plates and 47,900 tons of structural steel reported last week were blown up this week, according to "The Iron Age," to include an additional 40,000 tons of structural tagged for rush production, delivery of the entire tonnage was scheduled for completion this month.

The foregoing Navy orders have fallen heaviest on Western mills whose backlog has been severely depleted. The condition of structural deliveries last week as a result of Navy orders were pushed back as far as December from September offerings made last month. Carbon bar deliveries at that time were still being quoted for December by most mills, with quality grades not available until February. Strip deliveries continued on a four to five months' basis, with some independent producers having earlier openings, while sheet deliveries extended into March, 1946, and cold rolled sheets, chief concern of the automotive industry, were only slight-

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The Financial Situation

(Continued from first page)

date these corporations had cash in the form of advances from the Government expendable only for the completion of Government contracts amounting to \$1,381 million. Against these amounts they held receivables payable by the Government in the amount of \$2,953 million and inventories (for a large part of which the Government is financially responsible) totaling \$5,236 million. Can these enterprises count upon obtaining cash from the Government in amounts sufficient and quickly enough to pay their tax obligations to the Government?

Current reports appear to suggest that so-called termination arrangements have up to now been handled in a way to cause no great hardship. For this two facts are largely responsible. One is that terminations or "cut-backs" have been of a magnitude small in comparison with what is now taking place and must continue to take place for some time to come—which has made the problem of handling the "paper work" quite simple and quickly disposed of in contrast to that which now must be faced. The other is that new war orders have in relatively so large degree replaced those canceled that financial hardship growing out of immediate impairment of the working capital position of the enterprises involved has not been severe. It remains to be seen whether official arrangements will prove equal to what is now thrown upon them. Recent legislation amending the excess profits tax law will doubtless help—or will if it does not get bogged down in red tape—but much more than that is required.

Needs of "Small Business"

All this bears much more heavily upon "small business" than upon the larger and financially more independent enterprises. These latter are, of course, in a position to finance their relatively short-term needs without great difficulty. Moreover, they are not, relatively speaking, so heavily involved—despite the enormous volume of their war production—as many of the smaller enterprises. Official figures recently submitted to a Congressional committee show that in 1943, 1,203 enterprises, all with prewar sales under \$500,000, averaged "renegotiable" sales of \$1,658,000 against \$256,000 in average total sales during the period from 1936-39. Thus "renegotiable" sales in 1943 were six times total sales in the prewar period. Large corporations (sales \$10 million or more during the years 1936-39) had average renegotiable sales in 1943 of \$103,-

677,000, against total sales of \$69,411,000 in the prewar period, the former being only about 1.5 times the latter. It is true that these smaller corporations will probably have less than normal difficulty in borrowing (for them) large sums against their claims on the Government to tide them over, but even so their position will scarcely be enviable when compared with the larger, well-financed corporation.

Another Task

There is likewise the matter of clearing these war plants of special machinery (usually Government-owned) placed there for the production of war goods. Obviously this must be accomplished before these plants can install their regular machinery for the production of peacetime goods. Great speed was achieved in taking out peacetime equipment to make room for war production machinery, but that was done by private industry unrestricted by Government red tape. If war production had been required to wait while this equipment was stored systematically and carefully in warehouses, we should never have got into full production necessary for the defeat of our enemies in so short a period of time as was actually the case. Can and will Government match the speed of private industry in getting its equipment out of the way?

Of course, there are other aspects of essentially this same problem. One of them is inventory, which often consists of raw materials of little or no value in peacetime, various goods and parts in process—all of which not only tie up the funds of the enterprises concerned, but which occupy the space which must be employed in peacetime operations. There is also the question as to whether personnel with certain special skills should be given preference in release from the armed forces in order to hasten the preparation of industry to serve peacetime needs. There has of late been a good deal of discussion of early release of coal miners in order to increase production against privation this winter. Broadly similar situations will doubtless arise in many industrial spheres where men now in the armed forces are needed to get ready in the shortest possible time for full peacetime production.

The Really Vital Question

But there are broader questions of equal or greater import. If we are to be really successful in our post-war developments we shall have to count upon private initiative to the utmost. We shall have to make sure that nothing is

done to curb the ambition of able men to achieve. Much is being said about "stimulation" of private enterprises. Nothing of the sort is needed, and any effort to "stimulate" business is very likely to be harmful in the end. What is needed is an atmosphere in which the natural initiative and energy of our population can find full exercise. It is here that the intentions and the capabilities of the regime in Washington are most seriously in question.

What is most essential is a turning away from the New Deal, and other similar lines of thought and action. Without that all the rest will of necessity be more or less in vain. That is our real reconversion task.

Mulligan Named Head Of War Damage Corp.

Charles B. Henderson, Acting Federal Loan Administrator, announced on Aug. 4 that the Directors of War Damage Corporation, following the resignation of Howard J. Klossner as President and Director, had made the following appointments:

Henry A. Mulligan, who has been Treasurer and Director of the Corporation since its establishment, becomes President; Willard E. Unzicker has been elevated from Assistant Treasurer to Vice-President; Facius W. Davis, formerly Assistant Treasurer, has been appointed Treasurer. The advices add:

Mr. Klossner, whose resignation as a Director of the Reconstruction Finance Corporation was announced recently, had been with RFC in Washington practically since its formation in 1932 and was closely associated with the War Damage Corporation since its inception late in 1941. Effective immediately, he becomes Vice-President and Director of The Chicago Corporation.

Mr. Mulligan has been Treasurer of RFC since 1932 and Director and Treasurer since July, 1941, which posts he continues to hold.

Mr. Unzicker was appointed Assistant Treasurer of RFC in September 1932, which position he continues to hold. In addition he has served as Assistant Treasurer of War Damage Corporation and U. S. Commercial Company, and as Treasurer of Defense Supplies Corporation from its inception until July 1, 1945, the date of its merger with RFC.

Mr. Davis has occupied a number of accounting posts with RFC, is Treasurer of the RFC Price Adjustment Board, and has been Assistant Treasurer of War Damage Corporation since July, 1942.

Sen. Hiram Johnson Dies

Senator Hiram W. Johnson (Republican) of California died, in his 79th year, at Bethesda, Md., Naval Hospital on August 6, according to an Associated Press dispatch from Washington on that date. He had been a politically active figure for more than a third of a century, and was remembered for the part he played in defeating President Wilson's League of Nations covenant and later in opposing United States' adherence to the World Court.

As one-time Governor of California he was responsible for much of that state's far reaching legislation.

One of Senator Johnson's last official acts was to cast the one vote in the Senate Foreign Relations Committee against ratification of the United Nations Charter for a world organization of nations.

We Must Not, Indeed!

(Continued from first page)

to apologize for it. Our first post-war purpose should be to restore it.

"You and I must not be marked as the generation who surrendered the heritage of America."
—Herbert Hoover.

Hail the "elder statesman" who as a "reactionary" has become one of the few real "liberals" in influential position in this or any other country!

Text of Bretton Woods Agreement Act As Approved by President July 31

The Bretton Woods Agreement Act was enacted into law with its approval by President Truman on July 31, while returning from the Big Three Conference at Potsdam (Berlin), which conference was participated in by the President, Premier Stalin of Russia and Prime Minister Attlee of Great Britain.

In our issue of July 26, page 405, referring to the adoption of Congress of the Bretton Woods

Monetary Plan, it was noted that the United States is the first of the 44 signatory nations to adopt the agreement. The Act (as stated in these columns Aug 9, page 639, wherein reference was made to the President's approval) would provide for nearly \$6,000,000,000 for a World Bank and an International Monetary Fund designed to promote post-war trade and stabilize exchange rates in accordance with the proposals worked out at Bretton Woods, N. H., last summer.

The text of the newly enacted law follows:

[H. R. 3314]

AN ACT

To provide for the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Short Title

Sec. 1. This Act may be cited as the "Bretton Woods Agreements Act".

Acceptance of Membership

Sec. 2. The President is hereby authorized to accept membership for the United States in the International Monetary Fund (hereinafter referred to as the "Fund"), and in the International Bank for Reconstruction and Development (hereinafter referred to as the "Bank"), provided for by the Articles of Agreement of the Fund and the Articles of Agreement of the Bank as set forth in the Final Act of the United Nations Monetary and Financial Conference dated July 22, 1944, and deposited in the archives of the Department of State.

Appointment of Governors, Executive Directors, and Alternates

Sec. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a governor of the Fund who shall also serve as a governor of the Bank, and an executive director of the Fund and an executive director of the Bank. The executive directors so appointed shall also serve as provisional executive directors of the Fund and the Bank for the purposes of the respective Articles of Agreement. The term of office for the governor of the Fund and of the Bank shall be five years. The term of office for the executive directors shall be two years, but the executive directors shall remain in office until their successors have been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint an alternate for the governor of the Fund who shall also serve as alternate for the governor of the Bank. The President, by and with the advice and consent of the Senate, shall appoint an alternate for each of the executive directors. The al-

ternate for each executive director shall be appointed from among individuals recommended to the President by the executive director. The terms of office for alternates for the governor and the executive directors shall be the same as the terms specified in subsection (a) for the governor and executive directors.

(c) No person shall be entitled to receive any salary or other compensation from the United States for services as a governor, executive director, or alternate.

National Advisory Council on International Monetary and Financial Problems

Sec. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the "Council"), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Trustees of the Export-Import Bank of Washington.

(b) (1) The Council, after consultation with the representatives of the United States on the Fund and the Bank, shall recommend to the President general policy directives for the guidance of the representatives of the United States on the Fund and the Bank.

(2) The Council shall advise and consult with the President and the representatives of the United States on the Fund and the Bank on major problems arising in the administration of the Fund and the Bank.

(3) The Council shall coordinate, by consultation or otherwise, so far as is practicable, the policies and operations of the representatives of the United States on the Fund and the Bank, the Export-Import Bank of Washington and all other agencies of the Government to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange or monetary transactions.

(4) Whenever, under the Articles of Agreement of the Fund or the Articles of Agreement of the Bank, the approval, consent or agreement of the United States is required before an act may be done by the respective institutions, the decision as to whether such approval, consent, or agreement shall (to the extent such decision is not prohibited by section 5 of this Act) be made by the Council, under the general direction of the President. No governor, executive director, or alternate representing the United States shall vote in favor of any waiver

of condition under article V, section 4, or in favor of any declaration of the United States dollar as a scarce currency under Article VII, section 3, of the Articles of Agreement of the Fund, without prior approval of the Council.

(5) The Council from time to time, but not less frequently than every six months, shall transmit to the President and to the Congress a report with respect to the participation of the United States in the Fund and the Bank.

(6) The Council shall also transmit to the President and to the Congress special reports on the operations and policies of the Fund and the Bank, as provided in this paragraph. The first report shall be made not later than two years after the establishment of the Fund and the Bank, and a report shall be made every two years after the making of the first report. Each such report shall cover and include: The extent to which the Fund and the Bank have achieved the purposes for which they were established; the extent to which the operations and policies of the Fund and the Bank have adhered to, or departed from, the general policy directives formulated by the Council, and the Council's recommendations in connection therewith; the extent to which the operations and policies of the Fund and the Bank have been coordinated, and the Council's recommendations in connection therewith; recommendations on whether the resources of the Fund and the Bank should be increased or decreased; recommendations as to how the Fund and the Bank may be made more effective; recommendations on any other necessary or desirable changes in the Articles of Agreement of the Fund and of the Bank or in this Act; and an over-all appraisal of the extent to which the operations and policies of the Fund and the Bank have served, and in the future may be expected to serve, the interests of the United States and the world in promoting sound international economic cooperation and furthering world security.

(7) The Council shall make such reports and recommendations to the President as he may from time to time request, or as the Council may consider necessary to more effectively or efficiently accomplish the purposes of this Act or the purposes for which the Council is created.

(c) The representatives of the United States on the Fund and the Bank, and the Export - Import Bank of Washington (and all other agencies of the Government to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange or monetary transactions) shall keep the Council fully informed of their activities and shall provide the Council with such further information or data in their possession as the Council may deem necessary to the appropriate discharge of its responsibilities under this Act.

Certain Acts Not to Be Taken Without Authorization

Sec. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States (a) request or consent to any change in the quota of the United States under article III, section 2, of the Articles of Agreement of the Fund; (b) propose or agree to any change in the par value of the United States dollar under article IV, section 5, or article XX, section 4, of the Articles of Agreement of the Fund, or approve any general change in par values under article IV, section 7; (c) subscribe to additional shares of stock under article II, section 3, of the Articles of Agreement of the Bank; (d) accept any amendment under article XVII of the Articles of Agreement of the Fund or article VIII of the Articles of Agreement

of the Bank; (e) make any loan to the Fund or the Bank. Unless Congress by law authorizes such action, no governor or alternate appointed to represent the United States shall vote for an increase of capital stock of the Bank under article II, section 2, of the Articles of Agreement of the Bank.

Depositories

Sec. 6. Any Federal Reserve bank which is requested to do so by the Fund or the Bank shall act as its depository or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

Payment of Subscriptions

Sec. 7. (a) Subsection (c) of section 10 of the Gold Reserve Act of 1934, as amended (U. S. C., title 31, sec. 822a), is amended to read as follows:

"(c) The Secretary of the Treasury is directed to use \$1,800,000,000 of the fund established in this section to pay part of the subscription of the United States to the International Monetary Fund; and any repayment thereof shall be covered into the Treasury as a miscellaneous receipt."

(b) The Secretary of the Treasury is authorized to pay the balance of \$950,000,000 of the subscription of the United States to the Fund not provided for in subsection (a) and to pay the subscription of the United States to the Bank from time to time when payments are required to be made to the Bank. For the purpose of making these payments, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed \$4,125,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this subsection of the subscription of the United States to the Fund or the Bank and repayments thereof shall be treated as public-debt transactions of the United States.

(c) For the purpose of keeping to a minimum the cost to the United States of participation in the Fund and the Bank, the Secretary of the Treasury, after paying the subscription of the United States to the Fund, and any part of the subscription of the United States to the Bank required to be made under article II, section 7 (i), of the Articles of Agreement of the Bank, is authorized and directed to issue special notes of the United States from time to time at par and to deliver such notes to the Fund and the Bank in exchange for dollars to the extent permitted by the respective Articles of Agreement. The special notes provided for in this subsection shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the purposes for which special notes are authorized and directed to be issued under this subsection, but such notes shall bear no interest, shall be non-negotiable, and shall be payable on demand of the Fund or the Bank, as the case may be. The face amount of special notes issued to the Fund under the authority of this subsection and outstanding at any one time shall not exceed in the aggregate the amount of the subscription of the United States actually paid to the Fund, and the face amount of such notes issued to the Bank and outstanding at any one time shall not exceed in the aggregate the amount of the subscription of the United States actually paid to the Bank under article II, section 7 (i), of the Articles of Agreement of the Bank.

(d) Any payment made to the United States by the Fund or the Bank as a distribution of net in-

come shall be covered into the Treasury as a miscellaneous receipt.

Obtaining and Furnishing Information

Sec. 8. (a) Whenever a request is made by the Fund to the United States as a member to furnish data under article VIII, section 5, of the Articles of Agreement of the Fund, the President may, through any agency he may designate, require any person to furnish such information as the President may determine to be essential to comply with such request. In making such determination the President shall seek to collect the information only in such detail as is necessary to comply with the request of the Fund. No information so acquired shall be furnished to the Fund in such detail that the affairs of any person are disclosed.

(b) In the event any person refuses to furnish such information when requested to do so, the President, through any designated governmental agency, may by subpoena require such person to appear and testify or to appear and produce records and other documents, or both. In case of contumacy by, or refusal to obey a subpoena served upon any such person, the district court for any district in which such person is found or resides or transacts business, upon application by the President or any governmental agency designated by him, shall have jurisdiction to issue an order requiring such person to appear and give testimony or appear and produce records and documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(c) It shall be unlawful for any officer or employee of the Government, or for any advisor or consultant to the Government, to disclose, otherwise than in the course of official duty, any information obtained under this section, or to use any such information for his personal benefit. Whoever violates any of the provisions of this subsection shall, upon conviction, be fined not more than \$5,000, or imprisoned for not more than five years, or both.

(d) The term "person" as used in this section means an individual, partnership, corporation or association.

Financial Transactions With Foreign Governments in Default

Sec. 9. The Act entitled "An Act to prohibit financial transactions with any foreign government in default on its obligations to the United States", approved April 13, 1934 (U. S. C., title 31, sec. 804a), is amended by adding at the end thereof a new section to read as follows:

"Sec. 3. While any foreign government is a member both of the International Monetary Fund and of the International Bank for Reconstruction and Development, this Act shall not apply to the sale or purchase of bonds, securities, or other obligations of such government or any political subdivision thereof or of any organization or association acting for or on behalf of such government or political subdivision, or to the making of any loan to such government, political subdivision, organization, or association."

Jurisdiction and Venue of Actions

Sec. 10. For the purpose of any action which may be brought within the United States or its Territories or possessions by or against the Fund or the Bank in accordance with the Articles of Agreement of the Fund or the Articles of Agreement of the Bank, the Fund or the Bank, as the case may be, shall be deemed to be an inhabitant of the Federal judicial district in which its principal office in the United States is located, and any such action at law or in equity to which either the Fund or the Bank shall be a party shall be

deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of any such action. When either the Fund or the Bank is a defendant in any such action, it may, at any time before the trial thereof, remove such action from a State court into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

Status, Immunities and Privileges

Sec. 11. The provisions of article IX, sections 2 to 9, both inclusive, and the first sentence of article VIII, section 2 (b), of the Articles of Agreement of the Fund, and the provisions of article VI, section 5 (1), and article VII, sections 2 to 9, both inclusive, of the Articles of Agreement of the Bank, shall have full force and effect in the United States and its Territories and possessions upon acceptance of membership by the United States in, and the establishment of, the Fund and the Bank, respectively.

Stabilization Loans by the Bank

Sec. 12. The governor and executive director of the Bank appointed by the United States are hereby directed to obtain promptly an official interpretation by the Bank as to its authority to make or guarantee loans for programs of economic reconstruction and the reconstruction of monetary systems, including long-term stabilization loans. If the Bank does not interpret its powers to include the making or guaranteeing of such loans, the governor of the Bank representing the United States is hereby directed to propose promptly and support an amendment to the Articles of Agreement for the purpose of explicitly authorizing the Bank, after consultation with the Fund, to make or guarantee such loans. The President is hereby authorized and directed to accept an amendment to that effect on behalf of the United States.

Stabilization Operations By the Fund

Sec. 13. (a) The governor and executive director of the Fund appointed by the United States are hereby directed to obtain promptly an official interpretation by the Fund as to whether its authority to use its resources extends beyond current monetary stabilization operations to afford temporary assistance to members in connection with seasonal, cyclical, and emergency fluctuations in the balance of payments of any member for current transactions, and whether it has authority to use its resources to provide facilities for relief, reconstruction, or armaments, or to meet a large or sustained outflow of capital on the part of any member.

(b) If the interpretation by the Fund answers in the affirmative any of the questions stated in subsection (a), the governor of the Fund representing the United States is hereby directed to propose promptly and support an amendment to the Articles of Agreement for the purpose of expressly negating such interpretation. The President is hereby authorized and directed to accept an amendment to that effect on behalf of the United States.

Further Promotion of International Economic Relations

Sec. 14. In the realization that additional measures of international economic cooperation are necessary to facilitate the expansion and balanced growth of international trade and render most effective the operations of the Fund and the Bank, it is hereby declared to be the policy of the United States to seek to bring about further agreement and cooperation among nations and international bodies, as soon as possible, on ways and means which will best reduce obstacles to and restrictions upon inter-

Facilities of FHA to Aid Private Business

Citing the facilities of the Federal Housing Administration to aid private enterprise in the post-war period in providing homes for America, FHA Commissioner Raymond M. Foley stated on Aug. 10 that the Administration will be ready to back private lending institutions with authority to insure more than \$2,000,000,000 in loans to help families build, buy or improve their homes. In addition, by Act of Congress the President is empowered to extend to the FHA authority to insure another billion dollars for home financing. He further said:

Since it began operation FHA has helped more than 6,000,000 families to build, buy or improve their homes. Private financial institutions operating under the FHA program have advanced more than \$8,000,000,000 to make this possible. Over \$3,500,000,000 of these loans have been liquidated.

The insurance authorizations which are available are about evenly divided between Title II operations, insurance of loans to build or buy a home, and Title I operations, insurance of property improvement loans.

At the end of June, FHA's estimated liability under Title II amounted to \$3,039,800,133, leaving an estimated unused authorization of \$960,199,867 which can be increased by \$1,000,000,000 with Presidential approval.

FHA's authorization to insure loans on existing houses, its chief operation under Title II during the war, extends to July 1, 1946. There is no time limit on insurance of loans for new construction. During the fiscal year ending June 30, volume of insurance on existing construction set a five year record.

However, during the first six months of this year insurance of new construction loans under Title II was slowly increasing and at the end of June insurance had been written on 3,263 units of which 1,377 were insured in June alone. There were only 208 units insured all during 1944.

Title I operations, the insurance authorization for which extends to July 1, 1947, also showed a substantial increase during the first six months of the year and more than 5,000,000 such loans, amounting to around \$2,000,000,000 have been insured since the start of the FHA program in June 1934.

Title II operations have been self-sustaining since 1940 and currently and for some time past Title I operations have been likewise.

During the war period FHA operated principally under Title VI, a special amendment to the National Housing Act permitting insurance of wartime risks taken by private builders in constructing homes for migrating war workers. This program is in its final phases and some 434,000 units of war housing have been or will be produced under the program.

national trade, eliminate unfair trade practices, promote mutually advantageous commercial relations, and otherwise facilitate the expansion and balanced growth of international trade and promote the stability of international economic relations. In considering the policies of the United States in foreign lending and the policies of the Fund and the Bank, particularly in conducting exchange transactions, the Council and the United States representatives on the Fund and the Bank shall give careful consideration to the progress which has been made in achieving such agreement and cooperation.

Approved July 31, 1945.

The State of Trade

(Continued from page 763)

ly easier, with December schedules promising the first openings.

Pig iron producers scrutinized possibilities of coal shortages this winter. Assuming continuation of heavy pig iron demand, lack of coking quality coal necessary to pig iron production, the trade magazine observes, "could strike a heavy blow whose repercussions would be felt almost immediately by the foundries, if not the steel industry itself. Merchant pig iron producers, chief suppliers to the foundry industry, are panting to meet demand current in many districts."

The Armed Services are progressing rapidly, states the magazine, toward a direct settlement program for termination claims by steel producers. Instead of securing payment from customers whose manufacturing contracts have been canceled, the mills will negotiate directly with a contract officer. Indicating that the wheels of this program are beginning to turn, one major steel producer last week reported that a contract officer had been assigned to it.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 82.5% of capacity for the week beginning August 13, compared with 87.9% one week ago. This week's operating rate represents a decrease of 6.1% from last week's rate and is equivalent to 1,511,100 net tons of steel ingots and castings, compared to 1,610,000 net tons last week and 1,719,600 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Aug. 4, 1945, totaled 863,910 cars, the Association of American Railroads announced. This was a decrease of 22,361 cars, or 2.5% below the preceding week this year and 25,684 cars, or 2.9% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 8,223 cars, or 0.9%, is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,432,304,000 kwh. in the week ended Aug. 4, 1945, from 4,434,841,000 kwh. in the preceding week. Output for the week ended Aug. 4, 1945, was 0.7% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 163,500,000 kwh. in the week ended Aug. 5, 1945, comparing with 171,600,000 kwh. for the corresponding week of 1944, or a decrease of 4.6%.

Local distribution of electricity amounted to 161,700,000 kwh., compared with 160,800,000 kwh. for the corresponding week of last year, an increase of 0.6%.

Wholesale Commodity Index Moderately Lower—Commodity price fluctuations were small last week and the Dun & Bradstreet daily wholesale commodity price index moved in a narrow range, closing at 175.51 on Aug. 7, as against 176.28 a week previous and 170.99 at this time last year.

Grain markets generally held to a firm undertone last week although trading volume declined from the previous week. Cash wheat was fairly active and higher with good demand coming from mill and elevator interests. Trade in oats was active and prices rose in the face of the heaviest receipts reported since 1938. Sales of cash corn remained small due to lack of offerings. Flour bookings declined sharply following announcement of the August subsidy rates. Mills continued operating at or close to capacity schedules and were

generally well sold up for the balance of 1945.

Limited offerings of hogs were far below the demand and the small receipts were readily cleared at ceiling prices. Offerings of lard and fats continued on a restricted basis and with both foreign and domestic demand active, the limited supplies fell far short of requirements, despite an increase of over a million pounds in stocks during July.

Volume of sales in leading cotton markets was relatively small last week, as traders awaited developments in the Government's new pricing policies for the coming season. Price were quite steady through most of the period but trended somewhat easier toward the close. Mill buying increased slightly in spot markets. Activity in the early part of the week was stimulated by reports that Government efforts to expand production of cotton textiles had finally begun to show results. Another factor was the general belief that the new cotton crop would be comparatively small.

Business in the Boston wool market showed some improvement last week. Domestic fine and half-blood staple grades met with good demand but pulled wools were quiet. There was more activity in foreign wools. Spot and to-arrive fine Australian wools were in demand and volume of sales was good. Some betterment was noted in shipping conditions from South America and the Cape.

Wholesale Food Price Index Drops in Week—Still holding in a narrow groove, the wholesale food price index, compiled by Dunn & Bradstreet, Inc., dropped one cent further to stand at \$4.09 on Aug. 7. This contrasted with \$4.01 at this time last year, a rise of 2.0%. Only eggs advanced during the week, with declines listed for wheat, rye, oats, potatoes, sheep and lambs.

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

Wholesale and Retail Trade—Retail trade volume for the country as a whole, according to Dun & Bradstreet, Inc., declined the past week only slightly below the preceding period. Sales continued to be maintained at a high level and were moderately above the corresponding week of last year. Summer and fall merchandise was received equally well by the consumer. Food sales, despite continued shortages, equalled last year's volume.

Scattered clearance sales were used as an added incentive to continue the purchasing of low-priced cottons. In women's wear more fall specialties in higher-priced lines were being featured than last year; leather gloves and handbags remained scarce. Luxurious lingerie sets sold in greater volume. The validity of shoe stamp No. 4 did not create any rush to shoe stores.

Instead of following the usual seasonal pattern, the heavy demand for all types of piece goods remained fairly constant. In children's apparel jumpers, plaid suits, and bright sweaters were leaders in early buying. There was a slight increase in fur sales over last week and last year with customers asking for high quality coats.

Supplies of household items have improved; woodenware and glass cooking-ware continued to be accepted in place of aluminum utensils and turnover was rapid. Hardware stores reported that steel products and paints were more easily obtainable; sales volume improved moderately over a year ago. For the first time in months furniture was featured and sales increased over last week; principal demand was

for bedroom and living room furniture.

Food volume was lower than in the previous week but even with last year. Many small bakeries closed down for a two weeks' vacation because of the sugar shortage. Veal and lamb supplies continued to hold their gain through the week. The supply of fresh eggs declined seasonally, but milk and butter were plentiful. Stocks of some green vegetables increased. With most fruit juices point free sizable stocks moved rapidly.

Retail sales for the country were estimated at 8 to 12% above a year ago. Regional percentages increases were: New England, 5 to 9; East, 10 to 14; Middle West, 7 to 11; Northwest, 8 to 12; South, 3 to 6; Southwest, 12 to 16; Pacific Coast, 9 to 13.

Wholesale trade turned upward during the week, with a slight increase in grocery volume and in influx of buyers into the fall coat and suit markets. Despite retailers' attempting to lower stocks of wartime hardware and household items, wholesale hardware volume was maintained by the gradual increase in supplies. Lumber volume was even with previous weeks, but paper sales were higher than both last week and last year. Drug store sales rose over a week and a year ago.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Aug. 4, 1945, increased by 22% and compared with a gain of 15% in the preceding week. For the four weeks ended Aug. 4, 1945, sales increased by 17%, and for the year to date by 13%.

For New York retail sales last week showed continued activity. Early elimination of both M-388 and MAP from the control setup is looked for by textile and apparel organizations. Buyers of home furnishings veered away from stocking up too heavily on Victory merchandise. Food sales at wholesale suffered from merchandise shortages, while increased supplies of fresh vegetables, meats and butter improved retail trade.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Aug. 4, 1945, increased by 31% above the same period of last year. This compared with a gain of 30% in the preceding week. For the four weeks ended Aug. 4, 1945, sales rose by 20% and for the year to date by 14%.

U. S. and Switzerland Sign Air-Transport Pact

The signing by the United States and Swiss Governments of a reciprocal air-transport agreement providing transit rights over their respective territories and airport facilities at New York and Geneva was made known in special Washington advices Aug. 5 to the New York "Times" which also had the following to say:

The agreement, incorporating the "Five Freedoms" of the recent Chicago aviation conference, is similar to bilateral agreements already concluded with Sweden, Denmark, Spain, Iceland and Ireland.

Authorized American airlines will have the right to fly over, and make non-traffic stops in Swiss territory, and also will have the right to pick up, and discharge, international traffic in passengers, cargo and mail at Geneva, or some other suitable airport.

The proposed United States air route serving Switzerland is one of several recently announced by the Civil Aeronautics Board. It extends from the United States to the Middle East via Ireland, France, Switzerland, Italy, Greece, Eevot and points in the Near East.

Under the reciprocal arrangement, a Swiss airline will have the right to operate over the North Atlantic to New York.

Atomic Bomb Force to Shorten Pacific War Warning to Japan by President Truman

The mightiest explosive force adopted by man from the universe has been released against the Japanese nation, the atomic bomb. The first one, dropped on Hiroshima, Japanese army base, at about 7.20 p.m., Aug. 5, United States Eastern war time, resulted in untold devastation which can only be imagined from the comparative description of the bomb—containing more power than 20,000 tons of TNT and producing more than

2,000 times the blast of the most powerful bomb ever dropped before, according to the Associated Press from Washington, Aug. 6. Both President Truman and Secretary of War Stimson issued statements on that date bearing on the dropping of the atomic bomb on Japan. President Truman said that the atomic bomb was the answer to Tokyo's refusal to surrender. The President in his statement said:

"It was to spare the Japanese people from utter destruction that the ultimatum of July 26 was issued at Potsdam. Their leaders promptly rejected that ultimatum. If they do not now accept our terms they may expect a rain of ruin from the air, the like of which has never been seen on this earth. Behind this air attack will follow sea and land forces in such numbers and power as they have not yet seen and with the fighting skill of which they are already well aware."

Development of the bomb is the culmination of three years' work by Allied scientists, industry, labor and military forces, Secretary of War Stimson stated, and added, according to the Associated Press; that this ability to release atomic energy on a large scale in an atomic bomb raises the prospect that such energy may have a big place in peacetime industrial purposes.

"Already in the course of producing one of the elements much energy is being released, not explosively but in regulated amounts," he said. "This energy, however, is in the form of heat at a temperature too low to make practicable the operation of a conventional power plant. It will be a matter of much further research and development to design machines for the conversion of atomic energy into useful power."

Secretary Stimson said the atomic bomb had been developed with the full knowledge of and cooperation of Britain and Canada and substantial patent controls on the weapon had been obtained in those countries. President Roosevelt and Prime Minister Churchill many months ago decided that all work on the bomb should be concentrated in the United States in order to bring about quicker development of the weapon and to eliminate duplication.

The full text of the statement by President Truman announcing the use of an atomic bomb for the first time in history was given as follows in Associated Press advices from Washington Aug. 6: "Sixteen hours ago an American airplane dropped one bomb on Hiroshima, an important Japanese Army base. That bomb had more power than 20,000 tons of TNT. It had more than 2,000 times the blast power of the British 'Grand Slam,' which is the largest bomb ever yet used in the history of warfare."

"The Japanese began the war from the air at Pearl Harbor. They have been repaid many fold. And the end is not yet. With this bomb we have now added a new and revolutionary increase in destruction to supplement the growing power of our armed forces. In their present form these bombs are now in production and even more powerful forms are in development."

"It is an atomic bomb. It is a harnessing of the basic power of the universe. The force from which the sun draws its power has been loosed against those who brought war to the Far East."

"Before 1939 it was the accepted belief of scientists that it was theoretically possible to re-

lease atomic energy. But no one knew any practical method of doing it."

"By 1942, however, we knew that the Germans were working feverishly to find a way to add atomic energy to the other engines of war with which they hoped to enslave the world. But they failed. We may be grateful to Providence that the German got the V1s and the V2s late and in limited quantities and ever more grateful that they did not get the atomic bomb at all."

"The battle of the laboratories held fateful risks for us as well as the battles of the air, land and sea, and we have now won the battle of the laboratories as we have won the other battles."

"Beginning in 1940, before Pearl Harbor, scientific knowledge useful in the war was pooled between the United States and Great Britain, and many priceless helps to our victories have come from that arrangement. Under that general policy, the research on the atomic bomb was begun. With American and British scientists working together, we entered the race of discovery against the Germans."

"The United States had available the large number of scientists of distinction in the many needed areas of knowledge. It had the tremendous industrial and financial resources necessary for the project, and they could be devoted to it without undue impairment of other vital war work."

"In the United States the laboratory work and the production plants, on which a substantial start had already been made, would be out of reach of enemy bombing, while at that time Britain was exposed to constant air attack and was still threatened with the possibility of invasion."

"For these reasons Prime Minister Churchill and President Roosevelt agreed that it was wise to carry on the project here. We now have two great plants and many lesser works diverted to the production of atomic power. Employment during peak construction numbered 125,000, and more than 65,000 individuals are even now engaged in operating the plants. Many have worked there for two and a half years. Few know what they have been producing. They see great quantities of material going in, and they see nothing coming out of these plants, for the physical size of the explosive charge is exceedingly small. We have spent \$2,000,000,000 on the greatest scientific gamble in history, and won."

"But the greatest marvel is not the size of the enterprise, its secrecy, nor its cost, but the achievement of scientific brains in putting together infinitely complex pieces of knowledge held by many men in different fields of science into a workable plan. And hardly less marvelous has been the capacity of industry to design, and of labor to operate, the machines and methods to do things never done before so that the brain child of many minds came forth in physical shape and performed as it was supposed to do."

"Both science and industry worked under the direction of the United States Army, which achieved a unique success in managing so diverse a problem, in the advancement of knowledge in an amazingly short time."

"It is doubtful if such another combination could be got together in the world. What has been done is the greatest achievement of organized science in history."

was done under high pressure and without failure.

"We are now prepared to obliterate more rapidly and completely every productive enterprise the Japanese have above ground in any city. We shall destroy their docks, their factories and their communications. Let there be no mistake; we shall completely destroy Japan's power to make war.

"It was to spare the Japanese people from utter destruction that the ultimatum of July 26 was issued at Potsdam. Their leaders promptly rejected that ultimatum. If they do not now accept our terms, they may expect a rain of ruin from the air, the like of which has never been seen on this earth. Behind this air attack will follow sea and land forces in such numbers and power as they have not yet seen and with the fighting skill of which they are already well aware.

"The Secretary of War, who has kept in personal touch with all phases of the project, will immediately make public a statement giving further details.

"His statement will give facts concerning the sites at Oak Ridge near Knoxville, Tenn., and at Richland near Pasco, Wash., and an installation near Santa Fe, N. M. Although the workers at the sites have been making materials to be used in producing the greatest destructive force in history, they have not themselves been in danger beyond that of many other occupations, for the utmost care has been taken of their safety.

"The fact that we can release atomic energy ushers in a new era in man's understanding of nature's forces. Atomic energy may in the future supplement the power that now comes from coal, oil, and falling water, but at present it cannot be produced on a basis to compete with them commercially. Before that comes there must be a long period of intensive research.

"It has never been the habit of the scientists of this country or the policy of this Government to withhold from the world scientific knowledge. Normally, therefore, everything about the work with atomic energy would be made public.

"But under present circumstances it is not intended to divulge the technical processes of production of all the military applications, pending further examination of possible methods of protecting us and the rest of the world from the danger of sudden destruction.

"I shall recommend that the Congress of the United States consider promptly the establishment of an appropriate commission to control the production and use of atomic power within the United States. I shall give further consideration and make further recommendations to the Congress as to how atomic power can become a powerful and forceful influence toward the maintenance of world peace."

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of June 30, 1945, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was \$26,746,253,483, as against \$26,527,895,787 on May 31, 1945, and \$22,504,341,539 on June 30, 1944, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, total was \$3,459,434,174.

Redemption of Certain Netherlands Currency

Under date of Aug. 11 Allan Sproul, President of the Federal Reserve Bank of New York, announced that "the Netherlands authorities have now made arrangements whereby, up to and including Aug. 18, 1945, guilder currency notes heretofore issued by De Nederlandsche Bank in denominations of 200, 300, 500 and 1,000 guilders may be forwarded to the Federal Reserve Bank of New York for account of the Netherlands Government accompanied by applications for the redemption of such notes. These arrangements, says the announcement, "are substantially the same as the arrangements outlined in our circular dated July 24, 1945, for the handling, up to and including Aug. 4, 1945, of guilder currency notes in denominations of 100 guilders or less."

Mr. Sproul's advices of Aug. 11 to banks and trust companies in the district further said:

"Such notes in denominations of 200, 300, 500 and 1,000 guilders should be forwarded to the Federal Reserve Bank of New York accompanied by a written application for redemption of the notes, in duplicate, sworn to before a notary public or similar officer, containing the following information: (1) The full name, address, nationality and occupation of the applicant. (2) If the applicant is not the owner the same particulars should also be given about the owner. (3) The number and denomination of each note, and the total amount of notes deposited. (4) A full statement of the circumstances under which the notes were acquired, including how, when, where, from whom and for what purpose. (5) What the applicant knows concerning the circumstances under which the notes were imported into the United States, including the names of the persons participating therein, the date of

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

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

"The notes and statements should be sent to Federal Reserve Bank of New York, Foreign Department, Federal Reserve P. O. Station, New York 7, N. Y., at the expense and risk of the holder, and they may be sent direct or through the holder's bank. The Federal Reserve Bank of New York is not authorized to receive any notes after Aug. 18, 1945, unless mailed in an envelope post-marked not later than Aug. 18, 1945, or forwarded by a bank with a statement to the effect that they were received on or before Aug. 18, 1945."

Rumania & Finland Recognized by Russia

Joseph C. Grew, Acting Secretary of State, has disclosed that Russia has made known to our State Department that she has resumed diplomatic relations with the present governments of Rumania and Finland. In reporting the announcement in a special dispatch from Washington on Aug. 6, the New York "Times" points out that this marks the first official step on the part of one of the Big Three governments to implement decisions taken at the recent Potsdam meeting with regard to the clearing up of the "present anomalous position" of several European countries.

In publishing the announcement Mr. Grew made no comment as to the position of this government with respect to the two governments of Finland and Rumania, the "Times" report stated, and continued:

In the Potsdam communique it was stated that the three governments had agreed to examine, each separately in the near future, the question of establishing diplomatic relations with Bulgaria and Hungary, as well as with Finland and Rumania, and that their decisions would be made in the light of "prevailing conditions."

Following the occupation of Finland and Rumania by the Red armies, provisional local governments were set up with the advice of Russian representatives but although they have functioned for several months the western Allies have not yet moved to resume relations with either country. Allied control commissions have been sent to both Finland and Rumania, but only meager reports have been received thus far as to the prevailing situation.

The Rumanian regime under Premier Petru Groza, an old-time peasant leader, is largely composed of Socialists and Commu-

nists. In Finland Premier Juho K. Paasikivi heads the provisional regime.

One important factor governing the possible action of Britain and the United States toward recognizing the existing governments in the two countries is contained in the paragraph in the Potsdam report that says that the three governments "have no doubt" that representatives of the Allied press would soon have full freedom to report to the world on developments in the countries with whom it is desired to establish peace. Thus far Allied newspaper men have not been admitted either to Rumania or Finland for permanent reporting.

Re-establishment of relations with Russia will mean the immediate naming of a Russian Ambassador to both countries, and is an invitation to the other Allies to take similar action. Some form of recognition by all the Big Five will be necessary before the London Council of Foreign Ministers can act on the framing of the peace treaties.

The Potsdam communique added that resumption of relations with democratic governments in the liberated countries would be the preliminary to their admissions as members of the United Nations.

Export-Import Bank Negotiating Loans

Stating that the Export-Import Bank is now negotiating substantial loans to eight liberated nations of Europe, advices from Washington to the Philadelphia bureau of the "Wall Street Journal," published in its issue of Aug. 6, said:

"President Truman gave the Government institution a green light by signing in Potsdam the bill expanding the bank's lending power to \$3.5 billion from \$700 million.

Export-Import Bank ne-

gotiations which are perhaps farthest advanced concern Norway, Denmark and the Netherlands. The Dutch loan, it is understood, would be primarily for use in the East Indies. Not quite so near final agreement are discussions with France. Belgium is probably among the other nations discussing lines of credit.

"The Soviet Government has as yet made no request for credit, it is stated.

"The credit transactions under discussion are of such magnitude that any two of them probably would equal the former lending capacity of the bank, according to officials. During the next month or two, it is anticipated, several will be brought to a close and publicly announced.

"The initial agreements will set up a 'line of credit' which can be drawn upon over a considerable part of the reconstruction period. Thus they will cover railroad rolling stock, utilities, equipment for hydroelectric and steam projects, and other heavy goods which may not be available for shipment in quantity immediately. Transport equipment will be the heaviest item.

"The 11-year-old Government bank, now headed by Wayne Chatfield Taylor, former Undersecretary of Commerce, intends also to place new emphasis on loans spurring export of American technology and management aid, such as is furnished by U. S. engineering firms. The widest field for this is not to be sought in Europe but in the industrially backward sections of the world.

"Profits of \$42 million have been claimed by the bank in its career. Earnings have run heaviest since war broke out in Europe; they have been better than \$7 million annually from 1940 on."

Newspaper Advertising Begun By N. Y. S. E.

Newspaper advertising in more than 300 key cities throughout the country the week of Aug. 13 inaugurated a long-range program of public information on the services and economic functions of the New York Stock Exchange, it was announced by Emil Schram, President of the Exchange. The messages, to be published monthly, are scheduled in more than 400 daily newspapers with a total circulation in excess of 38,000,000.

"The program is aimed at a wider public acquaintanceship with the functions of organized financial markets and their essential place in our complex industrial society," Mr. Schram declared. He added: "The messages we intend to publish are definitely cautionary in warning the uninformed, the reckless, and those who cannot afford to take the risks inherent in the purchase and sale of securities, to stay out of the markets.

"Through the combined efforts of the New York Stock Exchange, other organized exchanges, the SEC and the companies whose securities are listed, a great body of factual information about listed securities is available to the investing public. Our program of advertising will urge that facts be obtained before use is made of our market facilities.

"Our organized markets are vital elements in the financial processes behind the production of more and better goods and the continuation of old jobs and the creation of new jobs in the future. This is a responsibility which the investing public shares. In facilitating the flow of investment funds, our markets are performing a necessary and important service.

"In the course of our national program we shall endeavor to bring about a better public understanding of the Exchange's functions and a broader aware-

Russia Becomes Eligible for Lend-Lease On War Declaration Against Japan

The following Associated Press advices from Washington appeared in the "Wall Street Journal" of Aug. 9: Russia automatically became eligible for \$1 billion in Lend-Lease aid when she declared war against Japan, Foreign Economic Administration officials disclosed.

Since the defeat of Germany she had been receiving only limited supplies under Lend-Lease via Siberia.

However, Foreign Economic Administrator Leo Crowley had foreseen the possibility that Russia would declare war against Japan when Congress appropriated additional funds for the program last June.

At his urging, it approved a provision that \$1 billion of the \$4,385,000,000 budget would be allotted for supplies to Russia in event she joined the Allies in the Pacific.

Compulsory Military Training Held Unlikely

Proponents of the plan for compulsory peacetime military training foresee its defeat when put up to Congress as a legislative measure in the fall. They plan to make an effort to put through such legislation for all able bodied youths but anticipate failure, the Associated Press stated from Washington, Aug. 6.

The House Post-war Military Policy committee, headed by Representative Woodrum (D.-Va.), has recommended the program. It has the solid backing of the Army, Navy and veterans' groups but is opposed by most churchmen, educators and organized labor.

Advocates of the measure, who contend that a peace-time draft is necessary as a future defense measure, blame delay in action and the current low ebb of Army sentiment on Capitol Hill for the dark outlook. The Associated Press added:

Another factor involved is President Truman's attitude. Pending a promised message to Congress this fall, the Chief Executive has declined to state his views on the subject.

Some Capitol Hill friends of the President, however, say that Mr. Truman is much more likely to suggest an enlarged and modernized National Guard rather than universal training legislation.

"We had a fighting chance up to about a month ago," one of the most ardent backers of postwar conscription said, "but recent actions of the Army have just about ruined that chance.

"Army relations with Capitol Hill are at their lowest in history because of dissatisfaction with their man power policies, their food program and other things. There are many of us who believe the Army has gone too far in hoarding man power, in cornering food, in imposing too severe sentences for violations of rules, and in the general treatment of personnel."

Truman Suggests Next Parley in Washington

President Truman is reported to have suggested that if another Big Three meeting should be necessary that it be held at Washington, D. C., according to the Associated Press, Aug. 4. Premier Stalin's reply, said to have been given with a smile, was "God willing."

ness of the responsibilities involved in the ownership of securities."

Pres. Truman Reports on Potsdam

(Continued from first page)

class of society" and stated that the three great powers "are now more closely bound together in the great cause of a just and lasting peace."

The text of President Truman's address, as reported by the New York "Times," follows:
My Fellow Americans:

I have just returned from Berlin, the city from which the Germans intended to rule the world. It is a ghost city. The buildings are in ruins, its economy and its people are in ruins.

Our party also visited what is left of Frankfurt and Darmstadt. We flew over the remains of Kassel, Magdeburg and other devastated cities. German women and children and old men were wandering over the highways returning to bombed-out homes or leaving bombed-out cities, searching for food and shelter.

War has indeed come home to Germany and to the German people. It has come home in all the frightfulness with which the German leaders started and waged it. The German people are beginning to atone for the crimes of the gangsters whom they placed in power and whom they wholeheartedly approved and obediently followed.

We also saw some of the terrible destruction which the war had brought to the occupied countries of Western Europe and to England.

How glad I am to be home again! And how grateful to Almighty God that this land of ours has been spared!

Calls for Military Bases

We must do all we can to spare her from the ravages of any future breach of the peace. That is why, though the United States wants no territory or profit or selfish advantage out of this war, we are going to maintain the military bases necessary for the complete protection of our interests and of world peace. Bases which our military experts deem to be essential for our protection, and which are not now in our possession, we will acquire. We will acquire them by arrangements consistent with the United Nations Charter.

No one can foresee what another war would mean to our own cities and to our own people. What we are doing to Japan now—even with the new atomic bomb—is only a small fraction of what would happen to the world in a third world war.

That is why the United Nations are determined that there shall be no next war.

That is why the United Nations are determined to remain united and strong. We can never permit any aggressor in the future to be clever enough to divide us or strong enough to defeat us.

That was the guiding spirit in the conference at San Francisco.

That was the guiding spirit in the conference at Berlin.

That will be the guiding spirit in the peace settlement to come.

In the conference of Berlin it was easy for me to get along in mutual understanding and friendship with Generalissimo Stalin, with Prime Minister Churchill and later with Prime Minister Attlee.

Strong foundations of good-will and cooperation had been laid by President Roosevelt. And it was clear that those foundations rested on much more than the personal friendships of three individuals. There was a fundamental accord and agreement upon the objectives ahead of us.

Two of the three conferees of Teheran and Yalta were missing by the end of this conference. Each of them was sorely missed. Each had done his work toward winning this war. Each had made

a great contribution toward establishing and maintaining a lasting world peace. Each of them seems to have been ordained to lead his country in its hour of greatest need. And so thoroughly had they done their jobs that we were able to carry on and to reach many agreements essential to the future peace and security of the world.

No Secret Agreements

The results of the Berlin conference have been published. There were no secret agreements or commitments—apart from current military arrangements.

And it was made perfectly plain to my colleagues at the conference that, under our Constitution, the President has no power to make any treaties without ratification by the Senate of the United States.

I want to express my thanks for the excellent services which were rendered at this conference by Secretary of State Byrnes, and which were highly commended by the leaders of the other two powers. I am thankful also to the other members of the American delegation—Admiral Leahy, and Ambassadors Harriman, Davies and Pauley—and to the entire American staff. Without their hard work and sound advice the conference would have been unable to accomplish as much as it did.

The conference was concerned with many political and economic questions. But there was one strictly military matter uppermost in the minds of the American delegates. It was the winning of the war against Japan. On our program that was the most important item.

The military arrangements made at Berlin were of course secret. One of those secrets was revealed yesterday, when the Soviet Union declared war on Japan.

The Soviet Union, before she had been informed of our new weapon, agreed to enter the war in the Pacific. We gladly welcome into this struggle against the last of the Axis aggressors our gallant and victorious ally against the Nazis.

The Japs will soon learn some more of the military secrets agreed upon at Berlin. They will learn them first hand—and they will not like them.

U. S. Proposals Considered

Before we met at Berlin, the United States Government had sent to the Soviet and British Governments our ideas of what should be taken up at the conference. At the first meeting our delegation submitted these proposals for discussion. Subjects were added by the Soviet and British Governments. But in the main the conference was occupied with the American proposals.

Our first non-military agreement in Berlin was the establishment of a Council of Foreign Ministers.

The council is going to be the continuous meeting ground of the five principal Governments, on which to reach common understanding regarding the peace settlements. This does not mean that the five Governments are going to try to dictate to, or dominate, other nations. It will be their duty to apply, so far as possible, the fundamental principles of justice underlying the Charter adopted at San Francisco.

Just as the meeting at Dumbarton Oaks drew up the proposals to be placed before the conference at San Francisco, so this Council of Foreign Ministers will lay the ground work for future peace settlements. This preparation by the council will make possible speedier, more orderly, more efficient and more coopera-

tive peace settlements than could otherwise be obtained.

The Council of Foreign Ministers

One of the first tasks of the Council of Foreign Ministers is to draft proposed treaties of peace with former enemy countries: Italy, Rumania, Bulgaria, Hungary and Finland.

These treaties, of course, will have to be passed upon by all the nations concerned. In our own country the Senate will have to ratify them. But we shall begin at once the necessary preparatory work. Adequate study now may avoid the planting of the seeds of future wars.

I am sure that the American people will agree with me that this Council of Foreign Ministers will be effective in hastening the day of peace and reconstruction.

We were anxious to settle the future of Italy first among the former enemy countries. Italy was the first to break away from the Axis. She helped materially in the final defeat of Germany. She has now joined us in the war against Japan. She is making real progress toward democracy.

A peace treaty with a democratic Italian government will make it possible for us to receive Italy as a member of the United Nations.

The Council of Foreign Ministers will also have to start the preparatory work for German peace settlement. But its final acceptance will have to wait until Germany has developed a government with which a peace treaty can be made. In the meantime, the conference of Berlin laid down those specific political and economic principles under which Germany will be governed by the occupying powers.

Peace Principles

Those principles have been published. I hope that all of you will read them.

They seek to rid Germany of the forces which have made her so long feared and hated, and which have now brought her to complete disaster. They are intended to eliminate Nazism, armaments, war industries, the German General Staff and all its military tradition. They seek to rebuild democracy by control of German education, by reorganizing local government and the judiciary, by encouraging free speech, free press, freedom of religion and the right of labor to organize.

German industry is to be decentralized in order to do away with concentration of economic power in cartels and monopolies. Chief emphasis is to be on agriculture and peaceful industries. German economic power to make war is to be eliminated. The Germans are not to have a higher standard of living than their former victims, the people of the defeated and occupied countries of Europe.

We are going to do what we can to make Germany over into a decent nation, so that it may eventually work its way from the economic chaos it has brought upon itself back into a place in the civilized world.

Reparations

The economic action taken against Germany at the Berlin conference included another most important item—reparations.

We do not intend again to make the mistake of exacting reparations in money and then lending Germany the money with which to pay. Reparations this time are to be paid in physical assets from those resources of Germany which are not required for her peacetime subsistence.

The first purpose of reparations is to take out of Germany everything with which she can prepare for another war. Its second purpose is to help the devastated countries to bring about their own recovery by means of the

equipment and material taken from Germany.

At the Crimea Conference a basis for fixing reparations had been proposed for initial discussion and study by the Reparations Commission. That basis was a total amount of reparations of \$20,000,000,000. Of this sum, one-half was to go to Russia, which had suffered more heavily in the loss of life and property than any other country.

But at Berlin the idea of attempting to fix a dollar value on the property to be removed from Germany was dropped. To fix a dollar value on the share of each nation would be a sort of guarantee of the amount each nation would get—a guarantee which might not be fulfilled.

Therefore it was decided to divide the property by percentages of the total amount available. We still generally agreed that Russia should get approximately half of the total for herself and Poland, and that the remainder should be divided among all the other nations entitled to reparations.

Under our agreement at Berlin, the reparations claims of the Soviet Union and Poland are to be met from the property located in the zone of Germany occupied by the Soviet Union, and from the German assets in Bulgaria, Finland, Hungary, Rumania and East Austria. The reparations claims of all other countries are to be met from property located in the western zones of occupation in Germany, and from German assets in all other countries. The Soviet waives all claims to gold captured by the Allied troops in Germany.

This formula of taking reparations by zones will lead to less friction among the Allies than the tentative basis originally proposed for study at Yalta.

The difficulty with this formula, however, is that the industrial capital equipment not necessary for German peace economy is not evenly divided among the zones of occupation. The western zones have a much higher percentage than the eastern zone, which is mostly devoted to agriculture and to the production of raw materials. In order to equalize the distribution and to give Russia and Poland their fair share of approximately 50% it was decided that they should receive, without any reimbursement, 10% of the capital equipment in the western zones available for reparations.

As you will note from the communique, a further 15% of the capital equipment in the western zones not necessary for Germany's peace economy is also to be turned over to Russia and Poland. But this is not free. For this property, Poland and Russia will give to the western zones an equal amount in value in food, coal and other raw materials. This 15%, therefore, is not additional reparations for Russia and Poland. It is a means of maintaining a balanced economy in Germany and providing the usual exchange of goods between the eastern part and the western part.

It was agreed at Berlin that the payment of reparations, from whatever zones taken, should always leave enough resources to enable the German people to subsist without sustained support from the other nations.

Polish Question

The question of Poland was a most difficult one. Certain compromises about Poland had already been agreed upon at the Crimea Conference. They obviously were binding upon us at Berlin.

By the time of the Berlin Conference, the Polish Provisional Government of National Unity had already been formed; and it had been recognized by all of us. The new Polish Government had agreed to hold free and unfettered

elections as soon as possible, on the basis of universal suffrage and secret ballot.

In accordance with the Crimea agreement, we sought the opinion of the Polish Provisional Government of National Unity with respect to its western and northern boundaries.

They agreed, as did we all, that the final determination of the borders could not be accomplished at Berlin, but must await the peace settlement. However, a considerable portion of what was the Russian zone of occupation in Germany was turned over to Poland at the Berlin Conference for administrative purposes until the final determination of the peace settlement.

Nearly every international agreement has in it the element of compromise. The agreement on Poland is no exception. No one nation can expect to get everything that it wants. It is a question of give and take—of being willing to meet your neighbor half-way.

In this instance there is much to justify the action taken. An agreement on some line—even provisionally—was necessary to enable the new Poland to organize itself, and to permit the speedier withdrawal of the armed forces which had liberated her from the Germans.

3,000,000 Poles to Return

In the area east of the Curzon Line there are over 3,000,000 Poles who are to be returned to Poland. They need room to settle. The new area in the west was formerly populated by Germans. But most of them had already left in the face of the invading Soviet Army. We were informed that there are only about a million and half Germans left.

The territory the Poles are to administer will enable Poland better to support its population. It will provide a short and more easily defensible frontier between Poland and Germany. Settled by Poles, it will provide a more homogenous nation.

The three powers also agreed to help bring about the earliest possible return to Poland of all Poles who wish to return, including soldiers, with the assurance that they would have all the rights of other Polish citizens.

The action taken at Berlin will help carry out the basic policy of the United Nations toward Poland—to create a strong, independent and prosperous nation with a government to be selected by the people themselves.

It was agreed to recommend that in the peace settlement a portion of East Prussia should be turned over to Russia. That, too, was agreed upon at Yalta. It will provide the Soviet Union, which did so much to bring about victory in Europe, with an ice-free port at the expense of Germany.

Liberated Countries

At Yalta it was agreed, you will recall, that the three Governments would assume a common responsibility in helping to re-establish in the liberated and satellite nations of Europe governments broadly representative of the democratic elements in the population. That responsibility still stands. We all recognize it as a joint responsibility of the three Governments.

It was reaffirmed in the Berlin declarations on Rumania, Bulgaria and Hungary. These nations are not to be spheres of influence of any one power. They are now governed by Allied control commissions composed of representatives of the three Governments which met at Yalta and Berlin. These control commissions, it is true, have not been functioning completely to our satisfaction; but improved procedures were agreed upon at Berlin. Until these states are reestablished as members of the interna-

tional family, they are the joint concern of all of us.

The American delegation was much disturbed over the inability of the representatives of a free press to get information out of the former German satellite nations. The three Governments agreed at Berlin that the Allied press would enjoy full freedom from now on to report to the world upon all developments in Rumania, Bulgaria, Hungary and Finland. The same agreement was reaffirmed also as to Poland.

Waterways Control

One of the persistent causes for wars in Europe in the last two centuries has been the selfish control of the waterways of Europe. I mean the Danube, the Black Sea Straits, the Rhine, the Kiel Canal, and all the inland waterways of Europe which border upon two or more states.

The United States proposed at Berlin that there be free and unrestricted navigation of these inland waterways. We think this is important to the future peace and security of the world. We proposed that regulations for such navigation be provided by international authorities.

The function of the agencies would be to develop the use of the waterways and assure equal treatment on them for all nations. Membership on the agencies would include the United States, Great Britain, the Soviet Union and France, plus those states which border on the waterways.

Our proposal was considered by the conference and was referred to the Council of Ministers. There, the United States intends to press for its adoption.

Victory Must Be Kept

Any man who sees Europe now must realize that victory in a great war is not something you can win once and for all, like a victory in a ball game. Victory in a great war is something that must be won and kept won. It can be lost after you have won it—if you are careless or negligent or indifferent.

Europe today is hungry. I am not talking about Germans. I am talking about the people of the countries which were overrun and devastated by the Germans, and particularly about the people of western Europe. Many of them lack clothes and fuel and tools and shelter and raw materials. They lack the means to restore their cities and their factories.

As the winter comes on, the distress will increase. Unless we do what we can to help, we may lose next winter what we won at such terrible cost last spring. Desperate men are liable to destroy the structure of their society to find in the wreckage some substitute for hope. If we let Europe go cold and hungry, we may lose some of the foundations of order on which the hope for world peace must rest.

We must help to the limit of our strength. And we will.

Our meeting at Berlin was the first meeting of the great Allies since the victory was won in Europe. Naturally our thoughts now turn to the day of victory in Japan.

Japanese Warned

The British, Chinese and United States Governments have given the Japanese people adequate warning of what is in store for them. We have laid down the general terms on which they can surrender. Our warning went unheeded, our terms were rejected. Since then the Japanese have seen what our atomic bomb can do. They can foresee what it will do in the future.

The world will note that the first atomic bomb was dropped on Hiroshima, a military base. That was because we wished in the first attack to avoid, in so far as possible, the killing of civilians. But that attack is only a warning of things to come. If Japan does

not surrender, bombs will have to be dropped on her war industries and, unfortunately, thousands of civilian lives will be lost. I urge Japanese civilians to leave industrial cities immediately and save themselves from destruction.

Significance of Atomic Bomb

I realize the tragic significance of the atomic bomb.

Its production and its use were not lightly undertaken by this Government. But we knew that our enemies were on the search for it. We know now how close they were to finding it. And we knew the disaster which would come to this nation, and to all peaceful nations, to all civilizations, if they had found it first.

That is why we felt compelled to undertake the long and uncertain and costly labor of discovery and production.

We won the race of discovery against the Germans.

Having found the bomb we have used it. We have used it against those who attacked us without warning at Pearl Harbor, against those who have starved and beaten and executed American prisoners of war, against those who have abandoned all pretense of obeying international laws of warfare. We have used it in order to shorten the agony of war, in order to save the lives of thousands and thousands of young Americans.

We shall continue to use it until we completely destroy Japan's power to make war. Only a Japanese surrender will stop us.

The atomic bomb is too dangerous to be loose in a lawless world. That is why Great Britain, Canada and the United States, who have the secret of its production, do not intend to reveal that secret until means have been found to control the bomb so as to protect ourselves and the rest of the world from the danger of total destruction.

As far back as last May, Secretary of War Stimson, at my suggestion, appointed a committee upon which Secretary of State Byrnes served as my personal representative, to prepare plans for the future control of this bomb. I shall ask the Congress to cooperate to the end that its production and use be controlled, and that its power be made an overwhelming influence toward world peace.

We must constitute ourselves trustees of this new force—to prevent its misuse, and to turn it into the channels of service to mankind.

It is an awful responsibility which has come to us.

We thank God that it has come to us, instead of to our enemies; and we pray that He may guide us to use it in His ways and for His purposes.

A Triumph for Democracy

Our victory in Europe was more than a victory of arms.

It was a victory of one way of life over another. It was a victory of an ideal founded on the rights of the common man, on the dignity of the human being, and on the conception of the State as the servant—not the master—of its people.

A free people showed that it was able to defeat professional soldiers whose only moral arms were obedience and the worship of force.

We tell ourselves that we have emerged from this war the most powerful nation in the world—the most powerful nation, perhaps, in all history. That is true, but not in the sense some of us believe it to be true.

The war has shown us that we have tremendous resources to make all the materials for war. It has shown us that we have skillful workers and managers and able generals, and a brave people capable of bearing arms.

All these things we knew before.

The new thing—the thing which we had not known—the thing we have learned now and should never forget, is this: that a society of self-governing men is more powerful, more enduring, more creative than any other kind of society, however disciplined, however centralized.

We know now that the basic proposition of the worth and dignity of man is not a sentimental aspiration or a vain hope or a piece of rhetoric. It is the strongest, most creative force now present in this world.

Now let us use that force and all our resources and all our skills in the great cause of a just and lasting peace!

The three great powers are now more closely than ever bound together in determination to achieve that kind of peace.

From Teheran, and the Crimea, from San Francisco, and Berlin—we shall continue to march together to a lasting peace and a happy world.

Foreign Bondholders Council Reports

Foreign Bondholders Protective Council, Inc., of New York, has published a report for the years 1941 through 1944, covering publicly offered dollar bonds issued and guaranteed by foreign governments and their political subdivisions. Outstanding in an amount of approximately \$4.7 billion as of Dec. 31, 1944. Detailed information is given on the 1,079 issues of dollar bonds of 41 countries, with compilations showing status of service for each of the four years. Indicating that on Dec. 31, 1944, there were defaults of approximately 49½% of the outstanding dollar bonds the advices from the Council on Aug. 13 said:

At the beginning of 1941 about 43% of the outstanding dollar bonds were in default. Although there was a slight reduction of defaults in the Latin American group during the four years under report, the increase of defaults in Europe and the Far East, occasioned largely by war in those areas, raised the over-all percentage of defaults to approximately 49½% of the outstanding dollar bonds as of Dec. 31, 1944.

In 1944 full service—interest and sinking fund—was paid on 95% of the Canadian dollar bonds, on 44% of the Far Eastern and African totals, on 37% of the Latin-American issues (with 2% more paying full interest but less than contract sinking fund), and on 13% of European dollar bonds (with 8% more paying full interest but no sinking fund).

As of Dec. 31, 1944, national and guaranteed bonds represented 70% of the amount outstanding (\$3.3 billion out of \$4.7 billion), but accounted for 80% of the amount in default (\$1.8 billion out of \$2.3 billion). This has a bearing on statements frequently made that the defaults are largely those of the political sub-divisions.

It has been estimated by reliable authorities that between \$8 and \$9 billion principal amount of foreign dollar bonds, direct and guaranteed, were issued during the decade following the last war. The \$4.7 billion outstanding at Dec. 31, 1944, represents bonds originally issued in the amount of \$6.8 billions. This would seem to indicate that of the total original amount issued, bond issues which aggregated somewhere between \$1.2 and \$2.2 billions are wholly retired and no longer outstanding, and that of the remaining issues, another \$2.1 billions have been redeemed or otherwise retired.

The status of service by areas is reported as follows by the Council.

Canada—This country with approximately \$1.5 billion dollar bonds represents 33.4% of the grand total. Full service continued to be paid on the direct

and guaranteed issues of the Dominion, of all the Provinces except one, and of all the Municipalities except two where readjustment or repayment offers were pending.

Latin America—Of the 16 countries having dollar bonds outstanding totaling approximately \$1.4 billion, and representing 29.2% of the grand total, only one country in that area—Guatemala—had no dollar bonds in default. In five countries—Argentina, Cuba, Dominican Republic, Panama, and Uruguay—full payments were being made under readjustment or conversion plans. Of these, Argentina has always paid full service on her national dollar bonds. In one country—Haiti—full interest was continued, but less than contract sinking fund. Two other countries—Chile and Brazil—have offered readjustment plans on their dollar bonds. However, Chilean payments of interest are not on a current basis, and sinking fund moneys are being diverted for other purposes. On Brazilian bonds full payments are being made to the extent of acceptances of the readjustment plan offered in 1944. Two other countries—Colombia and Mexico—have offered readjustment plans on their national bond issues, but these are only a part of their dollar obligations. Five countries—Bolivia, Costa Rica, Ecuador, El Salvador, and Peru—continue in complete default on all outstanding dollar bond issues.

Europe—Out of 20 countries having approximately \$1.2 billion dollar bonds outstanding, representing 26.3% of the grand total, three countries—Finland, France, and Ireland—were the only ones in that area paying full service on all issues, direct and guaranteed. Denmark and Norway paid full interest, but sinking fund and principal maturities were not met on Danish bonds, and there were sinking fund default on State and City issues of Norway. Belgium paid full service on certain numbered bonds of its national issues, but City bonds were in complete default.

European countries making some payments on their bonds before they were over-run or occupied, but which now are in complete default, are Austria, Czechoslovakia, Danzig, Estonia, Greece, Hungary, Lithuania, Poland, and Yugoslavia. Other countries long in default on their dollar bonds are Bulgaria, Germany, Italy, Roumania and Russia.

Far East and Africa—Of the approximately half a billion outstanding dollar bonds in this group, representing 11.1% of the total, the one African issue—Liberia—was served at a reduced rate agreed upon, and of the three Far Eastern countries, Australia maintained full service, while bonds of both China and Japan were in default.

As to total service obligations and performance the Council says:

It is worth noting that 55% of the outstanding dollar bonds are those of national governments, and that of that amount, 60% were in default at the end of 1944. This does not include corporate guaranteed issues, some of which are guaranteed by national governments while others are guaranteed by states and municipalities. For the most part of defaults in Latin America on the state, municipal, and guaranteed obligations are due to control over foreign exchange regulated by national governments which prohibit transfers abroad.

The amount required for annual debt payments in full is not an onerous one. Annual contractual interest on the \$4.7 billion outstanding dollar bonds as of the end of 1944 has been computed at approximately \$232 million, which amounts to slightly less than a 5% return on principal. Contractual sinking fund, because of its

variable features, has not been calculated as of the same date, but if it were presumed to be at the rate of 2%, the total annual service charge would be increased by somewhat less than \$100 million. Using such a flat sinking fund rate, with the actual interest charge, it is estimated that full service on all outstanding dollar bonds as of Dec. 31, 1944, could be paid by an annual outlay of approximately \$95 to \$96 million each for Canada, Latin America, and Europe, and of \$39 million outlay for the Far East and Africa together.

Although, as above stated, the annual contract rate of interest in 1944 was slightly less than 5%, amounting to approximately \$232 million, it has been calculated that the interest actually paid during that year amounted to less than \$110 million, or only approximately 21/3% on the outstanding dollar bonds. 96% of the interest owed on Canadian bonds was paid, and, notwithstanding a war in the Far Eastern area, 40% of the interest owed on bonds of the Far East and Africa was paid, while Latin American countries paid less than 34% of the interest owed on their bonds. With a war occupying the whole of Europe in 1944, 19% of the interest owed on bonds of that area was paid.

Cotton Report as of Aug. 1, 1945

A United States cotton crop for 1945 of 10,134,000 bales of 500 pounds gross weight is forecast by the Crop Reporting Board, based upon information as of August 1. Such a production would be 17% or 2,096,000 bales less than production in 1944, and 2,159,000 bales less than average production for the 10-year (1934-43) period. The indicated lint yield per acre of 269.7 pounds is 39 pounds above average yield and has been exceeded in only three years, namely, 1944, 1942, and 1937. Allowing for average abandonment on the acreage in cultivation on July 1 the acreage for harvest this year is computed at 18,034,000 acres—10% below acreage harvested in 1944 and the smallest during any of the past 60 years.

The crop generally is late and there are numerous complaints of poor stands. Open weather during the last half of July, however, has been beneficial in most areas. Per acre yields are expected to be below those harvested last year in all States except Florida, New Mexico, and California. However, above-average yields are in prospect for all States, except Missouri, Oklahoma, California, Kentucky, and Illinois. In Missouri, and in the Delta counties of Kentucky, Illinois, and Tennessee, prospective yields are much below average as the result of continued and excessive rainfall during the spring months. Rain and floods also took a toll of the crop in the lowland counties of Mississippi, Arkansas and Louisiana, but for these States as a whole a good crop is in prospect. In Texas, the yield will be about average. In the north central and eastern parts of that State there has been too much rainfall for proper fruiting of the plants, and in north-west Texas the acreage is much reduced and the crop very late due to continued drought through mid-July. In the remainder of the State a good crop is in prospect.

No estimate of cottonseed production will be made until December. If the ratio of cotton lint to cottonseed is the same as the average for the past 5 years, however, production of cottonseed would be 4,179,000 tons.

The report from the Bureau of the Census shows 132,541 bales of cotton ginned from the crop of 1945 prior to August 1, compared with 48,182 bales for 1944 and 107,053 bales for 1943.

Japan Surrenders

(Continued from first page)

Great Britain, the Soviet Union and China sent by American Secretary of State Byrnes under the date Aug. 11, the Japanese Government have the honor to communicate to the Governments of the Four Powers as follows:

"(1) His Majesty the Emperor has issued an imperial rescript regarding Japan's acceptance of the provisions of the Potsdam Declaration.

"(2) His Majesty the Emperor is prepared to authorize and insure the signature by his Government and the Imperial General Headquarters of the necessary terms for carrying out the provisions of the Potsdam Declaration. His Majesty is also prepared to issue his commands to all the military, naval and air authorities of Japan and all the forces under their control, wherever located, to cease active operations, to surrender arms and to issue such other orders as may be required by the Supreme Commander of the Allied Forces for the execution of the above mentioned terms."

The following, according to Associated Press advices from Washington Aug. 14 (published in the New York "Times") is the text of the message of Secretary of State Byrnes to the Swiss Government with instructions for the formal Japanese surrender—delivered at 7 p. m. EWT Aug. 14 to Max Grassli, Charge d'Affaires at the Swiss Legation in Washington:

"Sir:
"With reference to your communication of today's date transmitting the reply of the Japanese Government to the communication which I sent through you to the Japanese Government on Aug. 11 on behalf of the Governments of the United States, China, the United Kingdom and the Union of Soviet Socialist Republics, which I regard as full acceptance of the Potsdam Declaration and of my statement of Aug. 11, 1945, I have the honor to inform you that the President of the United States directed that the following message be sent to you for transmission to the Japanese Government:

"You are to proceed as follows:

"(1) Direct prompt cessation of hostilities by Japanese forces, informing the Supreme Commander for the Allied Powers of the effective date and hour of such cessation.

"(2) Send emissaries at once to the Supreme Commander for the Allied Powers with information of the disposition of the Japanese forces and commanders, and fully empowered to make any arrangements directed by the Supreme Commander for the Allied Powers to enable him and his accompanying forces to arrive at the place designated by him to receive the formal surrender.

"(3) For the purpose of receiving such surrender and the carrying of it into effect General of the Army Douglas MacArthur has been designated as the Supreme Commander for the Allied Powers, and he will notify the Japanese Government of the time, place and other details of the formal surrender."

"Accept, sir, the renewed assurances of my high consideration.

"James F. Byrnes,
"Secretary of State."

Confronted by the irresistible combined force of the atomic bomb and the hordes of the Russian Army descending upon them as new and unexpected menaces within the space of a few hours of each other, the Japanese nation had hurriedly sent out pleas for peace through the official news agency, Domei, which at 7:30 a. m. Eastern war time, August 10, informed the world that Japan was willing to surrender under the terms of the Potsdam Proclamation if Emperor Hirohito might retain his sovereign power.

Shortly afterwards, as the Associated Press reported, Japanese representatives handed official notes, offering to surrender, to the Swiss Political Department (which is the neutral intermediary for the United States and China) and to the Swedish Minister of Foreign Affairs (Sweden represents Britain and Russia in negotiations with Japan).

The following is the text of the note received by the United States, addressed to Secretary of State Byrnes, from the Swiss Government relative to the surrender proposal, as conveyed by the Associated Press from Washington on August 11:

"Sir:
"I have the honor to inform you that the Japanese Minister to Switzerland, upon instructions received from his Government, has requested the Swiss Political Department to advise the Government of the United States of America of the following:

"In obedience to the gracious command of His Majesty the Emperor who, ever anxious to enhance the cause of world peace, desires earnestly to bring about a speedy termination of hostilities with a view to saving mankind from the calamities to be imposed upon them by further continuation of the war, the Japanese Government several weeks ago asked the Soviet Government, with which neutral relations then prevailed to render good offices in restoring peace vis-a-vis the enemy powers. Unfortunately, these efforts in the interest of peace having failed, the Japanese Government in conformity with the august wish of His Majesty to restore the general peace and desiring to put an end to the untold sufferings entailed by war as quickly as possible, have decided upon the following:

"The Japanese Government are ready to accept the terms enumerated in the joint declaration which was issued at Potsdam on July 26, 1945, by the heads of the Governments of the United States, Great Britain and China, and later subscribed by the Soviet Government, with the understanding that the said declaration does not comprise any demand which prejudices the prerogatives of His Majesty as a sovereign ruler."

"The Japanese Government sincerely hope that this understanding is warranted and desire keenly that an explicit indication to that effect will be speedily forthcoming.

"In transmitting the above message the Japanese Minister added that his Government begs the Government of the United States to forward its answer through the intermediary of Switzerland. Similar requests are being transmitted to the Governments of Great Britain and the Union of Soviet Socialist Republics through the intermediary of Sweden, as well as to the Government of China through the intermediary of Switzerland. The Chinese Minister at Berne has already been informed of the foregoing through the channel of the Swiss Political Department.

"Please be assured that I am at your disposal at any time to accept for and forward to my Government the reply of the Government of the United States.

"Accept, sir, the renewed assurances of my highest consideration."

GRASSLI,
Charge d'Affaires ad Interim
of Switzerland.

The surrender offer based on retention of the Emperor was met with mixed feelings throughout the world. The American public generally, as well as soldiers just arriving from Europe, expressed the opinion that an Emperor stripped of his temporal power and left merely as a religious symbol at the head of the Jap-

anese people could make little difference in the fact of actual defeat. American Congressmen expressed opposing views on the subject, and soldiers lying wounded in Walter Reed Hospital, Washington, seemed little inclined to give any quarter to our treacherous enemy.

Russia, through the Moscow radio, was emphatic in declaring that unconditional surrender meant just that, and Japan should be given no opportunity to insert terms however innocuous. The Associated Press reported from Moscow on Aug. 10 that popular opinion was that the Red Army's Manchurian offensive had been the deciding factor behind the Japanese surrender offer.

In the United States, opinion was equally certain that President Truman's warning to the Japanese people in his broadcast of August 9 to surrender or be wiped out by atomic bombings was the impetus to the quickly following offer to come to terms. Speaking of the bomb's potential for utter devastation, the President had said: "We shall continue to use it until we completely destroy Japan's power to make war. Only a Japanese surrender will stop us."

On August 11, after consultation among the Allied powers on the Japanese proposal, the decision was reached to permit the Emperor to remain, at least temporarily, but subject to the Allied Supreme Military Commander who would immediately take possession of Japan.

The text of the communication by Secretary of State James F. Byrnes to Max Grassli, Charge d'Affaires of the Swiss Legation, who had transmitted the Japanese note, as released by the Associated Press from Washington, Aug. 11, follows:

"Sir:

"I have the honor to acknowledge receipt of your note of Aug. 10, and in reply to inform you that the President of the United States has directed me to send to you for transmission by your Government to the Japanese Government the following message on behalf of the Governments of the United States, the United Kingdom, the Union of Soviet Socialist Republics and China:

"With regard to the Japanese Government's message accepting the terms of the Potsdam Proclamation but containing the statement, 'with the understanding that the said declaration does not comprise any demand which prejudices the prerogatives of his Majesty as a sovereign ruler,' our position is as follows:

"From the moment of surrender the authority of the Emperor and the Japanese Government to rule the State shall be subject to the Supreme Commander of the Allied Powers, who will take such steps as he deems proper to effectuate the surrender terms.

"The Emperor will be required to authorize and insure the signature by the Government of Japan and the Japanese Imperial General Headquarters of the surrender terms necessary to carry out the provisions of the Potsdam Declaration, and shall issue his commands to all the Japanese military, naval and air authorities and to all of the forces under their control wherever located to cease active operations and to surrender their arms, and to issue such other orders as the Supreme Commander may require to give effect to the surrender terms.

"Immediately upon the surrender the Japanese Government shall transport prisoners of war and civilian internees to places of safety, as directed, where they can quickly be placed aboard Allied transports.

"The ultimate form of Government of Japan shall, in accordance with the Potsdam Declaration, be established—by the freely expressed will of the Japanese people.

"The armed forces of the Allied

From Washington Ahead Of The News

(Continued from first page)

peoples have always wanted peace and the better things of life, but they never have been able to attain them, because we would not cooperate in world affairs. Don't disappoint them now, said the State Department. Let the peoples of the world know that our Senate was not a hide-bound reactionary body, but a forward-looking something. The few Senators who opposed the treaty were smeared as men of the old order, as ostriches, as men who simply could not realize that the world had shrunk. All that was involved here was the question of whether a few high riders, land-holders in adjacent Mexico should have their land cultivated at the expense of the Californians or not. The issue was not decided on this basis.

The Senate, and apparently the country was world minded enough for the State Department then. What do you suppose it is going to be after the propaganda about the atomic bomb? Try to get your government to protect you when another nation is involved, in an issue involving another country, and see how far you will get.

A few weeks ago, the Senate passed the Bretton Woods agreement in this sort of atmosphere. There could be no analysis of it, no serious questioning as to whether it was what we should do. Anyone who did challenge it was an "isolationist." Yet, since there has come a change in the government of Britain, and our Government does not know whether the new British government will go along with the Bretton Woods pacts or not.

That world-mindedness with which our bureaucrats attempt to sell their enterprises will be tremendously accentuated by the atomic bomb. There is a serious question in the minds of some Washington political observers as to whether a better propaganda job has not been done on this country than on Japan. When the story is slowly and calmly deliberated, it appears that the greatest effect of the bomb, outside of the damage it caused at Hiroshima and Nagasaki was on the minds of the American people. It was we that got the full propaganda blast. The Japs haven't gotten it. Our OWI likes to say and to get appropriations on their statement, that it has been beaming propaganda to the Japs and undermining their morale. There is not the slightest indication that the Jap populace listens to them. But the story of the atomic bomb was certainly beamed to the American people. They got the full effects of it. Truly amazing it is that the country which evolved the so-called bomb should be the most frightened country in the world about it today.

We are so frightened that your correspondent wouldn't be surprised that the Government will really succeed in keeping on controls over food and other items which our leaders consider Europe and China, and perhaps, Japan, should have. The strongest nation in the world, we cannot possibly run the risk of incurring the ill will of any of these countries—because they might get hold of that bomb and drop it on us. It is doubtful in all history that any people have been put in such a cheap position as the American people have been placed. They are pretty well beaten into taking it, too.

powers will remain in Japan until the purposes set forth in the Potsdam Declaration are achieved."

Accept, sir, the renewed assurances of my highest consideration,

JAMES F. BYRNES,
Secretary of State.

U. S. and Chile Sign Commercial Agreement

The conclusion of a new commercial agreement with the United States by the Chilean Government was announced by the State Department at Washington on Aug. 2. Chile agreed to a unilateral reduction of tariff duties, without compensation, and proposed a treaty of friendship, commerce and navigation with the United States, said the State Department, according to special Washington advices to the New York "Times" on Aug. 2, which added:

The Chilean Government decision, accepted in an exchange of notes between the American Ambassador, Claude G. Bowers, and the Acting Minister of Foreign Affairs in Santiago, Luis Alamos Barros, will extend over one year and will be renewable unless superseded by a permanent commercial treaty.

The note of the Chilean Minister said the proposals were made in accordance with the economic objectives of the Atlantic Charter and the Inter-American Conference in Mexico City, because Chile wished to intensify commercial exchange with the United States and other allied nations.

The agreement may be denounced by either party upon 30 days' notice. It includes a detailed list of new rates for a long series of products, including many textiles, woolens, steel products, soap, medicines, clothing, tools and manufactured goods.

In accepting this provisional arrangement Ambassador Bowers expressed satisfaction that the Chilean Government desired to begin negotiations for a treaty of friendship, commerce and navigation and said the United States likewise was disposed to enter into such negotiations.

Advices Aug. 2 from Washington to the New York "Journal of Commerce" stated that the agreement concluded July 30, was made by Chile without any reductions on the part of the United States affecting the movement of Chilean goods here. These advices further said in part:

"The agreement does not come within the Reciprocal Trade Agreements Law. There is no trade agreement with Chile under the reciprocal trade pacts law.

"Affecting 82 items, the agreement was explained here as associated with France's recent action in terminating a Franco-Chilean commercial agreement, the benefits of which had been extended to the United States under Chile's most-favored-nation policy.

"Chile decided to continue the rate reductions—already carried in the Franco-Chilean agreements—in so far as they affected the United States, officials stated here today; hence the unilateral action of that Government in granting the concessions announced here today."

Boushall Appointed by U. S. Chamber of Com.

Thomas C. Boushall, President of the Morris Plan Bank of Virginia, has been appointed to the Executive Committee of the Chamber of Commerce of the United States it was announced on Aug. 3. Mr. Boushall has been a member of the board of the Chamber since 1938. He has served on numerous committees of the Chamber and as Chairman of two of the committees on housing problems. At the present time he is Chairman of the Committee on Education and a member of the Committee on Nominations and the Committee on By-Laws.

Mr. Boushall represents the Third District, which comprises the states of Maryland, West Virginia, Virginia, North and South Carolina, and the District of Columbia.

National Fertilizer Association Commodity Price Index Declines Slightly

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Aug. 13 declined slightly to 141.6 for the week ended Aug. 11, 1945, from 141.7 for the preceding week. A month ago the index stood at 141.2, and a year ago at 138.4 all based on the 1935-1939 average as 100. The Association's report added:

The decline in the farm products group index last week was more than enough to offset the advance in the foods and fuels groups. With the exception of the higher quotations for eggs all price changes in the farm products group were down. Cotton was down fractionally. The grains subgroup declined rather substantially with declines taking place in wheat, oats and rye. Lower prices for cattle, lambs and sheep were evenly offset by the higher prices for eggs. Timothy hay at New York was also lower. The foods group advanced slightly. The fuels index was fractionally higher and reached a new all-time peak because of a rise in the price for bituminous coal. All other groups of the index remained unchanged.

During the week 10 price series in the index declined and only 2 advanced; in the preceding week only 1 declined, while 8 advanced; in the second preceding week there were 5 declines and 6 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to Total Index	Group	Latest Week 1945	Preceding Week 1945	Month Ago 1945	Year Ago 1944
		Aug. 11,	Aug. 4,	July 14,	Aug. 12,
25.3	Food	144.2	144.0	142.4	141.4
	Fats and Oils	145.0	145.0	145.2	145.1
	Cottonseed Oil	162.4	162.4	163.1	163.1
23.0	Farm Products	167.8	168.4	167.1	161.4
	Cotton	214.3	214.4	216.4	202.1
	Grains	160.7	164.0	163.7	154.9
	Livestock	163.0	163.0	160.6	157.0
17.3	Fuels	134.2	133.3	133.3	130.1
10.8	Miscellaneous Commodities	133.9	133.9	133.7	132.2
8.2	Textiles	157.0	157.0	157.3	152.5
7.1	Metals	108.9	108.9	108.9	104.4
6.1	Building Materials	153.8	152.8	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	141.6	141.7	141.2	138.4

*Indexes on 1926-1928 base were: Aug. 11, 1945, 110.3; Aug. 4, 1945, 110.4, and Aug. 12, 1944, 107.8.

Steel Operations Again Decline—Sweeping Cancellations Expected to Follow Victory

"With an attitude of subdued expectancy, industry is marking time; and although chaotic conditions seem in the offing, sudden reconversion held no terrors for the steel industry this week," states "The Iron Age" in its issue of today (Aug. 16), which further adds in part:

"While war contractors struggled with the specter of terminations, and war converted manufacturers rushed to get the mothballs out of their civilian clothes, from four to six months' near capacity operations seemed assured for full line steel producers on the basis of civilian orders now in their pockets.

"After this second honeymoon with civilian industry, there was further prospect that as reconversion was accomplished and productive capacity dusted off additional orders would be forthcoming to replenish backlogs as they are nibbled away.

"Order departments took the initial peace negotiations calmly, with few cancellations received in the early part of the week. Customers seemed reluctant to anticipate contract cancellations until they were actually received. On this basis it appeared that approximately 48 hours would be required from the falling of the contractual axe at Washington before repercussions were felt on mill schedules.

"Automotive, appliance, farm equipment, railroad equipment and other essential civilian industries whose orders long have lain dormant appear in the best position to benefit by the initial break. Automotive manufacturers were talking in terms of from 500,000 to 800,000 passenger cars this year compared to the 250,000 originally scheduled, and farm machinery makers were planning double present production.

Steel warehouses, which have been a major source for civilian manufacturers unable to find a place on mill schedules, and whose inventories have been rapidly shrinking, were ready to receive shipment of substantial tonnages as soon as possible. No perceptible warehouse cancellations were expected as a result of the end of the war.

"First inkling of a return to peacetime normalcy for the industry came with a complaint from one segment of the automotive in-

expected that cancellations will be sweeping, amounting possibly to as much as 90% of war contracts, according to some Washington estimates. This causes a tendency on the part of manufacturing consumers to specify lightly for the present.

Unvalidated orders are still being received by mills, with substantial specifications for war work; as there are advantages to be gained in scheduling when war pressure is off, but volume currently is definitely down. Many manufacturers with postwar programs sufficiently advanced placed orders many weeks ago. One feature of this situation is that at the war's end there may be many cancellations of even these purely civilian orders, as apparently there are a number of duplications.

As the prospect for sudden termination of fighting came last week, the War Production Board was setting up allocations for fourth quarter and it had been decided to continue CMP controls to the end of the year. Earlier indications were that about 2 million tons of unrated tonnage would be available for fourth quarter, later revised to 3 million tons, even assuming continuation of the war through the year and that the labor situation would not become worse.

There are estimates that unrated tonnage during third quarter will be about 800,000 tons, with some trade leaders skeptical. Estimates of unrated sheets and strip for third quarter are for about 175,000 tons, based in part on surplus of heavy-gage sheet capacity caused by landing mat cancellations. Current predictions for unrated sheets and strip for fourth quarter are for about a million tons. Sheet and strip carryover at the end of this quarter is expected to be about 300,000 tons, down more than half of the 660,000 tons at the end of second quarter.

Steel ingot output in July was 6,999,625 net tons, at 86.5% of capacity, slightly above June tonnage but the lowest operating rate for five years, during which the industry operated above 90%.

Scrap supply shows no improvement and melters find it difficult to build reserves, though stocks are unusually low in many instances. Reduction of war products and slowness of reconversion limits tonnage of production scrap, while dealers do not have sufficient labor to process collections and fear to buy too heavily of unprepared material. In some cases yards are nearly bare.

Additional Mail to Greece

Postmaster Albert Goldman announced on Aug. 9 that information received from the Post Office Department, Washington 25, D. C., states that effective at once, mail service to Greece is extended to comprise all classes of regular (Postal Union) mails, that is to say, letters, post cards, printed matter in general, printed matter for the blind, commercial papers, samples of merchandise and small packets, with the following limitations:

(a) Business communications are limited to ascertainment of facts and exchange of information. Transactional communications may relate only to support remittances and the protection and maintenance of property.

(b) Printed matter (except printed matter for the blind), commercial papers, samples of merchandise and small packets are limited to 1 pound per package.

The postage rates applicable are those in effect prior to suspension of service to Greece. Fees: for registration, 20 cents; for special delivery, 20 cents.

Air - mail and money - order services are not available to Greece.

Mail for Greece is subject to the licensing requirements of the Foreign Economic Administration.

Truman Outlines Reconversion Controls

In a letter to War Production Board Chairman J. A. Krug, President Truman has indicated his wishes regarding the role the WPB is to play in directing an orderly reconversion of industry from war to peacetime production. It is expected that the President's program will be put into operation speedily upon the final Japanese surrender.

The letter covering the President's five-point plan was made public after his conference with Mr. Krug and Price Administrator Chester Bowles, who, according to the Associated Press, which reported the Washington announcement on Aug. 9, have been in disagreement over fundamentals in reconversion policy. These advices said:

"Mr. Krug has been represented as wanting controls removed as soon as materials become abundant again. Mr. Bowles contends they should be retained until the dangers of higher living costs are ended.

"The issue previously had been submitted to John W. Snyder, director of war mobilization, and William H. Davis, director of economic stabilization, but it was so tied up with administration policy that it apparently had to be settled by President Truman.

"The genesis of the dispute was a WPB proposal to ease restrictions on clothing production. The OPA took the position that overall price and reconversion policy was involved, contending that materials controls should be kept firmly in place wherever there is a possibility of rising living costs."

The President's own attitude was made clear in his letter, which the Associated Press quoted as follows:

"Dear Chairman Krug: I have consulted with the Director of War Mobilization and Reconversion regarding steps to be taken by this Government to speed reconversion.

"Every opportunity must be given to private business to exercise its ingenuity and forcefulness in speeding the resumption of civilian production, subject to war needs. The Government has a major responsibility to assist in the achievement of an orderly transition from war production to civilian production. This is essential to the war production that continues and to the development of a healthy national economy.

"You and I have agreed that the War Production Board can and should play an important role in reconversion. In order to help industry to obtain unprecedented civilian production it is necessary, as you have suggested, for the War Production Board to continue, for the present, some of the effective measures it adopted to achieve our unprecedented war production. These controls, however, should be lifted as soon as they are no longer needed.

"Accordingly, I request you to continue the following program which you have been carrying out:

"1. A vigorous drive to expand production of materials which are in short supply, not only because of military demands, but to meet civilian demands as well.

"2. Limitation upon the manufacture of products for which materials cannot yet be made available, so as to avoid excessive pressure on supply which would threaten our stabilization program.

"3. A broad and effective control of inventories so as to avoid speculative hoarding and an unbalanced distribution which would curtail total production and endanger our stabilization program.

"4. Granting priority assistance to break bottlenecks which may impede the reconversion process.

"5. Allocation of scarce materials necessary for the production of low-priced items essential to the continued success of the stabilization program.

"In carrying out this request, I know that you will give due regard to the demobilization and reconversion policies established by the Congress, as set forth in

Sections 203 and 204 of the War Act of 1944, and act under the guidance and direction of the Director of War Mobilization and Reconversion.

"I am appreciative of the tremendous accomplishment of the War Production Board under your direction and that of your predecessors. I am equally confident of the great contribution which you and your agency can make to the transition from our fully mobilized war economy to a sound and fully employed peace-time economy.

"To carry out these responsibilities I hope that all the officials and staff of your board whose services are needed will stay on the job. Their work is not yet done. The people of the United States expect them to be good soldiers and remain in service until the need has passed."

After receiving the President's letter, the Associated Press reported Mr. Krug to have stated: "This has been and will continue to be the Board's basic policy." He added that the WPB would stay on the job as long as there is any need for its service.

While he interpreted the President's letter as in line with the WPB's basic policy, the first reaction appeared to be that Mr. Bowles had emerged from the dispute with something better than a draw.

Templeton Warns on Real Estate Inflation

Plans for another step in the American Bankers Association's program for helping banks to improve their mortgage management technique were revealed in the course of an interview in New York on Aug. 8 with Harry R. Templeton, President of the A.B.A. Savings Division, who stated that the Division's Committee on Real Estate Mortgages has begun preparation of a Home Mortgage Service Manual aimed at the improvement of methods for servicing home mortgages.

In addition to telling about the Savings Division's plans in this connection, Mr. Templeton, who is Vice-President in charge of the Savings Real Estate Department of The Cleveland Trust Co., in Cleveland, Ohio, sounded a warning in regard to the present inflated real estate market. "Banks must adjust their lending policies to the rise in the market," he said, "and must be realistic in making appraisals in the light of current prices." He pointed out that the present period of prosperity is a good time to get out of debt, urged that home owners take advantage of the opportunity by paying down their mortgage obligations and that home buyers make larger down payments on the homes they purchase now.

Two years ago, the Committee, in collaboration with the A.B.A. Department of Research in Mortgage and Real Estate Finance, published a Home Mortgage Loan Manual to inform banks with respect to modern mortgage loan practice and to promote scientific mortgage lending. Mr. Templeton states that the Committee now proposes to produce a manual which would promote better methods for servicing home mortgage loans after they have been made. Study of the procedures employed by banks in the servicing of mortgages is now being undertaken and forms used by banks are being collected with the object of assembling the best thought and practice in this area of banking activity.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES (Based on Average Yields) Table with columns for 1945-Daily Averages, U.S. Govt. Bonds, Ave. Corporate Rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.), and rows for dates from Aug. 14 to Low 1945.

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

MOODY'S BOND YIELD AVERAGES Table with columns for 1945-Daily Averages, U.S. Govt. Bonds, Ave. Corporate Rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.), and rows for dates from Aug. 14 to Low 1945.

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.

Finished Steel Shipments by Subsidiaries of United States Steel Corporation Higher in July

Shipments of finished steel products by subsidiaries of the United States Steel Corp. in July amounted to 1,608,994 net tons, an increase of 6,112 net tons over June shipments of 1,602,882 tons and a decrease of 145,531 tons when compared with the 1,754,525 tons delivered in July, 1944.

For the seven months ended July 31, last, shipments totaled 11,733,953 net tons against 12,387,379 tons in the first seven months of 1944.

The following tabulation gives shipments by subsidiaries of United States Steel Corp. monthly from the beginning of 1940 (figures in net tons):

Table showing monthly finished steel shipments by subsidiaries of United States Steel Corp. from 1940 to 1945, with columns for Year, 1945, 1944, 1943, 1942, 1941, and 1940.

Note—The monthly shipments as currently reported during the year 1945, are subject to adjustment reflecting annual tonnage reconciliations.

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite during the week ended Aug. 4, 1945, is estimated by the United States Bureau of Mines at 11,350,000 net tons, a decrease of 645,000 tons, or 5.4%, from the preceding week.

Production of Pennsylvania anthracite for the week ended Aug. 4, 1945, as estimated by the Bureau of Mines, was 1,206,000 tons, an increase of 17,000 tons (1.4%) over the preceding week.

The Bureau also reports that the estimated production of beehive coke in the United States for the week ended Aug. 4, 1945 showed a decrease of 7,000 tons when compared with the output for the week ended July 28, 1945; and was 44,600 tons less than for the corresponding week of 1944.

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

Table showing estimated production of bituminous coal and lignite in net tons for Aug. 4, 1945, compared with previous weeks and 1944.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons)

Table showing estimated production of Pennsylvania anthracite and coke in net tons for Aug. 4, 1945, compared with previous weeks and 1944.

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

Table showing estimated weekly production of bituminous coal and lignite by state in net tons for July 28, 1945, July 21, 1945, and July 29, 1944.

Total bituminous and lignite—11,995,000 (July 28, 1945); 11,500,000 (July 21, 1945); 12,385,000 (July 29, 1944).

principles of organized industrial research can be adapted so as to bear effectively on this entirely different problem. And we further believe that the current acceleration of scientific knowledge provides an unusual opportunity for a determined all-out effort.

"Any attack on such a problem must be a relatively long-term one. It requires the highest standard of scientific talent supported by adequate facilities as well as time. The resources being made available to the new Institute will permit planning a 10-year program of maximum intensity with the assurance that it can be carried through to completion.

New Orleans Land Bank Owned by Farmers

The Federal Land Bank of New Orleans on Aug. 1 reached its goal of complete ownership by the farmers who use it, it is learned from the New Orleans "Times-Picayune" of that date, which also had the following to say:

Delivery of a check for \$2,951,000 to the Federal Treasury, the final payment on money made available to the bank by the United States Government in depression years, means the bank belongs wholly to 128 national farm loan associations and direct borrowers in Alabama, Mississippi and Louisiana. It has capital stock of \$3,300,000, surplus and reserves of \$1,056,330 and total assets of \$66,000,000.

The check was signed by Dr. R. L. Thompson, President of the bank, in the presence of John L. Ryan, senior Vice-President; Warner W. Fussell, Vice-President and Treasurer, and W. K. McWilliams, Acting General Agent of the Farm Credit Administration.

When the bank was established in 1917 the Government bought stock to provide working capital. Under the Land Bank System each farmer who obtained a loan from the bank bought stock in a national farm loan association equal to 5% of his loan. The associations in turn bought an equal amount of stock in the Federal Land Bank. In this way the bank ultimately retired all government-held stock.

During the depression years, when farmers could not pay the annual installments on their loans, the United States Government assisted by extending a credit service to farmers. It subscribed \$18,880,760 to the bank's capital stock, making available \$16,376,741 of paid-in surplus. This made it possible for the bank to grant extensions on loan installments that could not be paid by the farmers and represented a total of \$35,257,501 that the Government had invested in the bank.

"The repayment to the Government," Dr. Thompson said, "was made possible by the recovery of agriculture in the Fifth Farm Credit District from the effects of the depression, the very fine co-operation received from national farm loan associations and the sound guidance given the bank by its district board of directors."

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index for various dates from Tuesday, Aug. 7, 1945, to Low, Jan. 24, 1945.

Sloan Foundation \$4,000,000 Grant to Provide Sloan-Kettering Institute for Cancer Research

Announcement of a grant of \$4,000,000 from the Alfred P. Sloan Foundation to provide, and in part to maintain, a projected Sloan-Kettering Institute for Cancer Research, to be organized in conjunction with Memorial Hospital in New York City, was made on Aug. 7 by Alfred P. Sloan, Jr. sponsor of the foundation and also chairman of General Motors. The gift made known by Mr. Sloan in connection with the recently announced expansion program of Memorial Hospital, will provide for a building especially designed for the purpose and self-contained in all its various research functions. It will be erected at an estimated cost of \$2,000,000 on property now owned by Memorial Hospital adjacent to its present location. The facilities to be provided will be adequate to permit the exploration of all avenues that may be expected to contribute to the objective, says the announcement, which added.

In addition, the Alfred P. Sloan Foundation will undertake to provide \$200,000 a year toward the operating cost for a definite period of 10 years. This is estimated to be not more than one-half of what might be profitably employed. It is to be hoped that others interested in the same objective will provide additional financial support, Mr. Sloan stated.

Commenting further upon the proposed project, Mr. Sloan said in part: "The determination of the cause of cancer is one of the great unsolved problems of mankind. The impact of the disease on the human race is appalling and, unfortunately, its magnitude too little appreciated. One out of every nine now succumbs to its ravages. It strikes indiscriminately. It is a problem the solution of which is worthy of the best efforts. My industrial experience has led me to appreciate the amazing possibilities of research when organized on a broad and comprehensive scale. And I have had the inspiration of my distinguished associate, Dr. Charles F. Kettering, who is Vice-President and director of research for General Motors. We now propose to continue that association in this new project, but in a purely personal way. It is, of course, entirely unrelated to General Motors. We are convinced that the same broad

Trading on New York Exchanges

The Securities and Exchange Commission made public on Aug. 8 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 21, 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 21 (in round-lot transactions) totaled 1,996,206 shares, which amount was 16.64% of the total transactions on the Exchange of 5,998,000 shares. This compares with member trading during the week ended July 14, of 1,594,109 shares, or 14.90% of the total trading of 5,348,950 shares. On the New York Curb Exchange, member trading during the week ended July 21 amounted to 402,685 shares or 14.40% of the total volume on that exchange of 1,398,470 shares. During the week ended July 14 trading for the account of Curb members of 439,365 shares was 14.34% of the total trading of 1,531,435 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 21, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales.....	129,710	
†Other sales.....	5,868,290	
Total sales.....	5,998,000	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	488,310	
Short sales.....	60,310	
†Other sales.....	444,150	
Total sales.....	504,460	8.28
2. Other transactions initiated on the floor—		
Total purchases.....	160,010	
Short sales.....	6,700	
†Other sales.....	245,230	
Total sales.....	251,930	3.43
3. Other transactions initiated off the floor—		
Total purchases.....	183,725	
Short sales.....	17,950	
†Other sales.....	389,821	
Total sales.....	407,771	4.93
4. Total—		
Total purchases.....	832,045	
Short sales.....	84,960	
†Other sales.....	1,079,201	
Total sales.....	1,164,161	16.64

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

WEEK ENDED JULY 21, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales.....	13,005	
†Other sales.....	1,385,465	
Total sales.....	1,398,470	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	132,730	
Short sales.....	4,775	
†Other sales.....	130,530	
Total sales.....	135,305	9.58
2. Other transactions initiated on the floor—		
Total purchases.....	21,950	
Short sales.....	800	
†Other sales.....	52,150	
Total sales.....	52,950	2.68
3. Other transactions initiated off the floor—		
Total purchases.....	26,730	
Short sales.....	3,540	
†Other sales.....	29,480	
Total sales.....	33,020	2.14
4. Total—		
Total purchases.....	181,410	
Short sales.....	3,115	
†Other sales.....	212,160	
Total sales.....	221,275	14.40
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales.....	0	
†Customers' other sales.....	51,531	
Total purchases.....	51,531	
Total sales.....	54,211	

*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 odd 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 Declined 0.1% in Week Ended Aug. 4, Labor Dept. Reports

The Bureau of Labor Statistics' index of commodity prices in primary markets declined 0.1% during the week ended Aug. 4, as the result of lower prices for agricultural commodities, it was announced on Aug. 9 by the United States Department of Labor, which said that the index, at 105.7% of the 1926 average, was 0.1% below the level of a month ago and 2.0% above the corresponding week of last year. The Department advices continued.

"Farm Products and Foods. Substantially lower quotations for fresh fruits and vegetables, sheep, and cows, which more than offset increases for grains and eggs, resulted in a net decline of 0.5% in the group index for farm products. Prices of white potatoes declined sharply and apples and onions were seasonally lower. Prices for lemons in California rose while oranges declined. Sheep quotations dropped more than 5% on the announcement that beginning Aug. 5 subsidies would be paid directly to producers rather than to slaughterers. Market prices for cows declined seasonally. Most grains were higher, reflecting heavy demand. Eggs continued their seasonal advance, and cotton was fractionally higher. Quotations for hay were lower reflecting large supplies. Average prices for farm products

were 0.2% below the level of four weeks earlier and 5.4% above the level of early August 1944.

"Average prices for foods were 0.4% lower as the result of the decline of 2.5% for fruits and vegetables. Wheat and rye flour also advanced with heavy demand in anticipation of a cut in the subsidy. The group index for foods was 0.2% below four weeks ago and 2.3% above a year ago.

"**Other Commodities.** The group index for commodities other than farm products and foods which had been unchanged since mid-June increased 0.1% during the week to a level 1.2% above a year ago. Increased OPA ceilings for jute liner to cover higher production costs raised average boxboard prices 0.6%. Agricultural implements rose fractionally. Higher prices for anthracite and bituminous coal offset lower sales realizations for electricity, leaving the group index for fuel and lighting materials unchanged. Butyl acetate and turpentine prices were higher while quicksilver quotations continued to decline."

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 July 7, 1945 and Aug. 5, 1944 and (2) percentage changes in subgroup indexes from July 28, 1945 to Aug. 4, 1945.

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

Commodity Groups—	Index					Percentage change to			
	8-4 1945	7-28 1945	7-21 1945	7-7 1945	8-5 1944	Aug. 4, 1945, from—	7-28 1945	7-7 1945	8-5 1944
All commodities.....	105.7	105.8	105.6	105.8	103.6	-0.1	-0.1	+2.0	
Farm products.....	129.1	129.7	128.5	129.4	122.5	-0.5	-0.2	+5.4	
Foods.....	107.0	107.4	106.5	107.2	104.6	-0.4	-0.2	+2.3	
Hides and leather products.....	118.5	118.5	118.5	118.5	116.3	0	0	+1.5	
Textile products.....	99.1	99.1	99.1	99.1	97.5	0	0	+1.6	
Fuel and lighting materials.....	84.8	84.8	84.8	84.8	83.8	0	0	+1.0	
Metals and metal products.....	104.8	104.8	104.8	104.8	103.8	0	0	+1.0	
Building materials.....	117.3	117.3	117.3	117.3	116.0	0	0	+1.3	
Chemicals and allied products.....	95.2	95.2	95.2	95.4	95.4	0	-0.2	-0.2	
Housefurnishing goods.....	106.2	106.2	106.2	106.2	106.0	0	0	+0.2	
Miscellaneous commodities.....	94.6	94.6	94.6	94.6	93.3	0	0	+1.4	
Raw materials.....	118.1	118.5	117.7	118.3	112.9	-0.3	-0.2	+4.6	
Semimanufactured articles.....	95.2	95.2	95.2	95.2	93.8	0	0	+1.5	
Manufactured products.....	101.9	101.9	101.9	102.0	101.0	0	-0.1	+0.9	
All commodities other than farm products.....	100.6	100.6	100.6	100.6	99.5	0	0	+1.1	
All commodities other than farm products and foods.....	99.9	99.8	99.8	99.8	98.7	+0.1	+0.1	+1.2	

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

Increases		Decreases	
Grains.....	1.3	Other foods.....	0.2
Anthracite.....	0.3	Agricultural implements.....	0.1
Cereal products.....	0.2	Bituminous coal.....	0.1
Paper and pulp.....			0.1
Fruits and vegetables.....	2.5	Livestock and poultry.....	0.6
Other farm products.....	0.9		

Electric Output for Week Ended Aug. 11, 1945 0.5% Below That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Aug. 11, 1945, was approximately 4,395,337,000 kwh., which compares with 4,415,368,000 kwh. in the corresponding week a year ago and 4,432,304,000 kwh. in the week ended Aug. 4, 1945. The output of the week ended Aug. 11, 1945, was 0.5% below that for the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	Aug. 11 1945	Aug. 4 1945	July 28 1945	July 21 1945
New England.....	*2.6	*2.1	*1.5	*1.0
Middle Atlantic.....	1.7	1.6	2.8	3.0
Central Industrial.....	*4.6	*2.4	*0.4	*1.3
West Central.....	0.8	5.4	5.8	2.9
Southern States.....	6.2	6.9	6.5	4.1
Rocky Mountain.....	*3.9	*0.9	*1.8	*1.6
Pacific Coast.....	*2.1	*2.2	*4.1	*5.0
Total United States.....	*0.5	0.7	1.0	0.1

*Decrease under similar week in previous year.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	% Change over 1944					
	1945	1944	1943	1932	1929	1928
May 5.....	4,397,330	4,233,756	+ 3.9	3,903,723	1,436,928	1,698,942
May 12.....	4,302,381	4,238,375	+ 1.5	3,969,161	1,435,731	1,704,426
May 19.....	4,377,221	4,245,078	+ 3.1	3,992,250	1,425,151	1,705,460
May 26.....	4,293,605	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	1,689,525
June 9.....	4,327,028	4,264,600	+ 1.4	4,050,376	1,441,532	1,699,227
June 16.....	4,348,413	4,287,251	+ 1.4	4,058,401	1,440,541	1,702,501
June 23.....	4,358,277	4,325,417	+ 0.8	4,120,038	1,456,961	1,723,428
June 30.....	4,353,351	4,327,359	+ 0.6	4,110,793	1,441,730	1,711,625
July 7.....	4,398,426	4,390,854	+ 1.0	4,196,357	1,440,386	1,727,225
July 14.....	4,295,254	4,377,152	+ 1.9	4,184,143	1,433,903	1,724,728
July 21.....	4,384,547	4,380,930	+ 0.1	4,196,357	1,440,386	1,727,225
July 28.....	4,434,841	4,390,762	+ 1.0	4,226,705	1,426,986	1,724,728
Aug. 4.....	4,432,304	4,399,433	+ 0.7	4,240,638	1,415,122	1,729,667
Aug. 11.....	4,355,337	4,415,368	- 0.5	4,287,827	1,431,910	1,733,110
Aug. 18.....	4,451,076	4,424,824	+ 0.6	4,264,824	1,436,440	1,750,056
Aug. 25.....	4,418,298	4,422,195	+ 0.0	4,322,195	1,464,700	1,761,594
Sep. 1.....	4,414,735	4,414,735		4,350,511	1,423,977	1,674,588

Stettinius Designated U. S. Representative On United Nations Security Council

President Truman, following the signing of the United Nations Charter, announced on Aug. 9 the definite appointment of Edward R. Stettinius Jr., former Secretary of State, as the United States representative on the Security Council of the United Nations Organization. Mr. Stettinius will have the rank of Ambassador. His appointment is, of course, subject to Senate approval, which is expected soon after the reconvening of Congress in October.

In its announcement of Mr. Stettinius' appointment, the White House made public Mr. Truman's letter of appointment. It follows: "My dear Ed: "I take pleasure in appointing you as the United States representative on the Preparatory

Commission of the United Nations established by agreement signed in San Francisco June 23, 1945. Carrying out this responsibility, you will have the personal rank of Ambassador.

"With all best wishes for your success in this vitally important undertaking.

"Sincerely yours,
 "HARRY S. TRUMAN."

The White House announcement concluded with the statement that "it is not expected that Mr. Stettinius will attend the initial routine meetings of the executive committee of the Preparatory Commission. The first meeting of the executive committee has been called for Aug. 16 in London, at which it is anticipated that the United States will be represented by an officer of the State Department."

Burns Quits NWLB

It was announced on Aug. 9 that Robert K. Burns had resigned as Chairman of the National War Labor Board's Newspaper Printing and Publishing Commission. Named as his successor, according to the Associated Press in reporting the announcement from Washington, was Frederick S. Deibler, who had been Vice-Chairman of the Commission since its inception in 1943.

Mr. Deibler is Professor Emeritus of Economics at Northwestern University, the Associated Press stated, and continued:

"Justice William L. Knouse of the Colorado Supreme Court and a public member of the ninth regional WLB at Denver, was named a public member of the Commission to fill a vacancy. The position of Vice-Chairman, vacated by Mr. Deibler's promotion, will not be filled at this time, the WLB said.

"Besides being Chairman of the Newspaper Commission, Mr. Burns had served as Chairman of the sixth regional WLB at Chicago until February, 1944. He will return to a position at the University of Chicago.

"The Commission has jurisdiction over all voluntary wage adjustment cases and dispute cases involving daily newspaper printing."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Aug. 8 a summary for the week ended July 28 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 NEW YORK STOCK EXCHANGE

Week Ended July 28, 1945	
Odd-Lot Sales by Dealers—	Total
(Customers' sales)	For Week
Number of orders.....	20,518
Number of shares.....	594,478
Dollar value.....	\$22,202,399
Odd-Lot Purchases by Dealers—	
(Customers' sales)	
Number of Orders:	
Customers' short sales.....	107
Customers' other sales.....	17,767
Customers' total sales.....	17,874
Number of Shares:	
Customers' short sales.....	4,619
Customers' other sales.....	445,668
Customers' total sales.....	450,287
Dollar value.....	\$16,981,165
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales.....	90
†Other sales.....	87,220
Total sales.....	87,310
Round-Lot Purchases by Dealers—	
Number of shares.....	226,760
*Sales marked "short exempt" are reported with "other sales."	
†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."	

Daily Average Crude Oil Production for Week Ended Aug. 4, 1945 Decreased 7,900 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Aug. 4, 1945 was 4,922,100 barrels, a decrease of 7,900 barrels from the preceding week. It was, however, 271,450 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 August, 1945, by 21,200 barrels. Daily production for the four weeks ended Aug. 4, 1945 averaged 4,935,100 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 5,077,000 barrels of crude oil daily and produced 16,053,000 barrels of gasoline; 1,458,000 barrels of kerosine; 4,758,000 barrels of distillate fuel, and 9,451,000 barrels of residual fuel oil during the week ended Aug. 4, 1945; and had in storage at the end of that week 46,251,000 barrels of civilian grade gasoline; 38,561,000 barrels of military and other gasoline; 11,420,000 barrels of kerosine; 36,721,000 barrels of distillate fuel, and 42,842,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations August	*State Allowables Begin. Aug. 1, 1945	Actual Production Week Ended Aug. 4, 1945	Change from Previous Week	4 Weeks Ended Aug. 4, 1945	Week Ended Aug. 5, 1944
Oklahoma	380,000	388,000	1,390,850	+ 450	390,450	339,100
Kansas	274,000	269,400	1,257,550	-20,900	274,000	240,450
Nebraska	1,000		7850		850	900
Panhandle Texas			88,000	+ 500	87,650	98,700
North Texas			152,850	+ 550	152,450	148,750
West Texas			526,650	+ 5,250	522,700	484,950
East Central Texas			145,600	+ 6,600	140,650	147,650
East Texas			380,950	+ 1,450	379,850	371,700
Southwest Texas			361,100	+ 350	360,850	321,650
Coastal Texas			567,600	- 1,350	568,600	535,200
Total Texas	2,190,000	2,195,012	2,222,750	+ 13,350	2,212,750	2,108,600
North Louisiana			70,500	+ 100	70,500	73,750
Coastal Louisiana			295,700	- 1,200	296,600	288,950
Total Louisiana	360,000	408,698	366,200	- 1,000	367,100	362,700
Arkansas	80,000	77,836	80,050	+ 500	79,900	80,600
Mississippi	53,000		52,750	+ 1,100	52,100	47,100
Alabama	500		950	- 50	950	200
Florida			200	+ 50	200	50
Illinois	200,000		203,100	+ 3,400	202,700	207,200
Indiana	13,000		13,450	+ 150	13,250	12,850
Eastern—						
(Not Incl. Ill., Ind., Ky.)	65,200		65,700	+ 2,450	64,750	79,800
Kentucky	28,000		29,550	+ 400	29,850	25,600
Michigan	47,000		48,500	+ 800	48,850	57,700
Wyoming	118,200		112,050	- 2,600	114,250	98,650
Montana	22,000		20,350	- 50	20,700	21,800
Colorado	12,000		12,100	+ 100	11,700	8,050
New Mexico	105,000	105,000	102,850	- 400	103,150	108,500
Total East of Calif.	3,948,900		3,979,800	- 3,700	3,987,500	3,799,850
California	952,000	\$952,000	942,300	- 4,200	947,600	850,800
Total United States	4,900,900		4,922,100	- 7,900	4,935,100	4,650,650

*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 26, 1945.

‡This is the net basic allowable as of Aug. 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 AUG. 4, 1945
(Figures in thousands of barrels of 42 gallons each)

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

District	% Daily Crude Runs			% Gasoline Pro- duction at Ref. Inc. Nat. Blended	% Stocks of Gas Oil & Dist. Fuel Oil	% Stocks of Residual Fuel Oil	% Stocks of Gasoline	% Stocks of Distillate Fuel Oil	% Stocks of Other	% Stocks of Cl-Grade
	Refining	to Still	Capac- ity Re- Aver- age							
East Coast	99.5	822	103.9	2,058	9,287	6,508	6,025	7,922		
Appalachian										
District No. 1	76.8	100	68.5	356	755	247	1,362	1,205		
District No. 2	81.2	63	126.0	189	250	163	248	727		
Ind., Ill., Ky.	87.2	807	94.2	2,887	5,210	2,681	5,903	12,690		
Okl., Kan., Mo.	78.3	388	82.7	1,468	2,142	1,409	1,570	6,761		
Inland Texas	59.8	223	67.6	954	397	988	935	1,765		
Texas Gulf Coast	89.3	1,230	99.4	4,088	5,537	5,341	10,180	5,504		
Louisiana Gulf Coast	96.8	277	106.5	943	1,854	1,245	1,868	2,027		
No. La. & Arkansas	55.9	74	58.7	211	742	214	151	2,418		
Rocky Mountain										
District No. 3	17.1	13	100.0	36	20	36	13	81		
District No. 4	72.1	114	71.7	360	321	639	582	1,507		
California	87.3	966	96.9	2,503	10,206	23,371	9,724	3,644		
Total U. S. B. of M. basis Aug. 4, 1945	85.8	5,077	93.4	16,053	36,721	42,842	38,561	46,251		
Total U. S. B. of M. basis July 28, 1945	85.8	4,996	91.9	16,106	36,071	42,283	39,731	46,277		
U. S. B. of M basis Aug. 5, 1944		4,522		14,219	38,951	56,885	36,261	43,149		

*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 11,225,000 barrels unfinished gasoline this week, compared with 11,442,000 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 1,458,000 barrels of kerosine, 4,758,000 barrels of gas oil and distillate fuel oil and 9,451,000 barrels of residual fuel oil produced during the week ended Aug. 4, 1945, which compares with 1,438,000 barrels, 4,598,000 barrels and 9,586,000 barrels, respectively, in the preceding week and 1,363,000 barrels, 4,822,000 barrels and 8,285,000 barrels, respectively, in the week ended Aug. 5, 1944.

Note—Stocks of kerosene at Aug. 4, 1945, amounted to 11,420,000 barrels, as against 11,681,000 barrels a week earlier and 12,147,000 barrels a year before.

Civil Engineering Construction Volume \$30,184,000 for Week

Civil engineering construction volume in continental United States totals \$30,184,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 60% below the 1945 high of a week ago, 24% below the total for the corresponding 1944 week, and 39% under the previous four-week moving average as reported to "Engineering News-Record." The report made public on Aug. 9 continued as follows:

Private volume exceeds public work for the first time since April 12, 1945, but it is 47% lower than the year's high of a week ago. Private construction, however, tops the corresponding week last year by 112%. Public construction drops 70% from last week and is 57% below last year.

The current week's construction brings 1945 volume to \$1,153,674,000 for the 32 weeks, a 3% gain over the \$1,121,716,000 reported in the 1944 period. Private construction, \$346,609,000, is 35% greater than a year ago, but public work, \$807,065,000, is 7% lower due to the 14% decrease in Federal, State and municipal volume, \$191,064,000, is up 27% compared with last year.

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

	Aug. 9, 1945	Aug. 2, 1945	Aug. 10, 1944
Total U. S. Construction	\$30,184,000	\$76,351,000	\$39,507,000
Private Construction	16,639,000	31,321,000	7,844,000
Public Construction	13,545,000	45,030,000	31,663,000
State and Municipal	4,908,000	12,538,000	7,301,000
Federal	8,637,000	32,492,000	24,362,000

In the classified construction groups, sewerage is the only class of work to gain over a week ago. Sewerage and industrial buildings record increases over their respective 1944-week totals. Subtotals for the week in each class of construction are: water works, \$641,000; sewerage, \$1,546,000; bridges, \$204,000; industrial buildings, \$11,280,000; commercial building and large-scale private housing, \$3,533,000; public buildings, \$4,759,000; earthwork and drainage, \$1,142,000; streets and roads, \$2,415,000; unclassified construction, \$4,664,000.

New capital for construction purposes for the week totals \$10,343,000, and is made up entirely of State and municipal bond sales. The week's new financing brings 1945 volume to \$1,515,176,000, a total 4% below the \$1,580,299,000 reported for the 32-week period in 1944.

Post-War Construction Planning Volume \$22 Billions

Identified and recorded engineering projects proposed for construction in the post-war years total \$21,991,498,000 according to reports to "Engineering News-Record" in the period from Jan. 1, 1943, through Aug. 2, 1945. Plans are under way or completed on post-war projects valued at \$9,848,625,000, 45% of the total volume proposed, and on \$1,677,825,000 worth of projects all financing arrangements have been completed.

Non-Ferrous Metals—Zinc Stocks Increased In July—Lead Restrictions Eased by WPB

"E. & M. J. Metal and Mineral Markets," in its issue of Aug. 9, stated: "The sensational news of the destructive power of the atomic bomb, coupled with the announcement that Russia has declared war on Japan, caused most producers of non-ferrous metals to accept the view that the war will end soon. As a result of these developments, emphasis shifted to reconversion and there was growing impatience over controls. In zinc, the July statistics showed that stocks increased again. The limitation order on lead was eased moderately. Quicksilver prices were weak, declining \$5 per flask because of uncertainty over developments in the Far East." The publication further went on to say in part as follows:

Copper

Demand for copper for September shipment so far has been sufficient in volume to absorb the domestic output. The industry believes that a fair tonnage of MRC metal will be required to satisfy the demand, even though further cutbacks in the war program are likely. Reconversion in some lines is moving ahead rapidly, as in communications, and many believe that September consumption of copper will show improvement over August. The price situation remains unchanged. In the so-called free market in London the price of electrolytic has risen to around £70 per long ton.

Lead

The War Production Board eased the lead restrictions last week to the extent that limitations on the use of lead chemicals for rubber compounding and gasoline refining were removed entirely, and production of red lead and white lead could be increased moderately in the third-quarter period. With the statistical position of lead improving, the industry's response to this move was that "it was a step in the right direction." Owing to keen competition in the pigments field, producers of white lead are anxious to step up their production as rapidly as possible. The

amount of pig lead permitted for use in white lead in the third quarter has been increased from 15% to 20%.

Sales of lead for the last week amounted to 7,759 tons.

Stocks of lead at United States smelters and refineries, in tons, according to the American Bureau of Metal Statistics:

	July 1	June 1
In ore, matte, and in process at smelters	74,518	65,626
In base bullion:		
Smelters and refineries	8,105	9,969
Transit to refineries	3,514	2,385
Process at refineries	14,743	12,954
Refined pig lead	31,350	31,732
Antimonial lead	6,102	6,756
Totals	138,332	129,422

Production of unrefined lead in Canada during the first five months of 1945 amounted to 139,044,502 lb., against 132,490,590 lb. in the Jan.-May period of 1944. Output by months, in pounds, follows:

	1944	1945
January	32,710,839	25,623,743
February	29,753,989	24,578,012
March	24,264,103	35,169,939
April	25,270,297	28,172,344
May	20,491,362	25,500,464

Canada produced 127,230,000 lb. of refined lead in the first five months of 1945, which compares with 131,138,000 lb. in the same period last year.

Zinc

There was a fair demand for zinc, with consumers more and more inclined to look around for "free" metal instead of exercising the privilege of applying to WPB for part of their requirements.

Stocks of slab zinc in the hands of producers increased from 183,107 tons at the end of June to 197,004 tons at the end of July,

the American Zinc Institute reports. Production in July exceeded total shipments by 13,897 tons. A summary of the July and June figures, in tons, follows:

	July	June
Stock at beginning	183,107	171,007
Production	65,806	66,607
Production, daily rate	2,123	2,220
Shipments:		
Domestic	51,803	*54,053
Export	106	454
Totals	51,909	54,507
Unfilled orders	16,656	16,666
Stock at end	197,004	183,107

*Adjusted for inventory.

The peak in shipments of slab zinc was 94,494 tons moved during March of the current year.

Uranium

An atomic bomb, possessing more power than 20,000 tons of TNT, was dropped on Japan by an American airplane on Aug. 6. The news, released by President Truman, also broke the silence imposed on all concerned on the part that uranium has played in what is described as the outstanding scientific discovery of all time. That the uranium atom had been split in two was known for some time, but knowledge of the feverish activity to apply this source of "cosmic" energy was a deep military secret. Research and work on the project in this country cost more than \$2,000,000,000. Available supplies of uranium ore mined in Canada and the United States were taken over by the military authorities soon after Pearl Harbor and an open market in the mineral ceased to exist. Before the war uranium and uranium salts were used in the manufacture of luminous dials and other products, in the ceramics and glass industries, and in photography.

Tin

Negotiations aimed at extending the Bolivian tin concentrate contracts another year have not yet been concluded. According to reports from Washington, the FEA is prepared to extend the agreement, but would like to insert provisions for modifying the terms should conditions call for a revision of the program.

The supply situation at present remains unchanged. WPB is deeply concerned with holding down consumption in the reconversion period.

Quotations here continued on the basis of 52c. per pound for Straits quality tin. Forward quotations were nominally as follows:

	Aug.	Sept.	Oct.
Aug. 2	52.000	52.000	52.000
Aug. 3	52.000	52.000	52.000
Aug. 4	52.000	52.000	52.000
Aug. 5	52.000	52.000	52.000
Aug. 6	52.000	52.000	52.000
Aug. 7	52.000	52.000	52.000
Aug. 8	52.000	52.000	52.000

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

Quicksilver

Transactions in quicksilver were few and far between and the price situation was generally described as confused. Spot metal sold at \$131 per flask, New York, and in the Middle West at \$130.50 per flask. On quantity business involving nearby metal it was possible to do \$130 per flask, but consumers felt that this price was "subject to negotiation." Uncertainty over developments in the Far East continues to exert a strong influence on the market. Battery makers appear to be covered so far as their August and September requirements are concerned and they are not inclined to take on additional metal under prevailing uncertain conditions. Other consumers are reducing their inventories.

San Francisco advices state that falling prices and labor shortages are reducing production. Several properties are expected to shut down this month. The price on the Coast is nominal around \$130 per flask.

Silver

The London silver market was quiet last week and the price continued at 25½d. The New York Official for foreign silver was unchanged at 44¾c., with domestic metal at 70¾c.

Revenue Freight Car Loadings for the Week Ended Aug. 4, 1945 Decreased 22,361 Cars

Loading of revenue freight for the week ended Aug. 4, 1945, totaled 863,910 cars, the Association of American Railroads announced on Aug. 9. This was a decrease below the corresponding week of 1944 of 25,684 cars, or 2.9% and a decrease below the same week in 1943 of 8,223 cars or 0.9%.

Loading of revenue freight for the week of Aug. 4 decreased 22,361 cars, or 2.5% below the preceding week.

Miscellaneous freight loading totaled 383,346 cars, a decrease of 7,354 cars below the preceding week, and a decrease of 11,925 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 104,399 cars, an increase of 892 cars above the preceding week but a decrease of 568 cars below the corresponding week in 1944.

Coal loading amounted to 164,419 cars a decrease of 8,656 cars below the preceding week, and a decrease of 10,450 cars below the corresponding week in 1944.

Grain and grain products loading totaled 63,651 cars a decrease of 4,198 cars below the preceding week but an increase of 11,352 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Aug. 4 totaled 41,956 cars, a decrease of 1,702 cars below the preceding week but an increase of 5,579 cars above the corresponding week in 1944.

Livestock loading amounted to 13,457 cars, a decrease of 896 cars below the preceding week and a decrease of 2,212 cars below the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of Aug. 4 totaled 9,795 cars, a decrease of 727 cars below the preceding week, and a decrease of 1,259 cars below corresponding week in 1944.

Forest products loading totaled 46,161 cars a decrease of 52 cars below the preceding week and a decrease of 3,905 cars below the corresponding week in 1944.

Ore loading amounted to 74,419 cars a decrease of 1,839 cars below the preceding week and a decrease of 7,746 cars below the corresponding week in 1944.

Coke loading amounted to 14,058 cars a decrease of 258 cars below the preceding week, and a decrease of 230 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944 except the Eastern. All districts reported decreases compared with 1943, except the Allegheny and Central Western.

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
5 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
5 Weeks of June	4,364,662	4,338,886	4,003,393
4 Weeks of July	3,378,266	3,459,830	3,455,328
Week of August 4	863,910	889,594	872,133
Total	25,504,121	25,634,625	24,658,838

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 4, 1945. During the period 57 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED AUG. 4

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	346	294	255	1,492	1,349
Bangor & Aroostook	1,483	1,099	954	362	432
Boston & Maine	6,963	6,865	6,348	13,102	13,713
Chicago, Indianapolis & Louisville	1,133	1,312	1,404	2,001	2,116
Central Indiana	50	23	22	60	64
Central Vermont	1,119	1,086	725	2,161	2,400
Delaware & Hudson	4,728	5,036	6,582	12,698	12,758
Delaware, Lackawanna & Western	7,874	7,685	7,693	10,144	10,647
Detroit & Mackinac	243	211	182	173	144
Detroit, Toledo & Ironton	1,790	1,782	2,025	2,325	1,337
Detroit & Toledo Shore Line	381	309	329	2,448	2,914
Erie	12,014	13,103	13,247	16,462	17,562
Grand Trunk Western	3,873	3,898	3,627	7,909	8,224
Lehigh & Hudson River	139	143	151	2,897	2,648
Lehigh & New England	2,347	2,650	2,103	1,359	1,636
Lehigh Valley	8,674	9,165	8,451	10,580	16,136
Maine Central	2,825	2,354	2,370	2,892	2,569
Monongahela	6,249	6,154	6,377	279	368
Montour	2,539	2,591	2,332	23	16
New York Central Lines	50,638	50,758	56,148	51,639	56,554
N. Y., N. H. & Hartford	10,066	9,195	9,355	16,142	17,278
New York, Ontario & Western	956	1,262	1,265	3,200	3,311
New York, Chicago & St. Louis	6,981	6,745	7,018	15,484	16,458
N. Y., Susquehanna & Western	463	463	512	1,989	2,232
Pittsburgh & Lake Erie	7,801	7,490	7,704	9,217	9,179
Pere Marquette	5,347	5,385	4,916	7,058	7,797
Pittsburgh & Shawmut	820	874	901	31	22
Pittsburgh, Shawmut & North	220	321	406	261	278
Pittsburgh & West Virginia	1,149	1,303	1,036	2,953	2,670
Rutland	377	364	319	1,285	1,145
Wabash	6,449	5,926	5,721	11,213	12,482
Wheeling & Lake Erie	5,885	5,667	5,211	4,293	4,478
Total	161,982	160,953	165,689	213,132	230,917

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Allegheny District—					
Akron, Canton & Youngstown	749	704	764	1,118	1,340
Baltimore & Ohio	46,800	47,632	43,716	27,482	30,003
Bessemer & Lake Erie	6,512	6,629	6,002	2,079	2,252
Buffalo Creek & Gauley	†	†	251	†	†
Cambria & Indiana	1,401	1,279	1,755	6	7
Central R. R. of New Jersey	6,721	6,771	7,236	18,370	20,775
Cornwall	406	554	648	45	46
Cumberland & Pennsylvania	165	221	238	7	31
Ligonier Valley	106	153	146	71	31
Long Island	2,929	2,405	1,942	4,269	4,389
Penn-Reading Seashore Lines	1,635	1,753	1,895	2,296	2,534
Pennsylvania System	88,127	88,156	85,149	61,084	66,745
Reading Co.	14,536	14,089	16,591	27,201	29,790
Western (Pittsburgh)	17,718	19,531	20,978	7,417	7,448
Western Maryland	4,051	4,370	4,643	13,342	13,101
Total	192,056	194,248	191,954	164,787	178,492
Pocahontas District—					
Chesapeake & Ohio	26,718	29,831	28,188	14,333	14,050
Norfolk & Western	19,824	22,262	22,317	7,297	8,117
Virginian	4,449	4,420	4,740	2,209	2,293
Total	50,991	56,513	55,245	23,839	24,460

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	505	382	331	348	422
Atl. & W. P.—W. R. R. of Ala.	767	776	715	2,301	2,696
Atlanta, Birmingham & Coast	1,016	907	943	1,286	1,138
Atlantic Coast Line	9,903	9,634	10,903	9,047	9,451
Central of Georgia	3,786	3,787	3,778	4,187	5,272
Charleston & Western Carolina	616	616	447	1,610	1,686
Clinchfield	1,582	1,931	1,823	2,816	2,965
Columbus & Greenville	242	180	285	212	355
Durham & Southern	84	145	103	823	657
Florida East Coast	778	889	1,393	1,040	1,239
Gainesville Midland	54	56	46	109	99
Georgia	1,266	1,108	1,195	2,450	2,550
Georgia & Florida	693	548	698	643	684
Gulf, Mobile & Ohio	4,832	4,292	3,796	4,840	4,582
Illinois Central System	26,686	28,795	27,480	17,085	17,428
Louisville & Nashville	24,353	25,877	25,083	12,080	12,265
Macon, Dublin & Savannah	236	239	282	833	720
Mississippi Central	399	299	294	470	552
Nashville, Chattanooga & St. L.	3,168	3,067	3,176	4,523	4,647
Norfolk Southern	802	991	1,048	1,650	1,445
Piedmont Northern	460	380	385	1,464	1,146
Richmond, Fred. & Potomac	913	425	423	8,340	9,918
Seaboard Air Line	9,133	8,811	9,541	8,196	7,893
Southern System	24,384	25,511	22,170	24,534	24,927
Tennessee Central	567	694	538	858	765
Winston-Salem Southbound	118	130	101	1,121	985
Total	116,846	120,520	116,977	112,866	116,487

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Northwestern District—					
Chicago & North Western	19,252	19,821	22,262	15,822	13,475
Chicago Great Western	2,557	2,669	3,210	3,615	3,622
Chicago, Milw., St. P. & Pac.	22,660	21,681	20,734	11,337	11,218
Chicago, St. Paul, Minn. & Omaha	3,831	3,385	4,213	4,258	3,914
Duluth, Missabe & Iron Range	25,527	27,983	29,108	241	263
Duluth, South Shore & Atlantic	912	722	973	906	522
Elgin, Joliet & Eastern	8,465	9,148	7,959	9,183	10,869
Ft. Dodge, Des Moines & South	384	388	441	80	129
Great Northern	21,496	25,203	26,165	10,115	6,539
Green Bay & Western	420	543	390	819	1,021
Lake Superior & Ishpeming	2,272	3,111	3,671	74	45
Minneapolis & St. Louis	2,123	2,009	2,001	2,674	2,512
Minn., St. Paul & S. S. M.	7,427	7,353	7,966	3,546	3,494
Northern Pacific	11,462	12,331	11,638	6,836	6,459
Spokane International	383	135	144	616	503
Spokane, Portland & Seattle	2,709	3,306	2,795	4,961	3,490
Total	131,880	139,788	143,670	75,083	68,045

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Central Western District—					
Atch., Top. & Santa Fe System	27,479	28,168	21,355	15,644	14,293
Alton	3,876	3,840	3,481	4,043	4,651
Bingham & Garfield	337	450	569	75	78
Chicago, Burlington & Quincy	22,020	20,178	21,164	13,558	13,472
Chicago & Illinois Midland	3,217	3,109	3,089	970	882
Chicago, Rock Island & Pacific	13,782	14,344	11,756	14,235	11,495
Chicago & Eastern Illinois	3,050	2,884	2,678	4,784	6,483
Colorado & Southern	778	907	1,018	2,116	2,633
Denver & Grand Western	3,641	4,087	4,146	7,161	5,327
Denver & Salt Lake	629	783	792	78	32
Fort Worth & Denver City	881	1,106	941	1,500	2,167
Illinois Terminal	2,051	2,638	1,829	2,255	2,301
Missouri-Illinois	1,108	1,218	1,202	597	758
Nevada Northern	1,457	1,772	1,785	92	102
North Western Pacific	966	1,142	1,209	1,008	957
Peoria & Pekin Union	6	3	10	0	0
Southern Pacific (Pacific)	33,323	34,034	32,521	16,090	16,129
Toledo, Peoria & Western	139	296	267	2,052	2,120
Union Pacific System	18,481	18,352	15,633	20,299	18,172
Utah	643	484	529	1	4
Western Pacific	2,118	2,109	2,197	5,506	4,547
Total	140,182	141,804	128,211	112,064	109,603

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southwestern District—					
Burlington-Rock Island	298	931	434	557	377
Gulf Coast Lines	4,100	5,663	5,299	2,272	2,380
International-Great Northern	2,446	2,640	2,290	3,044	3,854
Kansas, Oklahoma & Gulf	†	†	254	†	†
Kansas City Southern	3,688	5,528	5,021	3,284	2,999
Louisiana & Arkansas	3,098	3,894	3,401	2,780	2,561

Items About Banks, Trust Companies

The Grace National Bank of New York announces the election as director of Frank C. Walker, of Scranton, Pa. He was formerly President of Comerford-Public Theatres Corp., which operates a chain of theatres in New York and Pennsylvania. Mr. Walker served as Postmaster General under Presidents Roosevelt and Truman from 1940 until last June. He is soon to resume his former position with Comerford-Public Theatres Corp. A native of Pennsylvania, Mr. Walker attended Gonzaga University at Spokane, Wash., and in 1909 was graduated from the University of Notre Dame, of which he is now a trustee. He later practiced law at Butte, Mont., in association with his brother in the firm of Walker and Walker.

Manufacturers Trust Company of New York announced on Aug. 13 that its European representative, H. W. Auburn, has been promoted from Assistant Vice-President to Vice-President. Mr. Auburn has been engaged in American banking in the foreign field during the major part of the last 19 years. Since 1937 he has been European representative of Manufacturers Trust Company. In November, 1940, he was given a leave of absence by the Trust Company in order to join the British Embassy in Washington on financial intelligence work. He was made a First Secretary of the British Embassy in Washington in May, 1943. Early in 1944 he was transferred to the British Embassy in Buenos Aires as a First Secretary and Financial Adviser. Since his recall by the bank in the fall of 1944, he has been stationed again in London.

Theodore Hertzler, Chairman of the Board of the Fifth Avenue Bank of New York, died on Aug. 12 at the Union League Club. He was 70 years of age. Born in New York City, Mr. Hertzler began as a messenger boy at the bank when he was 15 years old. He served as Assistant Cashier, Cashier and Vice-President until, when he was 40 years old, he was elected President of the bank. He was President of the bank until 1940, when he became Chairman of the Board, a position he held at his death. The New York "Times," from which we quote, also said in part: "A few years before the outbreak of the Spanish-American War Mr. Hertzler enlisted in the 71st New York National Guard and later went to Cuba with that regiment, serving in all the battles before Santiago.

"In London, at the beginning of the first World War, he was elected Chairman of the American Committee, which arranged for the relief and shipment back to the United States of more than 25,000 Americans. The pressure of business finally made his own return necessary, and his place on the committee was taken by Herbert Hoover.

"Mr. Hertzler was for many years a collector of etchings. He was a member of the Artist's Aid Society and the National Sculpture Society. He became Treasurer in 1919 of a committee of artists and obtained funds to finance an exhibition of the works of American painters at the Luxembourg in Paris. He was also a past Treasurer of the Paris Chapter of the American Federation of Arts."

He was also a trustee of the Franklin Savings Bank.

Henry Krusch, Vice-President of the Public National Bank & Trust Co., at 39th St. and 7th Ave., New York, died on Aug. 9 in St. John's Hospital, Brooklyn. He was 47 years of age. He had been Vice-President of the bank for 12 years.

The New York State Banking Department announced on Aug. 3

that approval was given on July 31 to a certificate of increase of capital stock of the Royal Industrial Bank, of New York, from \$225,000, consisting of 22,500 shares of common stock of the par value of \$10 each, to \$275,000, consisting of 27,500 shares of common stock of the par value of \$10 each. The bank is located at 1134 Broadway.

The Chartered Bank of India, Australia and China announces that their Manila branch, Philippine Islands, was reopened for business on July 23.

The Midland Bank of London announces that they have appointed John C. Read, of their London managerial staff, to be their New York representative, as of Aug. 1, with an office at 44 Wall St.

The New York State Banking Department announces that application for permission to establish an agency of the Bank of China of Chungking, China, at 197 Worth St., Borough of Manhattan, City of New York, was filed Aug. 1.

The New York State Banking Department reported on Aug. 3 the filing of a certified copy of an Order, granted by the Supreme Court of the State of New York, County of New York, on July 26, 1945, declaring Hungarian American Bank dissolved and its corporate existence terminated.

Charles A. Gorman, management counsel, has been elected a trustee of the Fulton Savings Bank of Brooklyn, N. Y., Paul W. Connelly, President of the bank, announced, according to the Brooklyn "Daily Eagle" of Aug. 10.

Mr. Gorman is a director of Edward Ehrbar, Inc., and has served in an executive capacity with Abraham & Straus, Inc., H. Batterman Company and Bush Terminal.

The New York State Banking Department reports the filing of a certified copy of an Order, granted by the Supreme Court of the State of New York, County of Kings, on July 17, 1945, declaring the Midwood Trust Company of Brooklyn, N. Y., dissolved and its corporate existence terminated.

The liquidation of the affairs of the Mutual Trust Company of Westchester County at Port Chester, N. Y., was completed on July 24 by the New York State Superintendent of Banks, the corporation dissolved, and the corporate existence terminated, said the State Banking Department in its Aug. 3 bulletin.

Land Title Bank and Trust Company, of Philadelphia, has announced the retirement of an additional \$750,000 par value of its preferred stock, making a total of \$4,775,000 retired since June 30, 1940, with \$2,500,000 remaining outstanding. Percy C. Madeira, Jr., President, said this additional retirement was made possible by continued liquidation of bank's real estate and mortgages, and its substantial holdings in cash, government bonds and other securities.

Robert C. Tait has been appointed Assistant Vice-President in the Commercial Banking department of the Union Trust Company, of Pittsburgh, it was stated in the Pittsburgh "Post Gazette" of Aug. 7, which stated that Mr. Tait was formerly First Vice-President of the Genesee Valley Trust Company, Rochester, N. Y. It is also stated that:

Clifford L. Potter, formerly of the Trust Investment Department, Marine Trust Company, Buffalo, has joined the Union Trust investment staff. Charles W. Bor-

gerding, former Assistant Treasurer, has been appointed to the office of Comptroller, heading the bank's new Comptroller Department.

A meeting of the stockholders of the Hamilton National Bank, of Washington, D. C., will be held on Sept. 11 to vote on a proposal to increase capital from \$1,000,000 to \$1,750,000. In indicating this the Washington "Post" of Aug. 11 said:

"In a letter to shareholders Pres. Wilmer J. Waller said the following steps to effect the capital boost had been recommended by directors.

"1. Declaration of a 25% stock dividend to be distributed on the basis of one share for each four owned;

"2. An offering of 25,000 shares of new capital stock at a price of \$30 a share on the basis of one share for each two shares owned.

"If the plan is approved by stockholders, Hamilton National will have outstanding 87,000 shares of \$20 par value. Surplus account will be \$1,750,000 and there will be approximately \$700,000 in undivided profits and reserves, or total capital funds of roundly \$4,200,000.

Richard H. Stout, President of the Morris Plan Bankers Association with headquarters in Washington, D. C., will join Industrial Bank of St. Louis on Oct. 1, as Vice-President in charge of Consumer Credit Relations, according to an announcement by Arthur Blumeyer, President. Starting in the banking business with the Louisville Trust Company in 1923, Stout joined the Morris Plan Bank of Louisville three years later, and became connected with the Association he now heads in 1938. In addition to being an official of the Morris Plan Bankers Association, Mr. Stout was likewise a Trustee of Consumer Banking Institute, a non-profit organization endowed by nationally known financial institutions and dedicated to the fullest possible development of sound consumer credit as an integral part of our national economy.

The Baltimore "Sun" reports that the sale of 5,000 additional shares of common stock of the Towson National Bank, of Towson, Md., was quickly oversubscribed, Samuel P. P. Cassen, Vice-President of the bank, announced on Aug. 9. The advice added:

"The new stock, authorized by shareholders at a special meeting last June, increases the capital stock of the bank from \$100,000 to \$150,000, Mr. Cassen said.

"The increase in capital, it was noted, is "in line with the bank's growth of deposits, which have risen in the last two years from \$2,799,083 to \$5,548,721."

P. H. McClelland, manager of the Euclid-Ivanhoe branch of the Cleveland Trust Co., of Cleveland, has been elected an Assistant Vice-President of the bank and will supervise 45 branch offices, says President George Gund. R. E. Rylander, manager, Mayfield-Lee office, shifts to the Euclid-Ivanhoe post, said the Cleveland "Plain Dealer" of Aug. 7, which also stated, in part: "Mr. McClelland began his banking career in 1913 with the Oberline Banking Co. He joined the Garfield Savings Bank in 1915 came to Cleveland Trust in the merger of those institutions in 1923.

"He has been Chairman of the Cleveland War Price and Ration Board since its inception in December, 1941, is a director of the East Cleveland Board of Education and Chairman of its finance committee.

"Mr. Rylander joined Cleveland Trust 25 years ago at the St. Clair-138th office and began his

banking career with the Sheffield (Pa.) National Bank in 1917.

Edwin L. Bruce, Vice-President and general manager of the E. L. Bruce Lumber Co., was elected to the board of directors of the Union Planters National Bank & Trust Co., of Memphis, Tenn., on Aug. 9, Vance J. Alexander, President of the bank, announced. This is learned from the Memphis "Commercial Appeal," which also said:

"Mr. Bruce succeeds his brother, the late Robert G. Bruce, former President of the E. L. Bruce Co. Mr. Bruce was born in Kansas City, Mo., and was in charge of the Bruce plant in Little Rock before coming to Memphis as Vice-President and general manager in 1928."

William J. Riechers, manager of the Tillamook branch of the First National Bank of Portland, Ore., announced his retirement from that position on Aug. 3, according to the Portland "Oregonian," which also said in part:

"At the same time promotion of Irvie E. Keldson from assistant manager to manager of that branch was revealed.

"Mr. Riechers was President of the old First National Bank of Tillamook. He became manager of the branch when the First National of Tillamook was purchased by the First National of Portland."

The directors of Westminster Bank Limited of London announced on July 31 the retirement, after more than 45 years' service, of L. P. Meredith, a joint general manager of the bank.

Business Failures in July

Business failures in July were higher in number and amount of liabilities involved than in June, but lower in number, and higher in amount than in July a year ago. Business insolvencies in July according to Dun & Bradstreet, Inc., totaled 72 and involved \$3,659,000 liabilities as compared with 61 in June involving \$3,198,000 liabilities and 91 involving \$3,559,000 in July a year ago.

All groups except the manufacturing group, which had the same number of failures in July as in June, had more failures in July than in June. When the amount of liabilities is considered only the wholesale and construction groups had more liabilities involved in July than in June.

Manufacturing failures in July numbered 19, the same as in June, but liabilities involved were down to \$1,665,000 in July from \$2,420,000 in June. Wholesale failures in July numbered 5 with \$309,000 liabilities as compared with 4 with \$48,000 liabilities in July. Retail trade insolvencies in July numbered 30 with \$468,000 liabilities against 28 in June with \$515,000 liabilities. In the construction group failures in July numbered 9, with \$1,135,000 liabilities, which compares with 5 in June with only \$81,000 liabilities. Commercial service failures in July were up to 9 from 5 in June, but liabilities involved were down to \$82,000 in July from \$134,000 in June.

When the country is divided into Federal Reserve Districts, it is found that the Boston, Chicago, Minneapolis and San Francisco Reserve districts had more failures in July than in June, the Richmond, Atlanta and Kansas City Reserve Districts had the same number and the remaining districts, outside of the Dallas Reserve District which did not have any, had fewer failures in July than in June. When the amount of liabilities involved is considered it is seen that the New York, Philadelphia, Richmond and St. Louis Reserve districts were the only districts that had less liabilities involved in July than in June, with the exception of the Dallas Reserve District which did not have any failures in either month.

Grew Denies Plans for Loan to Britain

Denial of published reports that there are any immediate plans to ask Congress to approve a \$3,000,000,000 to \$5,000,000,000 credit to Great Britain, was made on Aug. 5 by Acting Secretary of State Joseph C. Grew, who, however, asserted that this country should help solve Britain's financial problems "in all reasonable ways." United Press advices from Washington Aug. 5, from which we quote, further said:

"He wrote Representative Emanuel Celler (Democrat, New York), that Britain had not approached the State Department about a loan, "nor have we any present plans for requesting legislation to authorize such a credit."

However, he added: "The department believes that serious consideration should be given to any request the British might make for credit on a proper scale and appropriate terms."

Mr. Celler had written Secretary of State James F. Byrnes for information about a New York "Times" dispatch which stated that Congressional approval of a loan would be sought.

Mr. Grew did not close the door to a Congressionally approved loan, but he told Mr. Celler that the State Department would not favor credits merely to relieve Britain's sterling indebtedness, "nor would we feel it advisable to grant large credits to Britain merely to make dollars available to members of the 'sterling bloc' who may lack dollars to make purchases outside the sterling area."

Secretary Grew's letter, as given in the United Press accounts, said in part:

"Britain will emerge from the war with very large sterling indebtedness, which aggravates her problem of restoring international equilibrium. The Department believes that we should assist in all reasonable ways in efforts to solve this difficult financial problem, in order to restore sound international economic conditions within the shortest possible time.

"The extension of the trade agreements act and the adoption of the Bretton Woods agreements, both of which the Department has strongly supported, are, it should be noted, fundamental steps toward this end. The strengthened trade agreements act will help expand international trade on a multilateral basis and, thereby, assist Britain in balancing her international accounts without the use of restrictive trade policies. The monetary fund will provide the countries of the world, including Great Britain, with additional liquid reserves when required, to assist in maintaining stable currencies without restrictive exchange practices. The international bank should play an important role in expanding world trade through stimulus to sound international investment. The bank could also extend direct credits to Britain should Britain choose to avail herself of its facilities.

"Beyond these measures, the Department believes that serious consideration should be given any request the British might make for credit on a proper scale and appropriate terms.

"We feel that any credit granted by this country to Great Britain should be accompanied by satisfactory arrangements with respect to the timely relaxation of the restrictive financial and trade practices which have grown up of necessity during the war."

2-Cent Roosevelt Stamp

Postmaster Albert Goldman announces that the 2-cent denomination stamp of the Roosevelt Memorial Series will be placed on sale at Warm Springs, Ga., on Aug. 24. The stamp will bear the portrait of Franklin Delano Roosevelt and the Roosevelt cottage at Warm Springs, Ga.