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## The Financial Situation

Even the most reluctant must now find it difficult to avoid the conclusion that the approach of the Truman Administration toward reconversion, to say nothing of our course during the peace years to follow, is essentially that of the New Deal philosophy. These continually reiterated prophecies of three, five, eight and more million unemployed within the year have of course been typically New Deal tactics. President Truman is evidently surrounded by men, most of them doubtless inherited from the Roosevelt regime, who believe as the Roosevelt cynics always believed that if it is possible to cause sufficient uneasiness and pessimism about the future in the minds of the public, it will not be difficult to persuade Congress to take almost any course that these same calamity howlers designate as necessary to prevent the unpleasant state of affairs predicted. The Administration has grandiose plans for the application of an essentially totalitarian program during the months if not years to come, and the ground is being sedulously cultivated for it.

### Definitely New Deal

Certain more or less key measures in that program are well known—and well understood to be of a typically New Deal nature, indeed more or less inherited from the Roosevelt Administration. Others doubtless will be coming along as time passes. Meanwhile, the Executive Order issued over the weekend makes it clear beyond all peradventure of a doubt that, whatever President Truman's alleged leanings toward the so-called conservative Southern Democrats, his leanings are at bottom definitely New Deal in nature—no matter with what outer trimmings of greater regard for common sense they may be decorated. That such is the case is certainly not surprising since the virus of totalitarianism.

(Continued on page 860)

## Churchill Condemns Agreement on Poland

**In First Parliament Address as Opposition Leader, Former Prime Minister Predicts Difficulties in Division of European Territories. Says Democracy Is on Trial and That Grave Questions Exist in Eastern and Middle Europe. Attacks Prof. Laski's Authority to Fix Foreign Policy and Defends Actions Regarding Greece and Spain. Hints Nationalization Projects Will Not Help Wage-Earners.**

Former Prime Minister Winston Churchill on Aug. 16 made his first address in Parliament as Leader of the Opposition, in which he revealed that he was not in harmony with the Potsdam decision regarding the new areas allotted to Poland, which he said was "Not a good augury for the future." He denied the authority of Professor Harold Laski, the Executive Secretary of the Labor Party, who is not a member of the new government, to publicly state its foreign policy, which should come from the ministers of the Crown, and, in concluding, he made reference to the nationalization projects, and asserted that if after these projects are completed, "the trades unions yet seemed to feel it necessary to re-arm against state socialism ap-



Winston Churchill

parently the new age is not to be so happy for the wage-earners as they have been asked to believe."

The text of Mr. Churchill's address, as reported by the United Press, follows:

Our duty is to congratulate the Government on the very great improvement in our prospects at home which comes from complete victory gained over Japan and especially on peace throughout the world. Only a month ago it was necessary to continue at full speed, at enormous cost, all preparations for a long and bloody campaign in the Far East. In the first days of the Potsdam conference President Truman and I approved a plan submitted to us by the Combined Chiefs of Staff for a series of great battles and landings in Malaya, the Netherlands East Indies and in the homeland of Japan.

These operations involved an effort unsurpassed in this war, and no one could measure the cost in British and American life and treasure which they would require. Still less could it be

(Continued from page 865)

## Snyder Reports to Truman on Reconversion Program

**Reconversion Director Tells President Proposed Steps in Switch From War to Full Peacetime Output. Urges Rapid Demobilization of Armed Forces, Settlement of War Contracts and Retention of Some Controls Over Prices, Wages and Rents. Calls for a Minimum of Strikes, but Warns of a Period of Sharp Unemployment. Gives Answers to a Series of Questions.**

John W. Snyder, recently appointed by President Truman as Director of War Mobilization and Reconversion, on Aug. 15, released



John W. Snyder

The President, The White House, Washington, D. C.

Dear Mr. President:

I submit herewith a report entitled "From War to Peace: A Challenge." This report has been prepared in collaboration with the Office of War Information and other government agencies. It is designed to answer the specific questions which will be uppermost in the minds of the people, now that Japan has been finally crushed.

Respectfully,  
John W. Snyder, Director.

### FROM WAR TO PEACE: A CHALLENGE

Our total victory over our enemies was the inevitable and just product of our total mobilization for war. The same energies, the same skills, the same cooperation that won the war must now be directed toward the winning of a total and stable prosperity in peace.

The outlook for this peacetime victory is bright, but it will not be won easily nor immediately.

### GENERAL CONTENTS

<b>Editorial</b>	Page
Financial Situation.....	857
<b>Regular Features</b>	
From Washington Ahead of the News.....	857
Moody's Bond Prices and Yields....	868
Items About Banks and Trust Cos....	872
Trading on New York Exchanges....	864
NYSE Odd-Lot Trading.....	869
<b>State of Trade</b>	
General Review.....	858
Commodity Prices, Domestic Index..	870
Weekly Carloadings.....	871
Weekly Engineering Construction....	868
Paperboard Industry Statistics....	871
Weekly Lumber Movement.....	871
Fertilizer Association Price Index..	867
Weekly Coal and Coke Output.....	869
Weekly Steel Review.....	868
Moody's Daily Commodity Index.....	868
Weekly Crude Oil Production.....	870
Non-Ferrous Metals Market.....	869
Weekly Electric Output.....	867
Copper Statistics as of Aug. 10.....	870
June Cotton Consumption.....	868
Selected Income Balance Sheet	
Items Class I Railways (Feb.).....	*820
Planting Intentions as of March 1..	*820

\*These items appeared in our issue of Aug. 20, on pages indicated.

There should be no mincing of words. The sudden termination of the major portion of war contracts will cause an immediate and large dislocation of our economy. Our nation will undergo the shock of considerable but temporary unemployment. The severity of this shock is increased by the sudden ending of the war.

In a sense we have exchanged lives which would have been lost in battle for sharp unemployment at home. It is a very welcome swap. We would not reverse it if we could. Nor will we continue the manufacture of useless armaments for as much as one day to cushion the shock. We will not manufacture a single shell, nor a single piece of equipment above absolute minimum military needs, for the purpose of reducing the shock of terminating war work. We will not keep a single soldier or sailor in uniform longer than he is needed by the Army or Navy, in order to hold down the totals of temporary unemploy-

ment. This is the policy laid down by the Congress, wholeheartedly carried out by this Administration, and backed by the American people.

This policy may increase somewhat the immediate dimensions of the task. But it is the shortest and most efficient road back. We hope to achieve plant reconversion in a relatively few months, but a full peacetime footing cannot be achieved that soon.

### The Answer—Production

The job ahead is one of redirecting from war to peace the four main resources from which the wealth of our economy springs: our manpower, our raw materials, our plant and equipment, and our managerial know-how.

The goal of our economy now that peace has come is in a sense the same as it was in war: production.

Only a peacetime production, vastly expanded over anything this or any other nation has ever

(Continued on page 862)

## From Washington Ahead of the News

By CARLISLE BARGERON

One of Britain's most serious post-war problems, it would seem, is the professor, Harold J. Laski. For the past two weeks the new Labor Party has been seeking to deal with him, before it takes over the coal mines, the railroads or the Bank of England. Prime Minister Attlee has publicly spanked him to the extent of saying he did not represent the government; this, after his going to Paris and

inviting the French socialists to join up with the British in a united brotherhood of man, and after his saying that the new government would disavow Churchill's policy in Greece and Spain. Subsequently, Ernest Bevin has come along and said that the policy towards these two countries would remain unchanged.

This is important because the controversy around these two countries is not one of outmoded monarchy and democracy as the so-called Liberals have propagandized, but one of whether the Communists were to take over. Laski, although disguised as a Laborite or Socialist, is looked upon by the British contingent in Washington as a Communist or one so near to it that it doesn't make any difference.

He can be bought for a dime a dozen among the contingent, and

they are burning up at the attention our American editors give to him. We have sought to ascertain just what his influence is, and we are assured that it is not the slightest more than a writer who has attached himself to a cause, the Labor Party in this instance, and is trying to make hay while the sun shines by selling his wares. He is the chairman of the Labor Party which is what is probably making American editors buy him, but we are assured this is purely honorary and something that rotates, like the presidency of the Rotary Club.

He reminds us very much of a young fellow, Mordecai Ezekiel, an economist in the Department of Agriculture when the New Deal came in. He figured it was a ripe day for professors and economists, and he set out to writing radical books with a view to getting attention called to him. Notwithstanding that it was a beautiful day for those of his breed, he simply did not click.

This is a commentary on him, however, because lesser figures did. And there would seem to be this thought about Britain as they now appear to be in the same questionable period, in the eyes of the world, as we were when

(Continued on page 872)



Carlisle Bargeron

## Hansen Leaves FRB Advisory Staff

### Advocate of Deficit Spending No Longer Consultant to Reserve Board. Reputed to Have Influenced Federal Fiscal Policy.

Announcement has come from Washington that Professor Alvan H. Hansen, Littauer Professor of Economics at Harvard University, is no longer



Alvin H. Hansen

acting as a consultant to the Board of Governors of the Federal Reserve System, a position which he has held for two years. Professor Hansen in 1941 published a book entitled "Fiscal Policy and Business Cycles" in which he advocated the "deficit spending" policy as laid down by Lord Keynes and Sir William Beveridge in Great Britain. After his appointment as a special economic advisor to the

Board of Governors of the Federal Reserve System, considerable criticism and complaint developed in political and banking circles regarding his influence in shaping post-war fiscal policy. It is reported that his separation from the Reserve Board is caused not only by this situation, but also by a "fundamental disagreement" as to post-war fiscal policy with Marriner S. Eccles, the Chairman of the Board of Governors of the Federal Reserve System.

Professor Hansen was born at Viborg, S. Dak., on Aug. 23, 1887 and received his Ph. D. degree from Wisconsin University in 1915. He was appointed Littauer Professor of Economics at Harvard University in 1937. He has written extensively in the field of economics and statistics, particularly with reference to the business cycle.

## Benefits Under New Income Tax Law Outlined by Internal Revenue Commissioner

As was indicated in our issue of Aug. 9, page 654, President Truman has approved the reconversion tax legislation intended to encourage big and little business in returning to peace-time production. The new law, which is designated as the "Tax Adjustment Act of 1945" was signed by the President on July 31. In announcing on Aug. 15 the adoption of specific procedures to expedite for businessmen the various benefits provided

for them in the newly enacted measure, Joseph D. Nunan Jr., Commissioner of Internal Revenue said:

"Our war-time tax laws, recognizing possible inequities and hardships upon business which might result in some cases, provided eventual refunds of certain tax amounts. The Tax Adjustment Act speeds up these repayments so that American business may make immediate use of its own money for reconversion and other pressing needs.

"In fulfillment of this objective, we have adopted procedures which will make these adjustments as simple and speedy as the law allows. Specific instructions are being issued to the field offices of the Bureau of Internal Revenue, and any businessman seeking further information about the specific application of the new law to his particular situation is invited to consult the nearest office of a collector of internal revenue or a revenue agent-in-charge.

"The necessary forms for the purposes of the new Act will be distributed through local collectors of internal revenue as soon as they can be printed and shipped, probably within a few weeks."

The principal benefits, and the general methods by which they will be realized are, according to Commissioner Nunan's announcement:

"1. **CURRENT CREDIT - EXCESS PROFITS TAX** (in lieu of former post-war credit) — Formerly, each corporation paying excess profits tax was entitled to a post-war credit equal to 10% of the excess profits tax paid. Under the new law for taxable years beginning on or after Jan. 1, 1944, the amount of tax payable is reduced 10% and the post-war credit is abolished. This plan will be put into effect as follows:

"(a) In the case of a corporation paying remaining installments due on excess profits tax for a year which began on or after Jan. 1, 1944, the corporation should divide its credit by the number of remaining installments, and reduce each remaining installment payment by that amount. (Example: Corporation X filed an excess profits tax return on March 15, 1945, showing it owed \$400,

000 excess profits tax for the preceding year. The corporation paid one installment of \$100,000 on March 15 and another of \$100,000 on June 15. Normally it would make similar payments on September 15 and December 15. However, under the new law it is entitled to a current credit of 10% of the tax—10% of \$400,000, or \$40,000. Since the corporation has two more installments to pay, it should divide the \$40,000 by 2, and take a credit of \$20,000 on each of the remaining installments. Thus, the corporation should pay \$80,000 on September 15 and \$80,000 on December 15, instead of \$100,000 each time.)

"(b) In the case of a corporation paying remaining installments due on excess profits tax for a year which began prior to Jan. 1, 1944, the corporation should reduce its last installment by the amount of the credit. Although the new law is silent on this point, the Commissioner has authorized this special procedure so that affected corporations will not have to pay the credit and then wait for its refund. (Example: Corporation Y filed an excess profits tax return on February 15, 1945, showing \$300,000 excess profits tax due for its fiscal year which ended November 30, 1944. It has already paid two installments totalling \$150,000. Normally, it would owe another installment of \$75,000 on August 15, and another of \$75,000 on November 15. However, it is entitled to a post-war credit of 10% of \$300,000 or \$30,000. In this case the corporation should pay its August installment of \$75,000 in full, and should reduce its last installment, in November, to \$45,000.)

"(c) In the case of a corporation making payment on a deficiency assessment for a taxable year which began prior to Jan. 1, 1944, the corporation also will be permitted to reduce this payment by the amount of the post-war credit applicable to the deficiency.

"(d) In the case of a corporation which has paid in full the excess profits tax due for a year beginning on or after Jan. 1, 1944, the Bureau will on its own initiative refund the amount of the current credit to the corporation.

"(e) In the case of all corporations filing excess profits tax re-

turns (Form 1121) hereafter, the credit should be taken on the return, reducing the total tax by 10%. This reduced total tax should be paid in the usual installments. If using a 1944 edition of Form 1121, the corporation should enter the credit on line 21, page 1 (line 21 originally indicated a 'credit for debt retirement', which has been replaced by the current credit under the new law). The 1945 form will specifically indicate the current credit.

"2. **REDEMPTION OF EXCESS PROFITS REFUND BONDS** — Formerly, a corporation was issued 'Excess Profits Tax Refund Bonds' to evidence the 10% post-war refund due on its excess profits tax. These bonds were to become redeemable at specified dates after the war. Under the new law, all bonds of this type will become redeemable in cash, at the option of the holder, on or after January 1, 1946. Specific procedure for presentation of the bonds for redemption will be issued soon by the Secretary of the Treasury. In instances where bonds are due a corporation but cannot be issued prior to Jan. 1, 1946, the corporation will receive cash instead of bonds.

"3. **DEFERMENT OF CURRENT TAXES DUE TO ANTICIPATED CARRYBACK**—The new law permits corporations who anticipate carryback refunds (due to either 'net operating loss' or 'unused excess profits credit' in the current year) to defer current tax payments equal to the anticipated refund, pending final determination of the refund. The Bureau has prepared a special blank, Form 1138, for the taxpayer to use in applying for such deferrals to the collector to whom the tax is payable.

"4. **90-DAY REFUND DUE TO CARRYBACK** — The deferment described in the preceding paragraph will be based on a mid-year estimate by a corporation of its carryback. Therefore, when the taxable year is over and the exact amount of carryback can be determined, a corporation which has deferred current taxes on account of an anticipated carryback should file an application on Form 1139 for an expedited adjustment. Similar applications also may be filed by corporations which, though entitled to carrybacks, have not deferred any current taxes. Individuals having a net operating loss carryback may apply for corresponding adjustments by making an application on Form 1045. In all these instances, the Commissioner will, within 90 days, make a tentative refund of any amount due in excess of deferred taxes, unless he finds 'material omissions or errors' in the applications.

"5. **90-DAY REFUNDS DUE TO AMORTIZATION ALLOWANCES ON TERMINATED WAR FACILITIES** — Many taxpayers with war contracts have received special permission to take amortization deductions over a five-year period on certain 'emergency facilities.' If before the expiration of the five years the War Production Board has certified that the facilities are no longer needed for emergency purposes (or the President proclaims the end of the emergency) the taxpayer may file a notice terminating the arrangement, and file an application for tentative adjustment or refund of his prior years' taxes on the basis of the shorter period of amortization. Unless he finds material omissions or errors in the application, the Commissioner will, within 90 days, determine the amount due the taxpayer, apply as much of it as necessary to outstanding taxes owed by the taxpayer, and refund the balance. Two special forms (Form 1140 for corporations and Form 1046 for individuals) have been prepared for the use of war contractors desiring such tentative adjustments.

"6. If for any reason not cov-

## The State of Trade

The problems arising from our readjustment from output for war to that of a peacetime economy are manifold and some may be hurdled with a minimum of difficulty. There is one, however, falling within the province of the Federal administration, which involves the tying up of private funds caused by government cancellation of war orders. The speed with which the administration will act in this situation will depend the employment of many millions of people.

We cannot afford the luxury of large-scale unemployment for many reasons, of which our National debt is an important one. Confronted with an overwhelming National debt approximating \$300,000,000,000, the manpower of the nation must not be idle if this debt would be serviced and the future of our people assured. Reconversion of industry has been delayed too long and further delay will bring disaster. Time is of the essence.

The total amount of private funds actually tied up by Government cancellations of war orders, according to an estimate made on Tuesday of this week by the National Association of Manufacturers, will amount to about \$3 billions.

These figures were released after the Office of War Mobilization and Reconversion had given the total V-J cancellation figure to end the war as about \$30 billions, plus a hold-over of \$14 billions from V-E.

The Association, which has had a special committee and an advisory group working with the Government for the streamlining of war contract termination for more than a year, emphasized that this total cancellation figure of \$44 billions may be misleading. It represents only gross cancellations on the order book.

What really counts, according to NAM, is the net amount of money tied up in partly completed work and actually out-of-pocket expenditures. That is the only amount which may be reclaimed from the Government; and, according to NAM, it is a figure of the order of \$3 billions.

It is important to note, however, NAM warns, that this \$3 billions represents part of the operating funds of industry which may be tied up an average of six months, according to war settlement experience to date.

It might have a retarding influence on the financial reconversion of industry as distinguished from the physical reconversion which lies in the hands of industry itself.

The problem is complicated by the fact that this \$3 billions will be owed by the Government to some 70,000 prime contractors and 2,000,000 subcontractors who were employing some 7,000,000 persons on war goods and services on V-J Day.

Assuming that \$2 billions of the tied-up sum would normally go for labor when released, it would serve to pay the wages of this entire war workers' force for two months.

NAM therefore warns of the importance of having sufficient Government personnel in the offices of contract settlement to speed up the rate of payment; and also an increase in the streamlining of the numerous bank loans which will be needed to unfreeze the bulk of this amount while private enterprise is waiting on the Government settlement.

**Steel Industry**—With an attitude of subdued expectancy, the steel industry marked time last week. Notwithstanding possible

ered in the preceding paragraphs the taxpayer has any tax payments coming due while an application is pending for a 90-day refund on account of a carryback or 'amortization allowance, he may apply to the collector of internal revenue for an extension of time so as to avoid making any payments which would thereafter have to be refunded to him."

chaotic conditions in the offing, sudden reconversion held no terrors for the industry in that it has been awaiting this day for some time.

"The Iron Age" in its current survey of the steel trade observed that while war contractors struggled with the specter of terminations, and war converted manufacturers rushed to get their houses in order for civilian production, from four to six months' capacity operations seemed assured for full line steel producers on the basis of civilian orders now in hand.

There was the further prospect that as reconversion was accomplished and productive capacity increased additional orders would be forthcoming to replenish depleted backlogs.

Order departments received few cancellations in the early part of the past week, the attitude of customers reflecting apparent reluctance 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, the magazine stated.

The recent atomic bomb raids and the entry of the USSR into the war were reflected in increased war steel orders accentuating a trend visible since VE-Day with nonpriority orders showing slight deviation from the level of recent weeks. Combined war and civilian ordering amounted to approximately 40% of the weekly volume entering the books during the peak buying period early this year.

Extended deliveries quoted through the early part of last week indicated that final capitulation alone would light the fuse to blast war orders backlogs, despite strong pressure from civilian customers impatient to resume production—noticeably the automotive industry. Automotive manufacturers were talking in terms of more than doubling originally scheduled passenger car output this year, while farm machinery makers were planning double present production.

Steel warehouses, in the past a major source for civilian manufacturers unable to find a place on mill schedules, and whose inventories have undergone considerable shrinkage, were ready, according to the magazine, to receive shipment of substantial tonnage 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 industry that steel prices are too high. This undoubtedly anticipates an easier supply situation and scrambling for orders in the not too distant future, with price concessions as the base," according to "The Iron Age."

Some sales offices detected an increase in rated civilian orders, indicating that WPB was carrying out its promise of assistance for reconversion of essential industry in civilian lines. Some such orders came from the automotive industry, but it was implied that the material was for repair parts rather than for new automobiles, the magazine added.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 69.9% of capacity for the week beginning August 23. (Continued on page 866)

## Vinson Lays Plans for Final Victory Loan Drive— Urges Continued Individual Purchases

In announcing on Aug. 16 that he had sent telegrams to all State Chairmen of the War Finance Division asking them to meet in Washington on Aug. 18 to lay plans for a Victory Loan Drive, and to discuss with him the problems of our post-war financing, Secretary of the Treasury Vinson, said:

"I believe the Victory Loan should be scheduled for the earliest possible date. It should provide a fitting climax for the series of successful drives by which we at home have financed the war.

"It will give each one of us an opportunity to tell the men—and the women—of our Army, of our Navy, of our Marine Corps, of our Coast Guard, and all others whose selfless services have helped us win this war, how proud we are of them. It will give us all an opportunity to share in the tasks yet to be done.

"There are millions of our men overseas. Billions of dollars will be needed to bring them home, to provide their mustering out pay, and to care for the disabled.

"Other billions will be required to provide for contract cancellations and to meet other costs incident to the liquidation of our war effort.

"We must maintain forces of occupation in German and Japanese territory, as long as necessary, to make secure the victory that has been achieved at the cost of so much suffering and of so many lives.

"All this will cost money. In the last war, expenditures in the six months following the Armistice were greater than those in the last six months of fighting. This time the first steps toward an orderly reconversion and our transition to a peacetime economy should be less costly proportionately. Nevertheless heavy expenditures attributable to the war will continue for many months."

While stating that "we should

make the Victory Loan the last of our organized drives," Secretary Vinson added that "for the benefit of the country and for the benefit of its citizens, we should continue the sale of United States Savings Bonds, especially under the payroll savings plan. In doing this we will be meeting the many requests we have received from leaders of labor and industry."

Mr. Vinson went on to say:

"Millions of our citizens, as Savings Bond buyers, have learned the value of thrift.

"They hold the soundest securities that are available in the world today—securities that will never be worth less than the purchase price and that will increase in value as they approach maturity.

"They should be encouraged to hold the bonds they now have and to buy more.

"National stability will be advanced by having our national obligations held by the greatest possible number of our citizens. And the individual who adds systematically to his bond holdings will find he has built up the best possible protection against any need.

"I am confident that the Victory Loan will be a tremendous success.

"The most effective way to celebrate victory is to buy Victory Bonds.

"By buying bonds—and holding them—we will consolidate the victory and sustain our economy."

## Early Tax Relief Planned When Congress Reassembles

Indications point to the early passage of tax relief measures when Congress reassembles in September. Preparatory work is getting under way already for meetings of the Senate Finance Committee, of which Senator Walter F. George (D.-Ga.) is Chairman, and the plans of the House Ways and Means Committee to review the tax structure and be ready with recommendations for the reconvening Congress.

In the view of Senator George, a recognized tax authority, the excess profits tax should be withdrawn in 1946, but individual and corporate income tax reduction should be spread over possibly three years, according to an interview which the Associated Press reported from Vienna, Ga., Aug. 17.

Administration and Congressional leaders have repeatedly pointed out the stimulating effects which might be expected from a repeal of the excess profits tax on the economy, both as a preventive to reconversion lags and to the development of any deflationary tendencies.

Senator George, the Associated Press reports, does not expect any income tax reductions to be effective until next year. However, he says that Congress should get to work early on a new tax bill.

"Business, as well as the individual, should know this year what to expect in the way of tax reduction in the immediate post-war years," Senator George suggested. He said business should have the incentive for enterprise.

Also, he added, the individual should have a margin of income for investment.

Senator George suggested, in an interview, that individual income taxes might be reduced from 40 to 60% in the different brackets over a three-year period starting next year.

His view is that the surtax should be held at the current level for the present and that it be gradually decreased over the next few years. He said the whole tax structure needed simplification and suggested that the income tax law could be amended, not by changing exemptions, but merely by changing the rate.

"Taxation can't create enterprise," Senator George said, "but badly devised and administered taxes can limit and restrict it and finally destroy it."

He added that a lower tax for small businesses and enterprises is needed—a rate lower than the rate on all business.

The capital gains tax, he said, should not be interfered with next year, but a sounder tax program along this line might be worked out after 1946.

Most of the excise taxes, he pointed out, will go out six months after the end of the war and Congress might accomplish this simply by a resolution.

"The \$5 automobile use tax ought to be dropped," he said. "It is not a sound tax, it is purely a revenue measure."

The Administration's attitude is indicated in a press conference with Secretary of the Treasury Fred M. Vinson who left no doubt, the New York "Times" reported in a special Washington dispatch, Aug. 17, that the Treasury would co-operate in early revision of the Federal tax structure. Highlights of the conference, the "Times" continued, were:

1. The Treasury will have its report ready for the House Ways and Means Committee when it meets Aug. 27 on the tax aspects of the financial affairs of Elliott Roosevelt.

2. The first meeting of the Federal Advisory Committee on International Finance Policy, which has the task of co-ordinating for-

eign lending policies of the United States, will be on Tuesday at the Treasury. It will review the foreign lending plans of the Administration and its agencies. Members of the committee are the Secretaries of Treasury, State and Commerce, the chairman of the Federal Reserve Board of Governors, and the chairman of the Export-Import Bank.

3. The new Secretary has made no change in the interest rate policies of the Treasury under Secretary Morgenthau, as indicated by the refunding announcement of the Treasury today that holders of outstanding 7/8% Sept. 1 certificates and 2 3/4% bonds, called for redemption Sept. 15, will be offered one-year 7/8% certificates.

4. The Treasury hopes that the sale of Treasury savings bonds will be a permanent institution, and urges continuing of the payroll deduction plan of buying such bonds.

5. Secretary Vinson hopes to know shortly after conferring with a committee of insurance executives headed by George Harrison, president of the New York Life Insurance Company, and a bankers' committee, headed by W. Randolph Burgess of New York, details as to the goal and types of securities to be offered by the Treasury in its victory bond drive.

6. The Secretary vigorously denied rumors that redemption of war bonds would be frozen declaring that payment of the bonds by the Treasury was a "contractual obligation."

Mr. Vinson was asked repeatedly about his views on various aspects of the tax situation, but declined as often to state the Treasury's position other than to say that his personal views had been expressed in his July 1 report as Director of War Mobilization and Reconversion.

In that report he called modernization of the Federal tax structure the "foundation" of the whole program for "full employment," and asked for repeal of the corporate excess profits tax after V-J day, removal of other taxes which impede the expansion and development of business enterprise, and action as soon as possible to remove the uncertainties in the tax situation which make business decisions difficult.

In that report he also called for lightening of the excise taxes and declare that "the personal income tax must be the chief source of tax revenue and the base must be broad."

Secretary Vinson said he hoped for early tax action by Congress and said the Treasury would be ready with recommendations whenever the tax committee wants to hear them.

## Farm Tractors for Europe

The United Nations Relief and Rehabilitation Administration has announced that it will send 14,500 tractors to help liberated European countries start raising their own food quickly, the Associated Press reported from Washington, June 16, adding that UNRRA estimates that that number of tractors should make possible the cultivation of 2,900,000 acres, or enough to produce under normal conditions about 1,500,000 tons of cereals.

Herbert H. Lehman, UNRRA Director, said that 13,000 of the tractors would be procured in this country.

Countries receiving the tractors fall into two classes—those who are able to pay for them and those who are receiving UNRRA financial assistance. They are distributed as follows:

Paying: France, 3,798; Italy, 810; Netherlands, 530; Norway, 330; Belgium, 150; Denmark, 70.

Non-paying: Poland, 3,526; Yugoslavia, 2,500; Czechoslovakia, 1,500; Greece, 1,261; Albania, 25.

Of these, 8,297 are scheduled to be shipped by the end of this month.

## Grew Resigns From State Department, Acheson Successor

Following the announcement on Aug. 13 of the resignation of Dean G. Acheson as Assistant Secretary of State, it was made known at the White House on Aug. 16 that Joseph C. Grew had resigned as Under Secretary of State and that Mr. Acheson had been named to succeed him.

Special advices from its Washington bureau to the New York "Herald-Tribune" Aug. 16 stated that the appointment of Mr. Acheson to serve immediately under Secretary James F. Byrnes was made public as a report on the State Department's "structure," prepared by the Budget Bureau and understood to recommend many important changes, was believed to be under study. The advices from which we quote added:

"Although Mr. Grew, 65, who has been with the department for more than 41 years and is now over the retirement age, had been expected to step aside, the elevation of Mr. Acheson, 52, came as a surprise. His resignation as Assistant Secretary had been recently reported as accepted, and it had been widely believed that he wanted to re-enter private business.

"Mr. Acheson, however, has been one of the Department's most effective witnesses before Congressional committees in pressing the Administration's foreign policy aims. For that reason, with William L. Clayton, another Assistant Secretary, he had been rated as one of the two top-ranking State Department officials most likely to survive a shakeup."

Earlier Associated Press advices (Aug. 13) stated that Mr. Acheson was the Department's Assistant Secretary for Congressional Relations and International Conferences. These advices also said:

"It was his second time in government service. Previously he had been Under Secretary of the Treasury, under the late President Roosevelt, serving from May to November, 1933. He resigned that office after a dispute with Mr. Roosevelt over the question of devaluation of the gold content of the dollar.

"At the request of Cordell Hull, then Secretary of State, Mr. Acheson left his private law practice in 1941 and returned to Government service as Assistant Secretary."

In his letter submitting his resignation to President Truman, Mr. Grew stated that "when President Roosevelt and Mr. Stettinius as Secretary of State asked me last September to take the position of Under Secretary of State, I accepted, with high appreciation, for the duration of the war. The war now being over, I respectfully request that my resignation, submitted when you became President, be accepted." He added that "having served our Government for 41 years and having passed the age of retirement from the foreign service, I feel that the proper time has come to lay down the responsibility of public office."

President Truman, in accepting regretfully the resignation of Mr. Grew, said: "After more than two-score years of service you are certainly entitled to some rest and relief from the burdens of government." The President further stated in part:

"I am delighted, however, that you have assured the Secretary of State that you are going to be available to him for advice and consultation, and for any service that he may require.

"May I on behalf of the nation give you this personal word of thanks for your long, faithful and efficient service during all these years. I am sure that you can look back with great satisfaction on your long career of public service."

## Russo-Polish Frontier Fixed by Treaty

A treaty between Russia and Poland, which establishes their common frontier and indicates the sharing of German reparations, is reported to have been signed at Moscow on Aug. 16, according to a Tass agency broadcast which the New York "Times" published on the 17th. The treaty is said to be in accordance with the Big Three agreement made at Yalta, and sets as a basis the old "Curzon Line."

Under the terms, according to the "Times" report, Russia:

(1) Conceded to Poland territory extending from three to five miles east of the Curzon Line in some areas.

(2) Conceded to Poland in addition: (A) Territory east of the Curzon Line up to the Zapadny Bug and Solokia Rivers, south of the town of Kaylow, to a maximum extent of 18 miles; (B) part of the Bjalowicz forest area in the district of Niemirow-Jalowska to a maximum of ten miles and including the towns of Niemirow, Gainowka, Bjalowicz and Jalowska.

Russian Foreign Commissar Vyacheslav M. Molotoff signed for Russia. Premier Eduard Osobka-Morawski signed for Poland.

Tass disclosed, the New York "Times" continued, that negotiations had been in progress for several days during a visit by Mr. Osobka-Morawski and Polish Provisional President Boleslaw Bierut.

The frontier is defined as follows in the treaty:

From a point about two miles southwest of the source of the San River, thence northeast to the source of the San, then down mid-stream to a point south of Solina, then east to Przemysl, west of Rawa Russka up to the Soloika River, thence along the Soloika and Zapadny Bug Rivers in the direction of Niemirow-Jalowska, leaving part of the Bjalowicz forest to Poland; thence to the meeting point of the Lithuania-Russia-Polish-East Prussia frontier, leaving Groino to Poland.

Delimitation by a mixed com-

mission will start within 15 days of ratification.

Pending a final peace conference, the part of the Polish frontier adjoining the Baltic Sea will pass in conformity with the Big Three's Berlin decisions from a point on Danzig Bay eastward to a point north of Braunsberg-Goldap.

The Soviet Government agreed to turn over to Poland all claims of German property, other assets and shares of German industrial and transportation enterprises in Polish territory, Tass said.

Russia also agreed to concede to Poland from her share of reparations the following:

(1) Fifteen per cent of all reparation deliveries from the Soviet zone of occupation of Germany that will be effected in the period after the Berlin conference.

(2) Fifteen per cent of the complete industrial capital equipment received by Russia from the western zones of occupation. Delivery of this equipment to Poland is to be effected in exchange for other goods from Poland.

(3) Fifteen per cent of the complete industrial capital equipment that is to be delivered to the Soviet Union from the western zones without payment or compensation in any way.

In return, Poland agreed to deliver coal to Russia beginning in 1946 at a special agreed price. According to Tass, 8,000,000 tons of coal would be delivered the first year, 13,000,000 tons each year during the next four years and in subsequent years of the period of occupation of Germany 12,000,000 tons each year.

# The Financial Situation

(Continued from first page)

ianism, under whatever name it may be masquerading, is obviously pandemic the world over. But surprising or not it is a fact which the American people can ignore or forget only at their own peril.

## Assuming Authority

The Administration is now Dealish not only in the nature of the programs it is undertaking or planning, but apparently also in its tendency to disregard the plain meaning of statutes under which it operates, or to stretch and strain the authority granted it to cover whatever it wishes to do at the moment. Take the following sentences found in the Executive Order on reconversion issued last Saturday: "Officials charged with the settlement of labor disputes in accordance with the terms of Executive Order 9017 and Section 7 of the War Labor Disputes Act shall consider that labor disputes which would interrupt work contributing to the production of military supplies or interfere with effective transition to a peacetime economy are disputes which interrupt work contributing to the effective prosecution of the war."

The American people would do well to study these words most thoughtfully—and prayerfully. They should study the order and the statute to which reference is made. Is there really anything in either which would empower the Chief Executive to take action on the ground of interruption of "work contributing to the effective prosecution" of a war which no longer is being prosecuted? Could any labor dispute of the sort the President evidently has in mind in any realistic sense "interrupt" whatever technical prosecution of war may continue? If the authority claimed is to be found in the Executive Order cited, where does that Order find its legislative sanction? If the law seems somehow to sanction either the Order cited or the Order now made, where does that law find its sanction in the Constitution of the United States?

We thus refer to this particular part of the Executive Order now issued not only because it is important in its own right, but by reason of the fact it will be clear upon reflection that the reasoning which led to the formulation of such ideas and the logic—which led to the supposition that the President has power to issue such an Order underlies much if not most of the plans which have been formulated among the control agencies in Washington. If the wholly unprecedented and really staggering amount of authority which has been

bestowed upon the Chief Executive, or been assumed by him, is to be regarded as continuing so long as the war is technically in progress, that is to say until formal peace relationships have been officially declared to exist as regards all our enemies, and if at the same time we take at their face value what appear to be official plans for dealing with such countries as Germany and Japan—then the American people may as well reconcile themselves to an existence under virtual dictatorship for a generation—unless of course they can gain their own consent to assert themselves vigorously and conclusively in the premises.

As an excellent beginning in its consideration of all these matters the American people might very well begin with a careful study of the opening paragraphs of the Executive Order issued on Aug. 18. Here they are:

By virtue of the authority vested in me by the Constitution and the statutes of the United States, and particularly the War Mobilization and Reconversion Act of 1944, the First War Powers Act of 1941, the Second War Powers Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for the purpose of fully mobilizing the resources of the Government in this final stage of the war emergency, in order to promote a swift and orderly transition to a peacetime economy of free, independent private enterprise with full employment and maximum production in industry and agriculture and to assure the general stability of prices and costs and the maintenance of purchasing power which are indispensable to the shift of business enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment, it is hereby ordered as follows:

### I

1. The guiding policies of all departments and agencies of the Government concerned with the problems arising out of the transition from war to peace shall be:

A. To assist in the maximum production of goods and services required to meet domestic and foreign needs, (1) by assuring assistance in making available materials and supplies required for the production of such goods and services; (2) by providing assistance to the conversion and utilization of war plants and facilities, both privately and

publicly owned; and (3) by providing effective job placement assistance to war workers and returning service men and women.

### Stabilization Steps

B. To continue the stabilization of the economy as authorized and directed by the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, (1) by using all powers conferred therein and all other lawful means to prevent either inflation or deflation; and (2) while so doing, by making whatever modifications in controls over prices, wages, materials and facilities are necessary for an orderly transition from war to peace. . . .

To be sure some sentences follow about removing wartime controls—so far as the administrators are convinced that such removal is feasible in light of the general instructions given—but we are certain that the reader will agree with us that the emphasis is upon things which in essence constitute a "managed economy." If there is doubt in their mind let them read these sentences which follow:

The Price Administrator and, in the exercise of his price responsibilities under the law, the Secretary of Agriculture, shall, subject to such directives provided for by law as may be issued by the Economic Stabilization Director, take all necessary steps to assure that the cost of living and the general level of prices shall not rise. Subject to such authority, the Price Administrator and, in the exercise of his price responsibilities under the law, the Secretary of Agriculture, are authorized to make such adjustments in existing price controls as are necessary to remove gross inequities or to correct maladjustments or inequities which would interfere with the effective transition to a peacetime economy. In order that any price increases found necessary for these purposes will not result in an increase in the cost of living or in the general level of prices, the Price Administrator and the Secretary of Agriculture respectively shall (1) so far as is reasonable, practicable and necessary for this purpose, see that such price increases do not cause price increases at later levels of production or distribution, and (2) improve and tighten price controls in those fields which are important in relation to production costs or the cost of living in which in their judgment the controls have heretofore been insufficiently effective.

We think that it is clear be-

## English Gold and Silver Markets

We reprint below the quarterly bullion letter of Samuel Montagu & Co., London, written under date of July 2.

### GOLD

The most interesting event of the three months under review was the raising of the price at which the Treasury will purchase gold from 168s. 0d. per fine ounce (at which it had stood since Sept. 5, 1939) to 172s. 3d. per fine ounce; the new figure was operative as from June 9th 1945, the date the announcement was made. The increased price applies not only to gold purchased in London through the Bank of England, but also to the whole sterling area and, in the case of purchases from Empire gold producers, the advance has been made retroactive from Jan. 1 of this year.

As the price is still based on the \$35 per fine ounce at which gold can be realized for dollars in New York, the alteration does not signify any basic change, but represents only the estimated difference between the cost of shipping, insurance, etc., ruling during the course of the war in Europe, and the greatly reduced expenses likely to be incurred now that hostilities in that area have come to an end.

The price at which the Bank of England will purchase sovereigns was, at the same time, raised from 39s. 3d. to 40s. 3d. per sovereign.

In returns issued up to and including June 6, 1945, the amount of gold held in the Issue Department of the Bank of England remained unchanged at £241,718, valued at 168s. 0d. per fine ounce; in the return dated June 13, 1945, the amount is shown as £247,833, which represents merely the revaluation of the holding at the new price of 172s. 3d. per fine ounce. There has been no further change to date.

The gold output of the Transvaal for the months of March, April and May, 1945 are given below, together with figures for the corresponding months of 1944 for the purpose of comparison:

1945	
March	1,036,443 fine ounces
April	1,028,544 " "
May	1,030,990 " "
1944	
March	1,038,414 fine ounces
April	995,915 " "
May	1,058,875 " "

### SILVER

The official quotation of 25½d. per ounce .999 fine for both cash

yond any peradventure of a doubt that the Administration (1) definitely envisages a "planned" and fully "controlled" reconversion to peacetime economy, and (2) gives evidence of gross misconceptions of the real problems and difficulties of that transition. The real dangers to that full production to which the Administration rightly attributes so much importance are, we believe, to be found precisely in the interferences which the Administration plans to undertake—no matter how good its intentions. The problem is not likely to be one of a want of "purchasing power" or unwillingness to use it, as Washington appears at times to suppose, but of a super-abundance of funds and an unwillingness to await full production of the goods desired—which may be long delayed by governmental meddling.

and two months' delivery ruled unchanged throughout the period under review. There were no new developments and features were confined to selling from official stocks to meet the requirements of essential war industries; this demand, as was to be expected with the end of the war in Europe, lately showed a tendency to slacken.

Prices in Bombay showed an erratic tendency and as during the first quarter of the year, the second three months saw fairly wide fluctuations and quotations ranged between Rs. 123 on May 8, and Rs. 137.9.0 per 100 tolas on June 19; the sterling equivalents of these figures approximate 59d. and 66d. per ounce .999 fine respectively. Sales by the Reserve Bank of India continued, although the amount made available daily declined gradually from 300 bars in April to 100 bars towards the end of June.

In the Annual Report of the Director of the U. S. Mint for the fiscal year ended June 30, 1944, details are given of silver released to foreign governments under lend-lease arrangements during the period August, 1943 to June, 1944 inclusive. The total for the period was about 211,000,000 ounces and of this amount some 120,000,000 ounces were for India; next in point of size was the Netherlands Government which participated to the extent of 45,000,000 ounces, the United Kingdom received 27,000,000, Australia 8,000,000, Ethiopia 5,000,000 and Saudi-Arabia 5,000,000 ounces.

### Business Failures in May

Business failures in May were lower in number but higher in amount than in April and when compared with May a year ago were lower in number and amount of liabilities involved. Business insolvencies in May according to Dun & Bradstreet, Inc., totaled 72 and involved \$2,208,000 liabilities as compared with 90 in April, involving \$980,000 liabilities and 148 involving \$2,697,000 liabilities in May a year ago.

The retail and commercial service groups were the only classifications having fewer failures in May than in June, the remaining groups having the same number. When the amount of liabilities is considered, the manufacturing and commercial service groups had more liabilities involved in May than in April while the remaining groups had smaller liabilities involved.

Manufacturing failures in May numbered 26 the same as in April but liabilities involved in May amounted to \$1,771,000 as against \$464,000 in April. Wholesale failures in May numbered 6 the same as in April but liabilities involved were down to \$99,000 in May from \$107,000 in April. Retail trade insolvencies were down to 28 in May with liabilities of \$175,000 from 43 in April with \$215,000 liabilities in the construction group there were 7 failures in May the same as in April but liabilities involved were down to \$102,000 in May from \$140,000 in April. Commercial service failures decreased to 5 with \$61,000 liabilities in May from 8 in April with \$54,000 liabilities.

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

## Tenth Anniversary of Social Security— Truman Asks for Expansion of Program

The Social Security Act was ten years old on Aug. 14, and on the eve of its anniversary President Truman called for an expansion of the program to give the American people "adequate protection," adding that he plans to offer Congress "specific recommendations looking toward this objective," the New York "Times" reported in a special dispatch from Washington on that date.

The Federal Security Administrator, Paul V. McNutt, also issued an anniversary statement, the "Times" said, reporting that 4,250,000 men, women and children in all sections of the country are now receiving cash benefits from the system, aggregating \$111,000,000 a month.

Mr. McNutt's report came from the Social Security Board's Chairman, Arthur J. Altmeyer, who noted that since the legislation became effective on Aug. 14, 1935, payments to individuals have totaled about \$9,000,000,000. The advice added:

"At present, Mr. Altmeyer said, the payments under unemployment compensation are much lower than expected in view of cut-backs in war production. On Aug. 1 about 90,000 persons were receiving weekly benefit payments in partial replacement of wages lost through unemployment, the benefits averaging about \$18 a week.

"Under this program more than \$2,000,000,000 has been paid out up to the start of 1945, although only one state started paying benefits prior to 1938 and 20 states did not begin payments until some time during 1939, the report added.

"This insurance system, designed to replace about half the wage loss of insured workers during a limited number of weeks, is considered by the Board as the first line of defense for the families of about 36,000,000 insured workers during the reconversion period and was designed primarily to tide families over between jobs in times of relatively full employment.

"At the start of the current fiscal year the employment funds of the various states amounted to \$6,679,000,000. This, Mr. Altmeyer pointed out, leaves the country much better prepared to meet the shock of post-war transitional unemployment than was the case at the end of the last war, when no unemployment compensation system was in effect.

"Monthly benefits under old-age and survivors' insurance were paid first in April, 1940, and the total of monthly and lump-sum payments by July, 1945, amounted to \$900,000,000. As of July 1 about 1,285,000 men, women and children were on the rolls for benefits amounting to \$23,600,000 a month."

President Truman's anniversary statement read, according to the New York "Times":

"In a world still at war it is well that we pause to celebrate one of the great peacetime achievements of the American people, namely, the enactment of the Social Security Act. It is only ten years ago that this act became law. Yet in this brief period of time social security has become an essential part of the American way of life.

"We have a right to be proud of the progress we have already made in this field. We have a national system of old-age and survivors' insurance under which forty million workers are insured not only for old-age annuities but also for monthly benefits to their wives, children, and dependent parents in case of the worker's death. Already there are well over one million beneficiaries actually receiving monthly checks under this insurance system.

"We have a nation-wide unemployment insurance system

brought about by Federal action but administered by the states, under which 36 million workers are provided some protection against wage loss due to involuntary unemployment.

"We have provided Federal grants-in-aid to the states to enable them to pay cash assistance to the needy aged, the needy blind, and dependent children. Today two and three-quarter million men, women, and children are receiving this assistance. In addition, there are other provisions of the Social Security Act which promote child welfare and public health.

"But while we have made progress we still have a long way to go before we can truthfully say that our social security system furnished the people of this country adequate protection. Therefore, we should lose no time in making of our Social Security Act a more perfect instrument for the maintenance of economic security throughout this country.

"I expect to present to the Congress specific recommendations looking toward this objective.

"A sound social security requires careful consideration and preparation. Social security worthy of the name is not a dole or a device for giving everybody something for nothing. True social security must consist of rights which are earned rights—guaranteed by the law of the land. Only that kind of social security is worthy of the men and women who have fought and are now fighting to preserve the heritage and the future of America."

## Guylay to Open Public Relations Office in N. Y.

L. Richard Guylay, for the past seven years Executive Vice-President of the Citizens Public Expenditure Survey, has announced his resignation effective Sept. 1 to open his own public relations office at 30 Rockefeller Plaza in New York City. The Citizens Public Expenditure Survey is the statewide taxpayer association with headquarters in Albany. Mr. Guylay is also Chairman of the national coordinating committee representing 36 state taxpayer associations and a member of the New York State Economy Commission. He will be succeeded in the taxpayer group by Walter O. Howe of Olean, a Vice-Chairman of the organization for many years.

Mr. Guylay, born in New York City, joined the Tax Foundation in 1938 and when the Citizens Public Expenditure Survey was formed, he became its first executive head. The Citizens Public Expenditure Survey organized the taxpayers "march on Albany" in 1939 and again in 1940. In the latter year, it is stated, 10,000 persons attended the hearing on the State budget for the largest such gathering in history. As a result of these demonstrations the State budget was cut for six consecutive years, several new taxes were avoided and existing taxes were reduced, including a 30-50% reduction in the personal income tax.

Other officers of the Survey are: James H. Moseley, Chairman; Hart I. Seely, President; Norman J. Gould, Vice-Chairman; A. Vedder Magee, Vice-Chairman, and George W. Brooks, Treasurer.

## Vogel Sec. to Comm. Of Bank Auditors

Appointment of Alvin J. Vogel as Secretary to the Research Committee of the National Association of Bank Auditors and Comptrollers was announced on Aug. 14 by the Association's President, John C. Shea. Mr. Shea is Assistant Vice-President of the Whitney National Bank, New Orleans, La. Mr. Vogel recently resigned as Assistant Cashier of the Lake Shore National Bank of Chicago, and took up his new duties in the Association headquarters office at Chicago on Aug. 6th. He had been with the Lake Shore National Bank since 1925, where he managed several operating departments and specialized in bank operations technique. He was a member of the bank's operating committee and spent considerable time in developing and installing new systems. He is an active member of the Chicago Chapter, American Institute of Banking, and the Office Management Association of Chicago. He served last year and has been reappointed to again serve on the Bank Methods and Operations Committee of Chicago Chapter, American Institute of Banking.

Mr. Vogel's work with N.A.B.A.C. will be to assist with, and coordinate, the work of the National Research Committee, headed by Ottmar A. Waldow, Comptroller, National Bank of Detroit. Work of the committee as presently outlined consists of one sub-committee to prepare a step-by-step cost accounting procedure which individual banks both large and small can readily follow, leaving out any phases which may not be applicable to them. The study at present will cover commercial and savings departments, and eventually will be extended to trust departments. Harold Randall, Vice-President, First National Bank of Boston, will be chairman of the sub-committee making this study. Another project will be on the subject of accounting and auditing for small banks. O. B. Lovell, Comptroller, First National Bank, Madison, Wis., will head this sub-committee. A third will study the original basis for F.D.I.C. assessments, and seek to determine whether changes are indicated. Chairman of this study will be William Widmayer, Comptroller, of the Guaranty Trust Co. of New York City. The Research Committee has also decided to establish at the headquarters office a central file in which will be compiled material relating to operating procedures, for dissemination to association members upon request.

## German Prisoners Put To Work in France

German prisoners of war by the thousands are being used to recondition and prepare equipment, repair roads, and do the general hard work of making ready the transfer of American troops and supplies from the European to the Pacific theatre, the Associated Press reports from Paris, May 17. Under the eyes of American guards their labors are serving as the first instalment on their country's huge debt to the world. They are not receiving much compensation; it is not in cash, and eventually Germany will foot the bill. This is what the prisoners get, according to the Associated Press:

Enlisted men—Ten cents a day, whether they work or not; 70 cents a day additional if they work.

Officers—Lieutenants, \$20 a month; captain, \$30; majors up to field marshals, \$40, all plus an allowance of slightly more than the enlisted man's 10 cents a day.

Britain pays prisoners on a slightly different scale, but the primary pattern is the same.

## Senator Vandenberg Urges Defining Powers Of United States' World Agent

Senator Arthur H. Vandenberg (R.-Mich.), in a letter to Secretary of State Byrnes, has proposed that legislation be enacted to define the method of choosing the United States' representative on the Council of a world security organization and outlining specifically the scope of his duties and authority. The Senator listed seven provisions he thought such legislation should embrace, including power for the nation's delegate to com-

mit its military quota in the international organization to action upon the President's instruction to do so and without reference to Congress.

One of the chief proposals contained in the Senator's message to Secretary Byrnes was that stressing the importance of assuring within the international setup that responsibility for the maintenance of peace in the Western Hemisphere should be vested solely in the American republics.

Obviously this point highlights an issue which might be controversially delicate. Senator Vandenberg has made the position of the United States quite clear, however, from his standpoint, which is expressed in the letter as given below in its entirety, quoting from the Associated Press Washington release of Aug. 5:

"It has been appropriately suggested that the State Department should study and report on the question whether an implementing statute is necessary to establish our representation on the Security Council of the new United Nations Organization, and if so, to recommend its form. I hope this will be done. In any such connection I wish to submit my view for your consideration.

"I wish to state, first, that I believe such a statute is necessary because (A) the exercise of this authority by our representative on the Security Council needs to be clearly established and bounded by law, and (B) the promise that this will be done is clearly implicit in the Senate debates which resulted in the overwhelming ratification of the San Francisco Charter. I linger on the latter factor just long enough to say that this healthy spirit of legislative cooperation should be encouraged by the fullest possible recognition of the legislative prerogative in the evolution of this great peace adventure.

"Furthermore, we must take extreme care that we proceed always within 'constitutional process.' In my view this can be done without impairing the necessity that the United Nations Organization, in the first instance, must be able to move with swift and certain expedition in the use of cooperative force to keep the peace if any such necessity arises.

"Let it be remembered, in this connection, that a subsequent agreement is to be made between the Security Council and our Government—an agreement ratified either by two-thirds of the Senate or by a majority of both House and Senate—covering our quota of armed forces to be held potentially available for this cooperative purpose. I take it that this initial quota will be a 'policing' quota and not a 'war' quota.

"In any event, this is a matter within our own subsequent control. It is also to be remembered that any resort to sanctions, whether military or otherwise, is subject to our veto on the Security Council. It is, of course, this latter fact which makes the action of our own delegate on the Security Council of such national importance to us, to our Congress, and to our country.

"I believe, therefore, that this presents us with a unique situation which requires a statute governing the selection, in the first instance, and the action, in the last instance, of our representative on the Security Council. Such being the fact, I respectfully present my own preliminary

view regarding the proper character of such a statute.

"(1) Our delegate on the Security Council should be nominated by the President and confirmed by the Senate. He is thus, of course, removable by the President.

"(2) Our delegate should have the rank, pay and general status of an Ambassador. I take it that this would mean he will at all times act pursuant to the instructions of the President. Therefore, in fact, the President will be making the actual decisions in respect to the use of our armed forces or our participation in any sort of sanctions. It would, of course, be unthinkable—and wholly without constitutional warrant—if these decisions were made on his own responsibility by a non-elected Presidential appointee. If it is necessary to spell this out it should be done.

"(3) The President should be required to make annual reports to Congress respecting our activities in connection with the work of the United Nations Organization; and immediate special reports whenever he instructs our delegate to vote for sanctions, whether military or otherwise. This will leave the President free to act, as must be the case if this phase of the Charter is to be effective. I believe there is ample constitutional authority and long precedent to justify this Presidential initiative. At the same time it will keep Congress currently advised regarding any movements which might graduate into war (which is an exclusive Congressional prerogative) and, free to assert its attitude if, as, and when it wishes.

"(4) The President and his delegate should be completely free, without contemporary reports, to take any of the actions for the peaceful settlement of disputes as contemplated by the Charter. I say again that, in my view, this formula for peaceful settlement is the real genius of the Charter.

"(5) The President should be required to obtain explicit Congressional authority for the commitment of any armed forces beyond the quota established in our basic agreement with the Security Council.

"(6) In this statute, or in the subsequent quota agreement, we required to obtain explicit connection with our inter-American allies and pursuant to the treaty which will soon implement the Act of Chapultepec, the exclusive responsibility for any armed forces required to maintain peace and security in the Western Hemisphere. I doubt whether we shall ever want any other armed forces to enter this area.

"(7) Our delegates to the General Assembly should be appointed annually by the President, subject to confirmation by the Senate.

"I do not mean here to say 'the last word' in respect to any of these matters. I simply present a general and tentative view of the factors which occur to me, in a preliminary way, as calculated to provide the freedom of action which the United Nations Organization must have in order to fulfill its final functions in behalf of international peace and security, while at the same time preserving our own essential constitutional balance and our essential protections.

"We must find the way to integrate these factors because we must find the way, in full good faith, to make the San Francisco Charter work."

# Snyder Reports Reconversion Program

(Continued from first page)

seen, will make possible the attainment of the four major economic objectives which face us in the months ahead. These objectives I conceive to be:

(1) Jobs for all those willing and able to work.

(2) A steadily rising standard of living.

(3) Stabilization of our economy to avoid disastrous inflation or deflation.

(4) Increased opportunities for farmers and business men.

In fact, the urgent need to increase peacetime production is the keystone of all the Government's economic policy and planning. Every step taken by the Office of War Mobilization and Reconversion, and every policy and action of the agencies, which this office coordinates, is oriented to this central goal.

## A Drastic Change-Over

Production for peace is in one way quite different from production for war. During the war business men and farmers had one customer for almost half the nation's output. The Government not only created the market but specified exactly what kind, shape and size its share of the nation's output should be. Now that peace has come, the American people, as individual customers, will determine what business men and farmers are to produce. Therefore, many controls suitable for war are not suitable for the transition.

Wherever immediate removal of controls will help to get expanded production under way faster, they will be removed.

Wherever the removal of controls at this time would bring a chaotic condition or cause bottlenecks or produce a disruptive scramble for goods, controls will be kept and used.

Their use will be for the protection of the public and business and to expedite the expansion of production. The sooner we increase production the sooner we can be rid of all controls.

## The Road to Reconversion

The switch from full wartime output to full peacetime output requires a number of positive and immediate steps. The plant and equipment, materials and manpower engaged in war production must be released by immediate cancellation of all war contracts no longer needed.

Terminated contracts must be promptly settled. Plants must be cleared. Business men must be ready with their plans for peacetime production and expansion, and must move ahead quickly.

The armed services must be demobilized without delay.

Some controls must be removed to speed reconversion and expansion. Other controls must be retained for exactly the same reason.

Prices and rents must be held in line until an abundant supply and sharpened competition can operate to prevent ruinous inflationary rises.

Wages must also be held in line wherever their increase would cause inflationary prices. At the same time measures must be taken to oppose the rapid shrinking of purchasing power if business is to reach and hold high levels of production and employment. Strikes must be held to a minimum.

## A Test for America

This task will be a test for all of us. Labor has a vital share, so has management, so has agriculture, so has the general public. The Government, as the representative of all elements of the public, will do its part to assist and encourage this great cooperative effort toward prosperity.

We already have gone some distance toward shifting our resources toward peacetime purposes. In the three months since the victory in Europe, many plants have been released wholly or in part from war contracts. Some peacetime manufacture has already recommenced. Greater reconversion was not possible because the demands of total war in the Pacific limited the number of plants, the amount of materials and manpower that could be made available for civilian production.

Now we no longer have any major war requirements to prevent our energies being directed toward peacetime prosperity. The moment of great challenge and opportunity is here.

The next few weeks and months we shall have many decisions to make. We cannot make millions of job shifts, cut off billions of dollars in war contracts, radically change the character of our national output, without meeting many unexpected situations. Our basic policies are set. Our strategic objectives are clear. We must be prepared, however, to change and adjust our tactics to meet new problems and take advantage of opportunities as they arise.

## The Reconversion Team

To assure that the Government can move with the maximum freedom and effectiveness, the Office of War Mobilization and Reconversion is working closely, day by day, with the war and reconversion agencies. It is clarifying procedures and pulling into close alignment the decisions and actions which affect our economy as a whole.

My predecessors, Secretary Byrnes and Secretary Vinson, inaugurated meetings with the heads of the various war agencies in order to formulate policies and to plan and prepare for reconversion. I have continued these meetings regularly and, in addition, have established a reconversion working committee of deputies from the executive agencies to insure that the full efforts of the Government are thrown, as a team, into this important task.

I do not minimize the task ahead, but I am confident of the outcome. The American people have overcome the problems of war. It is unthinkable that we should not overcome the problems of the peace.

We know that for a period we shall experience sharp unemployment. This is the inevitable result of men and women being released from war work and the armed services faster than it is possible for business to reemploy them.

But we are not going back to long periods of mass unemployment. Labor is determined, businessmen are determined, farmers are determined, the man in the street and his Government are determined that we shall put our productive capacity to work producing goods and services for peace. And we shall need these goods for we have a pent-up demand at home and abroad that together will tax for some time our capacity to produce.

None of our economic planning would be complete without special recognition of the urgent needs of the liberated areas. We must play our part in supplying the minimum requirements to assist these countries to get back on their feet, not only to preserve peace and order, but so that once more they can take their place as suppliers and customers in a prosperous world economy.

Our goals will not be reached in a week or a month. But we are taking the first steps toward them. This report makes no at-

tempt to picture a complete program. There is no place in our free economy for a master blueprint which will rigidly prescribe each move at every turn of the road. Nevertheless, careful plans have been laid by various agencies of Government under the guidance and direction of the Office of War Mobilization and Reconversion. They will be revealed by the heads of agencies and by the subsequent acts of these agencies as the nation proceeds to unwind its wartime economy and to switch to peacetime production.

The Office of War Mobilization and Reconversion is determined to pursue a positive and vigorous course to achieve peacetime prosperity, just as it has in the winning of the war. This interim report sets forth the principles that will guide us in the reconversion.

## List Important Questions

The next few pages highlight some of the important questions that V-J Day has raised and gives some specific answers. Following these highlights are a series of questions and answers covering many of the main points of reconversion. I should warn that some of the figures used are estimates reaching into the future, and as such are subject to error. Nevertheless, they represent the best opinion and calculations of your Government at this time, and the public is entitled to have them.

### I. Military Contracts

All military contracts are being terminated immediately, except those required for experimental and development purposes and for the maintenance and supply of the armed forces.

The War Department is taking immediate action to cut its procurement of aircraft, artillery, ammunition and other weapons by 94 to 100%. The largest continuing item in Army procurement will be in food and this will be cut as fast as demobilization will permit.

Navy reductions will be smaller and more gradual.

### II. Demobilization

Demobilization from the armed services will return at least 7,000,000 men to civilian life within the next year. At present the Army is demobilizing at the rate of 170,000 per month. Within several months the rate is expected to reach 500,000. The Army will demobilize on the same basis as formerly, releasing first those men with longest combat service and greatest number of dependents. The Navy plans to demobilize some of its personnel almost immediately. Both the Army and the Navy will continue to draft, on a reduced basis, some men to replace those of longer service. The Congress will decide on peacetime draft policies when the "cessation of hostilities" is declared.

### III. Unemployment and Manpower

All controls over manpower are to be removed and the compulsory 48-hour week ended at once. The United States Employment Service will devote its best efforts to finding jobs for displaced workers and veterans and assisting claimants for unemployment compensation.

Unemployment currently is estimated at 1,100,000 persons. This represents the total without jobs on a given day, many of them being persons "between jobs." This total of unemployment is expected to rise to 5,000,000 or more within three months; perhaps to 8,000,000 before next spring as those released from war jobs are joined by large numbers of men discharged from the armed services. Many of the unemployed will find new jobs within a few weeks—others will face extended periods without jobs.

### IV. Production and Distribution Controls

Many production and distribu-

tion controls will be removed at once. Only those will remain in force which are essential for expediting production, breaking bottlenecks, preventing inventory hoarding, and assuring economic stabilization. Rationing of certain scarce commodities must continue for a while. Restrictions on others will be lifted immediately. Transportation regulations must continue temporarily. How long controls are continued depends on how much and how quickly business can expand its output.

### V. Price and Wage Control

For some period of time the dangers of inflation will be with us. There will be more demand for many kinds of goods and services than business can supply. As long as some materials and products remain seriously short, price ceilings on those materials and products must be maintained as a barrier against inflation.

Rent controls also must continue. While price and rent ceilings remain in force, wage stabilization must be continued. Wherever price ceilings will not be endangered, collective bargaining will be restored. Wage and price increases will be allowed to correct substandard pay scales, to relieve hardships of individual workers and enterprises and, where necessary, to stimulate increased production.

### VI. Legislative Program

In order to speed reconversion and to mitigate the extremes of hardship during the transition period a number of legislative enactments are needed.

These include increased unemployment compensation benefits, revision of the Fair Labor Standards Act to increase minimum wages, tax program to stimulate production and to maintain markets, appropriations for the planning and execution of public works, adequate appropriations for the United States Employment Service and retention of this service under Federal control during the interim of transition.

## QUESTIONS AND ANSWERS

### Demobilization and the Draft

1. How fast will the Army demobilize its men?

A. As rapidly as possible. At present the Army is demobilizing at the rate of 170,000 per month. The peak probably will be about 500,000 a month. In the course of the next year, the Army expects to return about 5,000,000 officers and enlisted personnel to civilian life. Those who are left will be used for the occupation of Germany and Japan and for the United States bases and home stations.

2. How quickly will the Navy demobilize its men?

A. The Navy will start some demobilization immediately. Eventual total of demobilization will depend upon the peacetime size of the Navy and upon what areas the Navy is required to control.

3. How fast will the uniformed women's services be demobilized?

A. Demobilization of all women's services will follow a pattern similar to that of the men's services. The acts governing enlistment of women require that they be released within six months after formal proclamation by the President, or by the Congress, that hostilities have been terminated. Wives of demobilized service men may be released on their request.

4. On what basis, and in what order, will men be released from the armed services?

A. The Army's point system of releases, discharging first those men with the longest and best combat records, and the largest numbers of dependents, will be continued. The present "critical" point level of 85 will be lowered by stages so as to implement this system. The Navy is expected to follow a similar plan. When necessary for increasing essential production, the release of spe-

cially qualified men will be speeded.

5. Will the draft be continued in order to provide replacement for occupation and maintenance troops?

A. The draft will continue on a reduced basis, to effect the release of long-service men in the Army of Occupation, until the Congress formally declares the cessation of hostilities. At that time the Congress will determine whether the draft will be continued in peacetime.

6. How quickly will munitions manufacture be halted?

A. Cancellation orders already are going out from the War Department and from the Navy. The Army is slashing purchases of aircraft and weapons by 94 to 100%; the Navy by a smaller percentage. The Navy has just cancelled ship building contracts which total \$1.5 billions. Further cancellations now being made of various types of Navy contracts will total \$9 billions. The War Department is cutting its procurement from a total of \$2.4 billions a month to \$435 millions, of which \$268 millions will be for food. All purchases of construction, railway, telegraph and telephone equipment will cease immediately. Gasoline purchases will drop 44%, textile items 75%. In terms of materials, the Army cancellations will eliminate 99% of its steel and 98% of its copper and aluminum consumption.

7. Will any munitions contracts be retained in order to cushion the shock of cancellations?

A. No. The War Mobilization and Reconversion Act, as passed by Congress, prohibits continuation of any war contract merely to provide business or employment.

8. What industries previously used by the military can be continued with no change, or slight change of facilities, to produce for civilian consumption?

A. Manufacture of many articles for the military can be continued for peacetime, such as bulldozers and other construction machinery, lumber, drainage pipe and plumbing and heating equipment, processed food, and the like. Mining, smelting, and processing of raw materials such as iron and steel, copper, and aluminum, will likewise continue without the necessity of reconversion. Many industries have also continued on a limited scale to produce their peacetime products, largely for the use of the military, and this production can quickly be expanded for civilian consumption. For example, although some 25% of the commercial refrigeration and air conditioning industry capacity was converted to war production of such items as ordnance, airplane engine mounts, etc., the rest of the industry continued to produce at the peacetime rate of \$200 million annually, 60% of the products for military use and the rest for essential civilian needs. Other industries, such as textile plants, will require relatively small reconversion to expand civilian production.

9. How quickly can reconversion be accomplished?

A. While most plant reconversion can be accomplished within a few months, at least 12 to 18 months may be required to reach the expanded peacetime economy which is needed for full employment. The construction industry will require even longer to organize manpower, planning, equipment, and supplies to reach the anticipated \$15 billion level necessary for a fully employed economy.

10. How will cancellations be distributed and how will plants and workers be notified?

A. In most cases, the cutbacks will be so large that little choice in distributing them will be possible. To comply with the War Mobilization and Reconversion Act and to prevent wastage of valuable materials, no advance

notice is possible for VJ-day cancellations.

11. What machinery has been set up to settle canceled contracts?

A. The Office of Contract Settlement, set up by Congress, and contracting agencies have long been working on procedures for speedy settlement of contracts. Some 30,000 contractors and their employees have been trained in special courses and know the settlement methods. Nearly 150,000 terminated contracts, involving canceled commitments of over \$22 billion, have been settled to date.

12. What machinery has been set up to speed plant reconversion?

A. Last summer the War Production Board moved to permit preliminary reconversion steps, authorizing experimental models and placing of machine-tool orders. Following VE-day the agency immediately undertook to stimulate reconversion in all plants that could possibly be spared from production for the continuing war with Japan. Shortages of materials, manpower, and, in some cases, facilities resulting from the continuing tremendous needs for the Pacific war have necessarily limited this program. Recently, it has been possible to accelerate the retooling and re-equipping of plants. For example, the automobile industry has been granted priority ratings for more than \$150 million worth of equipment, construction, and tools. The War Production Board will continue to give priority assistance where necessary to break bottlenecks in reconversion or plant expansion. Detailed plans have been made by the Office of Contract Settlement and the procurement agencies for prompt clearance of war plants.

13. What machinery has been set up to dispose of surpluses?

A. Various Government agencies dispose of surpluses under direction of the Surplus Property Board which was established to formulate policy. A coordinated program has been worked out to get such surplus property into the hands of business and the public as soon as possible, at the same time avoiding disruption of the civilian supply economy. State and local governments, small business and veterans are receiving the priorities to which they are entitled by law.

Through full cooperation between the war agencies and the Reconstruction Finance Corporation, under the guidance of the Surplus Property Board, provisions have been made for speedy disposal of Government-owned plants and equipment through lease or sale. Negotiations for the disposal of plants and equipment can be undertaken even before the property becomes surplus or work with the facilities has ended. In this way assurances of early civilian production with Government facilities and assurances of employment should be possible promptly.

14. What materials are available for immediate use for civilian production?

A. With a few important exceptions, most raw materials will soon be plentiful. Materials which will continue scarce are:

(a) **Rubber.** There will be plenty of rubber, both synthetic and reclaimed, for the industries which can use it. Crude rubber is expected to remain scarce, however, until damaged plantations in the Orient can be restored to production and transportation supplied. Tire supplies will increase but will not be adequate to meet all demands for a few months. A prompt survey will be made of the crude rubber situation, including the relationship between synthetic and natural rubber.

(b) **Tin.** Present indications are that large scale supplies from the Far East cannot be expected in less than one year. However,

surrender without destruction of facilities may shorten the interval.

(c) **Lumber.** Despite reduced military use and increase in available manpower, lumber is expected to be scarce for a considerable period. This situation would impede regeneration of the important construction industry, and Government agencies have started a program to increase production by dealing with price, wage, equipment, and recruitment problems. With an increase in manpower, steps will be taken to put the 10,000 small idle sawmills back into production.

(d) **Paper Pulp.** The shortage is not expected to end until Swedish pulp is moving into this country in volume.

(e) **Coal.** Coal is short, and probably will remain so throughout the winter. Government agencies have recently undertaken a 7-point program to expand production under direction of the Office of War Mobilization and Reconversion.

There will undoubtedly be unavoidable spot shortages in other materials, due largely to production, distribution, and transportation problems.

15. What will be done to assist small business?

A. The Government is providing positive aids to small business during the transition period. Priorities now granted to small business firms will continue in effect until September 30. Thereafter, in granting priorities to break bottlenecks, the War Production Board will give special attention to bottlenecks affecting individual small business firms. The Smaller War Plants Corporation has a Government priority enabling it to buy surplus equipment and materials for resale to small business, and will aid any small businessman in locating surplus property which he needs. These aids will be extended to veterans who desire to open a business. Financial as well as technical aids will be provided. The OPA Reconversion Pricing Program provides a simple method for small businessmen to compute their own ceilings, subject to OPA review. The specific exemption under the Excess Profits Tax will be increased from \$10,000 to \$25,000, effective on Jan. 1, 1946. The loan powers of the Reconstruction Finance Corp. and the Smaller War Plants Corp. are available to small business.

16. Will the Government continue to control production and distribution?

A. Wartime controls on production and distribution were imposed for the purpose of eliminating or reducing nonessential production and assuring an orderly distribution of scarce materials and components. Our peacetime goal of maximum production can be best attained by relaxing controls as early as the supply situation permits. However, the premature removal of controls could impede rather than stimulate production through a scramble for materials in short supply with consequent unbalanced production, inventory hoarding, black-market operations, and danger to the entire stabilization program. The policy of your Government is, and will continue to be, directed toward removing controls as quickly as possible. The criteria in implementing this policy include not only the threat of maldistribution and unsound inventory accumulation, but also positive assistance required to break bottlenecks, expand essential production, help small business, enlarge necessary facilities, and assure the most essential production where assistance is absolutely necessary. Some controls will be exercised where needed for assuring the production of low-priced items. More than 200 WPB orders and regulations outstanding on VE-day have already been revoked. Mr. Krug will issue a detailed

statement on the reconversion

plans of the War Production Board.

**Manpower and Employment**

17. What will be the amount of unemployment in three months? In six months?

A. Perhaps as much as half of the 8 million workers now employed in war plants will be able to stay with their present employers to produce civilian goods of the same kind they are now making for the armed forces. The number who will be laid off, during the next two months, is estimated to be about four million. The total amount of unemployment will depend on the rate of demobilization of military personnel, and how rapidly reconversion can be accomplished in war plants and how quickly other civilian activities can be expanded. It is expected that there will be five million or more unemployed in three months. By spring unemployment may reach about eight million.

18. What opportunities for employment are now expected to increase sharply?

A. Employment in the production of consumer durable goods such as automobiles, refrigerators, and washing machines will increase promptly and expand rapidly. A substantial increase is also expected in employment in trades and services, in which 11 million persons already are working. There will be a gradual but steady rise in the field of construction. Likewise, an increase in employment opportunities is expected in lumber, mining, clothing, and leather, and at least temporarily in railroads.

19. Will many people drop from the labor market and not seek new jobs when their war plants close down?

A. Yes, substantial withdrawals from the labor market are expected within the next few months, thus helping to ease the problem of finding jobs for those who need them. There are now 3,500,000 women employed who, except for the war, would not have been employed. Many of these are housewives who took jobs while their husbands were in the armed forces, or who worked for patriotic reasons. Besides these, there also are the over-age workers who would normally be retired, and youths of school age. During the war, from all sources, the total labor force increased seven million above the normal growth. From these groups, it is anticipated there will be withdrawal of about two million by the end of the year.

20. What manpower controls will be lifted?

A. All manpower controls are to be lifted immediately, including the compulsory 48-hour week, and in their place voluntary community action to speed reconversion will be substituted. The full facilities of the United States Employment Service will be made available to all employers, including those for whom services were formerly restricted because of war requirements. The Employment Service will cooperate with labor-management committees and community groups to develop and carry out programs for recruitment of workers for industries whose immediate expansion is vital to reconversion. Mr. McNutt, Chairman of the War Manpower Commission, will issue a more detailed statement.

21. What assistance will be given displaced workers in finding new jobs?

A. Workers who lose their jobs will be given every possible assistance by the United States Employment Service. Increased emphasis will be given by USES in communities throughout the country to job counseling and other personalized services to assist job seekers in adapting their wartime experience to peacetime job opportunities. Displaced war workers, many of whom have migrated during the war, will be guided to

other communities where civilian production has expanded. Every city, town, and village is expected to cooperate in this effort to find jobs.

22. Will unemployment compensation be available to displaced war plant workers?

A. Most war plant workers are covered by State unemployment insurance. The Social Security Board reports that 30 million workers will be entitled to unemployment compensation if they lose their jobs. However, there is a sizeable group without such protection, including workers in Government installations such as Army arsenals and Navy Yards, maritime workers, domestics, agricultural employees, workers in charitable, religious, and non-profit organizations, Government employees, and self-employed persons. There are also roughly 2.5 million persons employed in small establishments not covered under State unemployment insurance laws.

23. How do unemployed workers obtain the compensation due them?

A. There are four requirements which must be met before a job seeker is entitled to unemployment compensation: (1) He must have worked for an employer covered by a State unemployment compensation law and have earned enough to qualify under his State law. The length of time and wages required vary in the different States. (2) He must be unemployed. (3) He must be able, willing, and available for work. (4) He must register with the USES for a job. No person is entitled to unemployment compensation if he refuses any "suitable" employment. The definition of "suitable" varies from State to State.

24. Is a person who intends to quit the labor force eligible for unemployment compensation?

A. No. One of the requirements is that a person must be out of work and registered for a new job, must be able, willing, and available for "suitable" work. Thus, women who intend immediately to go back to being housewives are not entitled to compensation, nor are people on vacations entitled to such compensation.

25. How much compensation is paid and for how long?

A. The State laws differ considerably. In such States as New York, New Jersey, Maryland, and Washington, eligible workers may receive benefits for as long as 26 weeks, but in some States the maximum is as low as 14 or 16 weeks. The size of the weekly payment, in all the States, depends on previous wages, and usually is equal to from one-half to two-thirds of previous weekly earnings, within certain minimum and maximum limits. The maximum payment varies from \$25 or more in such States as Michigan, Washington, and Connecticut, down to \$15 or \$16 per week in 14 States. As of Aug. 11, 1945, approximately 190,000 persons were drawing unemployment compensation, and the average weekly payment was about \$18.

26. What provisions are being made to provide adequate unemployment compensation?

A. The President has requested the Congress to enact legislation whereby the Federal Government would supplement unemployment benefits in the various States. Bills already introduced in Congress would guarantee a maximum of 23 weeks of payments in any benefit year, a maximum of \$25 a week in every State, and extension of coverage to include Federal employees and maritime workers. The bills would also provide Federal funds to pay benefits to workers in small establishments, or other types of employment not covered by present laws, in States which wish to do so.

27. What does a veteran do to get his old job back?

A. If the veteran held a position other than temporary, usually he need only to apply to his old employer, who, in accordance with the Selective Training and Service Act, will reemploy him in his old job, or in a position of like seniority, status, and pay. If any questions arise, his local Selective Service Board will advise him of his rights and assist him in establishing them.

28. Do veterans receive the same unemployment benefits as other unemployed workers?

A. The Servicemen's Readjustment Act, known as the "G. I. Bill of Rights," provides for payment of special Readjustment Allowances to unemployed veterans. The payment amounts to \$20 per week. All unemployed veterans who have satisfactorily completed 90 days of service in the armed forces are entitled to these payments, regardless of whether they have ever worked in employment covered by State unemployment insurance laws. Readjustment allowances continue for a period of from 24 to 52 weeks, depending on length of military service. Most veterans have enough service to be eligible for 52 weeks if unemployed that long.

29. What other special assistance is available to veterans who return to civilian life?

A. About 10,000 Veterans' Information Centers are operated by Selective Service local boards, the United States Employment Service, and the Veterans' Administration to advise veterans on problems connected with their return to civilian status. The Government agencies whose regulations affect businesses, in connection with purchase of materials and equipment, the pricing of products, and the acquisition of Government surpluses. The "G. I. Bill of Rights" also contains several important provisions. The first \$2,000 of any private loan to a veteran for the purchase of a business, a home, or a farm is guaranteed by the Veterans' Administration. Veterans who wish to continue education interrupted by the war may receive tuition and subsistence allowances. Disabled veterans receive free hospital care and pensions; to assist them in returning to employment, they are entitled to artificial limbs and other appliances, vocational training in new occupations, and special placement assistance from the Veterans' Administration.

**Transition and the Consumer**

30. Will rationing have to be continued?

A. Some consumer rationing can be dropped immediately. Details will be announced by Price Administrator Bowles.

With many controls over materials and manpower removed, it is expected that manufacture of many items will be at a high level within 3 to 6 months. This does not mean there will no longer be shortages. There will not be enough automobiles and new housing for a much longer period of time. Manufacture must continue at a high level for at least a year to two years before there is a sufficient supply of such items to meet the demand which has been building up since Pearl Harbor. Shortages of certain raw materials, such as tin and crude rubber, will limit some production.

31. Will supplies of clothing begin to increase soon?

A. Yes. Supplies to consumers will increase as military purchases are reduced. In addition, some increase in total production is expected in the near future. The immediate reduction in Army buying of textiles will be as much as 75%. Their need for cotton textiles, for instance, drops to 20% of what they had on order on VE-day; the need for woollens will drop to 22%, and yarn requirements, to 30%. In spite of these facts, however, some lines of tex-

(Continued on page 864)

# Snyder Reports Reconversion Program

Continued from page 863)

tiles will continue scarce for months.

32. Will there be more coal, heating oil, and kerosene?

A. Heating oil and kerosene may still be somewhat short, although supplies will increase gradually. To expand production of coal the Office of War Mobilization and Reconversion has directed that a 7-point program be undertaken by various Government agencies. Moderate shortages, however, may persist well into the winter.

33. Will surpluses of consumer-type war goods be available to civilians?

A. Yes, many items eventually will be available. Most of them will be sold through regular trade channels. The armed forces themselves, since they cannot be demobilized overnight, will be using up large quantities of their stocks of consumer-type goods.

34. When will it be possible to get better home services, laundry, deliveries, repairs, etc?

A. Do not expect a return to the prewar standard of service immediately. Better home services, laundry, deliveries, repairs, etc., will come, but they will depend on the rapidity with which workers are rehired into these fields, which have been seriously understaffed throughout the war. In addition, repair parts and new trucks can be provided only as production rises.

35. Will the load on transportation facilities be lightened now?

A. The passenger load on the railroads and buses will not be lightened for some time and may even increase with mounting demobilization rates. Restrictions on railroad passenger travel are not expected to be lifted in the immediate future. The major relief in sight is that afforded by the greater use of private automobiles which will come with the end of gasoline rationing. The movement of freight over railroads is expected to continue heavy for several months.

## Stabilization

36. Will wartime inflationary pressures continue?

A. Yes. The United States will be faced with the forces of both inflation and deflation in the coming months. Scarcities will continue for automobiles, houses, washing machines, refrigerators, tin, lumber, and many similar products. Other items such as textiles, sugar, meats, fats, shoes will be in short supply for some months. As long as this situation exists, removal of price control would surely result in a sharp increase in prices. On the other hand, elimination of overtime, shifts of workers to nonwar industries, and unemployment will result in slackening demand for a while, thus creating an illusion that inflationary dangers are past. The danger of inflation will persist until reconversion facilities can turn out supplies in sufficient quantities to satisfy demand.

It will not be easy to combat both inflation and deflation simultaneously, yet that is the challenge facing the country.

37. Will price and rent controls be continued?

A. Yes. The greatest single danger to an orderly reconversion lies in the threat of inflation. We cannot and must not repeat our folly after World War I. A firm stabilization program must be continued. Price controls on some luxury products have been lifted and others will follow as supply increases sufficiently to justify such action. Price ceilings will be maintained for most products and commodities in short supply. Rent ceilings also must remain in force in some areas. Only through such policies can the cost of living be restrained from a further rise.

The Office of Price Administration will grant individual adjustments in hardship cases, establish simple procedures, provide special procedures for small business, and flexibly adapt its policies to changing conditions.

38. Will wage controls be continued?

A. As long as there is a threat of inflation the "hold the line" stabilization program must be followed. Neither prices nor wages can be given free reign while scarcities prevail on a wide front. Collective bargaining will be restored with safeguards to protect the stabilization program. Wage adjustments which will not increase prices will be permitted. Where necessary to raise substandard pay scales, relieve hardships from severe declines in take-home pay, and stimulate increased production of essential products, both wage and price adjustments will be granted.

39. Will foreign trade be free immediately from wartime restrictions?

A. Only to a limited extent. Export licenses must continue in force for many commodities. It is expected that the bulk of supplies to be shipped abroad can be supplied without priorities assistance. However, where necessary to meet essential needs of liberated areas, priority assistance will be used.

40. Will we continue to provide relief and rehabilitation to the liberated countries?

A. To preserve peace and order, we must assume our share of responsibility for meeting the needs of the liberated areas. Victory in the Pacific does not lessen the hunger of the liberated people of Europe and adds the needs of the liberated areas in the Pacific. Needs for food, textiles, coal, transportation and machinery will become more urgent as winter approaches. The 1945 European harvest, for instance, is expected to be 10 to 15% below that of last fall, and millions of Europeans are living on rations that provide less than the bare minimum requirement of 2,000 calories per day. As long as men remain hungry or cold, they cannot perform the physical labors which are required to rebuild their countries and restore their economies.

Cutbacks in military requirements should release somewhat larger quantities of supplies for shipment to the distressed countries. In addition, increased amounts of transportation equipment, machinery, etc., now can be allocated for transfer to countries which depend on them for immediate rehabilitation.

The President, in his report to the Nation on the Potsdam Conference, made it clear that the United States must play its part in providing the means to help liberated Europe regain her feet.

41. Will demands for United States food fall off sharply?

A. There will be changes in demand for some commodities, but total food needs will continue to be very large. United States farmers will need to keep up all-out production in the months ahead. In fact, total needs during the coming year will probably still exceed the supply of meats, fats and oils, sugar, and some of the other important food commodities. There can be no slackening now on the farm front, and as industrial plants convert from war to peace production farmers can expect more machinery and equipment with which to do the job.

42. How about farm prices?

A. Good demand for most farm products is assured for some time ahead. Moreover, Congressional action provides price supports for many commodities for two years

after final peace. These commitments will be carried out.

43. Will full United States farm production be needed again next year?

A. In general, there will be need for abundant production in 1946. Before the Secretary of Agriculture announces next year's production goals, he will reappraise the United States and world situations carefully to determine any shifts within the total production pattern which may be needed. In the meantime, our farmers will continue their full production efforts.

44. What steps are being taken by the Government to stimulate home construction?

A. The Office of War Mobilization and Reconversion has created an Interagency Committee on Construction under the chairmanship of a construction coordinator. This committee is taking steps to speed the revival and expansion of the construction industry. In addition, the National Housing Agency and its operating units will act promptly to stimulate expansion in new housing construction to relieve existing housing shortages and to provide jobs, production and investment in the reconversion period. The established goal of starting 400,000 new houses in the 12 months ending next July will be stepped up.

The Federal Housing Administration has authorization to insure mortgages up to \$2 billion on new private housing. The member institutions of the Federal Home Loan Bank System have an unprecedented volume of funds available for financing new home mortgages. The Federal Public Housing Authority has outstanding contracts to assist in construction of approximately \$100 million in low-rent public housing projects, which were deferred at the start of the war.

45. Will censorship be lifted?

A. All censorship within the United States has been lifted. However, in areas outside of the continental limits of the United States, censorship is under the control of the Army and the Navy and will be lifted at a later date.

46. Will Lend-Lease be stopped at once?

A. All Lend-Lease programs are under review and it is planned to stop all Lend-Lease shipments except to those countries involved in supplying troops stationed within their borders, or involved in the shipment home of troops for demobilization.

## Creese Elected V.-P. Of Drexel Institute

Dr. James Creese, Vice-President of Stevens Institute of Technology since 1928, has been elected the sixth President of Drexel Institute of Technology, Philadelphia, A. J. Drexel Paul, President of the Drexel board of trustees, announced Aug. 13. Dr. Creese will assume his new duties on October 1. Since the resignation of President George Peters Rea about a year ago, Dr. Robert C. Disque, Dean of Engineering, has been Acting President. Previous Presidents of the Institute were Dr. James MacAllister, Dr. Hollis Godfrey, Dr. Kenneth Gordon Matheson and Dr. Parke Rexford Kolbe.

Drexel Institute of Technology, founded in 1891, is comprised of the Schools of Engineering, Business Administration, Home Economics and Library Science. In announcing Dr. Creese's appointment, the trustees of Drexel referred to his experience in Drexel's special fields. Before going to Stevens Institute, Dr. Creese was associated for several years with the American Scandinavian Foundation. He is Chairman of the Executive Board of the American Association for Adult Education and has made a number of surveys of the extra-mural responsibilities of colleges and universities, and appraisals of educational projects in engineering.

## Laud US for War Role

Leaders of the nations of the world have expressed gratitude for the part played by the United States in the defeat of the Axis powers in messages sent to President Truman, some containing pledges of cooperation in peace as in war, according to a White House announcement reported to the New York "Times" from Washington on Aug. 18.

The following are some of the messages, according to the "Times," which have been coming into the White House since the Japanese surrender:

### From Prime Minister Attlee of Great Britain:

President Truman—  
Please accept, Mr. President, my congratulations and best wishes on the coming of peace after the long years of anxiety and affliction in which both our countries have shared. May the new era bring the same close comradeship, understanding and goodwill that we have known in war and without which there can be no assurance of lasting peace and prosperity for the world.

### From Generalissimo Chiang Kai-shek of China:

President Harry S. Truman—  
At this glorious hour of our complete victory over our common enemies the entire Chinese nation joins me in paying the highest tribute to the inflexible resolve with which the American people have prosecuted the war against the Axis aggressors. The invaluable contributions to the Allied cause made by your valiant nation, for which humanity will forever remain grateful, have helped shorten the duration of this bloody struggle and restore liberty to all oppressed peoples.

The Chinese people, who were the first victims of Axis aggression and who have suffered the longest in this global war, are especially grateful to our American allies for their unceasing moral support and unstinted material assistance. On behalf of the Chinese peoples, I beg to express to you our profoundest admiration for the brilliant achievements of the American nation and for the great role which you and the late President Roosevelt have played in helping to bring about the collapse of the Axis powers in both Europe and Asia.

I wish also to assure you, Mr. President, that in the accomplishment of the stupendous task of world-wide rehabilitation and reconstruction which still lies ahead, China will continue to cooperate with the United States and all the other democratic nations in order that the peace which has been won at such immense costs may be made sure and permanent for the future generations.

### From General de Gaulle of France:

The President—  
On this day on which, after so many trials, peace returns to the world, I wish to express to you, Mr. President, the admiration and gratitude inspired in the whole French Commonwealth by the immense part taken by the American nation in the final victory of the United Nations. The valiance and spirit of sacrifice of your soldiers, the genius of your men of learning, the work and inventive ardor of your engineers and workmen have shown to what degree of power and glory a great democracy could rise under the leadership of enlightened guides.

This great lesson will be precious to the world in peace as it has been in war. I am sure that our two countries are going to approach the crushing task of the rebuilding of the world with the will to preserve their traditional and fraternal friendship once again cemented in the battle for the same ideal.

### From Queen Wilhelmina of the Netherlands:

President Truman—  
Now that the last of the aggressors has been decisively vanquished and the forces of darkness and oppression have been finally overthrown, I wish to send you my heartfelt congratulations on this great triumphant victory over a ruthless foe, largely due to the gigantic war effort of the United States of America and the skill and bravery of your armed forces.

The liberation of my suffering people in the overseas parts of my kingdom from their cruel oppressors is now within sight and you may be sure they will never forget the debt they owe the American people.

### From President Osmena of the Philippines:

President Truman—  
I send you our people's most joyful congratulations on this victory of the spirit and arms of the United States of America and Allied nations. This victory, in which we can claim a modest share by reason of our sacrifices in Bataan and throughout the Philippines, has for us the significance of the glorious reaffirmation of democratic ideals.

Our nation would not have been saved had it not been for the might of the great union to which we owe loyalty and to which we are eternally grateful. Now we face the future with confidence and under the peace sealed by our blood we pray God that the Philippines will forever serve as one of the great bastions for the preservation of permanent universal peace.

## Politics "Free and Open," President Says

It was assumed, from a remark made by President Truman at a press conference following the end of the Japanese war, that the President now intends to take an active political role as the head of his party, the Associated Press stated in a dispatch from Washington, Aug. 16, published in the New York "Herald Tribune."

In response to a question about filling the Supreme Court vacancy caused by the resignation of Justice Owen J. Roberts, the President stated that the job of finishing up the Pacific war, which had taken up most of his time, being nearly completed, politics would now be free and open. The press advises went on to say:

"For long after Pearl Harbor, political controversy was softened. This semi-truce, however, was not always observed by Congress and it was interrupted also last year by the Presidential campaign.

"The early months of the Truman administration have been largely peaceful as to political warfare, but now, to all intents and purposes, the lid is off and both sides seemed to like the idea.

"Of a group of Governors who saw the President today, two Republicans and a Democrat told reporters they welcomed a full-fledged return of politics.

"Governor Edward Martin, Pennsylvania Republican, said that's the way things ought to be in peace time. This is a two-party country, he reminded. Governor Harry Kelly, Michigan Republican welcomed politics back, but he noted there is plenty of room left for co-operation between the two parties on such major problems as converting industry to a peace-time basis.

"With a twinkle in his eye, Governor Robert Kerr, Oklahoma Democrat, told his colleagues: 'If you Republicans will just give us another six months, we'll have you so hypnotized that you won't give us any trouble in 1946 or 1948.' He obviously referred to what Democrats generally believe is the growing popularity of President Truman."

# Churchill Condemns Agreement on Poland

(Continued from first page)

known how long the stamping out of the resistance of Japan in the many territories she had conquered, and especially in her homeland, would last.

All the while the whole process of turning the world from war to peace would be hampered and delayed. Every form of peace activity was half-strangled by the overriding priorities of war. No clear-cut decisions could be taken in the presence of this dominating uncertainty. During the last three months an element of dualism has complicated every problem of policy and administration.

## Japanese War Preparations

We have had to plan for peace and war at the same time. Immense armies were to be demobilized and another powerful army was being prepared and dispatched to the other side of the globe. This dualism affected also every aspect of our economic and financial life. How to use the people's activities in reviving the life of Britain and at the same time to meet the stern commitments of war against Japan—this constituted one of the most perplexing puzzles that in a long lifetime of experience I have ever faced. It was with great anxiety that I surveyed this prospect a month ago. Since then I have been relieved of the burden and at the same time that burden, heavy though it still remains, has been made immeasurably lighter.

On July 17 there came to us at Potsdam the eagerly awaited news of the trial of the atomic bomb in the (New) Mexican desert. Success beyond all dreams crowned this somber, magnificent adventure of our American allies. Detailed reports of the (New) Mexican desert experiment which was brought to us a few days later by air, could leave no doubt in the minds of the very few who were informed that we were in the presence of a new factor in human affairs.

## Effect of Atomic Bomb

We possessed powers which were irresistible. Great Britain had the right to be consulted in accordance with Anglo-American agreements. The decision to use the atomic bomb was taken by President Truman and myself at Potsdam and we approved military plans to unchain the dread pent-up force.

From that moment our outlook on the future was transformed. Marshal Stalin was informed by President Truman that we contemplated using an explosive of incomparable power against the Japanese in the way we all now know. It is to this atomic bomb, more than to any other factor, that we may ascribe the sudden swift ending to the war against Japan.

Before using it, it was necessary, first of all, to send a message in the form of an ultimatum to the Japanese which would apprise them of what unconditional surrender meant. This document was published on July 6, the same day that another event occurred.

No doubt the assurances given Japan about her future after her unconditional surrender had been made were generous to a point. When we remember the cruel, treacherous nature of the utterly unprovoked attack made by the Japanese war lords on the United States and Great Britain, the assurances must be considered magnanimous in a high degree.

## A Japan for the Japanese

They implied Japan for the Japanese; and even access to raw materials, apart from their control, was not denied to their densely populated homeland. We

felt that, in view of new, fearful changes of war power about to be employed, the inducement to surrender should be set before them.

This we owed to our conscience before using this awful weapon. By repeated warnings, an endeavor was made to secure the evacuation of Japanese from threatened cities. There were those who considered that the atomic bomb should never have been used at all. I cannot associate myself with such ideas. Six years of total war have convinced most people that had the Germans or the Japanese discovered this new weapon, they would have used it upon us to our complete destruction with the utmost alacrity.

I am surprised that very worthy people—but people who in most cases had no intention of proceeding to the Japanese front themselves—should adopt a position that rather than throw this bomb we should have sacrificed a million American and a quarter of a million British lives in the desperate battles and massacres of an invasion of Japan.

Future generations will judge this dire decision, and I believe, if they find themselves in a happier world from which war has been banished and where freedom reigns, they will not condemn those who struggled for their benefit amid the horrors and miseries of this grim and ferocious epoch.

The bomb brought peace, but man alone can keep that peace. I am in entire agreement with the President of the United States that the secret of the bomb should, so far as possible, not be turned over at the present time to any other country in the world. This is in no desire or wish for arbitrary power, but for the common safety of the world.

## U. S. Predominant

Nothing can stay the progress of research and experiments in any country, but although research will now proceed in many places, the construction of the immense plants necessary to transform the theory into action cannot be improvised in any country. For this and other reasons, the United States at this minute stands at the summit of the world. I rejoice that this is so.

Let them act up to the level of their power and responsibility, not for themselves but for all men in all lands, and then a brighter day may dawn on human history.

So far as we know, there are perhaps three or four years before the great progress in the United States can be overtaken. In these three years, we must remold the relationships of all men of all nations in such a way that these men do not wish, or dare, to fall upon each other for the sake of vulgar, outdated ambition or for passionate difference in ideologies, and that international bodies by supreme authority may give peace on earth and justice among men. Our pilgrimage has brought us to a sublime moment in the history of the world.

From the least to the greatest, all must strive to be worthy of these supreme opportunities. There is not an hour to be wasted; there is not a day to be lost. It would, in my opinion, be a mistake to suggest that the Russian declaration of war against Japan was hastened by the use of the atomic bomb.

My understanding with Marshal Stalin in talks which I had with him, had for a considerable time past been that Russia would declare war with Japan within three months of the surrender of the German Army. The reason

for the delay of three months was the need to move over the Transiberian Railway large reinforcements to convert the Russian Manchurian Army from a defensive to an offensive army.

The fact that German armies surrendered on May 9 and Russia declared war Aug. 8 is another example of the fidelity and punctuality by which Stalin's valiant armies have always kept their military engagements.

## Administration of Germany

There had been general approval of the (Potsdam Declaration) arrangements proposed for the administration of Germany during the provisional period of military government. This regime was both transitional and indefinite. The character of Hitler's Nazi Government was such as to destroy almost all independent elements in the German people. A headless Germany had fallen into the hands of the conquerors.

In the meantime, it is in my view of utmost importance that responsibility should be effectively assumed by German local bodies for carrying on under Allied supervision all that is necessary to maintain life of the vast population.

But it may be years before any structure of German national life will be possible, and there will be plenty of time for victors to consider how the interests of world peace are affected. It is not possible for the Allies to bear responsibility themselves. We cannot have German masses lying down on our hands expecting to be fed.

We must do our best, but it would be in vain for us in this small island, which still needs to import half its food, to imagine that we can make any appreciable further contribution in that respect. Rationing in this country cannot be made more severe without endangering the life and physical strength of our people.

I, therefore, most strongly advise the encouragement of the assumption of responsibility by trustworthy local German bodies in proportion as they can be brought into existence. The Council which was set up at Potsdam of Foreign Secretaries affords new flexible machinery for further study of immediate problems that lie before us in Europe and Asia. I am very glad that the request I made to the conference, in which my Right Honorable friend (I may say that, on this comparatively innocuous occasion) supported me, that the seat of the Council's permanent secretariat should be in London, was granted.

I must say that the late Foreign Secretary, who has for a long period gained an increasing measure of confidence from the Foreign Secretaries of Russia and the United States, deserves some of the credit for the fact that London is to be the seat of the permanent secretariat. It is high time that London, the oldest, largest, most battered and first-in-the-war capital, should have that recognition.

I am glad also that the evacuation of Russian and British forces from Persia in accordance with the treaty made in 1941 is about to begin. There are various other matters arising out of the Potsdam conference that are to be noted as satisfactory.

## Grave Questions Ahead

We should not delude ourselves in supposing that the results of this first conference of the victors is free from disappointment or anxiety or that the most serious questions before us were all brought to good solution. Those that proved incapable of agreement at the conference have been relegated to the Foreign Secretaries' Council, which though most capable of resolving difficulties is essentially one gifted with less far-reaching power.

Other grave questions are left for the final peace settlement, by which time many of them may have settled themselves, not necessarily in the best way. It would be wrong to conceal the possible divergence of view which exists inevitably between the victors about the state of affairs in Eastern and Middle Europe.

## Compromises Unavoidable

I do not at all blame the Prime Minister or the new Foreign Secretary whose task it was to finish up the discussion which we had begun. I am sure they did their best. They have to realize that no one of three leading powers can impose its solution upon the others and that the only solutions possible are those in the nature of a compromise.

We British have had very early and increasingly to recognize the limitations of our own power and influence—great though it be—in the gaunt world arising from the ruins of this hideous war. It is not in the power of any British Government to bring home a solution which would be regarded as perfect by the great majority of Members in this House, wherever they may sit.

I must put on record my own opinion that the provisional western frontier agreed upon for Poland, comprising as it does one-quarter of the arable land of Germany, is not a good augury for the future of Europe. We always had in the coalition Government a desire that Poland should receive ample compensation in the west for territory conceded to Russia east of the Curzon line.

## Polish Decision a Mistake

Here I think a mistake has been made in which the Provisional Government of Poland has been an ardent partner by going far beyond what necessity or equity requires. There are few virtues the Poles do not possess and there are few mistakes they have ever avoided.

I am particularly concerned at this moment with reports reaching us of conditions under which the expulsion and exodus of Germans from new Poland have been carried out. Between 8,000,000 and 9,000,000 persons dwelt in these regions before the war. The Polish Government say that there are still 1,500,000 of these not yet expelled within their new frontier. Of these other millions most have taken refuge between British and American lines, thus increasing the food stringency in our sectors.

Enormous numbers are unaccounted for. Where have they gone and what is their fate? A similar condition may reproduce itself in modified form in numbers of expulsions of Sudetens and other Germans from Czechoslovakia.

Guarded accounts of what has happened, what is happening, had filtered through, but it is not impossible that tragedy on a prodigious scale is imposing itself behind the iron curtain which at present divides Europe in twain. I should welcome any statement which the Prime Minister can make which will relieve us or inform us on this very anxious and grievous matter.

There is another sphere of anxiety. I cannot conceive that any element of new conflict exists in the Balkans today. Nevertheless, not many members of the new House of Commons will be content with the situation prevailing in those mountainous, turbulent, ill-organized, warlike regions.

I would like to say with what gratification I have seen Ernest Bevin undertake the high and difficult office of Foreign Secretary. I am sure he will do his best to preserve the high causes for which we have long fought together. Nevertheless, there are not many members who will be content, for almost everywhere

Communist forces have obtained or are in the process of obtaining dictatorial powers. That does not mean that everywhere has communism been established nor does it mean that it will be established.

In those countries torn by war there must be for some months to come the need for an authoritarian government. The alternative would be anarchy, and it would be unreasonable to ask or expect that the liberal Government of the British or United States democratic conditions should be instituted immediately.

## Government By the People

They take their politics very seriously in those countries. A friend of mine, an officer who was there when the results of the late general election came in, told me a lady said to him, "Poor Mr. Churchill. I suppose now he will be shot." My friend was able to reassure her by saying the sentence might be mitigated by various forms of hard labor.

Nevertheless, we must know where we stand, and we must make clear where we stand in these affairs of the Balkans and Eastern Europe.

## The Democratic Ideal

Our idea is government of the people, by the people, for the people—I practice what I preach—people being free to express by secret ballot without intimidation their deep-seated wish as to the forms and conditions of government under which they are to live.

At present a family might be gathered around the fireside enjoying the fruits of their toil when suddenly there is a knock at the door and heavily armed policemen appear. It may be that the father, son or friend sitting in the cottage is called out, taken away into the dark and no one knows whether he would ever come back again or what is his fate.

All they know is that they had better not inquire. There are millions of humble homes in Europe—Poland, Czechoslovakia and Yugoslavia—where this fear is the main preoccupation of family life. President Roosevelt laid down Four Freedoms and these are extant in the Atlantic Charter which we agreed together. Freedom from fear—but this has been interpreted as if it were only freedom from the fear of invasion by a foreign country. That is the least of the fears of the common man. His patriotism arms him to withstand invasions.

That is not the fear of ordinary families in Europe tonight. Their fear is of the policeman knocking at the door. That is not fear for country. All men can be united in comradeship in defense of their native soil. It is fear for the life and liberty of the individual, for the fundamental rights of men now menaced and precarious in so many lands where people tremble.

Surely we can agree in this new Parliament, or a great majority of us wherever we sit, that the will of the people freely expressed in the secret ballot, as to laws that shall prevail is the first solution and safeguard. Let us then march steadily in whatever course or view it may take. Individuals and parties make their mistakes and they may profit from their mistakes.

## Britain Should Uphold Democracy

Democracy is on trial as it never was before and in this island we must uphold it as we did in the dark days of 1940 and 1941, with all our hearts and all our vigilance and with all our untiring and inexhaustible strength.

Now is the time for Britain to speed up the Government she seeks to maintain rule. The Government derived power from the governed, says the Constitution of

(Continued on page 866)

# Churchill Condemns Agreement on Poland

(Continued from page 865)

the United States. This must not all evaporate in swindles and lies. In our foreign policy let us strike a continuous note of freedom and fair play as we understand it. Then you will find an overwhelming measure of agreement between us.

I recall that the President of the United States said our victory in Europe was more than one of arms—it was one way of life for another.

Founded on the right of the common man and the conception of the State as a servant, not master of its people, surely there is not such great disagreement among us. This is what the new Parliament means, as in our hearts and conscience, in the foreign affairs of the world that we desire. Just as in 1940, so now let us be united upon these resurgent principles and impulses of the good, generous hearts of men. Then to all our material strength we have acquired we should add moral quality and make the weak equal with the strong.

### Laski Attacked

I am anxious today to avoid controversial topics as much as possible. There is one question, however, which I hope the Prime Minister will be able to answer: What precisely is Mr. Laski's authority with regard to all the statements he is making about our foreign policy, and do his statements involve the Secretary of State for Foreign Affairs? We know Mr. Laski as chairman of the Labor Party Executive which has the right to describe their own party as they wish to do. But this is a very important body.

I have been told that it has the power to summon Ministers before it. Evidently Mr. Laski has great power and evidently he is keen to assert it. The House and the country are entitled to know who are the spokesmen of the Government.

I see that Mr. Laski said in Paris a few days ago that our policy in Greece is to be completely changed. What is the meaning of that? I thought we were agreed upon our policy toward Greece, especially after Sir Walter Citrine and the Trades Union report on the position.

The policy in regard to Greece is that Greece should decide on its future according to the full, free, untrammelled will of the Greek people and that elections are to be held as early as practicable. The Greek Government have invited foreign observers to be present and report so that everyone in the world may know whether the elections are the free, honest expression of the popular will. The British, United States and the French have accepted this offer to send observers.

I am sorry we could not persuade Russia to send them also. Has there been any change? Or as Mr. Laski's remarks seem to suggest, that if the Greeks had to vote freely it must be only as he thinks. I am sure the Honorable Member could not find that I ever said the people were only entitled to vote in the way I liked.

Mr. Laski made a declaration about France, which has a far-reaching effect, namely, that if they voted Socialist at the pending election Great Britain would renew her offer of June, 1940, that Britain and France become one nation with common citizenship.

Much has happened in five years and the idea that we should become one single nation with common citizenship must at least be very carefully considered by responsible Ministers before any such proposals are made to Parliament and still less to a for-

ign country. I ask, therefore, did the Prime Minister authorize this statement, does the Foreign Secretary endorse it and has the Cabinet agreed to it?

### Wants Attlee's Views

If the offer to France is conditional on a Socialist Government being elected, I hope that the Prime Minister will give reassuring answers to these points. Broadly speaking, it is better that declarations about foreign policy should be made by Ministers of the Crown responsible to the House of Commons and I am sure the new Government will get into difficulties if they cannot do this.

It is impossible to understand domestic politics of other countries. It is hard enough to understand domestic politics of one's own country. But Mr. Laski has spoken with great freedom about French, Spanish and United States affairs. Today we read that Mr. Laski says that the attitude of the British Government toward the United States is favorable whereas toward Russia it is profound brotherly affection. I wonder very much, and this is an extremely serious matter, whether these individual distinctions are likely to bring about the good results which I anticipated and which are absolutely necessary for us.

Mr. Laski appears to contemplate vehement intervention in Spain against General Franco. I would be very glad to see the letter which I wrote with full agreement of my coalition colleagues in the War Cabinet to General Franco some months ago in reply to the one which General Franco wrote to me published here. Anyone would then see what calumny it was to suggest that I or my colleagues are supporters or partisans of the present regime in Spain. We are proud to be the foe of tyranny in every land, whether it comes from the Right or Left.

Before I left Potsdam three major powers had agreed upon the form of the announcement about the exclusion of Spain, while under the Franco regime, from the world organization of the United Nations, and no alteration was made, so far as I am aware, by the new Prime Minister and the Foreign Secretary in the terms of that most wounding and deliberately calculated declaration against that regime.

### Forcible Intervention Opposed

It would, however, be wrong to intervene in Spain in a forcible manner or attempt to relight the civil war in that country which has lost between 1,000,000 and 2,000,000 of its none too numerous population in horrible internal struggle. However, if that is the policy of His Majesty's Government, they ought to say so. Then we can debate the matter.

Let me point out in leaving this unpleasant subject that I make no suggestion to the Government that they should endeavor to muzzle Mr. Laski. Anyone can say anything in their country, however pernicious and nonsensical it may be, but it is necessary for the Government to let us know exactly where they stand with Mr. Laski.

Otherwise, I assure the Government that their affairs will suffer and our affairs which are mixed up inseparably with their affairs will also suffer. The Government must be worthy of their fortune, which is also the fortune of us all. Let them release and liberate the vital springs of British energy and inventiveness. I hope we might go forward together not only abroad

but also at home in all matters as far as we possibly can.

If after nationalizing coal mines and dealing with railways, electricity and transport, the trades unions yet seemed to feel it necessary to heavily rearm against state socialism, apparently the new age is not to be so happy for wage-earners as they have been asked to believe. At any rate there seems to be a fundamental incongruity to which the attention of the Socialist intelligentsia should speedily be directed. Perhaps, however, it might be said that those powers would only be needed if the Tories came into office. Surely, these are early days to get frightened.

I do not wish to end these comments on a somber or even slightly controversial note. It is evident that the parties in the House agree on the main essentials of foreign policy and the moral outlook on world affairs. We have also an immense program of work which requires to be brought into law. Here and there may be differences in emphasis and view, but in the main no Parliament ever assembled with such mass-agreed legislation as lies before us.

I have great hopes of this Parliament and I shall do my utmost to make it work. I do not underestimate the complications of the task which lies before us, but on the morrow of victory that we have gained it is a splendid moment both in our whole lives and in our great history.

It is time not only of rejoicing but even more of resolve. We look back on the perilous years and dark designs we have frustrated but we have come safely through the worst. Home is the sailor, home from the sea, and the hunter home from the hills.

## Russia & China Sign Friendship Treaty

A treaty of friendship and alliance between Russia and China has been signed, special advices to the New York "Times" from London stated on Aug. 14, adding that the Moscow radio, which was the source of the report, indicated that "full agreement on all other questions of common interest" had been arrived at. Publication of the treaty and "other agreements" is reported intended upon ratification by the two countries.

The present understandings are said to be the outcome of the talks between Premier Stalin and Chinese Prime Minister T. V. Soong, which were continued upon Stalin's return from Berlin from where they had been dropped at the time of the Big Three conference.

Although no details have as yet been disclosed, it is admitted that "very important questions interesting to both sides" were covered pertaining to practically all issues common to both countries.

Following is the Moscow broadcast, which the New York "Times" indicates as having been recorded by the Federal Communications Commission:

"After Generalissimo Stalin's return from the Berlin conference, the Chinese Prime Minister, Mr. T. V. Soong, accompanied by Chinese Foreign Minister Wang Shihchieh, arrived in Moscow and renewed negotiations with Generalissimo Stalin and Peoples Foreign Affairs Commissar Molotov dealing with questions of Soviet-Chinese relations.

"On Aug. 14 a treaty of friendship and alliance was signed between the Soviet Union and the Republic of China. Full agreement was also reached on all other questions of common interest. Both treaty and other agreements will be published shortly when they are ratified by the Soviet Union and the Republic of China."

## The State of Trade

(Continued from page 858)

gust 20, compared with 82.5% one week ago. This week's operating rate represents a decrease of 15.3% from last week's rate and is equivalent to 1,280,300 net tons of steel ingots and castings, compared to 1,511,100 net tons last week and 1,692,800 tons one year ago. In addition, the current week's rate will be the lowest since May 6, 1940, when the industry operated at 65.8%. A month ago the industry was at 90.7% of capacity.

**Railroad Freight Loading**—Carloadings of revenue freight for the week ended Aug. 11, 1945, totaled 870,007 cars, the Association of American Railroads announced. This was an increase of 6,097 cars, or 0.7% above the preceding week this year and 25,174 cars, or 2.8% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 17,157 cars, or 1.9%, is shown.

**Electric Production**—The Edison Electric Institute reports that the output of electricity decreased to approximately 4,395,337,000 kwh. in the week ended Aug. 11, 1945, from 4,432,304,000 kwh. in the preceding week. Output for the week ended Aug. 11, 1945, was 0.5% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 166,200,000 kwh. in the week ended Aug. 12, 1945, comparing with 169,100,000 kwh. for the corresponding week of 1944, or a decrease of 1.8%.

Local distribution of electricity amounted to 163,700,000 kwh., compared with 157,600,000 kwh. for the corresponding week of last year, an increase of 3.8%.

**Paper and Paperboard Production**—Paper production in the United States for the week ending Aug. 11 was at 90.6% of mill capacity, against 93.6% in the preceding week and 91.2% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 94%, the same as in the preceding week, and compared with 96% in the like 1944 week.

Consumption of 177,905 tons of newsprint paper by daily newspapers in July was reported the current week by the American Newspaper Publishers Association. This compared with 174,866 tons in July, 1944, and 215,012 tons in the same month of 1941, base year for calculating allowable use.

**Business Failures Continue Low**—In the week of Victory holidays ending Aug. 16, commercial and industrial failures fell to the lowest number not only of any week in 1945 but of any week on record. Dun & Bradstreet, Inc., reports only five concerns failing, as compared with eight in the previous week and 19 in the same week last year. This marked the third consecutive week of decline in failures and brought them down to about one-fourth the number in 1944's comparable week.

Contrary to the concentration among large concerns a week ago, failures this week were about evenly divided, with three involving liabilities of \$5,000 or more and two involving liabilities under that amount.

Commercial service was the only industry or trade group in which the number of concerns failing increased from last week; in manufacturing they remained the same.

One Canadian failure was reported as compared with none both last week and a year ago.

**Wholesale Commodity Index Down**—With the end of the war in sight leading agricultural commodities trended downward in the past week. The Dun & Bradstreet daily whole-

sale commodity price index dropped to 174.13 on Saturday, the lowest level reached this year. It closed at 175.22 on Aug. 14, as compared with 175.51 a week previous, and with 171.52 on the corresponding 1944 date.

Grain markets were uniformly lower during the week just ended. Volume of trading, however, was somewhat less than in the previous week despite heavy selling late in the period resulting from peace overtures by Japan. Losses were quite heavy in all grains except corn, where cash prices, due largely to limited country offerings, held hard against current ceilings. Corn futures however declined on the possibility of early peace. Prospects for the corn crop improved during July.

Flour bookings were slow with demand confined largely to immediate needs. Trading in lard was relatively quiet although offerings appeared to be on the increase. While hog weights have been averaging very high, receipts of hogs continued light and prices remained firm at ceilings.

Trading in cotton markets continued in a cautious way in anticipation of an announcement that the war with Japan had come to an end. The trend of values was generally downward.

Some support was derived from moderate demand coming from mills, mainly for price-fixing purposes. The first official forecast of the Crop Reporting Board, issued last Wednesday, indicated a yield of 10,134,000 bales for the current crop season, a drop of 2,096,000 bales from the 1944 production.

With buying confined to barest immediate needs business in domestic wools remained very quiet in the Boston market last week. Mill inventories of domestic wool are reported at a very low level and manufacturers are exhibiting extreme caution in adding to their stocks of both foreign and domestic wool in anticipation of converting to a civilian production basis. Appraisals of domestic wool for purchase by the CCC dropped to 10,706,019 pounds during the week ended Aug. 4, from 14,137,454 pounds in the preceding week.

**Wholesale Food Price Index Unchanged**—The wholesale food price index, compiled by Dun & Bradstreet, Inc., remained unchanged this week after dropping 1% in each of the two preceding periods. The Aug. 14 figure was \$4.09, a rise of 2.8% over the 1944 comparative of \$3.98. Advances during the week were eggs, potatoes and sheep. Declines occurred in rye, oats, barley and lambs.

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

**Retail and Wholesale Trade**—Sustained sales in most categories of retail trade for the country at large, according to Dun & Bradstreet, Inc., put volume for last week slightly over last year but well below the previous week. The two-day holiday which closed many department, specialty, and food stores, restrained volume from being greater. Women's apparel volume declined slightly from the previous week with a greater decrease evident in men's apparel. Food volume stayed about even although supplies of green vegetables, meat and dairy products increased somewhat.

Stimulation of fall buying along with continued demand for summer clothing and accessories resulted in a high dollar volume. Increased activity was evident in hosiery, sportswear, blouses, and raincoats. Considerable pre-school buying for children and in college departments was reported. There was greater interest in fall suits and coats, increasing sales fractionally over last week. Men's clothing continued in a strong de-

## Plans for Post-War Economic Stabilization Revealed in Pronouncements of Truman, Aides

The post-war economic policy of the Truman administration began to assume definite shape with the public pronouncements by the President and his aides of plans for stabilizing the shift from war to peacetime industrial activity. The abrupt ending of the Pacific war brought expected cancellations of government orders, followed by the laying off of many workers in concentrated war production areas. The number of war workers to be available for peacetime production is expected to increase to millions within a few months.

President Truman has declared that steps are being taken to soften the hardships that might be concomitant with the reconversion lag, that controls will be continued where necessary to prevent unequal distribution, and

mand with particular emphasis on sportswear. Piece goods continued selling in substantial volume, while sales of white goods lagged.

No great change was noted in the furniture business. Sales of paint, lumber, and hardware items continued strong with a slightly better supply reported. Blankets, notions, aluminum household furnishings, and electrical appliances were more readily obtainable. Dollar volume of filling stations rose considerably with the lifting of gasoline rationing.

Dollar volume of restaurant and liquor stores increased sharply over the preceding week and year.

Retail sales for the country were estimated at 4 to 9% above a year ago. Regional percentage increases were: New England 0 to 5, East 3 to 8, Northwest 4 to 7, South 2 to 6, Southwest 5 to 10, Pacific Coast and Middle West 7 to 11.

Wholesale markets were quiet during the latter part of the week as many resident buying offices were either closed or transacted business at a generally slower pace. No change was reported in sales volume for the week which was slightly below a year ago; there was, however, a tone of optimism noted in most markets. Retailers are eagerly buying Fall and Winter staple merchandise wherever offered, but an unseasonal demand for some summer merchandise still obtains.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Aug. 11, 1945, increased by 18% and compared with a gain of 22% in the preceding week. For the four weeks ended Aug. 11, 1945, sales increased by 17%, and for the year to date by 13%.

Retail trade in New York last week held to a good pace notwithstanding the two-day holiday. Business on Friday was exceptionally good, due apparently in large measure to the previous two-day closing. No changes of significance have taken place in wholesale markets following the termination of the war with Japan, according to buyers, but Government efforts to hasten reconversion, it is hoped, will make available greater supplies of both soft and hard goods earlier than was previously looked for. Heavy military cancellations are expected to increase to a large extent the supply of wool goods. Following Labor Day a sizable migration of all types of buyers will enter the wholesale markets here. The failure of retailers to accept deliveries during the Victory holidays caused wholesale food volume to show a decline for the week.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Aug. 11, 1945, increased by 26% above the same period of last year. This compared with a gain of 31% in the preceding week. For the four weeks ended Aug. 11, 1945, sales rose by 24% and for the year to date by 15%.

that the Government will sponsor a management-labor program to aid in speeding reconversion.

At a press conference on Aug. 16, the President indicated that the National War Labor Board would be continued in effect for the time being to prevent the confusion which might result if no such controlling body were in force. At the same time he authorized the Board to discontinue its practice of requiring employers to obtain approval for wage increases which do not result in price rises or inflation.

Governmental heads all expressed the necessity for taking steps to prevent the economic disaster which followed World War I. Reconversion Director John W. Snyder stated, according to the Associated Press, from Washington, Aug. 16: "The greatest single danger to an orderly reconversion lies in the threat of inflation. We cannot and must not repeat our folly after World War I. . . . We're shooting at a standard of living for our people as a whole that will be 50% higher than we or any other people have ever had."

Price Administrator Chester Bowles and Stabilization Director William H. Davis also recalled the unstable situation which followed the first world war, and spoke of the need for preventing any repetition.

The full text of President Truman's statement on labor-management policies, as released by the Associated Press in a Washington dispatch on Aug. 16, follows:

"Our national welfare requires that during the reconversion period production of civilian goods and services go forward without interruption, and that labor and industry co-operate to keep strikes and lockouts at a minimum. We must work out means for the peaceful settlement of disputes that might adversely affect the transition to a peace-time economy.

"We have had an exceptionally good record of industrial peace during the war. We must take the necessary steps now to insure a continuation of this record in the reconversion period before us. We must also, in this period, continue the stabilization program, modifying it to meet the changes in our economy which are now taking place. To these ends:

"1. In the near future I shall call a conference of representatives of organized labor and industry, for the purpose of working out by agreement means to minimize the interruption of production by labor disputes in the reconversion period.

"The foundation of our wartime relations was an agreement between representatives of industry and labor, who met at the call of the President immediately after Pearl Harbor. This agreement provided that for the duration of the war there shall be no strikes or lockouts, upon condition that a National War Labor Board be established for the peaceful adjustment of unsettled disputes. Pursuant to that agreement, the President, by Executive Order 9017, created the War Labor Board, and Congress, in the war labor disputes act, confirmed and strengthened its authority.

"The Board is an emergency agency. Its effectiveness has been rooted in the war-time agreement which led to its establishment. As a result of that agreement, industry and labor, with but very few exceptions, have voluntarily accepted the board's decisions in

the disputes which have been certified to it as affecting the war effort. A new industry-labor agreement to minimize interruption of production by labor disputes during the reconversion period ahead of us is imperatively needed.

"2. Pending the completion of the conference and until some new plan is worked out and made effective, disputes which cannot be settled by collective bargaining and conciliation, including disputes which threaten a substantial interference with the transition to a peace-time economy, should be handled by the War Labor Board under existing procedures. For that interim period I call upon the representatives of organized labor and industry to renew their no-strike and no-lockout pledges, and I shall expect both industry and labor in that period to continue to comply voluntarily, as they have in the past, with the directive orders of the War Labor Board.

"3. The stabilization act is effective until June 30, 1946. During its continuance, wage adjustments which might affect prices must continue to be subject to stabilization controls. With the ending of war production, however, there is no longer any threat of an inflationary bidding up of wage rates by competition in a short labor market. I am therefore authorizing the War Labor Board to release proposed voluntary wage increases from the necessity of approval upon condition that they will not be used in whole or in part as the basis for seeking an increase in price ceilings. Proposed wage increases requiring price relief must continue to be passed upon by the board.

"4. The reconversion from wartime to peace-time economy will undoubtedly give rise to maladjustments and inequities in wage rates which will tend to interfere with the effective transition to a peace-time economy. For the remaining period of its existence, the Board should be given authority to deal with these maladjustments and inequities, whose scope and nature cannot be clearly foreseen. I am therefore issuing a new executive order which will carry forward the criteria for passing upon wage increases as originally laid down in Executive Order 9250, and which will also vest in the Board authority to approve or direct increases which are necessary to aid in the effective transition to a peace-time economy. The new executive order will continue the previous requirements that any proposed wage increase affecting prices, if approved or directed by the Board, will become effective only if also approved by the Director of Economic Stabilization.

"5. The War Labor Board should be terminated as soon after the conclusion of the forthcoming industry-labor conference as the orderly disposition of the work of the Board, and the provisions of the war labor disputes act, permit; and after facilities have been provided to take care of the wage-stabilization functions under the act of Oct. 2, 1942.

"6. Meanwhile, the strengthening of the Department of Labor, and the unification under it of functions properly belonging to it, are going forward under plans being formulated by the Secretary of Labor. In these plans, particular stress is being laid on the rebuilding of the United States Conciliation Service. With the return to a peace-time economy and the elimination of the present temporary war-time agencies and procedures, we must look to collective bargaining, aided and supplemented by a truly effective system of conciliation and voluntary arbitration, as the best and most democratic method of maintaining sound industrial relations."

## National Fertilizer Association Commodity Price Index Advances to Previous Peak

The weekly wholesale commodity price index compiled by The National Fertilizer Association made public on Aug. 20, advanced fractionally to the previous all-time peak of 141.7 for the week ended Aug. 18, 1945, from 141.6 in the preceding week. A month ago the index stood at 141.3, and a year ago at 138.3, all based on the 1935-1939 average as 100. The Association's report added:

Two of the composite groups of the index advanced during the week and two declined. The foods group advanced with a substantial gain in the price for potatoes. The fuels index advanced slightly because of higher quotations for coke. The farm products group declined slightly with lower prices for cotton and most grains more than offsetting the higher prices for eggs. The textile index declined slightly. All other groups of the index remained unchanged.

During the week 4 price series in the index advanced and 6 declined; in the preceding week 2 advanced and 10 declined; in the second preceding week 8 advanced while only 1 declined.

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

% Each Group Bears to the Total Index	Group	Latest Preceding Week		Month Ago	Year Ago
		Aug. 18, 1945	Aug. 11, 1945		
25.3	Food	144.9	144.2	142.7	139.9
	Fats and Oils	145.0	145.0	145.0	145.1
	Cottonseed Oil	162.4	162.4	162.4	163.1
23.0	Farm Products	167.4	167.8	167.6	161.0
	Cotton	212.2	214.3	215.5	206.4
	Grains	158.8	160.7	163.0	155.2
	Livestock	163.4	163.0	161.8	155.4
17.3	Fuels	134.5	134.2	133.3	130.1
10.8	Miscellaneous Commodities	133.9	133.9	133.7	132.2
8.2	Textiles	156.7	157.0	157.2	153.1
7.1	Metals	108.9	108.9	108.9	104.4
6.1	Building Materials	153.8	153.8	153.8	154.0
1.3	Chemicals and Drugs	125.8	125.8	125.8	126.9
.3	Fertilizer Materials	118.3	118.3	118.3	118.3
.3	Fertilizers	119.9	119.9	119.9	119.7
.3	Farm Machinery	104.8	104.8	104.8	104.5
100.0	All groups combined	141.7	141.6	141.3	138.3

\*Indexes on 1926-1928 base were: Aug. 18, 1945, 110.4; Aug. 11, 1945, 110.3, and Aug. 19, 1944, 107.7.

## Electric Output for Week Ended Aug. 18, 1945 11.5% 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. 18, 1945, was approximately 3,939,195,000 kwh., which compares with 4,451,076,000 kwh. in the corresponding week a year ago and 4,395,337,000 kwh. in the week ended Aug. 11, 1945. The output of the week ended Aug. 18, 1945, was 11.5% below that for the same week last year.

The sharp decline registered in the output for the week ended Aug. 18, 1945, reflected the sharp cutbacks in industrial contracts since the end of the war with Japan. Some electric concerns operating in highly industrialized areas were reported to have lost nearly one-third of their wartime load.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR  
Week Ended

Major Geographical Divisions—	Aug. 18	Aug. 11	Aug. 4	July 28
New England	19.3	2.6	2.1	1.5
Middle Atlantic	12.5	*1.7	*1.6	*2.8
Central Industrial	18.8	4.6	2.4	0.4
West Central	6.0	*0.8	*5.4	*5.8
Southern States	1.6	*6.2	*6.9	*6.5
Rocky Mountain	11.7	3.9	0.9	1.8
Pacific Coast	8.9	2.1	2.2	*4.1
Total United States	11.5	0.5	*0.7	*1.0

\*Increase over similar week in previous year.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1945	1944	% Change over 1944	1943	1932	1929
May 5	4,397,330	4,233,756	+ 3.9	3,903,723	1,436,928	1,698,942
May 12	4,302,381	4,238,375	+ 1.5	3,969,161	1,435,731	1,704,426
May 19	4,377,221	4,245,678	+ 3.1	3,992,250	1,425,151	1,705,460
May 26	4,329,605	4,291,750	+ 0.9	3,990,040	1,381,452	1,615,085
June 2	4,203,502	4,144,490	+ 1.4	3,925,893	1,435,471	1,689,925
June 9	4,327,028	4,264,600	+ 1.5	4,040,376	1,441,532	1,699,227
June 16	4,348,413	4,287,251	+ 1.4	4,098,401	1,440,541	1,702,501
June 23	4,358,277	4,325,417	+ 0.8	4,120,038	1,456,961	1,723,428
June 30	4,353,351	4,327,359	+ 0.6	4,110,793	1,341,730	1,592,075
July 7	3,978,426	3,940,854	+ 1.0	3,919,398	1,415,704	1,711,623
July 14	4,295,254	4,377,152	- 1.9	4,184,143	1,433,903	1,727,223
July 21	4,384,547	4,380,930	+ 0.1	4,196,357	1,440,386	1,732,031
July 28	4,434,841	4,390,762	+ 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	4,395,337	4,415,368	- 0.5	4,287,827	1,431,910	1,733,110
Aug. 18	3,939,195	4,451,076	- 11.5	4,264,824	1,436,440	1,750,056
Aug. 25		4,418,298		4,322,195	1,464,700	1,761,594
Sep. 1		4,414,735		4,350,511	1,423,977	1,674,588

## June Truckloadings Off

The volume of freight transported by motor carriers in June decreased 2.6% below May, and 2.2% below June, 1944, according to American Trucking Associations, Inc., which further reported as follows:

Comparable reports received by ATA from 244 carriers in 41 states showed these carriers transported an aggregate of 1,915,646 tons in June, as against 1,967,460 tons in May and 1,958,679 tons in June, 1944.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 173.93.

Approximately 86% of all tonnage transported in the month

was hauled by carriers of general freight. The volume in this category decreased 2.4% below May, and was 1.3% below June, 1944.

Transportation of petroleum products, accounting for about 9% of the total tonnage reported, showed a decrease of 1.3% below May and 11.4% below June of last year.

Carriers of iron and steel products hauled about 2% of the total tonnage. Their traffic volume was 9.4% below May, but there was practically no change from June, 1944.

About 3% of the total tonnage reported consisted of miscellaneous commodities, including tobacco, milk, textile products, cement, bricks, building materials, cement and household goods. Tonnage in this class decreased 9.3% below May and 0.3% below June of last year.

### Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES† (Based on Average Yields)									
1945— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings**				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Aug. 21	121.70	115.63	120.84	118.80	115.82	107.80	112.56	115.63	119.20
20	121.75	115.82	120.84	119.00	116.02	107.98	112.56	115.63	119.41
18	Stock Exchange Closed								
17	121.91	115.82	120.84	119.00	116.22	108.16	112.56	115.82	119.41
16	Stock Exchange Closed								
15	Stock Exchange Closed								
14	122.09	115.82	120.84	119.00	116.22	108.16	112.75	115.82	119.41
13	122.11	115.82	120.84	119.00	116.02	108.34	112.75	115.63	119.41
11	Stock Exchange Closed								
10	122.14	116.02	121.04	119.20	116.02	108.34	112.93	115.82	119.41
9	122.15	116.02	121.04	119.20	116.22	108.34	113.12	115.82	119.41
8	122.20	116.02	121.04	119.20	116.02	108.34	112.93	115.82	119.20
7	122.25	116.02	120.84	119.00	116.02	108.34	112.53	115.82	119.00
6	122.33	116.02	120.84	119.20	116.02	108.34	113.12	115.82	119.00
4	Stock Exchange Closed								
3	122.36	115.82	120.84	119.20	116.02	108.16	112.93	115.82	119.00
2	122.30	116.02	120.84	119.41	116.02	108.16	112.93	115.82	119.20
1	122.28	115.82	120.84	119.41	115.82	108.16	112.93	115.82	119.20
July 27	122.39	115.82	120.84	119.20	115.82	108.16	112.93	115.63	119.00
20	122.80	116.02	121.04	119.41	116.02	108.34	112.93	115.63	119.41
13	122.89	116.22	121.04	119.61	116.22	108.34	113.31	115.63	119.61
6	122.92	116.02	121.04	119.41	116.02	108.16	112.93	115.63	119.61
June 29	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.43	119.41
22	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.20
15	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41
8	122.81	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41
1	122.23	115.43	120.63	119.00	115.43	107.44	112.37	114.85	119.20
May 25	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20
18	122.31	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41
11	122.26	115.24	120.84	118.40	115.24	107.09	112.19	114.46	119.41
4	122.38	115.24	120.84	118.40	115.24	107.09	112.00	114.27	119.41
Apr. 27	122.38	115.24	120.84	118.40	115.04	107.09	112.19	114.27	119.20
Mar. 31	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
Feb. 23	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41
Jan. 26	120.89	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
High 1945	123.05	116.22	121.04	119.61	116.22	108.34	113.31	115.82	119.61
Low 1945	120.55	113.50	118.80	117.80	113.30	104.48	108.52	113.70	118.20

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)									
1945— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings**				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Aug. 21	1.69	2.87	2.61	2.71	2.86	3.29	3.03	2.87	2.69
20	1.68	2.86	2.61	2.70	2.85	3.28	3.03	2.87	2.68
18	Stock Exchange Closed								
17	1.67	2.86	2.61	2.70	2.84	3.27	3.03	2.86	2.68
16	Stock Exchange Closed								
15	Stock Exchange Closed								
14	1.66	2.86	2.61	2.70	2.84	3.27	3.02	2.86	2.68
13	1.66	2.86	2.61	2.70	2.85	3.26	3.02	2.87	2.68
11	Stock Exchange Closed								
10	1.65	2.85	2.60	2.69	2.85	3.26	3.01	2.86	2.68
9	1.65	2.85	2.60	2.69	2.84	3.26	3.00	2.86	2.68
8	1.65	2.85	2.60	2.69	2.85	3.26	3.01	2.86	2.69
7	1.65	2.86	2.61	2.70	2.85	3.26	3.01	2.86	2.70
6	1.64	2.85	2.61	2.69	2.85	3.26	3.00	2.86	2.70
4	Stock Exchange Closed								
3	1.64	2.86	2.61	2.69	2.85	3.27	3.01	2.86	2.70
2	1.64	2.85	2.61	2.68	2.85	3.27	3.01	2.86	2.69
1	1.64	2.86	2.61	2.68	2.86	3.27	3.01	2.86	2.69
July 27	1.64	2.86	2.61	2.69	2.86	3.27	3.01	2.87	2.70
20	1.60	2.85	2.60	2.68	2.85	3.26	3.01	2.87	2.68
13	1.60	2.84	2.60	2.67	2.84	3.26	2.99	2.87	2.67
6	1.60	2.85	2.60	2.68	2.85	3.27	3.01	2.87	2.67
June 29	1.60	2.85	2.60	2.69	2.85	3.27	3.01	2.88	2.68
22	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.69
15	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68
8	1.60	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68
1	1.64	2.88	2.62	2.70	2.88	3.31	3.04	2.91	2.69
May 25	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69
18	1.64	2.88	2.62	2.71	2.88	3.32	3.05	2.92	2.68
11	1.64	2.89	2.61	2.73	2.88	3.33	3.05	2.93	2.68
4	1.63	2.89	2.61	2.73	2.89	3.33	3.06	2.94	2.68
Apr. 27	1.63	2.89	2.61	2.73	2.90	3.33	3.05	2.94	2.69
Mar. 31	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69
Feb. 23	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68
Jan. 26	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72
High 1945	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
Low 1945	1.59	2.84	2.60	2.67	2.84	3.26	2.99	2.86	2.67

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)									
1945— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings**				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
1 Year Ago									
Aug. 21, 1944	119.88	112.75	118.60	117.20	112.56	103.30	106.92	114.27	117.20
2 Years Ago									
Aug. 21, 1943	120.20	111.25	119.20	116.80	111.62	99.04	103.30	114.08	117.00

\*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.

### Civil Engineering Construction \$49,135,000 for Week—Tops Last Week and Week Last Year

Civil engineering construction volume in continental United States totals \$49,135,000 for the week, an increase of 63% over the preceding week, 16% above the corresponding week last year, but 0.1% below the previous four-week moving average as reported to "Engineering News-Record." The report made public on Aug. 16 went on to say:

Private construction tops last week by 39%, and is 728% higher than in the 1944 week, primarily as a result of the increased volume of industrial building construction. Public construction is 92% over a week ago, but is down 34% compared with a year ago. State and municipal construction and Federal work both top their respective totals for last week, but both are under their 1944-week volumes.

The current week's construction brings 1945 volume to \$1,202,809,000, for the 33-week period, a 3% increase over the \$1,164,051,000 reported for the period in 1944. Private construction, \$369,793,000, is 43% greater than a year ago, but public work, \$838,016,000, is down 8% due to the 15% decrease in Federal volume. State and

municipal construction, \$197,872,000, is 26% above the 1944 period's total.

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

	Aug. 16, 1945	Aug. 9, 1945	Aug. 17, 1944
Total U. S. construction	\$49,135,000	\$30,184,000	\$42,335,000
Private construction	23,184,000	16,639,000	2,800,000
Public construction	25,951,000	13,545,000	39,535,000
State and municipal	6,808,000	4,908,000	7,540,000
Federal	19,143,000	8,637,000	31,995,000

\*Current week's statistics.  
In the classified construction groups, gains over last week are reported in waterworks, bridges, industrial, commercial and public buildings, earthwork and drainage, and streets and roads. Increases over the corresponding 1944 week are in waterworks, bridges, industrial and commercial buildings, and earthwork and drainage. Sub-totals for the week in each class of construction are: waterworks, \$3,812,000; sewerage, \$1,415,000; bridges, \$370,000; industrial buildings, \$1,795,000; commercial building and private mass housing, \$4,305,000; public buildings, \$11,577,000; earthwork and drainage, \$2,454,000; streets and roads, \$4,067,000; and unclassified construction, \$2,177,000.

New capital for construction purposes for the week totals \$8,032,000. It is made up of \$5,500,000 in state and municipal bond sales, and \$2,532,000 in corporate security issues. The week's new construction financing brings 1945 volume to \$1,523,208,000 for the 33 weeks, a total 4% below the \$1,582,246,000 reported for the period in 1944.

Post-War Construction Planning Volume \$22.1 Billions  
Identified and recorded engineering projects proposed for construction in the post-war years total \$22,145,751,000, according to reports to "Engineering News-Record" in the period from Jan. 1, 1943 through Aug. 9, 1945. Plans are under way or completed on post-war projects valued at \$9,966,509,000, 45% of the total volume proposed, and on \$1,706,388,000 worth of projects all financing arrangements have been completed.

### Steel Output Drops Sharply - Cancellations Of Orders Not As Rapid as Anticipated

"The steel industry this week was still attempting to bring a semblance of order out of the temporary chaos in steel mill schedules occasioned by war contract cancellations, many of which have not yet reached the mill level," states "The Iron Age" in its issue of today (Aug. 23), which further adds in part: "That it may take some time before steel activity gets back to normal seems to be apparent. This is especially true because of the slowness in war contract cancellations in reaching mill books."

"Cancellations of steel orders on mill schedules have not been as rapid as anticipated. Consequently, there are still many orders on the books which will eventually be canceled and until such time as this takes place, complete reconversion of the steel industry to peacetime operation will be hindered."

"Steel shipments so far this month compare favorably with last month's volume and in many cases shipments are still behind orders. One steel firm during the first half of August booked about 130,000 tons more than it shipped. Most of this business is firm regardless of war contract cancellations."

"There is some concern that many consuming industries will not be immediately able to take steel in quantities which would warrant a high level of operations at steel mills. While the railroads, warehouses, freight carbuilders, automobile manufacturers and farm equipment producers will be able to take sizable deliveries of steel, many other industries such as appliance manufacturers still have a major reconversion problem which may take weeks to solve."

"One mill estimates that it had cancellations for about 10% of its rated orders during the first two days after V-J Day. The bulk of the tonnage represented by these cancellations involved material calling for August and September delivery. Cancellations at the mill level are expected to pour into steel mills over the next several weeks, which will make it difficult to set up economic rolling schedules."

"There appears to be a substantial volume of unvaluated steel tonnage which mills can work on as quickly as schedules can be made. One mill reports it has confirmed orders which total 1,300,000 tons. Of this 22% was for hot rolled sheets; 16% cold rolled sheets; 10% galvanized sheets; 14% bars; 7% plates; 4% structural; 4% strip steel and 3% alloy steel. It appears that flat rolled requirements comprise about 60% of the firm orders on mill books.  
"Cold rolled sheet, tinplate and "Steel" of Cleveland, in its

summary of the iron and steel markets, on Aug. 20 stated in part as follows: "Cancellations of steel orders are certain to follow government orders for cessation in manufacturing implements of war now that the Pacific phase is closed, but these are not expected to cause more than temporary interruption of steel production."

"The drop is expected to be substantial while schedules are being revised to meet new conditions but a quick rebound is foreseen. Some predictions are for a decline to the 70% of capacity but a higher figure is likely within a short time and 90% is seen by some observers for later months this year."

"Within a short time automobile production will be well under way, with such other durable goods as washing machines, mechanical refrigerators, railroad cars, agricultural implements, increased building construction, container manufacture and many other lines. All these lines have been pressing for steel supply on unrated orders, which were impossible to fill as long as war needs held precedence."

"Cancellations currently overshadow those experienced at the end of the European phase. Even in ship work, much of which was worked off long ago, Navy cancellations in the immediate past have been about \$7.2 billion. However, it is to be borne in mind that even during the peak of the war effort much steel went into essential civilian products and this will be immediately increased as soon as industry has time to reconvert and resume normal output."

### June Cotton Consumption

The Census Bureau of Washington on Aug. 18 issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles in the month of July.

In the month of July, 1945, cotton consumed amounted to 673,087 bales of lint and 102,732 bales of linters, as compared with 786,063 bales of lint and 117,992 bales of linters in June and 723,402 bales of lint and 133,482 bales of linters in July, 1944.

In the 12 months ending July 31 cotton consumption was 9,575,829 bales of lint and 1,481,063 bales of linters, which compares with 9,943,370 bales of lint and 1,364,794 bales of linters in the corresponding period a year ago.

There were 1,962,602 bales of lint and 245,998 bales of linters on hand in consuming establishments on July 31, 1945, which compares with 2,045,952 bales of lint and 289,455 bales of linters on June 30, 1945, and 1,873,537 bales of lint and 334,753 bales of linters on July 31, 1944.

On hand in public storage and at compresses on July 31, 1945, there were 8,372,539 bales of lint and 26,980 bales of linters, which compares with 9,195,258 bales of lint and 30,457 bales of linters on June 30, and 8,285,432 bales of lint and 56,993 bales of linters on July 31, 1944.

There were 22,030,280 cotton spindles active during July, which compares with 22,188,330 cotton spindles active during June, 1945, and with 22,030,280 active cotton spindles during July, 1944.

### Moody's Daily Commodity Index

Tuesday, Aug. 14	254.8
Wednesday, Aug. 15	253.9
Thursday, Aug. 16	253.7
Friday, Aug. 17	254.2
Saturday, Aug. 18	253.9
Monday, Aug. 20	253.4
Tuesday, Aug. 21	253.7
Two weeks ago, Aug. 7	

## Trading on New York Exchanges

The Securities and Exchange Commission made public on Aug. 15 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 28, 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 28 (in round-lot transactions) totaled 1,610,201 shares, which amount was 16.35% of the total transactions on the Exchange of 4,925,100 shares. This compares with member trading during the week ended July 21, of 1,996,206 shares, or 16.64% of the total trading of 5,998,000 shares. On the New York Curb Exchange, member trading during the week ended July 28 amounted to 350,900 shares or 16.37% of the total volume on that exchange of 1,071,640 shares. During the week ended July 21 trading for the account of Curb members of 402,685 shares was 14.40% of the total trading of 1,398,470 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 28			
A. Total Round-Lot Sales:	Total for week		%
Short sales	156,830		
†Other sales	4,768,270		
<b>Total sales</b>	<b>4,925,100</b>		
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	419,540		
Short sales	56,380		
†Other sales	339,070		
<b>Total sales</b>	<b>395,450</b>	<b>8.28</b>	
2. Other transactions initiated on the floor—			
Total purchases	138,320		
Short sales	11,100		
†Other sales	214,410		
<b>Total sales</b>	<b>225,510</b>	<b>3.69</b>	
3. Other transactions initiated off the floor—			
Total purchases	144,190		
Short sales	44,750		
†Other sales	242,441		
<b>Total sales</b>	<b>287,191</b>	<b>4.38</b>	
<b>4. Total—</b>	<b>702,050</b>		
Short sales	112,230		
†Other sales	785,921		
<b>Total sales</b>	<b>908,151</b>	<b>16.35</b>	

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

WEEK ENDED JULY 28			
A. Total Round-Lot Sales:	Total for week		%
Short sales	12,820		
†Other sales	1,058,820		
<b>Total sales</b>	<b>1,071,640</b>		
B. Round-Lot Transactions for Account of Members: 1. Transactions of specialists in stocks in which they are registered—			
Total purchases	104,900		
Short sales	5,920		
†Other sales	107,130		
<b>Total sales</b>	<b>113,050</b>	<b>10.17</b>	
2. Other transactions initiated on the floor—			
Total purchases	19,200		
Short sales	600		
†Other sales	31,160		
<b>Total sales</b>	<b>31,760</b>	<b>2.38</b>	
3. Other transactions initiated off the floor—			
Total purchases	41,630		
Short sales	3,200		
†Other sales	37,160		
<b>Total sales</b>	<b>40,360</b>	<b>3.82</b>	
<b>4. Total—</b>	<b>165,730</b>		
Short sales	9,720		
†Other sales	175,450		
<b>Total sales</b>	<b>185,170</b>	<b>16.37</b>	
C. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales	0		
†Customers' other sales	53,874		
<b>Total purchases</b>	<b>53,874</b>		
<b>Total sales</b>	<b>42,446</b>		

\*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

†Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."

‡Sales marked "short exempt" are included with "other sales."

## Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite during the week ended Aug. 11, 1945, is estimated by the United States Bureau of Mines at 11,540,000 net tons, an increase of 240,000 tons, or 2.1%, over the preceding week. Output in the corresponding week of 1944 was 12,142,000 tons. The total production of soft coal from Jan. 1 to Aug. 11, 1945 is estimated at 363,496,000 net tons, a decrease of 6.6% when compared with the 389,068,000 tons produced during the period from Jan. 1 to Aug. 12, 1944.

Production of Pennsylvania anthracite for the week ended Aug. 11, 1945, as estimated by the Bureau of Mines, was 1,174,000 tons, a decrease of 32,000 tons (2.7%) from the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 58,000 tons, or 4.7%. The calendar year to date shows a decrease of 15.9% when compared with the corresponding period of 1944.

The Bureau also reports that the estimated production of bee-hive coke in the United States for the week ended Aug. 11, 1945 showed an increase of 4,700 tons when compared with the output

for the week ended Aug. 4, 1945; but was 21,200 tons less than for the corresponding week of 1944.

	ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE IN NET TONS					
	Week Ended			Jan. 1 to Date		
	Aug. 11, 1945	Aug. 4, 1945	Aug. 12, 1944	Aug. 11, 1945	Aug. 12, 1944	Aug. 12, 1944
Bituminous coal & lignite—	11,540,000	11,300,000	12,142,000	363,496,000	389,068,000	363,496,000
Total, including mine fuel—	1,174,000	1,206,000	1,232,000	33,561,000	39,905,000	32,370,000
Daily average	1,923,000	1,883,000	2,024,000	1,920,000	2,037,000	2,037,000

\*Revised. †Subject to current adjustment.

	ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons)					
	Week Ended			Calendar Year to Date		
	Aug. 11, 1945	Aug. 4, 1945	Aug. 12, 1944	Aug. 11, 1945	Aug. 12, 1944	Aug. 12, 1944
Penn. anthracite—	1,174,000	1,206,000	1,232,000	33,561,000	39,905,000	32,370,000
*Total incl. coll. fuel	1,174,000	1,206,000	1,232,000	33,561,000	39,905,000	32,370,000
†Commercial produc.	1,127,000	1,158,000	1,183,000	32,220,000	38,309,000	30,752,000
Beehive coke—						
United States total	102,200	97,500	123,400	3,676,200	4,699,300	2,235,000

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

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

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

State—	Week Ended		
	Aug. 4, 1945	July 28, 1945	Aug. 5, 1944
Alabama	400,000	399,000	353,000
Alaska	6,000	6,000	5,000
Arkansas and Oklahoma	96,000	92,000	88,000
Colorado	131,000	128,000	127,000
Georgia and North Carolina	1,000		
Illinois	1,442,000	1,487,000	1,474,000
Indiana	515,000	507,000	518,000
Iowa	58,000	48,000	41,000
Kansas and Missouri	120,000	104,000	156,000
Kentucky—Eastern	741,000	943,000	969,000
Kentucky—Western	345,000	390,000	340,000
Maryland	36,000	42,000	39,000
Michigan	3,000	2,000	3,000
Montana (bitum. & lignite)	90,000	90,000	79,000
New Mexico	27,000	28,000	30,000
North & South Dakota (lignite)	40,000	41,000	39,000
Ohio	758,000	757,000	668,000
Pennsylvania (bituminous)	2,761,000	2,890,000	2,913,000
Tennessee	123,000	135,000	124,000
Texas (bituminous & lignite)	1,000	1,000	2,000
Utah	125,000	127,000	128,000
Virginia	303,000	363,000	379,000
Washington	29,000	27,000	28,000
West Virginia—Southern	1,920,000	2,075,000	2,201,000
West Virginia—Northern	1,045,000	1,120,000	1,093,000
Wyoming	182,000	195,000	160,000
Other Western States			
<b>Total bituminous &amp; lignite</b>	<b>11,360,000</b>	<b>11,995,000</b>	<b>11,957,000</b>

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

## Non-Ferrous Metals—Markets Inactive as War Ends—Copper Deliveries Off—Mercury Lower

"E. & M. J. Metal and Mineral Markets," in its issue of Aug. 16, stated: "Japan surrendered after the markets closed on Tuesday, Aug. 14, and there was no trading in metals on the two days that followed this momentous announcement. Confusion over the status of the war obtained throughout the last week, and activity in metals, excepting lead, moderated. With cancellation of contracts coming through on all war materials, producers look for widespread confusion until civilian production can be brought to a higher level to absorb the shock. Quicksilver continued to decline in an almost dead market for the metal, but quotations for the major metals were easily maintained. Iridium, one of the metals in the platinum group, was easier. The London market was closed Aug. 15 and 16." The publication further went on to say in part as follows:

### Copper

The Copper Institute's statistics for July revealed that the deliveries to customers continued to decline in that month, falling to 8,661 tons, the lowest monthly total since July, 1940. The peak in deliveries was 218,488 tons in March of the current year. The industry maintains that actual consumption of copper in July was in excess of the tonnage delivered, because most fabricators were engaged in the process of reducing their inventories to cope with the changed conditions brought on by cutbacks in the war program.

Action in reference to purchases of foreign copper and the future of the premium price plan is likely in the near future, but the industry believes that nothing will be done in Washington to upset the domestic market. With cutbacks in war products containing copper coming through daily, the level of consumption for the next month or two is not expected to change materially one way or the other. Deflation in copper consumption already has been severe. Uncertainty exists in regard to the foreign situation, but this has not yet been reflected in quotations.

Mine production of copper in this country in June was esti-

mated at 69,012 tons, which compares with 71,419 tons in May and 68,077 tons in April, according to the Bureau of Mines.

### Lead

Sales of lead were in good volume and would have been larger if a strike at the Federal plant of the American Smelting & Refining Co., at Federal, Ill., had not caused some producers to limit their offerings. The sales total for the week ended Aug. 15 was 6,333 tons, against 7,759 tons in the preceding week. The last day of the week was a holiday. Restrictions on use of lead are expected to be eased further, particularly in reference to white lead.

Mine output of lead in the United States, in terms of recoverable metal, was 33,476 tons in June, a decrease of 1,440 tons from the total for the preceding month, the Bureau of Mines reports. The daily rate of production for June was 1,116 tons, against 1,126 tons in May.

### Zinc

Call for zinc was moderate during the last week. The supply situation is easing in all directions and the industry hopes for the elimination of all controls on zinc at an early date. Cutbacks in galvanizing for the war program are taking place, which is expected to divert more Prime Western zinc for civilian products. The bottleneck in sheet steel will be broken soon.

### Tin

Holding to the view that production of tin in the Far East cannot be resumed on a scale to influence the supply-demand situation in the metal for some time to come, the War Production

Board continues to issue dire warnings to consumers, particularly where reconversion plans call for tin in one form or another. New restrictions on both use and inventories were issued last week in Direction 2 to Order M-43.

There were no new developments last week in reference to the extension of the contract to purchase tin concentrates from Bolivian sources.

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

	Aug.	Sept.	Oct.
Aug. 9	52.000	52.000	52.000
Aug. 10	52.000	52.000	52.000
Aug. 11	52.000	52.000	52.000
Aug. 13	52.000	52.000	52.000
Aug. 14	52.000	52.000	52.000
Aug. 15	Holiday		

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

### Quicksilver

With cutbacks in the battery program imminent, the trade looks for a sharp reduction in consumption. Buying of the metal came to a standstill in the last few days. Prices were largely nominal, for large consumers could not be interested to purchase metal under prevailing unsettled circumstances. There were sellers at \$125-\$130 per flask.

The latest statistics of the Bureau of Mines showed that 8,500 flasks of quicksilver were consumed in June, the second largest month on record. The industry expected a moderate decline in both June and July, and possibly in August. With the Japanese war ended consumption estimates have been revised downward, and general unsettlement is expected to prevail until peacetime uses, some claimed to be new, enter into the picture.

San Francisco advices under date of Aug. 14 state that most sellers have withdrawn their quotations. Production is expected to fall. Some mines are suspending operations.

### Silver

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

## NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Aug. 15 a summary for the week ended Aug. 4 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

### STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended Aug. 4, 1945	
Odd-Lot Sales by Dealers— (Customers' sales)	Total For Week
Number of orders	17,450
Number of shares	480,366
Dollar value	\$18,231,888
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	108
*Customer's other sales	14,495
Customers' total sales	14,603
Number of Shares:	
Customers' short sales	4,190
*Customers' other sales	356,386
Customers' total sales	360,576
Dollar value	\$12,987,331
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	110
†Other sales	69,290
Total sales	69,400
Round-Lot Purchases by Dealers—	
Number of shares	203,120

\*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. 11, 1945, Increased 11,950 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Aug. 11, 1945, was 4,934,050 barrels, a gain of 11,950 barrels over the preceding week and an increase of 266,750 barrels per day over the corresponding week of 1944. The current output figure also exceeded the daily average figure recommended by the Petroleum Administration for War for the month of August, 1945, by 33,150 barrels. Daily production for the four weeks ended Aug. 11, 1945, averaged 4,932,600 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 5,072,000 barrels of crude oil daily and produced 15,547,000 barrels of gasoline; 1,542,000 barrels of kerosene; 5,082,000 barrels of distillate fuel, and 9,434,000 barrels of residual fuel oil during the week ended Aug. 11, 1945; and had in storage at the end of that week 46,926,000 barrels of civilian grade gasoline; 39,381,000 barrels of military and other gasoline; 11,046,000 barrels of kerosene; 36,977,000 barrels of distillate fuel, and 42,927,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations August	*State Allowables Begin. Aug. 1	Actual Production Week Ended Aug. 11 1945	Change from Previous Week	4 Weeks Ended Aug. 11 1945	Week Ended Aug. 12 1944
Oklahoma	380,000	388,000	1,391,000	+ 150	390,750	339,600
Kansas	274,000	269,400	1,268,250	+ 10,700	271,650	277,150
Nebraska	1,000	---	1850	---	850	900
Panhandle Texas	---	88,000	---	---	87,750	98,700
North Texas	---	152,850	---	---	152,600	148,750
West Texas	---	526,650	---	---	524,000	484,950
East Central Texas	---	145,600	---	---	142,300	147,650
East Texas	---	386,950	---	---	380,250	371,700
Southwest Texas	---	361,650	---	+ 550	361,050	321,650
Coastal Texas	---	567,600	---	---	568,250	535,200
Total Texas	2,190,000	2,195,012	2,223,300	+ 550	2,216,200	2,108,600
North Louisiana	---	69,400	---	- 1,100	70,200	73,850
Coastal Louisiana	---	295,700	---	---	296,300	288,950
Total Louisiana	360,000	408,698	365,100	- 1,100	366,500	362,800
Arkansas	80,000	77,836	79,900	- 150	79,800	81,000
Mississippi	53,000	---	52,850	+ 100	52,400	45,450
Alabama	500	---	950	---	950	200
Florida	---	200	---	---	200	50
Illinois	200,000	---	198,450	- 4,650	201,750	209,850
Indiana	13,000	---	13,200	- 200	13,350	12,950
Eastern— (Not incl. Ill., Ind., Ky.)	65,200	---	64,750	- 950	64,400	77,550
Kentucky	28,000	---	29,800	+ 250	29,700	25,300
Michigan	47,000	---	50,100	+ 1,600	47,900	49,400
Wyoming	118,200	---	117,200	+ 5,150	114,700	83,800
Montana	22,000	---	20,400	+ 50	20,600	21,800
Colorado	12,000	---	11,400	- 700	11,850	8,150
New Mexico	105,000	105,000	102,850	---	103,050	108,550
Total East of Calif.	3,948,900	---	3,990,550	+ 10,750	3,986,600	3,813,100
California	952,000	\$952,000	943,500	+ 1,200	946,000	854,200
Total United States	4,900,900	---	4,934,050	+ 11,950	4,932,600	4,667,300

\*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. Aug. 2, 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. 11, 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 Capacity Re-ported	Crude Runs to Stills	% Operating	Gasoline		Stocks		Gasoline Stocks	
				Production of Ref. Inc. Nat. & Dist. Blended	Production of Ref. Gas Oil & Dist. Fuel Oil	Gas Oil	Residual Fuel Oil	Milli-tary and Other	Civilian Grade
East Coast	99.5	811	102.5	1,643	9,630	6,212	5,741	8,271	
Appalachian—									
District No. 1	76.8	100	68.5	328	414	263	1,765	1,230	
District No. 2	81.2	60	120.0	189	128	168	245	1,103	
Ind., Ill., Ky.	87.2	321	95.8	2,969	5,165	2,757	5,942	12,857	
Okl., Kan., Mo.	78.3	394	84.0	1,374	2,416	1,393	1,666	6,356	
Inland Texas	59.8	244	73.9	1,021	450	975	1,015	1,710	
Texas Gulf Coast	89.3	1,238	100.1	3,791	5,411	5,396	10,181	5,660	
Louisiana Gulf Coast	96.8	262	100.8	853	1,767	1,087	1,966	2,629	
No. La. & Arkansas	55.9	81	64.3	238	1,034	236	150	2,075	
Rocky Mountain—									
District No. 3	17.1	14	107.7	41	20	35	10	77	
District No. 4	72.1	119	74.8	381	348	615	632	1,453	
California	87.3	928	93.1	2,519	10,194	23,790	10,128	3,495	
Total U. S. B. of M. basis Aug. 11, 1945	85.8	5,372	93.3	15,547	36,977	42,927	39,381	46,926	
Total U. S. B. of M. basis Aug. 4, 1945	85.8	5,077	93.4	16,053	36,721	42,842	38,661	46,151	
U. S. B. of M. basis Aug. 12, 1944	---	4,546	---	13,869	39,414	57,222	36,580	43,135	

\*Includes aviation and military gasoline 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 11,221,000 barrels unfinished gasoline this week, compared with 11,504,000 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. †Revised due to error by reporting company. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,542,000 barrels of kerosene, 5,082,000 barrels of gas oil and distillate fuel oil and 9,434,000 barrels of residual fuel oil produced during the week ended Aug. 11, 1945, which compares with 1,459,000 barrels, 4,758,000 barrels and 9,451,000 barrels, respectively, in the preceding week and 1,438,000 barrels, 4,799,000 barrels and 8,100,000 barrels, respectively, in the week ended Aug. 12, 1944.

Note—Stocks of kerosene at Aug. 11, 1945, amounted to 11,046,000 barrels, as against 11,420,000 barrels a week earlier and 12,194,000 barrels a year before.

### Wholesale Prices Unchanged in Week Ended Aug. 11, Labor Department Reports

The Bureau of Labor Statistics' index of commodity prices in primary markets remained unchanged during the week ended Aug. 11, at the level of the preceding week, said the United States Department of Labor, which on Aug. 18 reported that "lower prices for agricultural commodities offset higher prices for coke and higher sales realizations for gas." "At 105.7% of the 1926 average, the overall index was 0.1% above the level of a month ago and 1.6% above the corresponding week of last year," the Department stated. In its advices it further said:

**"Farm Products and Foods"**—Average market prices of farm products declined 0.6% during the week as the result of lower quotations for fresh fruits and vegetables, grains and livestock. Prices of white potatoes, onions, lemons, and oranges declined seasonally. Apples were higher, reflecting the short crop. Among the grains, oats dropped sharply as the result of an unusually large crop, and wheat, corn, and rye were lower. Barley rose seasonally. In addition to the decline of more than 5% during the previous week, quotations for sheep dropped nearly 8% as payment of subsidies directly to producers rather than to slaughterers became effective. Steers were lower with larger shipments of grass-fed animals to market. Eggs advanced seasonally and fresh milk at Chicago was fractionally higher. Quotations for cotton were lower. The group index for farm products was 0.1% above the level of a month ago and 2.8% higher than in mid-August, 1944.

"Average prices for foods declined 0.1% as lower prices for fresh fruits and vegetables more than offset higher quotations for eggs and wheat flour. The group index was 0.7% higher than last month and 0.8% above the corresponding week of a year ago.

**"Other Commodities"**—Average prices for coke rose 3.0% during the week following increased OPA ceilings for by-product coke to cover higher coal and labor costs. This price advance and higher sales realizations for natural and manufactured gas raised the group index for fuel and lighting materials by 0.5%. Prices for steel bars were higher under increased ceilings. Some types of farm machinery advanced following ceiling adjustments for individual manufacturers. Mercury quotations continued to decline while turpentine prices were higher. These changes did not affect the group index for all commodities other than farm products and foods, which remained unchanged at a level 1.2% above that of mid-August, 1944."

The Labor Department also 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 14, 1945 and Aug. 12, 1944, and (2) percentage changes in subgroup indexes from Aug. 4, 1945 to Aug. 11, 1945.

WHOLESALE PRICES FOR WEEK ENDED AUG. 11, 1945 (1926=100)

Commodity Groups—	8-11 1945	8-4 1945	7-28 1945	7-14 1945	8-12 1944	Percentage change to Aug. 11, 1945, from—		
						8-4 1945	7-14 1945	8-12 1944
All commodities	105.7	105.7	105.8	105.6	104.0	0	+0.1	+1.6
Farm products	128.3	129.1	129.7	128.2	124.8	-0.6	+0.1	+2.8
Foods	106.9	107.0	107.4	106.2	106.1	-0.1	+0.7	+0.8
Hides and leather products	118.5	118.5	118.5	118.5	116.8	0	0	+1.5
Textile products	99.7	99.1	99.1	99.1	97.5	0	0	+1.6
Fuel and lighting materials	95.2	94.8	94.8	94.8	83.8	+0.5	+0.5	+1.7
Metals and metal products	104.3	104.3	104.3	104.3	103.8	0	0	+1.0
Building materials	117.3	117.3	117.3	117.3	116.0	0	0	+1.1
Chemicals and allied products	95.2	95.2	95.2	95.2	95.4	0	0	-0.2
Miscellaneous goods	106.2	106.2	106.2	106.2	106.0	0	0	+0.2
Household commodities	94.6	94.6	94.6	94.6	93.3	0	0	+1.4
Raw materials	117.7	118.1	118.5	117.6	114.3	-0.3	+0.1	+3.0
Semimanufactured articles	95.3	95.2	95.2	95.2	93.8	+0.1	+0.1	+1.6
Manufactured products	102.0	101.9	101.9	101.9	101.1	+0.1	+0.1	+0.9
All commodities other than farm products	100.7	100.6	100.6	100.6	99.5	+0.1	+0.1	+1.2
All commodities other than farm products and foods	99.9	99.9	99.8	99.8	98.7	0	+0.1	+1.2

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM AUG. 4, 1945 TO AUG. 11, 1945

Commodity Groups—	Increases		Decreases
	8-11 1945	8-4 1945	
Coke	3.0	Other Foods	0.3
Bituminous coal	0.3	Cereal Products	0.1
Paint and paint materials	0.1		
Fruits and vegetables	1.5	Other farm products	0.6
Grains	1.1	Livestock and poultry	0.5

### Latest Summary of Copper Statistics

The Copper Institute on Aug. 10 released the following statistics pertaining to production, deliveries and stocks of duty-free copper.

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE

U. S. Duty Free Copper	Production	Deliveries to Customers		Stocks End of Period	Stock Increase (+) or Decrease (-)
		*Domestic	Export		
Year 1939	836,074	818,289	814,407	159,485	+17,785
Year 1940	992,293	1,033,710	1,001,886	142,772	-41,417
Year 1941	1,016,996	1,065,667	1,545,541	75,564	-48,671
Year 1942	1,152,344	1,135,708	1,635,236	65,309	+16,636
Year 1943	1,194,699	1,206,871	1,643,677	52,121	-12,172
Year 1944	1,056,180	1,098,788	1,636,295	66,780	-42,608
7 Mos., 1945	512,385	522,198	1,019,983	76,166	+9,813
Jan., 1945	73,754	67,726	145,904	59,715	+6,028
Feb., 1945	67,496	69,950	172,585	57,142	+2,454
Mar., 1945	76,537	76,395	218,488	51,861	+142
Apr., 1945	74,392	75,436	161,111	55,453	-1,044
May, 1945	74,469	85,319	139,203	63,841	-10,650
June, 1945	72,271	74,377	94,031	70,738	-2,106
July, 1945	73,466	72,995	88,661	76,166	+471

\*Mine or smelter production or shipments, and custom intake including scrap. †Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

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

Note—Statistics for the months of May and June, 1945, have been revised.

### NAM Announces New Reconversion Council

Economic guide posts for industry's peacetime production will be set up by a new "Reconversion Council," it was stated on Aug. 18 by Ira Mosher, President of the National Association of Manufacturers, in announcing the appointment of Robert R. Wason, President of Manning, Maxwell & Moore as Chairman of the new NAM group. E. M. Voorhees, Chairman of the Finance Committee of the United States Steel Corporation, will be Vice-Chairman.

"Industry has long been planning for this reconversion period," said Mr. Mosher. "This planning has not only taken place in individual companies, but by various committees and groups within the National Association of Manufacturers and other business bodies. As a result of this planning, and because of the pent-up demand for civilian goods, we can look to the future with optimism. Our surveys indicate there should be a large number of jobs in private industry and business for American workers in a comparatively short time." Mr. Mosher added:

"All this is not to say that industry will not have problems in the reconversion period. There will be many of them, and upon the way they are solved will depend much of our peacetime prosperity. These problems involve decisions by both government and management. We must find the right answers if we are to have maximum production and maximum employment in the peaceful years ahead.

"It is for these reasons that this 'Reconversion Council' has been established. It will be a coordinating body on reconversion problems within the NAM. It will be composed primarily of representatives of our various committees who have long been studying detailed problems of reconversion, such as contract termination, disposal of surpluses and price controls. The common goal of all these committees is full production and jobs."

Among the NAM Committees that will be represented on the new Reconversion Council will be those on Civilian Production Resumption, Distribution, Economic Policy, Contract Termination, Disposal of Government-Owned Plants and Materials, Industrial Relations, Inflation Control, Taxation, Veteran Re-Employment, War Control Termination and World Trade Policy.

### Results of Treasury Bill Offering

The Secretary of the Treasury announced on Aug. 20 that the tenders of \$1,300,000,000 or thereabouts of 92-day Treasury bills to be dated Aug. 23 and to mature Nov. 23, 1945, which were offered on Aug. 17, were opened at the Federal Reserve Bank on Aug. 20.

The details of this issue are as follows:

Total applied for, \$1,956,339,000.

Total accepted, \$1,310,516,000 (includes \$50,185,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price, 99.904, equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids:

High, 99.909, equivalent rate of discount approximately 0.350% per annum.

Low, 99.904, equivalent rate of discount approximately 0.376% per annum.

(63% of the amount bid

# Revenue Freight Car Loadings for Week Ended Aug. 11, 1945 Increased 6,097 Cars

Loading of revenue freight for the week ended Aug. 11, 1945, totaled 870,007 cars, the Association of American Railroads announced on Aug. 18. This was a decrease below the corresponding week of 1944 of 25,174 cars, or 2.8%, and a decrease below the same week in 1943 of 17,157 cars or 1.9%.

Loading of revenue freight for the week of Aug. 11 increased 6,097 cars, or 0.7% above the preceding week.

Miscellaneous freight loading totaled 382,149 cars, a decrease of 1,197 cars below the preceding week, and a decrease of 15,506 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 106,855 cars, an increase of 2,456 cars above the preceding week and an increase of 250 cars above the corresponding week in 1944.

Coal loading amounted to 169,344 cars, an increase of 4,925 cars above the preceding week, but a decrease of 9,633 cars below the corresponding week in 1944.

Grain and grain products loading totaled 63,481 cars, a decrease of 170 cars below the preceding week but an increase of 12,275 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Aug. 11 totaled 41,784 cars, a decrease of 172 cars below the preceding week but an increase of 5,845 cars above the corresponding week in 1944.

Livestock loading amounted to 14,932 cars, an increase of 1,475 cars above the preceding week, but a decrease of 1,035 cars below the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of Aug. 11 totaled 11,186 cars, an increase of 1,391 cars above the preceding week, but a decrease of 453 cars below the corresponding week in 1944.

Forest products loading totaled 46,356 cars, an increase of 195 cars above the preceding week but a decrease of 3,784 cars below the corresponding week in 1944.

Ore loading amounted to 72,845 cars, a decrease of 1,574 cars below the preceding week and a decrease of 7,581 cars below the corresponding week in 1944.

Coke loading amounted to 14,045 cars, a decrease of 13 cars below the preceding week, and a decrease of 155 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 Southern 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
4 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
4 Weeks of June	4,364,662	4,338,886	4,003,393
4 Weeks of July	3,378,266	3,459,830	3,455,328
Week of August 4	863,910	889,594	872,133
Week of August 11	870,007	895,181	887,164
<b>Total</b>	<b>26,374,128</b>	<b>26,529,806</b>	<b>25,546,002</b>

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 11, 1945. During the period 63 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. 11

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1945	1944	1945	1944
<b>Eastern District—</b>				
Ann Arbor	361	303	253	1,422
Bangor & Arrostook	1,371	1,166	776	354
Boston & Maine	7,190	6,499	6,617	13,312
Chicago, Indianapolis & Louisville	1,337	1,301	1,382	2,008
Central Indiana	38	30	29	61
Central Vermont	1,137	1,070	1,315	2,201
Delaware & Hudson	4,895	5,013	6,674	11,188
Delaware, Lackawanna & Western	7,807	8,020	7,869	9,914
Detroit & Mackinac	230	232	187	160
Detroit, Toledo & Ironton	1,834	1,757	2,232	1,493
Detroit & Toledo Shore Line	347	312	326	2,423
Erie	12,411	12,626	13,622	15,958
Grand Trunk Western	4,160	3,710	3,706	7,767
Lehigh & Hudson River	150	147	184	3,029
Lehigh & New England	2,234	2,088	2,076	1,605
Lehigh Valley	8,927	8,689	8,777	9,661
Maine Central	2,570	2,385	2,381	2,843
Monongahela	5,973	6,166	6,098	306
Montour	2,731	2,439	2,369	23
New York Central Lines	51,594	51,031	57,206	49,814
N. Y. N. H. & Hartford	10,368	9,260	9,766	15,906
New York, Ontario & Western	977	1,250	1,334	3,351
New York, Chicago & St. Louis	6,638	6,539	7,478	14,469
N. Y., Susquehanna & Western	439	379	561	2,179
Pittsburgh & Lake Erie	7,663	7,554	7,685	9,296
Perre Marquette	5,289	5,375	4,908	7,202
Pittsburgh & Shawmut	866	920	899	31
Pittsburgh, Shawmut & North	183	366	398	321
Pittsburgh & West Virginia	1,050	1,446	1,123	2,502
Rutland	371	348	326	1,082
Wabash	6,162	5,817	5,819	10,790
Wheeling & Lake Erie	6,578	6,455	5,144	4,410
<b>Total</b>	<b>163,888</b>	<b>160,693</b>	<b>169,520</b>	<b>206,881</b>

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1945	1944	1945	1944
<b>Allegheny District—</b>				
Akron, Canton & Youngstown	713	729	788	1,075
Baltimore & Ohio	47,333	48,300	43,024	25,300
Bessemer & Lake Erie	5,566	6,905	6,021	2,370
Buffalo Creek & Gauley	†	†	268	†
Cambria & Indiana	1,644	1,720	1,833	15
Central R. R. of New Jersey	6,421	7,034	7,517	18,069
Cornwall	482	565	667	35
Cumberland & Pennsylvania	163	195	233	8
Ligonier Valley	*106	172	136	*71
Long Island	2,651	2,147	1,707	4,196
Penn.-Reading Seashore Lines	1,864	1,963	1,976	2,211
Pennsylvania System	87,135	89,027	88,471	59,940
Reading Co.	14,467	14,737	15,733	27,374
Union (Pittsburgh)	17,177	19,157	21,528	6,900
Western Maryland	4,109	4,089	4,090	12,242
<b>Total</b>	<b>190,371</b>	<b>196,740</b>	<b>193,992</b>	<b>159,896</b>

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1945	1944	1945	1944
<b>Poconchos District—</b>				
Chesapeake & Ohio	28,939	31,035	28,990	14,201
Norfolk & Western	20,141	22,491	22,836	7,305
Virginian	4,517	4,617	4,864	2,210
<b>Total</b>	<b>53,597</b>	<b>58,143</b>	<b>56,690</b>	<b>23,716</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
<b>Southern District—</b>						
Alabama, Tennessee & Northern	551	369	271	277	309	2,609
Atl. & W. P.—W. R. of Ala.	793	801	642	2,153	2,609	1,142
Atlanta, Birmingham & Coast	995	1,003	867	1,142	1,233	9,683
Atlantic Coast Line	10,711	10,167	11,303	9,011	9,683	4,985
Central of Georgia	3,758	3,806	3,711	4,448	4,985	1,641
Charleston & Western Carolina	505	463	435	1,348	1,641	2,941
Clinchfield	1,740	1,895	1,727	2,513	2,941	274
Columbus & Greenville	246	196	286	262	274	499
Durham & Southern	98	117	83	393	499	1,521
Florida East Coast	783	861	1,409	1,229	1,521	94
Gainesville Midland	59	56	45	100	94	2,435
Georgia	1,370	1,043	1,153	2,578	2,435	598
Georgia & Florida	115	684	646	194	598	4,385
Gulf, Mobile & Ohio	4,766	4,516	3,936	4,639	4,385	17,342
Illinois Central System	26,387	28,625	28,573	16,898	17,342	11,873
Louisville & Nashville	25,002	26,204	24,774	11,708	11,873	650
Macon, Dublin & Savannah	232	185	250	723	650	4,458
Mississippi Central	500	328	245	478	574	1,241
Nashville, Chattanooga & St. L.	3,256	3,111	3,078	4,512	4,458	8,805
Norfolk Southern	992	807	937	1,560	2,203	1,165
Piedmont Northern	415	341	333	1,165	1,241	8,006
Richmond, Fred. & Potomac	483	479	415	8,006	9,627	7,992
Seaboard Air Line	9,609	9,178	10,000	7,992	8,805	25,375
Southern System	24,852	25,297	21,540	23,676	25,375	678
Tennessee Central	616	704	534	949	678	1,149
Winston-Salem Southbound	151	134	135	1,161	1,149	
<b>Total</b>	<b>118,985</b>	<b>121,370</b>	<b>117,328</b>	<b>109,125</b>	<b>117,178</b>	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
<b>Northwestern District—</b>						
Chicago & North Western	20,451	20,138	21,486	15,299	13,802	3,176
Chicago Great Western	2,457	2,829	2,903	3,732	3,176	11,233
Chicago, Milw., St. P. & Pac.	22,953	22,507	21,157	11,003	11,233	4,155
Chicago, St. Paul, Minn. & Omaha	3,803	3,582	4,792	4,560	4,155	446
Duluth, Missabe & Iron Range	26,285	27,411	30,582	312	446	514
Duluth, South Shore & Atlantic	964	985	992	585	514	8,566
Elgin, Joliet & Eastern	8,439	8,901	8,038	8,566	10,957	88
Ft. Dodge, Des Moines & South	410	394	455	84	88	7,051
Great Northern	22,557	26,565	25,514	10,161	7,051	911
Green Bay & Western	*420	520	389	*819	911	44
Lake Superior & Ishpeming	1,922	2,328	3,149	56	44	2,602
Minneapolis & St. Louis	2,221	2,116	1,981	2,683	2,602	3,192
Minn., St. Paul & S. S. M.	7,539	6,971	6,450	3,437	3,192	6,289
Northern Pacific	11,921	11,564	11,957	7,058	6,289	628
Spokane International	322	181	187	651	628	3,406
Spokane, Portland & Seattle	2,652	2,840	2,890	3,136	3,406	
<b>Total</b>	<b>135,316</b>	<b>139,812</b>	<b>144,922</b>	<b>72,142</b>	<b>68,494</b>	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
<b>Central Western District—</b>						
Ach., Top. & Santa Fe System	27,116	28,941	21,714	15,145	13,903	4,488
Alton	3,887	3,787	3,768	3,744	4,488	67
Bingham & Garfield	355	398	493	61	67	12,706
Chicago, Burlington & Quincy	20,495	20,832	20,860	13,068	12,706	833
Chicago & Illinois Midland	3,031	3,115	3,190	870	833	13,144
Chicago, Rock Island & Pacific	13,161	13,728	12,960	13,518	13,144	6,242
Chicago & Eastern Illinois	2,793	2,606	2,630	4,398	6,242	2,723
Colorado & Southern	327	749	953	2,179	2,723	6,867
Denver & Rio Grande Western	3,693	4,257	4,234	7,830	6,867	94
Denver & Salt Lake	826	815	761	47	94	1,974
Fort Worth & Denver City	820	1,016	1,334	1,512	1,974	2,217
Illinois Terminal	1,851	2,599	1,903	2,184	2,217	732
Missouri-Illinois	1,338	1,214	1,195	675	732	97
Nevada Northern	1,462	1,646	1,987	98	97	15,171
North Western Pacific	1,052	1,116	1,291	1,117	882	1,830
Peoria & Pekin Union	12	0	21	0	0	14,646
Southern Pacific (Pacific)	33,945	34,372	34,053	15,171	14,646	2,067
Toledo, Peoria & Western	374	268	335	2,067	1,830	18,614
Union Pacific System	18,256	18,289	15,747	20,755	18,614	3
Utah	644	493	610	3	1	4,522
Western Pacific	2,381	2,283	2,254	5,442	4,522	
<b>Total</b>	<b>138,089</b>	<b>142,524</b>	<b>132,293</b>	<b>109,884</b>	<b>106,582</b>	

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1945	1944	1945	1944
<b>Southwestern District—</b>				
Burlington-Rock Island	370	929	532	252
Gulf Coast Lines	4,161	5,624	5,426	2,356
International-Great Northern				

## Items About Banks, Trust Companies

On August 20th, officers of Central Savings Bank of New York announced that deposits at the bank's uptown office (73rd Street and Broadway) passed the \$100,000,000 mark with the number of accounts totaling more than 83,000. In 1924, Central Savings Bank, located at 14th Street and Broadway (now its downtown office) opened temporary uptown quarters in a small store at 76th Street and Broadway, while its present building at 73rd Street and Broadway was under construction. When the bank's uptown office was completed on Dec. 10, 1928, deposits there totaled \$13,450,000 with approximately 20,000 accounts. At the present time, it is announced, total deposits at both offices exceed \$232,411,000 with over 190,000 accounts.

Arthur S. Kleeman, President of the Colonial Trust Co. of New York, states that when the banks opened for business on the morning of Aug. 16, after the holiday resulting from President Truman's proclamation making the previous day one of celebration of Japan's surrender, each office of the Colonial Trust Co. displayed in its windows the following poster: "With the war ended this bank now dedicates itself to the perpetuation of peace, through the furtherance of international multilateral trade." "This dedication," announced Mr. Kleeman, "states the principle which this bank believes to be of vital importance in the saving of the world's peoples from a return to the chaos of war, for nations which have mutually profitable interchanges of trade have no time and no inclination to incite strife."

Eric P. Swenson, banker and industrialist, died on Aug. 14 at his summer home at Upper Saranac Lake. He was 90 years old. He had been a member of the board of directors of The National City Bank of New York for 33 years and was board chairman from 1921 to 1929, retiring at the time of the bank's merger with The Farmers Loan & Trust Co. Mr. Swenson was a pioneer in the sulphur industry, was formerly President of the Freeport Texas Co. (now Freeport Sulphur), and at one time held many important directorships, including Southern Pacific Co., Pacific Oil Co., Pacific Mail Steamship Co., and New York Shipbuilding Co. He was born in Austin, Tex., April 24, 1855, and attended Trinity College. He continued to have extensive interests in Texas and was President of the Swenson Land & Cattle Co., which holds broad grazing lands and operates numerous ranches. He was senior partner of S. M. Swenson & Sons.

Stockholders of Lafayette National Bank of Brooklyn in New York voted on Aug. 14 to approve reduction of the par value of the common stock from \$100 to \$20 per share, according to announcement by George P. Kennedy, President. Stockholders also approved an increase of \$100,000 in the bank's capital stock to \$850,000.

Joseph A. Kaiser has been elected an Executive Vice-President of the Williamsburgh Savings Bank of Brooklyn, N. Y., Elliott M. Eldredge, President, announces. The Brooklyn "Daily Eagle" states that Mr. Kaiser has been with the bank for 20 years.

John C. Trefts Jr. has been chosen as a director of the Buffalo Industrial Bank of Buffalo, N. Y., President Victor C. Holden announced on Aug. 13, it is learned from the Buffalo "Evening News," which also said:

"Selection of Mr. Trefts increases the institution's direc-

torate to eight. Mr. Trefts has been Vice-President in charge of sales of Farrar & Trefts, Inc., since 1930. He formerly was with the Electric Storage Battery Co. of Detroit."

A new type of banking business has been announced by the Bank of Passaic (N. J.) & Trust Co. It is a funeral expense budget plan. The bank urges the public to set aside funds to pay funeral expenses by purchasing an "Omega certificate" for cash payment or on an insured loan basis. Bank officials cite two outstanding advantages of the plan: (1) Provision is made in advance against a contingency that is virtually sure to come. (2) The amount of the funeral cost is predetermined, thus relieving the deceased's relatives of the burden of making difficult decisions in their bereavement.

Holder of more than 70% of the stock of the Baltimore Commercial Bank of Baltimore, Md., have signed their acceptance of the offer of the Union Trust Co. of Maryland (Baltimore) to buy their stock, Thomas B. McAdams, President of Union Trust, announced on Aug. 16, it was stated by J. S. Armstrong, Financial Editor of the Baltimore "Sun" of Aug. 17, from which we also quote:

As a result of this action, the Union Trust Co. will take over the business and operations of the Baltimore Commercial, effective at the close of business Saturday, Sept. 1, Mr. McAdams stated.

"On Tuesday, Sept. 4, following the Labor Day holiday, the four offices of the Baltimore Commercial Bank will be opened as branches of the Union Trust Co. These offices are located at Two South Street, Monument Street and Collington Avenue, Charles and Preston Streets, and on Washington Boulevard at Barre Street.

"Mr. McAdams said more than the requisite number of shares of stock of the Baltimore Commercial Bank had been deposited in acceptance of the Union Trust offer of \$30.69 a share on expiration of the time limit at the close of business Wednesday. The stock was deposited with Robert C. Willis, President of the Baltimore Commercial, and Brooks B. O'Neill, Vice-President and Cashier of that bank, acting as agents to carry out the transaction.

"Mr. Willis and Mr. O'Neill have been elected a Vice-President and an Assistant Vice-President, respectively, of the Union Trust Co. All other members of the staff of the Baltimore Commercial will join the Union Trust organization.

Directors of the First National Bank of St. Paul announced on Aug. 14 the election of R. C. Lilly, who has been President of the bank since 1918, as Chairman of the board and election of Julian R. Baird as President. The Minneapolis "Star-Journal" also added in its Aug. 14 issue:

"The directors also elected Philip L. Ray to the newly-created position of Chairman of the Executive Committee.

"The actions were taken when Mr. Lilly, who has been associated with the bank and its predecessor, Merchants National Bank, for 45 years, announced his resignation as President and F. R. Bigelow, who had been Chairman of the board for 10 years, announced he was retiring from all active business duties.

"Mr. Baird has been associated with affiliates of the bank since 1920 and has been a Vice-President since 1936. Mr. Ray has been President of the First Trust Co. and Vice-President of the First National Bank since 1930.

A. H. Kennedy, President of the First Bank Stock Corp. of Minneapolis, has announced the election

of Henry E. Atwood, President of the First National Bank of Minneapolis, as a director, member of the executive committee, and Vice-President of the corporation. The Minneapolis "Journal" of Aug. 16 also states:

"Mr. Atwood also was elected a director of First Service Corp., operating affiliate of the corporation. Mr. Atwood succeeds Lyman E. Wakefield, late President of the Minneapolis bank, in these positions. Richard C. Lilly, Chairman of the board of the First National Bank of St. Paul, resigned as Vice-President of the First Bank Stock Corp. and Julian B. Baird, who was elected President of the St. Paul bank this week, was elected Vice-President of the corporation to succeed Mr. Lilly."

Directors of Union Bank & Trust Co. of Los Angeles, Calif., voted on Aug. 9 to increase the capital and surplus by \$1,000,000 through the offering of an additional 10,000 shares of \$50 par capital stock to stockholders at \$100 a share in the ratio of one new share for each five presently held. Advices to this effect were contained in the Los Angeles "Times" of Aug. 10, which also had the following to say:

"A special meeting of stockholders has been called for Sept. 6 to ratify the action, following which it will be submitted to the California Superintendent of Banks.

"At present the bank has capital of \$2,500,000, represented by 50,000 shares of capital stock, and surplus of a like amount. Proceeds from the sale of the additional stock would be used to increase both the capital account and surplus to \$3,000,000 each.

"In a letter to stockholders, Ben R. Meyer, President, said that the increase in capital funds is required by the bank's growth, and is in line with broad recommendations of bank supervisory authorities that commercial banks increase their capital accounts by seeking additional capital through the sale of new stock.

"An underwriting agreement will be entered into with Dean Witter & Co., Stern, Frank & Meyer, A. W. Morris Co., and Pacific Co. of California for the purchase of all shares not subscribed by stockholders.

Action was taken on Aug. 13 by the board of directors of the United States National Bank of Portland, Ore., proposing to increase the capital stock by the issuance of 100,000 shares at the price of \$40 a share, it was announced by E. C. Sammons, President of the institution. Reporting this, the Portland "Oregonian" of Aug. 14 said:

"This will add \$4,000,000 to the bank's capital structure, and the capital funds will be set up as follows:

"Capital, \$8,000,000; surplus, \$10,000,000; undivided profits and unallocated reserves, \$4,750,000, for a total of \$22,750,000.

"It was announced that a meeting of the bank's stockholders will be called for Aug. 31 for approval of this proposal. Stockholders of record Aug. 31 will be offered the right to subscribe at \$40 for one share for each three old shares held."

The First National Bank of Madras, Ore., became the 29th unit in the State-wide organization of the United States National Bank of Portland on Aug. 13 as a result of a consolidation announced Aug. 11 by E. C. Sammons, President of the United States National Bank. Frank Barton, Financial Editor of the Portland "Oregonian," in indicating this, added in part:

"Mr. Sammons said that the move to provide United States National Bank service to the Madras community had been approved by the Comptroller of the Currency.

"Howard W. Turner, who has

## Agriculture Dept. Reorganized—AAA Ends

Secretary of Agriculture Clinton P. Anderson has announced the reorganization of his Department to meet peacetime needs. Designed to centralize responsibility for commodity programs, the setup establishes a new super agricultural agency—the Production and Marketing Administration, to consist of ten commodity branches, several functional branches and an over-all field service branch to carry to the field, through State and county agricultural committees, programs dealing directly with farmers.

In the Department's reorganization, the Agricultural Adjustment Agency has been dissolved, the Associated Press reported from Washington, in its advice of Secretary Anderson's announcement on Aug. 18. The new agency is to have the powers and functions of the AAA. From the Associated Press we also quote:

The thousands of local and State AAA farmer committees were retained and will act as agents of the new Production and Marketing Administration.

The AAA was created in 1933, soon after President Roosevelt took over in the midst of a depression in which agriculture faced bankruptcy because of unmarketable surpluses and ruinously low prices.

It was set up by Henry A. Wallace, then Secretary of Agriculture, under precedent-breaking legislation which gave the Government authority to control farm production.

Its early programs paid cash benefits to farmers for plowing under cotton and killing fowls and little pigs. The goal of these early programs was to reduce surpluses and to improve the prices and income received by farmers.

The AAA played a spotlight role throughout the '30s—a role climaxed by a decision of the Supreme Court in 1936 invalidating crop control legislation.

New legislation was passed under which the AAA, with approval of farmers voting in referendums, could set marketing quotas on individual farmers and assess fines against those exceeding them.

This legislation is still on the statute books and may be used by Mr. Anderson in dealing with future crop surpluses, should they develop.

In discussing the reorganization at a news conference, Mr. Anderson said the local farmer committees, members of which are paid on a per diem basis, will have broader powers and influence than under the AAA, because they will deal with both production and marketing programs.

Whether the new agency will make payments to farmers for curtailing production depends upon whether Mr. Anderson wants to pay them and whether Congress votes the money. Inasmuch as farm production during the war increased 35% above prewar levels, many farm leaders believe peacetime markets will require a smaller level of production and renewed crop adjustment programs.

The new Production and Marketing Administration will be headed by J. B. Hutson, Under Secretary of Agriculture.

been Vice-President and active head of the Madras institution for 20 years, announced that he is retiring from the banking field and will devote his time to other interests, including the Jefferson County Abstract Co., which he has owned for many years.

"E. J. Resch, who has been Cashier of the Madras bank, will become manager of the Madras branch of the United States National under the new setup."

## From Washington Ahead Of The News

(Continued from first page) Roosevelt came in. At that time all sorts of little squirts of radicals bobbed up and got audiences by claiming to be right in tune with FD. The country, having done the same thing that Britain seems now to have done, not intending to vote for a revolution, but against the "Ins," looked nervously to Roosevelt to disavow these fellows. He didn't do it. Instead, he lent himself to their build up and it came to pass that their predictions were not wrong at all.

The new British government, on the other hand, seems to be trying to knock down Laski every time he sticks his head up. They aren't doing this because of his personality. They simply don't want to be associated with his ideas abroad, particularly in this country. He is a brash sort of a fellow. This writer has met him. Feeling his oats, he came to this country in 1938 or early 1939 when the New Dealers were holding sway. They embraced him as another brilliant. He told a group of them at a meeting at which this writer was present that they were foolish to be conducting their "revolution" along the lines they were, by antagonizing business. It was his point that business men were the most gullible of the lot, and instead of antagonizing them, the New Dealers should let them in on the money hand-outs. The New Dealers were quite impressed, and we were to see his influence a few months later, when the New Dealers sought to get their last pump priming bill, the so-called spend-lead bill of 1939. There were some 10,000,000 unemployed in the country, the National debt was around \$42 billion, the country was fed up on further spending. So with one last gesture, the New Deal, which was then dead, had the war not come, submitted the \$4 billion spend-lead bill and in it was a bait for the railroads. That was the New Dealers' idea of getting the support of business men. (The bill was defeated, to the amazement of everybody.)

But now, in this new day and with Americans trying to figure out how far they should go towards restoring Britain's economy, the views of Laski are highly embarrassing to those who want to borrow. The attitude of the British contingent here is that he is improving Laski but not Britain. And the question arises as to whether they are not minimizing his influence. In answer to this, there is the fact that a time when we were wondering whether Roosevelt was going to do all the things that were being predicted by these Leftists, he did not repudiate any of these fellows and did the things. The British government does seem to be embarrassed by Laski.

There are also increasing signs that the British government, in spite of its overwhelming majority, is not to be exactly a free agent in world affairs. Our Mr. Truman is proving quite realistic in his international dealings, far more so than his good-fellow predecessor. We have no evidence that he is trying to manage the British economy or to curtail any proposed British reforms. But there is the very definite impression that he is not standing for any nonsense as regards to the spread of Communism or Communist dominated governments, insofar as Britain's foreign policy is concerned. The new British government seems to be just as much on our side in the dealings with Russia as Churchill ever was, and more so because it was so doubtful before where our own President stood.