

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4416

New York, N. Y., Thursday, August 30, 1945

Price 60 Cents a Copy

The Financial Situation

The strategy of the New Deal political veterans who originated and are now the chief sponsors of the so-called full employment bill is becoming clearer with each passing day—and, we may add, more dangerous. Observers with eye-teeth fully erupted were never under any illusion about the propaganda campaign of constantly reiterated prophecies of heavy unemployment in the months to come. They now see the next step in the process of getting legislation to the statute books by use of New Deal tactics. This succeeding step takes the form of a parade of influential figures through the committee rooms of Congress. Doubtless some of the support that is being given the measure is of the provisional sort in which the familiar political strategy is in evidence of supporting a measure from which the teeth will be drawn, so it is hoped, by reservations, amendments or supplementary enactments, but the political strength that is being mustered behind this measure is a real hazard—for the measure is dangerous in the extreme.

The general background of the present situation was well supplied by a special correspondent of the New York "Times" early last week in a dispatch bearing a Washington date of Aug. 19. Here is what this reporter on the spot had to say:

"The Senate Banking and Currency Committee will begin on Tuesday its hearings on the so-called 'full employment bill,' a measure which, privately, was conceded, even by its backers, to be lying dormant when Congress recessed on Aug. 1 but a bill certain now to lead to the greatest legislative struggle yet to develop in the Truman Administration.

"The measure, originally put forward by 'New Deal' groups in both Houses, contemplates two unprecedented steps: A declaration of law that every employable person has

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From Washington Ahead of the News

By CARLISLE BARGERON

For pure, unadulterated joy over Victory, you should come to Washington and hear the raging discussion about the Atomic Bomb. You must understand that Washington is a place where men make a living, even attain fame out of producing nothing. They make it out of sheer bunk. And out of sheer bunk they attain positions in which they can browbeat the rest of their 135 million fellow Americans. Up until 1933 the politicians held sway, but their power of browbeating was limited. There then came the economists. What these fellows did to their fellow citizens is nobody's business.

Came the war and the military moved to the front. We aren't discussing the millions of American boys who did the fighting but the generals. Just like the economists who before Roosevelt had been backroom boys with eyeshades at high desks and now became policy makers, so the generals who had been lieutenant colonels, moved to the front of the row.

The generals who had been lieutenant colonels moved to the front in the last war, and then at war's end, reverted to their former rank and mufti. This time, up until a few weeks ago, they



Carlisle Bargeron

thought, and rightly so, that they had that process licked. There are major generals who under the ordinary course of things would revert back to captain. But this time it was thought that would not happen because the country had been properly sold on world consciousness, on the maintenance of a large military establishment. It so happens that back in the interventionist-isolationist controversy, one of the main arguments for intervention was that while it was likely true that Hitler wouldn't come over here, if we didn't head him off in Europe, we would have to maintain an armed camp, which would be very expensive. Then it turned out that after heading him off at considerable expense, we had to be the armed camp anyway. This proposition seemed fairly sold and no responsible person was likely to gainsay it. It seemed that the generals were not to revert, the colonels and majors were not to revert. We were to have a big military establishment, particularly a large navy and air corps.

This was the situation up until a few weeks ago when the Atomic Bomb, according to the propagandists, according to our own high officials, according to the

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Autonomics and Economics

By ALDEN A. POTTER

Moral Basis of Private Property Presented as a Matter of the "Ledger Domain" of Correct Accounting, Rather Than the Legerdemain of Political Forms, in Control of Industry. Economic Ends Do Not Justify "Amphibious" (Political) Means of ValORIZATION. International Balancing of Payments Unworkable for Multilateral Trade. "A Modern Liberalism Has Yet to Be Formulated."

I. Freedom, or Serfdom?

Freedom in modern society can be served far more effectively by scientific than by legal developments for justice stands in far

greater need of better bookkeeping than of new or renewed bills of rights. Political institutions have been developed far beyond their capacity to serve useful ends. Indeed, the "form of government" is far less significant to the welfare of the governed than is the correctness of the accounting system; which is to say that, in attaining a government that is best because it governs least, the pound of cure—the re-distribution of the wealth of nations by juridical processes (which includes the "social gains" of bureaucracy)—is worth far less than the ounce of prevention that lies in keeping our accounts straight. We need to prevent misunderstanding and maldistribution. Political, post-mortem palliatives to "control" exploitation, curb "monopoly", etc., are inherently too little and too late to afford competitive equity; and there can be no equity that is not competitively determined.



Alden A. Potter

these choices. To settle this intelligently—shall we say, scientifically—requires realization that these scientific innovations are competitive, physical means to attainment of physiological ends that are not chosen but are imposed by the nature of biological competition for a "place in the sun"—and rain. To choose between means with mathematical precision is a problem in bookkeeping—in objectively measuring pros and cons. Whether or not these means—the factors of production; land, labor, and capital—are to be monopolized as property (to produce "unearned" income for owners), and how such property is to be distributed, cannot be settled wisely until the system of accounting for them, resulting in prices, is understood and agreed upon.

If we simply say, with Hayek (see "Scientism and the Study of Society" in *Economica* for 1942, '43, and '44), that the knowledge by which enterprise is developed is extremely complex, we are likely to conclude, not with Hayek that this complexity is too much for government, but with Boothby (*Commercial and Financial Chronicle*, June 7, 1945, p. 2517) that "the fundamental choice is not between private enterprise and socialism, but between mon-

opolies which are private and irresponsible, and those which are public and responsible"—responsible politically, not economically, he should have added!

It is, indeed, science, not politics as Mr. Boothby avers that likes its issues kept simple. Politics likes to sidestep issues entirely; is it essentially a process of compromising, rather than settling, disputes. Mr. Boothby is a politician; and it is as a politician that he concludes that, because "life is no longer simple, and never will be again," the operation of resolving life's complexities is to be thrown into the lap of the politician: "The root of the whole matter lies in the conscious (read 'political') pursuit of an expansionist economic policy by the principal industrial countries." No one but a politician could so glibly propose "the conscious pursuit" of a nebulous policy of ad hoc ("amphibious") decisions by bureaucracy as a means for eliminating "the major fluctuations of the trade cycle" and attaining a "stability. . . . at full employment incomes;" for as long as a demagogic political policy fails to fulfill its promises, "the necessity for restrictive policies" in political terms is indicated. The excuse of a "transition period" on the way to Utopia is chronic with those who thus blindly lead the blind down the road to serfdom toward a promised land of abundance. In that

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Truth Well Spoken!

"If you spent a day in Washington talking with these various people you would discover innumerable conflicting theories and notions as to how and why the shoe business should be controlled. There is no reason to assume that the economic ideas and theories of these Government people are any better than yours.

"During the wartime when Government officials had facts about supplies, military requirements, etc., which were not available to the industry, there were many instances where shoe manufacturers' recommendations were made in the dark and where Government people had the advantage.

"But today the sole consideration is on problems of reconversion, and the advantage probably has shifted in favor of the manufacturer. You know the history and the background of the shoe business and its reconversion problems and needs as well as or better than anyone in Washington.

"In our opinion every control and every regulation which is continued after V-J Day should be submitted to the acid test of industry criticism, and if these regulations cannot be fully justified they should be abandoned." — National Association of Shoe Manufacturers.

On that basis they all would be very soon abandoned—as they ought to be.

Victory Loan Drive to Start Oct. 29—\$11 Billion Goal—Sales to Individuals Major Objective

In announcing that the Victory Loan Drive will begin on Oct. 29, Secretary of the Treasury Vinson made known that the goal is \$11,000,000,000.

"Of the \$11,000,000,000 goal," said Mr. Vinson, "\$4,000,000,000 is to come from sales to individuals and \$7,000,000,000 from other non-bank investors. Of the individual quota, \$2,000,000,000 is to come from the sale of Series E bonds."

Details of the drive were announced by the Treasury Department as follows:

The securities which will be sold under the direction of the State War Finance Committees are as follows:

Series E, F and G savings bonds.

Series C savings notes.

2½% Treasury bonds of 1967-72, maturing Dec. 15, 1972.

2¼% Treasury bonds of 1959-62, maturing Dec. 15, 1962.

¾% Certificates of Indebtedness maturing Dec. 1, 1946.

The drive for individuals will extend from October 29 through December 8. During the period from Dec. 3 through Dec. 8, subscriptions will be received from all other non-bank investors for the marketable securities.

The 2¼% and 2½% bonds will be dated Nov. 15 and the certificates of indebtedness will be dated Dec. 3, 1945, and will be sold at par and accrued interest from those dates.

All Series E, F and G savings bonds and Series C savings notes processed through the Federal Reserve Banks between Oct. 29 and Dec. 31 will be credited to the drive.

The Treasury will request that there be no trading in the marketable securities and no purchases of such securities other than on direct subscription until after Dec. 8.

To avoid unnecessary transfers of funds from one locality to another, the Treasury again urges that all subscriptions by corporations and firms be entered and paid for through the banking institutions where funds are located. This request is made to prevent disturbance to the money market and the banking situation. The Treasury will undertake, as in the Seventh War Loan drive, to see that statistical credit is given to any locality for such subscriptions as the purchaser may request, except that subscriptions from insurance companies will be credited to the State of the home office, as in the past. The Treasury appreciates the substantial cooperation it has received in this respect.

The Treasury advises added:

The Treasury requests that all non-bank investors refrain from selling securities heretofore acquired to obtain funds to subscribe for the securities offered in the Victory Loan drive. This request is not intended to preclude normal portfolio adjustments. However, subscriptions by insurance companies and savings institutions will be subject to limitations to be announced later.

Life insurance companies, savings institutions, and States, municipalities, political subdivisions and similar public corporations, and agencies thereof, will be permitted to make deferred payment, at par and accrued interest, for the 2¼% and 2½% marketable bonds allotted to them, up to Feb. 23, 1946.

During the period from Dec. 3 through Dec. 8 commercial banks, which are defined for this purpose as banks accepting demand deposits, will be afforded an opportunity to invest a portion of their time deposits in Series F and Series G Savings Bonds, the 2¼% and 2½% Treasury bonds, and the ¾% certificates offered in the drive, under limitations to be announced later. Securities so acquired by the banks will not be included in the drive nor will they be counted toward any quota.

Commercial banks will not be permitted to own the 2½% or the

2¼% marketable bonds offered in the drive until within ten years of their respective maturity dates, except as provided above.

The special bond in memory of the late President Franklin Delano Roosevelt will first be available at the start of the Victory Loan drive, when it will be on sale at all agencies authorized to issue United States Savings bonds of Series E.

This bond, in the denomination of \$200, to be issued at \$150, will constitute an additional denomination of Series E bonds and will have the same terms and attributes as other denominations.

In announcing the drive, the Secretary said:

"The present Treasury balance is large but enormous obligations incurred in the achievement of victory, including those for material and munitions already delivered and used, will drain this balance quickly and additional funds will be needed early in December. Government expenditures are being drastically reduced and this will continue vigorously. The aftermath of war, however, carries grave responsibilities that must be met. A substantial Army and Navy must be maintained until order is restored throughout the world. The cost of contract settlements, bringing our forces home, their mustering-out pay, hospitalization, care, and rehabilitation will be great and will require large sums for which we must plan now."

The Secretary said that the major emphasis in the Victory Loan drive will again be on sales to individuals. He took occasion to stress the importance of saving on the part of individuals and the wise investment of savings, and stated that although this is the last great public drive systematic saving through payroll deduction plans for the purchase of Series E bonds will be continued. It is essential to the orderly continuance of the program that industrial plants, business establishments, and Federal, State, and local governments with payroll deduction plans continue to service those plans, Mr. Vinson said, and it is highly important that all authorized issuing agents continue their bond issuing activities. The termination of the war should make no change in these respects.

The goal and securities to be offered, it is indicated, were determined by the Treasury after discussion with various groups, including Chairmen of the State War Finance Committees, officials of the Federal Reserve System, members of the American Bankers Association, representatives of insurance companies, and other investment authorities.

From the Treasury Department's advices we also quote:

In order to help in achieving its objectives of selling as many securities as possible outside of the banking system, the Treasury urges the cooperation of all banking institutions in declining to make speculative loans for the purchase of Government securities, and in declining to accept subscriptions from customers which appear to be entered for speculative purposes. The acquisition of outstanding securities by banks on the understanding that a substantially like amount of the new securities will be subscribed for through such banks, thus enabling them to expand their war loan deposit balances, is regarded as an improper practice by the Treasury. The Secretary will request banking institutions not to make such purchases. The Treasury is in favor of the

banks making loans to facilitate permanent investment in Government securities provided such loans are made in accord with the joint statement issued by the National and State Bank Supervisory Authorities on Nov. 23, 1942, as follows:

"The Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Executive Committee of the National Association of Supervisors of the State Banks made the following statement of their examination and supervisory policy with special reference to investments in and loans upon Government securities.

"1. There will be no deterrents in examination or supervisory policy to investments by banks in Government securities of all types, except those securities made specifically ineligible for bank investment by the terms of their issue.

"2. In connection with Government financing, individual subscribers relying upon anticipated income may wish to augment their subscriptions by temporary borrowings from banks. Such loans will not be subject to criticism but should be on a short term or amortization basis fully repayable within periods not exceeding six months.

"3. Banks will not be criticized for utilizing their idle funds as far as possible in making such investments and loans and availing themselves of the privilege of temporarily borrowing from or selling Treasury bills to the Federal Reserve Banks when necessary to restore their required reserve positions."

An item bearing on the drive appeared in our issue of Aug. 23, page 859.

Illinois Banks Direct Attention to Restoring Peacetime Economy

Illinois banks which on Dec. 8, 1941, pledged fullest cooperation to the task of winning the war now have turned their attention to recognizing their responsibility to their country and community in restoring a peacetime society and economy. Dedication of the Illinois banks to the fulfillment of this obligation is contained in a letter addressed to the members of the Illinois Bankers Association by Floyd M. Condit, President of the First National Bank of Beardstown, who is President of the Association. In his letter Mr. Condit says:

"Although the war is over, it still must be paid for, not only in dollars and cents but in rehabilitation of our returning fighting forces to domestic tranquillity and the reconversion of our economy to our peacetime needs.

"Post-war planning may produce an over-all program, but unless you and I have looked into our own personal affairs and have so arranged them that the transition will not be difficult; unless we have the affairs of our banks organized so that we can take whatever shocks can come to us; unless our communities are prepared for whatever peacetime conversions that may be required, we have not done our job right. After all, planning is a job that is very personal and close to home.

"Our work from now on is to see that our communities are prepared to take over their normal functions, that our people can evaluate the many suggestions—political, social and economic—which will be thrust forward as panaceas for all ills, so we can take that which is good and discard that which is bad and bring our home towns and the surrounding communities which they influence into a permanent and satisfactory prosperity."

The State of Trade

Within the past week many developments of far-reaching importance occurred to aid business and industry in its return to the pathways of peace. The shackles that have bound the hands of civilian output during the war are fast being loosened to expedite industry's reconversion.

This is as it should be for undue delay will prove a costly blunder and make for further dislocation of the nation's economy. Since V-J Day unemployment has shown a precipitate rise which, according to estimates of the leaders of organized labor, bids fair to jump to 15,000,000 workers. Other estimates, somewhat more conservative, place prospective unemployment between 8,000,000 and 10,000,000 people, but even the latter figures pose a serious threat to our future well-being should the condition be prolonged for any great period of time.

Encouraging, notwithstanding the grim specter of unemployment in the background, was the news on Friday of last week telling of the WPB's action in giving the automobile industry the go-signal to manufacture as many cars as the capacity of the plants is capable of turning out. The Board at the same time made no predictions as to how soon any great number will be available. In its changeover from equipment for war to passenger car output in peacetime, some material shortages confront manufacturers, the most acute being tin. The industry, however, is willing to use substitutes where necessary.

The removal of all limitations on automobile output paves the way for car manufacturers to swing into full production at an earlier date than was at first anticipated, but the question of ceiling prices on new cars remains to be settled. Prospects are bright that the OPA may announce its decision concerning them this week. The auto industry as a whole has in the past supplied a sizable working force and will continue to do so, but for the numerous job situations now being sought, labor must look to other fields.

The lifting of more than 200 controls by the WPB from the shoulders of manufacturers the past week should serve in some measure to provide displaced war-workers with additional jobs. Along with automobiles, all quotas on refrigerators, radios and numerous other articles were removed, thus creating new outlets for employment in the fields of manufacture and distribution.

With the discarding of wartime controls such as the priority system and the Controlled Materials Plan after Sept. 30, a new and limited system will be instituted for the reconversion period. Under the new plan "top priority" ratings to be used for all emergencies will be designated as AAA, while MM will apply to military ratings and CC, known as a non-extensible civilian preference rating, will be employed "in limited cases to break bottlenecks in reconversion and insure, when necessary, continued production and services."

As to the program for governing prices in the reconversion period, Chester Bowles, OPA Administrator, last week reaffirmed the plan announced several months ago of adhering as close as possible to 1942 prices. OPA's pricing formula for new model automobiles will be based, it is understood, on 1941 costs, plus basic wage and material price increases, plus "a normal peacetime margin of profit," Mr. Bowles disclosed. The profit will be based on the manufacturer's own 1936-1939 margin or one-half the industry average for that period, whichever is higher. Mr. Bowles in discussing prices, took the pains to point out that rumors that ceilings for any make and model have already been worked out are untrue.

Steel Industry—The steel industry last week, according to "The Iron Age," was still attempt-

ing 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. Some time may be required before steel activity gets back to normal because of the slowness in war contract cancellations reaching mill books.

Cancellations of steel orders on mill schedules have not come up to expectations and consequently many remain to be cancelled. Until such time as this occurs 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, the magazine notes. One steel firm during the first half of August booked about 130,000 tons more than it shipped with most of this business firm regardless of war contract cancellations. 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.

Concern is expressed 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, since such industries as appliance manufacturers and others still have a major reconversion problem which may take weeks to solve. This, however, is not the case with the railroads, warehouses, freight car builders, automobile manufacturers and farm equipment producers.

There appears to be a substantial volume of unvaluated steel tonnage which mills can work on as quickly as schedules can be made, "The Iron Age" points out. 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. Flat rolled requirements, it appears, comprise about 60% of the firm orders on mill books.

Cold rolled sheet, tinplate and galvanized sheet tonnage so far have been relatively untouched by the flood of cancellations and, adds the trade magazine, unless reshuffling of advanced schedules is done on the initiative of the mills themselves, steel buyers previously classified as unrated will not find their prospects for early delivery improved. That the mills themselves may take a hand in spreading out early deliveries scheduled for such consumers as warehouses, farm implement makers and railroads is within the realm of probability. Such action, the paper suggests, would allow civilian industries awaiting steel for their reconversion plans to secure steel sooner than if extended schedules were allowed to run their course. Some mills are said to be considering setting aside a portion of warehouse orders in order to serve the big civilian consumers directly in the belief that forcing these consumers to turn to warehouses for materials is no help to reconversion.

Signs were evident the past week that competitive fences in the steel industry are being repaired with an eye to catching the big-time buyers. Until some order is restored to the present steel schedule problem, the large flat rolled consuming industries will continue to be faced with no tangible prospects for earlier than October delivery.

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WPB Drops 210 Wartime Industry Controls

In a series of sweeping moves to facilitate the reconversion of industry and speed the flow of a wide variety of peacetime products into the hands of consumers, while still avoiding price inflation, preemption of scarce supplies, or a buyers' scramble, the War Production Board has dropped 210 more individual controls over industry, J. A. Krug, WPB Chairman, announced on Aug. 21. These moves are further steps toward achievement of fundamental WPB policy, to make it easy for industry to help itself and to solve its problems without Government assistance, Mr. Krug said. In his announcement he further said:

"Limitations on the number of radios, refrigerators and trucks that could be manufactured for civilian use were removed. Restrictions on a long list of other products were lifted and the materials freed for consumer goods. "Affected are metal furniture, domestic stoves and laundry equipment, electric fans, motorcycles, storage batteries, photographic film, shipping containers, oil-burning equipment, silk and cotton duck, machine tools, construction machinery and caskets, as well as a large number of other products.

"The WPB action was put into effect by Priorities Regulation No. 31, which revoked 103 limitation and material orders, and 98 schedules. Nine directions and limitation and material orders not included under PR-31 also were revoked, involving a total of 210 revocations of controls. Except for most chemicals and a few other items, the revocations are effective immediately."

All other WPB controls are under review and a large number of further revocations will be made in the next few days, including the removal of restrictions on the number of automobiles that may be produced this year, Mr. Krug announced. The question whether new cars will be delivered equipped with spare tires still is being discussed, he said. Mr. Krug stressed the importance of the role the consumers durable goods industry will play in making the transition from war production to a high level of peacetime output. He stated:

"The War Production Board has discussed with the consumers durable goods industry the importance to economic stabilization of large production in their lines.

They have agreed to produce the same proportion of low-cost merchandise as they did prior to the war. The lifting of individual orders does not remove this obligation from industry. We are prepared to reimpose our orders if this does not prove to be the case."

Mr. Krug also said that industry has agreed to do all it can to step up output to high levels. He emphasized that while WPB is removing its controls as rapidly as possible, it intends to keep a careful watch on the effects of all action taken and will reimpose whatever restrictions may become necessary. He pledged priorities assistance for items that threaten to become bottlenecks in the broad program to restore full civilian manufacture, but only after the applicant has exhausted all possible means of helping himself.

"The action faces a remobilization of industry on a scale that matches the mobilization for war," Mr. Krug said. "We all have a tremendous stake in the speed with which this remobilization is accomplished. In his recent letter to me, President Truman said that every opportunity must be given to private business to exercise its ingenuity and forcefulness in speeding the resumption of civilian production. We do not want to perpetuate Government controls. We do want industry to solve its problems in the traditional American spirit of 'Let's get the job done!' This opportunity we are providing. At the same time, we will exercise our powers to keep the transition as orderly as possible. There will be shortages in some materials and it will be necessary to prevent hoarding. Therefore we are keeping controls on them. On others we are controlling inventory to prevent hoarding by large consumers at the expense of the small manufacturer."

Value of Free Enterprise System Emphasized By Severe Shortages, Black Markets, Etc.

Severe shortages, dislocations, black markets and chaos have emphasized and highlighted for the public at large the value of the free enterprise system under the laws of supply and demand, Ody H. Lamborn, President of the New York Coffee and Sugar Exchange, Inc., declared in his mid-year report Aug. 10 of the Board of Managers to the members of the Exchange. "The distressing but revealing wartime experiences in Government control of coffee and sugar," the report added, "have compelled appreciation of the fact that private initiative has, from time immemorial, supplied the people with ample supplies of essential commodities at low cost. The Exchange has been opposed to extended Government commitments in coffee and sugar and to the continuance of regulations or restrictions not absolutely necessary in the wartime emergency."

Commenting on coffee, Mr. Lamborn stated that there are no present indications that trading in coffee may be inaugurated on the Exchange until such time as there is a free flow of coffee, particularly from Brazil, and until coffee is removed from WFO 63 and ceiling prices eliminated.

"As to sugar, it is obvious that futures trading cannot be successfully carried on through the medium of the Exchange unless there is an ample supply of unrestricted tenderable material. Under Government crop-purchase programs such conditions do not exist. The sugar trade is virtually unanimous in the opinion that the current sugar shortage will extend through 1945 and through the first half of 1946 and that our Government, as a result of the recommendations

made by the Anderson Committee of the House of Representatives will, in all probability, purchase the 1946 Cuban and Puerto Rican sugar crops, continuing some form of distribution and marketing control up to the end of 1946, if not beyond."

The report concluded: "It is our confident belief that these wartime experiences in Government management will aid greatly in causing the country, when these controls are dropped, to greet with enthusiasm the well-tested, practical, and successful traditional marketing methods."

Appointed Ambassador To Panama

Brigadier General Frank T. Hines, former Administrator of Veterans Affairs, was appointed on Aug. 18 by President Truman to the post of U. S. Ambassador to Panama.

General Hines recently completed 22 years as Administrator and was succeeded by Gen. Omar N. Bradley. His recess appointment as Ambassador will have to be submitted to the Senate for approval when Congress reconvenes.

Harvard Bus. School Course in Management

Concerned with reconversion problems, Harvard Business School is gearing its wartime machinery into an intensive training course in advanced management for business executives. In 1943, when the course was first inaugurated, the stated purpose of the program was the retraining and upgrading of executives to enable them to carry broader responsibilities in war industries, or to facilitate the transfer to war positions of executives no longer serving in their normal peacetime pursuits. In advices under date of Aug. 23 the University goes on to say:

"The end of the war has put a different complexion on the business field and has provided an opportunity for the program to place special emphasis on reconversion in management and conversion of manpower to peacetime products.

"From business and industrial concerns these advanced students will come to study the wide range of problems which will be met by business managements in the days ahead. They will study problems of controlling costs, of pricing products, of securing cooperation between labor and management, and of the new relationships between Government and business.

"Since the start of the war some 500 successful businessmen between the ages of 35 and 60 from many sections of the United States have taken the 13 weeks' course of concentrated retraining in all fields of the business world. The Admission Committee is more concerned with what a man has accomplished since he left school than with how far he went in his formal education; therefore, there are no educational prerequisites for this course.

"In the past, key men have been sent to attend this course from such plants as Curtiss-Wright, Firestone, Ford Motor, Johns-Manville, North American, Consolidated Vultee, Lockheed, Philco, Allis-Chalmers, Sperry Gyroscope, Boeing, Corning Glass, B. F. Goodrich, Parke-Davis, Bell Aircraft, Warner and Swasey and many others.

The course opens Sept. 19 and will continue through Dec. 19.

Prosecution to Proceed Of Anti-Trust Actions

The War and Navy Departments on Aug. 20 notified the Justice Department that it may now proceed with the prosecution of 25 anti-trust suits on which they previously had requested postponements. Associated Press advices from Washington reporting this, said:

In March, 1942, the three Departments, with approval of President Roosevelt, agreed that 35 pending suits be postponed on the ground that prosecution would "seriously" interfere with the war effort.

Since then, 10 of these cases have been settled, most by pleas of no defense, according to the Justice Department.

Attorney-Gen. Tom C. Clark told a reporter he plans to try the other cases "as soon as the courts can handle them."

The cases are against some manufacturers of such commodities as stainless steel, dyestuffs, air filters, surgical supplies, air-conditioning units, optical goods, plumbing supplies, watches, fluorescent lamps and chemicals.

Asst. Attorney-Gen. Wendell Berge said the anti-trust division is already reviewing all 25 cases. Lawyers will be assigned to prepare them for trial as quickly as possible, he told a reporter.

"It's a reasonable conjecture," Mr. Berge said, "that some will be settled by proposals from the

Nation's Banks Help Speed Reconversion; 37 Regional Credit Pools Organized

To help develop nationwide understanding of the comprehensive program adopted by the banks to assure business—small, medium and large—of adequate credit in the current transition period, Bankers Trust Company of New York has issued a series of six statements, made public Aug. 22 in pamphlet form, under the general heading of "The Banks Are Ready." The first bulletin in the series points out that, "The nation can tackle the difficult tasks ahead with greater confidence by reason of the fact that the banks as a whole are in a stronger position than ever before—both financially and in terms of newer viewpoints and methods.

"The banks are ready," the bulletin continues, "to supply credit in full measure to competent individuals, firms and corporations for all constructive purposes. The banks have developed lending methods which have been tested and proved in recent years—term loans, accounts-receivable financing, consumer-credit financing, field-warehouse financing, to mention a few."

One of the bulletins entitled Regional Credit Pools, points out that the banks have organized 37 local credit groups or pools located over the country and that a total of \$600 million has now been committed by these bank groups for the specific purpose of augmenting and undertaking the financing, through loans or other credit accommodations, of small and medium-sized business concerns. These Regional Credit Pools will participate with local banks in financing business risks, in amounts, for periods, or upon terms which might be impracticable under usual banking procedure.

Another bulletin in the series, discussing Correspondent Banking, points out that of the 14,535 banks in the country, 70% have lending limits of \$15,000 or less. Pointing out that two million businesses in this country have net worths of \$100,000 or less and that 1½ million of these have net worths of \$5,000 or less, one of the bulletins states that, "If as many as half of these two million businesses need loans ranging from, say, \$5,000 to \$30,000, the total would be about \$11 billion, or only about 22% of the \$50 billion total loans made by the 15,000 banks of the country in pre-war year 1940. Moreover, most American banks are small banks in small communities; they know small businesses; they are small business. Witness the fact that in 1940 new bank loans averaged \$1,787 and renewals \$1,403."

The final bulletin in the series, entitled "A Pledge of Adequate Credit," states that, "Through correspondent banking and through their own Regional Credit Groups, the banks are prepared to stay with a businessman and see that he gets the money from some bank or group of banks." In conclusion, the pamphlet states: "All along the line, the banks have been adapting their services to meet changing business needs in the transition period. This is private banking enterprise serving private business enterprise in the traditional American way. Private banking asks no favors; save the right to be judged by results."

defendants to enter into consent decrees or to plead to criminal indictments."

Advices to the New York "Times" from Washington, Aug. 20, by Lewis Wood, noting the action of the Army and Navy, said:

In a joint letter Acting Secretary of War Robert P. Patterson and Secretary of the Navy James V. Forrestal wrote Attorney-Gen. Tom C. Clark that the arrangements for postponements, made on March 20, 1942, was now no longer effective and that "all requests were withdrawn and the agreement terminated."

ABA Analysis of Country Bank Costs

The task of conducting a nationwide analysis of the operating cost of approximately 3,000 country banks has just been completed by the Commission on Country Bank Operations of the American Bankers Association, it was announced on Aug. 14 by K. J. McDonald, Chairman of the Commission and President of the Iowa Trust and Savings Bank, Estherville, Iowa. With the completion of this project, the first cost analysis to be conducted on a national scale, the Commission mailed to each of the 3,000 participating country banks an individual and confidential analysis showing the cost of handling fundamental banking transactions, services and operations. With regard to the analysis, it is stated:

"The cost figures are shown on three simple forms. One form is devoted entirely to the cost of handling items and transactions and includes the figures for deposit tickets, on us checks, clearing and transit items, drafts and cashier's checks, various types of loans, bonds and warrants, and such services as auction sales and safe deposit rentals.

"Another form shows the actual operating cost and operating income from loans, investments and services. A third covers the distribution of income and expenses by departments, showing the net income and net loss on capital funds, time certificates, savings accounts, demand deposits, ration banking, auction sales, safe deposit boxes, other rent, other departments, loans, U. S. bonds, other bonds and warrants."

It is added that a unique feature of the analysis is the efficiency rating of each bank's staff. This involves a comparison of the time the bank's officers and employees spent on various transactions with the time it would have taken them to produce the same work using the Commission's standard time chart as a basis.

In a letter accompanying each bank report, the Country Bank Operations Commission explained that the analysis was made on a time plan basis which uses the number of minutes required to handle each type of item or transaction as a yardstick in measuring cost. This plan, the letter pointed out, is designed particularly for country banks because it recognizes the fact that country banks are not departmentalized and that the officers and members of the staff divide their time and activity among many different services, operations and transactions during the day.

In its message to the banks, the Commission declared that the cost study would be repeated in 1945. The cost analysis program, which involved more than 250 computations for each bank, was directed by a special committee with William C. Rempfer, Cashier of the First National Bank, Parkston, S. D., as Chairman. Mr. Rempfer is a pioneer in the field of bank cost analysis and is largely responsible for the development of the present formula, having used it with outstanding success in South Dakota, Iowa and other States for several years before it was considered and, after revision, adopted by the Commission on Country Bank Operations.

The Financial Situation

(Continued from first page)

a right to gainful employment, and the establishment of a wholly new system under which the President would prepare a national budget not only for routine Federal expenditures but recommending Federal appropriations estimated to be necessary to meet the prospective job deficit in private employment.

"These expenditures would amount to the difference between what was estimated as the maximum employment to be expected from normal private employment and the 'full employment' proposed under the bill."

No little controversy, much of it tinged with hypocrisy, has arisen concerning the meaning of the measure. Certainly it seems to us, insist that "nothing more is involved than a 'report' by the President," that Congress is not obliged to appropriate a penny unless its judgment directs, that without such action on the part of Congress nothing of consequence will have happened, etc., etc. Such "explanations" as this are an affront to the intelligence of the American people. If nothing more than this were really involved, would so much effort be devoted to driving Congress to enact such legislation without delay? To ask such a question is, of course, to answer it.

Who Are the Proponents?

It is instructive to observe who these proponents are and what they have to say about the measure. One of them is Mr. Murray of the CIO. He calls the measure a "must"—and insists that it be amended or supplemented in such a way that no question is left as to whether the Government commits itself to action as well as a "report." The President himself has rushed to the support of the measure, and his right hand man, the Secretary of State, has done the same at more length and in words which hardly leave the impression that he regards the measure as a mere formality or a political trick of some sort.

"A domestic program for the maintenance of employment," Mr. Byrnes says, "is an essential part of the pattern of international collaboration in the pursuit of peace and prosperity. Its enactment would demonstrate to other nations in a dramatic way that this country is determined to prevent depressions, and thus contribute to establishment of a liberal trading system and an expanding world economy. . . . To the extent that we are able to manage our own domestic affairs successfully, we shall win converts to our creed in every

land. A strong, stable and prosperous America will give courage and hope to all friends of democracy abroad. Nations will no longer adhere to liberal principles if they feel their own stability is threatened by the persistence of depressions which may originate outside their borders. On the contrary, they will raise new barriers to trade in an effort to insulate themselves against a troubled world. In such an atmosphere the will for international cooperation on other fronts may be lost. This is the danger that must be averted if our hopes for peace and plenty are not to fail."

A "Southern Conservative"?

And this from a reputed member of the "conservative Southern wing" of the President's party! It is clear enough that either Mr. Byrnes no longer is in harmony with Southern conservatism (if there is any such thing), or else that conservatism has taken on strange hues during the Roosevelt regime. At any rate, this defense of the legislation in question out Herods Herod in its economic naivete—and in its consequent danger to the welfare of the people of this country. And certainly, if Mr. Byrnes knows what is intended by this measure (and supplementing legislation), it (or they) are not to be brushed aside as of no great practical consequence or danger. But can it be that Mr. Byrnes, or the President for that matter, supposes for a moment that the Government of the United States really can "prevent depression"? Not only the arguments of the Secretary of State, but those of most of the supporters of this measure appear to make that assumption—and the danger is great that far too many of the rank and file, particularly those not given to doing their own thinking, will reach this conclusion or perhaps unwittingly make the same assumption.

As regards the discussion of what the bill does or does not mean, there need be no question that the New Dealers—and probably most others—would assume, in the words of one of its supporters, that "the establishment and maintenance of full employment is accepted as a fundamental responsibility of the Federal Government." Quite as dangerous is the fact that the second assertion of this same supporter to the effect that "full employment is to be achieved with primary reliance on the constant expansion of private enterprise" would likewise be assumed by the rank and file—with the consequent removal or, at the very least, assuagement

of the natural distrust of any good American of any such venture into the very heart of socialism. Let it be observed in this connection that a number of "business leaders," so-called, have ostensibly at all events given their approval to this thoroughly un-American proposal.

Have They Forgotten?

Have all these observers forgotten what we had supposed to be the most elementary truths about a really free economy?

Do they not understand that neither the President nor "a thousand of his lords" could make any trustworthy estimate of employment to be afforded by private industry a year in advance?

Have they forgotten that no one whose word is worth a great deal would for a moment claim to know just what causes "economic cycles"—except that they are a product not of any system of economics but of human frailty—and that only a few of the "lunatic fringe" of economists would risk an assertion that they know how to eliminate them?

Do they suppose for a moment that politicians have fathomed mysteries which have baffled all others?

Are they under the delusion that private business will be aided by having a constant threat of Government competition over its head?

Do they imagine that such a hybrid system as this so-called full employment measure would set up in this country could endure indefinitely?

Are they not aware that they are deceiving themselves in believing that such a scheme suggests reliance upon the private enterprise system as we have hitherto known it in this country—or that such a system could function as in the past under conditions now to be created?

Railroad Employees Up to 1,453,629 in June

Employees of Class I railroads of the United States, as of the middle of June, 1945, totaled 1,453,629, an increase of 0.44% compared with the corresponding month of 1944 and 1.89% over May, 1945, according to a report just issued by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission.

A gain over June, 1944, is shown in the number of employees for every reporting group with the exception of maintenance of equipment and stores and transportation (train and engine service), which show decreases of 0.94% and 0.24% respectively. The percentages of increase are:

Executives, officials, and staff assistants, 2.40; professional, clerical, and general, 1.27; maintenance of way and structures, 1.76; transportation (other than train, engine, and yard), 0.99, and transportation (yardmasters, switch-tenders, and hostlers), 1.02.

WPB Announces New Materials Control System

The War Production Board took action on Aug. 22 to eliminate at the end of September the old wartime priorities control system including the Controlled Materials Plan and to substitute a new, limited system for use during the reconversion period. Victory over Japan reduced military requirements to such an extent that the all-embracing wartime priorities system no longer was appropriate, and its continuance would interfere with prompt reconversion, WPB said. It added:

The changes were made through amendments to Priorities Regulations 28 and 29 today. The new Priorities Regulation 29 provides:

1. Cancellation, effective at once, of all "AA" preference ratings (which includes all ratings except the special "top priority" AAA, the new military MM rating previously announced, and the new CC rating described below) on purchase orders that call for delivery after Sept. 30, 1945. There is one exception—the AA ratings will still apply to textiles.

2. The revocation of the Controlled Materials Plan, WPB's master plan for controlling wartime production, effective Sept. 30, 1945.

3. Cancellation, effective at once, of all allotments of steel, copper and aluminum (the three "controlled materials") for the fourth and subsequent quarters.

4. Introduction of a new junior, non-extensible, civilian "CC" preference rating to be used in limited cases to break bottlenecks in reconversion and insure, when necessary, continued production and services.

The announcement also said in part:

The new Priorities Regulation 28 explains when the new junior non-extensible "CC" rating will be assigned. WPB cautioned that its general policy is not to assign priorities assistance for non-military needs. The new "CC" rating will be used sparingly. It is expected that almost all materials will either be in surplus or in comfortable supply, and that ratings will therefore generally not be needed. The applicant must show that he has not been able to get delivery without a rating, and that the item to be rated is a "bottleneck" holding up minimum production, or that it is needed for reconversion construction or other essential construction. The "CC" rating may be assigned, where needed, to increase production to eliminate "reconversion bottlenecks," or in other cases to protect public health and welfare or prevent extraordinary hardships. "CC" ratings may also be assigned in limited cases of essential exports.

WPB said it would continue its policy of giving small business opportunity to obtain its fair share of materials. To this end, WPB officials have been instructed, in considering applications for the new "CC" rating, to give special consideration to the needs of small business.

The "CC" rating is non-extensible. It cannot be extended by a supplier to get production materials or components to make the item sold to his customer, or to replace in inventory materials used to make the item, or for any other reason.

The MM rating originally introduced under Priorities Regulation 29 for military use will be continued for the time being to support the requirements of the occupation forces and other continuing military needs.

Priorities Regulation 30, which provided for direct assignment of MM "military" ratings by WPB under certain circumstances, has been revoked.

From July 1 through Sept. 30 the MM rating is equivalent to AA-1, and the CC rating is equivalent to AA-2. After Sept. 30 the sequence of ratings will be AAA, MM, CC, in the order named.

The AA rating system will be retained for the time being for procurement of textiles and allied products. It is not expected that the AA rating system will be re-

tained for any other products. However, if it is retained, the orders controlling these products will be amended to make clear that some of the provisions of Priorities Regulation 29 do not apply to such materials.

The AA rating system and the Controlled Materials Plan remain effective as to deliveries between now and the end of September, 1945. Effective immediately, however, all preference ratings in the AA series are cancelled on purchase orders calling for delivery after Sept. 30.

On Oct. 1 the Controlled Materials Plan will automatically expire, but until that time, deliveries of controlled materials will continue to be regulated by this plan.

Private Insts. Ready To Finance Post-War Home Building

More than 10,000 private financial institutions in every part of the United States are ready to start on the financing of America's post-war home building and modernization program with the aid of Federal Housing Administration insurance, as materials and labor become available, Commissioner Raymond M. Foley of the Federal Housing Administration said on Aug. 25. Back of these home financing institutions, ready to help them and the home builders of the country in meeting the large backlog of housing needs, are 99 field offices of the FHA, said the Administration which added that they include 62 insuring offices, one underwriting office, 31 valuation stations and five service stations scattered through the 48 States and Alaska, Hawaii and Puerto Rico.

With the war over and war housing insurance practically exhausted, Mr. Foley said the FHA is returning to its program of home mortgage insurance under Title II and looks for an early expansion in all normal peacetime operations, including home modernization and repair loans insured under Title I. He also stated:

Approximately 8,400 institutions in all states have originated Title II loans to finance the purchase or construction of private homes, and the latest report shows that 8,900 institutions hold Title II mortgages in their portfolios.

All types of financial institutions are participating in the FHA program—commercial banks, both national and state, savings and loan associations, mortgage companies, insurance companies, savings banks, state investing institutions, foundations and others.

These institutions have advanced more than \$8,500,000,000 under the FHA program to aid more than 6,500,000 American families to buy, build or improve their homes. At present the FHA has authority to insure approximately \$2,000,000,000 of home financing, and the President has been empowered by Congress to increase this another billion dollars as soon as the need becomes apparent.

Mr. Foley pointed out that the FHA does not itself lend any money, but insures loans made by private financial institutions. In insuring mortgage loans, it aids the lending institutions and the home buying public through its sound appraisals, minimum property and location standards, property inspection and uniform maximum interest rate.

Pacific Bases Called Essential to United States

The House Naval Affairs Committee has recommended that the United States retain ownership, control or guarantee of specific rights to any Pacific islands necessary to America's defense, without regard to pre-war ownership, the Associated Press reported from Washington, Aug. 18, adding that some of these are now claimed by France, Australia and Great Britain. In a report made public by Representative Carl Vinson (D.-Ga.), Chairman of the committee, it is stated that the islands must be kept as naval and military bases if the United States is to assume responsibility for peace in the Pacific. The report was based on the findings of a four-man subcommittee of the Naval Affairs group, which was composed of Representatives Ed. V. Izac (D.-Cal.), Andrew J. Biemiller (D.-Wis.), C. W. Bishop (R.-Ill.) and Delegate J. R. Farrington (R.-Hawaii). Urging that the United States have free and unrestrained access to the islands, the report made no attempt to suggest how the United States was to obtain title. The committee's specific recommendations, according to the Associated Press, were:

1. For our own security, the security of the Western Hemisphere, and the peace of the Pacific, the United States should have at least dominating control over the former Japanese mandated islands of the Marshalls, the Carolines and the Marianas—commonly known as "Micronesia"—and over the outlying Japanese islands of the Izu, Bonins and Ryukus.
2. The United States should be given specific and substantial rights to the sites where American bases have been constructed on island territories of Allied Nations.
3. With respect to Manus, Noumea, Espiritu Santo, Guadalcanal and other sites of American bases on islands mandated to, or claimed by, other nations, full title to those bases should be given to the United States because "these other nations are not capable of defending such islands . . ." and "as these bases are links in our chain of security . . . we cannot permit any link to be in the hands of those who will not or cannot defend it."
4. The United States must not permit its Pacific bases to lapse back into a state of unpreparedness, as in the instances of Guam and Wake, prior to the present war.

The report went on to say, the Associated Press stated, that main fleet bases should be maintained at Pearl Harbor, Guam and Saipan in the Marianas, Iloilo in the Philippines, Manus in the Admiralties, and Noumea in New Caledonia. These advices further said:

Secondary bases, it said, should be maintained in the Midway Islands, at Okinawa, at Subic Bay in the Philippines, and in the Palau Islands, with fleet anchorages at Majuro, Kwajalein, and Eniwetok in the Marshalls, at Truk in the Palau Islands, and at Espiritu Santo in the New Hebrides.

The committee urged retention in operational condition of all land plane bases now under Allied control; development of Mactan Island, in the Philippines, as a main Naval air base; and maintenance of land plane and sea plane bases at Puerto Princesa, Tawi Tawi and Guimeras in the Philippines; Okinawa in the Ryukus; strategic sites in the Bonins, the Kuriles and the Aleutians; Pearl Harbor, Midway, Canton, Johnston and other locations in the Hawaiians; Samoa, and Tontouta, Magenta, Espiritu Santo, Efate and Guadalcanal.

Control of the islands named by the committee has, in the past, been in the following hands:

- Japan—Saipan, Okinawa, Palau, Majuro, Kwajalein, Eniwetok, Truk, the Bonins, the Kuriles, Palau.
- Britain or Australia—Manus, Guadalcanal.
- Joint British and French—Espiritu Santo, Efate.

French—Tontouta, Magenta, Noumea.

United States—Pearl Harbor, Guam, Iloilo, Midway, Subic Bay, Mactan, Puerto Princesa, Tawi Tawi, Guimeras, the Aleutians, Canton, Johnston, American Samoa.

The committee did not discuss American islands or Allied islands still in the hands of the Japanese. It will deal with them in a later report.

It emphasized, however, that the United States should "take outright" the Japanese mandated islands and "the outlying Japanese islands."

"To those who challenge the justification" for retention of Pacific bases, the committee had this to say:

"We will have restored peace to the Pacific almost single-handedly and if we are to be charged with the responsibility of maintaining that peace, we must be given the authority and the means by which to maintain the peace—one of the principal means being the authority over strategic islands in the Pacific. . . . Pre-war mandates mean little enforcement of world peace if the countries that hold them are incapable of maintaining and defending the islands." Heavy loss of American life in taking the various bases also was cited.

The United States strategy of defense in the Pacific, the committee said, "should revolve about a center line running north of the equator, through the Hawaiian Islands, the Marshalls, the Carolines, the Marianas and the Philippines," with the northern flank protected by the Aleutians and the Kuriles and the southern by "a mixture of islands" held outright by, or under the mandate of, the British, the French, the Australians, the New Zealanders, the Dutch, the Portuguese and the Chileans.

Major Knowland To Succeed Johnson

Gov. Earl Warren, of California, announced on Aug. 14 the appointment of Maj. William Knowland (Republican), former State Senator, as successor to United States Senator Hiram Johnson, who died on Aug. 6. Senator Johnson's death was noted in our issue of Aug. 16, page 764. Major Knowland stated on Aug. 17 that he hopes to be in Washington when Congress convenes in September. On that date Associated Press advices from Paris said:

The 37-year-old publisher of "The Oakland (Calif.) Tribune," who has been in the Army three and one-half years—seven months as a private—first learned of his appointment when he picked up yesterday's "Stars and Stripes."

Major Knowland will go to Washington with six years of experience in the California Legislature. He was Republican National Committee member for California in 1938. In 1940 he was named a member of the executive committee of the Republican National Committee, and in 1941 was Chairman of the committee. Inducted as a private in 1942, he won a Second Lieutenant's Commission in 1943 after taking officer candidate's training at Fort Benning, Ga.

Although he has 96 discharge points, Major Knowland had little expectation of getting home immediately until he learned of his appointment to the Senate. He was scheduled to go to Frankfurt-on-Main in Germany to continue his work of writing an Army history.

France to Increase Purchasing Power of U. S. Armed Forces Through Monthly Payments

It was made known on Aug. 20 in a joint statement issued at Washington by the Treasury and War Departments, and the French Government, that the French Government is arranging to increase the purchasing power of the members of the Armed Forces of the United States in France. The statement issued as made public by the Treasury Department, says:

"Under this arrangement the French Government will place at the disposal of the American Government a substantial number of francs for distribution to the members of the Armed Forces of the United States. These francs will be paid at the rate of 850 francs per month to members of the Armed Forces of the United States regularly stationed in France, and 850 francs will be paid to members of the Armed Forces of the United States stationed outside France at the time of their entry into France or leave, on temporary duty or in transit during redeployment."

The statement as it came from the Treasury Department likewise said:

"At meetings held with the Secretary of the Treasury, at which M. Rene Pleven, Minister of Finance and of National Economy of the French Government conferred with representatives of the United States War and Treasury Departments, consideration was given to the problems which have been of concern to the United States Government relating to the general welfare and purchasing power of members of the Armed Forces of the United States. M. Pleven emphasized the French Government's desire to make arrangements allowing the many members of the Armed Forces of the United States who will be stationed in, or in transit through, France during the period of redeployment to have the greatest possible opportunities of enjoying their brief stay in France.

"In Washington, an agreement was reached on the broad principles of a program intended to provide more entertainment facilities, greater availability of nonrationed goods on special terms and some special mechanism for generally improving the purchasing power of members of the Armed Forces of the United States in France. It was further agreed that the War and Treasury Departments would appoint representatives to work out in Paris, in cooperation with the American Forces in France and with the French Government, the details of the program.

"As a result of these negotiations which have been proceeding in Paris, the French Government is now announcing the following measures which it has put into effect.

"The first of these is a program of substantial price reductions for articles made in France on sale at Army Exchanges and for entertainment and refreshments at centers already opened or to be opened with French Government cooperation. These price reductions also apply to gifts purchased in French shops when exported to an address outside France by the soldier purchaser. Also, the Army Central Welfare Fund will benefit from a partial refund of the prices heretofore paid for local purchases in France by the Army Exchange Service. In order to acquaint members of the Armed Forces of the United

Major Knowland, whose views on foreign policy definitely are not isolationist, said he thought the United States "should have a strong American foreign policy—not Republican or Democratic—and that policy should not stop at the water's edge."

He went to France in the summer of 1944 with the historical section, advanced section communications zone. He is now in the same branch with United States forces in the European theater.

States with the many places in France of historic and scenic interest, the French Government has arranged for conducted tours, at no cost to members of the Armed Forces of the United States, starting from the major leave or assembly areas.

"The distribution of francs will go into effect at the end of August. All other features of the above program are already in operation in certain sections of France and are being actively extended.

"Secretary of Treasury Vinson, in accepting this arrangement, has expressed the appreciation of the United States Government for the friendly action taken by the French Government."

Bradley Succeeds Hines as Administrator Of Veterans Affairs

Direction of the affairs of the Veterans Administration was taken over on Aug. 15 by Gen. Omar N. Bradley, commanding general of the 12th Army Group in Germany, who was named on July 6 by President Truman to succeed Brig. Gen. Frank T. Hines as Administrator of Veterans Affairs. The nomination was confirmed by the United States Senate on July 13. Under date of July 22, Associated Press advices from Washington stated:

"Gen. Bradley flew here without notice today to take over direction of the Veterans Administration. At the Veterans Administration offices, however, it was said he probably would take a brief leave before actually moving in on Aug. 15."

Advices to the "New York Times" from Washington, June 7, stated that the President had taken pains to make it clear that the change in the office implied no criticism of Gen. Hines. Its purpose, the President indicated, was to modernize for the benefit of the veterans of this war the Veterans Administration, which, as it now operates, was set up to care for the needs of veterans of World War I; Mr. Truman expressed the opinion that the administrative post would be best filled by some one who was himself a veteran of the present war.

In an exchange of letters with General Hines, marked by complete cordiality, President Truman took note of a current investigation of the Veterans Administration now before the House Committee on Veterans Legislation. He remarked that General Hines had asked for the investigation.

"I want you to know," the President said in his letter, "that I have always had and shall continue to have complete confidence in you and in your handling of public matters. In fact I shall ask you within the near future to take another post of public importance, and I hope that you will accept it."

General Hines had tendered his resignation in two letters, one being a resignation as Administrator of Veterans Affairs, and the other as Administrator of the Divisions of Retraining and Re-employment Administration. This latter office, designed to facilitate the placement of veterans in civilian jobs, includes also the Director of Selective Service and the Chairman of the War Manpower Commission. Mr. Truman said that this second position would be divorced from that of Veterans Administrator.

Treasury Assignment of Gold Increment and Silver Seigniorage

Secretary of the Treasury Vinson announced on July 28 that the balance of increment resulting from reduction in weight of the gold dollar and the seigniorage resulting from the issue of silver certificates against silver bullion will no longer be segregated in the General Fund Balance on the Daily Statement of the Treasury. The advices state.

Gold Increment

"The total increment resulting from the reduction in the weight of the gold dollar amounted to \$2,818,807,826.61, of which \$2,029,397,108.56 has been used pursuant to specific appropriations by the Congress and \$645,387,965.45 was used in connection with the retirement of national bank notes during the fiscal years from 1935 to 1939. The unexpended balance of increment on July 24, 1945, amounted to \$144,022,752.60, of which \$111,753,246.02 is the balance available under the Act approved June 19, 1934, for advances to Federal Reserve Banks for industrial loans. Inasmuch as the authorization for payment to Federal Reserve Banks for industrial loans is maintained in the 'appropriation accounts' of the Treasury and as payments for such purposes are made from the General Fund in the same manner as payments under appropriations for other purposes, there is no need to set aside for an indefinite time an amount of gold for payments to Federal Reserve Banks.

Silver

"When the policy of setting aside seigniorage in the General Fund was initially determined upon, in 1934, it was announced that an amount equivalent to such seigniorage would be applied eventually to retire the public debt. The fiscal situation since then has changed in many respects.

"As a result of the war, Treasury silver stocks have been made available to our Allies under lend-lease arrangements. Also, considerable stocks have been sold to industry and the use of silver for subsidiary coinage has materially increased.

"So long as the balance of silver carried in the General Fund was sufficient to cover the accumulated seigniorage, it was not necessary to tie up other assets in the General Fund, but because of the developments recited above the Treasury is now, in effect, required to maintain a substantial part of this seigniorage in the General Fund with borrowed money. More recently it has been determined that silver certificates shall be issued on a basis of the full monetary value of the silver bullion in the General Fund, up to 300,000,000 ounces, with the remaining silver to be held available for lend-lease requirements, subsidiary coinage, and sales to industry under the Green Act. In view of these substantially changed circumstances, the original reasons for the segregation of seigniorage in the General Fund balance no longer apply."

Would Continue Suspension Of Trade Barriers

The annual report of the Bank for International Settlements, Basle, Switzerland, declares that trade barriers suspended for the war's duration might wisely be continued in suspension after the war, according to "Wall Street Journal" advices from London, May 3. The report points out, however, that the balance between cost and price structures should be maintained by some other means than by increasing government debts, or post-war financial chaos may result.

Army-Navy Plan of Demobilization

With the cessation of hostilities in the Pacific theatre, plans are being accelerated for the release of armed services personnel, and the War and Navy Departments, on Aug. 15, according to Associated Press advices from Washington, which reported the release of statements covering the present demobilization program. Indicating that the three armed services had made public a broad outline of their demobilization plans, special advices from Washington Aug. 15 to the New York "Times" noted:

While the Army reiterated that it would get 5,000,000 men out of uniform in 12 months but insisted that it must have a post-war draft to keep the peace, the Navy revealed its plans to release 1,500,000 to 2,500,000 Sailors and Coast Guardsmen in 12 to 18 months and the Marine Corps established a point discharge system similar to the Army's.

The salient points of the plans announced by the services were these:

(1) The Navy's system differs from the Army's, as its points are reckoned principally on age, length of service, limited credit for dependents and no special credit for overseas experience. However, officers and men who have won certain medals are eligible for automatic discharge on request. The Navy estimates that 327,000 men are immediately eligible for discharge under its plan and the critical scores for discharge will be lowered as this first group goes out.

(2) The Army will release all enlisted men and women 38 years of age or older and promises immediate discharge for the 78,000 "high-point" men now in this country but as yet not released.

(3) The Army maintains that Selective Service "must continue," or the men who have fought and won the war will have to be kept overseas as occupation troops. It will launch a voluntary enlistment program immediately.

Henry L. Stimson, Secretary of War, was on vacation today, but Maj. Gen. Alexander D. Surlis, the War Department's public relations director, and Maj. Gen. S. G. Henry, Assistant Chief of Staff for Personnel, called a press conference to present a statement from him. It pledged that the Army would try to do "just as fast and effective a job" in getting men back from abroad and out of uniform as it had done "in the other direction." It said that "we shall try desperately" to discharge 5,000,000 high-point men in the next twelve months, although the greatest number ever shipped overseas in a year was 2,500,000.

Mr. Stimson warned, however, that the needs of Gen. Douglas MacArthur's occupation forces had to be met. How many men will be needed to police the Pacific and Asiatic territory taken from the Japanese and how long they will be needed was not disclosed.

If the regular induction of men is not continued, Mr. Stimson said large numbers will be doomed to prolonged service abroad and at home. But inductions under the Selective Service System will be reduced.

Mr. Stimson made public a directive from Gen. George C. Marshall, Chief of Staff, to all commanding generals, ordering them to carry out the demobilization plan as rapidly as possible. General Marshall particularly warned all officials to "combat natural tendencies to continue activities, demand services and retain personnel, supplies, equipment or facilities which are not clearly necessary."

The following are the War and Navy Department's statement as reported by the Associated Press:

Army

I do not believe that there has ever been a case in history where so large an army has been so rapidly taken from civilian life, trained, equipped, transported to the fronts and put into battle as the Army of the United States in this war.

It is our aim and objective to do just as fast and effective a

job in the other direction. We intend to make just as good a record in getting these men from the battlefield back home and in civilian clothes.

American soldiers have always had infinite possibilities. The question has always been what chance have we given them to use their capacities—what training, equipment and leadership have we provided—and what have been the time elements? The time elements in this case were dreadfully narrow. The marines at Guadalcanal, Patch's reinforcements, MacArthur's first push over the Owen Stanley—these were just in the nick of time to save Australia.

The North African landing was just in time to help relieve the Russian front, counter-balance the Near East and assure the end of the Africa Corps. And so it went through New Guinea and the Philippines, in the Pacific, and by the landings in Sicily, Italy and Normandy in Europe. Never a moment too soon and always with just enough men and supplies. It has been drive, drive, drive into the war up to now.

From now on the tide goes out and we shall push with equal intensity to get the men back from the wars. In a minute I am going to read you the directive governing the Army's post-war objectives that has been issued to all commanders. Before I read this directive I want to make clear one or two parts of our program.

First, we shall try desperately to discharge 5,000,000 high-point men in the next twelve months. The greatest number we have ever sent overseas in a year was about 2,500,000. We expect now to get enough men back fast enough to discharge 5,000,000 men in twelve months.

These will be the high-point men. There is one possible exception to this. Gen. MacArthur, before V-J Day, had combed out of invasion force all eighty-five-point men. We could not ask him to disorganize his invasion force by combing out men of lower score until after events prove that there is no risk in our occupation of Japan. Premature discharges must not be allowed to reduce the Army to the point where it would be unable to control situations which might arise within Japan.

The second thing I want to comment on is the continuation of the draft. There are now 5,600,000 men in our Army with over two years' service. If we do not continue a regular induction of men, we doom large numbers—a total equaling the number of men whom we now wish to have inducted—to prolonged service abroad and at home. The President has said we shall continue Selective Service. I am certain that the vast majority of the 3,000,000 now in the Army will agree with that decision.

The directive governing War Department policy in the post-war era to which I referred reads as follows:

"Subject: War Department policies for the period following V-J Day:

"(1) Since December, 1941, the nation has depended upon the Army and Navy to build up and direct the power to bring us victory and peace. With the capitulation of Japan, the nation now looks forward to the demobilization of the Army and its installations as rapidly and efficiently as practicable. In some respects our responsibility is just as heavy as during the critical days of 1942. The same imagination, energy and devotion to duty which characterized the activities of the Army during the past four years

must now be turned to the vast task of demobilization.

"(2) The mission of the War Department during the period immediately following V-J Day is stated as follows:

"(A) To demobilize the Army and eliminate and curtail the activities of the War Department to the maximum extent, and with the greatest rapidity consistent with national commitments for occupational forces.

"(B) To provide the occupational forces in conquered and liberated areas with sufficient trained personnel, supplies and equipment to assure the proper performance of their missions, and to assure their maintenance at standards befitting American soldiers.

"(C) To make reasonable provisions for fundamental post-war military requirements. Such provisions must not interfere with demobilization, and the elimination and curtailment of War Department activities.

"(3) In the performance of its mission, the War Department will be guided by the following general principles:

"(A) Every expenditure which is not directly and vitally necessary to the performance of its mission must be eliminated. During the war, Congress has been liberal in providing the War Department with funds. A serious obligation is now imposed on the department to cut expenditures to the minimum. The current requirements must be met to the fullest possible extent with supplies, equipment and facilities now available.

"(B) Every member of the Army will be treated as an individual. Primary emphasis will be placed upon the rapid discharge of military personnel in their order of priority as determined by their critical scores. Emphasis will be given to the educational programs and problems concerning personal readjustments to civilian life.

"(C) All officials will combat natural tendencies to continue activities, demand services and retain personnel, supplies, equipment or facilities which are not clearly necessary to the announced mission of the Army and the War Department. This must be kept in mind in making all decisions.

"By order of the Secretary of War.

"G. C. Marshall, Chief of Staff."

To carry out these policies, now that hostilities have ceased, the War Department is immediately confronted with three major responsibilities. The first job is to make the victory secure by suitable deployment of our Pacific occupation forces and demilitarizing Japan. The second is to bring home and discharge with all possible speed the men who are no longer required for effective national defense and for the occupational armies in Europe, and the Far East, and for the normal establishment of the Army. The third is to halt immediately the production of purely war munitions and release facilities for civilian production.

Many of the ships that are now carrying troops and supplies to the Pacific from Europe and from this country will be re-routed to United States ports. Only those carrying men and equipment needed for immediate occupation duty or which are so close to their Pacific destinations that it would be unwise to turn them around will complete their voyages as originally scheduled.

Except for those units which are specifically requested for future shipment by the Commander in Chief of Army Forces in the Pacific, General MacArthur, and the commanding general of the United States forces in the China theatre of operations, General Wedemeyer, and except for the flow of low-point replacements, the gigantic process of redeployment which started with Ger-

many's surrender will be thrown into reverse.

Air and sea transportation will be utilized to the maximum to return our high-score men now overseas to their homes. Immediate action is being taken to enlarge the separation centers in this country so they will soon be able to discharge 500,000 men a month.

Our goal is to reduce the Army by 5,000,000 in the next twelve months, but it may take several months longer. More men will have to be moved in less time and over longer distances than ever before. It is a tremendous undertaking.

In order that there may be no delay in starting discharges under a revised point system, we shall continue for the present to release enlisted men under the old adjusted service-rating score of eighty-five and enlisted members of the Women's Army Corps under the old score of forty-four. For officers the present discharge system will remain unchanged at this time, with preference in discharge to be given to those with the longest and most arduous service.

Our first responsibility before we make additional men eligible for release from the Army will be to make certain that the Japanese have accepted the surrender terms in good faith.

There are 2,250,000 trained Japanese soldiers in the home islands alone and an equal number still to be disarmed in other Pacific and Asiatic territory. Until our own troops have moved in and ascertained that no new treachery is being planned by any groups in the Japanese population, we must have the means to stamp out inexorably and completely any enemy uprising.

As soon as all danger from this source has been removed, arrangements will be completed for putting into effect a revised point system, which will allow troops credit for service after May 12. A lower critical score will be established and further reductions in this score will be made periodically to insure that discharges proceed at the highest rate permitted by transportation. The aim will be, as in the past, to insure that those who have the longest and hardest service receive first consideration for discharge.

In addition, all enlisted personnel 38 years of age or older will be eligible for discharge within ninety days after they make application for discharge.

Delay in releases on the grounds of military necessity will be limited to a few highly specialized classifications. And men employed in speeding the demobilization in this country must wait replacement by low-score men from Europe.

As conditions permit, some or all of the highly specialized classifications will be eliminated so that every eligible man may be restored to civilian life.

To guarantee fairness to the men overseas, inductions under the Selective Service system must continue, but at a reduced rate. In no other way can we provide men to replace gradually the soldiers now forming our occupation forces and garrisons in Alaska, Hawaii and the Caribbean. In no other way can the overseas men find relief, since the numbers are too large to hope to replace them with volunteers.

A complete realignment of personnel of all units in this country and overseas will have to be made on the basis of the new adjusted service rating scores. This will continue to make it possible to give priority of discharge to those most entitled to this consideration.

The eagerness with which the men of the Army and their loved ones await their discharge is evident, but even now, if we are to secure the peace, some men with low-point totals will have to sail to foreign shores to relieve others

who have been overseas a long time. They will now go to assignments that should involve little or no personal danger, but we would all prefer if they did not have to go at all.

The plans for shutting off the tremendous flow of weapons and equipment that has poured from the factories of America to the war fronts of the world are ready and have already been put into effect.

All of us are conscious, in this moment of victory, of the tremendous debt we owe to the fighting men, but at the same time we must have in mind the grim responsibility to make permanent the peace for which so many Americans have given their lives.

Navy

The Navy Department today announced its plan for release of personnel effective immediately, and its intention, subject only to military commitments, to release 1,500,000 to 2,500,000 men within the next year to 18 months. Type and area commanders have been directed that, among those eligible for discharge under the plan, preference will be given to men who have been longest at sea or overseas.

This new general personnel-release formula applies to all personnel of the Naval Reserve, to inductees and to those in the regular Navy who are serving beyond the expiration of enlistment.

The Coast Guard is following a parallel plan to that of the Navy. The Marine Corps plan will be announced separately.

The Navy has established a formula giving credit for age, length of service and dependency, and critical scores which at the outset represent the minimum number of points required for release.

One-half point is allowed for each year of age, figured to the nearest birthday.

One-half point is allowed for each full month of active duty since Sept. 1, 1939.

Ten points are allowed if the individual has a dependent. (Credit for dependency is established if the enlisted man or officer or their dependents are receiving an allowance from the Government for dependency at the time the plan goes into effect; subsequent dependency will not be computed. Personnel whose wives are members of any of the armed forces also are entitled to ten points.)

Four critical scores are established for different classifications of Navy personnel, lower eligibility totals being fixed for enlisted men in comparison to male officers as well as separate scores for enlisted Wave personnel and Wave officers.

The four critical scores are as follows: 44 for enlisted male personnel, 29 for enlisted Wave personnel, 49 for male officer personnel, 35 for Wave officer personnel.

The Navy will make downward adjustments in the critical scores whenever military commitments permit. By this means the Navy plan is kept flexible and allowance is made for accelerating the rate of personnel release.

Lower critical scores were assigned to Wave personnel because such personnel will not ordinarily receive benefit of dependency credit and the women's reserve has not been in existence long enough for women personnel to have been on active duty a length of time proportionate to male personnel.

Regardless of his critical score, anyone who has received one of the higher combat decorations of the armed services is entitled to release upon his own request. These awards are the Medal of Honor, Navy Cross, Legion of Merit, Silver Star Medal, Distinguished Flying Cross, and comparable medals of the Army,

if such awards were made for combat achievement.

Provisions will be made outside this formula for the more rapid discharge of certain categories of aviation personnel and other classes of personnel in which large excesses over present requirements exist.

Certain individuals will continue to be eligible for release or discharge under conditions specified in previous directives, such as extreme hardship cases involving dependency, enlisted men age 42 and over who request release. The computed service age formula for the release of officer and enlisted personnel, which became effective July 24, 1945, is canceled.

Approximately 327,000 become immediately eligible for release under the Navy demobilization plan. This number includes 261,000 enlisted men, 5,200 enlisted women, 40,000 male officers, 500 Wave officers and up to 20,000 award holders.

In addition to the increases in personnel who will become eligible for release as they accrue additional credit for service and age, larger numbers to be discharged will result from future reductions of the critical scores.

The Navy Department expects to lower the critical scores in order to meet its goal of releasing up to 2,500,000 men within a year to 18 months. The speed and the extent to which this will be possible will, of course, depend upon military commitments.

The keynote of the Navy demobilization plan is simplicity and speed of computation. Careful consideration was given to other factors which might have been included in computing the critical scores. Several were excluded because it was apparent that they would have complicated and slowed down the entire procedure without returning the individual to civilian life more rapidly.

Allowance for more than one dependent is not included in the critical scores because, as a whole, the added factor would not materially alter the order of release. While only 45% of the total Naval personnel have dependents, approximately 65% of the 327,000 now eligible for release have dependents.

Credit for overseas service was also considered but is not used in computing critical scores because to add this factor would further complicate the formula without materially altering the order of discharge. Navy records show that 93% of male personnel (officers and enlisted) qualified for sea or foreign duty (excluding those recently taken into the service and now in training for such duty) have served outside of the continental limits. In instructions released by the Department, type and area commanders have been directed that, among those eligible for discharge under this plan, preference as to order of return to this country will be given to men who have been longest at sea or overseas.

As an example, if an enlisted man is 29 years old, has been in the service since January, 1942, and is married, he would receive 14½ points for his age, 21½ points for the number of months he has been in the service and 10 points for dependency, a total of 46 points, or 2 points more than the number required to make him eligible for separation.

The present critical scores determine the immediate eligibility for discharge. The controlling factors in future reductions in the critical scores and on the numbers and rate of discharge will obviously be military commitments and the availability of shipping. The responsibilities to which the Navy may be committed in the Pacific, the availability of ships to transport personnel across thousands of miles of ocean and the ability of the railroads to handle traffic will neces-

sarily regulate the speed with which demobilization takes place.

Personnel who do not wish to be released at the time that they become eligible may apply to stay in the Navy as long as there is need for their services. Conversely, in order to avoid the reduction of personnel on ships and in essential shore activities to the point where they are unable to operate, commanding officers are permitted to delay detachment of eligible persons until they are replaced, but not for more than 120 days. Personnel in certain classifications, such as the Medical Corps and certain other types of specialists, may be held for periods greater than 120 days until their vitally needed services can be replaced.

Twenty personnel separation centers are in process of being set up at strategic locations. In addition, personnel separation centers for the Women's Reserve are being established in five cities. Those designated for separation will be processed at these centers within 72 hours after arrival there. All personnel will be given a private and personalized exit interview, informed of a veteran's rights and benefits, and instructed as to the appropriate agencies authorized to administer those benefits.

Whether or not the Navy continues to use inductees will, of course, depend on national policy with respect to the maintenance of the Selective Service System. Adequate personnel will be needed by the Navy to meet necessary commitments, including military requirements and the laying up of ships and other gear. The intake of new personnel will allow the Navy to discharge these responsibilities while releasing with as little delay as possible men who have borne the burden of the war.

Cotton Spinning for July

The Bureau of the Census announced on Aug. 22 that, according to preliminary figures, 23,127,798 cotton spinning spindles were in place in the United States on July 31, 1945, of which 22,030,280 were operated at some time during the month, compared with 22,188,330 in June, 22,167,678 in May, 22,158,674 in April, 22,232,168 in March, and 22,291,072 in July, 1944. The aggregate number of active spindle hours reported for the month was 7,922,813,588, an average of 343 per spindle in place, compared with 3,239,785,994, an average of 399 per spindle in place, for last month and 8,603,032,057, an average of 369 per spindle in place, for July 1944. Based on an activity of 80 hours per week, cotton spindles in the United States were operated during July 1945 at 102.0% capacity. The percent, on the same activity basis, was 118.8 for June, 114.8 for May, 116.9 for April, 121.8 for March, and 115.4 for July 1944.

Would Encourage Germany To Build Free Institutions

The assertion that the military government of Germany could not be a purely negative control and that the Germans "should be encouraged to build free institutions suitable to their needs," was made at Belfast on Aug. 24 by General of the Army Dwight D. Eisenhower. Reporting this, Associated Press accounts from Belfast said:

Speaking at a ceremony in which he accepted the freedom of Belfast, the wartime Allied Supreme Commander praised the British because they "historically have been vigilant of their ancient liberty."

"They have displayed a sturdy sense of responsibility," he said.

"A tremendous step toward world peace will be accomplished if a similar sense of personal responsibility can be acquired by the German people."

From Washington Ahead Of The News

(Continued from first page)

Japanese, ended the war. The proposition is inescapable that we don't need an army, navy or air corps in the future, just a few Atomic Bombs.

This is what the Army and Navy knows. If you go to an Army or Navy high officer and mention the Atomic Bomb, you do so at your own risk. The things he is saying about the scientists are not fit to print. You can imagine how he feels, too. For more than three and a half years the services have been squabbling about who was winning the war: the Army, the Navy or the Air Corps. It is a fact that they spent lives galore and billions of dollars in the process. But in the final analysis a few bespectacled scientists step in and wave them aside and say they won it.

In all of our experience in the great propaganda mill of Washington we have never seen such confusion. You talk to the Army and Navy people and get the impression that the Atomic Bomb is the greatest hoax that has ever been perpetrated upon a people. They are eagerly citing the statement of the Danish Minister in Tokio, just arrived in Washington, that the most miserable night he ever spent was the night early in March when our B 29's came over Tokio and killed 100,000 people. But the Japs are saying that our Atomic Bomb is still killing people in the Hiroshima and Nagasaki areas. That, according to our Army and Navy people, is just the Japs' way of saving face. And it is a fact that they would like to wreak revenge on them more for this than for Pearl Harbor.

Into this melody creeps through a story of the experience of two American flyers who a few days ago had to land at Nagasaki because of the lack of gas. Apparently not knowing of the raging controversy in Washington, they told of seeing street cars running and people walking the streets of Nagasaki where the Japs say people are still dying from the effects of the bomb. In the meantime, we are told that although all war contracts have been cancelled, the atomic bomb plants are still working. Yet it is such a devastating thing that our Government hopes to bring about an international control, and in the meantime, we had certainly better not stay out of any international organization, or refuse to give money abroad; we must go to any extent to get along in the world community, because this atomic bomb has made us next door neighbors. The Army and Navy don't have any neighborly feeling. They'd like to run the scientists and the scientists' propagandists, clean off the board. An observation here would be that there is no such thing as security. The generals thought they had it; then came the scientists.

There is plenty of evidence that Henry Wallace is moving towards a break with Truman. He doesn't like his job. In it he is bottled up and must remain loyal to Truman for a second term. It may not be Wallace so much as the crowd around him. His CIO-PAC followers are minus a leader. In the great reconversion they are being washed up. That is, as the hill billies, farmers, ne'er do wells, malcontents, overaged and incompetents are being swept out of the plants, Sidney Hillman, Phil Murray et al, are losing their strength. Their cause is being dissipated. They are making a tremendous stand on the so-called Full Employment Bill.

But they need a flaming evangelist. They seem to have definitely sold Wallace that this is his role. He can't exercise it as a

member of Truman's cabinet. So watch for a split.

Before Truman left for Potsdam, Henry showed up with what he called his economic blue print. Truman waved it aside, told him to wait until after Potsdam. Since, Wallace hasn't been able to get Truman's ear.

The handwriting on the wall is the revival of Wallace in the "Liberal" papers recently. He has all sorts of plans, according to this build up, but is being held in check. Watch for his separation from the cabinet soon and his becoming the Joan of Arc of the radicals.

When one thinks of all the jobs available in this country, and how, if the politicians would keep their hands off, things would very likely adjust themselves, it is a little sickening to know what is in store, politically, for us. But it is there.

O'Connor to Succeed Mrs. Rosenberg As WMC Regional Director

Mrs. Anna M. Rosenberg announced on Aug. 19 that she has submitted her resignation as Regional Director of the War Manpower Commission to Chairman Paul V. McNutt. The resignation is to take effect Sept. 15, when she will resume her private practice as a consultant in the fields of industrial, labor and public relations.

Mrs. Rosenberg is a member of the Advisory Board of the Office of War Mobilization and Reconstruction and is also a consultant to the Retraining and Reemployment Administration. She will continue these activities, as well as her work as Chairman of the New York City Veterans' Service Center. Mrs. Rosenberg has made two trips to Europe within the past year—first as personal representative of President Roosevelt to study the problems of returning service men and, recently, for the same purpose, at the request of President Truman. Mrs. Rosenberg has been Regional Director of the War Manpower Commission since its establishment in 1942. From 1936 to 1942 she was Regional Director of the Social Security Board, and in 1941 was also appointed Regional Director of the Office of Defense, Health and Welfare Services. Previously she had been Regional Director of the National Recovery Administration for New York State. She is also a member of the New York State War Council, the New York City Mayor's Business Advisory Council, and honorary Chairman of the New York City Defense Recreation Committee of which she was one of the founders.

In accepting Mrs. Rosenberg's resignation, Paul V. McNutt, Chairman of the War Manpower Commission, announced that Joseph B. O'Connor would succeed her as Regional Director of the War Manpower Commission. Mr. O'Connor has been Deputy Regional Director of the War Manpower Commission and formerly was Assistant Regional Director of the Social Security Board.

Paying on Gold Futures

From Chungking July 31 Associated Press advices as follows were reported by the New York "Herald Tribune":

The government disclosed today a decision that all persons who bought gold futures before sales were suspended June 25 will be given only 60% of the gold contracted for and be paid the remaining 40% of the original purchasing price in "Allied Victory Bonds."

This produced another jump in the black market price of gold which rose from \$160,000 Chinese to more than \$200,000 an ounce.

MacLeish and Holmes Quit State Department

Following the resignation of Joseph C. Grew as Under-Secretary of State, and the appointment of Dean G. Acheson (formerly Assistant Secretary), as his successor, announced earlier this month, further changes have since occurred in the official staff of Secretary of State Byrnes. On Aug. 17 it was made known that Archibald MacLeish and Gen. Julius C. Holmes had resigned as Assistant Secretaries. President Truman on Aug. 21 nominated 33-year-old Col. Frank McCarthy, of Richmond, Va., Secretary of the War Department's general staff, as Assistant Secretary of State in Charge of Administration. In his new post Colonel McCarthy will succeed General Holmes. It was noted in Associated Press advices from Washington Aug. 17 that only three of the original State Department high command which served under former Secretary Edward R. Stettinius, Jr., remain—Assistant Secretaries Nelson A. Rockefeller (in charge of Latin-American affairs), James C. Dunn (in charge of all foreign affairs except Latin-American) and Will Clayton (in charge of economic affairs).

From the same advices we quote:

"Mr. MacLeish, former Librarian of Congress, was brought into the Department last year to direct public information activities. He said in his letter of resignation that the duties of the position to which the late President Roosevelt appointed him had 'materially altered with the adoption of the United Nations charter and the termination of the war.'"

"Mr. Truman, in accepting the resignation, expressed sincere appreciation for Mr. MacLeish's 'splendid service.'"

"General Holmes, an old-line foreign service man, had served on Gen. Dwight D. Eisenhower's staff before Mr. Roosevelt named him Assistant Secretary in charge of administration last December. He advised Mr. Truman that his plans at the time were to return to private business when the war was over."

"Mr. Truman expressed 'deep appreciation of the splendid service' Holmes gave in the army and 'of the equally effective contribution you have made to the war effort in the office you now relinquish.'"

Under date of Aug. 21 special advices from Washington to the New York "Times" had the following to say, in part:

"Colonel McCarthy, who assumes direction of the State Department's administration on the eve of its reorganization, has had a rapid ascension in the War Department, where he demonstrated exceptional ability as an organizer and as confidential collaborator of General Marshall and Presidents Roosevelt and Truman. He entered the War Department in 1940 as a First Lieutenant in the office of the Assistant Chief of Staff. Promoted rapidly, he became liaison officer between the White House and the General Staff in 1941, and, attaining the rank of full colonel in 1943, he was made secretary of the War Department's General Staff in January, 1944.

"Colonel McCarthy is now reverting to the Army Reserve Corps on an inactive status and, as a civilian, will assume his duties as Assistant Secretary of State tomorrow."

The resignation of Mr. Grew and the appointment of Mr. Acheson as his successor appeared in our issue of Aug. 23, page 859.

The black market value of the American dollar, which had eased to about \$2,400 Chinese from a peak of \$3,000, again was approaching the \$3,000 mark.

Autonomics and Economics

(Continued from first page)

transition "restrictive policies" with their brood of political and economic injustices are excused as an interim "necessity." The end—the receding now of gold at the end of the rainbow—is used to justify the means—the perpetuity of political expedients.

Yet the politician is the result, not the cause, of this impasse. If he can see only "a compromise between the two (a free and a 'planned' economy), involving intermediate organizations of various types," that is because he is advised by Keynesians, i.e., by economists who attribute our financial ills, not to usury as defined by Father Dempsey ("forced saving"), but to "monopoly profits resulting in a reduction of demand and excessive savings."* This made-in-Britain economics tells the politician that, "in the words of Professor Hansen, monopolistic organizations and corporations can be made the servants of a well-functioning economic and political society, and not its masters;" this to be done by "amphibious" muddling-through in politics.

Even Hayek, who forcefully rejected this socialistic flair for politics when faced with it on the Chicago Round Table, has failed to suggest the road to freedom—has, indeed, only indicated a different road to serfdom! For as Hansen pointed out in his review of Hayek's book (New Republic, Jan. 5, 1945), he has turned to an advocacy of government stockpiling as a "monetary" measure for pegging prices, which could hardly be called an open market free from government controls! This, be it noted, is precisely the valorization scheme advocated by Boothby (Commercial and Financial Chronicle, p. 2516) who is, however, not so naive as the professor and can be consistent, if not right, in saying plainly that "free competition is largely out of date" and "wasteful." So have the professional straddler and his political proselyte become "amphibious" in operation. They choose "ends," rather than means which will actually "avoid the omnipotence of uncontrolled state domination;" for all is well, they say, if we but "preserve the constitutional checks and balances which are essential in a democratic society"—which, being interpreted, means that constitutionally represented majorities can do no wrong. Yet, when we write a "charter" for the nations, we rely, not on "checks and balances," but on the actual consent (the veto power) of the governed, to prevent autocratic tyrannies! Which, indeed, is the true antidote for omnipotent government? Obviously, neither!

Because of this impasse in economic and political theory, Russian concessions (so-called) in the interest of harmony (so-called) at San Francisco, can have had no meaning beyond the immediate situation in dealing diplomatically (so to speak) with a box of tinder. For no purely political procedure, much less the machinery there evolved, can have any determining significance in the establishment of lasting peace. (Cf "The Financial Situation," Commercial and Financial Chronicle, June 7, 1945.) The

*This same mischievous confusion furnishes the background for David McCord Wright's pro-Keynesian analysis of "The Radical Indictment" of capitalism, in the Harvard Business Review, summer issue, 1945, p. 393-414, in which "forced saving" is wholly elided as a source of instability and a cause of the "barriers" which are set up to "hamstring" capitalism. It is thus made to appear that what is lacking is only the will, not the way, to competitive enterprise as the basis for freedom.

Lessons of history, being negative and of no value except as they direct attention to the alternative and positive lessons available in science, have taught nothing so surely, by their pragmatic trial-and-error method, as that no system that depends upon leadership, regardless of how such leadership is chosen or made "responsible" to the governed, can assure peace on earth and good will among men. Principles, not personalities, make for understanding and peace; and as to principles we need to look for the beam in our own eye if we hope to be able to point out to Russia the mote that is in hers. The Russian idea that she is reforming human society—that it is her Marxian mission to put us all (except, of course, the bourgeoisie) on the high road to Utopia by eliminating property incomes—is scarcely more naive than our own conceit that, in "our American way of life" based on "private enterprise," we have already attained to a seventh wonder of the world with our "free competition" and its "highest standard of living." "Pride goeth before a fall."

"Beware the Greeks"

The truth about serfdom is that which our modern Soothsayer (Hayek) has pointed out, namely, that we, too, are on the road thereto; and serfdom is not the path to peace—except by coercion. No better example of this deadly drift, in the very face of political democracy, could be adduced to justify Hayek's warning than the Boothby article on cartels in the "Chronicle" (already cited), in which this distinguished M. P. concludes (with prophetic foresight as to election returns) that governments are to be bettered, not by governing less, but by governing more. And with the resort to equivocation so usual in politics, this is pointed out as "conservative" doctrine which so "rationalizes" human society that it is to become "amphibious"—half slave and half free—as a way of checking "the power to exploit the common man"—who seems not yet to have learned to beware the Greeks when bearing gifts!

Much as current "religious" ideas imply the cashing of objective truth by "spiritual" concepts, and by much the same perverse reasoning based on factual ignorance as in that "Science" which is calling itself "Christian," so does the British ideology of Keynes imply the same dissipation of liberty that Russia has developed and which we are developing under the baneful influence of essentially the same Marxian sophistry. We do not, indeed, have to translate Russian literature in order to understand and criticize her utopian ideology. The seeds of that ideology are right in our midst, within the very doors of our churches as they sermonize us on the notion that it is the "spirit," not the substance, of human social relations that must determine social welfare and the maintenance of peace. Not sanity in law, but honesty in people, is essential, they say; and such "honesty" is, by the equivocations of ecclesiastical metaphysics, translated into a distortion of good sense—a misconstruction of the "golden" rule to mean that if we really want to satisfy our needs—our "greed"—the way to this Garden of Eden is for us all to be our "brother's keeper;" whereupon Providence will intervene, cause and enable the good brethren to return each other's favors, and we have "freedom from want;" *quod erat faciendum*. Cast thy bread upon foreign waters and it will return to thee in terms of a "multiplier;" such is the siren song with which Americans are being this day hypnotized into economic inanition!

In a world of biological competition this naive dependence

upon "people of good will" to keep the peace simply penalizes such "good" intentions, with the result, so pointedly indicated by Hayek, that the best people have the road to their own serfdom by letting the worst rise to power, precisely as they did in Germany. It was German mythology, be it noted, that personified this ideology in Santa Claus, a jolly good fellow now driven from the Fatherland and become a refugee in America with the *nom de guerre* of Uncle Sap. A wolf in sheep's clothing, he is about to be canonized internationally as an anti-perfectionist who artlessly prescribes that intellectual anodyne which says so easily: "It's too deep for me; you see, I didn't take that course in college; and besides, I'm too busy establishing a New World Order to stop for such a dilettante pastime as arguing about abstractions; let George do it." And George, and/or perhaps rather Ivan, will do it—very likely all of it—when it comes to vetoing international use of power in enforcing justice.

Vickers versus Boothby

This predilection for plunging ahead into action morally and mentally *sans-culote*, i.e., "with our pants down," is plainly predicated on the false notion that the lessons of experience, even individual experience, are an adequate guide in a social setting. On this basis Mr. Boothby concludes that "there can be no doubt that the Ruhr magnates were right" in criticizing competition in the British coal mines, and that (quoting "conservative" Lord McGowan): "The only solution is to regulate production and prices and to control competition."

Why, may we ask, has Mr. Boothby come thus to ignore the monetary liberalism of the founder of the Economic Reform Club and Institute and to adopt the opinions of these pseudo-conservatives, or neo-liberals—political "amphibians" is his own, very apt, expression!—who are aping the very magnates of German industry who set Hitler up in the business of proving with power politics that free enterprise and industrial competition is a sin? Vincent Vickers, of the British firm of that name, went through World War I in the same position (as a Director of the Bank of England under Sir Montagu Norman, British collaborator in German interwar finance) as that which Lord Keynes has occupied in this war. But he arrived at very different conclusions. After breaking relations with Governor Norman and the Bank of England, Vickers founded the London Reform Club in which Mr. Boothby is said to be interested. At the time of his death just after the war had begun in Europe in the fall of 1939, he had climaxed the effort of fully ten years of his life devoted to repudiation, not of free, competitive enterprise after the Keynesian manner, but of the British financial system, by writing a short treatise on "Economic Tribulation" in much the same vein as "The Road to Serfdom."

Unlike the Austrian academician, however, Vickers came forward with a specific recommendation for a "fixed and constant internal purchasing power of money" which "can be done by so issuing and regulating the volume of available credit and currency that it shall at all times be adequate to permit of the purchasing power of the consumer being equated with the volume of production. . . Any additional supply of money should be issued as a clear asset to the State; so that money will be spent into existence, and not lent into existence."

This is essentially the same conclusion as that at which Dr. Currie in this country arrived in his Harvard monograph on "The Supply and Control of Money in the United States." Yet Currie's

treatise has been as consistently ignored here as Vickers is being ignored by Mr. Boothby. Mr. Vickers was very specific in his repudiation of the conclusions at which Mr. Boothby has arrived as to virtual elimination of free, private enterprise after the manner of the German magnates. I quote from "Economic Tribulation," London edition, 1941, p. 65: "Strenuous efforts have been made over some 25 years"—those were the very years in which John Maynard Keynes rose to the peerage by such efforts!—"to patch up the money system in an attempt to make it last a little longer; but it has stood, and now stands, in the way of progress and social betterment, thereby creating universal unrest and a tendency to obtain by force what cannot be obtained otherwise. For the sake of our children let us take warning in time. Let us discard the policy of inaction and pretense, and boldly face the fact that it is not the inevitable smoke of the galley stove which assails our nostrils, but that a fire is raging in the hold and that the ship of state is in imminent danger. Our democratic system and our existing financial system can no longer live together; one of them must give way to the other."

Why has Mr. Boothby chosen to give way on the side of serfdom? Why does he fail even to mention "regulating the volume of available credit and currency" by procedure which does not lend money into existence, as a possibility? ("Public ownership" of the Bank of England as outlined for the new Socialist regime by Laski, when Parliament was convened is definitely not in line with elimination of lending from monetary expansion.) Why have these vital banking reforms, particularly as carried into "central bank" legislation such as the Federal Reserve Act, proved to be *ignis fatuus*, indeed, little short of a sell-out of reform to privilege? Is it because of some sinister conspiracy among the privileged to prevent the development of sanity in finance? Not in any important sense. Rather is it because of the fallacies that are at the very root of our thinking, so that even those who have seen what is wrong (e.g., the socialists) have been unable to see what is right. Politics has thus been a matter, not of truly liberal institutions, but of kicking out one group of "rascals" after another for running illiberal institutions. A modern liberalism has yet to be formulated.

International Barter

The most specific stumbling block in the path of straight thinking has been in the field of international trade where "cut-throat competition" has "proved disastrous to all," as Mr. Boothby puts it. Here the lessons of experience have had to do with the inherent awkwardness of barter—of lack of a common currency—a situation obfuscated by the illusion that "gold is money, and only gold is money." Inasmuch as the gold-standard tail has signally failed to wag the bank-credit dog and stabilize "world prices," we are told that the whole money-price system ("capitalism") has failed as an automatic operation and must henceforth be subject to "international control over . . . output and the distribution of . . . products" as the only recourse!

The truth is that no functioning money system has ever existed, internationally. There is not now, and never has been, a "world price level." (As to "price level," see "Arithmetic Monsters and Economic Absurdities," by Bassett Jones, in Jour. Acctncy, Mch., 1942.) What we have been attempting is barter by way of gold as an illusory "standard" of value. Naturally, this has met with repetitions of frustration as barter could not fail to do. Domestically, too, these illusions have resulted in a money system so bad—so unworkable that Prof. Sumner Slichter (in "Toward Stability,"

p. 22) has said it could not be worse—that there is no possibility of developing national importing policies as a means of payment for exports. For lack of an international medium of exchange that can function multilaterally, trade may be stymied; but that will afford no politically acceptable reason for full and free imports in the face of unemployment.

(To correct the misunderstanding cultivated by what ex-Secretary Morgenthau called the new religion of Bretton Woods, let it be noted that in his Bretton Woods message to Congress the late President specifically stated that "we are not ready" for an international currency. Most people outside the financial community who have favored this "expert" agreement (?) have not realized that monetary uniformity is not even attempted outside of dependence on gold, which admittedly cannot provide stable exchange between monies; the very "agreement" to establish "stabilization" funds bears witness to this admission. Evidence that such funds will accomplish what gold has failed to attain, is conspicuous by its absence. Circular reasoning is implied; making the functioning of gold dependent on the Fund, and the Fund's functions dependent on gold! Such a duplicity, or multiplicity, of methods affords great play for as many varieties of "experts" in explaining failures and rearranging econostrums for further trial and error, *ad infinitum, ad nauseam*.)

The love-of-money (love-of-gold) reasons why we feel constrained to play the part of Santa Claus and dump "surpluses" on "world markets" have been touched upon in a letter to the "Chronicle" (Sept. 14, 1944, p. 1140) and will not be repeated here. We have digressed into these monetary illusions only to indicate that the problem of price level is a monetary problem which must not be confused with or by the fallacies of value theory from which it arises and with which we are here dealing as a pervasive source of confusion in competitive and cooperative accounting.

Legerdemain versus Ledger Domain

What is set forth here is that "equilibrium" in a price system subject to neutral money and a pure interest rate (see "A Theory of Interest," Commercial and Financial Chronicle, Dec. 14, 1944) must be a matter, not of the legerdemain of balancing "demand" with supply, but of the ledger domain of balancing negative against positive numerical valuations, that is, of balancing debits or costs against a system of computable values that do not and cannot, in themselves, automatically depend on or correspond to costs. Even in such a "pure" system (free from monetary distortion), a price will seldom represent both actual cost and actual value. Negative or debit accounts (items) must draw on positive or credit accounts for solvency; they are items that are paid for at a cost-price, that is, they cost more than their value which is, in such a case, not related to their price. On the other hand, those items that can be drawn upon for income and are therefore positive or credit accounts, will be able to and will "write up" costs by being priced at value, that is, often above actual costs to create a price equilibrium.

The problem of the individual is thus to maintain overall solvency in all the accounts he controls, including labor income and those items which dissipate rather than produce and are therefore negatively valuable, that is to say, insolvent. The latter, in a scientifically economic norm—in that reproductive "norm" which Darwin said must be taken "as the standard of morality" for "the

Senate "Full Employment" Hearings; Views of Byrnes, Anderson, Ruml, et al. — Taft Opposed

The Senate Banking Committee on Aug. 21 opened hearings on the so-called "full employment" bill, legislation through which the Government would seek to guarantee jobs for all. The measure is said to have President Truman's full support, the Associated Press stated, in reporting on the opening session from Washington.

Sponsors of the bill wish it carried through speedily, contending that it is the responsibility of the Federal Government to see that there are jobs enough for all who need them. The legislation would provide, according to the Associated Press, for an annual budget of projected expenditures by private business and Government subdivisions, together with an estimate of the number of jobs those expenditures would provide. The bill's authors want Congress to make up any indicated work deficit through public works and other means.

Senator Robert F. Wagner (D-N. Y.), one of the proponents of the measure, and Chairman of the Banking Committee, said, after a visit to President Truman: "The President is very strong for it and will give us every assistance he can for enactment."

Indorsement of the bill as a "conservative measure" was registered by Henry A. Wallace, Secretary of Commerce, at the Committee's hearing on Aug. 28, at which time, according to Samuel W. Bell, Washington correspondent of the New York "Herald Tribune," Ira Mosher, President of the National Association of Manufacturers, called the legislation "unworkable." In his report from Washington Mr. Bell also said:

William Green, President of the American Federation of Labor, and John L. Lewis, President of the United Mine Workers, also appearing before the Committee, shook hands for the cameras and agreed in their testimony that the bill as now written should be changed substantially.

Both warned the committee that hours of work will have to be reduced in the post-war period because of technological advances. Neither seemed impressed with Secretary Wallace's idea that there should be 60,000,000 jobs to create post-war prosperity.

Members of the committee, "general good or welfare"—will be confined to reproductive conduct. To be sure, if enough positive, that is, profitable, accounts to cover costs can be brought within control, these legitimate dissipation may be and too often are extended to cover a multitude of sins!

The mathematical problem before us is thus that of understanding the nature of valuation by accounting as related, not to costs, but to sources of income that can be drawn upon to maintain solvency. These resources are "capital" or wealth to those who own them and are able to employ them to an optimum advantage in competition. Under the Darwinian definition, moral standards dictate this competitive optimum. In other words, control of sources of economic (not psychic!) income as property must serve, not primarily the happiness of population, but the production of population—"the rearing of the greatest number of individuals, in full vigor and health." Unless resources are controlled and employed so as to assure their maximum physical productivity as against their immoral dissipation (an immorality that does not depend on intent), this "general good" is not being served and the system is not competitively determined, that is, its capital values are not as great as alternative controls could make them. That this moral optimum is a matter of brain rather than of brawn and correlatively of sense rather than of sentiment, is the thesis of this discussion of valuation in its political and economic connotations.

(Editor's Note: The next installment of Mr. Potter's paper will be given in the "Chronicle" of Thursday, Sept. 6.)

highly favorable to the bill, including Senator James E. Murray, Democrat, of Montana, and Scott Lucas, Democrat, of Illinois, took sharp issue with the testimony of William L. Kleitz, vice-president of the Guaranty Trust Company, of New York, when he said the government should not assume responsibility for full employment. He contended that the implementation of such a policy would "inevitably lead to the exercise of power which would eventually destroy the private enterprise system."

In the face of the questioning of committee members, Mr. Kleitz continued to warn: "My comment on this bill in its present form is that it will be generally regarded as containing a guaranty of continuing full employment—useful, remunerative, regular, full-time employment. The Congress and the Administration will be expected to make good that guaranty and will find themselves under tremendous pressure to make it good at any cost."

The first witness at the opening session of the hearings was General Omar Bradley, newly appointed Veterans' Administrator, who declined to express either approval or disapproval of the bill. "Even if it were appropriate to do so," he said to the Committee, the Associated Press advised of Aug. 21 said, "I do not feel qualified to state whether the bill would accomplish the purpose for which it is intended or whether, from the political and economic aspect, it would be desirable." And he added, "Nor am I advised as to whether it accords with the financial program of the President."

This last remark appeared to cause some surprise among spectators in the hearing room, as it is generally conceded that the President has indorsed the principle of the bill and has put the subject on the White House "must list" for action after Congress reconvenes in the fall, the Associated Press stated.

Chairman Wagner said, however, that he was not disappointed with Gen. Bradley's remarks, adding that the General "only concerned himself with the part that affects the Veterans Administration."

General Bradley predicted, it is learned from the Associated Press, that many veterans are not going to be content with the jobs they held before they entered service. He said his organization stood ready to help them to do better, particularly through educational opportunities.

The main thing the veterans will want, he said, is useful employment and a chance to re-establish themselves in civilian life.

Omar Ketchum, legislative representative of the Veterans of Foreign Wars, another witness at the opening session, echoed General Bradley's views, saying that while the VFW has not taken a stand on the bill, the veterans' problem would be largely solved if the nation is able to offer full employment.

"If we do not have full employment," he testified, "they are going to be penalized in employment opportunities unless existing employment rules are changed. The rapid growth and expansion of organized labor in recent years has thrown a wall of contract and seniority protection around millions of jobs."

He suggested the answer would be to give veterans statutory seniority equal to the length of their military or naval service. Millard W. Rice, National Serv-

ice Director of the Disabled American Veterans, told the Senators that the DAV wanted preference for disabled veterans in getting public and private jobs, and also declared that totally disabled servicemen ought to be granted greater monetary benefits.

Charles G. Bolte, Chairman of the American Veterans Committee, made up of men who served in World War II, called the bill "the most sensible proposal in sight" to combat unemployment, although he said the measure in itself could not cure joblessness.

Secretary of State James F. Byrnes, in a statement read for him by Dr. Willard C. Thorp, gave a strong expression of accord with the "general principles" of the bill. Said Mr. Byrnes, according to the Associated Press, "It would provide mechanism through which the nation's plans for the maintenance of employment would be developed. Its enactment would demonstrate to the other nations of the world, in a dramatic way, that this country is determined to prevent depression and to eliminate mass unemployment."

Other excerpts from Mr. Byrnes' statement are, as quoted by the Associated Press:

The prodigious accomplishment of our farms and our factories during the war has made it abundantly clear that this country has emerged as the greatest single factor in the economy of the world. With but a small fraction of the world's population, we possess half of its industrial capacity. With only a small share of our output entering into international trade, we were, even before the war, the greatest exporting nation and the second largest importer.

The victory we have won is in large measure attributable to the magnificent performance of the American economy at war. In the years ahead, the performance of the American economy will determine, in equally large measure, whether we shall win the peace.

If our economic life is to be marked by industrial instability and mass unemployment, we shall almost certainly involve others in our distress. Depressions move easily across our boundaries. If our factories should fall idle, countries that had been producing or our market would suffer a sudden contraction of demand. If we should suddenly cease our foreign lending, countries that had been buying from us would suffer a sudden shortage of exchange. Their trade would fall off and their employment would decline.

The fear that is felt today, in many foreign capitals, is not that America will misuse its vast economic powers, but that we may fail to use them to the full. If this fear is realized, the prestige and the influence that we have earned in every part of the world will be thrown into jeopardy and the success of our proposals for world reconstruction will be imperiled.

Nations will not long adhere to liberal trading principles if they feel their own stability is threatened by the persistence of depressions which may originate outside their borders. On the contrary, they will raise new barriers to trade in an effort to insulate themselves against a troubled world. There will be a renewal of competition in restriction; trade, instead of expanding, will contract. In such an atmosphere, the will for international cooperation on other fronts may be lost. This is the danger that must be averted if our hopes for peace and plenty are not to fail.

The United Nations have pledged themselves, in the charter of the United Nations organization, to take "joint and separate action, in cooperation with the organization, to achieve the economic and social purposes of the United Nations, including high

standards of living, full employment, and conditions of economic and social progress and development." The Senate of the United States has ratified this charter. It has subscribed to this pledge.

A domestic program for the maintenance of employment is an essential part of the pattern of international collaboration in the pursuit of peace and prosperity.

In indicating the opposition to the bill of Senator Taft, Edward Nellor, reporting to the New York "Sun" from its Washington bureau on Aug. 23 said:

Senator Taft (R., O.), a member of the committee, has expressed opposition to the bill on the grounds that it is not an emergency measure. He has pointed out that the bill could not become operational for at least a year, assuming it became law at once.

Senator Taft has based his criticism also on the assumption that business can handle the employment problem of American job-seekers once the present unsettled industrial conditions have passed. He has urged that complete freedom be restored to business at once. Others, including the Committee for Economic Development, composed of leading financial and business leaders in the nation, have pointed out that the demands for consumer goods will require full employment for at least three years.

During the hearings Beardsley Ruml, original advocate of the "pay-as-you-go" tax legislation, proposed on Aug. 24 to the Committee a 5-point supplement to the so-called "Full Employment Bill," including a budget-balancing tax program.

Mr. Ruml and Tom Clark, Attorney General, voiced approval of the job bill's objectives. Mr. Ruml, Chairman of the New York Federal Reserve Bank, and Treasurer of R. H. Macy & Co., Inc., laid before the Senators these proposals, said the Associated Press, for legislation to strengthen the full employment objectives:

1. Reform of social security financing that "will take the deflation out of social security."
2. "We should have a regular Federal policy and program in public works and conservation that will tend to stabilize the construction industry at an appropriate level."
3. "We should work out our Federal tax program so that rates will be set to balance the budget at high employment."
4. Federal lending activities at home and abroad should be associated harmoniously in Federal fiscal policy.
5. A policy and program should be adopted directed toward maintaining a prosperous agriculture.

The same advice said: In answer to a question from Senator Murray (Dem., Mont.), one of the bill's sponsors, Mr. Clark said he found nothing in the proposed measure that would regiment private enterprise or State and local governments. On the contrary, he said, he was glad to find that the measure leaves primary responsibility for the program to private enterprise and makes proper place for State and local governments.

The Attorney General told the committee that enforcement of anti-trust laws was closely related to the bill's program.

James P. Warburg of New York, was also heard by the Committee on Aug. 24, and in special Washington advices to the New York "Times" Frederick R. Barkley said:

Mr. Warburg urged the bill's passage so that this country would not "find itself with its economic trousers down around its ankles," as he said it had been found militarily when the Japanese attacked Pearl Harbor. He supported the thesis of Mr. Ruml that other legislation similar to that which the New York merchandiser suggested was needed in support of the measure.

On Aug. 23, Secretary of Agriculture Clinton P. Anderson, de-

clared that full industrial and business employment in the post-war period is essential if another agricultural depression is to be averted. The Secretary made the statement in endorsing the proposed Full Employment Act before the Senate Banking and Currency Committee. In part the Associated Press stated:

"The farmers of this country," he said, "have a vital interest in the maintenance of full employment. Our agricultural industry is now geared to produce 30% to 35% more than before the war."

"When we get through the reconversion period of the next 18 to 20 months, one of the major problems facing this country will be that of providing adequate market outlets for the increased volume of agricultural production."

Philip Murray, President of the CIO, urging on Aug. 22 speedy passage of legislation under which the Government would seek to guarantee jobs for all, declared today the stage is set for "another bigger, deeper depression which could lead into another war."

He told the Senate Banking Sub-Committee that enactment of the Wagner-Murray "full employment" bill and 10 other pieces of legislation is long overdue. Failure to pass them, he declared, "will bring stronger questions from the people." One of those questions, he said, involves continued operation of \$15,000,000 worth of war plants and machinery owned by the Government. From the Associated Press we also quote:

"If private enterprise fails to give workers jobs at good wages, turning out things we all need, the people will recognize the failure of private capitalism and vigorously call for Government operation," he asserted.

"I am telling you this because of the pressure that is already generating from the people," the labor leader continued.

"If the Congress fails to do now what I have pointed out as necessary—including the passage of this bill—a great deal more than this program will be necessary a year from now."

Lindsay Crawford Dies; Sec. of Foreign Trade

Lindsay Crawford, Secretary of the National Foreign Trade Council since 1933, and Secretary of the Council's National Foreign Trade Conventions since that year, died suddenly on June 3 in New York City at the age of 76. Mr. Crawford was born in County Down, Ireland. Prior to his association with the Council in 1933, his career had been devoted to journalism. He served as editor of the Ulster Guardian, Belfast, Ireland, before leaving that country for Canada. He became chief editorial writer of the Toronto Globe, serving in that capacity for approximately ten years. He was also editor and publisher of The Statesman, Toronto. In 1923 he left Canada for New York, having been appointed first Trade Commissioner in the United States of the newly formed Irish Free State Government. While holding the last named office, Mr. Crawford addressed a number of the National Foreign Trade Conventions.

During his career he wrote extensively on all phases of international commercial relationships. He was well known in foreign trade circles, and offered various contributions which are said to have aided in the solution of international economic problems.

Among other offices which Mr. Crawford held were those of Secretary of the Joint Committee for Foreign Trade Action, and of Secretary of the New York Foreign Trade Week Committee. He was a member of India House.

The State of Trade

(Continued from page 962)

The Canadian steel industry is going through much the same production pattern as American mills. Cancelling of war orders will have little or no effect on Canadian steel mill bookings, since civilian demand will absorb all the slack which may develop through the loss of war business.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 74.5% of capacity for the week beginning August 27, compared with 69.9% one week ago. This week's operating rate represents an increase of 6.6% from last week's rate and is equivalent to 1,364,600 net tons of steel ingots and castings, compared to 1,280,300 net tons last week and 1,739,300 tons one year ago. A month ago the industry was at 90.8% of capacity and 96.7% one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Aug. 18, 1945, totaled 652,832 cars, the Association of American Railroads announced. This was a decrease of 217,175 cars, or 25.0% below the preceding week this year, due to V-J Day holidays, and 233,791 cars, or 26.4% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 238,508 cars, or 26.8% is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to approximately 3,939,195,000 kwh. in the week ended Aug. 18, 1945, from 4,395,337,000 kwh. in the preceding week. Output for the week ended Aug. 18, 1945, was 11.5% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 149,500,000 kwh. in the week ended Aug. 19, 1945, comparing with 171,000,000 kwh. for the corresponding week of 1944, or a decrease of 12.5%.

Local distribution of electricity amounted to 145,700,000 kwh., compared with 159,700,000 kwh. for the corresponding week of last year, a decrease of 8.7%.

Paper and Paperboard Production—Paper production in the United States for the week ending Aug. 18 was at 67.8% of mill capacity, against 93% in the preceding week and 90.4% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 67%, compared with 94% in the preceding week, and 95% in the like 1944 week.

June Hardware Wholesaler Sales Declined 3%—Sales of wholesale hardware distributors in the United States showed an average dollar volume decline of 3% in June of this year as compared with the same month last year, "Hardware Age" currently reports in its every-other-Thursday market summary. Cumulative sales for the first six months of 1945 showed a 4% gain over those for the first half of last year. Inventories of reporting hardware wholesalers, June 30, were 2% under those for the same month last year, but 1% over inventories as of May 31, 1945.

Total accounts receivable for June, 1945, were 3% under those in the same month of 1944. Collection percentages on accounts receivable were greater in June of this year than in 1944, and slightly under those for May, 1945.

Business Failures Rise in Week—After last week's record low, commercial and industrial failures turned up in the week ending Aug. 23, reports Dun & Bradstreet, Inc. Sixteen concerns failed, over three times the five occurring in the previous week but lower than in the comparable week of 1944 when there were 22. Large failures involving liabilities

of \$5,000 or more were twice as numerous as small failures in the week just ended. Concerns failing with large liabilities rose from 3 a week ago to 11 and were only one failure short of the 12 in the same week of last year. On the other hand, there was only one small failure this week for every two in the comparable week a year ago.

Manufacturing failures, four times as heavy as in the previous week, accounted for one-half the week's failures and came close to the number in the same week of 1944. Five of the 8 failures in manufacturing occurred in machine shops. Concerns failing in construction were higher than in last week and accounted for one-fourth the week's failures. In other trades and industries failures continued to be negligible.

One Canadian failure occurred, the same as in the previous week, while there were 5 in the corresponding week of 1944.

Wholesale Commodity Price Index—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., dropped off rather sharply following the two-day holiday in celebration of the Japanese collapse. On Saturday (Aug. 18) the index stood at 173.71, the lowest point since last December. The index closed at 174.54 on Aug. 21, as compared with 175.22 on Aug. 14, and with 172.00 a year earlier.

Grain markets were weak with the liquidation for rye continuing to set the pace for other grains, except wheat, which remained fairly steady. Trading in futures dropped off sharply. Under heavy liquidation, rye values were weak with the disclosure of stoploss orders, though the downward trend was not as apparent in wheat; cash grain buying by the Commodity Credit Corporation helped to reduce the impact of hedge selling.

Corn prices were off slightly, with receipts of old corn large. Conditions of the corn crop improved. Oats tended downward. Demand for choice grades of steers was active and prices generally firm, while activity in medium and common grades was dull. Hogs held at ceiling levels; receipts were low because of the slaughter holiday and were readily disposed of upon arrival.

Cotton prices on Monday of last week fluctuated more than at any time since before the war, thus tending away from the narrow range which formerly prevailed in the markets for many weeks.

In the Boston wool market business was virtually at a standstill in domestic grades. Trading in foreign wools was spotty and demand mostly for spot or nearby delivery. After the two-day holiday, no new orders were taken. A modified program under M-328B, to become effective Oct. 1, was issued to supersede the M-388 controls on the manufacture of low-price civilian wool goods. In the wool goods trade cancellations of woolen and worsted items were proceeding in an orderly fashion.

Wholesale Food Price Index Off—The wholesale food price index, compiled by Dun & Bradstreet, Inc., declined 1 cent to \$4.08 during the week ended Aug. 21. While equalling the 1945 low touched on May 15, the current figure is 2.3% above the 1944 comparison of \$3.99. Eggs advanced during the week, while rye, potatoes, sheep, and lambs declined. The index represents the sum total of the price per pound of 31 foods in general use.

Retail and Wholesale Trade—Immediately following the holiday last week, retail volume experienced a sharp increase, according to Dun & Bradstreet, Inc., trading settled down to slightly better than last year in the remainder of the week. Food volume though moderately higher

than in the previous short week, was slightly above last year. Retailers handling gasoline and canned goods were reported swamped by consumers eager to purchase these formerly rationed items. Sales of shoes rose, especially those in the lower priced brackets which were declared ration-free.

Coat and suit transactions predominated in apparel lines this week. Yard goods and pattern departments reported that woolsens for dresses and coat and suit patterns were going exceptionally well. Summer clearances continued to interest consumers, but fall merchandise appeared more often; purchases of back-to-school clothes overshadowed all other types. Fur volume remained high; promotional activities concentrated on cheaper furs but expensive types moved well. Women's shoes continued selling in substantial volume. Trading in men's clothing was active, especially working apparel.

Dollar volume of furniture increased moderately over the preceding week, with stocks spotty in maple and dining room furniture. Purchases of summer lawn furniture persisted and were still large. Sales of home furnishings rose, with bedding department business strong. Houseware utensil sales were moderate and present inventories continue small.

Most food increased in supply last week with sugar the notable exception. A larger quantity of meat found its way to the consumer; beef accounted for most of the increase with lamb and veal supplies slightly improved; pork remained scarce. Sea food became more plentiful and enjoyed a good demand.

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

Wholesale volume during the past week remained about even with the previous week and year. Trading was more cautious and a selective policy prevailed. Inventories were carefully checked by retailers before placing orders or cancelling old orders. Buyers gave evidence of being ready to wait for exactly the kind of merchandise they wanted and accepted no substitutes.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Aug. 18, 1945, decreased by 20% and compared with a gain of 19% in the preceding week. For the four weeks ended Aug. 18, 1945, sales increased by 9%, and for the year to date by 12%.

Activity marked retail trade here in New York last week with many consumers made somewhat wary by the sudden termination of the war, reserving purchases on their former scale. Some delayed buying induced by the false hope that luxury taxes on such items as furs would be immediately lifted, put in an appearance. Wholesale markets continued to operate with no basic changes noted in conditions. Prospects, however, grew brighter for increased fabric and garment supplies within the next three months. Reports indicate that many durable goods items will be available for the Christmas trade. A substantial increase in wholesale and retail food sales was noted as a result of the removal of canned goods from rationing and larger supplies of butter.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Aug. 18, 1945, decreased by 24% below the same period of last year. This compared with a gain of 26% in the preceding week. For the four weeks ended Aug. 18, 1945, sales rose by 16% and for the year to date by 14%.

World Censorship Rules Relaxing

Censorship rules prevailing throughout the world leave the United States as the only major power that has entirely lifted restrictions on press and radio, but the same is true of at least 13 other nations, and in about ten others censorship is expected soon to be abolished, the Associated Press disclosed in a world survey announced from London, Aug. 18, which reported:

British censorship—and this dispatch was censored—is expected to be removed within a fortnight. It is being maintained, officials explain, while the Japanese surrender and occupation is consummated. Determination of the exact date it is to cease depends on developments in the Orient. Outgoing dispatches are censored while the home press is under a voluntary agreement to submit articles involving military security. Plans are being made to guard military secrets after censorship is terminated.

France is also laying plans to follow suit, the report continues, and China is considering a relaxation of rules after a transition period from war to peace. There are no indications of any alteration in Soviet censorship, or in that of Finland, Rumania, Bulgaria, Hungary and Turkey.

The survey points out that the United States, Canada, Australia, Sweden, Switzerland, Norway, Denmark, the Netherlands, Belgium, Colombia, Peru, Uruguay, Panama and Brazil permit news to flow freely into and out of the countries and exercise no censorship on papers domestically. Switzerland, however, recently asked photographers to submit pictures taken of a Russian delegation in Berne repatriating Russian internees. It is added:

Spain, Portugal and Argentina permit correspondents to send their dispatches abroad without restrictions. The Argentine local press is free, but the radio is strictly controlled. Spain and Portugal keep their home press under the strictest censorship control.

Bolivian censorship officially has been declared non-existent, but actually the press is controlled by political pressures and other means.

Others around the globe:

CHILE—Censorship of outgoing press dispatches continues, but it is reported authoritatively this is likely to be lifted shortly.

PARAGUAY—Officials say the press is free, but Government pressures exert control.

MEXICO—Censorship continues, but has affected press associations little in the last year. Outgoing communications are watched for espionage and also anything untruthfully derogatory to Mexico.

VENEZUELA—Censorship machinery is retained, but actually no dispatch has been stopped in many months.

ITALY—Allied censorship has been limited to secret devices and intelligence methods and it appears certain it will be abolished altogether soon.

INDIA—No indication when military and internal censorship will end.

EGYPT—No decisions on lifting civil censorship. Military censorship is expected to be abolished shortly.

UNION OF SOUTH AFRICA—A skeleton staff is maintained in censorship office, but this is likely to end shortly.

GREECE, YUGOSLAVIA and CZECHOSLOVAKIA—No indication of censorship trend.

GERMANY, AUSTRIA—Allied military censorship is imposed on outgoing dispatches along principles of security and maintenance of military secrets. The press gets news from Allied sources.

The ending of press censorship was referred to in these columns Aug. 23, page 871.

Truman Said to Have Assured Governors of Early Return of Employment Services to States

Seven Governors who conferred with President Truman on Aug. 16 stated that he agreed to early return of the employment services to State control. Reporting this, Associated Press accounts from Washington on that date, said:

The delegation, headed by Governor Edward Martin of Pennsylvania, said the President asked them to submit a memorandum on the time and the methods by which State direction of the U. S. State employment services would be resumed. Mr. Truman was quoted as saying action would be forthcoming in a few days.

The press advices went on to say:

The Federal Government took over employment services, through the U. S. Employment Service, as a wartime measure, in January, 1942.

Return of control to the States was proposed by the annual Governors' Conference at Mackinac Island July 4.

The seven Governors, acting as a committee from the Governors' Conference, also discussed reconversion problems with the President, Gov. Martin said.

He stated the President agreed with them that reconversion presents one of the greatest difficulties the nation ever has faced. The President and the State Executives agreed that while a very large percentage of peacetime employment must be provided by private industry, the U. S. State and local Governments will cooperate to attempt to keep employment at a high level, Mr. Martin added.

"We pledged the same sort of cooperation and support in reconversion as we pledged in the war period and President Truman said he was going to use us a lot," Gov. Martin said.

Governor Robert Kerr of Okla-

Wickard Approved; Clark Ratified

The nomination of retiring Secretary of Agriculture Claude Wickard as Rural Electrification Administrator was approved by the Senate on June 21 by a vote of 56 to 6 after approval by the Senate Agricultural Committee by a vote of nearly 2 to 1 on June 14. Mr. Wickard was sworn in as REA head on July 2.

On June 14 the Senate confirmed Tom C. Clark, of Texas, to be Attorney General, succeeding Francis Biddle, effective June 30. Mr. Clark has been serving as an Assistant Attorney General under Mr. Biddle. His confirmation was by voice vote.

The nomination of Paul M. Herzog, of New York, to the National Labor Relations Board was approved unanimously by the Senate Committee on Education and Labor. Mr. Herzog was appointed for a term expiring in 1950, to succeed the chairman, Harry A. Millis, resigned.

Electric Output for Week Ended Aug. 25, 1945 6.8% 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. 25, 1945, was approximately 4,116,049,000 kwh., which compares with 4,418,298,000 kwh. in the corresponding week a year ago and 3,939,195,000 kwh. in the week ended Aug. 18, 1945. The output of the week ended Aug. 25, 1945, was 6.8% below that for the same week last year which reflected the sharp cutbacks in industrial contracts because of the end of the war with Japan, some electric concerns operating in highly industrialized areas losing nearly one-third of their wartime load.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR
Week Ended

Major Geographical Divisions—	Aug. 25	Aug. 18	Aug. 11	Aug. 4
New England	6.5	19.3	2.6	2.1
Middle Atlantic	3.2	12.5	*1.7	*1.6
Central Industrial	13.7	18.8	4.6	2.4
West Central	3.7	6.0	*0.8	*5.4
Southern States	1.1	1.6	*6.2	*6.9
Rocky Mountain	7.0	11.7	3.9	0.9
Pacific Coast	6.1	8.9	2.1	2.2
Total United States	6.8	11.5	0.5	*0.7

*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	3,989,161	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	1,711,625
July 14	4,295,254	4,377,152	- 1.9	4,184,143	1,433,903	1,727,225
July 21	4,384,547	4,380,930	+ 0.1	4,196,357	1,440,386	1,732,031
July 28	4,434,841	4,390,762	+ 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	3,995,337	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	4,116,049	4,418,298	- 6.8	4,322,195	1,464,700	1,761,594
Sep. 1		4,414,735		4,350,511	1,423,977	1,674,588

July Construction 8% Above Year Ago

Increased activity in civil engineering construction in the past two months compared with that for the corresponding months in 1944 has brought the 1945 seven-month construction volume to \$1,047,139,000, within 0.3% of that reported for the same period last year by "Engineering News-Record." The current month's total, \$170,984,000, tops the July 1944 total by 8% and follows the 51% increase recorded for June 1945 over the June 1944 figure. The report made public on Aug. 9 added in part:

The July construction total, though above last year, is 10% below the preceding month's volume. Private construction decreases 36% from a month ago, but public work is up 3% as a result of the 14% climb in state and municipal volume. Federal volume is down 1% from June 1945.

Both private and public work gain over their respective July 1944 totals, private climbing 9% and public 7%. The 64% rise in state and municipal volume offsets the 8% decline in federal work and is responsible for the public gain over a year ago.

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

	July, 1945*	June, 1945	July, 1944
	(four weeks)	(four weeks)	(four weeks)
Total U. S. Construction	\$170,984,000	\$190,614,000	\$158,561,000
Private Construction	41,794,000	65,714,000	38,293,000
Public Construction	129,190,000	124,900,000	120,268,000
State & Municipal	41,624,000	36,583,000	25,460,000
Federal	87,566,000	88,317,000	94,808,000

*Current month's statistics.

The July construction volume brings the 1945 total to \$1,047,139,000, a figure 0.3% below the \$1,050,391,000 for the seven month period in 1944. Private construction, \$298,649,000, is 25% higher than a year ago, but public construction, \$748,490,000, is 8% lower. The 15% decrease in federal volume—from \$675,721,000 last year to \$574,872,000 for 1945—is the factor behind the lower public total, as state and municipal construction, \$173,618,000, is 29% above the seven-month 1944 total.

New Capital

New capital for construction purposes for July totals \$945,949,000, a volume 15% under the \$1,111,014,000 reported in July 1944. The month's new financing is made up of \$39,896,000 in state and municipal bond sales, \$10,738,000 in corporate security issues, \$2,000,000 in RFC loans for industrial construction, \$60,000,000 in REA loans for rural electrification, \$79,000,000 in federal-aid highway construction, and \$754,315,000 in federal appropriations for military and departmental construction.

New construction financing for 1945 to date totals \$1,485,700,000, a volume 4% below the \$1,554,291,000 for the seven-month period a year ago. Of the 1945 total, \$316,775,000 is in private investment, 110% above last year; \$163,600,000 is in federal funds for non-federal construction, 17% above last year; and \$1,005,325,000 in federal funds for federal construction, 20% below the seven-month 1944 total.

Steel Operations Increased—Clearing Books Of All Business Cancelled Soon Completed

"The mechanics of handling the avalanche of cancellations which descended upon the steel industry in the past few weeks are being completed this week," states "The Iron Age" in its issue of today (Aug. 30), which further adds in part: "Within a week it is expected that those steel mills which have had to cut steel output in order to clear up order difficulty will be operating at a higher level.

"Order cancellation volume this past week has approached pre-V-J Day levels. Most steel companies have completed the task of clearing order books of all busi-

ness which has been canceled, and have prepared new schedules which this week will go into effect on finishing mills. While there will be additional cancella-

tions from time to time, the greatest part of this segment of re-conversion in the steel industry has been completed. "Some steel companies found it necessary to reduce the output of steel ingots because their ingot capacity was balanced with their finishing mill facilities. In view of a severe drop and in some cases a wiping out of steel plate backlogs as well as a reduction in unfilled structural orders, some of the larger steel firms were forced to cut back steel ingot output last week to a greater extent than other companies. This, however, is a temporary situation until steel mill schedules reflecting a good product mix have been established.

"Contrary to some reports in the industry large quantities of steel for non-rated orders will not be immediately available, although the outlook for October indicates an easier situation. The Controlled Materials Plan will not be scrapped until Sept. 30. Hence, much rated business now on the books for delivery before that time will be shipped. Furthermore, a good order volume this past week indicated a fair amount of rated business which will continue in that category because of the substitution of a new limited priority system at the end of September.

"One factor which for the time being at least may prevent some of the larger companies from shipping a much greater volume of nonrated business soon is their obligation to ship small nonintegrated steel mills a stipulated tonnage of semi-finished steel under WPB orders each month. This type of order is known as 'further conversion,' and during the war was for the purpose of making sure that smaller companies manufacturing finished steel products from semi-finished material would have adequate supplies. This practice took a substantial tonnage from some of the larger mills and unless the prewar status of this type of business is re-established, some large units may have difficulty in regaining their normal sales pattern. Part of this system, however, may be retained by Washington for awhile and labeled as an aid to 'small business.'

"Despite the flood of cancellations recently there appears to be little hope for large-scale deliveries of cold rolled sheets much before the fourth quarter, although some small shipments are being made. Sheet demand for the fourth quarter appears to be well in excess of capacity and producers are working allotment systems of their own to spread available tonnage among customers. This action will tend to return purchasing relationships to a prewar basis and to eliminate dislocated buying brought on by the war.

"Steel makers pointed out this week that several products were virtually untouched by cancellations. These included rails, track accessories, concrete bars, tin mill products, skelp and some stainless steel. Alloy steels were hard hit by cancellations with the result that electric furnaces are operating far below rated capacity.

"Wire producers have disposed of cancellations and they are operating on a normal basis. A heavy increase in purchases by railroads and public utilities is anticipated. The substantial rural electrification program is expected to require heavy wire tonnages for three to five years and road construction is expected to involve a large tonnage of reinforcing mesh.

The American Iron and Steel Institute on Aug. 27 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 74.5% of capacity for the week beginning Aug. 27, 1945, compared with 69.9% one week ago, 90.8% one

month ago and 96.7% one year ago. The operating rate for the week beginning Aug. 27 is equivalent to 1,364,600 tons of steel ingots and castings, compared with 1,280,300 tons one week ago, 1,663,100 tons one month ago, and 1,739,300 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Aug. 27 stated in part as follows:

"Steel mills are gradually working out from the avalanche of war-end cancellations. Another week or ten days may see most producers in a position where they can set up schedules fairly accurately and know what they can expect with regard to further cancellations and ability of leading customers to take in tonnage already ordered for peacetime operation. By that time, and possibly before, they should be better able to appraise the outlook with respect to the relatively few production and inventory controls remaining.

"Most cancellations are over and have been so heavy and the paper work so involved that many steel finishing departments have been forced to suspend until they could reach some degree of order. As a result there has been considerable delay in shipments scheduled currently, to say nothing of scheduling of new orders. However, the past few days have witnessed resumption of work in a number of such departments. Some operations, however, have not been severely affected, notably in some plate mills. While there have been many cancellations, with probably more to follow, most came before the end of the war. As a result plate producers have been in better position than many to absorb the shock of recent curtailments. Some shape mills are in about the same position, though others have been hit hard.

"Many cancellations are yet to come, involving substantial tonnages, reflected in the fact that late last week a number of mills had received relatively few from subcontractors. In an effort to expedite necessary cancellations as rapidly as possible and thus know where they stand some mills have asked branch offices to canvass customers with war work, to see if the steel can be wiped off books.

"While cancellations have far overbalanced new orders, demand has been expanding, some producers of diversified products believing that within another fortnight new business will exceed cancellations.

"The industry believes that the speed with which Washington has been releasing wartime restrictions will result in an early rebound in steel operations. Some leaders look for 80% of capacity by early October and for still higher operations before the end of the year. A peak of 90% within a few months is considered probable, assuming no undue labor disturbances."

No-Strike Pledge Revoked by 2 CIO Unions

Two Congress of Industrial Organizations affiliates have announced revocation of the wartime no-strike pledge and demands for an increased wage scale, both the United Packing Workers of America and the United Farm Equipment & Metal Workers, according to Associated Press advices from Chicago, August 21.

After a four-day session of the U.P.W.A.'s international executive board, announcement was made that an immediate 17½ cents an hour wage increase for all members would be campaigned for. The U.F.E. & M.W. want an immediate wage increase of 30%.

More Freight Cars & Less Locomotives on Order

The Class I railroads on Aug. 1, 1945, had 33,050 new freight cars on order, the Association of American Railroads announced on Aug. 24. This included 5,754 hopper, 4,362 gondolas, 979 flat, 18,464 plain box, 2,446 automobile, 995 refrigerator, and 50 miscellaneous cars. New freight cars on order on July 1, 1945 totaled 29,402 and on Aug. 1, 1944 amounted to 37,985.

They also had 496 locomotives on order on Aug. 1, this year, which included 109 steam, two electric, and 385 Diesel locomotives. The total on Aug. 1, 1944 was 608 locomotives, which included 172 steam, two electric, and 434 Diesel one year ago.

The Class I railroads put 24,939 freight cars in service in the first seven months this year which included 7,460 hopper, 4,224 gondola, 383 flat, 239 stock, 1,600 refrigerator, 1,131 automobile box and 9,815 plain box freight cars, and 87 miscellaneous cars. Total placed in service in the first seven months of 1944 was 18,774.

They also put 367 new locomotives in service in the first seven months of which 56 were steam, and 311 were Diesel. New locomotives installed in the same period last year totaled 579, which included 211 steam, one electric, and 367 Diesel.

OWI Bureaus Merged

The foreign and domestic news bureaus of the Office of War Information have been merged, and the general functions of the foreign bureau, of processing and distributing news based on foreign radio broadcasts, etc., and making it available to American press associations, newspapers and radio networks, will be continued under the domestic bureau. Under the domestic news bureau a different staff, for the most part, will be handling the job, the United Press reported in its Washington dispatch of Aug. 21, and continued:

The foreign news bureau has been under the direction of Matthew Gordon, who is leaving the OWI. The bureau has been the sole distributing agent to the press for all monitoring of foreign radio stations done by the Federal Communications Commission. It maintained a 24-hour service, seven days a week, to the American press, and assisted in covering the big stories of the war, ranging from the landings in North Africa to the Japanese surrender.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Aug. 27 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Aug. 30 and to mature Nov. 29, 1945, which were offered on Aug. 24, were opened at the Federal Reserve Bank on Aug. 27.

The details of this issue are as follows:

Total applied for, \$1,986,070,000.
Total accepted, \$1,309,041,000 (includes \$52,602,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

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

There was a maturity of a similar issue of bills on Aug. 30 in the amount of \$1,314,409,000.

Daily Average Crude Oil Production for Week Ended Aug. 18, 1945 Shows Slight Decline

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Aug. 18, 1945 was 4,933,850 barrels, or 200 barrels per day lower than that for the previous week. It was, however, 258,750 barrels per day in excess of the output in the corresponding week of 1944 and exceeded the daily average figure as recommended by the Petroleum Administration for War for the month of August, 1945, by 32,950 barrels. Daily production for the four weeks ended Aug. 18, 1945, averaged 4,930,000 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 5,140,000 barrels of crude oil daily and produced 15,890,000 barrels of gasoline; 1,627,000 barrels of kerosine; 5,344,000 barrels of distillate fuel, and 9,934,000 barrels of residual fuel oil during the week ended Aug. 18, 1945; and had in storage at the end of that week 46,691,000 barrels of civilian grade gasoline; 39,294,000 barrels of military and other gasoline; 12,046,000 barrels of kerosine; 38,675,000 barrels of distillate fuel, and 44,845,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

Table with columns: State, P. A. W. Recommendations, State Allowables, Actual Production, Change from Previous Week, 4 Week Ended, Week Ended. Rows include Oklahoma, Kansas, Nebraska, Panhandle Texas, North Texas, West Texas, East Central Texas, East Texas, Southwest Texas, Coastal Texas, Total Texas, North Louisiana, Coastal Louisiana, Total Louisiana, Arkansas, Mississippi, Alabama, Florida, Illinois, Indiana, Eastern (Not Incl. Ill., Ind., Ky.), Kentucky, Michigan, Wyoming, Montana, Colorado, New Mexico, Total East of Calif., California, Total United States.

*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. 9, 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. 18, 1945 (Figures in thousands of barrels of 42 gallons each)

Table with columns: District, % Daily Crude Runs Refining to Still, % Daily Crude Runs to Ref., % Gasoline Produced, % Stocks of Gasoline, % Stocks of Gas Oil, % Stocks of Distillate Fuel, % Stocks of Residual Fuel Oil. Rows include East Coast, Appalachian, District No. 1, District No. 2, Okla., Kan., Mo., Inland Texas, Texas Gulf Coast, Louisiana Gulf Coast, No. La. & Arkansas, Rocky Mountain, District No. 3, District No. 4, California.

Total U. S. B. of M. basis Aug. 18, 1945. Total U. S. B. of M. basis Aug. 11, 1945. U. S. B. of M. basis Aug. 19, 1944. Includes aviation and military grades, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending stocks currently indeterminate as to ultimate use, and 11,206,000 barrels unfinished gasoline this week, compared with 11,618,000 barrels a year ago. These figures do not include any gasoline on which title has already passed, or which the military forces may actually have in custody in their own or leased storage. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,627,000 barrels of kerosine, 5,344,000 barrels of gas oil and distillate fuel oil and 9,934,000 barrels of residual fuel oil produced during the week ended Aug. 18, 1945, which compares with 1,542,000 barrels, 5,082,000 barrels and 9,434,000 barrels, respectively, in the preceding week and 1,491,000 barrels, 4,657,000 barrels and 8,876,000 barrels, respectively, in the week ended Aug. 19, 1944. †Note—Stocks of kerosine at Aug. 18, 1945 amounted to 12,046,000 barrels, as against 11,046,000 barrels a week earlier and 13,052,000 barrels a year before.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES (Based on Average Yields). Table with columns: 1945 Daily averages, U. S. Govt. Bonds, Avge. Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R. R., P. U., Indus). Rows include Aug. 28, 27, 25, 24, 23, 22, 21, 20, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, July 27, 20, 13, 6, June 29, 22, 15, 8, 1, May 25, 18, 11, 4, Apr. 27, Mar. 31, Feb. 23, Jan. 26, High 1945, Low 1945, 1 Year Ago Aug. 28, 1944, 2 Years Ago Aug. 28, 1943.

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

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices). Table with columns: 1945 Daily averages, U. S. Govt. Bonds, Avge. Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R. R., P. U., Indus). Rows include Aug. 28, 27, 25, 24, 23, 22, 21, 20, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, July 27, 20, 13, 6, June 29, 22, 15, 8, 1, May 25, 18, 11, 4, Apr. 27, Mar. 31, Feb. 23, Jan. 26, High 1945, Low 1945, 1 Year Ago Aug. 28, 1944, 2 Years Ago Aug. 28, 1943.

*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.

Veterans' Jobs Will Be Protected, Says Truman

Following the statement attributed at Boston on Aug. 22 to Major-General Lewis B. Hershey, Director of Selective Service, that the rights of veterans for the return of their peace-time jobs expires with the war emergency, President Truman was reported as saying on Aug. 23 that he will not permit any veteran to be deprived of his former job because of a legal technicality. Addressing 300 Massachusetts draft board officials, Gen. Hershey, according to Associated Press advices from Boston, made his statement in answer to a question from his audience. The press advices, quoting Gen. Hershey, as given in the New York "Herald Tribune," added: "The job guaranty was contained in the Selective Service Law adopted by Congress, which he said, "was passed, not for all time,

but for what was thought might be a year's training period."

Interviewed after the meeting, which was a testimonial to Col. Ralph Smith, State Director of Selective Service, who is retiring, Gen. Hershey said that the so-called G. I. Bill of Rights was concerned with job opportunities, and not with job return.

"Unless there is more legislation," Gen. Hershey said, "Sections 8-A and 8-B (concerning guaranteed job return) will be abolished automatically when Congress terminates hostilities."

"We probably will have some difficulty," Gen. Hershey added, "because there is a question that some people will raise—of whether Congress made a contract with its veterans and then changed it after we got the war won."

Gen. Hershey appealed to draft board officials to remain on the job despite end of the war, saying that he believed President Truman would ask Selective Service to continue to furnish 50,000 men monthly.

From Washington Aug. 23 the Associated Press, indicating the assurances of the President in behalf of veterans, said:

The Chief Executive told a news conference yesterday that he intends to see that veterans who want and are entitled to their old jobs get them back. If additional legislation is needed, Mr. Truman said, he will recommend specific changes to Congress.

Originally a section of the Selective Service Law carried a guarantee that a serviceman who had a job could go back to it if he applied for it within 90 days. It also carried a provision that if the other parts of the Selective Service Law were dropped, the job guarantees would continue.

The present law has the same guarantee, unchanged. But it does not contain the provision that these job rights go on, no matter what happens to the rest of the act.

That's the point, Gen. Hershey was making. As it now stands, the announcement of the end of hostilities would end the entire act, including job guarantees.

But Mr. Truman said not to worry, that there isn't likely to be any sudden announcement of the end of hostilities. He added that after the last war it took quite a while to declare that the war formally had ended.

Under date of Aug. 24 United Press accounts from Washington in the New York "World-Telegram" said:

Major veterans organizations were laying the groundwork today for a fight before Congress on the type of job preference they want provided for veterans.

Key to the developing controversy was a bill introduced by Rep. Harold Knutson (R., Minn.) and now in the House Military Affairs Committee.

Drafted by the Veterans of Foreign Wars, the Knutson bill would require employers to credit veterans with job seniority equal to time spent in the armed forces—regardless of previous job experience. It is designed to equalize a veteran's chances for employment with a man who spent the same time at home in a war job.

Moody's Daily Commodity Index

Table with columns: Date, Index Value. Rows include Tuesday, Aug. 21, 1945; Wednesday, Aug. 22; Thursday, Aug. 23; Friday, Aug. 24; Saturday, Aug. 25; Monday, Aug. 27; Tuesday, Aug. 28; Two weeks ago, Aug. 14; Month ago, July 28; Year ago, Aug. 28, 1944; 1944 High, Dec. 31; Low, Nov. 1; 1945 High, June 12; Low, Jan. 24.

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Aug. 18, 1945, is estimated by the United States Bureau of Mines at 6,920,000 net tons, a decrease of 4,620,000 tons, or 40% from the output in the preceding week. Production in the corresponding week of 1944 was 11,934,000 tons. The drop in output resulted from the observance of the two holiday days on Aug. 15 and Aug. 16 when but 14,767 cars of soft coal were loaded. The total output of soft coal from Jan. 1 to Aug. 18, 1945 is estimated at 369,736,000 net tons, a decrease of 7.8% when compared with the 401,002,000 tons produced during the period from Jan. 1 to Aug. 19, 1944.

Production of Pennsylvania anthracite for the week ended Aug. 18, 1945, as estimated by the Bureau of Mines, was 495,000 tons, a decrease of 682,000 tons (57.9%) from the preceding week. When compared with the output in the corresponding week of 1944, there was a decrease of 667,000 tons, or 57.4%. The calendar year to date shows a decrease of 17.1% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of bee-hive coke in the United States for the week ended Aug. 18, 1945, showed a decrease of 18,600 tons when compared with the output for the week ended Aug. 11, 1945; and was 50,300 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. 18, 1945	Aug. 11, 1945	Aug. 19, 1944	Aug. 18, 1945	Aug. 19, 1944	Aug. 19, 1944
Bituminous coal & lignite—	6,920,000	11,540,000	11,934,000	369,736,000	401,002,000	401,002,000
Total, including mine fuel—	6,920,000	11,540,000	11,934,000	369,736,000	401,002,000	401,002,000
Daily average—	1,504,000	1,923,000	1,989,000	1,907,000	2,036,000	2,036,000

*Subject to current adjustment. †Average based on 4.6 days.

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

	Week Ended			Calendar Year to Date		
	Aug. 18, 1945	Aug. 11, 1945	Aug. 19, 1944	Aug. 18, 1945	Aug. 19, 1944	Aug. 21, 1937
Penn. anthracite—	495,000	1,177,000	1,162,000	34,059,000	41,067,000	32,927,000
†Total incl. coll. fuel	495,000	1,177,000	1,162,000	34,059,000	41,067,000	32,927,000
‡Commercial produc.	475,000	1,130,000	1,116,000	32,699,000	39,424,000	31,281,000
Beehive coke—						
United States total	83,300	101,900	133,600	3,759,200	4,832,900	2,297,300

*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

State—	Week Ended		
	Aug. 11, 1945	Aug. 4, 1945	Aug. 12, 1944
Alabama	382,000	400,000	377,000
Alaska	5,000	6,000	5,000
Arkansas and Oklahoma	91,000	95,000	87,000
Colorado	133,000	131,000	137,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,315,000	1,442,000	1,406,000
Indiana	501,000	515,000	534,000
Iowa	44,000	58,000	42,000
Kansas and Missouri	119,000	120,000	160,000
Kentucky—Eastern	883,000	741,000	1,006,000
Kentucky—Western	351,000	345,000	338,000
Maryland	36,000	38,000	38,000
Michigan	3,000	3,000	3,000
Montana (bitum. & lignite)	96,000	90,000	91,000
New Mexico	28,000	27,000	33,000
North & South Dakota (lignite)	43,000	40,000	33,000
Ohio	788,000	758,000	677,000
Pennsylvania (bituminous)	2,800,000	2,761,000	2,960,000
Tennessee	134,000	123,000	142,000
Texas (bituminous & lignite)	2,000	1,000	2,000
Utah	121,000	125,000	125,000
Virginia	321,000	303,000	396,000
Washington	28,000	29,000	29,000
†West Virginia—Southern	2,044,000	1,920,000	2,256,000
‡West Virginia—Northern	1,683,000	1,045,000	1,112,000
Wyoming	167,000	182,000	163,000
§Other Western States	1,000		
Total bituminous & lignite	11,540,000	11,300,000	12,142,000

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

Wholesale Prices Declined 0.2% in Week Ended Aug. 18, Labor Department Reports

"Lower prices for agricultural commodities, which more than off-set higher prices for certain industrial materials caused a decline of 0.2% in the Bureau of Labor Statistics' index of commodity prices in primary markets during the week ended Aug. 18," it was announced by the United States Department of Labor on Aug. 23. "The overall index, at 105.5% of the 1926 average, was 0.1% below the level of four weeks ago and 1.8% above the corresponding week of last year," said the Department, which added:

Farm Products and Foods—Average market prices of farm products declined 1.0% during the week to the lowest level since late March. Among the grains, which dropped 1.4% on the average, there were sharp seasonal declines for oats and rye. Barley was seasonably higher. Wheat and corn quotations dropped as farmers shipped larger amounts to market. Market prices for cows and steers decreased while calves were higher. Following the sharp declines of recent weeks, sheep quotations advanced about 2%. Prices of white potatoes, lemons, oranges, apples, and onions moved downward seasonally while sweetpotatoes advanced sharply. Eggs rose seasonally and cotton was fractionally higher. Average prices for farm products were 1.2% below a month ago and 3.8% above the late August, 1944.

"The group index for foods declined 0.6% chiefly as the result of the drop of 4.0% for fruits and vegetables. Quotations for rye flour were off more than 7%, reflecting lower prices for rye, and wheat flour was fractionally lower. On the average foods were 0.2% below the level of late July and 1.7% above a year ago.

Other Commodities—An increase of 0.8% in primary market prices of building materials during the week was chiefly responsible for a rise of 0.2% in the group index for all commodities other than farm products and foods. Mill prices for southern pine were higher and rosin quotations advanced more than 16% following upward adjustments of OPA ceilings. Common brick was higher. There were further upward price adjustments to higher OPA ceilings for

bituminous coal, boxboard, and some agricultural implements. Potash prices rose seasonally while mercury continued to decline."

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 21, 1945 and August 19, 1944 and (2) percentage changes in subgroup indexes from Aug. 11, 1945 to Aug. 18, 1945.

WHOLESALE PRICES FOR WEEK ENDED AUG. 18, 1945 (1926=100)

Commodity Groups—	8-18	8-11	8-4	7-21	8-19	Percentage change to Aug. 18, 1945 from—		
	1945	1945	1945	1945	1944	1945	1945	1944
All commodities	105.5	105.7	105.7	105.6	103.6	-0.2	-0.1	+1.8
Farm products	127.0	128.3	129.1	128.5	122.3	-1.0	-1.2	+3.8
Foods	106.3	106.9	107.0	106.5	104.5	-0.6	-0.2	+1.7
Hides and leather products	118.5	118.5	118.5	118.5	116.4	0	0	+1.8
Textile products	99.1	99.1	99.1	99.1	97.5	0	0	+1.6
Fuel and lighting materials	85.3	85.2	84.8	84.8	83.8	+0.1	+0.6	+1.8
Metals and metal products	104.8	104.8	104.8	104.8	103.8	0	0	+1.0
Building materials	118.2	117.3	117.3	117.3	116.0	+0.8	+0.8	+1.9
Chemicals and allied products	95.3	95.2	95.2	95.2	95.5	+0.1	+0.1	-0.2
Housefurnishing goods	106.2	106.2	106.2	106.2	106.0	0	0	+1.4
Miscellaneous commodities	94.6	94.6	94.6	94.6	93.3	0	0	+3.6
Raw materials	116.9	117.7	118.1	117.7	112.8	-0.7	-0.7	+3.6
Semimanufactured articles	95.4	95.3	95.2	95.2	93.8	+0.1	+0.2	+1.7
Manufactured products	102.1	102.0	101.9	101.9	101.1	+0.1	+0.2	+1.0
All commodities other than farm products	100.8	100.7	100.6	100.6	99.5	+0.1	+0.2	+1.3
All commodities other than farm products and foods	100.1	99.9	99.9	99.8	98.7	+0.2	+0.3	+1.4

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM AUG. 11, 1945 TO AUG. 18, 1945

Commodity Groups—	Increases		Decreases	
	Aug. 11, 1945	Aug. 18, 1945	Aug. 11, 1945	Aug. 18, 1945
Lumber	1.5	Other foods	0.6	
Paint and paint materials	1.1	Brick and tile	0.3	
Fertilizer materials	0.9	Paper and pulp	0.3	
Bituminous coal			0.2	
Fruits and vegetables		4.0	Other farm products	1.0
Grains		1.4	Livestock and poultry	0.8
Cereal products				0.2

National Fertilizer Association Commodity Price Index Declines

The weekly wholesale commodity price index compiled by The National Fertilizer Association made public on Aug. 27, declined to 141.3 for the week ended Aug. 25, 1945, from 141.7, the highest point of the index, in the preceding week. A month ago the index stood at 141.5, and a year ago at 138.4, all based on the 1935-1939 average as 100. The Association's report went on to say:

Four of the composite groups of the index declined and none advanced during the latest week. The foods group declined principally because of lower quotations for potatoes and oranges. The farm products group declined fractionally; the cotton index declined with cotton prices back to the level of April 21; the grains index rose fractionally with higher wheat prices at Minneapolis a little more than offsetting lower rye prices; the livestock index declined slightly with lower prices for good cattle, lambs, sheep and calves more than offsetting higher prices for eggs. The textiles group declined slightly. The miscellaneous commodities group declined moderately, lower prices for lubricating oil being partly balanced by a small advance in the price for cottonseed meal. All other groups of the index remained unchanged.

During the week 9 price series in the index declined and 4 advanced; in the preceding week 6 declined and 4 advanced; in the second preceding week 10 declined and 2 advanced.

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 Aug. 25, 1945	Week Aug. 18, 1945	Month Ago July 28, 1945	Year Ago Aug. 26, 1944
25.3	Food	144.3	144.9	143.6	140.2
	Fats and Oils	145.2	145.0	145.0	145.1
	Cottonseed Oil	163.1	162.4	162.4	163.1
23.0	Farm Products	167.2	167.4	167.7	161.0
	Cotton	211.4	212.2	213.0	203.7
	Grains	158.9	158.8	163.5	155.9
	Livestock	163.2	163.4	162.3	155.8
17.3	Fuels	134.5	134.5	133.3	130.1
10.8	Miscellaneous Commodities	132.8	133.9	133.9	132.2
8.2	Textiles	156.6	156.7	156.8	152.8
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	141.3	141.7	141.5	138.4

*Indexes on 1926-1928 base were: Aug. 25, 1945, 110.1; Aug. 18, 1945, 110.4; and Aug. 26, 1944, 107.8. †Revised.

N. Y. State Reconversion Agency Established

New York State's reconversion problems will be less than those of many other states according to a report to Governor Dewey made by State Commerce Commissioner M. P. Catherwood bearing on the laying off of labor throughout New York as plants abandon war work for peacetime production. On the basis of this report Gov. Dewey has appointed an agency, to be headed by Mr. Catherwood, designed to coordinate all New York State industrial and business aid plans during the reconversion period, advices from the Associated Press at Albany stated on Aug. 20.

The Catherwood report said that in spite of the immediate prospect of half a million unemployed war workers, New York was not confronted with as great a problem as other States in dis-

posing of huge plants difficult to adapt to civilian production. It mentioned, too, the factor of accumulated personal savings in the State totaling approximately \$15,000,000,000, of which it was anticipated a considerable amount would be spent on consumer goods.

In his report, Mr. Catherwood predicted, according to the Asso-

ciated Press, that New York State "faces an era of expansion in economic activity with unprecedented business and job opportunities for its people."

"Much, however, depends on the manner and speed with which we hit our stride in peacetime production," he said. "For every month that mass unemployment is prolonged, the opportunity for peak production and prosperity will be lessened." These press advices added:

The Commerce Department head, who said there was an opportunity for 100,000 new small businesses in the State, listed these wartime increases in employment which he said must be taken up by expansion of peacetime industry:

New York City area, including part of New Jersey, 630,000; Buffalo, 114,000; Rochester, 51,000; Albany-Troy-Schenectady, 40,000; Syracuse, 23,000, and Poughkeepsie-Newburgh, 7,000.

The report listed seven fields in which action already had been started to "develop new business and employment opportunities," the Associated Press stated, adding that these included:

1. Preparation of two series of bulletins, one dealing with markets and business data in 11 economic areas of the State and the other with practical operation of small enterprises.

2. Completion of a technical study on new processes, products and materials and the setting up of machinery to make the information easily available.

3. Exploitation of the State's facilities for foreign trade.

4. Completion of a two-year project cataloging all the State's manufacturing firms and listing their products, and the completion of files on available facilities for persons starting new businesses.

5. Inauguration of an advertising campaign to make known in the United States and abroad the resources of the State.

6. Development of an airport construction program through the Commerce Department's Bureau of Aviation.

7. Creation of a women's program to make use of knowledge gained by women during the war through civilian volunteer work.

It is further stated that the new reconversion agency will provide a liaison between Federal agencies and State businesses seeking release of materials and information on price control and other matters.

Assisting Mr. Catherwood in directing the new agency will be Superintendent of Public Works Charles H. Sells and Commissioner of Labor Edward Corsi. Offices will be set up in the Commerce Department and the staff of the War Council, to the extent necessary, will be transferred to the new agency. Prime function of the agency will be to provide business and industries with immediate access to information and materials.

Payment of 2 1/2% By Rail Credit Body

According to E. G. Buckland, President of the Railroad Credit Corporation, the corporation will make a liquidating distribution on August 31 of 2 1/2% of the fund as of July 31, amounting to \$1,810,671.

Of this amount \$1,684,348 will be paid in cash and \$126,322 will be credited on the carriers' indebtedness to the corporation.

This will bring the total amount distributed to \$59,720,252, or 95% of the original fund contributed by carriers participating in the Marshalling and Distributing Plan, 1931. Of this total, \$40,964,623 will have been returned in cash and \$28,755,628 in credits.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Aug. 22 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 Aug. 4, 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 Aug. 4 (in round-lot transactions) totaled 1,378,040 shares, which amount was 17.38% of the total transactions on the Exchange of 3,965,850 shares. This compares with member trading during the week ended July 28, of 1,610,201 shares, or 16.35% of the total trading of 4,925,100 shares. On the New York Curb Exchange, member trading during the week ended Aug. 4 amounted to 306,860 shares or 15.96% of the total volume on that exchange of 961,490 shares. During the week ended July 28 trading for the account of Curb members of 350,900 shares was 16.37% of the total trading of 1,071,640 shares.

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

WEEK ENDED AUGUST 4, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales	223,550	
†Other sales	3,742,300	
Total sales	3,965,850	
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	315,030	
Short sales	61,900	
†Other sales	290,790	
Total sales	352,690	8.42
2. Other transactions initiated on the floor—		
Total purchases	143,900	
Short sales	24,100	
†Other sales	124,500	
Total sales	148,600	3.69
3. Other transactions initiated off the floor—		
Total purchases	157,340	
Short sales	95,250	
†Other sales	165,230	
Total sales	260,480	5.27
4. Total—		
Total purchases	616,270	
Short sales	181,250	
†Other sales	580,520	
Total sales	761,770	17.38

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

WEEK ENDED AUGUST 4, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales	8,355	
†Other sales	953,135	
Total sales	961,490	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	71,160	
Short sales	2,565	
†Other sales	73,560	
Total sales	76,125	7.66
2. Other transactions initiated on the floor—		
Total purchases	16,990	
Short sales	2,000	
†Other sales	11,400	
Total sales	13,400	1.58
3. Other transactions initiated off the floor—		
Total purchases	73,650	
Short sales	1,100	
†Other sales	54,435	
Total sales	55,535	6.72
4. Total—		
Total purchases	161,800	
Short sales	5,665	
†Other sales	139,395	
Total sales	145,060	15.96
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
†Customers' other sales	48,804	
Total purchases	48,804	
Total sales	38,118	

*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."

Civil Engineering Construction Volume \$22,990,000 for Holiday Week

Civil engineering construction volume for the short week due to the unofficial V-J holiday totals \$22,990,000 according to reports to "Engineering News-Record." The week's total compares with \$49,135,000 for the preceding week, \$37,309,000 for the corresponding week in 1944, and is 49% below the previous four-week moving average. The report made public on Aug. 23 continued as follows:

Private construction for the week totals \$5,034,000, and public construction volume is \$17,956,000. The latter is made up of \$8,518,000 in state and municipal construction, and \$9,438,000 in federal work.

The current week's construction brings 1945 volume to \$1,225,799,000 for the 34 weeks, an increase of 2% over the \$1,201,360,000 reported for the period in 1944. Private construction, \$374,827,000, is 42% higher than a year ago, but public construction, \$850,972,000, is down 9% due to the 17% drop in federal work. State and municipal construction, \$206,390,000, is up 28% compared with last year.

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

	Aug. 23, '45 (four days)	Aug. 16, '45 (five days)	Aug. 24, '44 (five days)
Total U. S. Construction	\$22,990,000	\$49,135,000	\$37,309,000
Private Construction	5,034,000	23,184,000	5,157,000
Public Construction	17,956,000	25,951,000	32,152,000
State and Municipal	8,518,000	6,808,000	4,511,000
Federal	9,438,000	19,143,000	27,641,000

In the classified construction groups, gains over a week ago are reported in bridges and unclassified construction. Increases over the 1944 week are in waterworks, and commercial buildings. Subtotals for the week in each class of construction are: waterworks, \$1,110,000; sewerage, \$146,000; bridges, \$538,000; industrial buildings, \$2,431,000; commercial buildings, \$783,000; public buildings, \$6,278,000; earth-work and drainage, \$1,528,000; streets and roads, \$3,260,000; and unclassified construction, \$6,916,000.

New capital for construction purposes for the week totals \$46,132,000. It is made up of \$35,486,000 in federal appropriations for construction from the Second Deficiency Appropriations Act of 1945 and \$10,646,000 in state and municipal bond sales. The week's financing brings 1945 volume to \$1,569,340,000 for the 34 weeks, a volume within 2% of the \$1,595,292,000 reported for the period a year ago.

Non-Ferrous Metals—WPB Lifts Controls on Metals in Ample Supply—Quicksilver Lower

"E. & M. J. Metal and Mineral Markets," in its issue of Aug. 23 stated: "That the War Production Board intends to eliminate all restrictions as speedily as possible was seen in action taken on Aug. 20 that resulted in the revocation of 210 controls. Included among the commodities freed of control, effective Aug. 20, are copper (M-9); rhodium (M-95); platinum (M-162); osmium (M-302); silver (M-199); zinc (M-11); cadmium (M-65); lead and tin scrap (M-72); and bismuth (M-276). Control of arsenic was dropped Aug. 14. Metals of importance still under control include lead, tin, and antimony. Quicksilver again declined sharply, but the price situation in major metals remained unchanged." The publication further went on to say in part as follows:

Military CMP Allotments Cancelled by WPB

Cancellation of virtually all military allotments of steel, copper, and aluminum was announced by the War Production Board on Aug. 17. This action was taken through Direction 1 to Priorities Regulation 29, which stipulates that all allotments of controlled materials, and all preference ratings except AAA and MM, assigned by the Army, Navy, or the United States Maritime Commission, have been cancelled. The Controlled Materials Plan, which governs the distribution of steel, copper, and aluminum, has not been revoked through this action, it was stated officially in Washington. Revocation of CMP is not scheduled to become effective until Sept. 30. Allotments and preference ratings for these metals for other products issued by WPB or other agencies than the Army, Navy, and the Maritime Commission continue in effect as heretofore.

WPB believes that suppliers will now be free to fill other rated as well as unrated orders on materials and components formerly scheduled for production by the military agencies.

Copper

Advices from Washington state that the Foreign Economic Administration has served notice that present contracts for obtaining copper from abroad will not be renewed after October. Whether foreign purchases will end abruptly is not known.

Buying of copper in the domestic market for September was in moderate volume. The industry believes that domestic production will be absorbed next month without difficulty. Some fabricators are moving into production for civilian needs rapidly.

The fabricator's statistics issued Aug. 22 indicate that 79,739 tons of copper were consumed in July, against 117,492 tons in June and the peak of 171,558 tons in March this year. Vacations and cutbacks accounted for the sharp drop in consumption during July.

Lead

Consumers have asked WPB for about 19,000 tons of foreign lead for September shipment, a larger

tonnage than generally expected. Requests for foreign lead for delivery in August amounted to 21,000 tons. The strike at Federal, Ill., plant of the American Smelting & Refining Co. continues, and, unless the labor difficulties at that plant can be settled soon, some consumers may be forced to draw on lead of foreign origin to a greater extent. Order M-72, revoked last week, does not free lead scrap so far as end uses are concerned. The action benefits dealers in acquiring scrap. Sales of pig lead for the last week were light, amounting to 1,961 tons.

Zinc

The announcement from Washington to the effect that zinc is no longer under WPB control was accepted as a logical move throughout the industry. Supplies have been sufficient for some time, producers contend, and the monthly "set-aside" only complicated matters. Demand for September zinc was inactive during the last week, but a fair tonnage was sold in some quarters for August delivery. Though cutbacks have come through on products containing zinc, producers report that consumers have been taking all the metal ordered for the current month, and the market remains steady.

Antimony

The position of antimony remains firm, and the metal is expected to continue in fairly tight supply until production in China can be increased and offerings from that important producing area appear on the world market. Consumption of antimony in anti-monial lead remains high.

Antimony Oxide, however, has eased appreciably. Cutbacks in the military requirements for flameproofing purposes have been substantial.

Tin

Order M-72, controlling tin scrap, has been revoked by WPB. So far as primary tin is concerned, officials in Washington continue to take a gloomy view of the prospects for obtaining increased supplies from liberated tin-producing areas in the Far East, and distribution of the metal is expected to remain under control for some time to come. It was announced last week that Thailand (Siam) has ended all hostilities. There is some hope in tin circles that production of tin in that country continued throughout the war period, probably at a reduced rate. Under normal operating conditions Thailand pro-

duced between 16,000 and 17,000 long tons of tin a year.

The price situation in tin was unchanged, Straits quality metal being available on the basis of 52c per pound. Forward quotations were nominally as follows:

	Aug.	Sept.	Oct.
August 16	52.000	52.000	52.000
August 17	52.000	52.000	52.000
August 18	52.000	52.000	52.000
August 20	52.000	52.000	52.000
August 21	52.000	52.000	52.000
August 22	52.000	52.000	52.000

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

Quicksilver

There was really no market for quicksilver during the last week. A few small lots sold at \$125 per flask, but on quantity transactions there was no indication of what might be done. One seller stood ready to quote \$120 per flask, but doubted whether large consumers could be interested at that figure. On quantity business the price was wholly nominal.

Cancellations on the battery program came through as expected, and the trade is now wondering how long it will take to channel part of this business into civilian products. Some operators believe that it will require all of six months. In the interim, consumption of quicksilver is likely to fall sharply, and both domestic production and imports will come forward on a greatly reduced scale. Large inventories may slow down consumption of quicksilver in the production of standard mercurials. Instrument makers may be better situated as consumers of the metal in the transition period than other takers.

San Francisco advices under date of Aug. 21 state: "No quicksilver quotations this week. Second largest domestic producer closing down. Other producers plan to suspend 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 44¼c, with domestic metal at 70¾c.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Aug. 22 a summary for the week ended Aug. 11 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. 11, 1945	
Odd-Lot Sales by Dealers—	Total
(Customers' purchases)	For Week
Number of orders	21,499
Number of shares	638,469
Dollar value	\$25,159,002
Odd-Lot Purchases by Dealers—	
(Customers' sales)	
Number of Orders:	
Customers' short sales	286
Customers' other sales	22,500
Customers' total sales	22,786
Number of Shares:	
Customers' short sales	10,448
Customers' other sales	592,943
Customers' total sales	603,391
Dollar value	\$22,559,279
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	180
Other sales	139,080
Total sales	139,260
Round-Lot Purchases by Dealers—	
Number of Shares:	
Number of Shares	206,590
*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."	

Revenue Freight Car Loadings for Week Ended Aug. 18, 1945 Affected by V-J Holidays

Loading of revenue freight for the week ended Aug. 18, 1945, totaled 652,832 cars, the Association of American Railroads announced on Aug. 23. This was a decrease below the corresponding week of 1944 of 233,791 cars, or 26.4%, and a decrease below the same week in 1943 or 238,508 cars or 26.8%.

Loading of revenue freight for the week of Aug. 18 decreased 217,175 cars, or 25.0% below the preceding week due to V-J Day holidays.

Miscellaneous freight loading totaled 292,362 cars, a decrease of 89,787 cars below the preceding week, and a decrease of 104,467 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 90,506 cars, a decrease of 16,349 cars below the preceding week and a decrease of 16,018 cars below the corresponding week in 1944.

Coal loading amounted to 90,003 cars, a decrease of 79,341 cars below the preceding week, and a decrease of 82,807 cars below the corresponding week in 1944.

Grain and grain products loading totaled 53,897 cars, a decrease of 9,584 cars below the preceding week but an increase of 3,984 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Aug. 18 totaled 37,963 cars, a decrease of 3,821 cars below the preceding week but an increase of 2,804 cars above the corresponding week in 1944.

Livestock loading amounted to 14,184 cars, a decrease of 748 cars below the preceding week and a decrease of 2,252 cars below the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of Aug. 18 totaled 10,683 cars, a decrease of 503 cars below the preceding week, and a decrease of 1,578 cars below the corresponding week in 1944.

Forest products loading totaled 37,416 cars, a decrease of 8,940 cars below the preceding week and a decrease of 12,786 cars below the corresponding week in 1944.

Ore loading amounted to 62,917 cars, a decrease of 9,928 cars below the preceding week and a decrease of 16,778 cars below the corresponding week in 1944.

Coke loading amounted to 11,547 cars, a decrease of 2,498 cars below the preceding week, and a decrease of 2,667 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding weeks in 1944 and 1943.

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
5 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
5 Weeks of June	4,364,662	4,338,886	4,003,393
4 Weeks of July	3,378,266	3,459,830	3,455,328
Week of August 4	863,910	889,594	872,133
Week of August 11	870,007	895,181	887,164
Week of August 18	652,832	886,623	891,340
Total	27,026,960	27,416,429	26,437,342

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 18, 1945. During the period only 11 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. 18

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
Eastern District—						
Ann Arbor	313	245	237	1,247	1,430	
Bangor & Aroostook	1,056	1,145	901	326	529	
Boston & Maine	5,170	6,302	6,637	11,816	13,450	
Chicago, Indianapolis & Louisville	956	1,384	1,337	1,953	2,146	
Central Indiana	23	24	35	41	48	
Central Vermont	875	1,085	996	1,988	2,235	
Delaware & Hudson	2,716	4,765	6,602	9,780	12,242	
Delaware, Lackawanna & Western	5,586	7,584	7,693	8,811	9,787	
Detroit & Mackinac	202	244	189	133	164	
Detroit, Toledo & Ironton	1,402	1,904	1,927	790	1,146	
Detroit & Toledo Shore Line	237	349	343	2,024	2,471	
Erle	9,371	13,046	13,728	13,650	17,167	
Grand Trunk Western	2,931	3,598	3,692	7,074	7,782	
Lehigh & Hudson River	137	144	167	2,405	2,530	
Lehigh & New England	893	1,934	2,188	1,373	1,610	
Lehigh Valley	5,594	8,211	8,624	9,380	15,023	
Maine Central	2,085	2,317	2,528	2,722	2,700	
Monongahela	3,386	5,884	5,949	288	360	
Montour	1,332	2,563	2,359	20	36	
New York Central Lines	37,763	50,837	56,903	39,829	54,675	
N. Y., N. H. & Hartford	6,940	8,898	10,124	14,203	17,111	
New York, Ontario & Western	794	1,256	1,345	3,094	3,167	
New York, Chicago & St. Louis	4,680	6,561	7,543	12,400	15,730	
N. Y., Susquehanna & Western	302	398	590	1,607	2,470	
Pittsburgh & Lake Erie	4,647	7,425	7,737	6,251	8,894	
Pere Marquette	4,393	5,237	5,056	6,677	7,745	
Pittsburgh & Shawmut	455	1,015	950	11	60	
Pittsburgh, Shawmut & North	116	302	402	201	233	
Pittsburgh & West Virginia	873	1,218	1,118	2,447	2,670	
Rutland	253	363	330	1,069	1,151	
Wabash	4,944	5,768	5,729	9,858	12,175	
Weehawken & Lake Erie	3,867	5,812	5,273	3,874	4,408	
Total	114,292	157,808	169,232	177,342	223,345	
Allegheny District—						
Akron, Canton & Youngstown	501	738	780	1,024	1,398	
Baltimore & Ohio	34,683	47,547	45,249	23,101	28,411	
Bessemer & Lake Erie	4,108	6,045	6,105	1,643	1,781	
Buffalo Creek & Gauley			268		26	
Cambria & Indiana	233	1,351	1,827			
Central R. R. of New Jersey	4,337	6,749	7,149	15,600	19,963	
Cornwall	325	511	628	50	59	
Cumberland & Pennsylvania	76	208	269	9	14	
Ligonier Valley	61	153	134	54	43	
Long Island	2,277	1,811	1,888	4,071	4,337	
Penn-Reading Seashore Lines	1,346	1,878	2,174	2,075	2,592	
Pennsylvania System	61,219	88,882	88,743	48,120	63,620	
Reading Co.	9,479	14,065	15,576	22,022	28,768	
Union (Pittsburgh)	10,646	18,809	20,794	5,137	6,989	
Western Maryland	2,384	4,173	4,174	9,988	12,299	
Total	131,675	192,940	195,758	132,902	170,300	
Poconantas District—						
Chesapeake & Ohio	17,710	30,192	28,581	11,307	14,018	
Norfolk & Western	12,453	21,158	22,126	6,315	8,750	
Virginian	2,418	4,365	4,562	2,009	2,229	
Total	32,581	55,715	55,269	19,631	24,997	

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1945	1944	1945	1944
Southern District—				
Alabama, Tennessee & Northern	521	415	278	327
Atl. & W. P.—W. R. R. of Ala.	628	766	600	1,920
Atlanta, Birmingham & Coast	911	980	774	911
Atlantic Coast Line	8,913	10,678	11,227	7,905
Central of Georgia	3,304	3,683	3,710	4,104
Charleston & Western Carolina	443	473	378	1,515
Clinchfield	1,162	1,784	1,738	2,070
Columbus & Greenville	217	187	335	225
Durham & Southern	72	110	102	887
Florida East Coast	688	895	1,288	1,175
Gainesville Midland	45	57	53	111
Georgia	1,199	1,264	1,116	2,421
Georgia & Florida	16	680	475	1
Gulf, Mobile & Ohio	4,247	4,643	4,210	4,045
Illinois Central System	20,824	29,397	28,508	14,711
Louisville & Nashville	17,755	25,641	25,181	10,413
Macon, Dublin & Savannah	188	178	186	652
Mississippi Central	331	368	250	507
Nashville, Chattanooga & St. L.	2,912	3,007	3,112	3,699
Norfolk Southern	804	926	919	1,553
Piedmont Northern	337	359	367	1,048
Richmond, Fred. & Potomac	513	420	435	7,416
Seaboard Air Line	7,755	9,366	9,565	7,083
Southern System	20,513	24,349	22,369	20,692
Tennessee Central	538	722	533	767
Winston-Salem Southbound	132	137	120	1,116
Total	94,968	121,485	117,829	97,274

Northwestern District—				
Chicago & North Western	16,471	20,738	21,537	13,730
Chicago Great Western	1,993	2,683	3,046	3,159
Chicago, Milw., St. P. & Pac.	17,729	22,669	22,026	9,260
Chicago, St. Paul, Minn. & Omaha	3,227	3,526	4,292	4,390
Duluth, Missabe & Iron Range	23,413	27,440	30,427	236
Duluth, South Shore & Atlantic	847	1,051	1,056	513
Elgin, Joliet & Eastern	5,649	9,070	8,715	7,376
Ft. Dodge, Des Moines & South	280	392	480	61
Great Northern	19,713	25,781	26,581	8,027
Green Bay & Western	343	464	399	801
Lake Superior & Ishpeming	1,745	2,902	2,964	72
Minneapolis & St. Louis	1,854	2,230	2,312	2,364
Minn., St. Paul & S. S. M.	5,746	7,369	8,901	3,365
Northern Pacific	9,804	12,190	11,726	6,095
Spokane International	175	142	220	445
Spokane, Portland & Seattle	1,964	2,904	2,749	3,660
Total	110,953	141,551	147,431	63,554

Central Western District—				
Atch., Top. & Santa Fe System	22,836	27,643	21,483	13,339
Alton	2,931	3,520	3,862	3,082
Bingham & Garfield	102	206	393	54
Chicago, Burlington & Quincy	16,994	19,884	20,667	12,238
Chicago & Illinois Midland	1,269	2,766	3,099	835
Chicago, Rock Island & Pacific	11,050	13,517	12,470	12,576
Chicago & Eastern Illinois	1,911	2,829	2,845	4,396
Colorado & Southern	717	812	958	1,809
Denver & Rio Grande Western	2,883	4,437	5,178	6,248
Denver & Salt Lake	417	835	720	54
Fort Worth & Denver City	830	1,086	1,266	1,426
Illinois Terminal	1,676	2,308	1,908	1,995
Missouri-Illinois	1,040	1,343	1,156	648
Nevada Northern	859	1,687	1,903	88
North Western Pacific	816	1,239	1,305	918
Peoria & Pekin Union	16	3	24	0
Southern Pacific (Pacific)	26,882	34,184	33,790	12,784
Toledo, Peoria & Western	280	279	334	1,812
Union Pacific System	15,291	18,961	16,106	18,024
Utah	348	483	573	4
Western Pacific	1,587	2,191	2,307	4,739
Total	110,735	140,213	132,347	97,069

Southwestern District—				
Burlington-Rock Island	372	726	425	411
Gulf Coast Lines	3,500	5,539	5,837	2,308
International-Great Northern	2,272	2,487	2,649	3,027
Kansas, Oklahoma & Gulf			345	1
Kansas City Southern	3,460	5,246	5,582	2,852
Louisiana & Arkansas	2,500	4,044	3,382	2,437
Litchfield & Madison	263	289	380	1,268
Midland Valley	959	1,146	829	1,620
Missouri & Arkansas	161	191	157	382
Missouri-Kansas-Texas Lines	5,446	6,223	5,734	4,260
Missouri Pacific	14,643	19,231	17,931	16,941
Quanahe Acme & Pacific	98	82	86	318
St. Louis-San Francisco	8,552	10,020	9,909	7,485
St. Louis-Southwestern	2,906	3,123	2,824	5,566
Texas & New Orleans	7,845	12,504	13,330	5,427
Texas & Pacific	4,543	5,650	4,968	7,032
Wichita Falls & Southern	89	75	97	58
Weatherford M. W. & N. W.	19	45	9	35
Total	57,628	76,911	73,474	61,427

Included in Midland Valley Ry. Included in Baltimore & Ohio RR.
Note—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

Items About Banks, Trust Companies

In order to provide capital commensurate with increased deposits and resources, the shareholders of the Grace National Bank of New York at a meeting on Aug. 28 authorized an increase in its capital stock from \$2,000,000 to \$2,750,000. Notice of the meeting was contained in a letter sent to the shareholders on Aug. 14. \$250,000 of the new capital stock will be used for the payment on Sept. 28 of a stock dividend of 12½% to shareholders of record on Aug. 30, in lieu of the cash dividend of \$3 usually paid Sept. 1, and the remaining \$500,000 will be sold at \$150 per share to the shareholders of record on Aug. 28, in the proportion of one share of new stock for each four shares then held. The bank's letter said: "Since the increase of our capital stock in June of 1944, the bank's deposits have continued to grow and its activities to multiply and we have been able to earn a satisfactory return on our enlarged capital. Our directors now feel that the growth in our volume of business and the opportunities which present themselves to develop new relationships and to expand the bank's service to its customers warrant a further enlargement of our capital at this time." On June 30, 1945, the bank's resources and deposits were \$99,978,388 and \$92,942,431, respectively, as compared with resources and deposits on June 30, 1944, of \$77,543,393 and \$70,082,422, respectively.

At the regular meeting of the board of directors of the National City Safe Deposit Company held on Aug. 22, Roswell D. Regan was appointed a Vice-President in addition to his present position and title of General Manager of the company. Howard C. Sheperd, Senior Vice-President of The National City Bank of New York, was elected a member of the board of directors of the Safe Deposit Company to succeed the late Eric P. Swenson, whose death was noted in our issue of Aug. 23, page 872. Mr. Regan is President of the New York State Safe Deposit Association.

James L. O'Neill, Vice-President of the Guaranty Trust Company of New York and for many years in charge of that company's personnel management and operations, died on Aug. 21 at his home in Short Hills, N. J. He was 63 years of age.

Mr. O'Neill has been a Vice-President of the Guaranty Trust Company since 1918, when he joined the company as a credit man after being engaged in credit work for more than 20 years. He soon assumed the additional duties that later came to take up almost his entire time, in personnel management, organization matters and operations involving a staff of several thousand employees in the United States and in branch offices abroad. Mr. O'Neill was born in Pittsburgh, Pa. In 1896, he went to the Carnegie Steel Company, Ltd., as an office boy and was employed there continuously until he came to New York, serving in every position, including stenographer, for which he fitted himself at night school. In 1913 he was appointed credit manager and subsequently organized the credit activities as an independent department of the steel company. He was a member of the National Association of Credit Men and served as director in the Pittsburgh Association of Credit Men; was Vice-President and director of the Fidelitas Realty Corp. and director of Guaranty Safe Deposit Co. and W. T. Grant Co.

Mr. O'Neill was made control officer of the National Recovery Administration in December, 1934, when his services were loaned to the Government by the Guaranty Trust Company at the request of

the National Industrial Recovery Board. During his stay in Washington, which terminated in July, 1935, he had charge of administrative procedure, financial affairs, office management and personnel of the NRA, assisting W. A. Harriman, administrative officer. He was called to Washington again in May, 1941, under a Presidential appointment as Deputy Director of the Priorities Division, Office of Production Management, in charge of operations.

Henry G. Warland, Vice-President of the Bank of the Manhattan Company, of New York, died at his summer home in Nantucket, Mass., on Aug. 10. His death was due to coronary thrombosis. Special advices from Nantucket to the New York "Herald Tribune" Aug. 10 said:

Mr. Warland was born in New Rochelle, N. Y., and had been associated with the bank since January, 1931, as Vice-President in charge of new business in the mid-town division. Prior to that he was President of the H. G. Warland Corporation and had been connected with several silk firms. He was a director of Clarence Whitman & Sons, Inc.

The consolidation of the Providence National Bank and the Blackstone Canal National Bank—the two oldest national banks in Providence, R. I.—will be effected on or about Oct. 10 under the name and charter of the Providence National Bank in the event that the stockholders approve the merger plans at meetings scheduled for Sept. 26. The Providence "Journal" of Aug. 23 states that Rupert C. Thompson, Jr., President of the Providence National Bank, and Albert R. Plant, President of the Blackstone Canal National Bank, in making this announcement jointly on Aug. 22, said directors of the institutions had approved the move on Aug. 20, following several weeks of discussion. From the paper indicated we also take the following:

Mr. Plant will serve as Chairman of the Board of Directors of the consolidated bank and Mr. Thompson will be President. Charles B. McGowan, Vice-President and Trust Officer of the Blackstone Bank, will hold the same office in the merged bank and, with few exceptions, it was stated, other officers of the two banks will hold the same posts they now fill.

The new board of directors will include most of those now serving on the separate boards and the other personnel will be combined to form the continuing organization, which will have as its only office the present quarters of the Providence National Bank at 100 Westminster Street.

The combined institution will have total resources in excess of \$67,000,000, of which the Blackstone bank will contribute about \$17,000,000 and the Providence National Bank will contribute about \$50,000,000 and trust business, including agencies and corporation accounts, of more than \$30,000,000.

The consolidated bank will have a capital of \$2,000,000, consisting of 80,000 shares of \$25 par value stock and a surplus of \$3,250,000.

Of the 80,000 shares, Blackstone Canal shareholders will receive 20,000 on a share for share exchange, there now being outstanding 20,000 shares of Blackstone Canal stock which has a \$25 par value. Providence National shareholders will receive 60,000 shares of the new stock. Since there are now outstanding 15,000 shares of Providence National stock, which carries a \$100 par value, this will involve a split of the present stock on a four shares for one share basis.

The Providence National Bank, the second oldest bank in the United States, started business in

1971 with John Brown as its first President. The Blackstone bank began business 40 years later, in 1831, with Nicholas Brown, a nephew of John Brown and a son of one of the original Providence National directors, as its President.

William B. Dana, a Vice-President and Trust Officer of the Hartford National Bank and Trust Company, of Hartford, Conn., died suddenly at his home in West Hartford on Aug. 23. He was 49 years of age and was a son of the late Prof. Edward S. Dana, of Yale University. From the Hartford "Courant" we take the following regarding the late Mr. Dana:

Coming to Hartford from New Haven 18 years ago, Mr. Dana was named an associate trust officer at the Hartford National Trust Company and later to the positions he held at the time of his death.

A graduate of the Hill School in Pottstown, Pa., class of 1914, he was a student at Yale during the first World War, and left in his junior year to be commissioned an officer in the Field Artillery. He served overseas with the 26th Division of the 102d Field Artillery for 18 months.

Graduating from Hartford Law School in 1922 with an LL.B. degree, Mr. Dana joined the firm of Bristol and White in New Haven where he remained until 1927, when he came to Hartford.

He was trustee and a member of the executive committee of the Society for Savings; a trustee of the Gaylord Farm Association; Chairman of the committee on banking and bar relations of the Connecticut State Bar Association, and the Connecticut Bankers Association. He was also a trustee of the Kingswood and Junior schools in West Hartford.

The directors of the Industrial Trust Company of Philadelphia have called a special meeting of stockholders on Oct. 18, to act upon a plan for the issuance of 130,000 shares of common stock and the concurrent retirement of all outstanding preferred stock.

Plans of merger of the Broad Street Trust Co. and Banca D'Italia & Trust Co. have been approved by shareholders of both institutions and merger was consummated at close of business Aug. 25, according to announcement by Hubert J. Horan, Jr., President of the former. This is learned from the Philadelphia "Inquirer" of Aug. 27, from which the following is also taken:

Office of Banca D'Italia & Trust Co., located at 727 S. 7th Street, will be operated as Banca D'Italia office of Broad St. Trust Co., with Russell Hamilton, Vice-President (formerly President of Banca D'Italia & Trust), in charge.

"Acquisition of this additional location will provide a convenience to clientele of Broad St. Trust Co., now located in that vicinity, and will make available to businesses and individuals complete banking services of an institution with resources in excess of \$23,500,000 and total deposits of \$22,344,245," said Mr. Horan.

In addition to present directors of Broad St. Trust who were re-elected, Benjamin M. Golder was elected as director, as were following former directors of Banca D'Italia & Trust: Charles La Scala, Ralph J. Burnard, Alfonso L. Baldi and Joseph A. Maggio. Election of James R. Trimble as Vice-President and Harold T. Zuecca as Assistant Secretary was also announced.

Frederic Fraley Hollowell, former Secretary of the Wayne Title and Trust Co. of Philadelphia, died on Aug. 18 at his home in Bellefonte, Pa. He was 86 years of age. In the Philadelphia "Inquirer" it was stated:

A graduate of the University

Negotiations Are Completed for Japan's Formal Surrender

The signing of the formal instrument of the surrender of Japan to the Allied forces appears imminent, since most of the preliminary negotiations between General MacArthur and the Emperor's representatives for the purpose of instructing Japan in the conditions and methods of surrender have been completed.

While it was expected that the surrender terms would be signed on Aug. 31, it was made known in

Associated Press accounts from Manila on Aug. 25 that the signing would take place on Sunday, Sept. 2, as all Allied landing operations, scheduled to begin Sunday, Aug. 26, had been postponed 48 hours as a result of typhoons. Gen. Douglas MacArthur announced today (Aug. 25).

Gen. MacArthur flew north on Aug. 29 on his way to make a triumphal entry into Japan the next day, said the press advices on the 29th which added that "as a plane carried him to Okinawa, the mighty battleship Missouri entered Tokyo Bay, where Japan's surrender will be signed aboard her."

The Missouri entered the bay on Aug. 29 under command of Admiral William F. Halsey.

Japan's emissaries spent a day at the headquarters of the Supreme Allied Commander at Manila, and flew home on Aug. 20 with detailed instructions, after having left with General MacArthur full details required for a victorious Allied entry into Japan. A headquarters spokesman stated that they would be prepared "for any contingency," the Associated Press mentioned in its account of the occasion, sent from Manila, Aug. 20.

Under date of Aug. 22 Associated Press accounts from Manila stated that Allied airborne troops will start the occupation of Japan on Aug. 26, the Nipponese Government announced on Aug. 21, and American sources said the Japanese would see the greatest display of military power ever assembled off a foreign country. These advices added:

The Japanese Imperial Headquarters and Imperial Government in a joint communique said the airborne troops would land at Atsugi airfield, 20 miles southwest of Tokyo, with further landings Tuesday (Aug. 28) from warships and transports in the Yokosuka area at the mouth of Tokyo Bay.

Tokyo later broadcast a report that General MacArthur will land on Atsugi Aug. 28 and the formal signing of a "truce agreement" will be held Aug. 31 in Tokyo Bay aboard a United States warship. The report was attributed to the Tokyo newspaper Omiui Hochi by Domei.

Omiui Hochi said the first group of occupation forces will begin landing Aug. 31 (Japanese time) at Kanoya Airfield in Kagoshima Prefecture and will comprise slightly more than 20,000 ground troops.

Representatives of Chinese, British and Soviet Governments will attend the signing ceremony, Domei reported.

The following is the text of the statement, as given by the Associated Press, which General MacArthur issued on Aug. 20 at the conclusion of the conference with the Japanese surrender envoys:

The Japanese emissaries have reported to general headquarters. They imparted all information re-

of Pennsylvania in the class of 1878, he was admitted to the Bar in 1880, and in 1884 became Secretary and Assistant Treasurer of the Schuylkill Navigation Co. He founded and organized the Wayne Title and Trust Co. in 1890 and served as its Secretary and Treasurer until 1893.

R. L. Hird, General Manager of the National Bank of India, Ltd., has been appointed a director of the bank.

quired and instructions of the United Nations are being conveyed by them to the Government of Japan and to Japanese Imperial Headquarters. In my capacity as Supreme Commander for the Allied powers I shall soon proceed to Japan with accompanying forces composed of ground, naval and air elements. Subject to weather that will permit landings, it is anticipated that the instrument of surrender will be signed within ten days.

At that time, having accepted the general surrender of the Japanese armed forces for the United States, the Chinese Republic, the United Kingdom and the Union of Soviet Socialist Republics, and in the interest of other United Nations at war with Japan, I shall direct Japanese Imperial Headquarters to issue general orders which will instruct Japanese commanders wherever situated to surrender unconditionally themselves and all of the forces under their control to the appropriate theatre commander.

Responsibility for that portion of the Southwest Pacific area which lies south of the Philippines will be assumed by British and Australian commanders.

It is my earnest hope that pending the formal accomplishment of the instrument of surrender armistice conditions may prevail on every front and that a bloodless surrender may be effectuated.

American headquarters spokesman, the Associated Press report continued, said that General MacArthur's top-ranking staff members were pleased with the apparent sincere attitude of the Japanese in providing military data needed to complete the occupation without incident. It was added that Japan's only alternative, if its Government should reject the terms on completion of the conference, is to continue fighting. However, the yielding of much secret data at the conferences here, plus the advantageous positions that United States units have assumed since the Japanese indicated they would accept the Potsdam declaration would put them under a suicidal handicap.

The consensus was that Japan, as represented by the surrender emissaries, is really anxious to get out of the war and to carry out the terms of the Potsdam declaration. The spokesman, who was present at the current sessions, said some of the precise formality which characterized the first meeting broke down as the sessions were divided into meetings between American Army, naval and air officers and their Japanese counterparts for the receipt of data required by the Americans.

The surrender document formally ending the war will be signed on Tokyo Bay aboard the superbattleship Missouri, said the Associated Press in its Aug. 23 advices from Manila, which in part also stated:

General MacArthur announced these final details today, while his headquarters disclosed actual capitulation in the field is proceeding in advance of the official ceremony. Surrender of several thousand Japanese in northern Luzon was arranged yesterday despite adamant opposition of their commander, and similar negotiations were moving ahead on Mindanao and Cebu.

Emperor Hirohito's cease fire order now has reached all islands, the Tokyo radio said today.