

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4418

New York, N. Y., Thursday, September 6, 1945

Price 60 Cents a Copy

The Financial Situation

For much the greater part of its century or more of existence the London "Economist" has been highly respected and far more influential than its rather limited list of readers would lead one to suppose. Since, some years ago, its editors decided to disassociate themselves from the ideas of Walter Bagehot and his successors, which had given their organ its standing, the "Economist" has inevitably lost its hold upon many, if not most of its older followers, but it has gained strength among the professional reformers, the New Dealers here and elsewhere, and of course, these elements are adept at making use of the standing of the "Economist" to spread their own ideas among the peoples of the world.

What the British Think

It is for this reason, first of all, that what the "Economist" last week had to say about lend-lease and our future policy relating thereto is of first rate importance. Another reason why we think it well at this time and in this place to give some space to the "Economist's" analysis of the situation is that the position assumed by it, and its general line of reasoning, explicit and implicit, are so typical of much that has been said and is being said, not only by those abroad who would stand to gain by our continued uncritical and unparalleled generosity, but by many in this country with strange ideas of the forces which create economic well-being.

According to an account carried in the New York "Times" of Sept. 1, here in brief is what the "Economist" had to say on this subject:

"Britain's reasonable requirements of dollars to get through the next two years with reasonable husbandry can be put at two billions. But, if America's last word is that

(Continued on page 1148)

Autonomics and Economics

By ALDEN A. POTTER

Correct Valuation Essential to Synthesis of Cooperation in Industry. Money Saving Prevents Real Saving; Belt-Tightening Does Not Form Capital; Values Are Not Embodied Costs. Progress, to New and Greater Values, Requires Continual Speculative Diversion, Not of Consumption, but of Replacement Reserves (Savings) Into New Channels. "Profit" That Is Neither Interest Nor Wages Is Property Income Affording Capital Gains. Family "Autonomy" Cannot Be Translated Into Social "Economy." Prices Are Speculative, Not Cumulative, and Cannot Be "Indexed."

II.

The Autonomics of Investment

Men will always be in some danger of subservience to each other and, therefore, of conflicts that may eventuate in war. If

conflict were not an organic proclivity inherent in the struggle to survive, eternal vigilance would not be the price of liberty; nor would we have the highly human bother about knowing the truth in order to be free—free to compete in enterprise that is so organized for a synthetic cooperation as to require scientific standards



Alden A. Potter

by which to judge the truth in valuation.

In the science of valuation interest has long been recognized as an essential element. A theory of interest has been presented (Commercial & Financial Chronicle, Dec. 14, 1944) which applies to the development of capital values by capitalization of income and excludes lending as the field in which the "pure" or natural rate of interest is determined. In this theory the marginal ratio of productivity to cost is not an empirical result of the supply of and demand for savings (mis-called "capital") the investment of which is reduced to a fortuitous "marginal efficiency" by the "law of diminishing returns" on successive increments" in investment; it is rather determined by

the influence of an "alternative opportunity" in investment, which is a constant.

At levels of production which exceed the subsistence margin for mature population so that hunger is displaced by love (reproduction) as the dominant motive, consumption of the surplus (above mature subsistence) takes the form of an **autonomic** (self-motivated or profitless) system of investment in which the rate of amortization (time - distributed cost) is also the rate of return (time - distributed income). In other words, the income returned at maturity for repetitious continuance of the autonomic investment in offspring is identical with the outgo or cost of the investment, because the reproductive account is an end in itself and so is autonomically, but not economically, solvent. Being economically insolvent, it can survive only by virtue of a source of income to balance its cost; and any other (economic) investment which fails to match its return ratio, even though returns exceed costs other than interest, is not a contribution to the existing "autonomy" and is therefore not solvent.

To create, or increase, this objective surplus, or **autonomically investible income**, costs must, then, be **economically invested**, i. e., they may be diverted from the natural or autonomic system into an accessory, capitalistic or economic system, but only if the former is not a preferable alternative. An economic investment is therefore appraised by a definition

(Continued on page 1154)

Labor Leaders Comment on "Full Employment" Bill

Higher Output Accompanied by Higher Consumption

By WILLIAM GREEN*

President, American Federation of Labor

Mr. Green, Contending That Private Enterprise Operates Within Controls Which Result in Expansion When Profitable and Contraction When Profits Decline, States That Business Managers Have the Obligation to Plan for Sustained Employment at Pay Levels Promoting Higher Living Standards. Sees Workers' Productivity Constantly Increasing and Calls for a Similar Rise in Consuming Power to Maintain "Full Employment." Predicts Need for One Million New Jobs Annually and Outlines Future Legislative Program by Congress.

The most deep-rooted, universally desired objective next to peace itself, which the war has brought forth, is desire for security. Workers want protection against inability to earn a living in a world that underwrites property. Loss of job is a major catastrophe to wage-earners. It may mean loss of savings and investments in addition to disorganizing the life of the worker and his dependents. Unemployment leaves deep scars on mind and spirit, a cost which society as well as individuals must pay. Fear of unemployment is never completely absent from the lives of workers. The right of every per-



William Green

son able and willing to work, to an opportunity to earn the means to sustain life itself, has become an increasingly compelling ideal as industrial production has come to more dominance in our economy, making unemployment correspondingly serious.

"Full employment" has become a worldwide ideal which peoples of many nations hope to establish and to maintain in the post-war. No one country can do it alone. The United States should lead the way. Its achievement will be the supreme test of our democratic institutions.

S. 380 deals with responsibilities of the Federal Government for promoting "full employment". Its statement of policy setting forth the following purposes, makes a

*Testimony of Mr. Green before the Senate Committee on Banking and Currency, Aug. 28, 1945.

(Continued on page 1152)

United Mine Workers Want Reduced Working Day

By JOHN L. LEWIS*

President, United Mine Workers of America

Mr. Lewis Says Problem of Providing Employment Is Associated With Question of Number of Hours Operated in Production. Because of Technological Improvements Increasing Man-Hour Output, He Wants Power Given Congress to Deal With Productive Hours Under Which Industry Will Operate and Thus Shorten Working Day. Holds Congress Should Not Fix Wages. Fears Nation's Productive Capacity Will Not Be Absorbed.

Speaking for the United Mine Workers of America, I speak in approval of Senate Bill S. 380 in principle, reserving the right to dissent from possible amendments.

When the bill is in final shape as a result of your deliberations. I doubt that it is necessary for me to make any detailed analysis of the bill or to burden the committee with a repetitive discourse, on grounds that have been covered by previous witnesses, with which substantially there is no dissent.

I call to the attention of the committee this fact which I think is of vital and profound importance. The problem of providing employment opportunities in the years to come is indubitably associated with the question of number of hours and number of days that we operate our production and fabricating plants in the Nation. This bill calls for the annual survey and report to the Congress through the medium of the machinery that is created here, with recommendations for action by

*Testimony of Mr. Lewis before the Senate Committee on Banking and Currency, Aug. 28, 1945.

Congress to take up the slack between the job opportunities being created by private enterprise and the amount required. Now, unquestionably the length of the day's work and the length of the work-week enter into any serious computation of that problem or any profound consideration of the equations which are involved.

It runs to the question of the functioning of the entire economic establishment of the Nation. The enormous quantity production per man employed will be greatly increased in the postwar years. We are living in a marvelous age when genius and science are performing modern miracles, in new formulas, in the realm of chemistry, physics, engineering and mathematics. Every day we are increasing the productive capacity of our employable and available manpower in the country. In other words, we are abolishing work as such and we are utilizing power

(Continued on page 1153)

GENERAL CONTENTS

Editorial	Page
Financial Situation.....	1145
Regular Features	
From Washington Ahead of the News.....	1156
Moody's Bond Prices and Yields.....	1156
Items About Banks and Trust Cos.....	1160
Trading on New York Exchanges.....	1158
NYSE Odd-Lot Trading.....	1158
State of Trade	
General Review.....	1150
Commodity Prices, Domestic Index.....	1158
Weekly Carloadings.....	1158
Weekly Engineering Construction.....	1158
Paperboard Industry Statistics.....	1159
Weekly Lumber Movement.....	1159
Fertilizer Association Price Index.....	1156
Weekly Coal and Coke Output.....	1155
Weekly Steel Review.....	1156
Moody's Daily Commodity Index.....	1156
Weekly Crude Oil Production.....	1157
Non-Ferrous Metals Market.....	1157
Weekly Electric Output.....	↑
Cottonseed Receipts to July 31.....	11033
Changes in Reacquired Stock Holdings.....	11033

*Appears in Section I this week.
†Not available this week.
‡These items appeared in our issue of Monday, Sept. 3, on pages indicated.

Peacetime vs Wartime Economy

"American workers were members of the great team which made possible our brilliant military success.

"On this occasion, I want to extend my thanks and congratulations to every one of them.

"Let us now dedicate ourselves to the task of welding a lasting peace, a peace which will guarantee that we shall never again have to go to war to defend our way of life. That is a job which vitally concerns every man and woman in America."—Robert P. Patterson, Under-Secretary of War.

"The combat soldiers of the Army Ground Forces realize that the soldiers of the production line were also a vital part of the armies that licked the Germans and the Japanese.

"Now that peace is at last bringing the combat soldiers home we must all continue the teamwork which brought us success in war."—General Jacob L. Devers.

"May we, the people of this country, have the intelligence and the energy to wage the peace and the reconversion as completely and as successfully as we waged total war.

"If we can do that, we can look forward with hope and confidence to an era of high wages, employment and a good standard of living for each and every worker."—Secretary of the Treasury Vinson.

These are all quite appropriate V-J-Labor Day statements.

We hope we are in error in seeing in them evidence of too much faith in the wartime totalitarian-collectivist management of our economy as a peacetime mode of procedure.

U. S. Terminates Lend-Lease Program— British Leaders Disturbed by Cessation

The United States has terminated its lend-lease operations and has sent formal notice to most of the governments participating in the program, White House Secretary Charles G. Ross announced on Aug. 21, according to Associated Press advices from Washington. The announcement stated that President Truman had ordered that all outstanding lend-lease contracts be canceled "except where Allied Governments are willing to agree to take them over or where it is in the interest of the United States to complete them." The United States it is pointed out has spent some \$40,000,000,000 in lend-lease operations. The statement of Mr. Ross as given out at the White House follows:

"The President has directed the Foreign Economic Administrator to take steps immediately to discontinue all lend-lease operations and to notify foreign governments receiving lend-lease of this action.

"The President also directs that all outstanding contracts for lend-lease be canceled except where Allied Governments are willing to agree to take them or where it is in the interest of the United States to complete them.

"The Foreign Economic Administrator furthermore is instructed to negotiate with Allied Governments for possible procurement by them of lend-lease inventories now in stockpile or in process of delivery.

"If the military needs lend-lease supplies for the movement of troops or for occupation purposes the military will be responsible for procurement.

"It is estimated that uncompleted contracts for non-munitions and finished goods in this country not yet transferred to lend-lease countries amount to about \$2,000,000,000 and that lend-lease supplies in stockpile abroad amount to between \$1,000,000,000 and \$1,500,000,000."

The concern expressed by British Government officials with the termination of lend-lease brought from United States' Foreign Economic Administrator, Leo T. Crowley, on Aug. 24 the rejoinder that "responsible British officials must have recognized" that such shipments would end on V-J Day. Mr. Crowley on Aug. 24 told reporters that "I had no discretion under the law and under the promises made to the Congress of

Congressional action, he said, any such new measure would require Congressional approval also and would have "taken weeks and perhaps months" of negotiation.

Mr. Crowley said that other European nations, whose economies also have been affected by termination of lend-lease, had realized the inevitability of the United States decision and already "were cooperating with us" to arrange for continued shipments on a credit basis.

Under date of Aug. 27 Associated Press advices from Washington reported Mr. Crowley as saying that Russia, China, France, Belgium and Holland have indicated their willingness to "go along" with a United States credit program designed to continue the flow of goods formerly supplied through lend-lease. These advices also said France, Belgium and Holland already had agreed to the plan in their original lend-lease contracts and have renewed their pledges in recent conversations, he said in an interview.

Britain has not formally stated its position. Lord Halifax, British ambassador, is enroute here from London with a commission appointed by Prime Minister Attlee. They are expected to begin discussions next week.

The United States has proposed that any nation which participated in lend-lease still can obtain its shipments provided it agrees to pay within 30 years at 2½% interest.

The ending of the lend-lease program placed Great Britain "in a very serious financial position," in the words of Prime Minister Clement R. Attlee, according to Associated Press advices from London, Aug. 24.

Stating that his Government had hoped that lend-lease would not have ended without prior consultation, Mr. Attlee, however, cautioned members of the House to exercise "utmost restraint" within and without the Chamber in commenting on the situation. Former Prime Minister Winston Churchill stated that he could not believe that the United States, "whose lend-lease policy was characterized by me as the most unsordid act in the history of the world, would proceed in such a rough and harsh manner as to hamper a faithful ally who held the fort while their own American armaments were unprepared" and that he felt that this was not the "last word of the United States."

From Washington Aug. 25 it was stated: The expectation that something will be done to help the British over the long pull is rather general among Congressmen reassembling after their vacation, but there is sharp reaction among them to London criticism of the end of lend-lease.

Representative Emanuel Celler, Democrat, of New York, led off in that direction with a statement saying a "proper substitute" will be found if England opens markets for American goods in foreign lands.

Expressing belief that England is keeping India and other sterling bloc areas from buying American goods, Representative Celler added, "We want to help England out of her unfortunate debt position, but she is not playing cricket."

Senator Arthur H. Vandenberg, Republican, of Michigan, who often speaks for Republicans on foreign affairs, said at a news conference that he was surprised that the British were surprised by the end of lend-lease.

Senator Robert F. Wagner, Democrat, of New York, chairman of the Senate Banking and Currency Committee, told newsmen the time for the end of lend-lease had been long known and "I just can't understand their attitude."

Representative Sol Bloom, Democrat, of New York, chairman of the House Foreign Affairs Committee, said that from the American viewpoint British complaints

Japan Signs Formal Surrender

Japan signed the formal terms of surrender to the Allied nations the night of Sept. 1, making Sept. 2, 1945, officially V-J Day. In the presence of the Allied commanders, on board the United States battleship Missouri, the representatives of the Japanese Government, both military and diplomatic, placed their signatures on the document which signaled their only defeat in their 2,600-year-old history. For days earlier United States forces had entered the Japanese homeland islands where a subjugated people received them with little outward show of hostility.

The once proud port of Yokohama has become Gen. Douglas MacArthur's headquarters for his occupation forces, pouring in by sea and air, the Associated Press reported, Aug. 31.

The Supreme Commander told cheering parachute troopers as he stepped from the plane which brought him to the conquered land: "It has been a long, hard road, but this looks like the payoff. . . . The Japanese are acting in complete good faith. I hope that we can go ahead without friction and without undue bloodshed."

Reporting that the solemn ceremony of surrender required only a few minutes for the affixing of 12 signatures to the surrender document, Associated Press advices emanating from the U. S. S. Missouri at Toyko Bay Sept. 2, said:

General MacArthur, opening the ceremony, declared:

"It is my earnest hope and indeed the hope of all mankind that from this solemn occasion a better world shall emerge out of the blood and carnage of the past."

On behalf of Emperor Hirohito, Foreign Minister Mamoru Shigemitsu signed first for Japan. He doffed his top hat, tinkered with the pen and then firmly affixed his signature to the surrender document, a paper about 12 by 18 inches.

Shigemitsu carefully signed the American copy first, then affixed his name to a duplicate copy to be retained by Japan.

Following him, General Yoshijiro Umezu, of the Japanese Imperial General Staff, sat down resolutely and scrawled his name on the documents.

General MacArthur was next to sign, as Supreme Allied Commander, on behalf of all the victorious Allied powers.

General MacArthur immediately called for Lt.-Gen. Jonathan Wainwright, of Bataan and Corregidor, and Lt.-Gen. Sir Arthur Percival, of Singapore, to step forward.

General MacArthur signed the documents with five pens.

The first he handed immediately to Wainwright, the second to Percival.

The third was an ordinary shipboard Navy-issue pen.

General MacArthur then pro-

are "unreasonable, especially in view of the fact that the act made it perfectly plain what was going to happen."

Representative Brent Spence, Democrat, of Kentucky, chairman of the House Banking and Currency Committee, called the British reaction "unsubstantial in view of the facts" but said we should help with loans.

Conversations between former Prime Minister Churchill and the late President Roosevelt, it was reported, always assumed that the war with Japan would last long enough after the victory over Germany for a gradual shift of trade away from lend-lease.

The kind of Anglo-American economic arrangement most commonly spoken of here is a long-term loan at very low interest. There is still talk, however, of either a "grant in aid" or of a non-interest-bearing loan which would be callable at such a distant time that in effect it would be a gift.

It seems certain that whatever arrangement is worked out will have to be submitted to Congress.

duced a fourth pen, presumably to be sent to President Truman.

Then he completed his signature with still a fifth, possibly a trophy to be retained by himself. Wainwright and Percival, both obviously happy, saluted snappily.

They were followed by serene-faced Admiral Chester W. Nimitz, who signed on behalf of the United States.

After Nimitz came China's representative.

The United Kingdom's signature was followed by that of Soviet Russia.

The Russian staff officer signed quickly.

General MacArthur smiled approvingly as the Russian rose and saluted.

Quickly Australian, Canadian, French, Dutch and New Zealand representatives signed in that order.

The Australian General, Sir Thomas Blamey, happened to sign the Japanese copy first, with an expression that denoted it didn't make any difference.

The Associated Press reported that signing for the Allies were:

United Kingdom—Admiral Sir Bruce Fraser.

Soviet Union—Lt.-Gen. Kuzma Derevyanko.

Canada—Col. L. Moore Cosgrave.

Australia—Gen. Sir Thomas Blamey.

France—Gen. Jacques-Pierre Leclerc.

Netherlands—Admiral Conrad E. L. Helfrich.

New Zealand—Air Vice Marshal Leonard M. Isitt.

Admiral Helfrich, who was Allied commander in the tragic, heroic Java Sea battle in 1942, fiddled with his pen as he started to sign. General MacArthur stepped up to help him. The pen worked and Admiral Helfrich, signing quickly, saluted.

President Truman, in a broadcast from Washington on Sept. 2, addressed primarily to members of our armed forces throughout the world, after pledging that everything possible "would be done to speed their return to civilian life and to assure their coming back to a good life," declared, according to a special dispatch from Washington on that date to the New York "Times":

"On this night of total victory, we salute you of the armed forces of the United States—wherever you may be. What a job you have done! We are all waiting for the day when you will be home with us again. Good luck and God bless you!"

An item bearing on the negotiations preliminary to formal surrender appeared in the "Chronicle" on Aug. 30, page 976.

President Approves St. Lawrence Seaway

President Truman has stated that he intends to recommend to Congress that legislation be passed to implement the construction of the St. Lawrence Seaway, for development of the Great Lakes and St. Lawrence River, implying his approval of the project. In reporting the President's attitude, the Associated Press, in a Washington dispatch on Aug. 30, stated that several bills relating to development of the seaway are now before Congress. The project, which would make the waters of the St. Lawrence navigable for ocean-going vessels, is estimated to cost \$421,000,000. It would increase the tonnage capacity of the river and lakes by about 20,000,000 tons annually, according to supporters of the development.

Truman Favors Continuance of Draft Of Men 18 to 25 Years Old

In identical letters to the Chairmen of the Senate and House Military Affairs Committees President Truman, on Aug. 27, urged Congress to continue induction into the armed forces of men 18 to 25 years old on the ground that men will be seriously needed in the occupation of the Pacific area for some time to come, according to the Associated Press on that date, in a dispatch from Washington.

The President also warned against a premature declaration of the end of the war emergency by Congress, asserting:

"Tragic conditions would result if we were to allow the period of military service to expire by operation of law while a substantial portion of our forces have not yet been returned from overseas. I am confident that the Congress will take no action which would place the armed forces in such a position."

Mr. Truman stated that he could not recommend a discontinuance of Selective Service inductions, adding, according to the Associated Press:

"It occurs to me that it would be helpful to your Committee in planning its legislative program to have my views on the matters which will be under your consideration. As you know, coincident with Japan's acceptance of our surrender terms, two important steps were taken to adjust Army man power requirements: A worldwide campaign to obtain the maximum number of volunteers was initiated, and Selective Service calls were reduced from 80,000 to 50,000 men a month.

"The first of these steps will require legislative assistance. Present laws place a ceiling of 280,000 on the number of enlistments which can be accepted; only men now in the service or those who have been discharged for less than 90 days can be enlisted directly, and there are some legal uncertainties regarding reenlistment bonuses, grades, mustering-out pay and other benefits under the G.I. Bill of Rights. These matters should be clarified as rapidly as may be to the end that there will be no legal impediments to the maximum procurement of volunteers. In addition the Congress will wish to consider what more can be done in the way of furnishing inducements which will stimulate voluntary enlistments. The more men who can be secured by this means, the fewer it will be necessary to induct into or continue in the service.

"The continuance of inductions through the medium of Selective Service will be one of your most critical problems. From many standpoints, I wish it were possible for me to recommend that the drafting of men be stopped altogether and at once. But, sharing the deep feeling of our people that those veterans who have given long and arduous service must be returned to their homes with all possible speed, and with the certainty that world conditions will require us during the transition period to settled peace to maintain a real measure of our military strength, I cannot so recommend.

"The situation in the Pacific continues to have many elements of danger, and war-torn and disorganized Europe is facing a difficult winter season with scarcities of food, fuel and clothing. Our occupation forces in those areas must be held at safe levels, determined largely by Gen. MacArthur and Gen. Eisenhower, who are on the ground and familiar with the situation. We cannot stop the certain in-flow of replacements into the armed forces, without necessitating prolonged service of veteran soldiers.

"My great concern at the present moment is for those now in the armed forces whose war service has separated them from their homes and loved ones for extended periods. An unforgivable discrimination would result, if we should favor those who have had no military service by sus-

pending their induction at the cost of requiring further sacrifice from those who have already done their part.

"Based on the present unsettled conditions in Europe, the uncertainties of the Pacific, and decent consideration for all the men in the service who have borne the burden of the past years, I have approved continuation of inductions until such time as the Congress shall establish the broad national policies to govern full demobilization, occupation and world security.

"While the question of how to provide adequate military forces and at the same time to restore veterans to their homes is a matter for determination by the Congress, it appears clear to me that we dare not depend solely on volunteers. The continuation of inductions through Selective Service at a rate depending upon the rate of volunteering is the only safe and acceptable solution. However, it is my view that these inductions should be for a two-year period unless sooner discharged and should consist of men in the age group 18 to 25 inclusive.

"It is my firm conviction, which I believe is shared by the majority in this country, that war veterans who do not volunteer to remain in the service should be discharged as soon as it is practicable to do so. This means that we must start at once to obtain personnel exclusive of these veterans to carry the burden of the occupational period. Volunteers should be procured in maximum numbers and the remainder of whatever strength is required obtained by post V-J day inductions through Selective Service.

"The War Department is stressing the procurement of volunteers to the utmost. How many will be obtained is problematical but from past experience and the most recent studies 300,000 appears to be the maximum to be expected by July next. Inductions, if continued at the present reduced rate, for the same period would produce approximately 500,000 men. On this basis there will be not more than 800,000 non-veterans and volunteers in the Army next July.

"It is certain that 800,000 men will be insufficient to meet overall requirements next July. Gen. Eisenhower's and Gen. MacArthur's estimates alone total 1,200,000, exclusive of the numbers required for supporting troops in the United States and other areas. The difference between the 800,000 non-veterans and volunteers and whatever total strength is required must be made up by holding additional numbers of veterans in the service. It is evident that any curtailment in the number of selective service replacements will only accentuate the number of veterans who must be retained in the service. While it will not be possible to discharge all of them even under the proposed system as soon as we would like, we will have the satisfaction of knowing that the program will give them the best opportunity we can provide for their early return to civil life.

"One other matter which deserves the immediate consideration of your committee is the question of when the 'emergency' or 'war' should be officially terminated. I must emphasize the danger that lies in a too early unqualified formal termination. Tragic conditions would result if we were to allow the period of military service to expire by operation of law while a substan-

Thailand Seeks Peaceful Status With United Nations

A communication has been received by the State Department from the Government of Thailand, stating that the Thai declaration of war against the United States, made under Japanese compulsion, had been eradicated and that Thailand is desirous of joining the United Nations in efforts for world stabilization. The communication, according to the New York "Times" in a special dispatch from Washington, Aug. 19, described a proclamation issued by the Regent of Thailand on Aug. 16, covering the following points:

The declaration of war by Thailand against the United States on Jan. 25, 1942, was declared "null and void, as unconstitutional and contrary to the will of the Thai people."

The determination of the small Asiatic kingdom to restore the friendly relations that existed before the Japanese occupation.

The promise of the repeal of laws "prejudicial to our interests" and "just compensation" for damages resulting from those laws.

The pledge of full Thai cooperation with the United Nations in the establishment of world stability.

The communication to our State Department asserted that the nullifying of the declaration of war applied equally to Britain, and that Thailand was ready to restore to British control territories in Malaya and eastern Burma which the Japanese had "entrusted to Thailand."

Accepting the views contained in the proclamation to the United States, Secretary of State James F. Byrnes referred to it as "a welcome step in American-Thai relations," the "Times" stated and added that Mr. Byrnes' statement recalled that the Japanese occupied Thailand at the same time as their attack on Pearl Harbor, and that the Thai declaration of war, seven weeks later, was made with the Japanese in full control of the government of Thailand. The "Times" continued:

The United States, the statement continued, had taken the position that the declaration did not represent the free will of the people.

Immediately following the Japanese occupation, a Free Thai Movement was organized by the Minister in Washington, which had "since contributed substantially to the Allied cause," it was stated. Furthermore, the statement noted, a resistance movement developed within Thailand and "important aid" was received from and given to it by the American and British Governments.

In fact, the Thai resistance movement had been "for a number of months" prepared to begin "overt action" against the Japanese, but such action was deferred at the request of the United States and Britain for "operational reasons."

The State Department summarized its reaction to the Thai communication in the following terms:

"Before the war Thailand and the United States had a long history of close friendship. We hope that friendship will be even closer in the future. During the past four years we have regarded Thailand not as an enemy but as a country to be liberated from the enemy. With that liberation now accomplished we look to the resumption by Thailand of its former place in the community of nations as a free sovereign and independent country."

...tial portion of our forces had not yet been returned from overseas. I am confident that the Congress will take no action which would place the armed forces in such a position."

Profit Level Formula Provided Manufacturers

The Office of Price Administration has established reconversion "profit factors" for eight classes of consumer and industrial goods, to be used by manufacturers in determining adjustments in current ceiling prices for items going back on the market after a wartime absence, according to special advices to the New York "Times" from Washington, Aug. 21.

This is the first time that makers of textile, printing and paper mill machinery have been given factors, and this action also provides manufacturers of the following consumer goods with factors more specific than those previously announced for the industry groups of which they are members: household vacuum cleaners, washing machines and ironers, all except electric stoves, metal household furniture and miscellaneous hardware.

The new profit factors, which went into effect August 21, will be used with the reconversion pricing orders announced July 23, OPA said. These orders, the agency stressed, are "basically relief measures," but they can be used also for working out satisfactory individual adjustments for manufacturers in reconverting industries who are ready to resume civilian production ahead of other firms in the industry, it was said.

Manufacturers of the items included in the new ruling, the "Times" continued, are allowed to calculate their reconversion ceiling prices as follows: They will adjust their 1941 total costs for increases since that time in materials prices and basic wage rates, and to the adjusted figure they will apply the appropriate profit factor. The "Times" added:

Producers with annual sales of less than \$200,000, however, have the option of using either the profit factors announced today or their own average 1936-1939 margins over cost. Firms doing less than \$50,000 business a year are permitted to base their reconversion ceilings on total current costs instead of on an adjusted basis, it was said.

Products included in today's action, and the applicable profit factors, are: Domestic stoves (coal and wood, oil-gas combinations, gas cooking and gas heating)—3.7%; domestic washing machines and ironers—2.6; metal household furniture—2.4; vacuum cleaners—4.6; miscellaneous hardware (excluding products under the new regulation covering builders' hardware)—5.1; paper-mill, pulp-mill, and paper products machinery—4.2; printing-trades machinery and equipment—3.0; textile machinery—6.0.

Postmaster General to Speak in New York

Making his first public address since becoming Postmaster General in the Truman Cabinet, Robert L. Hannegan will be honored guest and speaker at a luncheon commemorating the 25th anniversary of the first Trans-Continental Airmail Flight, at the Waldorf Astoria on Friday, Sept. 7, at noon, under the sponsorship of the Aviation Section, New York Board of Trade, in cooperation with the Wings Club, Inc., John F. Budd, Chairman, announced on Aug. 30. Mr. Hannegan will address a gathering of aviation officials and business executives on the future of airmail, which should define the future policy of the present administration as to how it will affect this vital subject. The United Airlines will present to Postmaster Albert Goldman a plaque commemorating this airmail achievement in the history of the U. S. Postal Dept. He will receive the plaque for the City of New York. Welcoming Mr. Hannegan will be Grover Whalen, Chairman of the Board, Coty Int'l, Inc. Sumner Sewall, former Governor of Maine and presently President of American Export Airlines, will introduce the Postmaster General to the audience.

Volunteers to Armed Forces Again Permitted

Men 18 to 38 years old will again be permitted to enlist in the armed services under an executive order issued by President Truman, Aug. 29, which revokes a ruling of Dec. 5, 1942, banning voluntary enlistments in order that available manpower for war be equitably distributed under Selective Service. The President's action is described by the Associated Press, in reporting the order from Washington, as one of a series of steps contemplated in the Administration program to obtain military and naval personnel by voluntary methods to the extent that it is possible.

These advices likewise said: In a letter to military committees this week he proposed that this voluntary program be supplemented by the continued draft of men 18 to 25 for two-year periods to keep the forces "at safe levels."

The President's move must be supplemented by Congressional action lifting a ceiling of 280,000 on regular Army volunteers. Mr. Truman also has asked that Congress clarify laws governing voluntary enlistments and offer inducements to recruits.

Both services recently announced plans for extensive voluntary recruitments. The Army program contemplates enlistments for three-year periods.

Representative Kilday, Democrat, of Texas, said tonight he understood that the War Department had drafted proposed legislation raising enlistment ceilings and would offer it to the House Military Committee, of which he is a member.

The President told Congress the country "dare not depend solely on volunteers" to maintain an occupation force for Europe and Japan of 1,200,000, plus supporting troops in the United States.

In this he took issue with some Congressional advocates of immediate abandonment of inducements.

Price Aide to Eisenhower

Byron Price, former director of the recently abolished Office of Censorship, has been named by President Truman as adviser to American occupation officials in Germany on matters pertaining to public relations, an Associated Press dispatch from Washington stated on Aug. 30. It was added that General Eisenhower and his political expert, Lieutenant General Lucius M. Clay, had especially requested Mr. Price's services. From the press advices we quote:

Mr. Price, former executive news editor of the AP, directed censorship throughout the war. Censorship ended the day after Japan's surrender, and Mr. Price has been liquidating the office.

After conferring with the President today, Mr. Price said he would not be a public relations officer, but would advise on procedure to be carried out by others. He plans to leave around Sept. 8 and expects the new job to take no more than two months. After that—his first vacation in four years.

Mr. Truman told a news conference Mr. Price would be his personal representative and would advise on all matters concerned with public relations.

Mr. Price said this would include German publications and radio, and the general subject of relations between American forces and the German people. In addition, he will deal with censorship of mail and other means the German people might use to disseminate information.

The Financial Situation

(Continued from first page)

lend-lease ends now and any further assistance has to be on long terms, the only sound British policy is to borrow the smallest possible amount that will see us through the transition period with considerable hardship and to become independent of American assistance at the earliest possible moment. The danger is not that further American assistance will not be forthcoming, but that it will be forthcoming only on terms that postpone indefinitely the prospect of achieving independence of further assistance. . . . Americans do not like having this dilemma put before them. They think it is an attempt to bargain by threats of sabotage. But it is no such thing. The choice is not posed by British ill-will, but by facts from which neither they nor we can escape. They can refuse to clear up, by lend-lease methods, the mess that the war leaves behind. Or they can have their desire for a more liberal system of trade. They can not have both. The British Government would be within its rights in asking Americans to make it quite clear which policy they want."

What?

Here, so it seems to us, is the very essence of arguments advanced in support of Bretton Woods and many other schemes as well as further lend-lease, and there is so much guile—possibly quite unintentional—in these words that it may be worth while to restate the position of the "Economist" in plain English—of the sort for which the "Economist" was once justly noted. If Bagehot could have ever brought himself to give expression to such ideas—which is difficult for us to conceive—this, it seems to us, might be the way he would have expressed himself:

"If the British people are to enjoy a plane of living which to themselves seems reasonably adequate during the coming two years, they must find somewhere abroad a people willing to supply them with about two billion dollars, or the equivalent in goods, a very substantial portion of which must be an outright gift, for the British have no means of current payment for any such quantity of goods, and no reason to expect to be able to pay for them in the years to come.

"If America, which has been supplying us with a substantial part of our means of subsistence during the war, really intends to bring this stream of gratis supplies to an end at once; if, in other words, from this time forward we British must live within our own means, we shall not be able soon to attain the

plane of living for which we had hoped, and which we think is reasonable.

"America is willing apparently to lend us dollars freely with which to buy supplies. It would not be surprising if they were willing to lend us a good deal more than we British could afford to borrow. But we are a sensible and prudent people. We must borrow as little as possible, or we should presently find ourselves bankrupt with our credit quite exhausted—even in America.

"That would of course mean that we could buy much less American goods than otherwise would be the case. Ordinarily this would mean simply that American exporters would be obliged to turn elsewhere to find buyers. But things are going to be different here in the years to come. We intend to manage our domestic economy. We plan to engage in a broad program of socialization—which will require highly unorthodox if not novel financial expedients. Evidently we shall have to place a rigid limit upon imports for which we are expected to pay. These restrictions will have to be particularly heavy as respects those countries like the United States whose currencies are high in terms of sterling. Plainly too we should have to make our own arrangements with countries with which we could form a sterling 'bloc.'

"For such arrangements as these Americans have frequently in recent years expressed a cordial dislike. We think they are right. We like them no more than do the Americans. We should much prefer to go on for another couple of years with liberal American grants-in-aid. We think, moreover, that those Americans are right who contend that their country would profit immensely by continuing to give away its resources and the products of its labor.

"But it is not for us to formulate American policy. We think, however, that we are entitled to know what that policy is to be—and perhaps to let the people of America know what we should feel obliged to do in the event that we find it necessary to live within our own means. We hope we shall be pardoned for suggesting what the effect is likely to be on American industry and trade."

Fallacies Exposed

The false assumptions upon which such reasoning rests and the fallacies which abound in it, are, we think, rather plain when expressed in these terms. The almost incredible fact that the British are actually asking alms; the thin cloak which attempts

to mask this fact by claiming at least by implication that we as a people could somehow make a large profit on goods given away; the strangeness of the notion that somehow by shutting itself from the world, socializing its economy and extracting a few Keynesian rabbits from John Bull's hat, the British people can greatly improve its position—all this is now plainly in evidence.

What policy the British pursue is probably beyond our control. It may be that we shall feel a desire or a duty on humanitarian grounds to continue for some time to come to the aid of the British. It might be better to call these gifts grants-in-aid rather than loans—which would be uncollectible.

But let us not be led into the trap of supposing that we can grow rich by supporting half the world with goods for which we get nothing—or more specifically, by giving Britain goods which she otherwise would bar from the country.

Rose President of American Tariff League

The election of H. Wickliffe Rose as President was announced today by the American Tariff League. Mr. Rose, Assistant to the President of the American Viscose Corp., succeeds Frederick K. Barbour, President, Linen Thread Company, New York, who became chairman of the League's Executive Committee. Roy C. McKenna, Board Chairman of the Vanadium-Alloys Steel Co. of Latrobe, Pa., was elected First Vice-President of the League. Wheeler McMillen, Editor-in-Chief, "Farm Journal," and a member of the League's Board of Managers, was elected to the Executive Committee. Two new Board members were also added. They are: J. H. Schermerhorn, President of the Joseph Dixon Crucible Co. of Jersey City, N. J., and D. Joseph O'Connor, Vice-President of the Acme Shear Co. of Bridgeport, Conn. The new League president, Mr. Rose, is Chairman of the Board of Governors of the Philadelphia Textile Institute, a trustee of the Philadelphia Museum of Art, and a member of the Executive Committee of the Textile Research Institute. In 1924, Mr. Rose joined the American Viscose Corp. as Southern sales manager, and in the following year opened the first rayon sales office in the South at Charlotte, N. C. In 1935, he became Manager of Sales for rayon staple fiber in the New York office when the American Viscose Corp. began to manufacture that product. In 1942, Mr. Rose was transferred to the corporation's main office at Wilmington, Del., where he assists the President in a general capacity.

Favors Equal Access to News for All Newsmen

Another step toward mutual understanding among the peoples of the world has been taken by President Truman in his assertion that it is his wish that all representatives of the press, without discrimination as to origin or nationality, shall have equal access to the news at Washington, an Associated Press dispatch from there stated on Aug. 22. The President went on to say that he hoped this attitude would be reciprocated by all other nations throughout the world toward American newsmen.

Mexican-American Conference on Industrial Research to Be Held in Chicago Sept. 30-Oct. 6

Dr. Jesse E. Hobson, Director of the Armour Research Foundation of Illinois Institute of Technology and chairman of the steering committee for the forthcoming Mexican-American Conference on Industrial Research, announced on Aug. 26 the names of the group which will represent Mexican government, finance and industry at the conference in Chicago from Sept. 30 through Oct. 6.

This meeting has been called by the Foundation in order to help bring about a better mutual understanding between the two countries regarding methods used in the solution of their respective problems in research for industry. Through visits to university laboratories, research foundations, private industry and government sponsored laboratories, as well as through discussion and panels with key men from both countries in the field of industrial research, methods of financing, managing and carrying on fundamental and applied research will be exchanged.

Among the members of the Mexican delegation to this conference will be Ing. Evaristo Ariza, President of the Board of Directors of Banco de Mexico and President Cia. Fundidora de Fierro y Acero de Monterrey; Jose Cruz y Celis, President of the Confederacion de Camaras Industriales and President of Productos de Maiz, S.A. (Mexican subsidiary of Corn Products Refining Company); Lic. Antonio Espinosa de los Monteros, Manager of Nacional Financiera, S.A.; Roberto Garza Sada, Director of Cerveceria Cuauhtemoc, S.A., Valvores Industriales, S.A., Hojalata Y Lamina, S.A., Banco de Nuevo Leon, Credito Industrial de Monterrey, Cia. Fierro Y Acero de Monterrey, and Fabrica de Empaques de Carton. Many others, equally prominent will attend the conference, the group including William B. Richardson, director of the National City Bank of New York in Mexico.

Army, Navy Plans for Reducing Numbers

Testifying before the House Military Affairs Committee on August 28, General Staff Officers stated that the Army has plans in readiness to liberalize its point discharge system as soon as it learns definitely from General MacArthur that he does not need any more combat troops. In reporting the statements of the Army men, in a dispatch from Washington, the Associated Press outlined the program as follows:

1. All points will be computed. At present points are figured on a May 12 basis.
2. All men with 80 points or more will be discharged. The present figure is 85 points.
3. All men with 60 points or more will not be sent overseas. The present figure is 75 points.

"Actually the reduction to 80 points, when it is announced, will be more than what it sounds," Maj.-Gen. Stephen G. Henry, assistant chief of personnel, told the committee. "This will be true because at that time men will have been given extra points under the recomputed score from May 12 to that date.

"Accordingly, men overseas who now have approximately 72 points will be eligible for immediate discharge."

General Henry also disclosed that the Army was planning a special point system for discharging officers. The present one applies only to enlisted men. For officers, he said, a different release figure will be set for varying branches of the service.

General Henry reported that the Army will step up discharges from a present figure of approximately 40,000 a week to a peak of 158,200 men a week in January.

Secretary Forrestal outlined the Navy's expanded demobilization plans to newspaper men. Previously, it is pointed out, the sea

arm contemplated discharging between 1,500,000 and 2,500,000 within a year or 18 months. Now the plan is to cut back Navy strength to 500,000 enlisted personnel and 50,000 officers in the next twelve months. The press advices add:

Secretary Forrestal also reported that the Navy's point system for discharge will be altered to allow credit for overseas service. This credit will be included in the discharge formula within about two months without reduction in the present scores or decrease in the credit for age, service or dependency.

End of War Agencies Foreseen Soon

President Truman has indicated his intention of abolishing nearly all the Government's emergency war agencies as rapidly as possible, the Associated Press reported from Washington, Aug. 19, adding that the President wants oldline Federal Departments to take over whatever of the agencies' functions may be required in peace time. The prospect of the duration of the various Government agencies, according to the Associated Press, is approximately as follows:

"Office of Civilian Defense—Already abolished.

"Office of Censorship—Out of business.

"Petroleum Administration for War—Out by end of year.

"Office of War Information—Has six months but may go sooner.

"Office of Economic Stabilization—Headed for consolidation soon with Office of War Mobilization and Reconversion.

"OWMR—Set up by Congress to continue through June 30, 1947.

"War Labor Board—Few months at most; functions to be taken over by Labor Department.

"WPB—Assigned an important reconversion role by President Truman; may be in business several months.

"OPA—Legislation carries it through June 30, 1946. Main job will be holding price line; with most rationing slated to end soon.

"Office of Defense Transportation—Already trimming; will shut down completely as soon as remaining travel and few other restrictions lifted.

"War Man-Power Commission—Its job-finding functions due to be taken over soon either by Labor Department or a new welfare department.

"War Shipping Administration—Its affairs probably will be taken over by Maritime Commission before long.

"Foreign Economic Administration—May be absorbed by State and Commerce Departments before many weeks.

"Office of Scientific Research and Development—Director says it will be liquidated soon.

"Smaller War Plants Corporation—Congress expected to shift it to Commerce Department in few months.

"Fair Employment Practices Committee—Legislation continues it through next June on reduced budget.

"Office of Alien Property Custodian—May be around for years to handle seized property, patents, etc."

President Truman's Report to Congress On Lend-Lease; Objectives Realized

In a report on lend-lease operations sent to Congress on Aug. 30 President Truman, commenting on the \$42,020,779,000 lend-lease aid extended by the United States to its Allies up to July, stressed three things which the United States received as being more important than a dollar basis settlement. These are, the Associated Press stated:

1. Victory over Germany and Japan.
2. More than \$5,600,000,000 through last March in reverse lend-lease.
3. A commitment from all nations receiving lend-lease to join in organizing post-war international trade on the basis of lowering barriers.

It was noted that the President has ordered lend-lease operations halted, effective on V-J Day, and already has cut off requisitions for supplies which formerly would have been ordered under the mutual aid program.

Meanwhile, arrangements are being worked out with lend-lease countries to switch their commerce over to a peacetime basis. American officials will begin conversations with a British delegation next week for some sort of credit substitute.

On the matter of final settlement the report stated, according to the Associated Press:

The overwhelming portion of lend-lease aid which now totals over \$42,000,000,000 has been directly consumed by our Allies in the war. And it continued, that if this huge debt were to be added to the enormous financial obligations already incurred by foreign governments, the effect would be disastrous on our trade with the United Nations and "hence among production and employment at home."

For years, the Associated Press pointed out, there has been talk of repayment "in kind." That meant that if the United States lend-leased tanks, trucks or machine tools to a country which had some left over after the war, the return of those left-over articles could be requested.

However, top officials said there was no thought of any sizable requests along this line. Such action, they added, would only mean adding to the surplus of munitions and war production materials already building up in this country.

A statement bearing on the report came from Secretary of State Byrnes on Sept. 1, in which he indicated that there is no justification for the assumption that all lend-lease debts are to be cancelled. Associated Press advices from Washington bearing on what Mr. Byrnes had to say were given as follows in the "Wall Street Journal" of Sept. 1:

Secretary of State Byrnes stated flatly that the United States is not seeking dollar payments in settlement for Lend-Lease.

He said formal settlements are still to be worked out with foreign governments.

Dollars for payments are not available "to our debtors," Mr. Byrnes said in a statement issued by the State Department.

The statement, the Department said, was prompted by a question based on President Truman's Lend-Lease report to Congress, in which the President in effect gave notice that the costs of Lend-Lease might as well be written off the books.

The question as released by the State Department was this:

"In the light of the recent Lend-Lease reports, are we to assume that all Lend-Lease debts are to be cancelled and the only Lend-Lease settlements required are settlements for shipments unused or undelivered at the close of the war?"

Mr. Byrnes' answer: "There is no justification for that assumption. Hasty generalizations should be avoided. Nothing more should be read into the recent Lend-Lease report than is

written there. The President made no statement amplifying that report. The report set forth factors to be considered in connection with the settlements. Those settlements are for future determination.

"The purpose of Lend-Lease was to win the war and to win the peace. In the settlement of Lend-Lease we are not seeking paper contracts to pay dollars which will not be available to our debtors. But that does not mean that there are no Lend-Lease settlements to be negotiated."

One speculative explanation for issuance of the statement was that Mr. Byrnes sought to clear the air preliminary to conversations with British economic officials due here next week to work out new peacetime credits or other measures to replace Lend-Lease to Britain. The United States in these conversations intends to insist on a breakdown of many British trade restrictions and evidently will base its argument on the Lend-Lease agreements for post-war free trade.

President Truman's report to Congress on the operations under the Lend-Lease Act to June 30 was transmitted in a letter in which he said "the great task of lend-lease has now ended," adding that "the programs of lend-lease to our Allies are being terminated in an expeditious and orderly manner, subject to military needs for the movement of troops or for occupation purposes."

It had previously been made known that the Allied nations had received on Aug. 20 official notice of the end of America's Lend-Lease program.

The following is President Truman's letter to Congress, accompanying the report, according to the text given by the Associated Press:

"To the Congress of the United States of America:

"I am transmitting herewith the twentieth report of operations under the Lend-Lease Act for the period ending June 30, 1945.

"The costliest, bloodiest and most destructive war in history has resulted in victory for the cause of decency. All peace-loving men are resolved and determined that the peace and freedom we have won at such tremendous sacrifices shall be preserved.

"With the defeat of the Axis Powers, whose ruthless plan for world conquest and enslavement came so close to succeeding, the United States has realized the major objective for which lend-lease aid has been extended. That objective, like the objective of our war effort as a whole, was the speeding of victory and the saving of American and other allied lives. Lend-Lease and reverse Lend-Lease helped to unite in a mighty and victorious fighting partnership the separate efforts of the combination of nations resisting the Axis aggressors. Each of our principal fighting partners has contributed to the pool of armed might in accordance with its full abilities and capacities.

"The great task of Lend-Lease has now ended. The programs of Lend-Lease to our Allies are being terminated in an expeditious and orderly manner, subject to military needs for the movement of troops or for occupation purposes.

"The United States is assisting in the relief and reconstruction of the war-torn areas of our Allies and in the establishment of world trade on the high level necessary to insure full and use-

Savings Bank Deposits Gain in Month of July

A net gain of \$79,043,484 in savings accounts for the month of July was reported on Aug. 27 by Myron S. Short, President, of the Savings Bank Association of the State of New York. "This represents the 36th consecutive month in which savings deposits have increased during the war period," Mr. Short said, "and brings the total increase in new savings to the huge sum of \$2,242,000,000 since Pearl Harbor." Mr. Short further stated:

"This is in addition to War Bond purchases through the 131 New York State savings banks of \$1,084,000,000 since the War Savings Program started in May, 1941. Our people, the seven million savings bank depositors, are to be heartily congratulated for the magnificent part they have played in financing the war and in avoiding inflation. "Now that the peace with Japan has arrived and we look forward to the post-war period, those who have had the foresight to save know the comforting feeling of having a backlog in their savings accounts."

Mr. Short explained that some might have to draw upon these savings during the reconversion period, while others undoubtedly would use a part of their savings for the down payment on a home or to start a small business. "Many depositors have saved more than enough for either of these purposes. The average savings account now amounts to \$1,182, while both deposits and number of depositors are at the highest level in savings bank history, and we are looking forward to a continuation of this trend." He added that "the officers and trustees of the savings banks urge strongly that everyone who can, continue to save regularly for future needs and so prevent a buying spurge before production has caught up with the demand."

ful employment and production at home and abroad.

"To win the lasting peace for which we and our Allies have so bitterly and bloodily fought, we and the other United Nations are firmly resolved to establish in concert the political and economic conditions which are the foundation of freedom and welfare among the nations of the earth."

The President's report, the Associated Press stated, showed that to last July 1 total Lend-Lease amounted to \$42,020,779,000. These advices added:

In addition, Lend-Lease goods amounting to \$788,603,000 was assigned to commanding generals in the field. Thus the real total is somewhere near \$43,000,000,000. This includes \$20,691,000,000 worth of straight munitions shipments. The rest either was for munitions manufacture or for war-supporting civilian use, such as food.

The cost of Lend-Lease, the report showed, represents approximately 15% of the total United States war effort valued at \$280,000,000,000.

Most of the exports went to the United Kingdom. These, exclusive of services, were valued at approximately \$13,500,000,000. Russia was the next heaviest recipient with \$9,000,000,000.

Of Russia the report said:

"Many of the munitions which we exported under Lend-Lease to the U. S. S. R. for the war against Germany were used by the Soviet armies in the war against Japan.

"When V-E Day was proclaimed shipments of Lend-Lease supplies to European Russia, with certain minor exceptions, ended. Lend-Lease aid to the Soviet Far East was continued."

Army-Navy Pearl Harbor Reports Made Public

President Truman made public on Aug. 29 reports of Army and Navy investigations of the Pearl Harbor disaster of Dec. 7, 1941, which plunged the United States into war. No indication was given of whether courts-martial will be asked, but the reports made it clear that the Army-Navy investigators do not feel court-martial proceedings are warranted.

Both President Truman and Secretary of War Stimson took sharp exception to the Army's Pearl Harbor Board's action in holding Gen. George C. Marshall, Chief of Staff, at least partially responsible for the blow, the Associated Press stated in its report from Washington of the announcements. The President told the special news conference which he had called to receive the reports that, in his judgment, criticism of General Marshall was "entirely unjustified."

Said the President, "The conclusion of the Secretary of War is that General Marshall acted throughout this matter with his usual 'great skill, energy and efficiency.' I associate myself wholeheartedly with this expression by the Secretary of War.

"Indeed I have the fullest confidence in the skill, energy and efficiency of all our war leaders, both Army and Navy."

The following are the conclusions and recommendations of the Army and Navy reports, as conveyed to the New York "Times" in a special dispatch from Washington, Aug. 29:

Army

The Japanese attack was daring, well conceived and well executed, catching the defenders unprepared to either meet it or minimize its destructiveness.

Extent of the disaster was due to the failure of the Commanding General of the Hawaiian Department, Walter C. Short, to adequately alert his command and the failure of the War Department to direct him to take an adequate alert or to keep him adequately informed on the American-Japanese diplomatic negotiations.

The action of Cordell Hull, then Secretary of State, in delivering his counter proposals to the Japanese negotiators on Nov. 26 was used by the Japanese as the signal to begin the war by the attack on Pearl Harbor.

Gen. George C. Marshall, Chief of Staff of the Army, failed in his relations with the Hawaiian Department to keep it fully advised of the tenseness of the situation, to send additional instructions when it appeared that Lieutenant General Short had misunderstood a message and had not adequately alerted his command for war, to give General Short on the evening of Dec. 6 and the morning of Dec. 7 the critical information indicating an almost immediate break with Japan, and to investigate the readiness of General Short's command between Nov. 27 and Dec. 7.

Maj. Gen. Leonard T. Gerow, Chief of the War Plans Division of the General Staff, failed to keep General Short adequately informed by making available to him Army Intelligence reports on the impending war situation, to send him a clear, concise directive on Dec. 7, to realize that the state of readiness reported by General Short was not a state of readiness for war, and to take the required steps to insure the functioning of the Army and Navy in the manner planned.

General Short failed in his duties: To place his command in a state of readiness for war, to attempt or reach an agreement with the Navy leaders to implement joint plans, to inform himself of the long-distance scouting conducted by the Navy and to replace inefficient staff officers.

The Army Report made no recommendations.

Navy

Admiral Husband E. Kimmel, Commander in Chief of the Pacific Fleet, and Admiral Harold B. Stark, Chief of Naval Opera-

tions, failed to demonstrate the superior judgment necessary for exercising command commensurate with their rank and assigned duties.

It recommended that neither Admiral Kimmel nor Admiral Stark, both now retired, hold any Navy position which requires the exercise of superior judgment.

Enemy War Secrets Open to U. S. Industry

President Truman, in an executive order, has taken steps to make industrial information, including patents, seized from the enemy during the war, accessible to American industry, subject to the requirements of our national military security. Discretion as to release of the enemy secrets has been placed under the jurisdiction of the War Mobilization and Reconversion Board.

The President's order, according to the Associated Press which reported the announcement from Washington, Aug. 27, gave no details on the information now in possession of this country, but the Office of War Information, in a report issued Sunday, Aug. 26, declared some technological secrets combed from Germany by American and British scientific sleuths might "shortly make some American technical processes obsolete and outmoded."

The following is the complete text of the Presidential order, as given by the Associated Press:

"By virtue of the authority vested in me by the Constitution and statutes, as President of the United States and Commander in Chief of the Army and Navy, and in order to provide for the release and dissemination of certain scientific and industrial information heretofore or hereafter obtained from the enemy by any department or agency of this government, to the end that such information may be of maximum benefit to the public, it is hereby ordered as follows:

"1. It is the policy of this government, subject to the requirements of national military security, that there shall be prompt, public, free and general dissemination of enemy scientific and industrial information. The expression 'enemy scientific and industrial information,' as used herein, is defined to comprise all information concerning scientific, industrial and technological processes, inventions, methods, devices, improvements and advances heretofore or hereafter obtained by any department or agency of this government in enemy countries regardless of its origin, or in liberated areas, if such information is of enemy origin or has been acquired or appropriated by the enemy.

"2. The scope of the authority vested in the director of war mobilization and reconversion as chairman of the publication board and in the publication board by Executive Order No. 9568 of June 8, 1945, is extended to include enemy scientific and industrial information. The procedures outlined in Executive Order No. 9568, in so far as applicable, are extended to the declassification, release and publication of enemy scientific and industrial information.

"Nothing in this order shall be construed to limit or modify the power of the Secretary of War or the Secretary of the Navy to determine finally whether the national military security permits the release in whole or in part of enemy scientific or industrial information."

Declines in July in Factory Employment And Payrolls in New York State

Continued extensive lay-offs in war plants throughout New York State, severe cuts in the apparel industry because of seasonal factors, vacations and shortage of materials in some branches, and reductions in all major industries, with the single exception of food products, have caused a considerable decline in factory employment and in total payrolls during July according to Industrial Commissioner Edward Corsi head of the New York State Labor Department. According to the Department's advices Aug. 31, figures, based on final tabulations of reports from 3,200 factories throughout the State, collected and analyzed by the Division of Research and Statistics under the direction of Meredith B. Givens, show a net drop in factory employment of 4.1% and a decline in payrolls amounting to 5.5%. Payrolls decreased in every industry except food and petroleum. Average weekly earnings dropped from \$48.76 in June to \$48.06 in July. The advices further state:

During the past year factories throughout the State have experienced a net reduction of 11.2% in the number of workers employed and 9.1% decrease in payrolls, though average weekly earnings have advanced \$1.13.

A continued reduction of nearly 5% in the metals and machinery industry in July, following a decrease of more than 5% in June, not only indicates the impact of V-E Day on war industries, but furnishes an index to decreases which may be anticipated as a result of the Japanese surrender, Mr. Corsi stated.

All of the war industries were affected by cutbacks, terminations, or cancellations of their contracts. The heaviest reductions in July occurred in aircraft, shipbuilding, munitions, communication equipment, and nonferrous metals, lay-offs ranging from 5 to 10%. Most steel mills reported curtailed activity with a net drop in employment. Payrolls were up, however, because of an increase in one plant. Cutbacks were noted also in the manufacture of scientific instruments, while there was a net increase in photographic goods. With many war plants working fewer hours, payrolls for the metals and machinery group dropped 5.1%.

Employment declined 11.2% in the apparel group, with substantial decreases in every branch except women's coats and suits, and millinery. Sharp reductions among establishments making men's clothing, and women's dresses were explained by vacations during the off-season and shortage of materials. Many firms closed entirely or operated with skeleton forces. Payrolls decreased 12.4% in the apparel group.

Very large increases in working forces and payrolls in canneries were largely responsible for gains in the food group of 8 and 7% in employment and payrolls respectively. Other contributing factors were substantial increases in the production of dairy products and beverages, with smaller gains in meat packing and miscellaneous food preparations. Sugar refineries and candy factories reported large decreases, while bakeries had small declines.

Employment losses on tobacco, textiles, lumber, furniture, glass, and abrasives were between 3 and 6%; decreases in paper, printing, chemicals and leather ranged from 1 to 2%. Payrolls dropped considerably in all of these industries.

New York City

An employment loss of 7.5% in New York City factories compared with a loss of only 1.6% in the remainder of the State was caused by substantial reductions in war plants and most branches of the apparel group, with smaller decreases in all other industries except petroleum. Payrolls dropped 8.8% in the City and only 2.9% upstate.

Layoffs in all war industries

resulted in decreases of 5% in both employment and payrolls in metals and machinery. In plants making scientific instruments, employment decreased only 3.8%, but a cut in the number of hours worked caused a payroll loss of more than 21%.

In the food industry, relatively large lay-offs in sugar, confectionery, and bakery firms more than offset gains in other branches. A strike by newspaper delivery men caused decreases in the printing industry.

T. F. Woodlock Dies

The death of Thomas F. Woodlock, contributing editor of the "Wall Street Journal," occurred on Aug. 25 in his apartment at the Hotel Croyden, New York, after an illness of several weeks. The "Wall Street Journal" in its account of his career in its issue of Aug. 27 said, in part:

Mr. Woodlock was born in Dublin, Ireland, on Sept. 1, 1866, and was educated at Beaumont College, England. Later he matriculated at London University. After one year at the latter institution he became a clerk with a London brokerage firm, later joining his father and brother in the London Stock Exchange house of Woodlock Brothers.

In 1890 he began writing for the press as a "free lance." He migrated to the United States in January, 1892 and in September of that year joined the staff of the Wall Street Journal.

Mr. Woodlock became editor of this newspaper in December, 1902, but resigned the editorship in September, 1905, when he left to join the New York Stock Exchange firm of S. N. Warren & Co. In 1918 he went with the American International Corp. and was later its secretary. During several following years he wrote a daily column for the New York Sun. It was during this period, too, that he served as a director of the Pere Marquette and St. Louis & San Francisco railroads.

President Coolidge appointed Mr. Woodlock to the Interstate Commerce Commission in 1925, the Senate confirming his appointment only after considerable delay and his appearance before the Senate Interstate Commerce Committee to answer questions as to the fitness of a "Wall Street man" for the office.

Mr. Woodlock resigned from the Interstate Commerce Commission in September, 1930, to return to The Wall Street Journal staff. His column on the editorial page—as the volume of letters and inquiries reaching this office abundantly proves—has long attracted a wide and attentive circle of readers throughout the country. He, naturally, played a large part in shaping the newspaper's editorial policy and giving it expression. He consistently opposed both deliberate and unconscious movements of a totalitarian slant, defending therefrom the dignity and rights of the individual.

In 1943 appeared Mr. Woodlock's last book, "The Catholic Pattern"; its author was awarded the Laetare Medal by the University of Notre Dame as the outstanding Catholic layman of the year. He was a trustee of Manhattanville College of the Sacred Heart and had served other Catholic institutions in a consulting capacity for many years. Honorary degrees were conferred upon him by St. Francis Xavier College of New York City and Fordham University.

Dulles to Be Byrnes' Adviser in London

When Secretary of State James F. Byrnes goes to London for the meeting of the Big Four Foreign Ministers, which will start negotiations of the European peace treaties on Sep. 18, he plans to take with him as advisers John Foster Dulles, foreign affairs consultant to Gov. Thomas E. Dewey when he was Republican candidate for President, and Benjamin V. Cohen, a special dispatch to the New York "Times" from Washington stated on Aug. 29.

Mr. Byrnes also announced that Assistant Secretary of State James C. Dunn would be his alternate, during the meeting, and would remain in London to carry on the negotiations for the U. S. after the Foreign Ministers leave, probably about the end of September. The Secretary would not say who else would go to the conference for the United States, and Mr. Dunn refused to discuss the conference with reporters, but it is increasingly evident here that events of paramount importance to the future of Europe are about to be discussed in London, the New York "Times" continued.

With the importance of events in mind, Mr. Byrnes said that, while he would not take any Congressional leaders with him for what was clearly a technicians' conference, he would report to the Senate Foreign Relations Committee when he returned on developments during his stay there, and might even wait here until after Labor Day, when Congress reconvenes, in order to discuss the conference with his former colleagues in the Senate at that time.

The announcements about the London meeting, however, leave unanswered several important questions: The first is whether the United States intends to agree at the end of the consultations with the major Allies to support at the final peace conference the policy agreed on in the London talks. The second is whether any commitment or understanding will be reached in London before the executive branch of the Government has discussed the proposed settlements with the Foreign Relations Committee. A third is whether the London conference, like the Dumbarton Oaks conference, which was also "preliminary and exploratory," will also be closed to the press, as were the previous Big Three conference and the Dumbarton Oaks conference.

Unlike the San Francisco conference, the London conference has not been preceded by any detailed discussion by the American delegation on the policy we are going to follow at that conference. There have, of course, been innumerable studies of all the questions that will come up there, from the future of the Dardanelles to the possible ways of dealing with Trieste, but, as far as can be discovered, the entire American delegation has not been meeting in recent days on these questions.

The agenda for the conference are evidently headed by the Italian peace conference. Soon after the conference starts on Sept. 10, however, study groups may be put to work preparing the German terms and exchanging views on this and other questions.

The American proposal for the creation of international commissions to administer the internal waterways of Europe will also be discussed in London, though again it is said that all these matters will be dealt with in a "purely preliminary" way.

In spite of the emphasis that is being placed here on the exploratory aspects of the Foreign Ministers' Council, however, there is a growing conviction here that the victorious Allies have reached the negotiating point for the final settlement of the war in Europe. The understandings reached there

The State of Trade

The next decade will see the rate of progress in the South surpass that of any other section of the country, in the opinion of Robert M. Hanes, President of the Wachovia Bank and Trust Company, Winston-Salem, N. C., expressed in an article headed, "A Banker Appraises the South," appearing in the June issue of the bank's house magazine.

"No region in the country has had such a wide divergence of interpretation as has the South," says Mr. Hanes, "but if we apply a banker's appraisal, add up the South's assets on one side and its liabilities on the other, we shall be impressed by its tremendous net worth.

"Important among the South's assets are its raw materials, power development, climate, a stable and homogenous population and good transportation facilities.

"From 1900 to 1939 the South's industrial production gained 700%, compared with a national gain of 400%.

"In 1910 the banking resources were a little more than 3 billions; today they are more than 23 billions. In the same period savings deposits increased from a half billion to 3½ billions; life insurance from 3½ billions to more than 30 billions.

"On the liability side, we have relied too much on a one cash crop system, and have allowed our farm soil to deteriorate. This is being corrected by diversification and soil building programs.

"The freight rate structure has long been a retarding factor in the South. Nothing has happened in the past fifty years of such tremendous significance as the recent I.C.C. decision to correct these rate inequities. The results will not be immediate, but in the next five to ten years the South's progress will be tremendously accelerated by this decision.

"The South has not produced enough foodstuffs and clothing to supply its own needs. We must continue to raise the average per capita income of our people.

"We need more business and industrial leaders, constantly improving management to develop our resources and opportunities. Too many of our leaders have been lured away to other sections of the country.

"Recent trends in the South show that we are facing our problems realistically and preparing to meet the opportunities of the future.

"Farmers are rapidly getting away from the one cash crop system; dairying is expanding rapidly and farm mortgage debt has been greatly reduced.

"In the textile industry we are producing many new types of high quality product and the next decade will see tremendous progress in the modernization and diversifying of our textile industry.

"The fact that our workers rapidly learn skilled trades, and live mostly in small towns, is attracting many new industrial plants from the large congested eastern cities.

"We are making an effort to overcome our handicaps in research, education, and technical training.

"The South has made great progress. We still have far to go to equal the economic attainments of some other sections of the country, but I predict that our rate of progress in the next decade will surpass that of any other section."

Steel Industry—The steel industry last week was bringing to completion the mechanics of handling the avalanche of cancellations with which it has been confronted in the past few weeks, "The Iron Age" states in its current

will undoubtedly be "preliminary" in the sense that the Dumbarton Oaks understandings were preliminary; they could be changed but they will be supported jointly by the major powers and this support will undoubtedly determine the terms of the final settlement.

summary of the steel trade. It is expected that those mills which have suffered a curtailed steel output as a result of order difficulty will be operating at a higher level.

Order cancellation volume a week ago approached pre V-J Day levels; however, most steel companies have cleared order books of all business which has been canceled and have prepared new schedules which will go into effect this week on finishing mills.

In view of a severe drop, 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, the magazine notes, were forced to cut back steel ingot output last week to a greater extent than others. This situation is a temporary one until steel mill schedules reflecting a good product mix have been established.

The magazine points out that contrary to some reports in the industry large quantities of steel for non-rated orders will not be immediately available. The outlook for October indicates an easier situation. Since the Controlled Materials Plan will not come to an end until Sept. 30, much rated business awaiting delivery before that time will be shipped. With the substitution of a new limited priority system at the end of September, a fair amount of rated business will continue due to a good order volume the past week.

The obligation of larger companies to ship small nonintegrated steel mills a stipulated tonnage of semi-finished steel under WPB orders each month may delay a much greater volume of nonrated business. 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. Part of this system, "The Iron Age" adds, 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. Sheet demand for the fourth quarter appears to be well in excess of capacity with producers instituting an allotment system of their own to spread available tonnage among customers. This action, the magazine says, will tend to return purchasing relationships to a prewar basis and to eliminate dislocated buying brought on by the war.

Products virtually untouched by cancellations, according to steel producers, included rails, track accessories, concrete bars, tin mill products, skelp and some stainless steel. Alloy steels on the other hand were hard hit by cancellations resulting in electric furnaces operating far below rated capacity.

Wire producers having cleared up cancellations are operating on a normal basis and anticipate a heavy increase in railroad and public utility purchases.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 74.9% of capacity for the week beginning Sept. 3, compared with 74.5% one week ago. This week's operating rate represents an increase of 0.5% from last week's rate and is equivalent to 1,371,900 net tons of steel ingots and castings, compared to 1,364,600 net tons last week and 1,710,700 tons one year ago. A month ago the industry,

was at 87.9% of capacity and 95.1% one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Aug. 25, 1945, totaled 853,426 cars, the Association of American Railroads announced. This was an increase of 200,594 cars, or 30.7% above the preceding week this year, which included V-J Day holidays, but 51,445 cars, or 5.7% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 50,631 cars, or 5.6% is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,116,049,000 kwh. in the week ended Aug. 25, 1945, from 3,939,195,000 kwh. in the preceding week. Output for the week ended Aug. 25, 1945, was 6.8% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 166,600,000 kwh. in the week ended Aug. 26, 1945, comparing with 166,500,000 kwh. for the corresponding week of 1944, or an increase of 0.1%.

Local distribution of electricity amounted to 161,800,000 kwh. compared with 154,400,000 kwh. for the corresponding week of last year, an increase of 4.8%.

Paper and Paperboard Production—Paper production in the United States for the week ending Aug. 25, was 95.4% of mill capacity, against 67.8% in the preceding week and 92.2% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 99%, compared with 67% in the preceding week, and 94% in the like 1944 week.

Business Failures—Commercial and industrial failures in the week ending August 30 remained at 16, the same as in the previous week, reports Dun & Bradstreet, Inc. However, concerns failing exceeded the 14 in the comparable week of last year. This marked the second time in August that failures have shown a rise above the 1944 level.

Three-fourths of the week's failures involved liabilities of \$5,000 or more. There were 12 of these large failures, one more than last week, and, as well, they exceeded the 8 in the corresponding week a year ago. While large failures were one and a half times as heavy as in 1944, small failures involving liabilities of less than \$5,000 were only two-thirds as high.

Manufacturing and retailing accounted for all except two of the week's failures. An equal number of concerns failed in each of these lines. In manufacturing, failures remained at the previous week's level and were more than twice the number of manufacturing failures in the comparable period last year. On the other hand failures of retailers rose sharply from a week ago, more than doubling their previous number, but they were only slightly higher than in the same week of 1944.

Three Canadian failures were reported as compared with 1 in the previous week and none in the corresponding week of 1944.

Wholesale Commodity Price Index—With commodity price fluctuations uncertain during last week, the Dun & Bradstreet daily wholesale commodity price index moved within a narrow range. The index closed at 175.09 on Aug. 28, as against 174.54 on Aug. 21, and with 172.06 at this time last year.

Grain markets were generally steady last week although hedge selling developed at the close and grain prices declined fractionally. Weakness in cash wheat was the cause for the last minute drop; the Commodity Credit Corporation again reduced the price it will pay for Spring wheat. Trading in wheat futures was restricted. Hedge selling in oats was large, with the movement of the

new northwestern crop heavy; prices tended upward. Corn offerings were small with July having the most strength.

Trading in rye influenced largely by Government demand moved irregularly upward during the week. Barley prices have remained generally steady; cash markets were weak. In livestock markets, choice and good grade steers sold strong with prices firm; common, medium, and low—good grades closed steady and prices were slightly lower. Hog markets remained unchanged.

Cotton prices moved in a wide range last week. Trading was influenced by price uncertainties, reconversion problems, and the scarcities of offerings with the spot market quiet.

Business in the Boston wool market was spotty last week, awaiting Governmental action on the price of domestic wools. Uncertainties as to what will happen to surplus wool restricted activity in both foreign and domestic grades. Some foreign wools were purchased in the early part of the week, but business fell off sharply to almost a standstill. Australian wool was still in demand. The current supply of wool piece goods for civilian garment production remains tight despite military cancellations. Most mills are completing the Government contracts on which work had been started.

Wholesale Food Price Index Declines in Week—The wholesale food price index, compiled by Dun & Bradstreet, Inc., dropped 2 cents to \$4.06 in the week ended Aug. 28, 1945. While this is the lowest level this year, the current figure is 1.5% above the \$4.00 of the corresponding 1944 week. Advances during the current period included wheat, rye, oats, and steers. Decreases appeared in flour, barley, eggs, potatoes, sheep and lambs.

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

Retail and Wholesale Trade—Despite country-wide lay-offs, retail trade last week sustained moderate increases over the previous week and a year ago, according to Dun & Bradstreet, Inc. Many released workers were reported eager to replenish their war depleted wardrobes and homes. Purchases of back-to-school apparel, both the juvenile and college types, were heavy. A few retailers with large stocks of wartime merchandise cut prices drastically in an attempt to reduce inventories before peacetime quality merchandise appears. Food volume increased substantially over a year and week ago; supplies eased all along the line.

Anticipated removal of the 20% excise tax on furs and handbags has appreciably reduced sales in these lines. Consumers expressed willingness to hold off purchase indefinitely. Transactions were large in all types of cloth coats. In children's apparel, skirts and sweaters experienced the largest demand; stocks of cotton dresses above the 14 year level were virtually nonexistent. Sales of men's clothing increased as the Army discharge program progresses.

Dollar volume of housefurnishings declined slightly from last week; inventories were short and demand high. Sheets and sheeting continued scarce. The few metal items that have already appeared in hardware stores were immediately snapped up by anxious consumers.

In the food market meat supplies are gradually increasing. The quantity of corn, peaches, and tomatoes was up appreciably; prices hit a seasonal low. Canteloupes and honeydew melons were abundant. Blueberries, huckleberries, and blackberries remained scarce and expensive. Shipping difficulties have kept oranges and other citrus fruits less plentiful. Potatoes, onions, beets, and squash were also in good supply and lower priced.

Retailers reported that supplies of sugar were up slightly.

Retail dollar volume for the country was estimated 6 to 10% over last year. Regional percentage increases were: New England 4 to 8, East 7 to 11, Middle West 6 to 10, Northwest 7 to 12, South 3 to 7, Southwest 2 to 7, Pacific Coast 4 to 9.

Wholesale trade was up moderately from last week and was about 1 to 5% over last year. Demand was strong for most commodities, particularly those which had been unattainable during the war. Buyers continued their cautious policy of careful selection. Uneasiness concerning changing Government regulations has been reflected in retailers' fear of stocking too far in advance. Requests for fall apparel were numerous.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Aug. 25, 1945, increased by 6% and compared with a decline of 16% (revised figures) in the preceding week. For the four weeks ended Aug. 25, 1945, sales increased by 7%, and for the year to date by 12%.

The influence of terminated Government restrictions and the progress of reconversion was felt in the wholesale markets here in New York last week. Retailers holding to the belief that trade prospects will continue good for the months immediately ahead are seeking merchandise. Indications at present, however, point to the fact the day of long-term deliveries is drawing to a close.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Aug. 25, 1945, increased by 4% above the same period of last year. This compared with a decrease of 24% in the preceding week. For the four weeks ended Aug. 25, 1945, sales rose by 9% and for the year to date by 13%.

Commemorates Woman Suffrage Anniversary

Commemorating the 25th anniversary of ratification of the women's suffrage amendment, President Truman made a public statement in which he called the nation's home front in the war as "truly a battle front where women bore a major part of the struggle." The Associated Press reported from Washington on Aug. 25, the eve of the anniversary, and quoted the following as the President's statement:

"Aug. 26, 1945, will mark the twenty-fifth anniversary of the ratification by the states of the amendment to the national Constitution granting suffrage to women.

"Less than a century ago women in the United States were denied the right to vote and were classed as inferiors under the law. In 1920 there occurred one of the great events in our history—the Federal Constitution was amended to extend suffrage to the women of our country. Since that time the movement to raise the status of women in all of the fields has gone steadily forward.

"In the total war through which we have just passed the home front has been no mere phrase, but truly a battle front where women bore a major part of the struggle.

"Women walked into the pages of today's history as good citizens and good soldiers.

"To praise women for making intelligent use of the ballot, or for doing their share in winning the war, would be an act of condescension the very opposite of that equal respect symbolized by the suffrage amendment. But on the twenty-fifth anniversary of the 19th Amendment, it is fitting that we, men and women alike, should give thanks for an America in which women can stand on the level footing of full citizenship in peace and in war."

Banks Ready to Meet Industry Credit Needs

Federally and State chartered banks of the United States stand prepared and determined to provide the credit needed by all competent individuals and concerns, both large and small, for all constructive purposes, and to do so promptly and with a minimum of red tape, according to Hugh H. McGee, Chairman of the Credit Policy Commission of the American Bankers Association, who is also Vice-President of the Bankers Trust Company of New York. Observing that "we have won the war," Mr. McGee stated that "Our next and immediate problem is that of reestablishing our civilian economy promptly and enduringly. The sudden cancellation of war contracts may mean a substantial demand for contract termination loans to industry," he said. "In September, 1944, the American Bankers Association recognized this need and prepared to meet just such a condition as now exists. Following adoption of the Contract Settlement Act of 1944 by Congress, the Association published and circulated to the banks a manual which provides them with complete information and a procedure for making contract termination loans to industry. The T-loan procedure is streamlined and simple. It is based upon experience gained during the war period when banks financed industry to obtain maximum production by use of V-loans," he added.

"About 1,400 banks participated in the V-loan program which largely served the prime and first-tier subcontractors. Much decentralization of industry was accomplished during the war period, and small factories making war materials were located in almost every village and hamlet of the country. These communities are desirous of keeping these small industries, and an effort will be made to use their tools and skills in peacetime. It is believed that the majority of the contractors requiring T-loans will be these subcontractors, and, consequently, more banks will be called upon to participate in this important program.

"The Baruch-Hancock study and subsequent legislation have set the pattern for a prompt and equitable contract termination procedure. While Government contract agencies are doing an excellent job in the settlement of war contracts, the suddenness with which the war against Japan ended may overtax their facilities. Many of these smaller subcontractors have most of their working capital invested in inventories and partially completed products and may need immediate funds to finance production of peacetime products.

"The banks of the country, as a result of studies and work in the field, have greatly intensified the cooperative efforts of local banks with their correspondent banks and have devised new credit techniques which will not only be important in the immediate period of reconversion but will continue to serve the nation after the emergency is past. Among these is the bank credit group. Such 'Regional Credit Pools' are organized in practically every state with aggregate resources in excess of \$6 hundred million and are prepared to back up local and correspondent banking activities in the field of credit. This has been an effort of banking to prepare itself to implement the program of American business in its prompt return to a sound economy of peace and the full employment of our people.

"By such cooperative effort, business leadership is demonstrating the way in which we can achieve the objectives of the war and above all justify in some degree the great sacrifice of those

Commitments and War Loans by 416 Banks

War production loans to manufacturers of the nation and commitments for such loans reported as outstanding on June 30, 1945, by 416 of the country's larger banks aggregated \$7,575,860,332, according to the semi-annual survey of the American Bankers Association released for publication on Aug. 24. War production loans and commitments dropped more than \$1 billion in the mid-year, compared to the total of \$8,628,597,227 reported as outstanding on Dec. 30, 1944, by 429 of the country's larger banks. The survey is conducted by the Association by means of a questionnaire addressed to the 500 largest banks. Of these, 416 supplied data on their war production loaning activities as against 429 in the previous survey which reported on outstandings Dec. 30, 1944. The Association further states:

"Of this \$7,575,860,332 of total war loans and commitments by banks outstanding on June 30, \$7,316,843,246 represents loans and commitments for war supplies and materials and is a decrease of approximately \$1 billion from the \$8,307,266,875 reported in the previous survey. The lower figure reflects the defeat of Germany. The remaining \$259,017,086 represents loans and commitments for building of war plants and factories, compared with \$321,330,352 for the same purpose as of Dec. 30, 1944."

In a letter to the 500 participating banks, Walter B. French, Deputy Manager of the Association, said: "The end of the war brings these surveys to a close. A vast amount of information has been compiled which will be of immeasurable value when a record is needed of banking's participation in the war."

Mail to Switzerland

Postmaster Albert Goldman announces that information has been received from the Post Office Department at Washington, that mail service to Switzerland has been extended to comprise all classes of regular mails, that is to say, letters, post cards, printed matter in general, printed matter for the blind, commercial papers, samples of merchandise, and small packets. The advices state:

Printed matter (except printed matter for the blind), commercial papers, samples of merchandise, and small packets are limited to one pound per package. Printed matter for the blind may weigh up to 15 pounds 6 ounces. Articles prepaid for dispatch by air mail are also limited to one pound in weight.

Ordinary (unregistered and uninsured) parcel-post service to Switzerland is resumed, subject to the conditions in effect prior to the suspension of the parcel-post service, except that each parcel must have affixed three customs declarations (Form 2965). The parcels will be subject also to the following restrictions: Only one parcel per week may be sent by or on behalf of the same person or concern to or for the same addressee; the weight of each parcel is limited to 11 pounds, the length to 18 inches, and the combined length and girth to not more than 42 inches; contents are limited to non-perishable items which are not prohibited in the parcel-post mails to Switzerland.

The postage rates applicable for mail and parcel-post are those in effect prior to the suspension of the service.

The licensing requirements of the Foreign Economic Administration are applicable to mail and parcel post for Switzerland.

who fought—and, in a great many cases, made the supreme sacrifice."

Labor Leaders Comment On "Full Employment" Bill

(By WILLIAM GREEN)

(Continued from first page)

powerful appeal to those who have borne the burdens of unemployment:

1—To foster free competitive enterprise through the investment of private capital in trade and commerce, and

2—To establish the right of all Americans able to work and seeking work, to useful, remunerative, regular and full-time employment.

The bill directs that the President prepare a National Production and Employment Budget. This Budget shall set forth—

1—The estimated size of the work force.

2—The estimated volume of investment and expenditure by private enterprise, consumers, federal, state and local governments necessary to produce the gross national product necessary to maintain full employment.

3—The estimated prospective volume of prospective investment and expenditure.

In case the National Budget indicates a deficit in the expenditure and investment program, the President is directed to prepare recommendations for encouraging non-federal investment and expenditure as well as recommendations for legislative plans to overcome the prospective deficit. Such a program may include but need not be limited to "current and projected Federal policies and activities with reference to banking and currency, monopoly and competition, wages and working conditions, foreign trade and investment, agriculture, taxation, social security, the development of natural resources, and such other matters as may directly or indirectly affect the level of non-Federal investment and expenditure."

The result would be a program of plans and specifications for needed public works for those not employed by private industry. An orderly program of needed public works is an end in itself and a powerful stimulant directly to the construction industry and indirectly to others. The desirability of planned public works to supplement private investment and check trends toward deflation has long been discussed with approval. It was urged during the depression of the '30's. Constructive action on the proposal is overdue.

Planning and timely initiation of public works are essential to "full employment" but do not constitute the main driving power. "Full employment" will come mainly from placing responsibility on private industry and requiring reporting on stewardship. As the right of persons to employment becomes a moral obligation upon those in positions of responsibility, its responsibility can be pressed home.

The initial step in establishing responsibility of private industry is to amend Section 4 (c)—page 8, line 9, by substituting "shall" for "may." The section would then provide for regular consultation between representatives of the functional groups of private enterprise and the President in reviewing current situations and in making plans for "full employment," and would read as follows:

The President shall establish such advisory boards or committees composed of representatives of industry, agriculture, labor, and State and local governments, and others, as he may deem advisable, for the purpose of advising and consulting on methods of achieving the objectives of this Act.

Private enterprise operates within controls which result in expansion when profitable, and contraction when profits decline.

Workers are free to seek suitable employment most advantageous to them and to promote their interests through collective action. Over the years experience has pointed out that the right to carry on business is effective only in an orderly society and consequently entails the obligation to respect the rights of others. We have long discussed the economic and social evils resulting from unemployment and considerable progress has been made in stabilizing some industries. We have accepted the principle of social insurance to provide incomes for workers involuntarily unemployed. But these measures are not adequate to provide "full employment" under the definition proposed. There is needed a new sense of responsibility on the part of private industry and willingness to cooperate to the end that no one able to work and seeking work shall be denied opportunity to earn a living. There must be willingness to get the facts and face their consequences by individual managements as well as industries, so that exercise of the right to do business shall be accompanied by obligation to plan for sustained employment for the work force at levels of pay enabling workers to have rising standards of living. For this purpose we need the basic economic statistics which we have repeatedly asked Congress to authorize.

The National Budget which the President would be directed to prepare would aid in pressing home the responsibility of private enterprise and in disclosing next steps.

Unions have their responsibility for leadership in this new endeavor and for getting incorporated in union contracts wage rates and hours standards that would enable workers to have the purchasing power to sustain production at "full employment" levels. To stabilize production at lower levels would lower national income and result in unemployment.

Present day demand for "full employment" embodies many of the ideals and desires of the past when we talked of good business, sustained prosperity, our high wage economy, etc., and adds to them the idea of mutual progress, integrated effort, and the desire to banish fear of unemployment.

Unemployment results from many causes. Under-investment and under-consumption are two important factors. Others, even more difficult to deal with, are unemployment due to technical progress, population changes, great social changes, like changes in transportation, communication etc. We can deal with unemployment due to these causes only by studying the facts of each industry and anticipating forces making for the industrial changes affecting employment. Our dependence for assistance with unemployment due to these causes is planning for the maintenance of scientific research and effective use of new information by industries. The United States now leads the world in making effective industrial use of technical progress.

Steadily rising productivity has always characterized American industry. The genius of American management, combined with the skill and effort of American workers, has given our country leadership over the entire world in production per manhour. This rising productivity makes our high standards of living possible. American workers earn the high wages they receive.

Labor Department figures show

how the steady increase in production per manhour, together with collective bargaining has made it possible to raise workers' wages while at the same time prices were reduced and consumers received better quality at lower cost. The Department's figures show that over the 17 peacetime years, from 1923 to 1940, production per manhour in American factories rose 83%. This astonishing increase provided the income to raise the workers' average hourly earnings 22% during this period. At the same time unit labor costs were reduced by 34%. The reduction in labor costs made it possible to reduce wholesale prices of finished manufactured goods 18%, so that consumers benefited by lower prices, and a margin was left for profit to American business. Thus, in the period between two wars, workers' increasing productivity benefited workers, consumers, and managements. The decrease in prices was reflected by reduction in living costs generally, and workers as well as others benefited because their increased pay envelopes would buy more. Their "real" wages increased 49% from 1923 to 1940.

Normally, we may expect productivity to increase on the average by about 2½ to 3% each year. This has been the rate throughout recent years. During the war, far greater increases in productivity were achieved when management and workers threw all their energies into production improvement to reach Army and Navy schedules. For instance, in the brief period of 11 months, from February to December, 1944, the manhours required to produce a victory ship were cut in half. An amazing record was achieved by the aircraft industry. From the beginning of the program up to February, 1944, time needed to construct military aircraft was reduced 90%. In munition industries as a whole, manhour production increased 47% in the 21 months from January, 1943, to September, 1944.

Startling new techniques of production were developed during the war. Many of these techniques will be adapted to peacetime production and used in civilian industries. Immediately after the war industry will be retooling, replacing worn out machinery, and incorporating new production methods. These measures will so increase productivity that experts believe the first three post-war years will bring a 30% increase in production per manhour in American factories.

We cannot hope for "full employment" in the United States unless we plan to direct this dynamic force of increasing productivity so that it will create higher consuming power, higher living standards, and increasing markets for our industries.

Because of increasing productivity and increasing population America's industries will have to furnish about one million new jobs every year to provide "full employment." We will have to shorten the workweek to create some of these new jobs. Every year we will have to increase wages so that workers will have enough income to purchase their proportionate share of the increasing goods and services they produce. Increasing workers' income will mean an expanding market for American business, an opportunity for new industries to bring new products and services to the American people. It is vital to remember that workers, buying power forms the great economic base of our home market. People with incomes of less than \$4,000 a year have 70% of all consuming power in the United States. It is more profitable for a businessman to sell one suit of clothes to each of 47 million low income people with incomes under \$4,000 a year, than to sell three suits to each 3½

million people with incomes of more than \$4,000 a year.

A glance at the past shows what this great force of rising productivity can mean to Americans in terms of a better life. Electric refrigerators which came on the market about 1928 sold for about \$400 apiece. In 1942, a much better refrigerator was selling for \$100 to \$150. Yet workers in the industry had increased their weekly pay substantially in those 14 years. Rising productivity and improved industrial techniques have reduced the price of automobile tires by 75% since 1914, and in addition today's tire gives 40 times the service of the tire made 30 years ago. Workers in tire factories today receive 300% above those of 1914. The 1914 automobile cost \$1,115. Before the war a much better car cost \$738. Yet the average automobile worker who received \$15 for a 51-hour week in 1914 had raised his weekly pay to \$30.50 by 1938 and reduced his hours to 33 per week. Management in these great industries has received its full share of profits.

This increasing productivity has benefited consumers, workers and businessmen. As we look to the future, we know that our main problem will be to raise consumers' buying power so that a mass market may give business its opportunity to go forward and workers may steadily raise their living standards.

Technological progress need not contribute to depressions and unemployment if necessary adjustments are made to bring our economy to balance at higher levels.

We are already utilizing information given us by experiments of chemists to produce substitute materials to overcome handicaps due to natural resources.

We are on the verge of a new era in which we shall apply atomic energy—a revolution that will affect the whole structure of our economy. We shall need every possible protection against unemployment and waste of our human resources. The National Production and Employment Budget proposed by this legislation would provide us with a tool for dealing with some of these future problems. It will give us what Ernest Bevin calls a human budget or a national balance sheet indicating our success in providing useful opportunity for all citizens. But just as cost accounting must be supplemented and interpreted by production accounting, so our national balance sheet must be supplemented by the kind of national plans and policies that would result from consultation and cooperation between Congress, the President and his administrative officers and the representatives of the major functional groups of private enterprise.

"Full employment" involves much more than information and plans for investment and expenditure. There must be equal concern for all that makes for efficient business: progressive management, effective application of engineering experience, informing production accounting coupled with cost accounting, continuous application of results of scientific research, sustained efforts to coordinate the creative ability of the whole work force, constant study of markets, knowledge of the development of competitive materials and components, so as to anticipate and prepare for technical change. These and other considerations are already elements in the field of efficient management. The problem of achieving high levels of employment with high national income involves more than the development of new machinery; it necessitates the cooperation of all groups for the utilization of experiences and information in order to reach and maintain that objective—with an over-all moral

responsibility for all groups concerned.

The driving force for a high wage, high standard of living economy will come most effectively from the individuals directly concerned—management and unions in a free economy.

The factual data included in the President's National Budget on production, employment, labor force, national income and its distribution, investments and its expenditures, will furnish the basis for planning by private industry, but the function of planning must remain the responsibility of management. Management, in turn, should consult with unions on problems of production, and has much to gain by establishing and maintaining machinery for union-management cooperation for that purpose. Cooperative relations can rest only on a foundation of collective bargaining, fostered by confidence of access to the machinery for justice. Any effort to restrict or restrain established rights and functions of either management or labor, would endanger realization of our objectives.

Plans for "full employment" should build on the practices, procedures and methods which have made the United States the world's most powerful nation economically, with the world's best paid and most productive labor force. The basic principles are, as we know, planning and responsibility by individual enterprises, with competition in domestic and foreign markets, collective bargaining between managements and free trade unions. There must be acceptance of mutual rights with cooperation for mutual progress.

Action on this bill would constitute the initial responsibility of Congress, to be supplemented by other legislation needed to provide a national economic environment favorable to "full employment."

There must be guarantees to agriculture to enable the farmers to produce needed amounts of food and to maintain rising levels of living in agricultural communities.

Congress should act to expedite disposition of war surplus goods in ways to promote "full employment."

Congress should guarantee a high level of scientific research in the interests of national progress and security.

Congress should raise the minimum rate in the Fair Labor Standards Act.

Congress should institute a national housing program, assuring high and sustained levels of public and private construction so that all citizens may be well housed, with opportunities for home ownership.

Congress should enact legislation to provide for the stimulation of planning and construction of community facilities such as hospitals, health centers, schools, roads, airports and other improvements.

Congress should promptly enact emergency unemployment compensation legislation requested by the President as necessary to protect workers and maintain national buying power.

Congress should maintain the United States Employment Service at the Federal level to provide for efficient service to workers and industries for the maintenance of "full employment."

Congress should enact legislation providing Federal aid for all schools to equalize educational opportunities and services for citizens in all localities and to make such appropriations effective by aid for all children needing it.

Congress should provide a program for the development, conservation and use of our national resources.

Congress should develop and maintain fiscal and tax policies conducive to "full employment."

In our efforts to establish and

Labor Leaders Comment On "Full Employment" Bill

(By JOHN L. LEWIS)

(Continued from first page)

and the automatic and semi-automatic machine.

The atom is being broken down, not by human hands, but by the devices of Man and his mechanical and scientific enterprise, and the great work of extracting that power from Nature's storehouse not performed by human hands but by the devices that originate in the minds of the men of genius. So we are operating now with a constant improvement in all our devices, utilizing power, and men press buttons and pull levers and perform various tasks, so that the power and machinery do the work.

In consequence, we are making each pair of human hands in industry more efficient. Take the mining industry with which I am associated. Its efficiency during World War Number Two as compared with World War Number One is probably a 40% improvement on the average. Less men produce more coal. We are producing now six tons per day per man employed in and around the industry, as against the British production of one ton per day or less per man employed in the industry, at a cost of less than one-third, f.o.b., per ton, and with a wage structure that is three times as high as the British wage structure on the day or weekly basis. There is the record of American industry in one industry that is a vital and basic industry.

That efficiency and that progress reflects itself in our entire economy and commercial establishment. So, as a result, quantitatively in the years to come, less men are going to be able to produce more goods, and it is a conservative estimate now to believe that in the first two years following the war that the productivity of the American plant and equipment and American workman will exceed by more than one-third

maintain "full employment" in this country, we must be aware of the relations of our problems to the same problems in other countries, knowing that the principles of progress at home apply universally. We can have security at home by helping other countries to have security and progress.

To sum up, on behalf of the American Federation of Labor I ask favorable action on S. 380, with the following amendments:

Page 6, line 13—end the sentence with the words "applicable laws," deleting the clause authorizing exemptions.

Page 8, line 9—substitute "shall" for "may."

Page 10, line 16—We question the wisdom of authorizing the committee to utilize volunteer and uncompensated services.

We concur in the purpose of the amendments submitted by Senator Morse on behalf of himself, Senators Tobey, Aiken and Langer, to establish and maintain living standards for those engaged in agriculture.

We propose, however, the following definition of "full employment":

Section 10 (a) the term "full employment" means a condition

"(1) in which the number of persons able to work, lacking work and seeking work, shall be approximately equivalent to the number of opportunities for productive employment at suitable work, at not less than the prevailing wage standards and under prevailing working conditions for such work, and not below the minimum standards required by law; and

"(2) in which there is no infringement on basic rights constituting economic freedom."

the productivity of the same number of workmen in the years preceding World War Number Two.

I emphasize this fact in order to show you that if you once achieve full employment with this mighty productive machine, with our men of genius still sitting up at night to devise new formulas and new plans and new machines, that the productivity of that plant and that manpower will be so great that inevitably the warehouses and shelves will become full and the market will be glutted, because the buying power on the part of the population and their ability to consume the products that they buy will not keep pace with the constant increase of productivity. In consequence we will be faced with a reaction.

So inevitably I suggest that it is vitally necessary for the Congress and the Government, in any consideration or adjustment of the employment opportunity question in the future, to have equal power to deal with the number of productive hours under which American industry will operate. Certainly the question of providing jobs and assuming the responsibility that Senate bill 380 assumes for the Government could not be lightly done unless the Congress did have the power to say how long the wheels should operate and how long human hands shall produce in a glutted market.

So, in consequence, the United Mine Workers have prepared a suggested amendment for the consideration of the committee. It is very brief, and we think broad enough to give to the Congress at least the power to consider these problems and to take such action as might be deemed wise in the circumstances.

We suggest to amend S. 380 in section 2 by adding after subsection (c), right down at the bottom of page 2, below line 24, a new section, number (d) (1), as follows:

"In order to maintain a reasonable minimum standard of living necessary for health, efficiency, and general well-being of the workers, it is the responsibility of the Federal Government to adopt from time to time policies and programs looking to the adjustment and shortening of the hours of labor, thus stimulating and stabilizing the national economy and the even flow of workers into industry."

Senator Taylor. Mr. Chairman, may I ask a question?

The Chairman. Surely.

Senator Taylor. You don't think it is necessary for the Congress also to legislate regarding wages? Should we leave that to be settled by labor and industry?

Mr. Lewis. Other than minimum wages that are now prescribed in the Fair Labor Standards Act of 1938. Certainly I don't think that the Congress should undertake to fix the wages of American workers if we want to maintain free enterprise in America. We cannot fix wages by law, we cannot have compulsory arbitration, and we cannot have the individual forced to work under standards fixed by the Government if we are to preserve free opportunity and free enterprise and a republican form of Government for the rest of the population.

May I point out with respect to this amendment that the words in the amendment, "a reasonable minimum standard of living necessary for health, efficiency, and general well-being of the workers," is lifted verbatim from the Fair Labor Standards Act of 1938. I merely call that to the attention of the committee.

The Chairman. This amendment does fix wages to the extent of increasing the minimum, is that correct?

Mr. Lewis. Pardon me, Senator?

The Chairman. You were talking about wages. It does provide for an increase in the minimum, is that right?

Mr. Lewis. That is right.

Now, following that amendment on page 2 it will probably be required to amend section 3 on page 5, after the word "wages" in the 15th line, by adding the one word "hours". It will then read, "Wages, hours, and working conditions."

I know of nothing of greater importance in considering employment opportunity than the question of lessening hours. There is no other way for the population of the country to have participation in the fruits of genius and the benefits of progress.

The mine workers are now working a 54-hour week in the mines of the country to supply the country with coal. Prior to the war we had a 35-hour-week wage agreement. But the miners never got to work 35 hours a week. The average employment time was 25, 26, or 27 hours a week. Now, under the stress of the Nation's requirement, production has increased and hours have been lengthened and the men are working the 54-hour week. Those that are not injured during the course of the week's employment or those whose physical stamina is sufficient to carry them through, work a 54-hour week.

With the coming of peace again, the restoration of normal, and the filling up of our shelves and warehouses with consumer goods, we will find that the market will not absorb that quantity of goods and certainly it will be necessary to reduce the working hours. The entire Nation is faced with that problem. In all our past history we have never been able to find foreign markets in which to sell more than 6 to 8% of our production. It is not reasonable to assume that the coming years in the immediate future will permit us to sell any greater quantity than that again.

So America is again faced with the necessity of finding her own markets, creating her own consuming power, and providing for a wage and an income for the working population of this country that will permit them to become consumers and buyers in the Nation's domestic markets. We have no other place to look. It is possible for us to organize our economy on that basis because we are constantly reducing the unit cost of production through the application of improvements and scientific achievements and new facilities.

Senator Tobey. And we want those to be a blessing instead of a curse.

Mr. Lewis. We want those to be a blessing, Senator, instead of a curse.

Senator Tobey. That is right, and it is our job to devise ways and means to do that.

Mr. Lewis. An invention that comes from an inventor's mind that does the work of 100 men and employs only two to run the machine, that merely furnishes a royalty to the inventor and a margin of profit to the manufacturer and destroys the buying power of 98 men becomes a curse instead of a blessing. We must pass that down through the population. If we progressively and mathematically destroy the opportunity for employment in America, then in inverse ratio we must give participation in the remaining amount of work to all the population. I don't think there is any other answer if we want to preserve our economy and our form of Government.

Now, I do trust that the committee in its wisdom and dis-

cretion will give full consideration to that very important subject. On page 8, section 4 (c), I think—section 4 (c) on page 8, we think that "may" should be changed to "shall". I see it is suggested in an amendment that has been offered by some of the Senators. The President shall consult with representatives of industry, agriculture, labor, and State and local governments.

The Chairman. Mr. Green suggested that, too.

Mr. Lewis. I am glad to know it. I was sitting behind that screen and I couldn't hear him very well. Certainly it should not be optional. Certainly labor is entitled to have that consultation with these representatives of other interests, industry and labor and so on. Certainly it should not be at the whim of whoever may be President 10 years from now as to whether or not he will consult labor. We do like to be consulted, whether or not our views are accepted. I think that is a human trait that probably prevails in the minds of a lot of people as well as those who represent labor organizations.

In the amendment presented on the legislative day of July 9, a copy of which I have here, on page 4 in the 12th line, section 10 (a) of the act, it sets forth that opportunity to engage in productive work at locally prevailing wages and working conditions for the type of job available shall be the standard by which full employment is defined. I don't think that language should be in the bill for very obvious reasons. "Locally prevailing wages." I think it is not only unfair to the workers in limiting their opportunity because the locally prevailing wages become a maximum instead of a minimum, but I think it is unfair to industry, to investors, and to capital. I think it will operate to maintain and continue indefinitely substandard wages in many of the rural sections of the South. I think that the wage minimum in the Wage-Hours act is a sufficient floor. I think this either should be stricken out—either that "locally prevailing wages" should be stricken out, or it should be inserted in lieu thereof that wages fixed through collective bargaining, if you are going to deal with wages there. I think you are treading on dangerous ground by putting that in, because it will be used by the Government contractors in the remote areas of the country as their defense against any attempt to increase wages or raise the standard of living or to increase the buying and consuming power of the population of that area.

I have this in mind. In 1933, 1934, and 1935, when the first National Labor Board was functioning, of which the distinguished chairman of this committee was Chairman—

The Chairman. And you were a member—

Mr. Lewis. I recall that, Senator. We found wages in Louisiana in the lumber industry in those remote and mosquito-infested swamps, as low as 10 cents an hour. We found similar wages in Mississippi, in Alabama, and in Florida—10 cents an hour; 15 cents an hour was almost an excessive wage in some of those areas. We found that the lumber manufacturers and producers of the Pacific Northwest and other areas in this country were compelled to compete in the national lumber markets with the 10-cents-an-hour wage levels of Louisiana. At the same time they were being required to pay a wage four, five, and six times that to work their plants in the Pacific Northwest. It constituted unfair economic competition from any national standpoint. I merely mention the

lumber industry in passing as an outstanding example.

This amendment, if it goes into this bill, will be utilized by contractors and employers in the South, notoriously anti-union and anti-labor, to continue their unwholesome and their vicious economic exploitation of the Negro race. It will maintain the standard of living in the South which is unwholesome and vicious and should be abolished. It should not be done by the Congress or by the people of the country.

America has to look forward to a constantly increasing standard of living, with greater leisure for its people, greater opportunities for recreation and greater opportunities for education. Otherwise we cannot keep our economy running. Our productive machine will overwhelm us in every economic and social sense. So, in consequence, the Congress should not undertake to do anything that will put a burden upon the backs of men who want to organize and bargain collectively in harmony with the public policy of the United States. Certainly labor has a right to bargain in the open market for the only thing it has got to sell, that is, the labor of its hands and the time of its being. So I think this amendment here will be unwholesome and of bad effect.

I don't know that there are any other details I should discuss here. Anticipating a possible question, because I understand it has been a matter of discussion in the committee here, the matter expressed in section 2, paragraph (b), on page 2, "it is the policy of the United States to assure the existence at all times of sufficient employment opportunities". Well, that word "assure" is not binding because it is dependent on what Congress will do when Congress gets the report from the President in the manner prescribed, making suggestions as to what should be done. No one can bind a future Congress, and the American people are going to express themselves in the future through their elected representatives as in the past, and you cannot bind the American people. I personally would be perfectly satisfied if that word "assure" was "promote". I would be just as satisfied with "promote" as with "assure" because I think neither of them is binding upon the Congress or upon the people. They are simply a declaration of policy. The desire to execute the policy depends on the circumstances and the time. So to me that is of no more importance than the difference between "the" and "thuh".

Plans for Roosevelt Dime and Bond

The Treasury Department has announced plans for two tributes to the memory of Franklin D. Roosevelt: first, a new issue of dimes to bear his likeness (the present Liberty-head dime, in existence 29 years, to be discontinued); second, his picture to be on war bonds in the next war loan drive. Also on the bond a suitable utterance of his, to be selected by Washington newsmen, will be quoted.

Henry Morgenthau Jr., Secretary of the Treasury, said at a news conference the new dimes will be minted as soon as possible and should be ready for distribution around the end of this year.

Only three other Presidents are honored by the United States Mint. Lincoln is on the penny, Jefferson on the nickel and Washington on the quarter.

No authority from Congress is required to mint the Roosevelt dimes. The law says the Treasury can change the design of a coin every 25 years. Mr. Morgenthau said the dimes probably will be produced at the Philadelphia Mint.

Autonomics and Economics

(Continued from first page)

itive relation between the economic and autonomic rates involved; that is, valuation involves assembling, not merely economic costs in toto, but also the total contribution to the "autonomy" (in excess of cost), and balancing the two. In economic equilibrium cost, assembled into a total cost by the "life expectancy" of equipment, must equal net income, assembled into a total value by the period of human immaturity (20 years, more or less); which is to say, that by introducing two time factors (durability and immaturity), one a variable and the other a constant (in its mean value), we make total cost equal capitalized net income (total value) when the account is in economic equilibrium or economically solvent, that is, when it just matches the "alternative opportunity" of the autonomic, return-cost ratio. Capital which exceeds that ratio is "worth" proportionately more, and if it can be held as property can properly impose the owner's autonomy as a cost in the price of the product in trade, so that what might be called the equation of capitalistic equilibrium is satisfied.

Function of Saving

"In my opinion the claim of the New Dealers that there is too much saving today is based on completely unsound calculations. They include in the savings the setting aside of depreciation, which is not saving. They underestimate the tremendous wear and tear in existing plant. They fail to see that New Deal policy has checked the sound investment of saving so necessary to progress and prosperity." [From "Inflation and How to Prevent It," an address before the Pennsylvania Savings and Loan League, Harrisburg, Sept. 26, 1941, by Senator Robert Taft.]

If our analysis of the "autonomics of investment" be correct, it follows that the truth in accounting for value (as distinct from price) is not that it is the result of antecedent cost. Capital value is not the result of a process of accumulation as Senator Taft has implied in the above quotation. Here we shall show that it is the source of our greatest confusion in economic theory to speak or think of saving (cost), whether by individual thrift, or by "forced" saving in banking (as described in an anti-Keynesian vein by Father Dempsey), or by "excessive" saving by "monopolies" (as described in the Keynesian manner by Mr. Boothby, Commercial & Financial Chronicle, June 7, 1945), as the origin of capital values. It is a non sequitur to suppose because the individual can and does accumulate property by saving money income and spending it, that this parallels the process by which the real values of the community arise and accrue. Money "values" (price totals) may and certainly do accumulate, in the inflationary sense of increasing with cash balances. But it is precisely here that the characteristic Keynesian confusion as to "savings and investment" has arisen; witness the capable correction of these fallacies by Dr. Benjamin Anderson in The Chronicle (Jan. 25, 1945, p. 404-405), which needs no repetition here. A recent paper exhibiting the historical durability of this dire confusion as developed by the theory that interest is contingent on saving and lending (not on intelligence in investment!) is the leading article in the current (June, 1945) American Economic Review, on "Lauderdale's Oversaving Theory" by Prof. Frank A. Fetter, veteran sponsor of the "time-preference" theory, a concept which also ignores the speculative problems of capitalization and innovation in formation and obsolescence of value.

Let us say simply that, that which has not already been "formed" obviously cannot be saved. A competent money system, indeed, serves specifically to prevent saving anything valuable, that is, to prevent keeping it out of use. One must produce and surrender something for someone else's use, in exchange for that which has no use (money), before one can profit by acquiring what one hopes to use himself. (What is bought and sold with money is therefore not equated in value, that is, the relation between prices and values in exchange is purely speculative. Economic goods, transferred with money on this caveat or speculative basis, are "demanded" because they are presumably already valuable, not presumably valuable because they are "demanded.") In no way does market procedure serve to set anything aside or restrict consumption if the true pattern of capitalism in monetary trading has been followed. On the contrary, as the use of capital equipment is enhanced in efficiency, so that greater capital values are developed, the rate of consumption is continuously increased; and the extent of increase is the very occasion for the development of capital value without saving anything whatever in the sense of sacrificed or reduced consumption. Russia has benefited greatly by modern mechanics, though not as greatly as she might have benefited from their capitalistic development. She has not benefited by "tightening her belt"; the Czars had that belt too tight already. (Cf. comment on Paul Baran in Remarks of Hon. Fred L. Crawford, Congr. Record, Feb. 28, 1945; reprinted in Commercial & Financial Chronicle, March 29, 1945.)

By the same token, we have not "tightened our belts" materially in order to form "capital" equipment for war; creation of physical equipment on a vast scale has been accompanied by a general increase in civilian welfare. (Our capital structure has suffered more or less for lack of maintenance; but in view of obsolescence precipitated and offset by wartime innovations, this may prove less of a capital loss than might at first appear.) As to money incomes, had we sacrificed ("saved") the whole national, prewar money income (which has been far from the case), it still could not have sufficed to pay for the war budget et. Indeed monetary savings have not been as greatly involved as Treasury statistics have made it appear. In order to sell its bonds by patriotic appeal, so as to reduce the swelling of Treasury cash balances to bolster bank "reserves," the Treasury has deliberately developed the misrepresentation that the extent of war materiel has been dependent on belt-tightening (saving)—an appeal which is a tacit admission that war bonds lack a sensible appeal for most investors (outside of banks) despite the relatively high (though actually low) rate of interest assigned. This essentially false pretense as to war finance makes it definitely difficult to overcome what Dr. Joseph E. Goodbar (in "Managing the People's Money," p. 10) has called the "great difficulty" which "the average man has in understanding how it is possible for banks to accumulate deposits so vastly greater than the current amount of coin and currency in circulation." There is thus little public understanding of the truth about the most elemental facts of finance which must be dealt with politically and cannot without disaster be left to automatic adjustments.

Fostered by these financial illusions, the widespread notion prevails that in the most terrible and destructive war of history we

have by saving formed immense capital values. All we have now to do, accordingly, to provide full post-war employment and prosperity, is to keep the war mills and factories operating by conversion to civilian production—profitless production, withal, for they clearly cannot all be operated profitably since they are not as of today of much capital value, and only the most modern of them can be converted to such value because of the obvious overcapacity. Nevertheless, our capacity for producing for civilian consumption has been put down in the Utopian terms of the cost of the war in dollars. On this basis we are told that OPA can and eagerly will remove its controls when reconversion to full civilian production has been attained. (In cases of profit-absorption by loss accounts, how will these absorbers, left to shift for themselves when profitable lines are released, ever get into production? Might we import some "Keynes's entrepreneur who needs very little profit incentive to keep him at work?") In attaining "full" production, however, not only are we ourselves to "consume according to need"—or even greatly in excess of that standard!—but we must, with the aid of Bretton Woods and other deficit financing of "reciprocal" trade, lift up all men and vouchsafe to everyone, everywhere, all over the world, not only freedom from want but four and forty other freedoms, *ad libitum!* All this and heaven too in the name of the formation of capital by savings! [Cf. "The Challenge of Peace-time Abundance," by O. Max Gardner, N. Y. "Times" Magazine, July 8, 1945. The Financial News (London, July 11) carries this analysis to the extreme of its absurdities by asserting that the late, unlamented depression was due to "excessive raw material production" and predicting that without worldwide "planning"—for scarcity!—"excessive industrial production" will cause another depression.]

"The Theory of Econometrics"

the truth which, as it seems, Senator Taft fumbled, was almost clarified not long ago by Reinhardt and Davies when they observed in 1932 (Principles and Methods of Sociology, p. 538) that: "Taken as a whole, capital is not normally the result of saving, but is the product of the social income arising primarily from the earliest unearned increment of land." For by what kind of ledger-deman in accumulating something produced and "saved", can capital value in natural resources be formed? Not the bare physical content, but the form and context of its existence in a human social environment confer the elusive quality of value upon the physical content of nature. Our wits, not our work or our wishes, contribute value; and not always our individual intelligence, but our luck in acquiring title to resources which become valuable through techniques developed by other peoples' wits, may be involved. There can be no doubt that this is the nature of land rent; the "unearned increment," that gives land a capital value that cannot be explained as the result of "investing" anything "saved."

The implication of Senator Taft's remark that depreciation reserves are not savings because all they accomplish is the preservation of old capital; is that all additions to value—all formation of new capital—are "savings," to be so-called, because they can only be the result of accumulating what would otherwise have been consumed. That this is highly orthodox theory, with the virtually unified backing of social "scientists," may be illustrated by the following definitions drawn from a recent text on "The Theory of Econometrics" by Prof. Harold T. Davis, Indiana mathematician. The author begins by admitting that his treatment "will fail to attain the strict requirements of

science." Wealth, however, consists of all "consumable utilities which require labor for their production and can be appropriated and exchanged." The word "capital," he adds, "has been introduced into economics to designate that part of wealth which has been reserved to increase wealth." Income, he explains, is "a result of the expenditure of disutility or the employment of capital."

But what is the "utility" upon which these definitions rest? It is "opportunity" or a "satisfaction obviously psychic in character, and as yet there exists no objective measure for it." Yet somehow, not explained, the text goes on to say that "goods," which are wealth are "consumable utilities" and therefore "opelmic," are "measured in terms of a money unit" when they are "income." Measured, but not "objectively" measured? What kind of figures are not an "objective measure"? None that have any meaning. Since, admittedly, figures cannot be applied to "psychic" income which affords "opelimity," therefore nothing having utility can be evaluated in figures; and prices are meaningless if these definitions are meaningful!

This logical dilemma is identical with that of Alfred Marshall and many of his disciples, such as J. M. Clark. Small wonder that one outstanding "authority" on these psychic problems in valuation, Prof. Lionel Robbins of the London School of Confusion worse confounded, protests against being tied down to defining "wealth" at all! From a more palpably Marxian professor (Maurice Dobb of Cambridge in "Political Economy and Capitalism") we have a penetrating analysis of the development of the "marginal utility" concept which underlies the "econometric" definitions given above:

"Utility as something individual and subjective was the quantity to which value was anchored. Value was expressed as a function, not of utility treated as an aggregate, but of the increment of utility at the margin of consumption; . . . a subjective relation between commodities and individual states of consciousness was taken as the determining constant in the equational system." Also the idea "owed its invention in part to the use of conceptions of the differential calculus with its emphasis on increments of a quantity and rates of increment." While an economic theory must be quantitative in form "there has been some dispute as to whether utility, so defined, can properly be treated as a quantity at all."

Of the "econometric" explanation that "those skilled in mathematical analysis know that its object is not simply to calculate numbers but that it is also employed to find the relations between magnitudes which cannot be expressed in numbers," Dobb would point out that "an economic law is not merely a conditional sentence stating that if a situation be defined in this or that way it will necessarily have that attribute. Such is mere tautology." It has been, indeed, "a growing fashion to say, with Cassel—the Swedish economist, recently deceased—"that a theory of value is unnecessary and that all the requisite propositions can be enunciated simply in terms of an empirical theory of price." (Cf. J. M. Clark, Hearings, House Committee on Banking and Currency, H. R. 5479 (Price Control) Sept. 17, 1941, p. 694: "Exchange value is the power to command a price; viz., the power of which price is a measure.")

"Prices (in this theory) are the resultant of certain schedules . . . empirically observed . . . and economics as a science of 'catalactics' (exchange) is presented as the last word of amoral purity and scientific objectivity," says Dobb, continuing his oblique compliment to Cassel. "But is this escape a legitimate mode of escape? Is it

an escape consistent with the requirements of a theory of value?"

"It may be perfectly proper to define exchange-value as 'the other commodities for which (a given thing) can be exchanged,' and it was so defined by Ricardo and Marx. But it does not follow that a determinate theory of value can be cast purely in such terms."

Cassel was so far seduced by this tail-chasing (tautological) illusion in value theory as to make the absurd statement that "productive processes resulting in material goods" have "nothing to do with social economy, which is concerned with satisfactions of the wants of its members, whatever they may be. . . ." If one adds to or subtracts from the material goods of a "social economy", just why would the wants of its members be any less involved than in the individual economy of a Robinson Crusoe? Was the Garden of Eden valueless to Adam and Eve before her (?) sin created scarcity? Are the bounties of nature most valuable to those who have the least supply of them, and vice versa? Is progress a paradox without poverty?

Cassel's logical faux pas came in attempting to measure value, by an additive "unit of measurement", defined as if he were selecting a standard by assuming that all economic values are homogeneous in character so that an average can be struck, called an "index," and used as a "unit" or standard. Imagine physicists employing lengths or weights measured by an average as a unit!

What needs to be emphasized is that the implication of the analysis of value offered by presently dominant economic theory is that value is measured and determined by cost—by expenditure, disutility, sacrifice, or other "price paid" in exchange for goods and services. This is variously detailed as "purely relative," etc.; but it all boils down to the fatuity of trying to harmonize a subjective theory of value with the objective facts of existence. Because this objective background is not directly obvious to business, wherein limitations (such as "overhead" and "meeting a payroll") are commonly a matter of monetary costs determined by price and wage levels, we have developed a purely empirical cost theory of value, more or less camouflaged by an eristic terminology regarding the "formation of capital" by "savings and investment," all of which implies that prices and values are one and the same thing—that pricing is a cumulative, not a speculative, phenomenon in which only (and often, any—as in pleas for relief from OPA ceilings) antecedent costs are justifiable.

In this typically communistic doctrine, money is a ticketing system (rather than a medium of exchange) which represents, like each share of stock in a corporation, title to a share in the values which have been bought and paid for by expenditure, initially in wages paid out for labor-hours which become "embodied" in values or prices; which terms become synonymous. Value is not accounted for in figures except as a matter of cost; there simply is no recognized or recognizable system of value-accounting to offset against cost-accounting—no theory of value that can be reduced to figures by any procedure other than cumulative costs (such as may be added and averaged into an "index"; see Bassett Jones' article cited above, on the statistical absurdities in price "level" to which this leads).

There is therefore no basic difference between the appraisal doctrines of Adam Smith ("Adam Smith called . . . the price in terms of units of labor or services, the real price"; Webster's New International Dictionary, 2nd Ed. unabridged, p. 1961) and those of Karl Marx; or between those of Senator Taft or of George O.

May (in "Financial Accounting" as "distilled from experience," p. 87: "When property is new, cost and value are normally the same") and those of John Carson in his analysis of "monopoly profits" as against the "cooperative" system of "patronage returns." (See Congr. Record Appendix, Remarks of Hon. H. Jerry Voorhis, May 26 and 28, pp. A2726 and A 2739.) All are predicated on the illusory idea that money is a standard of value, not a medium of exchange in a competitive system of creative intelligence in developing value as a thing apart from costs and involving introduction of risk as between profit and loss. No understandable theory exists behind the "conservatism" which has a hunch that something is wrong with communism but for its part is continually devising devious ways of camouflaging the same ideas.

(For recent example, the Wherry amendment to OPA, which actually passed the Senate, added a farm "profit" as a final cost to the market accumulation of costs in price. This is in precise accord with the notion that an increment of "profit" must be added to interest as an "investment incentive," as if interest alone were not a competent incentive! See D. McCord Wright, "The Future of Keynesian Economics," in Am. Ec. Rev., June, 1945, especially pp. 301-302. As Mrs. Robinson says, profit aside from interest has no place as a cost; but she ignores the moral justification for purely speculative gains and losses as a matter, not of income, but of capital accounting.)

In this entrepreneurial concept of the "profit" system as a series of cumulative commissions for supposedly productive services, no place in legitimacy is left for that speculative competition which Hayek wants planned but fails himself to plan for — as against the ubiquitous, not to say iniquitous, system of "planning" the simple-minded accumulation of costs and the distribution "according to need" of hypothetically resulting values. As if the whole competitive economy could, by "planning," be made subject to the same non-competitive considerations in distribution as is developed within the individual family where no accounting is called for! As if all of us could be transformed, by "planning," into one great happy family—a "brotherhood of man" joyfully cooperating in a perpetual Garden of Eden!

Nothing remotely resembling a Garden of Eden, with its freedom from want, can be realized for more than a fraction of human population. The best we can do is to minimize scarcity—nor can atomic energy materially affect a situation in which an excess of power is already at hand. Some scarcity, erratically recurrent in "business cycles," is a needless "poverty in the midst of potential plenty"; but this is no justification for the notion that all scarcity is needless. (See "Population Problems of a New World Order," by Prof. Karl Sax of Harvard, reprinted from the Scientific Monthly in the Congr. Record, Jan. 21, 1944, vol. 90, p. 519. Cf. also the "social organism" fallacy noted in footnote 3a, p. 91, Commercial & Financial Chronicle, July 5, 1945.) The so-called abundance of war is illusory except as war finance has served, cruelly and by dangerous inflation, to offset the peacetime deflationary aspect of the existing system of bank credit and its more or less chronic depression of business below a normal level, with resultant unemployment.

Editor's Note: The foregoing is the second installment of Mr. Potter's paper, the first part having appeared on the cover page of Section 2 of the issue of Aug. 30. The next part will be given in the "Chronicle" of Sept. 13.]

Weekly Coal Production Statistics

The total production of bituminous coal and lignite in the week ended Aug. 25, 1945 is estimated at 12,000,000 net tons, an increase of 5,740,000 tons over the preceding week which included two holiday days. Output in the corresponding week of 1944 was 12,076,000 tons. The total production of soft coal from Jan. 1 to Aug. 25, 1945 is estimated at 381,076,000 net tons, a decrease of 7.7% when compared with the 413,078,000 tons produced during the period from Jan. 1 to Aug. 26, 1944.

ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE (In Net Tons)

	Week Ended		Jan. 1 to Date	
	Aug. 25, 1945	Aug. 18, 1945	Aug. 25, 1945	Aug. 26, 1944
Bituminous coal & lignite:	12,000,000	6,260,000	381,076,000	413,078,000
Total, incl. mine fuel	2,000,000	1,361,000	1,906,000	2,035,000
Daily average	2,000,000	1,361,000	1,906,000	2,035,000

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

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

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

State—	Week Ended		
	Aug. 18, 1945	Aug. 11, 1945	Aug. 19, 1944
Alabama	224,000	382,000	362,000
Alaska	4,000	5,000	5,000
Arkansas and Oklahoma	63,000	91,000	95,000
Colorado	76,000	133,000	150,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	630,000	1,315,000	1,439,000
Indiana	262,000	501,000	546,000
Iowa	30,000	44,000	45,000
Kansas and Missouri	99,000	119,000	168,000
Kentucky—Eastern	465,000	883,000	963,000
Kentucky—Western	252,000	351,000	350,000
Maryland	19,000	36,000	38,000
Michigan	2,000	3,000	3,000
Montana (bitum. & lignite)	68,000	96,000	95,000
New Mexico	16,000	28,000	34,000
North & South Dakota (lignite)	40,000	43,000	40,000
Ohio	435,000	788,000	671,000
Pennsylvania (bituminous)	1,375,000	2,800,000	2,881,000
Tennessee	66,000	134,000	133,000
Texas (bituminous & lignite)	1,000	2,000	2,000
Utah	64,000	121,000	123,000
Virginia	173,000	321,000	377,000
Washington	18,000	28,000	28,000
West Virginia—Southern	1,084,000	2,044,000	2,141,000
West Virginia—Northern	668,000	1,083,000	1,070,000
Wyoming	124,000	187,000	174,000
Other Western States	1,000	1,000	
Total bituminous & lignite	6,260,000	11,540,000	11,934,000

†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.

Subscriptions to and Allotments of Treasury Cfts.

The Secretary of the Treasury announced on Aug. 29 the final subscription and allotment figures with respect to the current offering of 7/8% Treasury Certificates of Indebtedness of Series G-1946, open to the holders of Treasury Certificates of Indebtedness of Series F-1945, maturing Sept. 1, 1945, or Treasury Bonds of 1945-47, called for redemption on Sept. 15, 1945. The offering was referred to in our issue of Aug. 23, page 840.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District—	Certificates Exchanged		Bonds Exchanged		Total Exchanges
	Amount	Value	Amount	Value	
Boston	\$126,072,000	\$26,992,000	\$26,992,000	\$153,064,000	
New York	2,028,784,000	687,469,000	687,469,000	2,716,253,000	
Philadelphia	83,489,000	35,318,000	35,318,000	118,807,000	
Cleveland	128,615,000	17,482,000	17,482,000	146,097,000	
Richmond	52,500,000	1,904,000	1,904,000	54,404,000	
Atlanta	64,890,000	9,990,000	9,990,000	74,880,000	
Chicago	367,168,000	71,690,000	71,690,000	438,858,000	
St. Louis	62,879,000	4,604,000	4,604,000	67,483,000	
Minneapolis	49,824,000	11,925,000	11,925,000	61,749,000	
Kansas City	102,754,000	10,248,000	10,248,000	113,002,000	
Dallas	53,594,000	3,258,000	3,258,000	56,852,000	
San Francisco	294,478,000	26,415,000	26,415,000	320,893,000	
Treasury	1,794,000	309,000	309,000	2,103,000	
Total	\$3,416,641,000	\$907,604,000	\$907,604,000	\$4,324,245,000	

Chinese-Russian Alliance Announced

An agreement of alliance and friendship, to run for a period of 30 years, was signed at Moscow on Aug. 14 by China and the Soviet Union, and made public by the two nations simultaneously on Aug. 26, the Associated Press reported from Chungking, on Aug. 27.

The agreement as signed is said to be of the broadest possible scope, covering a far wider range than the Chinese had in mind when Chinese Premier T. V. Soong first commenced his discussions with Soviet leaders; it was Russia, the Associated Press stated, which proposed that all questions be settled in an agreement which really meant something. The treaty ends a long undercurrent political strain between the two great Asiatic Powers, the Associated Press continued, which were brought about by the activities of Chinese communist elements who frequently have been at odds with the Central Government in Chungking. It is noted in these advices that a race between Chungking and communist forces to occupy North China cities and capture Japanese arms there had brought

about a threat of civil war since the capitulation of Nipponese troops.

The agreement provides for its own renewal automatically for "an unlimited period" unless within one year before the expiration date one of the signatories notifies the other that it desires to end the pact.

Other outstanding features of the agreement between the two nations as reported by the Associated Press are:

The establishment of Dairen in Manchuria as a free port open to all nations, but administered by China.

The Manchurian city of Port Arthur to be used jointly as a port and naval base by Russia and China.

Russia and China to operate jointly the Chinese Eastern and Southern Manchuria railroads.

China to recognize the independence of Outer Mongolia if the people there indicate by a plebiscite they want independence.

Russia to respect Outer Mongolia's political independence and territorial integrity.

Russia to avoid interference in internal affairs of Sinkiang Province, between Mongolia and Tibet, which embraces Chinese Turkistan,

Outer Mongolia, a vast area lying along the Siberian border and rich in minerals, wool and furs, actually has not paid allegiance to the Central Chinese Government since 1924, operating under a people's government set up along Soviet lines.

The Chinese Eastern and Southern Manchuria railways will be consolidated as the "Chinese Changchun Railroad" and will be operated as a purely commercial enterprise, except in case of war with Japan, when the railroad will be used for transportation of Russian troops.

Port Arthur, taken by the Japanese from the Russians in a bloody siege in the Russian-Japanese war forty years ago, will be defended by the Soviet Navy under terms of the treaty, but the civil administration of the port will be Chinese.

The Associated Press points out that the alliance brought closer the old dream of Sun Yat-sen of close friendship between two of the world's most populous countries.

Just before his death, in 1925, Sun declared in a letter to Moscow that "I hope the day will come when the Soviet Union will find in a powerful China a brother, an ally, and that both will work hand in hand for the liberation of nations."

Inter-American Council Formed

An Inter-American Economic and Social Council has been formed to "promote progress and the raising of the standard of living for all the American peoples in the postwar period," according to an announcement by the Board of Governors of the Pan American Union on Aug. 29, a special dispatch from Washington to the New York "Times" states.

The Board also announced that Oct. 20 a series of meetings would begin at Rio de Janeiro among representatives of the Inter-American Conference for the Maintenance of Peace and Security. This group will draw up a treaty to "give permanent form to the principles embodied in the Act of Chapultepec" signed at the Mexico City conference on Mar. 3, it was announced.

Secretary of State James F. Byrnes presided over the meeting of the Board of Governors which took these steps to cement more firmly the welfare and interdependence of the republics in the Western Hemisphere.

The "Times" advices also stated: The Act of Chapultepec cited in today's statement provides for mutual assistance should any one of the American republics be attacked or otherwise be made the victim of an act of aggression. By the terms set forth in the Mexico City conference, however, provisions of the act are limited to the period of the war.

The new Inter-American Economic and Social Council was named to replace the former Inter-American Financial and Economic Advisory Committee to the Pan American Union. The committee was organized in 1939 as an emergency agency and has functioned at the Pan American Union during the last six years.

The Council will consist of one representative from each of the American republics and as many technical advisers as the separate Governments may care to designate, the Union said. The group will be the coordinating agency for all official Inter-American "economic and social activities."

"Its purpose is to promote social progress and the raising of the standard of living for all the American peoples," the Pan American Union said, "and undertake studies and prepare reports on economic and social matters for the use of the American republics."

The Union's Board of Governors will appoint the secretary-general of the Council. He also

will serve as administrator of economic and social activities of the Union, and, in that capacity, direct the division of the Union concerned with economic and social affairs.

Delegations of the American republics agreed at the United Nations Conference for International Organization at San Francisco that the meeting to give "convention form" to the Act of Chapultepec would be held in Rio de Janeiro. Invitations already have been issued by the Government of Brazil, which has organized the forthcoming conference, to the other American republics to be represented.

"Little Steel" Revise Asked by 70 in House

One of the last acts of House members before the long summer recess was to sign a petition asking President Truman to revise the "Little Steel" formula under which the Administration has limited basic pay rises to 15% above the wage prevailing on Jan. 10, 1941. The petition was signed by 70 House members, said the New York "Times" in a dispatch from Washington, July 20, which continued:

The office of Representative Holifield, Democrat of California, a leader in this movement, made public the list of the signatories, saying that they were asking for "an increase of at least 20% in the basic pay rate," but it developed almost at once that there was disagreement among his colleagues as to just how this was to be interpreted.

At the office of Representative De Lacy, Democrat of Washington, it was stated that he had signed on the understanding that what was being asked was a 20% increase on top of the 15% allowed under the policy of the War Labor Board.

Representative Voorhis, Democrat of California, said that he had not understood so sharp a rise was contemplated, apparently referring to the interpretation made in some quarters that what was being urged was a policy permitting rises up to 20%.

"Perhaps I did not examine the petition critically enough," he added. "At all events I thought the central purpose was not so much for some specific rise as for a revision of policy to take out the present rigidity."

For his part, Representative Gearhart, Republican, of California, another signer, agreed with the view that a fresh 20% increase was being sought, stating that this was very near to what he had proposed in a pending bill to grant another 15% or an aggregate of 30% above the level of Jan. 10, 1941.

Mr. Holifield himself was out of town. The statement issued under his name declared that the President would be asked "to revise" the present wage policy by executive order and "restore the original authority of the War Labor Board to approve or direct such wage adjustments as may be necessary and which will not substantially affect the cost of living."

"All the evidence of cutbacks, layoffs, loss of overtime pay and, in the case of merchant seamen, a direct cut in the pay envelope, point to economic troubles right ahead unless the present national wage policy is revised to permit an increase of at least 20% in the basic pay rate in order to keep up mass purchasing power and avoid sowing the seeds of a disastrous depression in the immediate future," it was asserted.

"We urge all members of Congress to sign this petition."

Of the 70 members thus far signing, 65 are Democrats, four are Republicans, and one—Representative Marcantonio of New York—a member of the American Labor party.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES* (Based on Average Yields)									
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Sept. 4	122.07	116.02	120.63	119.00	116.22	108.52	112.56	116.02	119.41
3	Stock Exchange Closed								
1	Stock Exchange Closed								
Aug. 31	122.09	116.02	120.84	119.00	116.22	108.52	112.56	116.02	119.41
30	122.09	115.82	120.63	119.00	116.02	108.34	112.56	115.82	119.41
29	122.09	115.82	120.63	119.00	116.02	108.34	112.56	115.82	119.41
28	122.09	115.82	120.63	119.00	116.02	108.34	112.56	115.82	119.41
27	122.09	115.82	120.63	119.00	116.02	108.34	112.56	115.82	119.41
25	Stock Exchange Closed								
24	121.91	115.82	120.63	119.00	116.02	108.16	112.56	115.63	119.41
23	121.69	115.82	120.63	119.00	116.02	108.16	112.56	115.63	119.20
22	121.61	115.63	120.63	119.00	115.82	107.98	112.56	115.63	119.20
21	121.70	115.63	120.84	118.80	115.82	107.80	112.56	115.63	119.20
20	121.75	115.82	120.84	119.00	116.02	107.98	112.56	115.63	119.41
18	Stock Exchange Closed								
17	121.91	115.82	120.84	119.00	116.22	108.16	112.56	115.82	119.41
16	Stock Exchange Closed								
15	Stock Exchange Closed								
14	122.09	115.82	120.84	119.00	116.22	108.16	112.75	115.82	119.41
13	122.11	115.82	120.84	119.00	116.02	108.34	112.75	115.63	119.41
11	Stock Exchange Closed								
10	122.14	116.02	121.04	119.20	116.02	108.34	112.93	115.82	119.41
9	122.15	116.02	121.04	119.20	116.22	108.34	113.12	115.82	119.41
8	122.20	116.02	121.04	119.20	116.02	108.34	112.93	115.82	119.20
7	122.25	116.02	120.84	119.00	116.02	108.34	112.93	115.82	119.00
6	122.33	116.02	120.84	119.20	116.02	108.34	113.12	115.82	119.00
4	Stock Exchange Closed								
3	122.36	115.82	120.84	119.20	116.02	108.16	112.93	115.82	119.00
2	122.30	116.02	120.84	119.41	116.02	108.16	112.93	115.82	119.20
1	122.28	115.82	120.84	119.41	115.82	108.16	112.93	115.82	119.20
July 27	122.39	115.82	120.84	119.20	115.82	108.16	112.93	115.63	119.00
20	122.80	116.02	121.04	119.41	116.02	108.34	112.93	115.63	119.41
19	122.89	116.22	121.04	119.61	116.22	108.34	113.31	115.63	119.61
13	122.92	116.02	121.04	119.41	116.02	108.16	112.93	115.63	119.61
6	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.43	119.41
29	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.20
22	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.20
15	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.20
8	122.81	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41
1	122.23	115.43	120.63	119.00	115.43	107.44	112.37	114.85	119.20
May 25	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20
18	122.31	115.43	120.63	118.80	115.43	107.27	112.19	114.66	119.41
11	122.26	115.24	120.84	118.40	115.43	107.09	112.19	114.46	119.41
4	122.38	115.24	120.84	118.40	115.24	107.09	112.00	114.27	119.41
Apr. 27	122.38	115.24	120.84	118.40	115.04	107.09	112.19	114.27	119.20
Mar. 31	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
Feb. 23	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41
Jan. 26	120.89	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
High 1945	123.05	116.22	121.04	119.61	116.22	108.52	113.31	116.02	119.61
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20
1 Year Ago	119.67	112.56	118.80	117.20	112.19	103.13	106.74	114.27	117.20
Sept. 5, 1944									
2 Years Ago	120.30	111.07	119.20	116.61	111.44	98.88	103.13	113.89	117.00
Sept. 4, 1943									

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)									
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Sept. 4	1.65	2.85	2.62	2.70	2.84	3.25	3.03	2.85	2.67
3	Stock Exchange Closed								
1	Stock Exchange Closed								
Aug. 31	1.65	2.85	2.61	2.70	2.84	3.25	3.03	2.85	2.68
30	1.65	2.86	2.62	2.70	2.85	3.26	3.03	2.86	2.68
29	1.65	2.86	2.62	2.70	2.85	3.26	3.03	2.86	2.68
28	1.65	2.86	2.62	2.70	2.85	3.26	3.04	2.87	2.68
27	1.65	2.86	2.62	2.70	2.85	3.26	3.03	2.87	2.68
25	Stock Exchange Closed								
24	1.67	2.86	2.62	2.70	2.85	3.27	3.03	2.87	2.68
23	1.69	2.86	2.62	2.70	2.85	3.27	3.03	2.87	2.69
22	1.69	2.87	2.62	2.70	2.86	3.28	3.03	2.87	2.69
21	1.69	2.87	2.61	2.71	2.86	3.29	3.03	2.87	2.69
20	1.68	2.86	2.61	2.70	2.85	3.28	3.03	2.87	2.68
18	Stock Exchange Closed								
17	1.67	2.86	2.61	2.70	2.84	3.27	3.03	2.86	2.68
16	Stock Exchange Closed								
15	Stock Exchange Closed								
14	1.66	2.86	2.61	2.70	2.84	3.27	3.02	2.86	2.68
13	1.66	2.86	2.61	2.70	2.85	3.26	3.02	2.87	2.68
11	Stock Exchange Closed								
10	1.65	2.85	2.60	2.69	2.85	3.26	3.01	2.86	2.68
9	1.65	2.85	2.60	2.69	2.84	3.26	3.00	2.86	2.68
8	1.65	2.85	2.60	2.69	2.85	3.26	3.01	2.86	2.69
7	1.65	2.86	2.61	2.70	2.85	3.26	3.01	2.86	2.70
6	1.64	2.85	2.61	2.69	2.85	3.26	3.00	2.86	2.70
4	Stock Exchange Closed								
3	1.64	2.86	2.61	2.69	2.85	3.27	3.01	2.86	2.70
2	1.64	2.85	2.61	2.68	2.85	3.27	3.01	2.86	2.69
1	1.64	2.86	2.61	2.68	2.86	3.27	3.01	2.86	2.69
July 27	1.64	2.86	2.61	2.69	2.86	3.27	3.01	2.87	2.70
20	1.60	2.85	2.60	2.68	2.85	3.26	3.01	2.87	2.68
19	1.60	2.84	2.60	2.67	2.84	3.26	2.99	2.87	2.67
13	1.60	2.85	2.60	2.68	2.85	3.27	3.01	2.87	2.67
6	1.60	2.85	2.60	2.69	2.85	3.27	3.01	2.88	2.68
29	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.69
22	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68
15	1.60	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68
8	1.64	2.88	2.62	2.70	2.88	3.31	3.04	2.91	2.69
1	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69
May 25	1.64	2.88	2.62	2.71	2.88	3.32	3.05	2.92	2.68
18	1.64	2.89	2.61	2.73	2.88	3.33	3.05	2.93	2.68
11	1.63	2.89	2.61	2.73	2.89	3.33	3.06	2.94	2.68
4	1.63	2.89	2.61	2.73	2.89	3.33	3.06	2.94	2.68
Apr. 27	1.63	2.89	2.61	2.73	2.90	3.33	3.05	2.94	2.69
Mar. 31	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69
Feb. 23	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68
Jan. 26	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72
High 1945	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
Low 1945	1.59	2.84	2.60	2.67	2.84	3.25	2.99	2.85	2.67
1 Year Ago	1.82	3.03	2.71	2.79	3.05	3.56	3.35	2.94	2.79
Sept. 5, 1944									
2 Years Ago	1.83	3.11	2.69	2.82	3.09	3.82	3.56	2.96	2.80
Sept. 4, 1943									

*These prices are computed from average yields on the basis of one "typical" bond (3 3/4% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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

National Fertilizer Association Commodity Price Index Shows Substantial Decline

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Sept. 4, declined rather substantially to 140.7 for the week ended Sept. 1, 1945, from 141.3 in the preceding week. This decline takes the index back to the level of May 26, 1945. A month ago the index stood at 141.7,

the highest point of the index which it first reached June 16, and a year ago at 138.5, all based on the 1935-1939 average as 100. The Association's report continued as follows:

Three of the composite groups of the index declined and one advanced, with the farm products group showing the greatest decline during the week. This group is now at the lowest point since Feb. 17. The cotton subgroup index advanced slightly but was much more than offset by the declines in the grains and livestock indexes. The than offset by the declines in the grains and livestock indexes. The grains index declined to the lowest point that it has reached in almost a year, with lower prices for wheat at Minneapolis and for most a year, with lower prices for wheat at Minneapolis and for barley more than offsetting the rise in the prices for wheat at Kansas City and for rye. The livestock index declined sharply as the result of small declines in the prices for cattle and lambs and a sharp downturn in the prices for eggs. The foods index declined moderately. The fuels index declined fractionally because of lower prices for bunker oil. A small advance was registered in the textiles group. All other groups of the index remained unchanged.

During the week 8 price series in the index declined and 3 advanced; in the preceding week 9 declined and 4 advanced; in the second preceding week 6 declined and 4 advanced.

WEEKLY WHOLESALE COMMODITY PRICE INDEX Compiled by The National Fertilizer Association 1935-1939=100*				
% Each Group Bears to Total Index	Group	Latest Preceding		Year Ago
		Week Sept. 1, 1945	Week Aug. 25, 1945	
25.3	Food	142.5	144.3	140.7
	Fats and Oils	145.2	145.2	145.0
	Cottonseed Oil	163.1	163.1	163.1
	Farm Products	164.8	167.2	168.4
	Cotton	212.7	211.4	214.4
	Grains	157.2	158.9	164.0
	Livestock	159.6	163.2	163.0
17.3	Fuels	134.4	134.5	133.3
10.8	Miscellaneous Commodities	132.8	132.8	133.9
8.2	Textiles	156.8	156.6	157.0
7.1	Metals	108.9	108.9	108.9
6.1	Building Materials	153.8	153.8	153.8
1.3	Chemicals and Drugs	125.8	125.8	125.8
.3	Fertilizer Materials	118.3	118.3	

Daily Average Crude Oil Production for Week Ended Aug. 25, 1945 Decreased 42,300 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Aug. 25, 1945 was 4,891,550 barrels, a decline of 42,300 barrels per day from the preceding week and 9,350 barrels less than the daily average figure as recommended by the Petroleum Administration for War for the month of August, 1945. The current figure, however, was 224,100 barrels per day in excess of the output in the week ended Aug. 26, 1944. Daily production for the four weeks ended Aug. 25, 1945, averaged 4,920,400 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,931,000 barrels of crude oil daily and produced 15,951,000 barrels of gasoline; 1,573,000 barrels of kerosene; 4,960,000 barrels of distillate fuel, and 9,356,000 barrels of residual fuel oil during the week ended Aug. 25, 1945; and had in storage at the end of that week 46,845,000 barrels of civilian grade gasoline; 37,848,000 barrels of military and other gasoline; 12,696,000 barrels of kerosene; 39,782,000 barrels of distillate fuel, and 46,201,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations August	*State Allowables Begin. Aug. 1	Actual Production Week Ended Aug. 25, 1945	Change from Previous Week	4 Weeks Ended Aug. 25, 1945	Week Ended Aug. 26, 1944
Oklahoma	380,000	388,000	1,389,000	- 2,000	390,450	342,000
Kansas	274,000	269,400	1,266,550	- 9,150	267,000	278,900
Nebraska	1,000		1,850		850	500
Panhandle Texas			88,000		88,000	98,700
North Texas			152,850		152,850	148,750
West Texas			526,650		526,650	484,950
East Central Texas			145,600		145,600	147,650
East Texas			380,950		380,950	371,700
Southwest Texas			361,650		361,500	321,600
Coastal Texas			567,600		567,600	535,200
Total Texas	2,190,000	\$2,195,012	2,223,300		2,223,150	2,108,600
North Louisiana			69,750	+ 400	69,750	73,500
Coastal Louisiana			295,700		295,700	288,950
Total Louisiana	360,000	400,800	365,450	+ 400	365,450	362,450
Arkansas	80,000	77,836	79,000	- 950	79,750	80,900
Mississippi	53,000		53,650	+ 1,450	53,600	45,900
Alabama	500		1,000	+ 50	900	200
Florida			200		200	50
Illinois	200,000		198,250	- 6,850	201,200	205,500
Indiana	13,000		13,100	- 350	13,300	13,000
Eastern (Not incl. Ill., Ind., Ky.)	65,200		65,750	+ 4,650	64,350	69,450
Kentucky	28,000		28,400	- 450	29,150	24,300
Michigan	47,000		46,700	- 300	48,050	50,600
Wyoming	118,200		115,050	- 90	115,050	85,100
Montana	22,000		20,350	- 50	20,400	19,600
Colorado	12,000		11,750	+ 1,050	11,500	8,650
New Mexico	105,000	105,000	102,900		102,900	106,050
Total East of Calif.	3,948,900		3,981,250	-16,300	3,987,300	3,801,750
California	952,000	\$952,000	910,300	-26,000	933,100	865,700
Total United States	4,900,900		4,891,550	-42,300	4,920,400	4,667,450

*PAW recommendations and State allowables, as shown above, represent the production of crude oil only, and do not include amounts of condensate and natural gas derivatives to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Aug. 22, 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. 25, 1945

(Figures in thousands of barrels of 42 gallons each)

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

District	% Daily Crude Refining Capacity	% Daily Crude Runs to Stills	% Operating	% Gasoline Production at Ref. Inc. Nat. Blended	% Stocks of Gas Oil & Dist. Fuel Oil	% Stocks of Residual Fuel Oil	% Stocks of Mill-Grade Gasoline	% Stocks of Civilian Grade Gasoline
East Coast	99.5	803	101.5	2,291	11,091	7,733	5,257	9,041
Appalachian								
District No. 1	76.8	101	69.2	285	494	270	1,726	1,262
District No. 2	81.2	62	124.0	184	533	184	244	653
Ind., Ill., Ky.	87.2	768	89.6	2,804	5,746	2,876	5,559	12,477
Okla., Kan., Mo.	78.3	395	84.4	1,489	2,381	1,393	1,497	6,234
Inland Texas	59.8	255	77.3	1,032	562	973	1,040	1,495
Texas Gulf Coast	89.3	1,210	97.8	3,840	5,433	5,867	10,142	6,030
Louisiana Gulf Coast	96.8	250	96.2	793	1,663	1,023	1,934	1,998
No. La. & Arkansas	55.9	64	50.8	170	790	224	177	2,202
Rocky Mountain								
District No. 3	17.1	13	100.0	39	21	38	15	77
District No. 4	72.1	108	67.9	372	392	646	609	1,290
California	87.3	901	90.4	2,687	10,676	24,974	9,648	4,086
Total U. S. B. of M. basis Aug. 25, 1945	85.8	4,931	90.7	15,986	39,782	46,201	*37,848	46,845
Total U. S. B. of M. basis Aug. 18, 1945	85.8	5,140	94.6	15,890	38,675	44,845	39,294	46,691
U. S. B. of M. basis Aug. 26, 1944		4,690		14,242	40,538	59,396	37,438	41,731

*Includes aviation and military gasoline, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending gasoline currently indeterminate as to ultimate use, and 10,657,000 barrels unfinished gasoline this week, compared with 11,705,000 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 1,573,000 barrels of kerosene, 4,960,000 barrels of gas oil and distillate fuel oil and 9,356,000 barrels of residual fuel oil produced during the week ended Aug. 25, 1945, which compares with 1,627,000 barrels, 5,344,000 barrels and 9,934,000 barrels, respectively, in the preceding week and 1,424,000 barrels, 4,486,000 barrels and 8,558,000 barrels, respectively, in the week ended Aug. 26, 1944.

Note—Stocks of kerosene at Aug. 25, 1945, amounted to 12,696,000 barrels, as against 12,046,000 barrels a week earlier and 13,101,000 barrels a year before.

Non-Ferrous Metals—Lead Restrictions to Be Further Eased—Silver & Cadmium Active

"E. & M. J. Metal and Mineral Markets," in its issue of Aug. 30, stated: "The lead section of WPB last week was at work on a revision of the lead order to release more metal for white lead and other products that have been held down sharply during the period when the supply situation appeared to be uncertain. Some observers believe that the revised order will be ready in a few days. On Aug. 23 OPA announced that it has suspended price control on quicksilver, aluminum, and magnesium. FEA will end mica purchases abroad in December. Inventory control on materials in light supply continues. Demand for foreign silver and cadmium was active last week." The publication further went on to say, in part, as follows:

Copper

Sales of copper for September delivery will absorb the domestic production as well as between 25,000 and 30,000 tons of foreign metal, market authorities believe. With current imports in good volume, the Government's stockpile at the end of August is expected to increase to around 385,000 tons. Speculation on the position that FEA will take in tapering off its purchases of copper abroad through MRC continues. Until policy has been definitely fixed in Washington, FEA is proceeding with its "tentative" program of cancelling some contracts and allowing other purchase agreements to expire. In most instances copper contracts run through October. Options on the purchase of additional tonnages of copper in Canada will not be taken up, it is believed in copper circles here.

Lead

Lead restrictions are about to be eased by WPB, which, among other things, should divert more metal into the production of pigments. At the same time the regulations regarding antimonial lead are to be revised, lowering the percentage of antimony that may be contained in the alloy, probably to 9%.

Demand for lead was sufficient to create the impression that consumption is holding at about 60,000 tons a month. Sales during the last week involved 2,348 tons.

The strike at Federal has not yet been settled, but conditions are more favorable for an early adjustment of the difficulties.

Shipments of refined lead produced at domestic refineries amounted to 36,597 tons in July, against 39,658 tons in June, and 42,966 tons in July last year, the American Bureau of Metal Statistics reports. Production in July amounted to 40,300 tons, against 38,626 tons in June, and 40,471 tons in July last year.

Stocks of refined lead in the hands of domestic producers increased during July to 41,145 tons. The gain in stocks has been steady ever since the beginning of the year, when the total on hand amounted to only 19,536 tons. In addition to the stocks in the hands of refiners, the Government's stockpile now amounts to roughly 90,000 tons, which compares with the recent low of 65,000 tons.

Zinc

Demand for zinc continued on the quiet side, and, excepting Prime Western, the volume of business booked so far for next month has been below the average of recent months. Until production of automobiles and electrical equipment gets going on a large scale, stocks of High Grade are expected to increase. Canadian producers hope for a larger share of business in High Grade in this market as soon as demand improves.

Nickel

Munitions Minister Howe, Canada, announced last week that all control restrictions on nickel mill products have been removed.

Tin

The FEA has not yet reached an agreement with Bolivian producers on extending tin concentrate contracts. Bolivia exported tin concen-

President Wants Child Care Centers Cont'd

The problem of how to meet the need of keeping open nursery centers throughout the country, which will cease to draw support from the Lanham Act Fund which terminates Oct. 31, has caused President Truman to seek a solution through asking Congress to take the necessary steps when it reconvenes, according to a special dispatch to the New York "Times" from Washington, Aug. 27. These advices stated that the President said that he had asked Gen. Philip Fleming, Administrator of the Federal Works Agency, "if possible to obtain authority to continue the centers," which he said were necessary for the benefit of working wives of service men.

Protest against the closing of the nursery schools, the "Times" report continued, coming from communities all over the country, had asked continuance, by Presidential directive, and had emphasized that many service men's wives had to keep on working until their husbands returned. The "Times" advices added:

The statement by President Truman explained that appropriations recently made for child care centers "were based on the understanding that such assistance would be terminated when women workers were no longer needed for war production." It told, too, of "local communities not yet able, immediately, to continue needed centers without assistance," and pointed out that "a typical situation is that in which mothers, who are the wives of service men, must continue to work until their husbands return from overseas."

Keeping the promise of war-end termination of Federal aid to child care, General Fleming, by administrative order, had set a closing date three months after the end of actual combat.

Mothers who organized to protest here, pointed out that funds still were available to continue the centers. Underlying General Fleming's order was believed to be the fact that, as a construction agency, the FWA seeks to concentrate on actual building activities now that materials are becoming available.

All Federal agencies concerned with child care were canvassing immediate and long-range possibilities today in the hope that Congress would take some action which might tide the care of children of working mothers through reconversion. Longer-range legislation, such as the Pepper bills for nursery schools and enlargement of welfare grants, also was being discussed. The Office of War Mobilization and Reconversion was considered the logical agency to direct a reconversion child-care program if the FWA undertakings were terminated, with long-established child-care agencies such as the Children's Bureau and the Office of Education in charge.

Savs. Accts. Up in July

Individual savings accounts of the 37 member associations of the Council of Insured Savings Associations of New York State increased by \$2,297,872 or 1.2% for the month of July, it was announced on Aug. 21. Gross savings receipts for the month set a new high record, totaling \$8,346,204. In the last twelve months it is stated individual savings account balances increased by \$36,735,541 or 24%. Resources of these 37 insured savings associations on July 31 totaled \$215,993,713 and their savings accounts numbered 202,002. Through the Seventh War Loan Drive they had sold 617,459 "E" bonds and had invested and held in their own account \$59,498,000 in government bonds or 27.6% of their total resources.

trates containing 24,718 metric tons of tin in the first seven months of 1945. This compares with 19,998 tons in the Jan.-July period last year and 22,389 tons in the same time two years ago.

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

	Sept.	Oct.	Nov.
Aug. 23	52.000	52.000	52.000
Aug. 24	52.000	52.000	52.000
Aug. 25	52.000	52.000	52.000
Aug. 27	52.000	52.000	52.000
Aug. 28	52.000	52.000	52.000
Aug. 29	52.000	52.000	52.000

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

Quicksilver

OPA has suspended price control on quicksilver, announcement to that effect being made in Washington on Aug. 23. This action carried no weight in the market for the metal.

Demand for quicksilver during the last week showed no improvement, and the price situation on quantity business was so confused that operators in most instances refused to name even a nominal figure at which the metal could be sold. On one to three flasks sellers asked around \$125 per flask, but on 25 flasks or more \$120 would have been acceptable in more than one direction. In fact, August shipment from the Pacific Coast was offered at \$118.

San Francisco advices under date of Aug. 28 state: "Producers not quoting. Information from official sources indicates that 28,000 flasks of quicksilver were imported during the first half of 1945. Private estimates place July imports at 18,000 flasks."

Silver

Demand for foreign silver has been active, with business limited in volume because of a dearth in offerings. Both the jewelry industry and makers of solders have been interested in obtaining silver of foreign origin because of the spread between foreign and domestic prices that favors the imported material.

The London silver market was unchanged last week at 25½d. The New York Official for foreign silver held at 44¾c, with domestic at 70¾c.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Aug. 31 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Sept. 6 and to mature Dec. 6, 1945, which were offered on Aug. 28, were opened at the Federal Reserve Bank on Aug. 31.

The details of this issue are as follows:

Total applied for, \$1,932,337,000. Total accepted, \$1,306,033,000 (includes \$48,420,000 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, 99.909, equivalent rate of discount approximately 0.360% per annum.

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

(94% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Sept. 6 in the amount of \$1,302,298,000.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Aug. 29 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. 11, 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. 11 (in round-lot transactions) totaled 1,962,745 shares, which amount was 17.30% of the total transactions on the Exchange of 5,674,200 shares. This compares with member trading during the week ended Aug. 4, of 1,378,040 shares, or 17.38% of the total trading of 3,965,850 shares. On the New York Curb Exchange, member trading during the week ended Aug. 11 amounted to 385,235 shares or 14.31% of the total volume on that exchange of 1,345,985 shares. During the week ended Aug. 4 trading for the account of Curb members of 306,860 shares was 15.96% of the total trading of 961,490 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 11, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales	239,460	
Other sales	5,434,740	
Total sales	5,674,200	
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	642,100	
Short sales	108,530	
Other sales	506,970	
Total sales	615,500	11.08
2. Other transactions initiated on the floor—		
Total purchases	163,020	
Short sales	22,600	
Other sales	137,570	
Total sales	160,170	2.85
3. Other transactions initiated off the floor—		
Total purchases	184,775	
Short sales	21,500	
Other sales	175,680	
Total sales	197,180	3.37
4. Total—		
Total purchases	989,895	
Short sales	152,630	
Other sales	820,220	
Total sales	972,850	17.30

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

WEEK ENDED AUGUST 11, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales	14,700	
Other sales	1,331,285	
Total sales	1,345,985	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	118,765	
Short sales	4,085	
Other sales	128,155	
Total sales	132,240	9.32
2. Other transactions initiated on the floor—		
Total purchases	20,650	
Short sales	1,500	
Other sales	19,570	
Total sales	21,070	1.55
3. Other transactions initiated off the floor—		
Total purchases	37,765	
Short sales	600	
Other sales	54,145	
Total sales	54,745	3.44
4. Total—		
Total purchases	177,180	
Short sales	6,185	
Other sales	201,870	
Total sales	208,055	14.31
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
Customers' other sales	54,317	
Total purchases	54,317	
Total sales	46,993	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.
 †In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.
 ‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."
 §Sales marked "short exempt" are included with "other sales."

Wholesale Prices Unchanged in Week Ended Aug. 25, Labor Department Reports

Primary market prices were generally stable, except for agricultural commodities, during the week ended Aug. 25, said the U. S. Department of Labor on Aug. 30. It reports that a slight decrease in average prices for farm products counterbalanced an increase for foods, leaving the Bureau of Labor Statistics' index of commodity prices unchanged from the preceding week at 105.5% of the 1926 average. Since the end of July the index has declined 0.3% to a level 1.9% higher than in last August, 1944, according to the Department which also reported:

"Farm Products and Foods—Lower quotations for grains and livestock, which more than offset higher prices for fresh fruits and vegetables, reduced the group index for farm products 0.2% during the week. Rye quotations were off 4.6% with reduced demands for food and distilling. Barley, oats, and wheat were also lower, reflecting larger supplies. Corn advanced fractionally. Prices for cows, calves, and steers declined with the heavy run of grass fed animals to market. Sheep quotations were fractionally lower. There were sharp advances for lemons and oranges. Apples increased in New York, reflecting a ceiling adjustment, and in Portland, Oregon, but declined in Chicago. White potatoes and onions declined seasonally.

There were price advances for eggs in Philadelphia and San Francisco and a decline in New York. Quotations for cotton dropped 1.3%, reflecting the abundant supply and the cancellation of some government contracts for textiles. The group index for farm products was 2.3% below the level of a month ago and 4.0% above the last week in Aug. 1944.

"Average prices for foods rose 0.3% because of the advance for fresh fruits and vegetables. Quotations for rye and wheat flour were lower, in keeping with weakness in grain markets. On the average foods were 0.7% below late July 1945 and 2.5% above last year.

"Other Commodities — There were no important price movements for other commodities during the week. Mercury quotations dropped 3.2% continuing the downward movement which has persisted during most of 1945. Ergot prices advanced 4.6% and there were slight increases for bituminous coal, sand and gravel, and lime. Boxboard declined fractionally. These changes did not affect the group index for all commodities other than farm products and foods, which remained at 100.1% of its 1926 average, 1.4% above the corresponding week of last year."

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 28, 1945 and Aug. 26, 1944 and (2) percentage changes in subgroup indexes from Aug. 18, 1945 to Aug. 25, 1945.

WHOLESALE PRICES FOR WEEK ENDED AUG. 25, 1945

Commodity Groups—	1945				1944				Percentage change to Aug. 25, 1945, from—		
	8-25	8-18	8-11	7-29	8-26	8-10	7-28	8-26	1945	1944	1944
All commodities	105.5	105.5	105.7	105.8	103.5	0	-0.3	+1.9			
Farm products	126.7	127.0	128.3	129.7	121.8	-0.2	-2.3	+4.0			
Foods	106.6	106.3	106.9	107.4	104.0	+0.3	-0.7	+2.5			
Hides and leather products	118.5	118.6	118.5	118.5	116.6	0	0	+1.6			
Textile products	99.1	99.1	99.1	99.1	97.6	0	0	+1.5			
Fuel and lighting materials	85.3	85.3	85.2	84.8	83.7	0	+0.6	+1.9			
Metals and metal products	104.8	104.8	104.8	104.8	103.8	0	0	+1.0			
Building materials	113.2	118.2	117.3	117.3	116.0	0	-0.8	+1.9			
Chemicals and allied products	95.3	95.3	95.2	95.2	95.5	0	+0.1	-0.2			
Housefurnishing goods	106.2	106.2	106.2	106.2	106.0	0	0	+0.2			
Miscellaneous commodities	94.6	94.6	94.6	94.6	93.3	0	0	+1.4			
Raw materials	116.9	116.9	117.7	118.5	112.5	0	-1.4	+3.9			
Semimanufactured articles	95.4	95.4	95.3	95.2	93.9	0	-0.2	+1.6			
Manufactured products	102.1	102.1	102.0	101.9	101.0	0	+0.2	+1.1			
All commodities other than farm products	106.8	106.8	106.7	106.6	99.5	0	+0.2	+1.3			
All commodities other than farm products and foods	100.1	100.1	99.9	99.8	98.7	0	+0.3	+1.4			

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM AUG. 18, 1945, TO AUG. 25, 1945

Increases			
Fruits and vegetables	1.9	Other farm products	0.3
Bituminous coal	-0.1		
Decreases			
Livestock and poultry	0.6	Cereal products	0.1
Grains	0.6	Paper and pulp	0.1

Civil Engineering Construction Volume \$35,300,000 for Week

Civil engineering construction volume in continental United States totals \$35,300,000 for the week. It compares with \$22,990,000 reported for the holiday-shortened preceding week, is 41% below the total for the corresponding 1944 week, but is 3% above the previous four-week moving average as reported to Engineering News-Record. The report, made public on Aug. 30, added: Private construction for the week exceeds the 1944 week's volume by 163% and for the sixth time this year tops the week's public volume. Public construction is 69% under a year ago as a result of the 92% drop in federal work, inasmuch as state and municipal construction for the week is 105% greater than a year ago.

The current week's construction brings 1945 volume to \$1,261,699,000 for the 35 weeks, a figure slightly under the \$1,261,642,000 reported for the corresponding period in 1944. Private construction, \$393,911,000, is 45% higher than in 1944, but public construction, \$867,188,000, is down 12% due to 21% decrease in federal volume. State and municipal construction, \$218,880,000, is 30% above last year.

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

	Aug. 30, '45 (five days)	Aug. 23, '45 (four days)	Aug. 31, '44 (five days)
Total U. S. Construction	\$35,300,000	\$22,990,000	\$60,282,000
Private Construction	19,084,000	5,034,000	7,267,000
Public Construction	16,216,000	17,956,000	53,015,000
State and Municipal	12,490,000	8,518,000	6,104,000
Federal	3,726,000	9,438,000	46,911,000

In the classified construction groups, gains over a week ago are in sewerage, bridges, industrial buildings, and streets and roads. Increases over the corresponding 1944 week are in waterworks, sewerage, bridges, industrial buildings, and streets and roads. Subtotals for the week in each class of construction are: waterworks, \$937,000; sewerage, \$546,000; bridges, \$870,000; industrial buildings, \$17,175,000; commercial building and private mass housing, \$500,000; public buildings, \$3,418,000; earthwork and drainage, \$730,000; streets and roads, \$6,090,000; and unclassified construction, \$5,034,000.

New capital for construction purposes for the week totals \$32,423,000. It is made up of \$11,423,000 in state and municipal bond sales, and \$21,000,000 in corporate security issues. The week's financing brings 1945 volume to \$1,601,763,000, a total 0.2% above the \$1,598,152,000 recorded for the 35-week period in 1944.

Postwar Construction Planning Volume \$22.4 Billions

Identified and recorded engineering projects proposed for construction in the postwar years total \$22,423,112,000 according to reports to Engineering News-Record in the period from Jan. 1, 1943 through Aug. 23, 1945. Plans are under way or completed on postwar projects valued at \$10,188,433,000, 45% of the total volume proposed, and on \$1,748,687,000 worth of projects all financing arrangements have been completed.

Govt. Seized Plants To Be Returned

President Truman has issued an executive order directing that all plants, mines and facilities seized by the Government be returned to their owners as soon as practicable, the "Journal of Commerce" reported from Washington, Aug. 20, adding that this would cover the facilities of Montgomery Ward & Co., seized for defiance of War Labor Board orders, as well as a number of other plants and properties now run by governmental agencies. No time limit was set in the order for return of the seized properties, the "Journal of Commerce" continued, but the White House announced that William H. Davis, Director of Economic Stabilization had reported that action already had been started for their return to private owners it was added.

Heads of Government agencies operating the plants were directed by the President to determine how soon they can be returned with the approval of Mr. Davis.

The latter in a statement accompanying the President's order said that the seized properties would be returned to their owners gradually, although speedily. He added that no attempt would be made to relinquish Government control of all plants the same day.

Mail to Czechoslovakia

Announcement was made by Postmaster Albert Goldman on Aug. 30 that information has been received from the Post Office Department at Washington, that letters not exceeding 2 ounces and post cards are acceptable for dispatch by air or by surface means to destinations in Czechoslovakia. It is stated:

The postage rates for letters and post cards to be sent by surface transportation is 5 cents for the first ounce and 3 cents for the next ounce for letters, and 3 cents each for post cards.

Articles intended for dispatch by air are subject to the postage rate of 30 cents per half-ounce or fraction.

Registration, special-delivery, money-order, and parcel-post services are not available.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Aug. 29 a summary for the week ended Aug. 18 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. 18, 1945	
Odd-Lot Sales by Dealers—	Total:
(Customers' purchases)	For Week
Number of orders	14,213
Number of shares	419,917
Dollar value	\$16,263,868
Odd-Lot Purchases by Dealers—	
(Customers' sales)	
Number of Orders:	
Customers' short sales	147
Customers' other sales	14,290
Customers' total sales	14,437
Number of Shares:	
Customers' short sales	4,882
Customers' other sales	370,125
Customers' total sales	375,007
Dollar value	\$14,333,239
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
Other sales	94,680
Total sales	94,680
Round-Lot Purchases by Dealers—	
Number of shares	115,680

*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 the Week Ended Aug. 25, 1945 Increased 200,594 Cars

Loading of revenue freight for the week ended Aug. 25, 1945, totaled 853,426 cars, the Association of American Railroads announced Aug. 30. This was a decrease below the corresponding week of 1944 of 51,445 cars, or 5.7%, and a decrease below the same week in 1943 of 50,631 cars or 5.6%.

Loading of revenue freight for the week of Aug. 25 increased 200,594 cars, or 30.7% above the preceding week which included V-J Day holidays.

Miscellaneous freight loading totaled 354,307 cars, an increase of 61,945 cars above the preceding week, but a decrease of 49,462 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 106,029 cars, an increase of 15,523 cars above the preceding week but a decrease of 3,644 cars below the corresponding week in 1944.

Coal loading amounted to 180,264 cars, an increase of 90,261 cars above the preceding week, and an increase of 1,850 cars above the corresponding week in 1944.

Grain and grain products loading totaled 66,768 cars, an increase of 12,871 cars above the preceding week and an increase of 17,441 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Aug. 25 totaled 47,226 cars, an increase of 9,263 cars above the preceding week and an increase of 12,394 cars above the corresponding week in 1944.

Livestock loading amounted to 16,457 cars, an increase of 2,273 cars above the preceding week and an increase of 538 cars above the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of Aug. 25 totaled 12,377 cars, an increase of 1,694 cars above the preceding week, and an increase of 233 cars above the corresponding week in 1944.

Forest products loading totaled 42,625 cars, an increase of 5,209 cars above the preceding week but a decrease of 9,766 cars below the corresponding week in 1944.

Ore loading amounted to 75,251 cars, an increase of 12,334 cars above the preceding week, but a decrease of 6,311 cars below the corresponding week in 1944.

Coke loading amounted to 11,725 cars, an increase of 178 cars above the preceding week, but a decrease of 2,091 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944, and all reported decreases compared with 1943 except the Centralwestern.

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 25, 1945. During the period 55 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. 25

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	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			
4 Weeks of March	4,018,627	3,916,037	3,845,547			
4 Weeks of April	3,374,438	3,275,846	3,152,879			
4 Weeks of May	3,452,977	3,441,616	3,363,195			
4 Weeks of June	4,364,662	4,338,886	4,003,393			
4 Weeks of July	3,378,266	3,459,830	3,455,328			
Week of August 4	863,910	889,594	872,133			
Week of August 11	870,007	895,181	887,164			
Week of August 18	652,832	886,623	891,340			
Week of August 25	853,426	904,871	904,057			
Total	27,880,386	28,321,300	27,341,399			

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 25, 1945. During the period 55 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. 25

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
Eastern District—						
Ann Arbor	421	259	245	1,332	1,385	
Bangor & Aroostook	1,326	1,304	844	521	614	
Boston & Maine	7,021	6,941	6,729	11,809	14,203	
Chicago, Indianapolis & Louisville	1,212	1,385	1,354	1,731	2,045	
Central Indiana	34	28	41	47	44	
Central Vermont	1,119	1,142	1,096	2,080	2,183	
Delaware & Hudson	4,784	5,048	6,492	9,353	12,451	
Delaware, Lackawanna & Western	7,719	8,153	7,843	8,238	10,238	
Detroit & Mackinac	303	224	209	133	166	
Detroit, Toledo & Ironton	1,790	1,944	2,036	1,080	1,369	
Detroit & Toledo Shore Line	375	325	327	1,989	2,660	
Erie	11,787	13,637	13,673	13,074	17,804	
Grand Trunk Western	3,530	3,831	3,933	6,101	8,116	
Lehigh & Hudson River	204	197	197	2,012	2,473	
Lehigh & New England	2,209	2,308	2,159	1,145	2,057	
Lehigh Valley	9,056	8,757	9,006	9,089	14,707	
Maine Central	2,500	2,513	2,429	3,125	2,948	
Monongahela	6,121	5,973	6,275	259	454	
Montour	2,903	2,562	2,381	16	33	
New York Central Lines	49,187	53,292	56,395	44,325	54,595	
N. Y., N. H. & Hartford	9,519	9,525	10,388	13,349	17,671	
New York, Ontario & Western	821	1,138	1,448	2,980	2,947	
New York, Chicago & St. Louis	6,229	6,638	6,956	11,426	15,346	
N. Y., Susquehanna & Western	367	425	685	1,266	2,388	
Pittsburgh & Lake Erie	6,543	7,770	7,567	7,576	9,650	
Pere Marquette	5,413	5,286	5,230	6,668	7,524	
Pittsburgh & Shawmut	708	928	998	17	22	
Pittsburgh, Shawmut & North	1,193	299	413	168	227	
Pittsburgh & West Virginia	1,391	1,333	1,139	1,987	2,658	
Rutland	6,037	339	345	967	1,051	
Wabash	6,037	5,659	5,834	9,693	11,723	
Wheeling & Lake Erie	5,704	5,614	6,045	3,680	4,440	
Total	156,925	164,777	170,712	177,256	226,192	
Allegheny District—						
Akron, Canton & Youngstown	607	718	730	993	1,259	
Baltimore & Ohio	46,016	47,290	44,705	21,550	29,241	
Bessemer & Lake Erie	4,164	5,649	6,783	1,164	1,963	
Buffalo Creek & Gauley	1	1	318	1	1	
Cambria & Indiana	1,641	1,198	1,851	14	5	
Central R. R. of New Jersey	6,077	7,053	7,379	14,526	21,177	
Cornwall	469	561	666	31	56	
Cumberland & Pennsylvania	184	235	234	11	11	
Ligonier Valley	103	160	126	48	46	
Long Island	2,700	2,230	2,073	3,107	4,515	
Penn.-Reading Seashore Lines	1,764	1,868	2,078	1,838	3,081	
Pennsylvania System	81,686	91,071	88,288	53,554	66,189	
Reading Co.	13,865	15,268	16,223	21,149	29,158	
Union (Pittsburgh)	11,222	18,765	21,312	4,354	6,884	
Western Maryland	4,270	4,810	4,361	9,718	12,553	
Total	174,768	196,876	197,129	132,057	176,138	
Pocahontas District—						
Chesapeake & Ohio	31,449	31,599	30,104	12,910	14,207	
Norfolk & Western	21,154	22,293	22,652	6,447	7,993	
Virginian	4,697	4,514	4,957	1,599	2,415	
Total	57,300	58,406	57,713	20,956	24,615	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	376	433	306	265	334
Atl. & W. P.—W. R. of Ala.	863	825	659	1,993	2,571
Atlanta, Birmingham & Coast	684	917	717	780	1,234
Atlantic Coast Line	9,965	10,739	11,710	7,420	9,886
Central of Georgia	3,670	3,777	3,785	3,851	5,483
Charleston & Western Carolina	459	409	398	1,541	1,616
Clinchfield	1,791	1,756	1,682	2,362	2,952
Columbus & Greenville	240	199	350	215	308
Durham & Southern	86	110	104	720	848
Florida East Coast	817	783	1,282	1,209	1,357
Gainesville Midland	51	59	50	100	99
Georgia	1,310	1,393	1,315	2,378	2,482
Georgia & Florida	122	815	543	24	708
Gulf, Mobile & Ohio	4,824	4,193	4,256	4,083	4,357
Illinois Central System	27,218	28,718	29,152	14,120	17,683
Louisville & Nashville	26,526	26,096	25,447	9,737	12,292
Macon, Dublin & Savannah	217	202	186	610	643
Mississippi Central	303	338	280	495	628
Nashville, Chattanooga & St. L.	3,289	3,023	3,289	3,538	4,557
Norfolk Southern	1,090	956	975	1,446	2,211
Piedmont Northern	403	389	360	877	1,145
Richmond, Fred. & Potomac	531	450	443	6,168	9,780
Seaboard Air Line	8,637	9,329	10,166	6,340	8,688
Southern System	24,142	24,977	22,914	20,323	24,853
Tennessee Central	597	699	597	920	816
Winston-Salem Southbound	143	133	144	840	1,296
Total	118,354	121,718	121,010	92,355	118,827
Northwestern District—					
Chicago & North Western	21,021	20,846	21,512	12,281	13,862
Chicago Great Western	2,388	2,745	2,845	2,901	3,443
Chicago, Milw., St. P. & Pac.	22,650	23,040	22,070	9,151	11,333
Chicago, St. Paul, Minn. & Omaha	4,141	3,605	4,269	4,503	4,277
Duluth, Missabe & Iron Range	29,200	28,887	31,116	545	365
Duluth, South Shore & Atlantic	1,195	1,307	1,587	418	520
Elgin, Joliet & Eastern	6,903	9,331	8,532	6,914	9,620
Ft. Dodge, Des Moines & South	473	380	479	63	78
Great Northern	24,578	27,390	26,376	7,582	6,905
Green Bay & Western	438	464	459	759	932
Lake Superior & Ishpeming	2,138	2,521	2,968	78	78
Minneapolis & St. Louis	2,597	2,261	2,188	1,952	2,537
Minn., St. Paul & S. S. M.	8,000	7,701	8,306	2,970	3,282
Northern Pacific	11,967	13,187	12,595	5,238	6,161
Spokane International	209	150	261	548	621
Spokane, Portland & Seattle	2,656	3,194	2,816	2,949	3,329
Total	140,554	147,009	148,379	58,852	67,343
Central Western District—					
Atch., Top. & Santa Fe System	26,031	26,145	22,718	10,768	14,206
Alton	3,603	3,552	3,722	3,134	4,403
Bingham & Garfield	492	638	536	60	76
Chicago, Burlington & Quincy	21,218	20,119	20,401	10,014	13,042
Chicago & Illinois Midland	3,143	2,871	2,854	686	825
Chicago, Rock Island & Pacific	13,592	13,377	12,503	11,114	13,090
Chicago & Eastern Illinois	3,117	2,796	2,851	4,654	5,750
Colorado & Southern	832	885	1,017	1,918	2,826
Denver & Rio Grande Western	3,777	5,032	5,619	5,963	6,708
Denver & Salt Lake	603	838	833	77	38
Fort Worth & Denver City	984	868	1,212	1,644	2,345
Illinois Terminal	2,065	2,422	2,003	2,015	2,014
Missouri-Illinois	1,513	1,304	1,083	637	757
Nevada Northern	1,473	1,531	1,134	84	105
North Western Pacific	1,112	1,280	1,260	978	982
Peoria & Pekin Union	7	4	20	0	0
Southern Pacific (Pacific)	33,618	34,247	32,722	12,955	14,466
Toledo, Peoria & Western	425	208	327	1,588	1,984
Union Pacific System	18,351	19,713	16,757	16,660	18,958
Utah	679	485	576	6	5
Western Pacific	2,127	2,326	2,338	4,554	5,322
Total	138,762	140,641	133,386	89,509	107,902
Southwestern District—					
Burlington-Rock Island	289	1,078	282	477	439
Gulf Coast Lines	3,751	5,690	5,760	2,018	2,695
International-Great Northern	2,574	2,661	2,872	2,958	3,550
Kansas, Oklahoma & Gulf	1	1	326	1	1
Kansas City Southern	4,024	5,489	6,144	2,726	3,450
Louisiana & Arkansas	2,703	4,203	3,139	2,235	2,903
Litchfield & Madison	304	264	344	1,135	1,342

Items About Banks, Trust Companies

The Board of Directors of Manufacturers Trust Company of New York has declared the regular quarterly dividend on the bank's capital stock in the amount of 60 cents per share, payable on Oct. 1, 1945, to stockholders of record on Sept. 10. This represents the increased annual dividend rate of \$2.40 per share on the 2,062,500 shares of capital stock outstanding as contemplated by the plan of readjustment of capital recently completed by the Company.

At the regular meeting of the Board of Directors of The National City Bank of New York on Aug. 29, Robert L. McCullough was appointed an Assistant Vice-President. He has been with Morgan Stanley & Co. and began his affiliation with the National City on Sept. 4th as a member of the Bond Department, specializing in the handling of corporate finance.

Russell F. Thomes was appointed Treasurer of the Central Hanover Bank and Trust Co. of New York at a meeting of the board of trustees on Aug. 28. He succeeds Charles E. Sigler, who has retired under the bank's retirement and insurance plan. Mr. Thomes joined the bank in 1916 and became Secretary in 1936, a position he still retains. He is a past president of the National Association of Bank Auditors and Controllers.

At the meeting of the Board of Trustees of The New York Trust Co. on Sept. 4, a quarterly dividend of \$1.00 per share on the capital stock of the company was declared payable Oct. 1, to stockholders of record at the close of business Sept. 14. The institution increased its quarterly dividend from 87½ cents to \$1 on July 2, the present being the second declaration at the increased rate.

The stockholders of the Second National Bank of Boston have approved the program whereby \$2,000,000 of new capital funds will be subscribed by stockholders. On Sept. 1, the "Boston News Bureau" reported that:

At a special meeting, the stockholders approved the transfer of \$1,200,000 from surplus to capital, increasing capital to \$3,200,000 and decreasing surplus to \$4,800,000, this to be accomplished by increasing the par value of present 80,000 shares from \$25 to \$40; and approved issue of 20,000 new shares of \$40 par at \$100 per share on the basis of one new share for every four shares now held. Of the \$2,000,000 new money raised \$800,000 will be added to capital making it \$4,000,000 and \$1,200,000 will be added to surplus making it \$6,000,000.

President T. P. Beal states that it is expected that the same dividend will be maintained on the new stock as previously paid on the old. The stock has been paying \$4 per year.

The consolidation of the Harrison National Bank, of Harrison, N. J., with The First National Bank of Jersey City became effective on Sept. 4 it was announced by Kelley Graham, President of the latter institution. The Harrison National will be known as the Harrison Office of The First National Bank of Jersey City. The consolidation creates one of the largest banks in Hudson County and extends the facilities of The First National to the industrialized area in the western part of Hudson County. Horatio W. Manning, who had been Vice President of the Harrison National Bank, remains as Vice President of the consolidated institution in charge of the Harrison Office. Established in 1864, The First National Bank of Jersey City is one of the oldest banks in Hudson County. With the opening of the Harrison Office the bank will have five offices in ad-

dition to its main office at 1 Exchange Place, Jersey City.

Shepard H. Patterson has been appointed manager of the credit department of the Peoples Pittsburgh Trust Co., according to announcement on Aug. 30 by J. O. Miller, Acting President. We quote from the Pittsburgh "Post Gazette" which reports that prior to coming to the local bank, Mr. Patterson was associated with the National City Bank of New York.

A special meeting of stockholders of the Calvert Bank of Baltimore, Md. will be held Oct. 16 to act upon a proposed increase in the amount of authorized capital stock and to declare a 50% stock dividend, the bank announced on Aug. 23, according to J. S. Armstrong, Financial Editor of the Baltimore "Sun," who said:

At present the bank has common stock of \$400,000, surplus of \$800,000 and undivided profits of \$368,000.

It is felt that the following arrangement would make a better structure of the capital assets of the bank: Common stock, \$600,000; surplus, \$800,000, and undivided profits, \$163,000.

Since the start of its business in 1901 with a capital of \$100,000 and surplus of \$20,000, the Calvert Bank has been able to pay a substantial cash dividend each year since 1940 and also to distribute to its stockholders two 100% stock dividends, one in 1923 and the other in 1943.

The Calvert Bank reported on June 30 deposits of \$33,152,473 and total resources of \$34,810,289.

The Wheeling Dollar Savings & Trust Co. of Wheeling, W. Va., announces the election of S. W. Harper as Chairman of the Board and H. E. Laupp as President effective Aug. 9.

The State Bank of Slater, Slater, Mo., became a member of the Federal Reserve System on Aug. 24, according to advices from the Federal Reserve Bank of St. Louis, which said:

The new member was organized Jan. 14, 1895. It has a total capital account of \$102,000 and total resources of \$2,000,000. Its officers are: Chas. Bolte, President and Chairman of the Board; J. W. Jaques, Vice-President; H. Kleine, Jr., Cashier; T. R. Haynie, Jr., Assistant Cashier; and Frances B. Strauss, Assistant Cashier.

The addition of the State Bank of Slater brings the total membership of the Federal Reserve Bank of St. Louis to 489. These member banks hold over 70% of the net deposits of all banking institutions in the Eighth District.

David S. Coleman, cashier of the First National Bank in Plano, Texas, since 1926, died on Aug. 29. The Dallas "Times Herald" reports that:

Mr. Coleman, a native of Kentucky, had resided in Plano since he entered the banking business there. Before that time he resided in Arkansas and Oklahoma.

Truman Names Braden to Succeed Rockefeller in State Department Post

President Truman on Aug. 25 accepted the resignation of Nelson A. Rockefeller as Assistant Secretary in the State Department and appointed Soruille Braden as his successor. Mr. Braden, who has been Ambassador to Argentina, becomes in his new post the new Chief of U. S.-Latin-American Relations, in which capacity Mr. Rockefeller had served.

The resignation of Archibald MacLeish and Gen. Julius C. Holmes as Assistant Secretaries was referred to in our Aug. 30 issue, page 967.

A. B. A. to Omit Annual Convention This Year—Officers Elected Under Emergency Provisions

Even though restrictions on travel and meetings have been relaxed with the end of hostilities, it will not be practicable for the American Bankers Association to hold its annual convention this year, according to Dr. Harold Stonier, Executive Manager of the Association, in an announcement Aug. 31. Plans effected several weeks ago will remain in force and the election of a President and Vice-President of the Association will be carried out on behalf of the membership by the A. B. A. Executive Council under the emergency provisions of the Association's constitution. These emergency powers provide for the election of such officers by the Council in the absence of a convention not held by reason of a war or other emergency. The new President and Vice-President will be elected by the Council vested with the powers of the convention.

While pointing out that immediately following the official announcement of the Japanese surrender, bans on rail transportation and restrictions on meetings requiring the attendance of more than 50 out-of-town persons were relaxed by the Government, the Association says, however, that little actual improvement in hotel facilities available is foreseeable in the immediate future, especially in the large centers of population which during the war period were designated as critical areas, and plans for carrying out the functions of the annual A. B. A. convention by emergency measures in many instances have been completed. The advices from the Association further state the A. B. A. Nominating Committee has already been elected by members in several States and election of members of the Executive Council by mail ballot and of officers of the four Divisions of the Association and of its State Association Section have been in progress. Under the procedure adopted by the Administrative Committee to meet the war emergency existing until the surrender of Japan, the Nominating Committee will nominate candidates for the offices of President and Vice-President and submit the nominations to the executive manager. The nominations will then be placed on a ballot and sent to the members of the Executive Council, who will vote them and return them to the Secretary of the Association. They will then be counted by the Secretary, the Assistant to the Executive Manager, and the Comptroller as inspectors of the election, and the results will be ratified by the Administrative Committee at its meetings in New York on Sept. 27-28.

Under the provisions of the constitution the Treasurer is always elected by the Executive Council, which this year will also be by mail ballot. The emergency provisions of the constitution were adopted at the Association's convention in New York in 1943 as a result of the cancellation of the convention which had been planned for Detroit in 1942 but which was canceled at the request of the Government because of the transportation situation. Previous to that time members of the Association met regularly every year to transact business and elect officers. Amendments to the constitution adopted in 1943 provide for the election of officers by the Executive Council, in the absence of a general convention omitted by reason of a state of war or emergency, at a special meeting of the Council vested with the powers of a convention. The amendments also provide for the election of officers of the four Divisions of the A. B. A. and of its State Association Section by members of the executive committees of those divisions and by the Board of Control of the State Association Section. In addition the amendments authorize these division and section elections by a mail ballot.

Under normal procedure A. B. A. members in each of the states elect a member and an alternate member of the Nominating Committee, members of the Executive Council, and a "State Vice President" of each of the four A. B. A. Divisions at a meeting of Association members held during the conventions of the state bankers associations. Since state bankers association conventions could not be held this year except in the cases of a few small states, the A. B. A. Administrative Committee adopted an arrangement last spring whereby these elections to the Nominating Committee, the Executive Council, and the Divisions could be accomplished. These are as follows:

1. Where a State Association is holding a meeting of its governing group, such as its Executive Council, Executive Committee or Administrative Committee, the A. B. A. Vice President in that state shall call a meeting of the members of the A. B. A. attending the State meeting, to be held at the same time for electing members to the A. B. A. Executive Council and to its Nominating Committee, and also to elect a State Vice President for each of the A. B. A. divisions. It is suggested that, in order to curtail the number of persons required to attend the meeting, an A. B. A. Executive Council member be elected a member of the A. B. A. Nominating Committee.

2. If no meeting of the Executive Council or administrative committee of the State Bankers Association is held, but the State Bankers Association elects its officers by mail ballot, the Executive Councilmen, State Vice Presidents of Divisions and member of the Nominating Committee of the A. B. A. and alternate shall likewise be elected by mail ballot.

3. In all other cases the incumbent Executive Councilmen, whose terms would expire with the 1945 convention shall continue in office until Dec. 31, 1945, and their successors shall be appointed by the A. B. A. State Vice President. The incumbent member of the Nominating Committee or alternate member shall act at the next meeting of the Executive Council held in lieu of a convention, and the Vice Presidents of the Divisions shall be appointed by the Presidents of the Divisions. This conforms to the procedure prescribed in the constitution for filling vacancies occurring under ordinary conditions.

A. B. A. members in most of the states have already acted under either No. 1 or No. 2 of the above procedures, the majority acting under No. 1. Thus a Nominating Committee is already in being and new members for the Executive Council have been chosen.

President Entertains Chiefs of Staff

The combined chiefs of staff, the staff set up by the American and British armed services for the joint war effort in all theaters, were invited by President Truman to dinner at the White House on Aug. 17, according to Associated Press advices from Washington on that date. Those invited were representatives of the United Kingdom, France, China, Australia, New Zealand, Canada and the Netherlands, in addition to Secretary of State Byrnes, Secretary of War Stimson and Secretary Forrestal of the Navy, Press Secretary Charles

Restrictions Eased For Post-War Building

Further relaxation of controls which might interfere with the hoped for acceleration in the post-war construction program was initiated by the appointment by the War Production Board of a construction "czar," Joseph W. Keenan, the Board's Vice-Chairman for Labor Production, who will speed up construction activities necessary for reconversion and will represent WPB on the recently established inter-agency committee for construction.

Mr. Keenan's major immediate assignment, said the "Journal of Commerce" in reporting the appointment from its Washington bureau, Aug. 21, will be to assist in stepping up production of scarce construction materials.

The Board's relaxation of controls, affecting facilities to be used in the processing and assembling of goods and materials, the "Journal of Commerce" continued, is one of a series begun several weeks ago, expected to culminate by the first of October in the complete revocation of L-41, the construction order.

The "Journal of Commerce" report continues:

The order issued by WPB—Direction 7 to L-41—lists three types of construction which will now be permitted without WPB authorization.

Construction of factories, plants and other units used primarily for manufacturing, processing or assembling of goods or materials; work on units not primarily used for industrial work if the construction is to prepare a part of the unit for such work; and construction of facilities owned by a manufacturer that are necessary for handling raw materials or components, or for the distribution of his products to the retailer.

Citing pre-war figures as an indication of possible volume of industrial construction in the reconversion period, WPB said that the annual average volume of "put-in-place" industrial construction in the years 1920 through 1929 were \$560,000,000, with a peak of \$889,000,000 in 1920. Present estimates for "put-in-place" industrial construction in 1946 are slightly over \$1,000,000,000, WPB said.

Chief among the types of work considered manufacturing, processing or assembly, are:

(1) Mining, smelting and refining, foundries and other operations related to extraction of minerals and their conversion to finished form.

(2) Logging and lumbering operations, sawmills, planing mills, and millwork manufacturers (but not retail lumber yards).

(3) Pilot plants and industrial research laboratories.

(4) Food processing plants, slaughter houses, commercial food freezing plants, commercial cold storage warehouses and food packing plants, bottling plants, grain elevators and canneries (but not butcher or grocery stores or frozen food locker plants serving individual customers).

(5) Textile mills, cotton mills and similar establishments (but not tailors' or dressmakers' establishments).

(6) Printing and publishing establishments, including those publishing newspapers or printing books, magazines or periodicals.

Retail service establishments serving individual customers are not covered by Direction 7, WPB pointed out.

G. Ross said that the President was taking this opportunity somewhat in the nature of a farewell, since some officers who served with the chiefs of staff soon will be leaving for home.