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The Financial Situation

For a year or more past a number of economists and prognosticators have been in the habit of whiling away their time making estimates of the size of the post-war Federal budget. Most of these soothsayers have come up with estimates of annual expenditures ranging from \$20 to \$30 billion. The public has been told repeatedly that service of the national debt after this war would cost more than what not many years ago would have been thought quite extravagant as a total of Federal expenditures. Nor have taxpayers been permitted to forget that we shall have millions of veterans, many of whom are partially or wholly disabled, to take care of in the years ahead.

It would have been obvious, however, even if nothing was said of it, that the most modest of the post-war budgetary estimates or forecasts included large sums representing outlays for many types of things which a decade or two ago would never for a moment have been seriously considered as having a place in any plans or programs of the Federal Government. These were explained or defended, where the forecaster felt under the necessity of explanation or defense, on the ground that this is a "new world" in which we live, and that when the war is over it will be still a "newer world"—as if profligacy could be so easily sanctified.

Post-War Plans

During the past two or three months, it being evident that the end of the war was not very far away, many of the post-war planners have been well occupied, and the President himself has recently come forward with a sort of an over-all or master plan for the post-war years—in which a definite and studied effort to be, financially speaking, all things unto all men is evident. Now, it becomes apparent to those who take the trouble to think of these matters that

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Full Employment Bill Not Enough

By HON. FRED M. VINSON*
Secretary of the Treasury

Mr. Vinson Contends It Cannot Be the Responsibility of Businessmen Alone to Prevent Unemployment, and That Government Must Assist If Free Enterprise Is to Be Maintained. Denies That the Wagner-Murray Bill Is a Mere Spending Measure, and Avers That It Is Merely a First Step, Through Forecasting and Planning, in Dealing With Unemployment. Lays Down a Nine Point Program as Supplementary to the Full Success of the Bill, and as a Means of "Realization of the Rich Promise of Prosperity."

This country has a duty to its people that it cannot neglect. Millions of men and women in the armed forces and in our wartime labor force



Secretary Vinson

expect, and are entitled to assurance that they will never again have to go through a period of hunger and poverty and of mass unemployment.

The war has shown how enormous the productive capacity of this nation really is. People no longer believe that poverty and unemployment are a necessary by-product of our economic system. From this wartime experience they know that it is

possible to have well-paid jobs for all. They will insist on full employment and steadily rising standards of living.

Free Enterprise Has New Task
This country has achieved economic greatness under the system of free enterprise. This economic system has given to our people an incomparable standard of living. But free enterprise cannot live on the achievements of the past. It will survive and flourish only if we succeed in using our productive resources to maintain full employment. Despite the decade of depression before the war, the people of this country are confident that with free enterprise there can be work for all and a high level of well-being. Our task is to see that the great potentialities of our economic system are, in fact, realized.

Too frequently, in the past, it has been popular to place the blame for depression on the businessman. If jobs were lost, if

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*Statement of Secretary Vinson before the Senate Committee of Banking and Currency, Aug. 31, 1945.

Autonomics and Economics

By ALDEN A. POTTER*

(Concluding Installment)

Private Conservation Usually Better Than Public: Latter Should Be Induced Indirectly (Monetarily), Not By Direct Action as in Stock - Piling. Post-War Obsolescence Affected by Uneconomic Innovations of War. Social Action Cannot Equalize Benefits and Costs. Competition and Charity Incompatible: Latter Should Be Divorced From Politics and Economics. Collective "Bargaining" in Production and "Cooperative" Pricing in Consumption Incompatible: Latter Cannot Eliminate Risks or Keep Capital Accounts Current. Competitive Tax Advocated on Land and Expired Patents. 17-Year Period Should Be Deferable—Why Subsidize Only Flimsy Gadgets? Theory Without Practice Is Futile: But Practice Without Theory Is Worse Than Futile.

Benefits of Monopoly

It will be fairly clear, by this time, that this is a defense of monopoly—of private property—properly financed by savings that

are not counterfeited by usury (bank credit). It is a plea for the monopolies of the patent system (monopolies that might exist less beneficially if not legally arranged as patents) as against those of land values; though it is not an unqualified plea against these "unearned increments" either. Control of natural resources through private property in the hands of those best qualified to control them, as evidenced by ability to produce results, seems a natural and proper working out of that personal element of inequality which is not only not inequitable but is morally essential to the general



Alden A. Potter

welfare and to maintenance of law and order.

Controlled access—by no means free access—to raw materials is essential to social welfare. As to the restraints imposed by private property, these should afford competent conservation if not impelled to drastic exploitation by the "cut-throat competition" induced by the price distortions of the "perverse elasticity" of bank credit in the boom-bust business cycle. While governmental conservation seems not out of place in restricting present for the sake of future consumption—present for the sake of future population—present for the sake of future capital values (note that by these restrictions future consumption is served by not permitting formation of present capital values!), those public measures are decidedly out of place which attempt re-distribution in lieu of equitable financial institutions at these could and should place the

title to property in the hands, not of financial wizards, but of the really best people.

Parenthetically, in the absence of market competition, public ownership of utilities may be preferable to political "regulation" of rates. But neither is satisfactory unless the capital accounting involved in rate fixing is correctly set up, not forgetting obsolescence, which must be absorbed by investment losses (public or private, according to contract) if not financed by replacement reserves accumulated while wearing out the obsolete equipment. By this same observance of the rules of neoterism or innovation, governmental, tax-financed or subsidized postwar operation of war factories for the sake of "full employment" will result in distortions of their value as related to that of competing capital. Not only is this true, but in cases where war equipment is the "last word" in modernization, its postwar operation entails what, in peace, would have been

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From Washington Ahead of the News

By CARLISLE BARGERON

The aftermath of World War II is developing so closely in the pattern of the aftermath of World War I, that it must make those gentlemen who insist that the world is going to be different, downright sick. This time, as we understood it, we were to keep occupying forces in Japan and Germany indefinitely, oh, for 10 years or so. Never were we to get off their necks. The agitation in Washington

to bring the boys home is so intense, that there are at least some observers who predict that we won't have any forces in Germany or Japan a year from now to speak of.

Congress and the military are in an awful dilemma. The Congressmen are being literally deluged with demands that all the boys now in Germany and Japan be immediately returned and replaced with boys still in this country and with boys yet to be drafted. They are being just as much pressed not to send any more boys abroad and not to draft any more. So far there is an in-



Carlisle Bargeron

sistence that we continue to police these countries but it is diminishing, and there are plenty of signs that it won't be long before the national attitude, rightly or wrongly, will be to wash our hands of the whole mess and forget about it.

UNRRA needs more funds to feed the so-called starving peoples of Europe. It is going to have difficulty getting them. When Director Lehman appeared before a Senate committee several days ago he was pressed unmercifully by a man long looked upon as a friend, Senator Tom Connally. A friend of ours is on loan to UNRRA from his movie magnate employer to try to get some favorable publicity for the organization. He is just about to throw up his hands. He is confronted with increasing stories of waste and downright theft, of an extravaganza of spending. When he looks into them with a view to issuing a denial, he finds con-

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*These items appeared in our issue of Monday, Sept. 17, on pages indicated.

The Full Employment Bill And Reconversion

By JOHN W. SNYDER*

Director of War Mobilization and Reconversion

Mr. Snyder Describes the "Full Employment Bill" as Merely Setting Up Machinery to Combat Depression. Holds There Is No One Panacea for Unemployment, but Every Operation of Government Must Be Geared to Prevent it. Bill, He Contends, Will Not Create Jobs, and We Must Rely on Private Business and Not Public Works for Remedial Measures. Says a Continuous and Changing Congressional Program for Remedial Measures Is Essential and Denies That the Bill Will Mean Regimentation.

As the American people turn from the horror and distress of war, two objectives are uppermost in their minds—peace and jobs.



John W. Snyder

We have gone a long way in laying the groundwork for a lasting peace. But the peace will not last long, it will not be worth much, unless those who are able and willing to work can share in the opportunities of peace. These opportunities can be realized only through full employment and rising standards of living.

America cannot afford the human misery nor the economic waste of large scale protracted unemployment. During the depression of the 30's, our country suffered a loss of over \$300 billion in terms of goods and services that we could have produced but did not due to economic stagnation. This is more than the cost of the war.

There is no significant group in America, whether in labor, agriculture, industry, or government, which does not deeply desire the preservation in America of an economy based upon free enterprise and individual effort. But in the rest of the world this has not always been true. The surest foundation which America can provide for its way of life is a stable, expanding economy operating under conditions of steady employment.

We have seen, during the war, what our country is capable of producing. I do not believe that the American people will now be content to go back even to the best former peacetime year—for instance, to the level of 1940, when we had from 6 to 9 million unemployed.

Machinery to Combat Depression

In the past, we have had no machinery by which to organize in a systematic way for the prevention of depressions or of wars. We need such machinery. It has taken two catastrophic world wars to bring us into an international organization equipped with effective means of investigating and solving problems which threaten peace. I feel certain that it is not necessary to suffer another catastrophic depression to awaken us to the need of establishing a mechanism for a systematic attack on economic instability.

We must take positive action to help us achieve full employment. Businessmen have an important part to play—they must increase the efficiency of their own businesses; they must expand their production because only by the expansion of production can we expand employment. Agriculture has an important part to play—the farmers must keep up their production and increase their productive efficiency just as they have during the war. Labor has an important part because the basis of all of our wealth is human labor. The local and state,

*Statement of Mr. Snyder before the Senate Banking and Currency Committee, Sept. 1, 1945.

as well as Federal, governments have an important task. The achievement of full employment is not a job for one group alone because that is not the way democracy works—it is not the way a free economy works.

We must realize, however, that the Federal Government, acting on behalf of all the people, must adopt measures which will, I believe, be the determining factor in whether or not we can reach and hold full employment.

There is nothing new in this assertion because, in fact, the Federal Government has for some time been held responsible by the people for the prosperity and welfare of the country. It has dealt with employment as a vital concern of the Government. It is time that we recognize these facts and mobilize our resources of Government to the central objective of full employment and production.

This is not an easy task, but I believe that we in America can do it. We have learned a great deal in the last twenty years. We have learned a lot in the last five.

One thing we have learned from the war is that when the Nation has a central objective, such as war production, the policies of all the agencies or branches of Federal Government must be oriented toward that one great achievement. I think another lesson of the war is that this Nation can do anything it wants to do provided the goal is clearly stated and the people are unified behind the achievement of that goal.

Peacetime Goal

Our peacetime goal must be and will be full employment. To do its part in the achievement of this goal, the Federal Government must set up now the machinery through which it will act. The legislation which you are now considering sets up that machinery.

You have heard a great deal of testimony already, and I do not propose to discuss the Bill in detail, but I would like, however, to comment on some aspects which I think are particularly important.

First of all in this Bill, the Congress sets forth full employment under a free competitive economic system as the explicit policy of the United States. This may seem new but it is not. Administrations have striven to create prosperous conditions and job opportunities. Nevertheless, in my opinion, it is vital at this point in our history to have all parties and all persons in the United States agree that this is our policy.

Secondly, this Bill provides a procedure for determining the state of health of the country as far as production and employment are concerned. It is a barometer by which to gauge the economic climate.

The information which would be furnished the Congress would contain not only comprehensive analyses of current economic conditions but also a forecast of future conditions. Perfect forecasting is, of course, out of the question but judgments concerning the future are necessary in any case. Businessmen make such judgments and base production

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Truman to Name I. L. O. Conference Delegate

President Truman has yet to name the American representative for the International Labor Organization conference scheduled to begin at Paris, October 15. Both the American Federation of Labor, which has furnished the delegate since 1934 as this nation's only representative in the I. L. O. and wants to continue its international role, and the Congress of Industrial Organizations, thwarted in its efforts in the past to get a voice in the I. L. O., are contending for the American workers' seat at the conference, the Associated Press reported from Washington, Sept. 1. President Truman will rely, in making the appointment, on the recommendations of Secretary of State James F. Byrnes and Secretary of Labor Lewis B. Schwellenbach.

The A. F. of L., the Associated Press report continued, is reducing its participation in international affairs, although its leaders emphasize this does not spring from any desire to be isolationist. It is permitting the International Federation of Trade Unions, in which it also held the lone American seat, to dissolve without a fight, and it won't enter the new World Trade Union Conference with the C. I. O. and Soviet groups.

The Associated Press also said: Behind this is the emergence of the Soviet trade unions, with a total of about 25,000,000 members, from the ashes of Europe to a dominant place in the international labor picture. The A. F. of L. won't tie up with the Soviets, saying the Russian trade unions are not free, that they are dominated by the government. The C. I. O. is working closely with the Soviet labor leaders, inviting them to visit American war plants and is joining with them, with British, French and Mexican groups, in the formation of the new World Trade Union Congress.

The International Transport Workers are a power in the British trade union conference and in labor federations throughout the world. In the past, they with the British and the A. F. of L., have dominated the I. F. T. U.

The American workers' seat in the I. L. O. has been occupied since 1937 by Robert J. Watt, the A. F. of L.'s international representative. Along with him representing the United States over that period have been Henry I. Harriman, New England Power Company chairman, who represents employer groups, and several Government delegates. Former Secretary of Labor Frances Perkins and Carter Goodrich have been frequent representatives of this Government.

The I. L. O. was founded largely through the efforts of Mr. Green, the late Samuel Gompers and British labor leaders as an adjunct to the League of Nations at the close of World War I. Failure of this country to participate in the League kept the A. F. of L.—then the only nationwide general labor organization in the United States—from joining up formally until 1934. Its principal function has been to keep abreast of social and economic problems throughout the world, exchange plans for coping with them, and by joint action of Government, labor and employers represented in its machinery, to raise the standard of living throughout the world.

Mrs. Owens Heads Finance Group of Libraries Assn.

Mrs. Elizabeth W. Owens, Librarian of the Mercantile-Commerce Bank and Trust Co., St. Louis, has been elected Chairman of the Financial Group of the Special Libraries Association. Mrs. Owens succeeds Miss Anne P. Mendel, Librarian of the Bank of the Manhattan Company, New York City.

Snyder Report on Reconversion

War Mobilization Director Tells President Reconversion May Mean Temporary Idleness of From 5 to 9 Million. Urges Rapid Demobilization and Says Military Contracts Are Already Largely Terminated and Manpower Controls Removed, but Calls for Continuation of Some Price and Wage Controls. Advocates Expanded Production.

In his message to Congress, President Truman submitted a report dated Aug. 15, made to him by John W. Snyder, War Mobilization and Reconversion Director. This report, entitled "From War to Peace: A Challenge," describes the work already accomplished towards reconversion and the policy to be followed with respect to demobilization, unemployment and manpower, production and distribution controls, price and wage controls and a general legislative program for the transition period. It also contains a series of questions and answers on specific questions.

The text of the main portion of Mr. Snyder's report follows:

OFFICE OF WAR MOBILIZATION AND RECONVERSION,
WASHINGTON, D. C.,

15 August, 1945.

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

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

Respectfully,

JOHN W. SNYDER,

Director.

From War to Peace: A Challenge

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

The outlook for this peacetime victory is bright, but it will not be won easily nor immediately. There should be no mincing of words. The sudden termination of the major portion of war contracts will cause an immediate and large dislocation of our economy. Our nation will undergo the shock of considerable, but temporary, unemployment. The severity of this shock is increased by the sudden ending of the war.

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

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

The Answer—Production

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

The goal of our economy now

that peace has come is in a sense the same as it was in war: production.

Only a peacetime production vastly expanded over anything this or any other nation has ever seen will make possible the attainment of the four major economic objectives which face us in the months ahead. These objectives I conceive to be:

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

(2) A steadily rising standard of living.

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

(4) Increase opportunities for farmers and business men.

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

A Drastic Change-Over

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

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

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

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

The Road to Reconversion

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

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

The armed services must be demobilized without delay.

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

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

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

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The State of Trade

The progress of reconversion the past week continued to show further improvement as production in some manufacturing lines advanced slightly above the previous week. When compared with output for the same period a year ago, the increase loomed much greater.

In the week more government controls over production were abandoned and in some instances the products of reconverted assembly lines found their way into the market. Despite the sizable number of workers unemployed throughout the country the manpower situation continued to prove a very vexing one.

The labor crisis in Michigan induced by strikes of the United Automobile Workers, CIO union, and manpower shortages in the steel and textile industries, all added up to further delays and complications in an already difficult task in getting the country back to a more normal economy.

The demand of the automobile workers for a 30% increase from the three large automobile manufacturers is one of the many pressing issues that must be solved if that industry is to get on with its important job of reconversion.

According to press reports, 82,000 workers are at present idle in Michigan due to strikes and approximately 300,000 have been laid off pending reconversion. On Friday, last, about 50,000 Ford workers were sent home when supplies from the strike-bound Kelsey-Hayes Wheel Company and other plants failed to reach Ford assembly lines at River Rouge.

Late indications point to the fact that the auto industry is inclined toward the belief that an approach to clearing up their problem must come from the government itself. The action taken by the Administration in lifting of wage restrictions during the reconversion period and past commitments made to organized labor by our late President at the time the Little Steel wage formula was put into operation, make an early settlement of management-labor problems very difficult.

Steel Industry—In the midst of nationwide temporary unemployment, many steel companies this week are facing the greatest manpower shortage since Pearl Harbor, according to "The Iron Age," national metalworking paper, in its Sept. 12 issue. Practically all large companies are in need of from one to several thousand employees for such skilled jobs as are required in finishing mill operations which are being stepped up for civilian demand, the magazine says in its weekly summary.

Operations at one large mill in the Chicago district were acutely affected by the labor shortage to the extent of 3,500 men, causing two or three blast furnaces there to remain idle. Some companies have been able to approach a 40-hour week in finishing mill departments, but blast furnace and openhearth employees are working six or seven days a week.

The manpower shortage, the cancellation of war contracts and the inability to reach a 40-hour work week schedule, have produced such a financial hobgoblin, says this trade authority, that steel company representatives were to meet during the week with OPA representatives to present expected operating schedules for the balance of the year in order to prove probable financial loss. Expectations are that steel price increases on many products will materialize before the end of the year.

The elimination of the single basing point reducing the delivered price on stainless steel products in certain areas announced this past week by many producers is expected to be a boon to consumers and go a long way towards substantially increasing the use of this product on the civilian front. "The Iron Age" reports. Many companies have announced new basing points at the point of

manufacture for various stainless steel products. This procedure will make a considerable inroad into producers' profits but will mean a windfall for consumers because the latter will be paying much smaller freight charges than heretofore.

The past week steel consumer reconversion requirements were shaping up rapidly and were accompanied by a sharp upturn in new order volume. Deliveries on most products were extended further this week with most items booked through the rest of this year and with some such as tinplate into 1946. The flatrolled steel market is being subjected to greatest consumer pressure and backlogs are reaching new peaks.

Reflecting the end of cancellation difficulties as well as the substantial increase in the number of civilian steel orders, the national steel ingot rate for the week advanced six points to 81% of capacity. Its ability to go much higher than the current rate depends upon the manpower situation.

Further restrictions in the authorized uses for lead are about to be invoked by WPB officials, "The Iron Age" reports. The importance of tin in the national economy and the expected liquidation of reserves within a year, it is felt the government may soon see fit to establish a director of tin operations.

Reconversion in the machine tool industry was said to be going forward the past week at a greater pace than had been anticipated. Foreign inquiries principally from France and Belgium were active and machine tool makers were eyeing the Chinese market.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 83.2% of capacity for the week beginning Sept. 17, compared with 80.3% one week ago. This week's operating rate represents an increase of 3.6% from last week's rate and is equivalent to 1,523,900 net tons of steel ingots and castings, compared to 1,470,800 net tons last week and 1,714,300 tons one year ago. A month ago the industry was at 69.9% of capacity and 95.3% one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Sept. 8, 1945, totaled 730,628 cars, the Association of American Railroads announced. This was a decrease of 129,811 cars, or 15.1% below the preceding week this year, due to Labor Day, but 94,538 cars, or 11.5% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 104,042 cars, or 12.5%, is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to approximately 3,909,408,000 kwh. in the week ended Sept. 8, 1945, from 4,137,313,000 kwh. in the preceding week. Output for the week ended Sept. 8, 1945, was 7.5% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 156,400,000 kwh. in the week ended Sept. 9, 1945, comparing with 161,700,000 kwh. for the corresponding week of 1944, or a decrease of 3.3%.

Local distribution of electricity amounted to 151,900,000 kwh. compared with 152,000,000 kwh. for the corresponding week of last year, a decrease of 0.1%.

Paper and Paperboard Produc-

tion—Paper production in the United States for the week ending Sept. 8 was 75.9% of mill capacity, against 95.2% in the preceding week and 74.4% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 80%, compared with 97% in the preceding week and 80% in the like 1944 week.

July Wholesale Hardware Sales Off—Wholesale hardware distributors in all parts of the U. S. reported that sales in July, of this year, showed a decline of less than one-half of 1% from their average volume for July, 1944, "Hardware Age" reports in its every-other-Thursday market summary. Sales for the first seven months of 1945, however, showed a cumulative gain of 3% over the same period in 1944.

Inventories of reporting hardware wholesalers were 1% lower, in dollar value, as of July 31, 1945, than the same date last year, but showed an increase of 2% over June 30, 1945.

Business Failures Decline—Commercial and industrial failures in the week ending Sept. 13 fell to less than half the number last week and to only a third the number in the comparable week a year ago, reports Dun & Bradstreet, Inc. Concerns failing numbered seven against 19 in the previous week and 23 in the corresponding week of 1944. This was the lowest failure rate since the week of Victory holidays in mid-August.

All but one of the week's failures involved liabilities of \$5,000 or more. However, even these large failures were down to half the 12 a week ago and to approximately one-third the 17 last year. Meanwhile, concerns failing with liabilities under \$5,000 dropped from seven in the preceding week to only one in the week just ended—last year in the comparable week there were six small failures.

Manufacturing accounted for four of the seven concerns failing during the week, but even in this category they were only half as numerous as in the previous week. No failures occurred, either in retail or wholesale trade, marking the first time on record that this has happened. Concerns failing in commercial service numbered two, the same as in the comparable week of last year.

No Canadian failures occurred, the same holding true for last week. In the corresponding week of 1944, three failures occurred in Canada.

Wholesale Commodity Price Index—Although trending somewhat higher as the week closed, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., registered a slight decline for the week. The index finished at 175.03 on Sept. 11, as compared with 175.32 a week previous, and with 170.60 on the same date last year.

Movements in leading grain markets were somewhat irregular. Wheat held quite steady despite the prospect for an all-time high yield. Demand for rye and oats was good and prices averaged higher. Cash corn was in active demand but supplies continued below requirements. Aided by hot and dry weather the crop made excellent progress during the week. Flour bookings dropped to a minimum last week, following the marked activity of late August, prior to the announcement of the drop in the subsidy rates for September.

Hog values held nominally at ceilings as salable receipts remained below requirements. Good and choice steers were active at firm prices, while Spring lambs were irregular in fairly active trading.

Cotton prices continued to advance during the past week, aided to a large extent by the freeing of most cotton goods from the Government set-aside program.

"Hamstringing Business"

"The automobile industry, which was perhaps the greatest industrial factor in our recent victory, should have free rein to surge into peace-time leadership.

"If a pricing formula is attempted through bureaucratic channels, many of our reconversion efforts will be nullified, and many evils, some of which cannot be foreseen, will develop. But of one evil that could appear I am sure. That is actual inflation through cheapening of quality of product. To be blunt, a Government-set price formula for such a complex mechanism as the motor-car could be an invitation to substitution of cheaper materials which would in effect take a bite out of the consumers' dollar.

"Today, when we have huge debts to pay and an economy to maintain, there's only one answer—jobs and still more jobs, and quickly. I believe in giving business the reins to create these jobs. I do not believe in hamstringing business by regulations that are blocking the path for our people to go to work."—Senator Homer Ferguson.

We are certain that there are many other Americans who do not believe in any such thing.

Demand for the staple was also stimulated by reports of increasing weevil damage to the new crop and advices that Spain was in the market for further purchases of American cotton. Increased production of cotton textiles during the third quarter of this year is expected to ease the critical supply situation in civilian cotton textiles.

Uncertainty as to government action on prices of surplus domestic wool stock has held trading in that commodity in the Boston wool market at a virtual standstill for the third week in succession. Interest in spot foreign wools broadened somewhat, but trading has been restricted owing to existing uncertainties. Buying of wools in foreign primary markets continues at a low ebb.

Wholesale Food Price Index at Year's Low Point—The Dun & Bradstreet wholesale food price index for Sept. 11 remained unchanged at the year's low of \$4.04. This was 1.5% above the \$3.98 recorded a year ago, but represented a drop of 0.5% from the 1943 comparative of \$4.06. Increases for the week were reported in wheat, rye, oats and lambs, while declines were registered in barley, potatoes, steers and sheep. The index represents the sum total of the price per pound of 31 foods in general use.

Retail and Wholesale Trade—Cooler weather in some sections of the country and hot in others mildly affected consumers' desires to shop last week. Retail volume was slightly above both that of a week earlier and of a year ago, according to Dun & Bradstreet, Inc., in its summary of trade for the week. Fall purchases of apparel continued with emphasis on college and sports clothing. Some stores featured newly produced household equipment this week; consumers were reported rushing to purchase the few items available or to order for advance delivery.

Casual wear sold especially well in soft suits, skirts and sweaters. Suit and dress inventories have been somewhat depleted and the heavy demand continues. Numerous requests for evening dresses mirrored the popular trend away from wartime clothing sobriety. Glove retailers reported increased volume; prevailing stocks prevented higher sales. Men's clothing stores experienced an upswing again last week; hats were given close consideration and purchased in large quantities.

Transactions in house furnishings were numerous; glass and kitchenware sold well. Some electrical appliances, mostly irons, sweepers and stoves, reached the markets last week. Stocks of

soap powder, flakes and cleaners remained limited.

Food sales were about even with last week, but somewhat above 1944. Beef supplies increased considerably; here and there across the country there were occasional reports that dealers in meats were setting prices below ceilings. Tomato and other seasonal produce were abundant; some prices dropped with the increased supply. More dairy products reached the consumers. Canned goods volume, particularly soups and fruit juices, was large.

Retail sales for the country were estimated about 3 to 7% over the same week in 1944. Regional percentage increases were: New England 2 to 6, East 4 to 8, Middle West 3 to 7, Northwest 6 to 10, South 7 to 12, Southwest and Pacific Coast 0 to 4.

Wholesale volume was slightly over last week and the corresponding week of last year. There was a sharp increase in the number of buyers in the markets during the past week. In wholesale soft lines, volume remained generally unchanged in the week and declined moderately below the corresponding period a year ago. Soft goods stocks were reported generally low, chiefly in white goods. Wholesalers of hard goods reported consistent gains in volume during the past two months.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Sept. 8, 1945, decreased by 1% below that of the preceding week. For the four weeks ended Sept. 8, 1945, sales decreased by 2% and for the year to date showed an increase of 11%.

Here in New York last week retail trade was well ahead of the comparative week of 1945, showing no major effect of war contract terminations and layoffs, according to the New York "Times." Many buyers arrived in the wholesale markets to check on deliveries of fall and holiday merchandise. Increasing caution was evidenced on long-term commitments.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Sept. 8, 1945, increased by 3% above the same period of last year. This compared with an increase of like amount in the preceding week. For the four weeks ended Sept. 8, 1945, sales declined by 2% and for the year to date increased by 13%.

The Financial Situation

(Continued from first page)

if such plans and programs as these are in substantial part given effect, the post-war budget may well be, not \$20 or \$30 billion but \$50 billion or more — and this discovery seems to come as a shock to some elements of the public!

But it is the old, old fact, from which even the New Deal managers (with the help, forsooth, of Lord Keynes) have been able to find no escape. If one wishes to dance, one must pay the fiddler. Senator Taft the other day listed spending proposals now pending. Here is the Senator's list:

"A bill proposing \$550,000,000 annually for aid to education.

"A bill appropriating \$100,000,000 for aid in financing vocational education.

"We have a national food allotment stamp loan involving \$500,000,000.

"We have passed a rural electrification measure calling for an expenditure of \$200,000,000.

"There is a bill to provide annual aid in the construction of hospitals, \$110,000,000.

"There are proposals of various kinds for further aid to states in the health programs, amounting to \$600,000,000 a year.

"There is a bill for school-lunch programs, proposing \$100,000,000 a year.

"There is a bill to aid the states in eliminating river pollution, \$50,000,000 a year.

"There is the bill for aid for aeronautical experiments, \$50,000,000 a year.

"There is provision for additional subsidies for public housing, about \$80,000,000.

"We have various veterans' bills, the largest one being for a bonus of \$1,000, which will cost \$13,000,000,000.

"There is a bill to increase Federal salaries by proposing a 30-hour week, which will cost probably \$500,000,000 a year.

"There is \$25,000,000 for the Inter-American Highway.

"There is \$500,000,000 a year for veterans' hospitals.

"There is \$500,000,000 more for the Commodity Credit Corporation.

"The President has indicated his intention to submit an additional program for the United Nations Relief and Rehabilitation Administration, costing \$1,350,000,000."

The Senator's list is, of course, really far from complete. It seems to include only those projects and proposals which are actually before Congress or which have reached a stage which ren-

ders possible an estimate of costs. Many of the grandiose schemes which apparently command influential support have not advanced to the point where costs have been given much thought. The Senator's list is long enough, however, to make it clear why \$50 billion post-war budgets are now being mentioned, and long enough to put thoughtful citizens on notice that they can not afford longer to defer a decision as to whether or not we are prepared or determined to follow the Hansen-Keynes "line" of fiscal management, or can summon the good sense to insist upon at least reasonably prudent management of our affairs.

A Basic Decision

This decision is basic. Once we have determined to turn our backs upon the "salvation through profligacy" doctrine, many if not most of the wild schemes which plague Congress today could no longer be considered. They could be given effect only if we either cared not a fig for sound national finances, or, which is definitely not true, were willing to bear some such burden of taxation as has been our lot during the war. The fact of the matter is that unless we are prepared to throw to the winds all that experience has taught of the wisdom of prudent financial management, and are ready to discard all American traditions about the role of Government, we had better this day begin letting Congress know that virtually all the proposals listed by Senator Taft must be shelved indefinitely.

But even that would not suffice. In the first place, there are many programs, not mere proposals, now in effect and force which are costing the nation many a needless penny. Many of them need to be brought to an end. Some of them are born of the war. More than one of them comes over from days when the New Deal was desperately seeking some way to revive a "mature economy" in which almost none of the breath of life remained—or so it was apparently supposed. If we are really to hew to the traditional line of prudent management of our affairs in the future much, if not most, of all this has to be pared off. It is wholly inconsistent with any budget of outlays within our post-war means. Indeed to thoughtful students much of it can be viewed as nothing more or less than a burden, a needless burden, upon the well-being of the people of the United States. It is time we reached a definite and firm determination about these things.

U. S.-British Trade Parley Under Way

British Representatives at Washington Meet With State Department Officials to Work Out Post-War Credit Arrangements and Commercial Policies.

On Sept. 9, Lords Halifax and Keynes, British Representatives, met with Assistant Secretary of State, William L. Clayton, in the first



Lord Halifax



William L. Clayton



Lord Keynes

of a series of conferences, to work out a plan whereby Great Britain will receive credits or some other form of aid from the United States to offset the loss of the lend-lease arrangements which were discontinued as the result of the cessation of hostilities. The difficult position in which Great Britain now finds itself, both because of her heavy indebtedness abroad and the need of large reconstruction outlays, makes it imperative that some arrangement be arrived at whereby the United States will furnish aid in some form to tide the United Kingdom over a period of several years.

Although it is apparent that the State Department officials are favorable to granting assistance to our former ally and one of our best customers in pre-war years, there are some difficult barriers in the way of devising a method to accomplish this. In the first place, there is considerable objection in this country against the "imperial preference" policy of Great Britain in trade with her colonies and self governing dominions. Then, there are the complaints against the "Sterling Bloc" policy and the bilateral monetary agreements which Great Britain has entered into with a number of countries in order to confine payments of "blocked sterling" to the purchase of goods and services within the "Sterling Area." Several of these monetary and financial agreements have already been published from time to time in the "Chronicle."

Much Nonsense Ruled Out

It goes without saying that any such selection of policy for the future would ipso facto inflict the death penalty upon much of the long list of policies and programs which President Truman has sent to Congress in recent weeks, and which, for the most part, originated with the preceding New Deal administration. Most of this is not only paternalistic in the nth degree, and thus out of harmony with American tradition and certain to be harmful rather than helpful in the end, but would cost far more than we can afford.

It is for this reason that we assert that the decision as to whether we shall hew to the line of rational finance in the future is basic. If we are to do so, then we need hardly even debate many other questions which now cause many arguments.

Conflicting Policies

The policy of the State Department to encourage freedom of trade and the removal of restrictive barriers throughout the world evidently runs counter to the British policy of building up an international trading area, centered around the British pound sterling.

The matter of a U. S. loan, or an outright gift of from three to six billions of dollars to Great Britain, has already posed serious difficulties and political objections. As already stated by Sir Stafford Cripps, the new President of the British Board of Trade in the Labor Government, Great Britain is unwilling to contract a foreign loan which will mean assuming an impossible future burden in the form of interest payments and repayment of capital, and would lead eventually to a lowering of the standard of living. "We certainly do not want to assume obligations which we know we cannot discharge," he declared in a recent address before the conference of Lancashire and Cheshire Federation of Trades Councils. But aside from this, it is apparent that even the enlarged facilities of the Import-Export Bank is incapable of affording a loan of the size required to alleviate the British situation.

As to an outright gift from the United States to enable Britain to tide over a period in which she can expand her exports to meet her international obligations, there will undoubtedly be strenuous objections in political and Congressional quarters. It will be recalled, however, that Senator Taft made this suggestion during the Senate hearings on the Bretton Woods Agreements. But it appears that Congress is in no mood to follow this course.

Whether Great Britain would be willing, even in her present distressed condition, to abandon her imperial trade preference policy is extremely doubtful, though a compromise may be worked out on this basis. It is possible, also, that Congress may grant to President Truman the right to allocate among foreign countries in need of rehabilitation a sum of money, nominally under loan conditions, but essentially a gift. This has already been done in the case of China, to which a half billion dollars has already been allocated.

Keynes' Statement

In a formal statement issued at a press conference on Sept. 12, and printed elsewhere in this issue of the "Chronicle," Lord Keynes outlined the British position. He pointed out that owing to Britain's heavy role in furnishing men and munitions, the nation had sacrificed its exports and that there will be a considerable time before its industries can recover to achieve a volume of exports more than 50% above the pre-war level. He indicated that there

Gen. Wainwright Welcomed Home

The nation's welcome to its hero of Corregidor and Bataan, General Jonathan M. Wainwright, which began when he set foot for the first time in five years on the American mainland, at San Francisco on Sept. 8, reached the climax of its ovation when he was presented by President Truman with the Congressional Medal of Honor at Washington, on Sept. 10.

General Wainwright, after arriving at the National Airport, made the traditional tour of the city amid welcoming throngs, visited the Houses of Congress, went to the White House where, at a brief but impressive ceremony in the Rose Garden he received the Medal of Honor, and to the Pentagon.

In a speech to his cheering welcomers, the General, according to the Associated Press, said that the United States should be firm with those "truculent men" (the Japanese), and be prepared, so that never again will American soldiers be "forced senselessly to suffer . . . torment and starvation."

The presentation of the Congressional Medal of Honor to General Wainwright was accompanied by the following citation, read by President Truman:

"Gen. Jonathan M. Wainwright, commanding United States Army forces in the Philippines from March 12 to May 7, 1942, distinguished himself by intrepid and determined leadership against greatly superior enemy forces. At the repeated risk of life above and beyond the call of duty in his position, he frequented the firing line of his troops where his presence provided the example and incentive that helped make the gallant efforts of these men possible.

"The final stand on beleaguered Corregidor, for which he was in an important measure personally responsible, commanded the admiration of the nation's Allies.

"It reflected the high morale of American arms in the face of overwhelming odds. His courage and resolution were a vitally needed inspiration to the then sorely pressed freedom-loving peoples of the world."

On Sept. 13, when General Wainwright arrived at New York, besides the official welcome at City Hall, he was accorded an enthusiastic ovation by the millions of people who had turned out to greet the hero. The evening of the 13th he was the guest of honor at a banquet tendered by the City of New York and the Commerce and Industry Association of New York, Inc., at the Waldorf-Astoria. Col. Allan M. Pope, President of the association and a classmate of General Wainwright at the United States Military Academy at West Point, headed the reception committee.

were two alternatives facing Britain. One was to maintain a policy of economic isolation within the Sterling Area; the other was to remove the barriers of the Sterling Bloc in return for some form of aid or co-operation by the United States.

It is expected that the conference between the British emissaries and the State Department officials will continue for several weeks, during which the situation will be discussed with other departments of the Executive branch of the Government. In the meantime, the agitation for the repeal of the Johnson Act will go forward. But even if loans by private parties to British concerns is again permitted, there is already strong indication that British business interests will not take kindly to the active participation of American capitalists in the ownership and control of British industries.

Items About Banks, Trust Companies

Winslow T. Richmond has been appointed Asst. Vice-Pres. of Central Hanover Bank & Trust Co. of New York. Mr. Richmond started his banking career in the personal trust department of Central Hanover in 1929 and was appointed Assistant Secretary in 1934. He is a graduate of Wesleyan University.

An "old customers' luncheon," which will be an innovation in the practice of New York banking institutions, will be given by the officers and directors of the Continental Bank & Trust Co. of New York on Sept. 20, at the City Midway Club, 25 Broad Street. The guests of honor will be business concerns and individuals who have been Continental depositors continuously for half a century or more. Frederick E. Hasler, President of the bank, will preside. In its early days the Continental, which celebrated its 75th anniversary last month, was especially identified with export and import trade, and some of its oldest depositors date back to that period. In recent years, however, it has become a broadly diversified commercial bank and trust company, serving all lines of industry.

E. Chester Gersten, President of the Public National Bank and Trust Company of New York, announced on Sept. 17 that Edmund P. Looney, Assistant Vice-President, was elected a Vice-President. Mr. Looney is a senior credit officer at the Main Office, 37 Broad Street, and is also a Trustee and Treasurer of the Brooklyn Public Library.

At a meeting of the board of directors of Sterling National Bank & Trust Co. of New York, held on Sept. 13, Harold D. Kittinger was elected a director of the bank. Mr. Kittinger is a director of the Arnold Constable Corp., and President of the H. L. Green Co., Inc., of Green United Stores, Inc., and of Metropolitan Stores, Ltd., of Canada.

Francis Sydney Bancroft, who has had more than 40 years' experience in local real estate as a member of the firm of Pease & Elliman, Inc., has been elected active First Vice-President of the Excelsior Savings Bank of New York, according to an announcement made Sept. 13 by Reginald Roome, President. Mr. Bancroft will devote his entire time to the Excelsior Savings Bank, but will continue as Vice-President and director of Pease & Elliman. He has been intimately connected with the bank since 1930, when he was elected to the board of trustees and made a member of the Finance Committee. In 1932 he became an Honorary First Vice-President, and in 1933 was appointed to the Special Real Estate Committee. Mr. Bancroft has had wide experience in all branches of real estate, but in recent years has specialized in the appraisal and management of New York properties.

Mr. Roome also announced the election by the trustees of three additional Vice-Presidents: Everett Smith, Cordt G. Rose and J. Treacy Farley.

Presentation of pins signifying membership in the newly-instituted Quarter Century Club was made on Sept. 18 to 19 employees of the Union Dime Savings Bank of New York at 40th Street and Sixth Avenue by the President, William L. DeBost. Five of the 19 have service records of over 40 years, and four more have over 35 years of service. Stanley E. Clickener, who celebrated his 50th anniversary with the Union Dime in May of this year, is Honorary President of the club. The total years of service represented by the club is over 649

years, or an average of over 34 years per member of the Quarter Century Club.

The appointment of George J. Bender as Mortgage and Real Estate Officer of the Brooklyn Savings Bank of Brooklyn, N. Y., has been announced, it was indicated in the Brooklyn "Eagle" of Sept. 10, which stated that Mr. Bender was formerly resident attorney with the bank.

According to the Brooklyn "Eagle" of Sept. 13 John Adikes has been elected President of the Jamaica Savings Bank of Jamaica, Long Island, after 19 years of service there. George S. Downing, President, has been elected to the newly-created office of Chairman of the board.

A merger of the Citizens National Bank of Lancaster, New York, with the Manufacturers & Traders Trust Co. of Buffalo has been approved by the directors of the two institutions, President Lewis G. Harriman of the M. & T. and President John L. Staeber of the Lancaster bank, announced on Sept. 15. The Buffalo "Evening News," from which we quote, also had the following to say:

"The consolidation, which must be approved by stockholders of both banks and the New York State Superintendent of Banks, will be effected by an exchange of stock of the two banks on the basis of nine-tenths of a share of M. & T. stock for each share of Citizens National Bank stock.

"Present directors of the Citizens National Bank, founded in 1921, will continue to serve as an advisory board for the Lancaster area. Mr. Staeber will continue in active charge of the office and will become a Vice-President of M. & T. Raymond C. Over, now Cashier, will become an Assistant Secretary of the M. & T. and manager of the Lancaster office. The present staff of the Citizens National Bank will continue unchanged. M. & T. reported deposits of \$207,674,932.33 on June 30, and the Citizens National Bank reported deposits of \$6,712,000. In June, the First National Bank of Kenmore was merged with the M. & T."

John D. Hayes, President and Chairman of the board of Fanny Farmer Candy Shops, Inc., was elected to the board of directors of the Union Trust Co. of Rochester, N. Y., on Sept. 13. The Rochester "Times-Union," in noting this, added:

"He also is President and Chairman of the board of Laura Secord Candy Shop, Ltd., of Canada, and a director of the Chartered Trust & Executor Co. of Toronto.

"Mr. Hayes was associated with the late Frank P. O'Conner in the organization and operation of the Fanny Farmer and Laura Secord enterprises, acting as Vice-President and General Manager of the latter company until 1938, when he came to Rochester as President of the Fanny Farmer Shops."

The stockholders of the State Street Trust Co. of Boston, Mass., at a special meeting on Sept. 10 voted to change the par value of the stock from \$100 to \$20 a share, increasing the number of shares from 40,000 to 200,000. This is learned from the Boston "News Bureau," which added:

"Five shares of \$20 par stock will be distributed in exchange for each \$100 par share outstanding at the close of business Oct. 1."

Stating that the directors of the First National Bank of West Orange, N. J., have declared a dividend of 25% on its bank's common stock, payable in common stock Oct. 1 to stockholders of record at the close of business

Rights in V and VT Loans Not Affected By Japan's Surrender

Attention was called on Sept. 7 by Allan Sproul, President of the Federal Reserve Bank of New York, to a communication dated Aug. 17, from Commander Donald P. Welles, Chief of Finance Division of the Navy Department, addressed to the Board of Governors of the Federal Reserve System relative to the guaranteed loan program pursuant to Regulation V after Aug. 14, 1945. Mr. Sproul's advice to the banks and other financial institutions in the New York Reserve District quotes Commander Welles' communication as saying:

"1. The announcement of the Japanese agreement to surrender makes it appropriate for the Services to modify the guaranteed loan program, and accordingly the following instructions are issued by the War Department, the Navy Department and the Maritime Commission in connection with future administration of guaranteed loans by the Federal Reserve Banks." The instructions regarding V and VT Loans, continue:

V and VT Loans

2. **Outstanding V and VT Loans.** The rights and obligations of the guarantor (including the Federal Reserve Bank as its agent), the financing institution and the borrower under existing loans and guarantees, as defined in the documents relating thereto, will not be affected by the surrender of Japan. In cases where outstanding loans require the consent of the Reserve Bank or the Guarantor for the financing of production under additional war contracts, such consent should not be given without submission of the matter to Washington.

3. **Outstanding Authorizations.** V-Loan authorizations which were outstanding on Aug. 14, 1945, may be executed in accordance with their terms, but the authority previously given to the Reserve Banks to extend such outstanding authorizations for a period of 30 days is hereby revoked. Requests for the extension of such authorizations should be referred to the Guarantor, and its decision will be made in the light of the circumstances involved in each case.

4. **Pending Applications.** Applications for V-Loans which have been filed with the Reserve Banks and which were pending with the Reserve Banks or the Services on Aug. 14, 1945, will, unless withdrawn by the financing institution, be processed in the usual way. In such cases, the guarantee will be confined to a loan with a borrowing formula limited to items under terminated war contracts, and borrowings under un-terminated contracts will be permitted only if the circumstances stipulated in paragraph (7) below exist.

5. **Extensions of Maturity.** The Reserve Banks are authorized to consent to requests for the extension of maturity of any V or VT Loans under the 1942 or 1943 form of Guarantee Agreement maturing hereafter (whether it be an original maturity or a maturity resulting from an extension hitherto granted) when in the opinion of the Reserve Bank (concurrent in by the Liaison Officer in the

Sept. 20, the Newark "Evening News" of Sept. 14 added:

"In view of the increase in bank deposits, decision was reached to take steps to increase the capital stock. Declaration of the dividend will advance the total from \$200,000 to \$250,000. The increase is from accumulated earnings. The surplus accounts total is \$150,000 and undivided profits in reserve total \$110,000."

James L. Miller, retired Vice-President of the Chase National Bank, New York, died on Sept. 13 at the home of his daughter in Nutley, N. J. He was born in New York 77 years ago. Mr. Miller, the Newark "Evening News" reports, was employed by the Chase bank 40 years and had served 15 years as Vice-President in charge of the Worth Street

(Continued on page 1384)

Norwegian Krone Notes No Longer Legal Tender

Associated Press advices from Minneapolis Sept. 14 reported that Reidar Solum, Norwegian Consul at Minneapolis, stated on that day that Bank of Norway krone notes no longer are legal tender and must be delivered to the consulate before Oct. 6 to be redeemed. The press advices added:

"Accompanying the notes must be a declaration telling the circumstances under which they were acquired. Notes acquired legally will be recognized and the amount will be credited to a bank account in Norway for the owner, Mr. Solum said.

"Deposits and other assets with Norwegian banks held by private individuals also must be declared for registration, he said. Bank deposits and securities liable to registration which have not been declared by Nov. 15 are forfeited to the Government of Norway, he said."

New Holland Banknotes

During the week beginning Sept. 26, the people of the Netherlands will be required to exchange all their banknotes for new ones, in one of the most sweeping measures taken by the Netherlands government to reorganize the country's financial system. The old banknotes will become valueless on Oct. 3. In advices made available Sept. 18, the Netherlands Information Bureau in New York City, further reports:

"Admitting that this step will entail a great deal of inconvenience, the Netherlands Minister of Finance stated that this reorganization is necessary to help restore conditions to normal. The impossibility of obtaining sufficient stocks of banknotes from printing plants in Holland and England prevented the measure from being effective earlier. As a preliminary measure the government had called in all banknotes of one hundred guilders and over.

"Bank and Treasury notes large and small, and all currencies brought in by the Allied armies, are included in the regulation. All bank and savings bank balances will be frozen until the issue of new notes has progressed beyond its early stages.

"To leave the people with enough money to see them through the week during which the change takes place, ten guilders' worth of new money will be made available in advance for each person. A family of five will receive fifty guilders in new currency to meet ordinary household expenses. Employers have been requested to extend advances to their workers so that they may buy the prescribed allotment of new money before the deadline. On Saturday, Sept. 22, no wages will be paid.

"The Netherlands Finance Minister explained that the step was decided upon to enable the government to combat inflation by controlling wages and prices and to trace black market profits. It is also intended to keep the amount of money circulating within reasonable bounds, to obtain information on the money situation while investigating the resources from which the money flows, and to control the expenditure of money. The Minister warned that those attempting to frustrate the measure will meet with severe punishment."

have not been fully terminated. If any case arises where the omission of this special provision will, in the opinion of the Reserve Bank, work an undue hardship upon the borrower, it is requested that such case be referred to the guarantor for its consideration.

9. I am authorized to state that the War Department and the Maritime Commission concur in the above...

case of War Department guarantees) such extension is necessary for orderly liquidation of the loan, subject to the following conditions: (A) No such extension may exceed 60 days; (B) The borrower shall relinquish its rights under Section 6, except as to contracts terminated prior to the beginning of the period of the extension; and (C) The financing institution shall relinquish its rights under Section 5, except as to contracts terminated prior to the beginning of the period of the extension. Pursuant to such relinquishment, contracts terminated during any such period of extension should be excluded from (a) or (x), as the case may be, and included in (b) or (y), as the case may be. Loans under the 1944 V-Loan Guarantee Agreement may be extended by the financing institution under the terms of Section 7 thereof. Additional extensions or an extension exceeding 60 days may be given only with the consent of the guarantor after submission to Washington. Previous instructions which are inconsistent with the instructions set forth in this paragraph are hereby revoked.

6. **Authority for New V-Loans.** The surrender of Japan has not resulted in termination of the war within the meaning of the first War Powers Act, 1941, under which Executive Order 9112 was issued. Accordingly, the War and Navy Departments and the Maritime Commission are still empowered to enter into contracts with financing institutions guaranteeing them against loss of principal or interest on loans, discounts or advances, or on commitments in connection therewith, which may be made for the purpose of financing any contractor, subcontractor or others engaged in any business or operation which is deemed by the War Department, the Navy Department or the Maritime Commission to be necessary, appropriate or convenient for the prosecution of the war.

7. **Policy as to New V-Loans.** However, it will be the policy of the Services to enter into guarantees of new V-Loans (as distinguished from extending guarantees of outstanding loans or issuing guarantees of refinancing arrangements made in order to bring about orderly liquidation of outstanding guaranteed loans) only in exceptional cases and where there is a clear necessity for the procurement of supplies or services by the War Department, Navy Department or Maritime Commission from the particular borrower, and where no other means of adequate financing is available to the borrower. In such cases the financing institution will be expected to take an exposure clearly commensurate with the risk involved, and the maturity will be limited strictly in accordance with the requirements of the particular contracts to be financed. Appropriate provision for borrowing against terminated contracts may be included in such loans.

T-Loans

8. There will be no present change in the operation of the T-Loan program. However, the special provision with respect to receivables on un-terminated sub-contracts under terminated prime contracts, which was authorized by the Navy Department memorandum of April 24, 1945... to be inserted in Exhibit D of the Termination Loan Agreement, may not be inserted in T-Loan Agreements executed hereafter, unless the prospective borrower still holds war contracts which

Forthcoming Labor-Management Conference To Seek Formula for Minimizing Labor Strife Aim Is to Establish Machinery Which Would Permit Early End of War Labor Board

Secretary of Labor Schwollenbach and Secretary of Commerce Wallace jointly announced on Sept. 6, after a meeting of top industrial and labor leaders, that the labor-management conference for which the government has been laying plans will be held at Washington Oct. 29 or Nov. 5. The date was left indefinite, the Associated Press stated in reporting the announcement from Washington, because of the anticipated absence throughout October of Congress of Industrial Organizations Vice-Presidents attending the World Trade Union Federation Conference at Paris.

The Government hopes that the forthcoming conference will provide a formula for post-war industrial peace. President Truman, in his message to Congress, said that its purpose was to work out "by agreement means to minimize labor disputes."

The size and scope of the conference, the method of selecting delegates and form of organization, the Associated Press report continued, were left to a committee headed by Major Paul Douglas. He is a wounded Marine hero, who quit his post as Economics Professor at the University of Chicago to enlist as a private. He is the husband of Representative Emily Taft Douglas (D., Ill.). The Associated Press further said:

Others on the committee are Charles Symington, Maryland manufacturer, who was proposed by Secretary Wallace for co-chairman; Robert J. Watt, for the AFL; Ted Silvey, for the CIO; Joyce O'Hara, for the U. S. Chamber of Commerce, and Ray Smet-hurst for the National Association of Manufacturers.

The committee was given no hints by Messrs. Schwollenbach and Wallace as to the limits of the conference. Mr. Schwollenbach told newsmen that he would not attempt to impose his views on the committee.

The Government will assume a guiding role in the conference itself, he said, but will not "steer or dominate it." The meetings should be concluded in three or four weeks, he thought, as was the "successful conference" of February-March, 1918, when the War Labor Board of World War I was established.

The present War Labor Board will go out of existence in as orderly fashion as possible after conclusion of the forthcoming conference, Mr. Schwollenbach

said. Presumably the conference will come up with some sort of disputes machinery to take its place.

In the meantime, Mr. Schwollenbach said he was proceeding as rapidly as possible with his plan to strengthen the United States conciliation service, in his Department since 1913.

Mr. Truman is relying heavily on collective bargaining and conciliation to keep the number of labor disputes in the critical months ahead to a minimum.

The Labor Secretary said the AFL and CIO, which have been reported far apart in their ideas about the scope of the conference, appeared to "have no sharp differences" of opinion at the luncheon meeting in Mr. Schwollenbach's office.

AFL President William Green has favored limiting the conference to consideration of machinery to take the place of the WLB. CIO President Philip Murray has expressed the view that all the underlying causes of strikes and unrest should be aired in order to obtain lasting labor peace.

President Truman, in his message to Congress, asserted that "our national welfare requires that during the reconversion period production of civilian goods and services—as full production as possible—go forward without interruption and that labor and industry cooperate to keep strikes and lockouts at a minimum."

At his first news conference on Sept. 7, the Associated Press reported from Washington, that Major Douglas had declared that he thought "all men of good-will want labor and management to make an agreement that will insure industrial peace and maximum production." He said he felt that Americans want no more of "strife, either internal or external."

An earlier announcement of the proposed conference was given in the "Chronicle" of Sept. 6, page 1159.

State Banks' Status Improved in 1944, Says American Bankers Association

An over-all strengthening of the position of state banks in our nation's economy during 1944 is revealed in the 14th annual report (made available Sept. 11) of the State Bank Division of the American Bankers Association, which shows assets of the 9,510 state supervised banks in the United States increased \$12,281,041,000 during the year to \$75,350,146,000 at the close of business Dec. 30, 1944.

"Worthy of comment as we consider this report," said Elwood M. Brooks, Chairman of Committee on State Bank Research of the Division, who is also President of the Central Bank & Trust Co. of Denver, Colo., "is the fact that half of the country's bank assets are held in State banks. Of extreme importance, in these days of reconversion, will be the way in which we exercise our responsibilities in the handling of these vast funds," Mr. Brooks added.

"So timely is this study, coming almost at the same moment as the Japanese surrender, that it can well serve as a blueprint for making an immediate analysis of our position, upon which we may base the next few months' operations. It gives the State bankers, many of whom serve very small communities and who reach into the highways and byways of America's foundations, an opportunity for making sound deductions which will result in constructive

contributions to the nation's financial health."

The survey is based on year-end reports and detailed information supplied by the 8,967 State (commercial) banks, loan and trust companies, private banks and stock savings banks and the 543 mutual savings banks in the United States.

The report is made in a 50-page booklet mailed to members of the State Bank Division. It is divided into two main sections for a discussion of "Assets and Liabilities" and "Earnings and Expenses," and each of these sections gives a detailed analysis of the figures applying to commercial and to mutual savings banks. The material is illustrated by series of tables and charts for more easy understanding of the statistical data.

Discussing assets and liabilities of State supervised banks, the report says in part: "Most of the gain in total investments was at-

tributable to increased holdings of United States Government securities which totaled \$42,593,451,000 for all State supervised banks on Dec. 30, 1944, an increase of \$10,727,649,000 for the year. A further study of this item shows that State supervised banks had 56% of their resources invested in Government securities, an increase of about one-third in the past 12 months. This survey shows that during the past five years State supervised banks have increased their holdings of Government securities \$31,345,676,000 or 278.7%, emphasizing the fact that State banks are continuing to lend their support to Treasury financing. Holdings of other securities by State supervised banks totaled \$4,043,284,000 at the end of 1944, a decrease of \$98,607,000 or 2.4% in the past year. Other securities held represent approximately 5.4% of total resources.

"Cash reserves, and funds due from banks at the end of 1944 aggregated \$13,205,040,000 for State supervised banks.

"Total deposits of all State supervised banks as of Dec. 30, 1944, amounted to \$69,538,909,000, an increase of \$11,887,928,000 over the previous year. Demand deposits of individuals, partnerships, and corporations amounted to \$28,855,091,000, a gain of \$2,856,133,000 for the year. Demand deposits have consistently increased and the present figures represent more than 153% since 1938. For the five year comparative figure, demand deposits have increased 85%. Time deposits of individuals, partnerships, and corporations increased during 1944 by \$3,730,043,000 to a total of \$24,355,273,000 for all State supervised banks. Total capital funds of State supervised banks was \$5,409,390,000, a gain of \$323,643,000, or an increase of 6.4% for the year. Resources of the 8,967 State (commercial) banks at the close of 1944 amounted to \$60,563,629,000, an increase of \$10,539,672,000 or 21.1% for the year. This increase is reflected mainly in holdings of United States Government securities."

It is further stated: "For the 8,928 State banks engaged in commercial business, aggregate gross earnings for 1944 were \$1,023,390,000, an increase of \$119,251,000 over the previous year. Current operating expenses, including income taxes, for the same period advanced \$711,011,000, an increase of \$73,295,000 over 1943.

"Net profits for the 8,928 State banks, after recoveries and charge-offs, but before dividends, amounted to \$350,227,000. The better over-all condition of business is reflected in \$37,848,000 added to net profits from recoveries on loans and discounts and profits on sale of securities amounting to \$162,433,000, compared with \$124,585,000 in losses and charge-offs on loans and securities for the year."

Netherlands Int. Cut to 3%

Advices Sept. 15 from Amsterdam credited to the Netherlands News Agency, stated:

"The Netherlands Ministry of Finance announced today a new measure designed to reduce interest rates on long-term loans from 3½ to 3%.

"A corresponding decrease has been made for the interest rate against which the Finance Minister's agent issues Treasury promissory notes. The decrease amounts to one-seventh over the entire line and corresponds to the reduction from 3½ to 3% on the long-term obligations.

"The announcement stated these measures fit in with the Netherlands Government's cheaper money policy as well as with the money purge which it is conducting.

"Netherlands state loans at rates greater than 3½% soon will be converted to 3%, and new loans, if and when issued, will be at the basic rate of 3%."

New World League Expected to Hold First Session This Fall—Argentina Latest to Ratify Charter

With Britain's ratification on Aug. 23 of the United Nations charter, it became a possibility that enough nations will have ratified the charter by late October for the first plenary session of the World Security League to be called at that time, the Associated Press reported from London, Aug. 24, and continued:

There was a general feeling in London that virtually all the countries will have approved the 50-nation pact by late fall. The next wave of ratification decisions is expected from Latin-America. The process has been retarded in some of the nations formerly occupied by the Germans, says the Associated Press, because of the necessity of reinstating their legislative bodies. Thus ratification in Belgium and Norway must await the parliamentary elections in the fall. Holland may ratify earlier, since an emergency Parliament would have authority to do so. Czechoslovakia may be in a position to ratify within two months.

The preparatory commission, whose executive committee has been sitting in London to make ready the inception of the new organization, has been operating on the assumption that the new organization will come into being in October. When 28 countries have ratified, the committee will call the representatives of all 50 nations into session as the full preparatory commission. This group will set the date for the opening assembly meeting.

Advices to the effect that discussions of plans for the first full dress session of the United Nations General Assembly was on the agenda of the Preparatory Commission on Sept. 11, with Russia, China and Brazil supporting American belief that a Constituent Assembly could meet in November and the Full Assembly on April 25 were contained in London Associated Press advices on that date which went on to say:

The matter was discussed for three hours last night. Commenting on the suggestion by Edward R. Stettinius, Jr., chief U. S. delegate, Andrei Gromyko, Soviet delegate and Ambassador to the United States, said it was important and practical and that he believed it possible to convoke the Constituent Assembly in November.

Dr. V. K. Wellington Koo, Chinese delegate, said his delegation was agreed that the initial convocation should be of a constituent nature for organization purposes only. Brazil's delegate, Dr. C. De Freitas-Valle, said "it is our duty to put the United Nations organization into operation quickly."

Paul Hasluck, Australian delegate, opposed the schedule, saying there would be no advantage in establishing a "minimum assembly" which would contain only representatives of countries which had ratified the San Francisco Charter. He suggested "we wait until all countries have ratified the Charter before holding this first great town meeting of the world."

Escott Reid, Canadian delegate, proposed a compromise under which the Preparatory Commission would complete its work by mid-October and call the General Assembly into session in January for both organization and "a town meeting of the world."

Mr. Stettinius arrived in London on Aug. 31 to take up his duties as chief U. S. delegate.

The Argentine Government on Aug. 8 published a decree, approved by the Cabinet Council, ratifying the United Nations Charter. A cablegram to the New York "Times" from Buenos Aires reporting this, added:

"The decree was signed by the President, Vice-President and all Ministers and Secretaries of State except the Minister of Finance, who is absent from Buenos Aires.

"The preamble to the decree states that the United Nations organization represents the crystalli-

zation of ideals that Argentina always advocated.

"Another decree orders the publication within ten days of the Act of Chapultepec and the United Nations Charter."

ABA on Financing Of Building Program

Announcement of the publication of a new booklet "Mortgage Loan Advances During Construction," which explores some of the problems and possibilities of construction loans to aid banks engaged in or planning to enter this field of lending was made on Sept. 6 by Ernest M. Fisher, Deputy Manager and Director of the Department of Research Mortgage and Real Estate Finance of the American Bankers Association. The booklet, he said, "does not prescribe a standard procedure for making mortgage loan advances during construction," but rather, "points out some basic precautions that must be given consideration when advances of this type are made."

In making know the publication of the booklet Dr. Fisher pointed out that banks have a potential leadership and resources which should be utilized to the fullest in the development of an orderly and adequate program of financing to meet the housing needs of our country.

In an introduction to the booklet, which will soon be available on request to Association member banks, Dr. Fisher says:

"All elements of the construction industry are looking forward with eagerness to a tremendous volume of home building in the coming decade. Numerous estimates have been hazarded of the probable extent of the postwar demand for new homes; and, although they vary widely, the greater number are in the neighborhood of a million dwellings a year for the first ten years. These are impressive figures, especially when it is recalled that the largest number of dwelling units ever built in this country heretofore in one year was 937,000 in the boom building year of 1925."

"As the institution longest established in the mortgage lending business," the booklet continues, "the banks should be in a preferred position to serve the needs of the army of home builders who will need financial assistance in the projects they are so eagerly anticipating. In the early days of peace, competition for home mortgages will be keener than at any previous time in our history. Since new building is expected to account for a large part of the market, banks must be prepared to finance new building in such a way as to meet the requirements of borrowers. An essential part of their lending programs will be the single transaction that covers both the making of advances during construction and the long term mortgage on the completed dwelling."

The booklet makes suggestions for procedure in making advances on mortgage loans during construction, and also contains a resume of the procedure and forms used by three banks with considerable experience and success in this field of lending. It is designed to be helpful to banks regardless of size or activity.

The Full Employment Bill And Reconversion

(Continued from page 1370)

plans upon sales forecasts, as do concerns in planning construction programs for a year or more in advance.

The Bureau of the Budget and the Executive Agencies make such forecasts regularly in connection with their appropriation requests. The Executive Agencies, with their growing knowledge of economic forces and their ability to make surveys of the intentions of businessmen and others throughout the country, can anticipate changes in economic conditions with increasing accuracy. These changes would be reported in periodic messages to the Congress as provided in the Bill, so that the Congress would be able to plan and carry out its legislative program on the basis of the most up-to-date information available.

The third important point, in my opinion, is that this legislation provides the mechanism to marshal all our forces and to coordinate all policies of federal agencies to bring about full employment and it provides a method for the Congress to look at all legislation from the viewpoint of its effect on full employment. This is of the utmost importance because full employment is not something we can reach by the panacea method—that is, no one measure alone will automatically give us full employment. Every operation of the Federal Government must be geared to it. There are many measures that can contribute—tax policy, social security, foreign trade, housing and construction, for example.

Must Rely on Private Business

When we talk about a program for full employment there is a tendency to think about a big public works program but clearly we must rely on jobs in private business for the overwhelming majority of job opportunities, and, therefore, we must direct our policies so that they will promote the expansion of private business. We all hope the days of make-work will never be necessary again. We must have a fundamental program if we are to achieve full employment.

One other point I think is worth stressing. Some have the impression that the Full Employment Bill in itself, when passed, will produce jobs. Of course, it will not produce as much as a single job. What it does is to fix a responsibility on the President and the Congress with respect to the attainment of full employment and provides an effective mechanism to assure that the Congress will be in a position to discharge these responsibilities.

It does not provide for federal public works programs, for federal participation in state works programs or for tax relief to manufacturers or consumers. It does not provide for governmental participation in loans or mortgages, or other remedial measures which have been advanced in the interest of full employment.

It contemplates a continuous Congressional program of determining which of these remedial measures, or other measures not yet advanced, will be most effective and desirable in meeting specific situations which tend to reduce employment. It contemplates therefore a program of continuous and changing legislation to meet changing needs.

In order that the Congress will be in a position to carry out this continuous program with maximum effectiveness, it must be furnished with the best data obtainable concerning the economic situation at a given time and the best estimates obtainable concerning the prospects for the immediate future.

The Bill places squarely upon

the Executive Branch the responsibility for providing the Congress with this information, and provides for the concerted mobilization of the executive agencies to discharge this responsibility effectively.

No Interference With Private Enterprise

The President will present a program and the Congress will have the final decision as to the steps it wishes to take. That is the best possible assurance that the Full Employment Bill will not mean regimentation.

This Bill does not imply interference with the decisions of private enterprise. The Government will not tell the employer how many persons he should employ or the worker where to work. It does not put the Government into business. Government assurance of full employment means that the Government will act so as to keep the free economic system running somewhere near full production.

My task is one of redirecting from war to peace the four main resources from which the health of our economy springs: our manpower, our raw materials, our plant and equipment, and our managerial know-how. It would be a useless task if it did not have as its goal full production and employment—a high standard of living and long range stability.

Therefore, the mechanism by which we will attain our long range goal should be established now. If this is done, present policies can readily be integrated with long term measures and the new machinery can be functioning effectively by the time we have finished our immediate task of reconversion.

I hope that the Congress will adopt an efficient mechanism for mobilizing the resources of the country—both private and governmental—for the attainment of full employment and production. I believe that a mechanism such as this Bill proposes is a tremendous step toward the attainment of this goal.

McNutt Philippines High Commissioner

President Truman has nominated Paul V. McNutt, of Indiana, to a post he formerly held from February 1937 to July 1939, that of High Commissioner to the Philippines, the New York "Times" reported in a special dispatch from Washington, Sept. 6. Mr. McNutt, who has been director of the War Manpower Commission and administrator of the Federal Security Agency, is expected to leave for Manila as soon as his nomination has been approved by the Senate and he has taken the oath of office. The President stated that his task would be to expedite the recovery of the Philippines, from which the American Army has withdrawn its supervision over civil affairs. The "Times" advises also state:

Asked whether Mr. McNutt's position might extend beyond the Philippines to the Western Pacific as a whole, Mr. Truman said the law was specific in limiting the scope of the High Commissioner to the Philippines.

The office is a civil one, and so the question of air and naval bases in the Philippines is not raised by the appointment. The President, however, in response to questions at his press conference expressed confidence that this country would have bases in the Philippines, as well as on Okinawa, which defense authorities consider essential. Mr. Truman said that he had not studied the report on bases

Truman Asks Support Of Nat'l War Fund

In letters on Winthrop W. Aldrich, President of the National War Fund, and to heads of Government departments and agencies, President Truman addressed an appeal to the American public for all-out support of the final drive for the fund for \$115,000,000 as one of the best ways to further the cause of peace, care for the morale of American fighting forces and combat famine and disease.

The President's message also announced the appointment of Major General Philip B. Fleming, Public Works Administrator, as government liaison representative to the National War Fund.

The following are excerpts from Mr. Truman's letter to Mr. Aldrich, as given by the New York "Times", Sept. 9:

"We have won the military war, but are virtually just beginning the fight on famine, pestilence and general disease. And I say to you, with full knowledge of everything UNRRA can do, and everything that can be done by other instrumentalities financed by public funds, that the private agencies of the National War Fund have a special task to do that is indispensable and unique. What these agencies have done, and can do, is important out of all proportion to the relatively small funds involved.

"In no other way can the American people themselves express so clearly an intelligent sympathy and active concern in their determination that justice and mercy shall prevail in this world, with the help of every good man and woman, and with the blessing of God.

"May I, therefore, wish success in the National War Fund and all its associated State and community funds in the plans you are laying for a united appeal to a united people."

Bradford Norman, Jr., Vice-President of the Commercial National Bank & Trust Co. of New York, has accepted the Chairmanship of the New York National War Fund's Finance Division for the 1945-46 campaign, Carl Whitmore, Campaign Chairman, announced on Sept. 9, the New York "Journal of Commerce" reported.

Executive Council Meet Of U. S. Savings & Loan League to be Held in Cgo.

Decision of the board of directors of the United States Savings and Loan League to postpone until 1946 any nationwide get-together of the managers of savings and loan institutions, in spite of the October 1st lifting of the convention ban, was announced at the close of the directors' meeting in Chicago on Sept. 11. The Executive Council and some of the key committees of the nationwide organization will meet in Chicago November 29 and 30 and December 1 of this year to carry through the election of officers and directors and to accomplish other administrative functions required in the League's constitution, according to W. M. Brock, Dayton, Ohio, President. The League constitution was revised in 1942 to permit such handling of the elections in case an emergency such as the present travel and hotel space jam should develop. 1945 will be the first year that no annual meeting of managers of thrift and home financing institutions has been held since 1892, the year the United States League was formed.

which was made public yesterday by the Navy and so could not speak sufficiently on that subject for the moment.

In announcing the appointment of Mr. McNutt, President Truman said nothing about his successors in the War Manpower Commission and the Federal Security Agency.

Senate Group Revises Jobless Pay Bill

Broadening of unemployment compensation provisions through Federal aid under the proposed Kilgore bill was sharply curtailed by the Senate Finance Committee in the revised version on which it finished work Sept. 13, as reported by the Associated Press from Washington on that date.

The most notable provision of the measure, on which the Administration had laid particular stress,

that of having Federal funds supplement State unemployment compensation payments to a nationwide maximum of \$25 a week, was entirely eliminated from the bill. President Truman was reportedly reconciled to the elimination because of disclosure that more than a majority of the states have laws which would forbid the use of supplementary Federal money to add to unemployment payments made by those states.

Also removed from the legislative measure which is to be given to the Senate was the mandatory extension of benefit payments to 26 weeks in all states. Under the final version, as reported by the "Wall Street Journal" on Sept. 14 in its Washington advice, provision is made for optional extensions, at Federal cost, of state-rate payments for a 60% longer time for each worker, but in no case longer than a total of 26 weeks. In addition, any such extension must be requested by State Governors.

Before rewriting the bill the Senate committee heard views favoring both sides of the issue. Labor leaders opposed suggested compromises which were designed to avoid increasing compensation payment amounts. One labor witness, according to the Associated Press on Sept. 3, made an estimate of 10,000,000 unemployed for 15 months during reconversion, and another called current rates "slow starvation."

As the Senate committee completed a week of hearings, Senator Eugene D. Millikin, Republican, of Colorado, a member, predicted defeat for the plan in committee.

"I doubt that it will get more than half a dozen votes," he said. The committee has 21 members.

Lewis B. Schwellenbach, Secretary of Labor, also testifying before the Senate Finance Committee, according to the Associated Press, said higher pay for the jobless would be good for business and the farmer, but he proposed changes in the pending bill.

An American Federation of Labor official said Congressional action on bills to augment unemployment compensation was "overdue."

On the other side of the picture an economist, testifying against the bill before the committee on Sept. 4, according to the Associated Press, predicted that "a great boom is pending," and cautioned that "unwise reconversion and labor policies could do much to retard it."

This prediction came from Dr. Emerson Schmidt, Director of the Economic Research Department of the United States Chamber of Commerce. He told the committee that American business and individuals owned \$194,000,000,000 in liquid assets last December, compared with \$66,000,000,000 in 1939.

As a result of this and long pent-up demand for consumers' goods, he said, "we cannot help but conclude that a great boom is pending." He said he thought it would last "several years."

The Ways and Means Chairman, Robert L. Doughton, Democrat, of North Carolina, a stalwart of the Democratic forces, indicated to newsmen, the Associated Press stated Sept. 4, that he had parted ways with the President on this one issue. Earlier, he had told his committee that the bill "puts a premium on idleness."

When the measure as revised reaches the floor of the Senate, the Associated Press reports that Senator Kilgore, Democrat, of West Virginia, its author, plans to fight for reinstatement of the uniform \$25 a week figure in the original version.

30-Hour Week Proposal Deplored by Byrd

A bill proposing a 30-hour work week for Federal employees, introduced by Senator Pat McCarran (D.-Nev.) and referred to the Civil Service Committee, has met strenuous opposition from a member of the committee, Senator Harry F. Byrd (D.-Va.), according to advices from the Associated Press, Washington, on Sept. 8. Senator Byrd declared, that "the first step in the downfall of France was the 30-hour week. America cannot become a nation of drones and maintain our future economic stability." He asserted that a 30-hour week for Federal employees in this country would result in all private industry being forced to resort to the same thing. Senator Sheridan Downey (D.-Cal.), Chairman of the Committee, when asked if he agreed with Senator Byrd that industry would have to follow if the government went on a 30-hour week, replied: "It would seem that very serious consequences would flow from it and that it would require careful study."

Senator George D. Aiken (R.-Vt.) another Committee member, told reporters he thought there is no doubt industry would have to shorten hours if the Government did. The Associated Press accounts continued.

"But I think a shorter work week is inevitable and not far away," Senator Aiken added. "Whether 30 hours is the right number, I don't know. I don't believe we can maintain full employment without a shorter week."

Senator Byrd estimated a reduction in the working hours of 3,000,000 employees from 40 to 30 weekly would cost the Treasury about \$2,000,000,000 annually and would be "disastrous to the future economy of this country."

"Our debt will be approximately \$300,000,000,000 when the obligations of the war are finally settled," Senator Byrd said, "and our future cost of Government will be greatly increased for years and years to come by expenditures made necessary by the war."

Would Cut Air Mail Rate

During a speech made at a luncheon at the Waldorf-Astoria, New York, sponsored by the Wings Club and the Aviation Section of the New York Board of Trade, Postmaster-General Robert E. Hannegan announced that he would ask Congress to reduce the rate on domestic air mail letters to 5 cents an ounce, according to the New York "Times" on Sept. 8.

The luncheon was in commemoration of the silver anniversary of the first transcontinental air mail. In his speech Mr. Hannegan paid tribute to legislators and pioneer pilots who initiated the air mail service, and gave warm words of praise to airlines pilots, the Army Transport Command and the Naval Air Transport Service who made possible "getting letters back and forth quickly between the home folks and the men on the fighting fronts." Said Mr. Hannegan, "From now on I want to encourage the use of air transportation for first-class mail in every way possible." Under present law, the civilian air mail rate, which has been 8 cents an ounce since March 1944, will be automatically reduced to the pre-war 6-cent rate six months after hostilities are announced officially to be terminated.

Full Employment Bill Not Enough

(Continued from first page)

wages dropped, business was held at fault. It was easier to hold business responsible for laying off men and for cutting wages than to tackle the real problem frankly and boldly.

Under our system of free enterprise, businessmen undertake production to meet an expected demand for their products. So long as they can sell their output at a price that covers their costs and leaves a fair profit, businessmen will employ all the labor they need to produce the goods they can sell. When they produce efficiently, sell a good product at a fair price and pay reasonable wages, businessmen perform their function and they are entitled to profits from their production. The businessmen of this country have shown that when there is enough demand for their output they are able to produce fabulous quantities of goods and to employ all the available labor. In performing this function, the businessmen of America are without peers anywhere in the world.

Production Dependent on Demand

But no businessman can continue to employ labor and to produce goods unless he finds a market for his output at a remunerative price. The fact is that if any businessman continued for an extended time to produce goods for which there are no buyers, he would inevitably incur such losses that he could not stay in business. For this reason, businessmen cannot assume the responsibility to keep producing goods and employing labor in the face of an inadequate demand for their products.

Clearly it cannot be the responsibility of businessmen alone to prevent unemployment. But that is not to say there is no responsibility anywhere to prevent unemployment. We cannot assume that depressions are an act of God, that they are a burden men must inevitably bear. We must face the fact that all of us have a responsibility to see that our economic system works efficiently, that there are jobs for men and women able and willing to work. When we are confronted with problems of national scope involving collective responsibility we must look to the national government, acting for all the people, to take the leadership in their solution.

We can meet this problem of full employment if we face it frankly.

The 1920's in this country was a period of expanding production. While marred by farm depression and considerable unemployment at times, it was on the whole a time of active business. But in 1929, the storm that had been gathering broke. And in the next four years, our economy was nearly wrecked.

With depression, this country seemed to be stricken by paralysis. Some influential people contended that deflation would cure depression, as if bleeding could be a cure for anemia. Their slogan was "sit-tight"; their promise, "prosperity is just around the corner." Nobody was ready to assume responsibility for dealing with the national crisis. Is it any wonder that in 1932 there were 16,000,000 unemployed, that hundreds of thousands of farms and homes were lost? The gross national product fell to \$50,000,000,000, and 40% of our productive resources went to waste because there were no markets for our industries and farms.

Contrast this with 1944. In that year we produced \$200,000,000,000 worth of goods and services. Despite the 12,000,000 men and women in our armed forces, we employed 52,000,000 in our agriculture, industries and commerce. In fact, we were short of labor, and we had to restrict consumption and investment through

rationing and priorities. There is only one explanation of this phenomenal record of production and employment. Businessmen knew there was a demand for all that could be produced.

The lesson of the war is clear. This country can produce enough to provide all of our people with luxuries and comforts undreamed of a generation ago. We can do this if we use our productive resources; and we can use all of our productive resources if businessmen know they will find a market for their production. I have unbounded faith that American businessmen can do their job if we give them a chance to do it. American businessmen have as much vision now as ever before. Let businessmen know that they will find markets for their products and we shall see a resurgence of enterprise without equal in any country at any time.

Government's Responsibility

We have been told that we cannot afford to take measures to attain full employment. I maintain that the only thing we cannot afford is another period of mass unemployment. The people of this country are entirely right in saying that there must be jobs for all who are willing and able to work. If they do not get these jobs, then our economic system and our Government will have failed the people. Let us frankly accept the responsibility of assuring jobs for all. Having recognized that responsibility, let us promptly undertake the necessary steps to discharge it.

I would not underestimate the difficulty of the task. It means a national income of \$150,000,000,000 as compared with \$78,000,000,000 in 1940. It means assuring jobs for approximately 60,000,000 people as compared with 47,000,000 in 1940. It means increasing purchasing power enough to increase consumption by 50%, and to expand construction and investment by 100% over pre-war levels.

Let there be no misunderstanding as to the meaning of the word "assure." It is more than a mere pious hope—a mere paper promise to be kept to the ear and broken to the hope. It means the assumption of a definite moral responsibility. It does not, of course, mean that every individual will be led by the hand from one job to another. It does mean, as Mr. Ralph Flanders has put it, that: "The man or woman out of work has the right to expect that all responsible elements of society, and particularly the Government, will use all appropriate and effective means to assist his own best efforts in finding productive and profitable work."

Like all responsibilities, it must be discharged by fallible human beings, subject to those imperfections which are common to all mortal creatures. But to recognize our imperfections does not justify us in refusing to accept our responsibilities and to discharge them to the best of our abilities.

We have laws against murder, arson and theft. Yet we all recognize that some of these crimes go unpunished. Yet none would deny the complete responsibility of Government to prevent crime. Likewise, recognition of probable imperfections in our full employment policy cannot justify our refusal to face the task of assuring jobs for our people.

Task Difficult

Certainly, the task is difficult. But it can be done; and it can be done under our system of free enterprise. We have a unique opportunity now to establish high levels of production and employment and to take the necessary steps to maintain them. There is an accumulated demand for many consumption goods. Industry is

eager to apply the newly-developed techniques to peacetime production. Construction and investment must be undertaken to make good the deficiency of the past few years. We shall certainly reach a high level of production and employment after the reconversion period; we must make sure that it is not followed by a new period of mass unemployment.

This bill recognizes that the foundation of economic welfare is the use of our productive resources. It provides for a national budget that will show the amount of production necessary to maintain a high level of employment. It requires estimates to be made of the prospective demand for this output for consumption and for investment. When a failure of demand appears to be imminent, recommendations are to be made on measures to encourage expansion and to meet any remaining deficiency of demand.

Not a Mere "Spending Bill"

There is one point I want to emphasize particularly. This is not, as many seem to believe, a mere spending bill, or deficit financing bill. Whenever there is inadequate demand, the primary duty of the Government under this bill will be to encourage an expansion of consumption and investment, the private purchase of the products of industry. For short periods, until demand is restored, investment in necessary and useful public works, planned in advance, will help prevent a serious depression. And whatever expenditure is made by the Government for such projects will be subject to thorough scrutiny under the National Budget and by the Joint Congressional Committee for which it provides. In addition, of course, all appropriations must be authorized by regular legislation and will be subject to the usual review of the appropriations committees and the Congress itself. But I say again, ultimate reliance for jobs must come from an expansion of private consumption and investment. The only solution to unemployment is to see that there are enough jobs at good wages in private industry.

Duty of Forecasting

It is plain common sense to examine regularly the prospects for employment in this country. To do otherwise would be the grossest negligence. It is elementary foresight to take measures to assure an adequate demand for the product of our people. I cannot see how the people of this country can deal intelligently with their economic problems unless they know what problems will arise and consider what must be done to meet them.

The foundation for prosperity in this country must be large and expanding consumption. That is the only way in which we can also have large and expanding investment. All of our people must have the opportunity to enjoy the high standard of living that our producing power has made possible. In my last report as Director of War Mobilization and Reconversion, I said: "The American people are in the pleasant predicament of having to learn to live 50% better than they have ever lived before." I repeat this, because unless we base our economy on this foundation of mass consumption, the structure will not be stable.

This bill is the essential first step in dealing with the problem of maintaining employment. It is a landmark, but not the end of the road. It must be supplemented by positive measures to encourage an expansion of consumption and private investment. The bill provides that "it is the responsibility of the Federal Government to pursue such consistent and openly arrived at economic policies and programs as will stimulate and encourage the highest feasible levels of employment opportunities through private and other

non-Federal investment and expenditure." The success of this bill will depend largely on these measures for expanding consumption and investment. I believe these measures should be taken promptly, while we are converting our economy from war to peace.

I shall not discuss in detail the measures that should soon be taken to implement this bill. On July 1, 1945, in my report to the President and Congress on post-war economic problems, I gave briefly an agenda showing the major points for an economic charter for high levels of employment with a steadily rising American standard of living. I want to summarize this nine-point agenda:

A Post-War Program

1. **Taxation**—A complete modernization of tax laws to help achieve stable high levels of employment and production.

2. **Small business**—A program to foster small business and encourage the birth of new business.

3. **Competition**—A fair, vigorous anti-monopoly program because competition is a keystone to our free society.

4. **Labor, Management, and Wages**—Measures to reduce industrial strife, the broadening of the minimum wage laws and the encouragement of a high wage policy by business.

5. **Foreign Trade**—The breaking down of artificial barriers to trade and positive measures to encourage world trade.

6. **Social Security**—The broadening and expansion of unemployment compensation, old-age pensions, health and education programs of Federal, State, and local Governments.

7. **Farm Program**—Measures to assure the farm population an opportunity to enjoy the same standard of living, health, and educational facilities as the rest of the American people.

8. **Public Works and Construction**—A long-term program of public works tied in with the Government's fiscal policy, and a program to encourage far greater volume of private construction for housing than we have ever had in the past.

9. **Fiscal Policy**—A fiscal policy aimed at maintaining the economy at or near full employment, and coordinating all Government programs that have either an inflationary or deflationary effect.

After this bill is enacted, consideration should be given promptly to furthering its objectives through measures along these lines.

The enactment of this bill, when supplemented by concrete measures, will give confidence to business, labor and agriculture. It will give businessmen confidence to go forward with their plans for new investment and for expansion of production. No less important, it will give confidence to workers and farmers and facilitate the expansion and growth of consumption which must be the foundation of our post-war economy.

Next to the maintenance of peace, this is the most solemn and sacred obligation of our great democracy. Unless we meet this obligation, the liberties of our constitutional system are insecure, the dignity of our people is endangered, and the sacrifices of our heroic fighting men may be set at naught. If we proceed boldly and firmly to meet this challenge, I look forward to our unparalleled realization of the rich promise of a prosperous, a secure and a free America, leading a prosperous, a secure and a free world in paths of peace and plenty.

WMC Surveys Peacetime Job Opportunities

The War Manpower Commission sets as a peacetime goal 14,000,000 people employed in factory jobs, which was the number on factory payrolls in the record peacetime year 1941 as well as on Aug. 14 this year, when Japan surrendered. Although many have lost jobs since that date and millions more are expected to be laid off from war plant employment, the WMC looks for this goal within the next few months, the Associated Press reported from Washington, Sept. 4.

The WMC report, which was prepared after Japan's surrender and has been used only inside the Government, estimates that perhaps 4,000,000 persons will lose jobs in the next six months. The agency indicates that the task of making and finding work for millions of newly laid-off workers and returning veterans will "tax the energies of management, labor and Government for many months."

Further conclusions brought out by the WMC, according to the Associated Press, were:

"The major war industries—aircraft, shipbuilding, ordnance, communications equipment, Government—are in the midst of releasing nearly 2,500,000 workers in the 60 days after victory.

"Aircraft plants will let go 1,000,000, shipbuilding 350,000, ordnance 800,000, communications equipment 100,000, and Government establishments 100,000.

"This shock displacement will be followed by a continued drop of over 300,000 more by February in shipbuilding and a heavy pruning of War and Navy Department civilian workers throughout the country."

WMC concluded that the total, considering chemical and metal producers as well, might mean 4,000,000 would lose war jobs in the first six months of peace. This would occur while Army and Navy return men to the labor market at 500,000 a month or more.

The report forecast in some detail the impact of victory on major war industries. It also scanned the prospect of job expansion in some big peacetime industries, without offering any total.

Davis Leaves OWI

President Truman has accepted the resignation, effective Sept. 15, of Elmer Davis as head of the Office of War Information, with words of praise for the manner in which Mr. Davis had conducted the work of his office. The OWI is to be liquidated Dec. 31, and until that time Neil Dalton, now director of the agency's domestic branch, has been appointed by President Truman to be acting head of the entire OWI, according to a special dispatch to the New York "Times" from Washington, Sept. 12. In his letter to Mr. Davis, President Truman said in part:

"Of course, your work is done and your wish to return to your own pursuits is a natural one. I cannot release you, however, without reiterating what I have previously said: the OWI made an outstanding contribution to victory. This has been recognized by our military commanders. Your work in other fields has been widely and justly acclaimed. Under your wise leadership the American people were kept fully informed concerning their Government's war-time programs.

"It is my firm conviction that you deserve the thanks of the nation for a job well done. Although you are returning to private life, I trust that we may feel free from time to time to seek the counsel which you can give us out of your wisdom and your experience."

Autonomics and Economics

(Continued from first page)

an uneconomic imposition of obsolescence on prewar capital. Hence prewar capital should not be asked to compete with war-produced efficiencies.

This does not mean that the neoteric capital should not be used. It does mean that owners of the capital thus made obsolete should be compensated for the loss due to obsolescence, so that, for example, Henry Kaiser could not bid on the government steel mills of the west against companies previously operating less modern mills that were not obsolete before the war, without a handicap represented by the compensation mentioned above. Prewar operators should be enabled to recover their prewar competitive position; otherwise "widows and orphans" who may have absorbed title to prewar capital with their savings will clearly be dispossessed and, whatever may be said against the "forced saving" by which the capital was formed which they now own, their dispossession could not be called "contractual (commutative) justice" any more than similar dispossession of other owners, by earlier innovations via bank credit, can be called competitively just. Two wrongs do not make a right; and we cannot go back and undo injustice that has been done to or for millions of citizens who have become owners or have been kept from becoming owners in the past, by "forced saving."

All this, of course, is quite aside from the inflation of construction costs by the New Dealish policies that have been carried over into financing the war. But if competitive bidding is not resorted to there is no warrant for discounting this inflation for one side (Kaiser, on the Fontana plant, for example) without similarly subsidizing any equivalent modernization which competing companies may undertake at the wage and other cost levels which have emerged from the war.

The problem of interest on investments cannot, as becomes clear from these practical applications, be separated from the problem of ownership and private property in free competitive enterprise and reduced to a doctrinaire question of "rigid contractual (commutative) justice" which only "concerns specific obligations between persons," as in contracts which happen to involve monetary loans. Not only is it to be noted that the moral obligations of a contract cannot be fulfilled with unstable money which distorts the real rate of return paid or received, but, startling though it may seem to say so, the concept of "social justice" which Father Dempsey seeks (Commercial and Financial Chronicle, Feb. 22, 1945) to set apart from "commutative justice" is communistic and inconsistent with his criticism of Russia where, with saving and investment made government monopolies, "no one was permitted economic security except on the State's terms" and "the benefits and the costs are still uncorrelated." Competitive capitalism—private property—makes it certain that costs cannot—as they should not—be correlated with value and income except on the basis of caveat emptor in incurring costs. For costs (savings) do not fix values (form capital) unless they meet and overcome competing costs.

Let us flatly deny the existence of, or need for, any effective "social equivalent" for the rewards of intelligent initiative and effort, by which to fulfill "the great and often neglected obligation of all members of the community to contribute positively to the community, which they need for their own maintenance and development." How does Father Dempsey think this scarcely conceivable community "obligation" can

be assured of fulfillment if not by competitive rewards through consumption, not according to need, nor according to work (time employed), but according to contributions of value regardless of need or of costs incurred? By doles out of taxation (or inflation)? How could justice be maintained—by whose independent (?) judgment—in such a system of robbing Peter to pay Paul? Re-distribution should be privately, not publicly, inspired and enacted; and there should be much less occasion for such charity than there is.

Accounting Sophistries

That which must needs be expunged from modern society is the occasion for the constant attempt to interfere and re-distribute wealth politically. On this score the National Tax Equality Association can take no little satisfaction in the recent winning over of the Cooperative League to advocacy of repeal of all tax exemptions favoring cooperatives, along with repeal of all corporation income taxes. (See remarks of Hon. H. Jerry Voorhis, in Congressional Record, cited above.) It is well, too, that the cooperatives have been put on the defensive with respect to the whole idea of attempting to camouflage profits, that is, property incomes, by a sort of double-cross in accounting called "patronage returns."

Any cooperative, or any corporation—chain stores and mail order houses, for example—that can competitively by-pass "profits" in the form of commissions or excessive wages and salaries, or any other non-competitive imposition on the economy, should have the blessing of the community; and damned be him who tries to subsidize or to tax this result or otherwise engage in political meddling in the "class war" to favor farmer, laborer, cooperative consumer, or small business man, or any other pressure group, including investors. But let no one try to tell us that under the system of accounting called "patronage returns" the cooperative has no income—taxable on the same basis as that of competing corporations—provided the cooperative owns or controls property of value similar to that of the corporation. Nor let it be said that the "patronage return" is a fair or just or wise system of distribution of the income from the property owned. What the cooperative does is to divide such income, not among those patrons who were assessed and as they were assessed at the time of the investment, but among those who currently control other property, outside the cooperative, of a size which determines their "patronage" in the cooperative. (A description of one outstanding development of "big business" along this line is given in "Fortune" magazine for August.)

To be sure, maintenance requirements are presumably assessed proportionately against those who are actually using the cooperative property (owned or rented) as in any other system of pricing by a business. In many cases, however, maintenance is a small current factor (with land, there may even be capital gains from the "unearned increment" of rent), so the chief current cost is interest on the investment in case it retains its original value, i. e., does not become obsolete and incur a capital loss to the extent that depreciation reserves may have been disbursed in maintenance and are not available for renewing investment. But in no case does the cooperative allow interest or allocate capital gains and losses to any patrons in proportion to their investment. The assumption is that such returns are "speculative" evils which the non-profit "cooperative" system

does away with. In fact, however, it eliminates them only by sophistry in accounting.

Thus only the cooperative that is strictly non-proprietary, and rents all the land and equipment it uses, can definitely evade this problem in capital accounting and properly make "patronage" returns and assessments that are applicable to wholly current expenses. By renting, obviously, the profit-and-loss problem in capital values is left to be ironed out in other individual or corporation accounts. The cooperative can avoid being a monopoly itself and engaging in the nefarious business of taking the risks and profits thereof, only by owning nothing and developing nothing of any capital value, such as patents or natural resources.

Incidentally, there can be no "profit-sharing" with labor as a productive factor, when the sharing is all done in the form of "patronage returns" to labor as a consumptive factor. This non-profit (?) "cooperative" system of disbursing income by price-cutting must therefore be viewed as a way of avoiding the assessments, not of the tax collector only, but also of the wage-collector or union organizer whose "collective bargaining" consists in forcing wages to absorb every advance in "labor-hour productivity" whenever it begins to show up in industrial profits. So the organizers of consumers (to undercut prices) and producers (to overcut wages) may soon be found at each other's throats quarreling like jackals over the carcass of property rights!

For the cooperative which does acquire property, this attempt to avoid any undistributed income must result in avoidance of the expense of research and a clinging to obsolete equipment, with failure to keep up with the competitive procession in developing capital gains while running all the risks of capital losses due to obsolescence, which cannot be covered by reserves retained out of "patronage returns." No one can foresee or regulate the timing of scientific innovations in their effect on capital values, and sooner or later any cooperative, which labors under the illusion that it can keep its property accounts current, will find itself suddenly involved in losses which it cannot allocate at competitive prices. Or, if it holds lands, it may even have gains which, if it does allocate them currently to patrons, will reduce its charges by "returns" which cannot be recovered from the same patrons at times when capital gains turn into capital losses. Those who are "patronized" when the cooperative is gaining capital, if any, are lucky dogs, for they can do a little profitable speculating by letting the suckers be "patronized" when capital losses are developing.

Speculative risks such as those of the stock market, cannot be eliminated by "cooperation"; nor is there any reason, consistent with progress, why they should be.

The simple fact is that business accounts cannot be kept on a purely current-expense basis, without speculative capital gains and losses, unless and until the whole system of private property is written off—which is humanly impossible if retrogression and tyranny is to be avoided and progress assured. That is the fallacy behind the whole theory of income taxation—the idea that "ability to pay" can be measured in terms of current net income. It has led to wholly unfair, not to say at times scandalous, make-shifts in dealing with capital gains and losses, which tend strongly to prevent the full stimulus of competition in and to industrial ventures, especially when taxes are applied directly to corporate rather than to individual income. "Only an old tax is a good tax"

—fair because its effect on prices has been competitively discounted in the market. So the good old, reliable land tax is the sure way to tax the unearned and readily payable incomes of those whose holdings are presumably protected from trespass by the government the taxes sustain. This basic position of government in both war and peace implies that the ultimate right of possession resides in the State and that individual titles may be revoked for failure to pay taxes. Canberra, Australia, is said to have brought this principle to bear on free enterprise competitively by discarding the common method of assessing valuations and making the amount payable dependent upon competitive bidding. Within the limitation that this might unduly restrict incentives unless tenure were given some arbitrary degree of permanence comparable to patent monopolies, this seems more consistent with the automatism of a freely competitive market than is a politically controlled board of assessment having more or less autocratic powers. The inheritance of landed estates would then in some degree depend on the ability of the heirs to manage them.

The Patent Period

But why confine this competitive tax idea to land patents? Why not apply it to inventions? After the arbitrary period of monopoly granted by law, why not retain royalties as a source of competitive tax revenue as long as the patent is not obsolete? What better way of taxing ability to pay? Is not this better than the lip-service rendered individual initiative by those backers of the National Science Foundation (specifically Senators Kilgore, Johnson, and Pepper in Senate Bill No. 1297) who are proposing virtual abrogation of private patents in favor of government licensees who are to be defended in court by the Department of Justice if they infringe on patents granted to privately financed inventions?

The relation of obsolescence to income and its protection by legal monopoly has not been well considered in setting an arbitrary period of 17 years on patents. The assumption that an invention of value capable of producing income, can and should do so within a severely limited time—almost at once—overlooks the fact that modern machines could and should be made more economical by wearing longer. If they could be displaced only by degrees, from savings, and not by "new industries" financed unjustly and unwisely by inflationary extensions of bank credit (a function taken over with little or no advantage by the State in the "planned" economy)—if such wise financial restraint prevailed the inventor could not (and should not) be granted a monopoly of much value, in case of anything but the most ephemeral gadgets, and still confine it within the present 17-year time limit for its profits. Great industries cannot be ephemeral and economical at the same time; the optimum in durability of productive equipment cannot be attained under a system of finance and patents set to force innovations into use regardless of the factor of durability as an economic consideration. An improvement that should return a small fortune to the inventor can get him nothing if he must reveal it when devised and then lose his monopoly before the big fortunes involved in the durable equipment to which it is applicable can be amortized, that is, before depreciation reserves can be accumulated, in savings out of the gross (not net!) income produced, by the gradual process imposed by great durability as against the saving afforded by the innovation. (See 6th par. under "A Supra-Classical Theory of Saving.")

Why subsidize only imperma-

nence, and encourage only the most ephemeral gadgets priced by flimsy construction, i. e., by low first cost, as the means of retrenching the cost of maintenance? Why not allow the application of a patent to be held in abeyance awaiting a specified time when royalties from the monopoly may be expected to accrue? Under the present system the inventor is notoriously helpless if his idea is applicable to highly durable and expensive equipment (building equipment, for example). The manufacturers or users of such equipment have only to bide their time and take over the idea when the patent runs out. They can have no economical use for it before that time, and will buy it, often at undue discounts, only for the purpose of preventing competitors from acquiring it against the day when it can be economically applied—if that day ever arrives before some other idea has displaced it. The development of patented inventions, particularly by the inventor, is therefore seriously impaired because the patent period is unrelated to the economics of innovation and obsolescence. The corporation, interlocked with banking directorates, is thus in complete control of the "credit" system by which inventions can be effectively financed. Anti-trust laws are no remedy.

Conclusion

Theory without practice is futile; but practice without theory is worse than futile. In the complexities of modern life such practice is rather certain to be unscientific and confused. "A faulty theory, widely taught, is sure to bear fruit in bad action."

An economic theory which presents a really objective concept of interest and capital has a very broad applicability which does not appear at once obvious, particularly to a public seriously misinformed as respects the existing institutions of the financial world.

For these reasons it has seemed necessary to follow up the development of theory that has been presented in the "Chronicle" (in articles on "A Theory of Interest" and "When and How Do Figures Lie?") by indicating its specific applicability to current arguments in both politics and economics. To straighten out the problems of pricing in which Lord Keynes has found a "haze where nothing is clear and everything is possible"—a haze in which communism is so obviously implied—some caustic references to monetary aberrations have been necessary in clarifying the underlying mathematical problem of valuation in competitive enterprise.

Applying this theory to savings and private property, and to refuting once and for all the whole idea of cost as the basis of value, is a matter of developing a system of accounting that is relative, not to costs, but to a speculative market. This is difficult in the face of unstable money and widespread disagreement and incompetence in monetary theory; but the theory presented has been shown specifically applicable to the case of fallacies involved in cooperatives with their "patronage returns," to problems of current interest in capital accounting relative to obsolescence, and to policy in patent law amendment and in taxation of income.

Perhaps, in closing, we might transpose the observation of Pareto, as to its interrogative and affirmative, and say: Underneath the actual prices on the exchanges, prices varying according to the exigencies of time and place and dependent upon an infinite number of circumstances, there is something—an order of objective, physical values—which does have constancy and is, in significant degree, invariable. Could there be any other possible solution of the pricing problems which political economy has failed to solve?

Snyder Report on Reconversion

(Continued from page 1370)

ment. Strikes must be held to a minimum.

A Test For America

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

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

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

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

The Reconversion Team

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

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

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

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

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

None of our economic planning would be complete without special recognition of the urgent needs of the liberated areas. We must play our part in supplying the minimum requirements to assist these countries to get back on their feet, not only to preserve

peace and order but so that once more they can take their place as suppliers and customers in a prosperous world economy.

Our goals will not be reached in a week or a month. But we are taking the first steps toward them. This report makes no attempt to picture a complete program. There is no place in our free economy for a maser blueprint which will rigidly prescribe each move at every turn of the road. Nevertheless, careful plans have been laid by various agencies of government under the guidance and direction of the Office of War Mobilization and Reconversion. They will be revealed by the heads of agencies and by the subsequent acts of these agencies as the nation proceeds to unwind its wartime economy and to switch to peacetime production.

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

I. Military Contracts

All military contracts are being terminated immediately, except those required for experimental and development purposes and for the maintenance and supply of the armed forces. The War Department is taking immediate action to cut its procurement of aircraft, artillery, ammunition and other weapons by 94 to 100%. The largest continuing item in Army procurement will be in food and this will be cut as fast as demobilization will permit. Navy reductions will be smaller and more gradual.

II. Demobilization

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

III. Unemployment and Manpower

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

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

IV. Production and Distribution Controls

Many production and distribution controls will be removed at once. Only those will remain in force which are essential for expediting production, breaking bottlenecks, preventing inventory

hoarding, and assuring economic stabilization. Rationing of certain scarce commodities must continue for a while. Restrictions on others will be lifted immediately. Transportation regulations must continue temporarily. How long controls are continued depends on how much and how quickly business can expand its output.

V. Price and Wage Controls

For some period of time the dangers of inflation will be with us. There will be more demand for many kinds of goods and services than business can supply. As long as some materials and products remain seriously short, price ceiling on those materials and products must be maintained as a barrier against inflation. Rent controls, also, must continue. While price and rent ceilings remain in force, wage stabilization must be continued. Wherever price ceilings will not be endangered, collective bargaining will be restored. Wage and price increases will be allowed to correct sub-standard pay scales to relieve hardships of individual workers and enterprises and, where necessary, to stimulate increased production.

VI. Legislative Program

In order to speed reconversion and to mitigate the extremes of hardship during the transition period a number of legislative enactments are needed. These include increased unemployment compensation benefits, revision of the fair labor standards act to increase minimum wages, tax program to stimulate production and to maintain markets, appropriations for the planning and execution of public works, adequate appropriations for the United States Employment Service and retention of this service under Federal control during the interim of transition.

Fall & Winter Program of La Salle Street Women

The fall and winter program of La Salle Street Women has been announced by Miss Florence Meves, President. The membership consists of women employed in financial organizations, and the officers are: Florence M. Meves, President, A. G. Becker & Co, Inc.; Laura M. Reinebach, Vice-President, E. H. Rollins & Sons Inc.; Florence Page, Recording Secretary, Security Supervisors, Inc.; Elizabeth Norse, Corresponding Secretary, Sheridan, Farwell & Morrison, Inc.; Madge Burns, Treasurer, Hornblower & Weeks.

In addition to the regular dinner and luncheon meetings, new activities will include discussion groups on timely subjects. The program for the regular meetings schedules the following speakers of note in finance and general business: Mr Phil Hanna, Chicago "Daily News"; Miss Alva Lowrey, interior decorator; K. H. Tseng, Chinese consul; Dr. Melchior Palyi, consulting economist.

Brownlee Leaves OPA

Price Administrator Chester Bowles has announced that James F. Brownlee, Deputy Administrator for Price of the Office of Price Administration, has resigned and will be replaced by Jerome M. Ney, formerly director of the Consumer Goods Price Division, with Geoffrey Baker, formerly director of the Food Price Division, as Associate Deputy Administrator for Price.

Mr. Brownlee's resignation, forced because of ill health, came as a serious blow to OPA, the "Journal of Commerce" reported from Washington, Sept. 4, particularly since he played an active part in reconversion pricing, now getting under way. Since his appointment in 1943 he has played a major part in shaping OPA policies and participated in OPA-industry meetings affecting numerous industries.

From Washington Ahead Of The News

(Continued from first page)

ditions are even worse than painted. There was a charge by a Senator, for example, that carloads of stuff which we had sent into Rumania had fallen into the wrong hands. When he investigated, it turned out that we had no one there to receive the shipment at all. All the while, the Russians seize our food trains, even kill American boys guarding them.

When UNRRA was first up before Congress, a potent argument was that we were being much smarter than last time. Then, under the Hoover relief set-up, we footed the whole bill. This time, the other nations were to contribute their proportionate share. It turns out that they aren't putting up their proportionate share in the first place, and when they do put up anything, it's with money they've gotten from us. But by being "contributors" they are in on the management.

When returning newspapermen who served with the Army Transport Command in China, hear of my UNRRA friend's plight, they shout with glee and say: "Wait until you hear what went on in China." They tell glibly of incidents whereby we were flying thousands and thousands of automobile tires across the Burma hump at the cost of American lives, and they would no sooner be landed than they would be seized by a provincial governor and turned to his own use, even to the point of putting them on ox carts, and inflating them with sand instead of air.

But on the post-war home front the picture is just as sordid, and aside from the clamor to bring the boys home, following right in the pattern of post-World War I. Then, in the period of readjustment, the railway shopmen went on strike, which at least accentuated the depression of '21 and '22. Now, the labor leaders in the automobile industry are calling strikes and moving in that direction in the steel industry. In the case of the railway shopmen's strike, the workers had no chance to win. There are many, even professed "friends" of labor, who think now that the automobile and steel labor leaders must be crazy. Just a few weeks ago they were down here shouting to the skies about the tremendous unemployment problem that was developing. On the radio the calamity howlers made so much noise that a reaction against them set in. Now, these same elements are adding to that unemployment. It is a study in human nature.

To oversimplify a serious problem, there are many observers who believe the automobile and steel management, while not seeking this situation, are nevertheless of the mind that it might be a blessing in disguise. Throughout the war their plants have been loaded up with riff-raff and malcontents. The union has been insisting that they are employees of established seniority. The strikes now may prove a way to get rid of them. Certainly, if they are prolonged, the veterans will be available in increasing numbers. They have the talents and the energy which these manufacturers want. And they aren't likely, when they want jobs, to be held back by union picket lines. The fact is inescapable, however, that the disturbance is holding up reconversion.

There is a hysteria among the automobile labor leaders. They have been rent by factionalism throughout the war. Their organization has been held together by the Government. Now the period of "maintenance of union" decrees is coming to an end. These have abundantly supported the labor leaders in their factionalism. But it is going to be a horse of

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Sept. 17 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Sept. 20 and to mature Dec. 20, 1945, which were offered on Sept. 14, were opened at the Federal Reserve Bank on Sept. 17. The details of this issue are as follows:

Total applied for, \$2,093,607,000.
Total accepted, \$1,306,649,000 (includes \$54,560,000 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, 99.910, equivalent rate of discount approximately 0.356% per annum.

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

(57% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Sept. 20 in the amount of \$1,305,337,000

Ethiopia-France Pact

Under date of Sept. 8 United Press advices from Addis Abbaba (Ethiopia), published in the New York "Times" said: "The Ethiopian Foreign Affairs office announced today that an agreement had been reached with France settling differences between the two countries on the exact demarcation of the border between Ethiopia and French Somaliland.

"The communique also announced the signing of an agreement providing for negotiations on the French-Ethiopian railroad from Jibuti to Addis Abbaba so that the road could be operated without prejudice to concessions previously granted.

"The settlement of the border mainly involved the Afambo district, where the Italians, during the occupation of Ethiopia, had built roads on territory the French claimed was theirs. The railroad previously had been run by the British Military Administration.

Ends Nurse Recruiting

President Truman has ordered Surgeon General Thomas Parran to end the program for the training of nurses by the United States Public Health Service, with immediate discontinuance of recruiting of student and graduate nurses. Regarding the ending of the training program which began two years ago, the President stated, according to a special dispatch to the New York "Times" from Washington, Sept. 8:

"It appears that it will not be necessary or in the public interest to continue to initiate training courses for this program after Oct. 15, 1945, for the purpose of assuring a supply of nurses for the Armed Services, governmental and civilian hospitals, health agencies and war industries.

"I therefore request you to terminate the recruitment of student and graduate nurses immediately and to see to it that no students are enrolled in courses which begin after Oct. 15, 1945."

another color now. The automobile industry is facing a tremendous shift in personnel. The "oakies" are going back to Oklahoma. The AFL and John Lewis' District 50 are looking for members among the new crowd. The CIO leaders, unable to iron out their jealousies, can't think of anything except to create more chaos. The situation is moving so fast that they can't say how many members they have. They speak of boycotts. Unemployed workers can't effectively boycott anybody. It is the old question of when a "leader" or a dictator is in trouble, start a war. No telling what will come out of the melee.

Steel Operations Increased - Order Volume Slightly Lower - Most Deliveries Extended

"With order volume slightly lower than a week ago, but with deliveries on most steel products extended into 1946, the steel industry this week was able to advance its ingot rate three points to 83.5% of capacity, states "The Iron Age" in its issue of today (Sept. 20), which further adds:

"The epidemic of strikes in progress this week with more to come may result in so heavy a drain upon workers' savings that the expected post-war consumer buying bubble may be deflated somewhat in the beginning at least.

"Current management-labor conditions have all the earmarks of a knock-down dragout fight and the action of most unions in adopting an uncompromising attitude in their demand for a 30% increase, apparently means a last ditch fight to obtain the equivalent of a wartime pay for a 40-hr. peacetime week.

"Some way, it was said, will have to be found to get around the paradoxical Government policy announced recently that no wage increases could be given if they were to result in a price increase. The brunt of this peculiar statement rests upon industry, since most of the unions have and are expected to ignore it.

"While the automobile industry seems to be the one destined to feel the first effects of the militant CIO drive for higher wages, the steel industry may not be far behind. The same general policy which has dictated the union automobile wage conditions encompasses all other CIO affiliates among which is the United Steel Workers of America, which is to meet with steel companies soon on the request for a \$2 a day increase.

"Steel companies which now have before the OPA a request for higher steel prices in order to offset the expected losses because of war contract cancellations are being caught in a squeeze play between the union demands and Government policy that no wages may be increased if such action should require higher selling prices.

"Lower net prices to steel consumers near point of steel production, possible decentralization of industries, rougher competition among steelmakers and selling disadvantages to steel producers far removed from dense manufacturing centers, are a few of the results which will ultimately follow the steel industry's move now underway toward more and more basing points. Many steel products made at locations which are not now a basing point for such items will, in the future, be based at or near the point of production. This action when it comes, it was said, will represent a fundamental change in the basing point system in the steel industry and follow somewhat the pattern begun in 1938 when a multitude of new basing points were established.

A tug of war has developed between WPB officials and the lead industry as to whether lead control should be relaxed or tightened. The industry is questioning the need of maintaining a stockpile approaching 70,000 tons now that the war is over. On the other hand WPB claims that a loss of some foreign supplies would require such a surplus to balance uncontrolled demand.

"Despite an invitation from RFC to rebid on Geneva Steel's plant near Utah for private post-war operation, the United States Steel Corp. is understood to have washed its hands of the plant and will not reconsider its position stated a few weeks ago when it decided to withdraw from the list of potential operators. According to the contract between the corporation and the RFC the plant may soon be closed down since the original commitment called for a shutdown 90 days after the end of hostilities."

The American Iron and Steel Institute on Sept. 17 announced

that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 83.2% of capacity for the week beginning Sept. 17, compared with 80.3% one week ago, 69.9% one month ago and 95.3% one year ago. The current rate represents an increase of 2.9 points or 3.6% over the preceding week. The operating rate for the week beginning Sept. 17 is equivalent to 1,523,900 tons of steel ingots and castings, compared to 1,470,800 tons one week ago, 1,280,300 tons one month ago, and 1,714,300 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets on Sept. 17 stated in part as follows: "Steel backlogs are increasing rapidly, with schedules in some lines, especially light flat products, becoming almost as extended as they were before the end of the war.

"Some early gaps are appearing in mill schedules, even in products most in demand, as cancellations and readjustments continue. But in general deliveries are increasingly tight, in some instances several months away, some sheet producers quoting February and March. Some carbon bar sellers are out of the market for this year. Merchant pipe, shapes and some wire specialties, among others, also reflect the strong upsurge in civilian buying.

"Position of some mills is tighter because of MM tonnage. Most of this was booked originally under CMP ratings, especially for shipyards, and general opinion is that a relatively small tonnage of this character will come out. Few CC ratings, representing urgent civilian needs, have been issued and there is increasing confidence that these will be used sparingly. Concern in some quarters that possibly entire industries might be put on such a rating has been completely eliminated by assurances from Washington that such will not be the case and that CC rating will be used only in individual cases in breaking special bottlenecks, and only as a last resort.

"While some sellers of carbon bars are practically sold for the year tonnage still may be obtained for late November and December, in cold-drawn as well as hot-rolled.

"Shape schedules are extending to the point where some producers have little to offer before December. Structural activity is increasing materially, with fabricators practically forced to choose tonnage for figuring because of shortage of estimators and draftsmen. Practical capacity of shape mills is estimated by some authorities at about 5,400,000 tons annually, compared with about 4,600,000 tons when civilian pre-war demand was at its height. Present estimated capacity would be at 450,000 tons per month, well in excess of production in war years and also of the better peacetime years.

"An important market development is establishment of new basing points on stainless steel products, now covering practically all producers and all plants. This will be in effect a reduction in price of stainless steel from all mills except those in the Pittsburgh district, which formerly was the only basing point."

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES (Based on Average Yields)									
1945— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Sept. 18	121.97	115.82	120.43	118.80	115.82	108.70	112.00	116.02	119.61
17	121.97	115.82	120.53	118.80	115.82	108.52	112.00	116.02	119.61
15	121.98	116.02	120.84	118.80	116.02	108.70	112.19	116.22	119.61
14	121.98	116.02	120.84	118.80	116.02	108.70	112.19	116.22	119.61
13	122.00	115.82	120.84	118.80	115.82	108.52	112.19	116.22	119.61
12	122.00	115.82	120.84	118.80	116.02	108.52	112.19	116.02	119.61
11	122.03	115.82	120.63	119.00	116.02	108.52	112.19	116.02	119.61
10	122.06	115.82	120.63	119.00	116.02	108.52	112.37	116.02	119.61
8	122.09	116.02	120.63	119.20	116.22	108.52	112.37	116.02	119.61
7	122.09	116.02	120.63	119.20	116.22	108.52	112.37	116.02	119.61
6	122.09	116.02	120.84	119.20	116.02	108.52	112.56	116.02	119.61
5	122.09	116.02	120.84	119.20	116.22	108.52	112.56	116.02	119.61
4	122.07	116.02	120.63	119.00	116.22	108.52	112.56	116.02	119.61
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	119.61
24	121.91	115.82	120.63	119.00	116.02	108.16	112.56	115.63	119.41
17	121.91	115.82	120.84	119.00	116.22	108.16	112.56	115.82	119.41
10	122.14	116.02	121.04	119.20	116.02	108.34	112.93	115.82	119.41
3	122.36	115.82	120.84	119.20	116.02	108.16	112.93	115.82	119.00
July 27	122.39	115.82	120.84	119.20	115.82	108.16	112.93	115.63	119.00
20	122.80	116.02	121.04	119.41	116.02	108.34	112.93	115.63	119.41
13	122.89	116.22	121.04	119.61	116.22	108.34	113.31	115.63	119.61
6	122.92	116.02	121.04	119.41	116.02	108.16	112.93	115.63	119.61
June 29	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.43	119.41
22	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.20
15	122.97	115.82	120.84	119.20	115.82	107.80	112.75	115.43	119.41
8	122.81	115.63	120.84	119.00	115.63	107.62	112.37	115.24	119.41
1	122.23	115.43	120.63	119.00	115.43	107.44	112.37	114.85	119.20
May 25	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20
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	120.88	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	108.70	113.31	116.22	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									
Sept. 18, 1944	119.42	112.56	118.80	117.20	112.19	103.13	106.74	114.27	117.20
2 Years Ago									
Sept. 18, 1943	120.55	110.88	119.00	116.41	111.07	98.73	103.13	113.70	116.61

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)									
1945— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Sept. 18	1.65	2.86	2.63	2.71	2.86	3.24	3.06	2.85	2.67
17	1.65	2.86	2.62	2.71	2.86	3.25	3.06	2.85	2.67
15	1.65	2.85	2.61	2.71	2.85	3.24	3.05	2.84	2.67
14	1.66	2.85	2.61	2.71	2.85	3.24	3.05	2.84	2.67
13	1.66	2.86	2.61	2.70	2.86	3.25	3.05	2.84	2.67
12	1.66	2.86	2.61	2.71	2.85	3.26	3.05	2.85	2.68
11	1.66	2.86	2.62	2.70	2.85	3.25	3.05	2.85	2.67
10	1.66	2.86	2.62	2.70	2.85	3.25	3.04	2.85	2.67
8	1.65	2.85	2.62	2.69	2.84	3.25	3.04	2.85	2.67
7	1.65	2.85	2.62	2.69	2.84	3.25	3.04	2.85	2.67
6	1.65	2.85	2.61	2.69	2.85	3.25	3.03	2.85	2.67
5	1.65	2.85	2.61	2.69	2.84	3.25	3.03	2.85	2.67
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
24	1.67	2.86	2.62	2.70	2.85	3.27	3.03	2.87	2.68
17	1.67	2.86	2.61	2.70	2.84	3.27	3.03	2.86	2.68
10	1.65	2.85	2.60	2.69	2.85	3.26	3.01	2.86	2.68
3	1.64	2.86	2.61	2.69	2.85	3.27	3.01	2.86	2.70
July 27	1.64	2.86	2.61	2.69	2.86	3.27	3.01	2.87	2.70
20	1.60	2.85	2.60	2.68	2.85	3.26	3.01	2.87	2.68
13	1.60	2.84	2.60	2.67	2.84	3.26	2.99	2.87	2.67
6	1.60	2.85	2.60	2.68	2.85	3.27	3.01	2.87	2.67
June 29	1.60	2.85	2.60	2.69	2.85	3.27	3.01	2.88	2.68
22	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.69
15	1.59	2.86	2.61	2.69	2.86	3.29	3.02	2.88	2.68
8	1.60	2.87	2.61	2.70	2.87	3.30	3.04	2.89	2.68
1	1.64	2.88	2.62	2.70	2.88	3.31	3.04	2.91	2.69
May 25	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69
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	3.24	2.99	2.84	2.67
1 Year Ago									
Sept. 18, 1944	1.83	3.03	2.71	2.79	3.05	3.56	3.35	2.94	2.79
2 Years Ago									
Sept. 18, 1943	1.80	3.12	2.70	2.83	3.11	3.83	3.56	2.97	2.82

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

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

Business Failures in August

Business failures in August were lower in number and amount of liabilities involved than in July and lower in number but higher in amount than in August a year ago. Business insolvencies in August, according to Dun &

Bradstreet, Inc., totaled 56 and involved \$1,166,000 liabilities as compared with 72 in July involving \$3,659,000 liabilities and 77 involving \$1,054,000 in August a year ago.

All groups, except the manufacturing group, which had more failures in August than in July and the wholesale group, which had the same number, have fewer failures in August than in July. When the amount of liabilities is considered only the commercial service group had more liabilities involved in August than in July. Manufacturing failures in August were up to 21 from 19 in July but liabilities involved were down to \$595,000 in August from \$1,665,000 in July. Wholesale failures in August numbered 5, the same as in July, but liabilities involved were down to \$35,000 in August

Tax - Problem Group Set Up by Business

A permanent clearing-house conference on internal revenue problems has been established by major business and planning groups for the purpose of harmonizing programs on post-war tax revision before their presentation to Congress, special advices from Washington to the New York "Times" stated on Sept. 10.

The charter of the new organization, plans for which were begun last June, was completed recently, setting out the purposes for frequent exchanges of views on fiscal and tax problems in all their phases, particularly in their relationship to business activity, welfare and employment. Sponsors of the charter, according to the "Times," include: Ellsworth Alvord of the United States Chamber of Commerce, H. E. Humphreys Jr. of the National Association of Manufacturers, R. Gordon Wasson of the Committee on Economic Development, Beardsley Ruml and James C. Willson of the National

Finished Steel Shipments by Subsidiaries of United States Steel Corporation Off in August

Shipments of finished steel products by subsidiaries of the United States Steel Corp. in August amounted to 1,332,180 net tons, compared with 1,608,994 net tons in July, 1,743,485 net tons in August last year, 1,704,289 net tons in the like month of 1943 and 1,788,350 net tons in August, 1942.

For the 27 working days in August, the average was 49,340 net tons, against 61,884 net tons for 26 days in July, and 64,574 net tons for 27 days in August a year ago.

Deliveries for the eight months ended August 31, last, totaled 13,066,133 net tons, compared with 14,130,864 net tons in the like period of 1944, a decrease of 1,064,731 net tons.

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

Table with columns for months (January to December) and years (1945, 1944, 1943, 1942, 1941, 1940). Rows show monthly and yearly totals.

Total by mos. 21,150,788 20,244,830 21,064,157 20,458,937 14,976,110 Yearly adjust. 98,603 97,214 449,020 42,333 37,639

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Sept. 8, 1945, as estimated by the United States Bureau of Mines, was 9,850,000 net tons, a decrease of 2,410,000 net tons from the preceding week and 1,144,000 tons less than in the corresponding week last year.

Production of Pennsylvania anthracite for the week ended Sept. 8, 1945, as estimated by the Bureau of Mines, was 908,000 tons, a decrease of 289,000 tons (24.1%) from the preceding week.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Sept. 8, 1945 showed a decrease of 9,400 tons when compared with the output for the week ended Sept. 1, 1945; and was 22,900 tons less than for the corresponding week of 1944.

Table: ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE (In Net Tons). Columns for Week Ended (Sept. 8, 1945, Sept. 1, 1944, Sept. 9, 1944) and Jan. 1 to Date (Sept. 8, 1945, Sept. 9, 1944).

Table: ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons). Columns for Week Ended (Sept. 8, 1945, Sept. 1, 1944, Sept. 9, 1944) and Calendar Year to Date (Sept. 8, 1945, Sept. 9, 1944).

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

Table showing weekly production by state for bituminous coal and lignite, with columns for Sept. 1, 1945, Aug. 25, 1945, and Sept. 2, 1944.

Total bituminous & lignite 12,260,000 12,200,000 11,684,000

National Fertilizer Association Commodity Price Index Remains Unchanged

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Sept. 17, remained unchanged at 139.8 for the week ended Sept. 15, 1945, the same as for the preceding week.

Two of the composite groups of the index declined and two advanced during the latest week. Most of the price changes during the week moved in a narrow range and they were mixed in three of the four groups that showed price changes.

During the week 5 price series in the index declined and 7 advanced; in the preceding week 7 declined and 8 advanced; in the second preceding week 8 declined and 3 advanced.

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

Table with columns: % Each Group Bears to Total Index, Group, Latest Week (Sept. 15, 1945), Preceding Week (Sept. 8, 1945), Month Ago (Aug. 18, 1945), Year Ago (Sept. 16, 1944).

Electric Output for Week Ended Sept. 15, 1945 6.6% Below That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Sept. 15, 1945, was approximately 4,106,187,000 kwh., which compares with 4,394,839,000 kwh. in the corresponding week a year ago and 3,909,408,000 kwh. in the week ended Sept. 8, 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Table showing percentage decrease under same week last year for Major Geographical Divisions: New England, Middle Atlantic, Central Industrial, West Central, Southern States, Rocky Mountain, Pacific Coast, and Total United States.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Table showing data for recent weeks (1945, 1944, 1943, 1932, 1929) with columns for Week Ended, Kilowatt-Hours, and % Change over 1944.

MacArthur Occupies Tokyo

A ten-minute flag raising ceremony gave recognition to the occupation of Tokyo by General MacArthur on Sept. 8. Standing on the United States Embassy grounds, the General ordered, according to the Associated Press report of that date:

"Have our country's flag unfurled and in Tokyo's sun let it wave in its full glory as a symbol of hope for oppressed and as a harbinger of victory for the right."

The following day General MacArthur issued a statement making it clear that he was over the entire Japanese Government, including the Emperor, but would permit the Japanese to govern themselves under Allied directives and would employ troops to enforce his orders only if necessary; a wireless to the New York "Times" from Tokyo in stating this on Sept. 9, continued:

General MacArthur also said in his statement on policy that the civilian population would be treated in such a way "as to develop respect for and confidence in the United Nations and their representatives."

His statement on the control of Japan was issued after Prince Naruhiko Higashi-Kuni, the Premier, had told the Diet that the Emperor's prerogatives had not been interfered with in the surrender articles.

General MacArthur also emphasized that elections would help to decide the form of government that the Japanese wanted, another fact not mentioned by the Premier in his speech.

General MacArthur's statement was issued as the uncensored Japanese press talked of "agreement" rather than surrender.

General MacArthur's announcement nevertheless was measured in tone, asserting that the "Supreme Commander for the Allied Powers will issue all necessary instructions to the Japanese Emperor or Imperial Government and every opportunity will be given to the Government and the Japanese people to carry out such instructions without further compulsion."

"If necessary, however, the Supreme Commander will issue appropriate orders to Army and corps commanders, indicating the action to be taken to secure obedience," the general's statement added.

While the Japanese people will be required to obey all orders issued by General MacArthur via their own Government they will be "completely free from all unwarranted interference with their individual liberty and property rights."

To Issue 3-Cent Army Stamp

Postmaster Albert Goldman announced on Sept. 13 that the 3-cent denomination Army stamp of the Armed Forces Series will be released through the Washington, D. C., post office on Sept. 28. The stamp will be printed by the rotary process in khaki color, and the design will consist of a procession of United States troops passing under the Arc de Triomphe in Paris with an escort of six large bombers overhead.

Stamp collectors desiring first-day cancellations of the 3-cent Army stamp may send a limited number of addressed envelopes not in excess of 10, to the Postmaster, Washington, 13, D. C., with cash, money order, or postal note remittance to cover the cost of the stamps to be affixed.

For the benefit of collectors desiring stamps of selected quality for philatelic use the Army stamp will be available at the Philatelic Agency, Post Office Department, Washington 25, D. C., on and after Sept. 28, 1945. The Philatelic Agency does not service first-day covers.

Daily Average Crude Oil Production for Week Ended Sept. 8, 1945 Declined 357,100 Barrels

A sharp decline in the demand for oil products for military purposes brought the nation's crude oil production down to 4,518,400 barrels daily, a decline of 357,100 barrels per day from the preceding week, according to estimates by the American Petroleum Institute. This was also 171,000 barrels per day below the figure for the corresponding week of last year, and 54,500 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of September, 1945. Daily output for the four weeks ended Sept. 8, 1945 averaged 4,804,800 barrels.

Production in Texas during the week ended Sept. 8, 1945 declined 333,800 barrels to a daily average of 1,889,500 barrels.

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,640,000 barrels of crude oil daily and produced 14,853,000 barrels of gasoline; 1,667,000 barrels of kerosine; 4,478,000 barrels of distillate fuel and 8,240,000 barrels of residual fuel oil during the week ended Sept. 8, 1945; and had in storage at the end of that week 49,112,000 barrels of civilian grade gasoline; 36,118,000 barrels of military and other gasoline; 13,811,000 barrels of kerosine; 42,189,000 barrels of distillate fuel, and 47,871,000 barrels of residual fuel oil.

	*P. A. W. Recommendations September	*State Allowables Begin. Sept. 1, 1945	Actual Production Week Ended Sept. 8, 1945	Change from Previous Week	4 Weeks Ended Sept. 8, 1945	Week Ended Sept. 9, 1944
Oklahoma	380,000	388,000	1,391,950	+ 1,850	390,500	339,550
Kansas	274,000	269,400	1,255,200	- 16,850	267,400	254,300
Nebraska	1,000	---	7850	---	850	900
Panhandle Texas	---	---	88,000	---	88,000	98,700
North Texas	---	---	141,900	- 10,950	150,100	147,750
West Texas	---	---	452,000	- 74,850	508,000	504,050
East Central Texas	---	---	128,450	- 17,150	141,300	149,800
East Texas	---	---	515,300	- 65,650	364,550	370,950
Southwest Texas	---	---	296,150	- 65,500	345,250	341,750
Coastal Texas	---	---	467,700	- 99,900	542,650	543,050
Total Texas	1,978,000	1,973,041	1,889,500	-333,800	2,139,850	2,156,150
North Louisiana	---	---	70,650	+ 450	70,000	73,750
Coastal Louisiana	---	---	292,000	- 3,700	294,750	288,400
Total Louisiana	350,000	394,600	362,650	- 3,250	364,750	362,150
Arkansas	75,000	78,642	78,800	+ 150	79,100	81,150
Mississippi	47,000	---	55,750	+ 1,350	54,700	46,800
Alabama	500	1,000	---	---	1,000	300
Florida	---	---	100	---	150	50
Illinois	200,000	---	204,250	+ 2,350	202,350	208,700
Indiana	13,000	---	14,850	+ 1,250	13,750	14,950
Eastern (Not incl. Ill., Ind., Ky.)	66,200	---	60,000	- 8,650	63,900	65,000
Kentucky	28,000	---	28,750	+ 300	28,600	26,500
Michigan	47,000	---	48,800	+ 3,600	46,900	49,500
Wyoming	93,200	---	106,800	+ 5,600	112,550	89,100
Montana	22,000	---	20,150	- 300	20,250	19,600
Colorado	12,000	---	10,450	- 300	10,900	8,650
New Mexico	100,000	100,000	107,450	+ 4,600	104,050	105,950
Total East of Calif.	3,686,900	---	3,637,200	-353,100	3,901,550	3,829,200
California	886,000	886,000	881,200	- 4,000	903,250	860,200
Total United States	4,572,900	---	4,518,400	-357,100	4,804,800	4,689,400

*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. Sept. 5, 1945.

‡This is the net basic allowable as of Sept. 1 calculated on a 30-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 5 to 16 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 SEPT. 8, 1945

(Figures in thousands of barrels of 42 gallons each)

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

District	% Daily Crude Runs		% Gasoline		% Stocks		% Gasoline Stocks	
	Refining to Still	Capac. Daily	Production at Ref.	Inc. Nat. Blended Fuel Oil	Gas Oil	Gas Oil	Mill. Gallons	Cl. Other Grade
East Coast	99.5	734	92.8	1,843	13,391	8,668	5,232	10,038
Appalachian	---	---	---	---	---	---	---	---
District No. 1	76.8	96	65.8	328	530	291	1,721	1,125
District No. 2	81.2	53	106.0	302	483	217	167	698
Ind. Ill. Ky.	87.2	777	90.7	2,820	6,204	3,193	5,238	12,210
Okl., Kan., Mo.	78.3	389	82.9	1,334	2,583	1,377	1,488	5,961
Inland Texas	59.8	227	68.8	960	468	1,044	389	1,682
Texas Gulf Coast	89.3	1,073	86.7	3,481	5,120	5,642	10,018	6,820
Louisiana Gulf Coast	96.8	266	102.3	890	1,859	1,106	1,926	2,100
No. La. & Arkansas	55.9	87	69.0	244	568	220	157	2,656
Rocky Mountain	---	---	---	---	---	---	---	---
District No. 3	17.1	12	92.3	33	21	37	15	77
District No. 4	72.1	115	72.3	361	444	685	538	1,264
California	87.3	811	81.3	2,315	10,518	25,391	8,729	4,481
Total U. S. B. of M. basis Sept. 8, 1945	85.8	4,640	85.4	14,853	42,189	47,871	36,118	49,112
Total U. S. B. of M. basis Sept. 1, 1945	85.8	4,685	86.2	14,904	40,859	46,807	36,619	47,599
U. S. B. of M. basis Sept. 8, 1944	---	4,634	---	14,400	41,716	60,722	37,092	41,018

*Includes aviation and military gasoline, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending stocks currently indeterminate as to ultimate use, and 10,230,000 barrels unfinished gasoline this week, compared with 12,075,000 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 1,667,000 barrels of kerosene, 4,478,000 barrels of gas oil and distillate fuel oil and 8,240,000 barrels of residual fuel oil produced during the week ended Sept. 8, 1945, which compares with 1,517,000 barrels, 5,030,000 barrels and 3,528,000 barrels, respectively, in the preceding week and 1,489,000 barrels, 4,382,000 barrels and 8,928,000 barrels, respectively, in the week ended Sept. 9, 1944.

§Note—Stocks of kerosine at Sept. 8, 1945, amounted to 13,811,000 barrels, as against 13,234,000 barrels a week earlier and 13,396,000 barrels a year before.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Sept. 5 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. 25, 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. 25 (in round-lot transactions) totaled 2,068,417 shares, which amount was 16.75% of the total transactions on the Exchange of 6,176,730 shares. This compares with member trading during the week ended Aug. 18 of 1,057,957 shares, or 15.74% of the total trading of 6,176,730 shares. On the New York Curb Exchange, member trading during the week ended Aug. 25 amounted to 366,280 shares or 13.60% of the total volume on that exchange of 1,347,184 shares. During the week ended Aug. 18 trading for the account of Curb members of 238,695 shares was 15.52% of the total trading of 768,903 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares) WEEK ENDED AUG. 25, 1945

	Total for week	%
A. Total Round-Lot Sales:		
Short sales	232,840	
†Other sales	5,943,890	
Total sales	6,176,730	
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	617,280	
Short sales	93,890	
†Other sales	520,370	
Total sales	614,260	9.97
2. Other transactions initiated on the floor—		
Total purchases	182,950	
Short sales	12,500	
†Other sales	144,970	
Total sales	157,470	2.76
3. Other transactions initiated off the floor—		
Total purchases	207,992	
Short sales	41,570	
†Other sales	246,895	
Total sales	288,465	4.02
4. Total—		
Total purchases	1,008,222	
Short sales	147,960	
†Other sales	912,235	
Total sales	1,060,195	16.75

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares) WEEK ENDED AUG. 25, 1945

	Total for week	%
A. Total Round-Lot Sales:		
Short sales	16,320	
†Other sales	1,330,864	
Total sales	1,347,184	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	105,680	
Short sales	5,120	
†Other sales	112,790	
Total sales	117,910	8.30
2. Other transactions initiated on the floor—		
Total purchases	27,760	
Short sales	900	
†Other sales	23,575	
Total sales	24,475	1.94
3. Other transactions initiated off the floor—		
Total purchases	47,535	
Short sales	2,000	
†Other sales	40,920	
Total sales	42,920	3.36
4. Total—		
Total purchases	180,975	
Short sales	8,020	
†Other sales	177,285	
Total sales	185,305	13.60
1. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
†Customers' other sales	58,649	
Total purchases	58,649	
Total sales	51,652	

*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."

Bank Debits for Month of August

The Board of Governors of the Federal Reserve System issued on Sept. 12 its usual monthly summary of "bank debits" which we give below:

Federal Reserve District	—3 Months Ended—			
	Aug. 1945	Aug. 1944	Aug. 1945	Aug. 1944
Boston	3,381	3,020	11,669	10,534
New York	31,654	28,467	112,708	95,586
Philadelphia	3,132	3,032	11,049	10,072
Cleveland	4,649	4,576	15,577	14,966
Richmond	2,731	2,549	8,862	8,177
Atlanta	2,466	2,402	7,857	7,556
Chicago	10,063	10,930	34,518	34,903
St. Louis	2,011	1,921	6,693	6,318
Minneapolis	1,435	1,365	4,581	4,186
Kansas City	2,622	2,412	8,193	7,563
Dallas	2,079	1,999	6,813	6,341
San Francisco	7,006	6,451	21,896	19,712
Total 34 centers	73,231	69,124	250,417	225,915
*New York City	29,388	26,165	104,703	88,202
*140 other centers	36,788	36,332	122,779	116,549
193 other centers	7,055	6,627	22,925	21,163

*Included in the national series covering 141 centers, available beginning in 1919.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Sept. 12 a summary for the week ended Sept. 1 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 Sept. 1, 1945		Total For Week
Odd-Lot Sales by Dealers—		
(Customers' purchases)	29,251	
Number of orders	850,054	
Number of shares	850,054	
Dollar value	\$32,885,828	
Odd-Lot Purchases by Dealers—		
(Customers' sales)	---	
Number of Orders:	---	
Customers' short sales	175	
Customers' other sales	24,068	
Customers' total sales	24,243	
Number of Shares:	---	
Customers' short sales	6,054	
Customers' other sales	664,737	
Customers' total sales	650,791	
Dollar value	\$24,960,879	
Round-Lot Sales by Dealers—		
Number of Shares:	---	
Short sales	210	
†Other sales	125,610	
Total sales	125,820	
Round-Lot Purchases by Dealers—		
Number of shares:	320,700	
*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."		

State Dept. to Return Alien Enemies

President Truman issued an executive order on Sept. 8 empowering Secretary of State Byrnes to return all alien enemies in the United States to territory of the enemy governments to which, or to the principles of which, they have adhered; the Department of Justice will assist the State Department in carrying out the order.

The order applies to alien enemies who were sent here for custody from Latin-American republics during the war or who are now in American territory without having been admitted under the Immigration Law, according to the special dispatch which reported the announcement to the New York "Times" from Washington, Sept. 8. The "Times" dispatch continued:

"All alien enemies," the Executive Order said, "now within the continental limits of the United States (1) who were sent here from other American republics for restraint and repatriation pursuant to international commitments of the United States Government and for the security of the United States and its associated powers, and

"(2) who are within the territory of the United States without admission under the immigration laws are, if their continued residence is deemed by the Secretary of State prejudicial to the future security or welfare of the American people as prescribed in Resolution VII of the Inter-American Conference on the problems of war and peace, subject upon the order of the Secretary of State to removal to destinations outside the limits of the Western Hemisphere in the territory of the enemy governments to which or to the principles of which they have adhered.

"The Department of Justice and all other appropriate agencies of the United States Government are directed to render assistance to the Secretary of State in the prompt effectuation of such orders of removal."

Revenue Freight Car Loadings During the Week Ended Sept. 8, 1945 Decreased 129,800 Cars

Loading of revenue freight for the week ended Sept. 8, 1945, totaled 730,628 cars, the Association of American Railroads announced on Sept. 13. This was a decrease below the corresponding week of 1944 of 94,538 cars, or 11.5%, and a decrease below the same week in 1943 of 104,042 cars or 12.5%.

Loading of revenue freight for the week of Sept. 8 decreased 129,811 cars, or 15.1% below the preceding week, due to Labor Day holiday.

Miscellaneous freight loading totaled 306,251 cars, a decrease of 57,449 cars below the preceding week; and a decrease of 67,960 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 92,979 cars, a decrease of 12,135 cars below the preceding week and a decrease of 7,098 cars below the corresponding week in 1944.

Coal loading amounted to 144,721 cars, a decrease of 34,543 cars below the preceding week, and a decrease of 13,810 cars below the corresponding week in 1944.

Grain and grain products loading totaled 51,601 cars, a decrease of 14,654 cars below the preceding week, but an increase of 7,980 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Sept. 8 totaled 37,452 cars, a decrease of 10,627 cars below the preceding week but an increase of 6,070 cars above the corresponding week in 1944.

Livestock loading amounted to 16,851 cars, a decrease of 604 cars below the preceding week and a decrease of 1,102 cars below the corresponding week in 1944. In the Western districts alone loading of livestock for the week of Sept. 8 totaled 13,241 cars, a decrease of 55 cars below the preceding week, and a decrease of 668 cars below the corresponding week in 1944.

Forest products loading totaled 36,758 cars, a decrease of 8,523 cars below the preceding week, and a decrease of 5,338 cars below the corresponding week in 1944.

Ore loading amounted to 70,471 cars, a decrease of 488 cars below the preceding week and a decrease of 4,847 cars below the corresponding week in 1944.

Coke loading amounted to 10,996 cars, a decrease of 1,415 cars below the preceding week, and a decrease of 2,363 cars below the corresponding week in 1944.

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

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
5 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
6 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
4 Weeks of August	3,240,175	3,576,269	3,554,694
Week of September 1	860,439	897,603	901,075
Week of September 8	730,628	825,166	834,870
Total	29,471,453	30,044,069	29,077,144

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Sept. 8, 1945. During this period only 29 roads reported gains over the week ended Sept. 9, 1944.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED SEPT. 8

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	212	257	165	1,349	1,430
Bangor & Aroostook	1,369	1,226	884	792	630
Boston & Maine	5,439	5,967	5,756	12,175	14,271
Chicago, Indianapolis & Louisville	943	1,273	1,299	1,562	1,811
Central Indiana	24	28	28	32	45
Central Vermont	1,034	924	879	2,336	2,278
Delaware & Hudson	3,948	4,427	5,842	10,167	11,560
Delaware, Lackawanna & Western	6,013	7,346	6,948	8,501	9,381
Detroit & Mackinac	246	231	183	150	180
Detroit, Toledo & Ironton	1,343	1,788	1,923	809	1,290
Detroit & Toledo Shore Line	301	302	286	2,151	2,564
Erie	9,603	11,610	12,824	13,922	15,811
Grand Trunk Western	2,618	3,421	3,173	7,156	7,457
Lehigh & Hudson River	157	151	184	2,354	2,195
Lehigh & New England	1,896	1,710	1,652	1,496	1,642
Lehigh Valley	7,468	7,503	7,949	9,110	13,370
Maine Central	2,358	2,147	2,075	3,447	3,194
Monongahela	4,836	4,936	5,916	291	410
Montour	2,265	2,043	2,234	26	18
New York Central Lines	41,341	47,038	50,856	41,798	51,366
N. Y., N. H. & Hartford	7,605	8,330	8,695	13,692	16,452
New York, Ontario & Western	947	1,131	1,526	3,329	3,285
New York, Chicago & St. Louis	4,923	6,433	6,268	12,136	13,987
N. Y., Susquehanna & Western	300	428	500	1,899	1,819
Pittsburgh & Lake Erie	5,552	7,167	7,258	8,255	8,087
Pere Marquette	4,327	4,435	4,767	5,560	7,090
Pittsburgh & Shawmut	715	865	917	17	45
Pittsburgh, Shawmut & North	170	283	411	205	229
Pittsburgh & West Virginia	1,108	1,064	1,194	2,145	2,761
Rutland	409	329	297	1,082	1,137
Wabash	4,592	5,162	5,105	9,235	10,528
Wheeling & Lake Erie	4,656	5,927	6,022	3,452	4,057
Total	128,740	145,882	154,016	180,711	210,380
Allegheny District—					
Akron, Canton & Youngstown	566	808	698	1,113	1,251
Baltimore & Ohio	39,969	42,088	41,766	21,885	26,642
Bessemer & Lake Erie	5,277	5,569	6,838	1,494	1,788
Buffalo Creek & Gauley	†	†	316	†	†
Cambria & Indiana	1,145	1,309	1,695	4	7
Central R. R. of New Jersey	4,873	6,235	6,509	16,481	20,754
Cornwall	435	459	650	57	65
Cumberland & Pennsylvania	170	185	215	12	9
Ligonier Valley	56	121	142	62	29
Long Island	2,072	1,790	1,558	3,891	4,620
Penn-Reading Seaboard Lines	1,597	1,842	1,887	2,168	3,020
Pennsylvania System	71,285	82,243	81,657	52,294	62,524
Reading Co.	11,899	14,522	14,560	24,032	28,468
Union (Pittsburgh)	12,540	19,175	21,182	5,613	6,555
Western Maryland	3,670	3,836	4,219	10,462	12,943
Total	155,554	180,182	183,892	139,569	168,775
Peachontas District—					
Chesapeake & Ohio	24,753	28,897	28,688	11,660	13,025
Norfolk & Western	17,574	21,538	22,057	6,012	7,571
Virginian	3,564	4,209	4,825	1,752	2,393
Total	45,891	54,644	55,570	19,424	22,989

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	396	311	279	184	315
Acl. & W. P.—W. R. E. of Ala.	734	769	651	2,000	2,286
Atlanta, Birmingham & Coast	582	775	690	1,099	1,105
Atlantic Coast Line	9,127	10,429	11,045	7,442	9,281
Central of Georgia	3,544	3,346	3,639	3,735	4,885
Charleston & Western Carolina	391	428	382	1,367	1,554
Cincinnati	1,279	1,749	1,583	2,341	2,636
Columbus & Greenville	246	243	355	227	290
Durham & Southern	90	108	79	607	621
Florida East Coast	675	731	1,187	1,068	1,415
Gainesville Midland	47	47	43	121	87
Georgia	1,133	1,038	1,018	2,086	2,515
Georgia & Florida	500	457	358	534	656
Gulf, Mobile & Ohio	3,958	4,258	3,992	3,944	3,659
Illinois Central System	21,546	27,365	27,449	14,298	16,918
Louisville & Nashville	21,893	23,068	24,652	9,143	10,804
Macon, Dublin & Savannah	186	198	182	609	622
Mississippi Central	315	377	279	478	462
Nashville, Chattanooga & St. L.	3,141	3,139	3,111	3,872	4,568
Norfolk Southern	871	1,024	1,054	1,586	1,815
Piedmont Northern	401	383	324	1,368	1,277
Richmond, Fred. & Potomac	426	425	587	7,039	8,707
Seaboard Air Line	7,484	8,185	8,812	7,030	7,746
Southern System	21,607	23,849	22,135	20,013	23,402
Tennessee Central	557	598	1,145	701	689
Winston-Salem Southbound	124	115	110	1,059	1,330
Total	101,263	113,375	115,091	93,651	109,643
Northwestern District—					
Chicago & North Western	17,766	19,018	19,884	13,738	13,983
Chicago Great Western	2,086	2,149	2,876	2,976	3,014
Chicago, Milw., St. P. & Pac.	19,707	18,682	19,326	8,617	8,896
Chicago, St. Paul, Minn. & Omaha	3,431	3,071	4,125	4,204	3,931
Duluth, Missabe & Iron Range	26,056	26,314	29,221	429	309
Duluth, South Shore & Atlantic	916	1,181	1,268	417	533
Elgin, Joliet & Eastern	6,499	8,917	8,436	6,848	9,240
Fr. Dodge, Des Moines & South	388	362	377	66	82
Great Northern	22,680	26,228	24,292	6,405	6,679
Green Bay & Western	401	467	470	706	885
Lake Superior & Ishpeming	2,148	2,921	1,784	65	62
Minneapolis & St. Louis	2,122	2,096	2,180	2,434	2,569
Minn., St. Paul & S. S. M.	7,178	7,216	7,407	3,059	3,003
Northern Pacific	11,516	12,113	11,529	5,159	6,028
Spokane International	138	169	218	413	496
Spokane, Portland & Seattle	1,998	2,813	2,279	2,768	4,217
Total	125,030	134,717	135,672	58,304	63,927
Central Western District—					
Atch., Top. & Santa Fe System	21,506	23,858	21,784	10,581	12,602
Alton	*3,532	3,152	3,093	*3,505	3,830
Bingham & Garfield	275	400	492	63	75
Chicago, Burlington & Quincy	18,898	18,931	18,399	11,209	13,168
Chicago & Illinois Midland	2,598	2,848	2,930	854	919
Chicago, Rock Island & Pacific	11,523	11,773	11,349	11,841	12,832
Chicago & Eastern Illinois	2,247	2,283	2,192	3,195	5,156
Colorado & Southern	694	856	804	2,004	2,805
Denver & Rio Grande Western	4,116	5,025	4,110	5,737	6,728
Denver & Salt Lake	562	775	749	42	31
Fort Worth & Denver City	937	712	1,618	1,570	1,935
Illinois Terminal	1,390	1,991	1,580	1,802	2,385
Missouri-Illinois	1,159	1,347	1,231	689	718
Nevada Northern	1,303	1,520	2,148	75	93
North Western Pacific	979	1,239	942	811	781
Peoria & Pekin Union	2	2	17	0	0
Southern Pacific (Pacific)	29,665	30,550	29,578	11,096	14,722
Toledo, Peoria & Western	258	234	293	1,661	1,935
Union Pacific System	16,433	17,993	16,052	15,609	18,412
Utah	508	430	541	2	3
Western Pacific	1,636	2,147	2,035	3,720	4,833
Total	120,281	128,066	121,937	86,066	103,963
Southwestern District—					
Burlington-Rock Island	251	872	447	452	457
Gulf Coast Lines	3,005	4,874	5,537	2,280	2,163
International-Great Northern	1,956	2,187	2,455	2,744	2,987
Kansas, Oklahoma & Gulf	†	†	248	†	†
Kansas City Southern	2,679	5,215	5,468	2,573	3,051
Louisiana & Arkansas	2,356	4,208	3,175	2,529	2,472
Litchfield & Madison	293	212	281	1,026	1,468
Midland Valley	1,222	973	713	1,401	1,425
Missouri & Arkansas	97	160	180	292	366
Missouri-Kansas-Texas Lines	4,509	5,679	5,962	3,766	4,777
Missouri Pacific	15,606	16,539	16,025	16,204	18,162
Quanah Acme & Pacific	118	81	104	162	282
St. Louis-San Francisco	8,222	8,392	7,617	7,433	7,843
St. Louis-Southwestern	2,286				

Items About Banks, Trust Companies

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branch before his retirement in 1930. The paper quoted also said:

"Mr. Miller had been a Nutley resident 40 years. He was one of the founders and the First Vice-President of the First National Bank of Nutley. He helped organize Nutley Social Service Bureau and had been a member of Nutley Board of Health."

Directors of the Philadelphia National Bank, of Philadelphia, Pa., at their meeting on Sept. 17, authorized that the amount being paid the employees as monthly emergency allowances be made a definite part of their salaries, effective Oct. 1. The additional compensation, to meet the increased cost of living, was established Nov. 1, 1941, and Oct. 1, 1942, and affected only salaries below \$6,500. In the case of those in the lowest brackets it amounted to 20% of their base pay.

On Sept. 18 the surplus of the Corn Exchange National Bank & Trust Co. of Philadelphia was increased to \$10,000,000 when the bank's board of directors authorized the transfer of \$1,000,000 from undivided profits.

It was made known in the Baltimore "Sun" of Sept. 14 that a reclassification of the existing capital stock of the Safe Deposit & Trust Co. of Baltimore to provide 100,000 shares of \$20 par value instead of 20,000 shares of \$100 par value was recommended on Sept. 13 by the board of directors. The "Sun" added:

"The proposal, subject to approval of the stockholders at a meeting to be held Oct. 11, calls for replacing each existing share with five shares, but involves no change in the present capital.

"The purpose is to bring the market price of each share of the stock within the reach of a larger number of prospective purchasers, Thomas B. Butler, President, explained.

"In addition, the board voted a quarterly dividend of \$5 a share payable Sept. 28 to stockholders of record Sept. 18."

Admission of The Farmers Savings Bank Co. of Ashley, Ohio, to membership in the Federal Reserve System is announced by President Ray M. Gidney of the Federal Reserve Bank of Cleveland. Member banks in the Fourth Federal Reserve District now total 716. In its advice the Cleveland Reserve Bank says:

"The Farmers Savings Bank Co. serves an area in which about 3,000 people reside and which is chiefly agricultural. The bank was organized in 1904 with a capital of \$25,000. Its present capital is \$35,000 and its surplus is \$35,000. President of the Farmers Savings Bank Co. is Earl Jenkins, and other officers are Harold W. Davis, Vice-President; F. J. Riley, Cashier, and Miss Winifred Raines, Assistant Cashier. Directors are President Jenkins, Vice-President Davis, Lloyd Bartlett, C. J. Chadwick and Frank Stratton."

The Board of Directors of The First National Bank, of Chicago, Ill., at its regular meeting on Sept. 14 declared the regular dividend of \$2.00 a share payable Oct. 1 to stock of record at the close of business on Sept. 24. Edward E. Brown, Chairman of the Board of the Bank said after the meeting of the Directors that while no formal action was taken, except to authorize the officers to secure the necessary preliminary authority from the Comptroller of the Currency, it was the expressed opinion of the Board that in October it would call a special meeting of the stockholders of the bank for a date late in December to vote on the question of increas-

ing the capital stock of the bank from \$50,000,000 to \$60,000,000 by the declaration of a stock dividend of \$10,000,000, to be taken from the bank's present surplus.

Mr. Brown said that this contemplated action was conditioned upon there being at the time of the stock dividend no serious prospect of any legislation being passed taxing stock dividends which would be applicable to a stock dividend distributed in the year 1945. Mr. Brown also stated that if the stockholders should vote the stock dividend it was the Board's present intention to pay dividends at the same rate on the increased stock. Inasmuch as the existing dividend rate is 3% per annum, this would result in an increase to \$4,800,000 of cash dividends per annum, as against \$4,000,000 of dividends being presently paid. The new stock represented by the stock dividend would not receive a dividend until April 1, 1946, as it is contemplated that the dividend of \$2.00 a share expected to be paid Jan. 1, 1946 would be paid to stock of record of a date prior to the stock dividend.

Mr. Brown further stated that while it was too early to predict with certainty, he believed that the bank would add \$10,000,000 to surplus before the end of the year, which would mean the Bank would have on Dec. 31 a capital of \$60,000,000 and a surplus of \$50,000,000.

Holman D. Pettibone, President of Chicago Title & Trust Co. of Chicago, Ill., announced on Sept. 12 the retirement of Donald Riley as Vice-President and Treasurer. Mr. Riley remains a director and a member of the Finance Committee. The directors elected Harold A. Moore, Vice-President, to the additional post of Treasurer to succeed Mr. Riley. Albert Young Bingham, Vice-President, becomes Financial Vice-President, and Kenneth L. Van Sickle, on military leave since July, 1942, was appointed manager of the real estate and mortgage department of the trust division. L. D. McKendry, Assistant Vice-President and formerly manager of the real estate and mortgage department of the trust division, has been transferred to the administrative division of the company, where he will devote his attention to real estate and mortgages owned by the company individually. Mr. Riley, whose father, the late Harrison B. Riley, was President of Chicago Title & Trust Co. from 1907 to 1929, has been with the company for 21 years. Originally in the financial department, he was elected Vice-President in 1923, a director in 1929, and Treasurer in 1936. From 1931 to 1936 he served as Trust Officer. After graduating from the University of Wisconsin, Mr. Riley obtained a degree of Ph.D. at the University of Berlin, majoring in chemistry. He was a Commander in the United States Naval Reserve during World War I, and a member of the American delegation to the Peace Council in Paris in 1919. Mr. Moore, a graduate of the University of Chicago, entered the employ of the company in 1931 in the real estate department, and was elected a Vice-President in 1937. Mr. Bingham, a graduate of the University of Illinois, joined the company as Vice-President in 1942.

The Mercantile-Commerce Bank & Trust Co., St. Louis, Mo., announces the appointment of E. Douglass Campbell as Assistant Vice-President of the bank. Mr. Campbell was formerly manager of the credit department and has served as a Major in the Canadian Army for the past four years, three of which were spent in overseas service.

The First National Bank in St. Louis has announced the election of William M. Rand as a member of the board of directors. Mr. Rand is Vice-President and a director of Monsanto Chemical Co. of St. Louis.

The Farmers Bank of Lincoln, Lincoln, Mo., became a member of the Federal Reserve System on Sept. 6, the Federal Reserve Bank of St. Louis announces. It adds: "The new member was chartered Jan. 11, 1890. It has a capital of \$25,000, surplus of \$25,000, and total resources of \$920,071.06. Its officers are J. A. Autrieth, President; John W. Guthrie, Vice-President; S. O. Brill, Cashier; A. D. Hunt, Assistant Cashier, and Addie Love, Assistant Cashier."

Earl R. Muir, President of The Louisville Trust Co. of Louisville Ky., has accepted the chairmanship of the Victory Loan Drive for Western Kentucky, which starts Oct. 29. F. M. Knight, Chairman of A. B. A. Committee on War Bond Drives, has written Mr. Muir two important paragraphs, which state:

"We are happy to know that in this Victory Loan Drive we will have the benefit of your 'firing line' experience. You have done a grand job in the past. We now have peace, and the new Secretary of the Treasury is relying on our help to climax the series of successful War Loan Drives with one big Victory Loan. It will take the best that's in us to put it over.

"The Victory Drive is the Treasury show. Our function is to put the banking system squarely behind the Treasury, to work in the smoothest possible way with the War Finance Committees throughout the country, and to organize the banking facilities of each State in fullest support."

In recognition of his 55 years of service, John K. Ottley, Chairman of the board of the First National Bank of Atlanta, Ga., has been made the original charter member of the "Quarter Century Club" formed by officers and employees of the bank as part of the observance of the institution's 80th anniversary. On Sept. 14 the Atlanta "Constitution," from which the foregoing is taken, also said:

"In ceremonies at the Capital City Club Mr. Ottley and 56 other members of the organization were awarded certificates and lapel buttons attesting their more-than-25-years' service with the Southeast's oldest National bank.

"Two other members of the 'Quarter Century Club,' with a record of more than 50 years' service, are: J. Sherrard Kennedy, Vice-President, and J. P. Dailey.

"High tribute was paid to the leadership of James D. Robinson, Vice-Chairman of the board of directors, who served for seven years as President of the bank.

"In making the presentation to Mr. Ottley, Clyde Williams, President of the bank, declared: 'His integrity and high ideals have made him a leader whom all Atlanta honors, a citizen whose reputation is known far beyond the borders of his home State.'

"The ceremonies commemorated the founding of the bank, Sept. 14, 1865, by General Alfred Austell, under a \$100,000 capitalization. Today the bank has capital funds in excess of \$12,000,000," Mr. Ottley said."

The board of directors of the Republic National Bank of Dallas, Texas, announced on Sept. 12 the election of Karl Hoblitzelle, formerly Vice-Chairman of the board, to the office of Chairman of the board, and the election of Leslie Waggener, formerly Chairman of the Executive Committee, to the office of Vice-Chairman of the board.

Fred F. Florence, President of the Bank, was quoted in the Dallas "Times Herald" as saying:

"Our officers and directors are highly pleased that Mr. Hoblitzelle will be more active in the affairs and policies of our bank. The new responsibilities of Mr. Hoblitzelle and Mr. Waggener assure a continuation of the harmony that has characterized the operation of our bank throughout its existence." The paper quoted also said:

"The election of Mr. Hoblitzelle to the chairmanship filled the vacancy left by the late Wirt Davis, who was Chairman of the board from 1934 until his death in August.

"Mr. Hoblitzelle has been associated with the Republic National Bank during most of the years of its growth from Dallas's smallest and youngest bank in 1920, with capital and surplus of \$100,000 to an institution with capital and surplus of \$20,000,000.

"Mr. Hoblitzelle, nationally-known theater magnate and philanthropist, has served as director of the Republic National Bank since 1927. A native of St. Louis, Mo., he first came to Texas in 1905 in the interest of Interstate Amusement Co. In addition to being President of Interstate Circuit, Inc., and Texas Consolidated Theatres, he is President of the Dallas Citizens Council; a member of the board and executive committee of the Republic Natural Gas Co., and the Baker Hotel Co.; Vice-President and Chairman of the executive committee of the Southwestern Medical Foundation, etc.

"Mr. Waggener has been a director and officer of the Republic National Bank for 22 years, and Chairman of its executive committee since 1931. He is also a director and member of the executive committee of the Employers Casualty Co.; a director of the Southwestern Life Insurance Co., the Liberty State Bank, and the Oak Cliff Bank & Trust Co.; a member of the advisory committee of the Dallas Loan Agency of the Reconstruction Finance Corporation; trustee of Dallas Historical Society; Chairman of the Ways and Means Committee of the Texas State Historical Assn.; a life member in Texas Folklore Society, and Treasurer of the Dallas Art Assn."

In furtherance of plans to extend every possible banking aid to post-war industry, L. M. Gianini, President of Bank of America, San Francisco, announced on Sept. 12 the appointment of Howard C. Pyle as Vice-President of the bank in charge of the institution's new oil division. Mr. Pyle, with Bachelor of Science degree from University of California and Master of Science and Petroleum Engineer degrees from University of Southern California, began his practical experience with the Union Oil Co. of California, serving that concern 14 years. In 1943 he entered the U. S. Army as petroleum engineer with rank of Captain, in the Washington, D. C., office of the Chief Engineer, later becoming Chief, Oil Supply Rehabilitation and Development Branch of the Quartermaster General's office, with rank of Major. In January, 1944, he was assigned to the general staff of Supreme Commander Eisenhower in the European Theater of Operations as petroleum officer, and was later loaned by General Eisenhower to serve on Montgomery's general staff. In October, 1944, he was promoted to the rank of Lieutenant Colonel, and from then on served as Deputy Chief of the general staff Oil Branch, Communications Zone. In that capacity he assisted in directing the petroleum supply to American Armies and Air Forces in Europe, including construction and operation of the now famous pipelines across Europe. With the end of

the war Mr. Pyle has been returned to inactive status and has already taken up his new duties with the Bank of America.

Return of S. C. Beise, Executive Vice-President of the Bank of America from Southern California headquarters of the bank in Los Angeles to the San Francisco head office was announced on Sept. 11 by Board Chairman A. J. Gock following a meeting of the bank's board of directors. Mr. Beise, who is Vice-Chairman of the bank's managing committee, is also to become a member of the Advisory Council of the board of directors, and will assume charge of coordination of the bank's administrative departments. He served nine years with various banks in Minnesota and Michigan, and then became a National bank examiner. In 1933 he was assigned to the San Francisco district, and in 1936 became associated with the Bank of America in San Francisco as a Vice-President. Three years later he transferred to Los Angeles to assume administration of the bank's loans in Southern California. He was advanced to the rank of Executive Vice-President in February, 1945.

J. H. Rosenberg, heretofore Vice-President and Manager of Bank of America's Los Angeles main office, has been advanced to the rank of Executive Vice-President in Los Angeles in succession to Mr. Beise. Chairman Gock announced further that E. A. Mattison, Executive Vice-President in charge of development of loan services of the bank, was elected to the Advisory Council of the board of directors.

A recent special meeting of the shareholders of the United States National Bank of Portland, Ore., resulted in action to confirm an earlier proposal by the board of directors of that institution to increase the bank's capital stock, according to E. C. Sammons, President. The shareholders' action will bring about an increase in the bank's capital stock from \$6,000,000 to \$8,000,000 and an increase in surplus from \$8,000,000 to \$10,000,000. These changes will provide the bank with a paid-up capital and surplus of \$18,000,000 and undivided profits of approximately \$4,750,000. This action also marks another in a long line of capital expansions for the United States National since its organization in 1891 with a capital of \$250,000. Deposits and capital structure for the past few years are as follows:

Deposits	
June 30, 1941	\$177,090,911.27
June 30, 1942	208,105,063.48
June 30, 1943	328,571,624.97
June 30, 1944	428,139,114.56
June 30, 1945	509,589,564.41

Capital, Surplus, Unallocated Reserves and Undivided Profits	
June 30, 1941	\$11,352,265.54
June 30, 1942	12,048,259.09
June 30, 1943	12,796,871.81
June 30, 1944	17,182,409.17
June 30, 1945	18,612,840.37

In pointing out that the capital increase has been authorized by the Comptroller of the Currency, Mr. Sammons also offered the opinion that the bank's revised capital structure would be adequate for many years to come. "It will," he said further, "place the United States National Bank in an advantageous post-war position to meet the demands for credit from rapidly expanding, sound industrial, agricultural and business enterprises and will add strength to the basic function of banking throughout the Pacific Northwest."

Viscount Cranborne has been reappointed a director of Westminster Bank, Ltd., of London. He was formerly a director until 1935, when he resigned to accept an appointment in His Majesty's Government.