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The Financial Situation

The unrealistic notion that World War II is an "ideological war" and related ideas appear to be on the way to having some natural, perhaps inevitable, but nonetheless unfortunate results. We have from the first, and our allies have from the first, insisted that "every vestige" of Fascism, Nazism and the equivalent in Japan must be obliterated before we should be willing to make peace. By this it was apparently meant (by us in the United States at any rate) not only that all those who have any active part in existing regimes in those countries must be bereft of power; but that a wholly different type of government be installed, or at least a type of government which we in our ignorance—we had almost said arrogance—deem radically different from the totalitarian regimes-throughout the world outside of Russia.

Imposing Our Own Ideas

With most Americans who probably have not given the matter a great deal of thought, the uprooting of totalitarian regimes in enemy countries almost certainly also implied destruction of faith or belief in such regimes, and the adoption by the peoples involved of political doctrines of a sort more closely akin to those professed in this country. Indeed this idea appears to have pervaded the minds of many of our political leaders, and with regret be it said, some of our educational and other leaders who certainly should have known much better. Thus, much has been said about the "education" or "re-education" of the peoples of Germany, for example, when they were not longer able to resist. Much of this "education" doubtless would be directed at matters that have to do with the rest of the world, but much of it also would bear directly upon that which concerns the internal governmental forms and practices, and

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Post-War Employment

Roger W. Babson Recommends Merchandise Field

BABSON PARK, MASS., Dec. 1—Men who had good jobs before they entered the service should take these jobs back, even if they do not want to stay in them forever. Men who did not have jobs before should go to school and become expert in something. The best investment anyone can make is in a practical education, whether it is a business or a mechanical or a professional education. I especially recommend



Roger W. Babson

training which will make men experts in distribution. This includes storekeeping, outside selling, advertising, market research, etc.

(1) 500,000 small stores have been closed by men who have entered the service. During this time there has been no increase in the number of chain stores. Hence, the post-war competition will be less.

(2) The population of the United States is increasing at about 800,000 per year. This means that there will be several million more retail customers in the post-war days than there were before the war.

(3) It will be easy enough after the war to manufacture goods, but in order to keep the factories going the goods must be sold. The entire post-war employment sit-

uation depends upon the efficiency of post-war retailing.

(4) There is much to learn in connection with distribution. While the efficiency of manufacturing has greatly increased and the cost per unit has decreased, the cost of retailing has gone up. This difficulty can, and must, be solved.

(5) The present system of distribution holds the key to "free enterprise," as this depends largely upon full employment and a low cost of living. Those who are interested in continuing free enterprise and in avoiding communism should give more thought to efficient merchandizing.

(6) People will have more money to spend in the post-war period. There will be a surplus in the hands of consumers of about \$100,000,000,000 in addition to their current earnings.

(7) More than 4,500,000 marriages have taken place since Pearl Harbor, and this figure will probably be over 6,000,000 when the boys return. This means that there must be a great demand for housing. Every new home gives a boost to over 30 industries, including furniture and home appliances of all kinds.

(8) Things have been wearing (Continued on page 2529)

Post-War Tasks and Problems of the United States and the United Kingdom

By SIR GEORGE SCHUSTER, M. P.*
Director, Westminster Bank, London

Because of Economic Difficulties Facing Both U. S. and Great Britain, Prominent British Statesman Recommends a Greater Understanding of Each Other's Post-War Problems to Assure World Peace. Asserts Great Britain Will Not Resort to State Socialism and Doubts That Its Exports Can Be Increased by 50% or That U. S. Will Utilize Its Full Productive Capacity. Says New Deal Methods Were Not Successful, and Urges Concerted Action With Great Britain as Essential to Post-War Readjustments. Recommends a U. S. Official Survey of Britain's Position as Aid in Solving Problems.

Mr. Chairman, Ladies and Gentlemen, I hope that I shall live up to the high character that your Chairman today has given me. To some extent



Sir George Schuster

he has taken the words out of my mouth, or perhaps rather given me a text on which to speak. You are all very busy people, and I have given myself a huge subject, and therefore without any preliminary flourishes I propose to get right down to it. As your Chairman has said, I am to talk on the post-war tasks of this country and yours—and may I, Mr. Chairman, say "yours" when I am talking to you, because, although I know a great many of you represent British business, I like to feel that I am talking to an American audience today and that I can call them "you."

British-American Understanding Needed

Our tasks and yours: it seems to me that our first task is very much what your Chairman has said, to understand each other and to find a basis for pulling together. Otherwise I myself see no hope of world peace or the survival of free democratic societies, and I do not want to be misunderstood. I am not suggesting anything like an Anglo-American domination of the world. We have got to work with Russia; but if our two nations pull different ways, then personally I see no hope for anything at all. If we are to achieve this I myself see two main needs. First, we need no sloppy sentimentality but hard-headed understanding of each other's resources and problems, of why in our own interests we have got to work together and how we can do it to the best mutual advantage. I want to emphasize very strongly the view that official hush-hush policy and tactful silences will get us nowhere, but if either of us

has got what he considers to be a grievance or a good case let us have it flat on the table. We can afford to treat each other like that. We, both our nations, speak the same language in more senses than one; we are both decent peoples; we both want fair play; and I myself feel that the knowledge of working together in this war has meant that we have got, or at any rate we should have got, beyond the stage of trying to outsmart each other in any way.

Intertwined Destinies

Now, the second great need that I see is that we should see the picture as a whole, the picture of the way in which our affairs are mixed up together, see it as a whole and not just look at one corner at a time. I want very briefly to sketch what seem to me to be the main features in the picture. As I see it, there are three

*An address made by Sir George Schuster at the American Chamber of Commerce luncheon, London, England, Oct. 19, 1944.

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*These items appeared in our issue of Dec. 4 on pages indicated.

From Washington Ahead of the News

By CARLISLE BARGERON

The pigeonholing by the Senate Foreign Relations Committee of the Anglo-American oil pact is being cited by the professional internationalists as evidence of the impossibility of international cooperation on the part of this country unless we revise our treaty making set-up. It seems a bloody shame, these professionals chant, that we are going to throw away the greatest opportunity for world



Carlisle Bargeron

cooperation that ever fell in an innocent people's lap. And the reason we are going to do this is because we are so reactionary, or so in the grip of reactionary Senators, that we won't change a treaty making machinery that has worked for more than 150 years. What we should do, they say, is to make Senate ratification of treaties possible by a majority vote instead of two-thirds vote, now necessary, or by a majority vote of both Houses. The House is terribly anxious to get in on the treaty making power, and several of its members, though not the more solid ones, are taking advan-

tage of the war hysteria, to press this. The House was purposely kept out of treaty making by the framers of the Constitution because they serve only two years and thus are responsive to every public whim that comes along; undoubtedly just such agitation as is now taking place is what the framers sought to guard against.

Another plan of modernization is that treaties not be called treaties but simply agreements between governments upon which the legislative body would not be permitted to act at all.

If there was ever any doubt as to the need for some such revising of policy, the professional internationalists are now saying, it is removed by the predicament of the oil pact. We doubt, however, that a single one of these gentlemen has read the pact. All they know, or at least the way they look at it, it expresses a determination on the part of nations to get together, to understand one another, and to make impossible a

(Continued on page 2529)

How Can We Get It?

"The development of our industry has given horsepower to freedom. It has raised the well-being of the working man. The basic idea of our industrial society is to find out what a man is good for and to give him a chance. Make use of people! The foremost resource of the United States is the people of the United States. This thought gives new meaning to freedom.

"But no one must ever forget that it has been savings and investment which made industry possible and freedom full of new meaning. If in this post-war era the people are in truth to have a new birth of freedom, then savings and investment again become essential.

"Nowhere is there any automatic assurance that a supply of venture capital will be forthcoming to equip our nation for vigorous life. It does not flow like air to the lungs, or blood from the heart. The organism requires it, but it may not appear.

"But when the people understand that the road to independent ownership is the road to freedom, that there is no middle ground between venture and freedom on the one hand and loss of freedom on the other, we may believe that they will turn their attention, and that of their government, to the means for their free national life."—Emil Schram.

More is needed than a turning of attention to our problems. We must have a much better understanding of the real nature of our needs—not only that we must have what may be termed the "venture spirit" in business but how that spirit is to be nurtured.

We shall have to turn away from panaceas and recreate fundamental conditions favorable to the assumption of business risks.

We wish the rank and file understood these things as well as we are sure Mr. Schram does.



Emil Schram

NYU Courses on War Contract Settlement

A series of short three-day courses on war contract settlement planned to prepare contractors for one of their major administrative problems began on Nov. 29 at the New York University Graduate School of Business Administration in cooperation with 18 military procurement and government agencies, it was announced by Dean G. Rowland Collins.

Open to staff members of prime contracting and subcontracting organizations and others with a legitimate interest in contract readjustment, the program will be given to a limited number of registrants on three consecutive days and will be repeated weekly as long as necessary. The training program will cover the rights and duties of the contractor and subcontractor; the preparation of claims; accounting for costs; the settlement of fixed price contracts; plant clearance and property disposal; and interim financing.

While the primary purpose of the program will be to prepare war plants for the difficult period of reconversion and the transition from war to civilian production, Dean Collins pointed out that contract readjustment has little or nothing to do with the end of the war. Dean Collins added:

"For example, 1,879 contracts were terminated in the Middle Atlantic area from January to July of this year. The value of contracts settled by termination in this area in that six month period was \$4,362,000,000. According to a report of the Director of Contract Settlement, total terminations for the entire country to date amount to 21 billion dollars with another 20 billion dollars of contracts to be settled within three months after V-E Day. It is of the utmost importance, therefore, that contractors realize the magnitude of the problem which they face. They must begin to plan their readjustment procedures now and become thoroughly familiar with the technical problems involved."

Real Estate Holdings of Life Companies Down

Real estate holdings of the life insurance companies have been reduced by sales of \$229,000,000 since the first of the year and at the end of the third quarter stood at \$1,131,000,000, of which another \$223,000,000 is now under contract for sale, the Institute of Life Insurance reported on Nov. 30. The Institute further stated the aggregate of holdings is smaller than for any year since 1933 and the percentage of such holdings to total assets is smaller than for any year since 1930. Eliminating the properties under contract for sale, the ratio becomes smaller than for any year since 1928. Of the total holdings, \$270,000,000 are farm properties and \$861,000,000 are city properties, including the home office buildings owned by the companies. The properties under contract for sale are \$128,000,000 farm, leaving \$142,000,000 not under contract, and \$95,000,000 city, leaving \$766,000,000 not under contract for sale, of which over one-fourth is home office properties. The year to date sales of foreclosed properties, taken under distress conditions during the depression, were divided \$82,000,000 farm and \$147,000,000 city.

against certain insurance policies, assigned to the company.

While the payments were not made for business purposes, they were related to the company's business as they served the end of the "preservation and conservation of its funds," the court said.

The State of Trade

An harmonious note was struck at the eight-day International Business Conference at Rye, N. Y., by the world's business representatives from 52 nations who arrived at a general accord on the best approach to good international business and trade relations in the post-war.

The fruits of the conferees' eight days of study bearing on the world economy totaled a like number of general subjects all tied in with the main purposes of the conference, "the preservation of free enterprise." The Conference was under the sponsorship of the National Chamber, the National Association of Manufacturers, the National Foreign Trade Council, and the American Section of the International Chamber of Commerce.

The International Chamber was suggested by the "Free Enterprise" study group as a "suitable nucleus" for an international organization which would "actively undertake measures designed to bring about the restoration and development and expansion of private enterprise." The study group on "Private Enterprise" after affirming the effectiveness and desirability of such a system urged that governments adhere to the principles of equality of opportunity; equality under law, reward for initiative; privilege for thrift; a tax structure that encourages incentive and risk; restriction of monopoly; abstinence of government from competition with private business; freedom of production and sale and the equitable distribution of profits with consumers' and labor's interest safeguarded to the end that more and more things may be supplied to more and more people and thereby promote the common good. It was recognized by the group that in some countries state control of certain enterprises (such as public utilities) was a general policy for a long time and it felt that this policy could be continued without harmful effect on their own national economy, but that extension of such control into new fields was neither desirable nor necessary.

On the subject of "Raw Materials and Foodstuffs," the section was convinced that production, processing and distribution of raw materials and foodstuffs should be the responsibility of private management and operation, and that the cooperation of government with business in the fields of research, education and the collection of statistics and the wide dissemination of their results, would provide a foundation on which a well coordinated economy could be developed through private enterprise.

With respect to tariffs it was recognized that their immediate repeal was not politically or otherwise expedient, but that the aim should be to make the elimination of trade barriers and of all discrimination of cardinal point of national and international policies. In the interest of facilitating the free flow of raw materials and foodstuffs in international trade, the section recommended the re-opening of all commodity futures markets at the earliest possible date.

Touching upon the subject of "Encouragement and Protection of Investments" this study group strongly recommended that when private capital from one country is invested in another country consideration should be given to association and co-participation with local capital. The group emphasized that participation should not be required by law, because such restrictive legislation might have the effect of turning venture capital away. An economically sound tax regime was advocated along with the recommendation that international business conducted in any country should be taxed as is other business in that jurisdiction, irrespective of ownership.

On the important matter of "Currency Relations" the appointed group expressed the opinion that the world should keep

gold as a monetary metal and use it as a constituent part of the post-war monetary system, and added "It is fully recognized that a stable exchange relationship between the U. S. dollar and the pound sterling is an essential condition of the international monetary stabilization."

On the subject of "Transportation and Communications" the creation of additional free port or free zone facilities was proposed together with the standardization of negotiable through bills of lading and liberalization and standardization of rules and regulations governing international transit. This section also gave recognition to the need for the full and unobstructed development of national aviation as an aid to the development of transportation within the borders of every country, and for equal opportunity to all interested nations wishing to join in the development and expansion of international aviation.

In an effort to promote freer trade and remove so far as possible the obstacles in its path, the "Commercial Policy" group offered as a solution the concluding of a multilateral trade convention (regarding tariffs, embargoes, etc.); the concluding of treaties of commerce for periods of at least ten years to enable persons engaged in international trade to make long-term provision for production and marketing; an inter-economic organization, which would be entrusted with the task of supervising and coordinating commercial policies from an international angle in accordance with the provisions of the Economic Charter.

In setting forth its position on the general subject of "Cartels," the Conference suggested a definition that cartels might be: "agreements, either between independent private parties or between governments, or both, which provide in respect to commodities and raw materials the subject of international trade, for any or all of the following: regulation of production; orderly marketing; coordination of prices; exchange of technical knowledge and experience, and of patents where they are connected with production or marketing schemes."

Expressing its position on cartels the Conference group stated that it was essential to preserve the benefits of such agreements, and to avoid their use in a manner which is contrary to the public interest of any nation. The group further stated that it was vital to economic cooperation between nations that they reconcile their views and practices in regard to these agreements over as wide an area as possible and establish rules and standards to govern such agreements in international trade.

Steel Industry—At present urgent war needs and a substantial backlog have enabled the steel industry the past week to continue a steel production and steel finishing level not far under recent peaks. All-time highs have been passed and pressure for overall deliveries has lessened somewhat. On several steel items deliveries continue tight, but by the end of the first quarter of 1945 this condition may be easier. For the next few months production of heavy shell steel, small arms ammunition and Navy building requirements will be stressed, states "The Iron Age" in its Nov. 30 issue.

Notwithstanding the cut in steel plate directives and a reduction by the Maritime Commission in its current orders for plates, it is felt in some circles that the Maritime Commission (Continued on page 2527)

U. S. Tax Court Holds Profits Used for Plant Expansion Non-Taxable Surplus

Stating that the U. S. Tax Court has taken the position that corporations which in the early stages of the war retained earnings for use in wartime expansion should not be penalized by imposition of the tax on undistributed earnings, advices from the Washington Bureau of the New York "Journal of Commerce" under date of Nov. 16 reported further as follows regarding the decision:

In a decision handed down today, the court took a broad view of company policy in accumulating funds for the expansion and modernization of equipment and declared that the tax law is not intended to prevent this use of earnings "rather than to resort to borrowing for that purpose."

The case involved General Smelting Co., aluminum and zinc producer.

The company had not distributed any of its earnings and profits in 1939 and 1940, but retained them in its business for the purpose of financing its modernization program and increased business which followed the outbreak of the war in Europe.

Against the position taken by the Internal Revenue Commissioner that the company had permitted its earnings and profits to accumulate beyond its reasonable business needs, the tax court denied any "unreasonable" accumulation had occurred. The court said:

"It is doubtless true, of course, as respondent (the Commissioner) seems to argue, that petitioner (the company) could have paid out all of its earnings and profits for 1939 and 1940 in dividends to its stockholders and could have borrowed money to finance its modernization and expansion program."

The court pointed out that the company had not borrowed any money to finance its expansion and modernization program, although some assistance from the banks had been used for financing

inventories of raw materials and accounts receivable.

"But we do not understand," the court said, "that the tax law and regulations under it prevent a taxpayer corporation from making reasonable accumulations of its earnings to finance expansion and modernization programs out of its own funds rather than resort to borrowing for that purpose."

The outbreak of the Second World War on Sept. 1, 1939, gave the company reasonable ground for the belief that its business would materially increase as it did, the court said. Capitalized at \$300,000, the company's 1938 volume was \$1,312,125, compared with \$2,666,341 in 1941. The court in particular, noted that as of Dec. 31, 1939, when the Commissioner contends the company subjected itself to tax liability for failure to distribute its 1939 net income of \$32,705, the company not only had embarked on the expansion plan but the Second World War had started in Europe.

The court made the added point that in view of these facts, the company would be required to carry larger inventories of raw material at increased prices and would be required to carry larger amounts receivable on its books.

The court also dismissed the Commissioner's argument that the company did not need all of its earned surplus for business uses because it had paid out upwards of \$50,000 as premiums and in payment of loans and interest

U. S. Not Responsible for Disequilibrium in International Payments

National City Bank Circular Refutes Lord Keynes Assertion That We Obstinate Took Action to Draw Gold From Other Nations.

The December issue of the Monthly Bank Letter of the National City Bank of New York in an article entitled "Facts and Fiction Regarding U. S. Balance of Payments" combats the "certain broad statements" that have been made abroad, that the United States, in imposing high tariffs and in expanding unduly its exports, has not fulfilled its obligations as a leading creditor nation and is largely responsible for the depressions and difficulties arising out of the disequilibrium in international balances of payments prior to the present war.

In the discussion of plans for international monetary stabilization and of the post-war role of the United States in international trade and investment, says "the Circular," certain broad statements have been made so often, and frequently with such authority, that they have come to be widely accepted with little or no qualification or proof, and almost taken for granted. It is said, for example, that—

(1) the United States "fell down on the job" as a creditor nation after World War I and, by refusing to lend or buy abroad in adequate amounts, was largely responsible for bringing on the depression;

(2) the United States obliged foreign countries to pay in gold, thus draining off foreign gold reserves and forcing deflation and currency depreciation upon our customers;

(3) our tariff policy was a principal cause of foreign inability to make payments in dollars; and

(4) the United States, as today "the world's greatest creditor nation," ought not only to lower its tariffs with a view to achieving a surplus of imports, but at the same time embark upon a prodigious lending program for the purpose both of meeting the "needs" of the outside world for goods and of maintaining "full employment" at home.

Continuing, the article states:

The foregoing are all familiar assertions. The shortcomings of the United States in its experience as a creditor nation have been thoroughly advertised, particularly where a large body of opinion appears to hold this country chiefly to blame for the international economic breakdown of the '30s. This viewpoint was reflected in Lord Keynes's speech on the proposed International Monetary Fund in the British House of Lords last May when, in extolling the virtues of the Fund, he referred to it as "a far-reaching formula of protection against a recurrence of the main cause of deflation during the inter-war years; namely, the draining of reserves out of the rest of the world to pay a country which was obstinately borrowing and exporting on a scale immensely greater than it was lending and importing?"

What are the facts? In setting up a post-war international monetary program we need to start from sound premises. Since it is generally recognized that the balance of payments position of the United States is at the heart of the problem, the first task would seem to be to get a clear picture of what that position actually was between the close of World War I, when the United States emerged as a creditor nation, to the outbreak of World War II in 1939. This can be done most readily by dividing the 18-year period, 1922-39, into two nine-year periods, 1922-30 and 1931-39. The figures appear in the accompanying table.

ered by a heavy outflow of capital from this country in the form of long-term loans and direct investments. The net imports of \$700 million of gold were amply accounted for by a voluntary inflow of foreign capital for repatriation of foreign securities, investments in our stock market, and building up of short-term balances here.

During the '30s, when our long-term capital exports were drastically reduced, the dollars for foreign debt service and dividend requirements were indeed supplied in part through gold shipments. Yet, as the table shows, the total of such requirements not covered by our debit balance on current goods and service transactions and on long-term capital account was considerably less than a third of the \$9.7 billion of gold imports during the period. The rest of the gold came as a capital movement, due very largely to economic and political uncertainties abroad.

In short, criticism of the United States as a creditor nation would seem warranted not for "obstinate" failure to provide enough dollars, but rather for first providing too many dollars and for wrong purposes, and then suddenly cutting down the flow. The trouble was we went to extremes. At the same time, the responsibility of foreign countries for accentuating the scarcity of dollars through capital transfers to this country should also be emphasized.

In any review of the balance of payments experience between the two wars, the disturbing elements that stand out overwhelmingly have been the sudden movements of capital—both American and foreign—and the instability of our internal economy, with consequent wide fluctuations in our imports and other expenditures abroad. In the face of these sweeping movements the influence of American tariff rates upon our overall balance of payments and upon the supply of dollar exchange seems clearly subordinate.

Of course, the objective is not merely to achieve a balance between incoming and outgoing payments, but to do so at the highest level consistent with a steady and orderly flow of reciprocal goods and services. During the '20s the whole level was dangerously inflated by excessive expansion of credit, while during the '30s the balance was achieved partly at the sacrifice of payments on war debts and an important share of interest and dividends due us on private investments.

Are We a Creditor Nation?

Another assertion, frequently made and apparently accepted without question, is that about the United States being "the world's greatest creditor nation." On the assumption of this being the case, certain conclusions—mentioned above—are being drawn as to our "responsibilities" in regard to post-war foreign credits, tariff policy, and the encouragement of imports. Only within the past few days a Washington despatch to the New York "Times" has quoted a report by the Committee on International Economy Policy of the National Planning Association as declaring that "a complete reversal of the American attitude on imports will be necessary if this country is to make the most of the post-war trade opportunities and fulfill its obligations as to the world's principal creditor nation." Continuing, the despatch says:

Pointing out that despite the fact that in the last 30 years this country has changed from a debtor to a leading creditor nation the committee said "we cling basically to the foreign trade and investment policies of our non industrial and debtor period."

It is true that the United States was a great creditor nation. Whether it is a creditor nation today is another question. The war debts of course have long ceased to be paying assets. As for

private investments, the following table, adapted from a Department of Commerce report, shows that the excess of such U. S. investments abroad over foreign invest-

	1919	1930	1933	1939
U. S. Investments Abroad:				
Long-term investments—				
Direct	\$3.9	\$8.0	\$7.8	\$7.0
Portfolio	2.6	7.2	6.0	3.8
Total long-term	\$6.5	\$15.2	\$13.8	\$10.8
Short-term investments	.5	2.0	1.1	.6
Total investment abroad	\$7.0	\$17.2	\$14.9	\$11.4
Foreign Investments in U. S.:				
Long-term investments—				
Direct	\$9	\$1.4	\$1.8	\$2.0
Portfolio	1.6	4.3	3.1	4.3
Total long-term	\$2.5	\$5.7	\$4.9	\$6.3
Short-term investments	.8	2.7	.5	3.3
Total foreign investments	\$3.3	\$8.4	\$5.4	\$9.6
Net creditor position of U. S.	3.7	8.8	9.5	1.8

Source: "The United States in the World Economy," U. S. Dept. of Commerce. (Economic Series No. 23).

The decline in our net creditor position shown in the table was due principally to (1) a decrease in our portfolio investments brought about by redemptions and repatriation of securities from American markets, frequently purchased at substantial discounts from par, and (2) a building up of foreign investments in this country, chiefly in American stocks, bonds, short-term investments and bank balances. Considering the fact that the \$3.8 billion of U. S. foreign portfolio investments remaining in 1939 were counted at par values well above market values, and included securities in default, even the \$1.8 billion net creditor position shown for that year appears high. The question may well be raised as to whether in terms of actual values it had not been entirely wiped out.

To what extent the war has affected our creditor-debtor position cannot yet be determined. But with the destruction that has been wrought in many areas, and with the further accumulation of foreign funds in this country, due both to the influx of flight capital and to heavy U. S. purchases of foreign materials, the probability of our being a creditor nation in the sense of having "good" investments abroad in excess of foreign investments here becomes still more dubious. In fact, the indications suggest the reverse, unless war debts and lend-lease be considered collectible assets.

Moreover, whereas our own investments abroad are mostly long-term, a large share of the foreign investments in this country consists of highly liquid securities and demand obligations which could be withdrawn on short notice. According to the latest Treasury figures the total of such short-term investments and bank balances alone amounted to \$5.4 billion in July of this year, against \$3.3 billion in 1939.

While in 1939 the total U. S. receipts from investments abroad were still in excess of our total payments on foreign investments here by a substantial margin, this was due in great measure to the large share of foreign money in this country held in the form of short-term investments and bank balances yielding little or no return—a condition accentuated today.

The Kind of Program Needed

The foregoing is not to suggest that the United States will not and should not be prepared to cooperate in the post-war period in the providing of credit and capital for foreign reconstruction and development, and in the encouragement of multilateral trade through mutual efforts toward breaking down excessive trade barriers. The United States, with its great productive capacity, will be wanting foreign markets and in the development and financing of its foreign trade will continue to be a great capital exporting country. As such, our interests will call for international monetary collaboration, and for recognition in our trade policies of the need for a two-way flow of goods and services if trade is to prosper and

ments here dropped from \$9.5 billion in 1933—which probably was around the peak—to \$1.8 billion in 1939.

the sums loaned abroad are to be repaid.

In setting our sights for the future, however, we need to be realistic and not be misled by slogans. We need first to get the facts straight as to our past and present position, and to apply the lessons to the future. A danger is that we shall again pour out money in loans abroad without adequate consideration of how we are going to get it back; and that when we find we have poured out too much we shall suddenly stop and repeat the experience of the '30s. What is wanted is a flow of investment in such amounts and to such productive uses that a steady stream of debt service and dividends can be maintained. The continuity and character of investments and trade are more important than the absolute amount at any time.

With respect to the balance of trade, it is clear that if we want to stimulate exports we must also stimulate and permit imports. The latter means primarily the maintenance of a high volume of business activity and consuming power in this country, and secondarily, a reconsideration of the tariff. If we can have the first, together with a tariff policy based upon the principle of holding down rate increases, and seeking opportunities for such downward adjustments as may be found possible and desirable from time to time in exchange for similar concessions by other countries, the results should be an enlargement of two-way trade to the mutual benefit of ourselves and the rest of the world.

St. Louis Reserve Bank Elects 2 New Directors

In the election of directors of the Federal Reserve Bank of St. Louis, which ended on Nov. 21, Tom K. Smith, President of Boatmen's National Bank, St. Louis, was elected by member banks in Group 1 as a Class A director, and Louis Ruthenburg, President and General Manager of Servel, Inc., Evansville, Ind., was elected by member banks in Group 3 as a Class B director, according to announcement of Wm. T. Nardin, Chairman of the Board. The Reserve Bank announcement says:

"Each was chosen for a term of three years beginning Jan. 1, 1945. The newly elected director's succeed Sidney Maestre, Class A director, and John R. Stanley, Class B director, who have served a number of years and were not candidates for reelection.

"The Board of Directors of the Federal Reserve Bank consists of nine members; divided into classes of three each. Directors of Classes A and B are elected by the member banks, while the Class C directors are appointed by the Board of Governors in Washington. The Class A directors represent banking, and the Class B directors, commerce, agriculture or some other industrial pursuit."

	—9 Year Periods—	
	1922-30	1931-39
Goods and Service Transactions:		
Net Goods and Service Sold:		
Excess of merchandise exports	\$+6.5	\$+3.9
Net Goods and Services Bought:		
Net immigrant remittances and charity	-3.1	-1.7
Net tourist expenditures	-2.4	-1.6
Net shipping expenditures	-7	-7
Other (net) transactions, incl. silver purch.	-5	-9
Total	\$-6.7	\$-4.9
Net Goods and Service Transactions	-2	-1.0
Financial Transactions:		
Debt Service and Dividends:		
Net interest and dividend receipts (private)	\$+5.1	\$+3.0
Net amortization receipts (private)	+1.9	+1.4
War debt payments to U. S.	+1.7	+1
Total	\$+8.7	\$+4.5
Other Financial:		
New long-term loans and direct investment	-9.8	-8
Repatriation of foreign securities	+6	+5
Net sales of U. S. securities abroad	+1.9	+1.5
Net short-term capital inflow	+2	+2.4
Total	\$-7.1	\$+3.6
Net Financial Transactions	+1.6	+8.1
Balance of All Above Transactions	+1.4	+7.1
Balancing Items:		
Gold movement	-7	-9.7
Residual total	-7	+2.6
Balance	\$-1.4	\$-7.1

Source: "The United States in the World Economy," U. S. Dept. of Commerce. (Economic Series, No. 23).

*Gold imports designated with minus signs as representing expenditure of U. S. dollars. †Difference between calculated net balance of all transactions and gold movement. During the '20s the minus residual reflected underestimation of payments from the U. S., including unreported trade credits and speculative purchases of foreign currencies. During the '30s the plus residual reflected underestimation of payments to the U. S., including unreported inflow of refugee capital.

Analysis of the Facts

The first thing to be noted in the table is that on goods and service account the United States was not—as so often charged—persistently collecting more abroad than it was willing to expend abroad. While it is true that on merchandise account alone we were selling more than we were buying, we were at the same time making substantial net expenditures abroad for such purposes as immigrant remittances and charity, travel, shipping services, etc. As a result, our total outlays for such items abroad actually exceeded our receipts abroad for

each nine-year period. On current account for goods and services we were debtor, not creditor.

As the 1943 Annual Report of the Federal Reserve Bank of New York pointed out in an illuminating article on "Post-War International Monetary Cooperation," the residue of truth in foreign beliefs about our international transactions in goods and services is that our purchases did not exceed our sales by a sufficient margin to offset the outside world's need for dollars for private interest and dividend payments and war debt transfers. During the '20s these requirements were more than cov-

The Financial Situation

(Continued from first page)

the political and social philosophy of the conquered peoples.

Not so much has been heard of late of this re-education business, although it is by no means clear that it has been put aside either here or in Britain where it certainly flourished at one time. But a number of other programs or proposals have come forward which must give the thoughtful observer pause, and developments within some, or virtually all, the liberated countries have been of a sort to stimulate more realistic thought about our attitude toward purely domestic affairs of friends and foes alike in the years to follow this war. Our efforts on several recent occasions to burden international discussions of post-war conditions and policies with pleas for some of our "freedoms," and proposals for stipulations or agreements on such matters relating to situations internal to other countries have caused a definite raising of the eye-brows in a number of foreign countries—and we do not mean only Russia, either.

Other Peoples, Other Ideas

We have for so long practiced what we term "democracy" in this country, and have for so long placed the term, if not its actual content, in the category of the sacred that it is difficult for us to understand or to realize that many peoples—we had almost said most peoples of the world—have not been practicing democracy, do not regard things democratic with the same reverence that we think we do, do not have the slightest desire to live under democratic regimes, and almost certainly could not for one reason or another make a success of any attempt to establish and maintain a democratic government among themselves. Yet such are the facts of the case. And we might add in passing that the same forces which have made a mockery of democracy in some European countries—and which have actually destroyed it in some—have certainly not been conspicuously absent from this country in recent years.

If considerations such as these did not deter us from this eternal effort to dictate the form of government, if not the political philosophy of other countries, it would appear that certain other causes would. One of these is the simple fact that our most powerful ally has nosympathy or interest in "democracy" as we understand the term, and as a matter of cold fact is as much inclined to promote statism in liberated countries as we are to support democratic thinking. We hailed the end of the Internationale

with hope if not complete confidence that it meant an end to or at least a great reduction in the active interference by Russia in the domestic affairs of other countries. This interference we regarded as unworthy, essentially wrong, and productive of international ill-will if not actual strife. Yet we proceed to promote our own ideas in foreign lands. A continuance of this policy and practice on our part can scarcely encourage Russia to get out of the field, or to restrict her activity in it.

Intrigue in Europe

One of the most persistent of the features running through the news ever since territories have begun to be liberated are developments either growing out of this situation or closely related to it. In them all it is apparently quite possible to detect a certain element of friction between Russia on the one hand and Great Britain and the United States on the other. These situations could develop into definite rivalries for influence if not control of the political thinking and the political machinery of most if not all the countries of Continental Europe. Such a situation certainly does not tend to promote peace, good-will, and a settling down in the post-war years to the work that must be done if the peoples of the world, and particularly the peoples of Europe, are to restore their economic position within a half century.

This general tendency to impose upon others the things which we think we have found salutary does not stop with forms of government or general precepts of political philosophy, of course. Representatives of the press have of late, so we must think, not been guided too well in their demands for assurance of "free access to the news." It is not always easy to be certain precisely what is meant by this term. Of course, the press never has completely free access to all developments either governmental or other in any country. The degree in which it does in fact obtain access to such things depends in no small measure upon its own initiative and resourcefulness. In such countries as Great Britain and the United States legislative debates so far as they occur upon the floor of our legislative halls are open to the public, but much of the business of legislating, indeed it would not be amiss to say that most of it, goes on out of sight of the press—save as the press through its own initiative quite informally and unofficially and often indirectly obtains its information. Much of the other business of the Government even in this

Dr. Mees to Be Guest Of Chemical Society

The Rochester Section of the American Chemical Society will celebrate its 500th meeting on Dec. 4 at the Rochester Chamber of Commerce. Dr. C. E. K. Mees, Vice-President and Director of research of the Eastman Kodak Company, will deliver an address on "The Growth of Chemical Ideas." Mr. Herbert Eisenhart, President of Bausch & Lomb Optical Co., will be toastmaster and Victor J. Chambers, Professor Emeritus of Chemistry at the University of Rochester, will introduce such of the charter members of the Section and its predecessor, The Chemist's Club of Rochester, as are able to attend. Howard S. Gardner, Chairman of the Section, will also speak. A dinner at the Chamber will precede the meeting. The committee of arrangements consists of Howard S. Gardner, E. R. Taylor, C. J. Staud, Ethel L. French, Harold Coles, Norris D. Embree, and Thomas F. Murray, Chairman.

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on Dec. 4 that the tenders of \$1,200,000,000, or thereabouts, of 91 day Treasury bills to be dated Dec. 7 and to mature March 8, 1945, which were offered on Dec. 1, were opened at the Federal Reserve Banks on Dec. 4.

The details of this issue are as follows:

Total applied for, \$1,974,792,000. Total accepted, \$1,204,896,000 (includes \$67,110,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

(5% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 7 in the amount of \$1,206,893,000.

country and in Great Britain reaches the public eye and ear through the press against the will and wishes of those active in it. This is particularly true of the international aspects of governmental activity. What we do have in large measure in ordinary times—although not quite so completely as is sometimes supposed—is freedom from censorship and lack of effective control over the press to stop it from printing what it does obtain.

It might be an excellent thing if all the world were to match us in our official relation to the press, but we may as well understand that such a doctrine would sound strange to some ears in Europe—nowhere more so than in Russia—and that in insisting upon it we may find ourselves following more or less in the footsteps of Don Quixote.

One way in which we might promote peace in the post-war world is, we suspect, to mind our own business more carefully than we now appear inclined to do.

Wilmington, Del. Banks Form Credit Group

With the organization of a \$750,000 bank credit group, the member banks of the Wilmington Clearing House Association on Dec. 4 gave definite assurance to small business in Delaware that it will receive adequate bank credit in the post-war period. Announcement of the group, known as the Bank Credit Group of Delaware, was made by J. Gordon McMillan, President of the Delaware Bankers Association. Mr. McMillan is also President of the Claymont Trust Co., Claymont, Del. "This action by the Wilmington banks," said Mr. McMillan, "is in line with the program of the Post-War Small Business Credit Commission of the American Bankers Association to create effective machinery for providing adequate bank credit to small business far in advance of the time when the credit is actually needed for post-war activities. Organization of the Bank Credit Group of Delaware is regarded by the National Association as a major step in the constructive work of the Commission."

It is pointed out that the Bank Credit Group of Delaware will not directly solicit loans nor will such activity be undertaken by any of its members for the account of the group. Applications will originate with local banks. The originating bank, however, except under extraordinary conditions, must participate in every loan adopted by the group. The credit operations of the group will be carried on by a committee consisting of one representative from each member bank. This committee will consider all loan application. The original members of the Bank Credit Group of Delaware are Central National Bank of Wilmington, Delaware Trust Co., Equitable Trust Co., Farmers Bank of Wilmington, Industrial Trust Co., Security Trust Co. and Wilmington Trust Co.

According to the announcement, the purpose of the group, as expressed in the agreement adopted by the member banks, is "to implement, augment and undertake the financing (through loans or other credit accommodations) of small and medium-sized business concerns in the State of Delaware and surrounding territory during the present reconversion period, which is expected to continue after the cessation of the present hostilities, by participating with local originating banks located in the State of Delaware and surrounding territory in financing risks so undertaken which may be in amounts, for periods or upon terms or under conditions which may make usual banking accommodations available."

Stating that "the banks of Delaware and elsewhere throughout the country are going to make sure that enterprise has adequate credit for every legitimate use and has that credit in the form best adapted to each particular business," Mr. McMillan said:

"Every credit facility and lending technique will be employed by the Delaware banks in fulfilling their pledge to provide adequate credit to small business. Credit in the form best adapted to each particular business will be made available. This does not mean that the banks are going to make bad or reckless loans. Such loans are of no benefit to the borrower, the bank or the community. Providing ample credit for small business is no new story to bankers. In 1940, the last peacetime year of business, the records show that the banks of the United States loaned \$39 billion to 24 million borrowers. The average loan was \$1,700. American banking is determined that small business shall live and be given the opportunity to grow and prosper. Financing business is banking business."

Observing that bank credit groups already have been organ-

Finance Pacts Signed By France and Belgium

The French Press and Information Service of New York made public as follows on Nov. 30 advices from Paris, Nov. 25, regarding the signing by France and Belgium of financial accords.

Following the financial conversations which took place on Nov. 22 and 23, between Messrs. Henri Spaak and Camille Gutt, Belgian ministers, and Messrs. Mendes-France and Ploven, the following results were obtained:

"The French Government has promised to send wheat to Belgium, on condition that the quantity of wheat loaned shall be paid back by Allied supplies.

"The French Government also negotiated the exchange of coke for iron ore. This accord concerns small quantities of raw materials only, but will make it possible for blast furnaces in recently liberated territories to start working again.

"The French Government also examined the possibilities of restoring railway and canal communications between France and Belgium.

"The financial problem created by Belgian francs held in the Bank of France or frozen in France will be examined when General de Gaulle and Georges Bidault return from Moscow."

The above advices are credited to the Ministry of Information, Paris.

President Asks Funds for Jobs

The first request by the Administration at Washington for cash to help get post-war employment rolling toward President Roosevelt's goal of 60,000,000 jobs, was made on Nov. 28, when the President asked Congress to appropriate \$75,900,000. Stating that the money may be included in a deficiency appropriation bill before the end of the year, since Congress already has approved the purpose for which it will be spent, Associated Press advices from Washington Nov. 28 as given in the New York "Journal of Commerce" further said:

The idea is for the Federal Works Agency to split most of it up—not give it away, but lend it—among States, counties and cities on a population basis. They in turn, would spend it on plans, blueprints and engineering for schools, hospitals and other public works.

Then if employment needs a stimulant in the reconversion period, contracts can be let and the projects started immediately—provided the States, counties and towns have the construction money. The loans will be repayable when construction starts.

As yet Congress has not authorized revival of the old public works administration, under which the Federal pocketbook supplied grants and loans for projects.

ized by 27 New York City banks with \$100,000,000 funds to operate on a nation-wide basis, by six Chicago banks for a total of \$50,000,000 to serve the Chicago trade area and by New Orleans, Houston and Dallas banks, in each of which the capital funds are \$25,000,000, the New York "Times" of Dec. 5 added:

"Other groups previously formed are a \$21,900,000 Louisville (Ky.) group, a \$20,000,000 Fort Worth group, a \$15,000,000 Oklahoma City group and a \$10,000,000 Philadelphia group. Like organizations are pending in San Francisco for an amount of \$50,000,000, in St. Louis for \$25,000,000, in Baltimore for \$10,000,000, in Connecticut for \$4,000,000 and in Maine for \$1,000,000, the last two scheduled to include all banks in the respective States.

Shipment of Iron and Steel to Britain Under Lend-Lease to End Soon, Committee Reports

Joint Statement by Crowley, Morgenthau and Stettinius Incident to Discussions on Lend-Lease and Reverse Lend-Lease Policy.

A statement by the Special Committee of the U. S. Government on lend-lease and reverse lend-lease discussions with the British, following up the Quebec conference, was issued on Nov. 30 by the members of the Committee, viz., Leo T. Crowley, Foreign Economic Administrator; Henry Morgenthau, Jr., Secretary of the Treasury, and Edward R. Stettinius, Jr., Acting Secretary of State (the last named has since become Secretary of State).

It is stated in their advices that from the beginning of the lend-lease program in March, 1941, lend-lease aid has been extended for one purpose only "the defense of the United States and to enable our Allies to bring the full weight of their men and resources to bear upon our common enemies." The Committee makes the statement that "to some degree lend-lease aid for the United Kingdom will be reduced even before the defeat of Germany," and it is added "it is now expected that some raw and semi-fabricated materials, such as iron and steel, will no longer be provided by the United States to the United Kingdom under lend-lease after Jan. 1, 1945."

The statement follows: "Throughout the war the lend-lease and reverse lend-lease requirements of the United Nations have been reviewed from time to time in the light of the military strategy for the war against Germany and Japan.

"Such a review has been carried out in discussions now concluded between the appropriate military, naval, air and civilian representatives of the United States and United Kingdom Governments. These discussions concerned the lend-lease and reverse lend-lease aid required to enable the carrying out of the strategic decisions made at Quebec for winning victory over both Germany and Japan at the earliest possible moment.

"The programs of lend-lease and reverse lend-lease aid should be continued in accordance with the fundamental principle laid down by the President that: 'Until the unconditional surrender of both Japan and Germany, we should continue the lend-lease program on whatever scale is necessary to make the combined striking power of all the United Nations against our enemies as overwhelming and as effective as we can make it.'

"The amounts and types of supplies required continue to be subject, as always, to adjustment from time to time in accordance with the changing conditions of the war. When finished munitions are produced and available for delivery, they are assigned by the Munitions Assignment Board under directives of the Combined Chiefs of Staff in the light of the strategic considerations prevailing at the time of the assignment. Similar procedures are and will continue to be in effect for other war supplies that each country may make available to the other.

"From the beginning of the lend-lease program in March 1941, lend-lease aid has been extended for one purpose—and for one purpose only—the defense of the United States and to enable our Allies to bring the full weight of their men and resources to bear against our common enemies. That policy will be continued without change.

"Since lend-lease aid is made available to our allies only when it contributes directly to the winning of the war, lend-lease articles have from the beginning not been available for re-export commercially. That policy will also be continued without change. There will be no change in the principle as laid down by the Government of the United Kingdom in its White Paper of September, 1941, that no articles received under

lend-lease from the United States shall be exported commercially.

"After the defeat of Germany, there will be no impediment to the United Kingdom's exporting articles, so far as war conditions permit, which are no longer supplied under lend-lease and are obtained out of their own production or purchased from this country for cash.

"To some degree lend-lease aid for the United Kingdom will be reduced even before the defeat of Germany. It is now expected that some raw and semi-fabricated materials, such as iron and steel, will no longer be provided by the United States to the United Kingdom under lend-lease after Jan. 1, 1945. This will have the effect, under the terms of the White Paper itself, of removing products made from such materials from limitations that will continue to apply to articles received under lend-lease. Such materials no longer obtained under lend-lease will, of course, be available to the United Kingdom in commercial exports only after the overriding considerations of war supply and war shipping are met.

"The committee understands that, as in the past, the United States and the United Kingdom will both endeavor to insure, to the extent practicable, that neither their United States nor United Kingdom exporters receive undue competitive advantage over the other as a result of the war situation.

"It appeared in the discussions that in the period immediately following the defeat of Germany, the British need for lend-lease assistance would be not much more than one-half of that currently furnished in 1944.

"After the defeat of Germany the United Kingdom and the United States will both use all the fighting power that is required for the earliest possible defeat of Japan. It is likely, however, that both the United Kingdom and the United States will be able to reconvert part of their resources on an equitable basis to meet essential civilian needs in the period between the defeat of Germany and the defeat of Japan. As a result of such a partial and equitable reconversion there will be some improvement in the conditions of life of the British people. For six years, first standing alone against the enemy and later fighting alongside our own forces on battlefields, on seas and in the sky all over the world, they have endured privation in diet, had their houses destroyed about them and have been sent to distant parts of the country to work wherever the needs of war called them. After the defeat of Germany, it is necessary that their inadequate diet be improved, temporary emergency housing be provided, and such other measures adopted as may relieve in some degree their present extremely difficult circumstances.

"This committee believes that a program which will help in achieving this objective is a matter of necessity for the most effective prosecution of the war against Japan, and that it expresses in some measure the common bond which has carried our countries through the hard days of the war to approaching victory.

"Since lend-lease and reverse lend-lease are concerned, solely with war supply, problems of post-war foreign trade through-

Stettinius Sworn In As Secretary of State

Edward R. Stettinius, Jr. was sworn in as Secretary of State on Dec. 1, succeeding Cordell Hull, whose resignation because of ill health, was reported in these columns Nov. 30, page 2384. The nomination of Mr. Stettinius (who advances from the post of Under Secretary of State) was confirmed by the Senate on Nov. 30 by a vote of 68 to 1. Under date of Dec. 1 Associated Press advices from Washington stated:

Mr. Stettinius goes into office with a non-partisan endorsement by the Senate, which yesterday heard charges from Senator Langer (Republican of N. D.) that the 44-year-old former Chairman of the Board of United States Steel was "a representative of Wall Street and the House of Morgan." Mr. Langer was the only member voting against confirmation.

After Mr. Langer had talked 2½ hours, the Senate thought so little of the accusations that it voted 67 to 1 to confirm him as the No. 2 man in the executive branch. Later, Senate clerks added to the list of "yeas" the name of Senator Hall (Democrat of S. C.), (the vote had previously been reported by the press as 67 to 1) who came into the chamber just as the vote was announced.

Special advices from Washington to the New York "Times" by Kathleen McLaughlin on Nov. 30 said Senators Connally and Clark separately undertook refutation of the Langer accusations.

As Chairman of the Committee on Foreign Relations, which has twice unanimously approved nomination of Mr. Stettinius, first as Under-Secretary and now as Secretary of State, Senator Connally told the Senate that he had been informed "on the best authority" that Mr. Stettinius never had been connected with J. P. Morgan & Co.

Senator Clark, speaking on another angle of these assertions, stated that it was well established that upon entering Government service Mr. Stettinius had, for purely patriotic reasons, given up "a princely salary" to accept direction of the National Defense Council at a much smaller remuneration. Further, he added, he had disposed of all his interests in United States Steel so that no such holdings might embarrass him in the conduct of his Government duties, and had placed his other holdings in a trust fund.

"I think it comes with a very poor grace for anyone to attack him because some of his friends happen to be members of the House of Morgan," commented the Missourian.

Following his induction into office Mr. Stettinius at a press conference said: "I shall do my utmost to carry out the high principles for which Mr. Hull has always stood in the conduct of our foreign policy."

"To build from the havoc of this war a peace that will endure, is a task far beyond the strength and wisdom of any one man or group of men. It will require the active participation and support of all the American people—and of all the other peace-loving peoples of the world."

The nomination of Mr. Stettinius was unanimously confirmed on Nov. 29 by the Senate Foreign Relations Committee.

out the world did not enter into the review of these programs. Economic and financial cooperation by all the United Nations in many different forms will be required to meet these separate post-war problems. Effective measures in this field will require both international and national action by the respective governments, including in many cases, legislative action."

President Names Grew Under Secretary of State—New Aides to Secretary Stettinius

Three new assistants to Secretary of State Edward R. Stettinius Jr. were named on Dec. 4 by President Roosevelt, following the resignations, announced on that day, of Assistant Secretaries Adolf A. Berle Jr., Breckinridge Long and G. Howland Shaw.

The new assistants of Secretary Stettinius are: Assistant Secretary—William L. Clayton of Texas, former Surplus War Property Administrator and cotton merchant.

Assistant Secretary—Archibald MacLeish, Librarian of Congress. Assistant Secretary—Nelson Rockefeller, now Coordinator of Inter-American Affairs.

Dean Acheson, the President announced, will continue as Assistant Secretary of State.

With the naming of the new assistants, the President at the same time named Joseph C. Grew (Ambassador to Japan for nine years prior to Pearl Harbor) to succeed Mr. Stettinius as Under Secretary of State, the post held by him before he assumed his new office of Secretary on Dec. 1.

The appointment, said the Associated Press, from Washington, put heavy emphasis on economic affairs in foreign policy. These advices, as given in the New York "Journal of Commerce," added:

"Mr. Clayton, who formerly headed the cotton brokerage firm of Anderson, Clayton & Co., Texas, will be in charge of economic affairs.

"Mr. MacLeish will have charge of cultural and public relations. Mr. Rockefeller will oversee Latin American relations.

"The biggest surprise among the resignations was in the case of Mr. Berle. Mr. Long is in ill health and currently resting in Florida. Mr. Shaw desires to leave Government work, at least for the time being, to do rehabilitation work with the nation's wayward boys.

"It was reported that Mr. Berle has been offered an ambassadorship, presumably to Brazil, and that Mr. Long had been offered a similar appointment, presumably to Cuba. It was reported here that both felt compelled to refuse, although Mr. Berle said in Chicago that consideration of a new post would await his return here."

The text of President Roosevelt's statement follows:

"I have today sent to the Senate the nomination, for the important post of Under Secretary of State, of the Hon. Joseph C. Grew of New Hampshire.

"I have also sent to the Senate nominations to fill three posts of Assistant Secretary of State made vacant by the resignations of the Hon. Adolf A. Berle Jr., the Hon. Breckinridge Long and the Hon. G. Howland Shaw. I have accepted these resignations with great regret. All three have rendered outstanding service to the country in the posts which they have filled with great distinction. Mr. Berle remains as the head of the American delegation to the Civil Aviation Conference, the proceedings of which he has conducted with skill and ability.

"The Hon. Dean Acheson of Maryland will continue as Assistant Secretary of State. Mr. Acheson will have general responsibility for all matters concerning the department's relations with the Congress and will assume important duties in connection with our participation in international conferences.

"The nominations to fill the vacancies are: Joseph C. Grew, William L. Clayton, Archibald MacLeish and Nelson A. Rockefeller.

"The Hon. William L. Clayton of Texas to be Assistant Secretary of State in charge of foreign economic affairs. Mr. Clayton, at Mr. Stettinius's request, will report directly to me on the matters pertaining to Civil Aviation after completion of the Civil Aviation Conference in Chicago.

"The Hon. Nelson A. Rockefeller to be Assistant Secretary of State in charge of relations with the American republics. Mr. Rockefeller will resign as coordinator of Inter-American Affairs. No successor to that office will be appointed, as Mr. Rockefeller will continue to direct the policies of the office during the time necessary to integrate the programs of the office into the permanent structure of the Government and to terminate the strictly war-time activities of the organization as war conditions permit.

"The Hon. Archibald MacLeish of Virginia to be Assistant Secretary of State in charge of public and cultural relations.

"Other appointments strengthening the State Department will be made in the near future.

"I intend soon to send to Congress the nomination of the Hon. Norman Armour to an important diplomatic post abroad."

Accomplishment of ABA Agricultural Program

Five committees have been appointed from the membership of the Agricultural Commission and the Subcommittee on Agricultural Credit of the Committee on Federal Legislation of the American Bankers Association, and have been charged with the responsibility of carrying out the major objectives of the American Bankers Association's program for country banks during 1945, it was announced by C. W. Bailey, Chairman of the Commission, who is also President of the First National Bank, Clarksville, Tenn. These objectives were formulated at the recent executive session of the Commission at Memphis, Tenn., when representative country bankers from all sections of the United States met to plan for increasing the services which country banks provide for their farm customers. The Association in its announcement on Nov. 21 stated that membership of the Committees from both the Agricultural Commission and its Advisory Council, as well as the Subcommittee on Agricultural Credit of the Committee on Federal Legislation, will make possible a coordinated effort to meet the problems of agriculture during the period of adjustment following the end of the war. Members of each of the five Committees were chosen as far as possible to provide a cross section of country banking the country over which will be representative both of the principal classifications of agriculture and geographical areas and interests.

The Committees appointed by Chairman Bailey and their Chairmen, are—Committee on Farm Land Prices: Paul M. Jones, Assistant Cashier, Old Phoenix National Bank, Medina, Ohio, Chairman. Committee on 1,000-Point Rating Program: C. T. O'Neill, Vice-President and Trust Officer, National Bank & Trust Company, Charlottesville, Va., Chairman. Committee on County Key Bankers: R. N. Downie, President, Fidelity State Bank, Garden City, Kansas, Chairman. Committee on the Development of Efficient Farm Lending Methods: Otis A. Thompson, President, National Bank & Trust Co., Norwich, N. Y., Chairman. Committee on Merchandising Farm Credit Service: Warren Garst, Cashier, Home State Bank, Jefferson, Iowa, Chairman.

Lend Lease Shipments by U. S. to Britain to Be Cut In 1945

Plans to curtail the lend-lease program were announced in the United States and Great Britain on Nov. 30, at which time it was indicated from Washington that the halting of lend-lease shipments of iron and steel to Britain on Jan. 1 would mean a drastic downward revision of the war-aid program for 1945.

In London, on Nov. 30, a statement in the House of Commons by Prime Minister Winston Churchill had the following to say:

"The defeat of Germany will make possible reductions in the lend-lease program, and in certain fields we have been able to anticipate these changes and to work out the basis of a new program from the beginning of 1945. Thus, from that date we shall no longer get shipments to this country under lend-lease of any manufactured articles for civilian use which enter into the export trade, nor of many raw materials and semi-fabricated materials such as iron, steel and some non-ferrous metals. We shall then be free to export a wide range of goods made from these materials."

As to Washington advices in the matter the Associated Press on Nov. 30 reported the issuance of an official statement summing up lengthy British-American lend-lease conferences just concluded in Washington, these conferences, it is said, having resulted in a \$5,600,000,000 program for shipments to Britain during 1945—a cut of almost 50% under comparable figures for this year.

From the Associated Press Washington accounts, as given in the New York "Sun," we also quote:

"Elimination of cost-free shipments of steel and some other raw and semi-fabricated materials to Britain is made possible by decreasing war demands on Britain's own steel industry, it was learned. It has been ordered into effect on Jan. 1 in order to smooth the way for reconversion of British industry to civilian production on an equitable basis with reconversion in this country. The British are anxious to reconvert in order to begin restoring their 71% loss in exports.

"The principle of equitable reconversion was worked out for the first time in these conferences, headed by Lord Keynes, British economist, and Harry White, American Treasury expert.

"It is taken to mean that the British may relax their war production controls and shift their production capacity where they can on a basis of equality with the United States, and that lend-lease arrangements from now until the war's end will not deny them that opportunity.

"Acting Secretary of State Stettinius, Secretary Morgenthau of the Treasury and Leo T. Crowley, Foreign Economic Administrator, jointly announced the new schedule.

"Their statement distinguished between lend-lease and post-war foreign trade relations of the United States and Britain which are still to be determined. The Keynes-White committee, it said, did not enter into the review of trade problems.

"The statement promised no change in the fundamental policies that lend-lease is a war-time system only and that no article which Britain receives under lend-lease may be re-exported.

"After the defeat of Germany," it continued, "there will be no impediment to the United Kingdom's exporting articles, so far as war conditions permit, which are no longer supplied under lend-lease and are obtained out of their own production or purchased from this country for cash.

"To some degree lend-lease aid for the United Kingdom will be reduced even before the defeat of Germany. It is now expected that some raw and semi-fabricated materials, such as iron and

steel, will no longer be provided by the United States to the United Kingdom under lend-lease after Jan. 1, 1945."

"Officials commenting on this said that only some revolutionary change in the war situation could prevent this from going into effect.

"This (cut) will have the effect," said the joint statement, "under terms of the White Paper itself, of removing products made from such materials from limitations that will continue to apply to articles received under lend-lease."

The White Paper was a formal statement of British Government policy against re-exporting any article received under lend-lease. The present declaration means that if the British want to obtain American goods for export or other commercial purposes they must pay cash since at present there is no private or public credit arrangement set up."

In his statement in the House of Commons, Prime Minister Churchill said:

"I may remind the House that it is no part of the Lend-Lease Act to provide general relief or to provide for post-war reconstruction or to aid our export trade."

He also said:

"So that we can play our full part in continuing the struggle, the program of lend-lease aid against Japan after the defeat of Germany has now been planned with the American Administration to maintain our fighting power against Japan. Without any reduction in our proportionate efforts, we shall be able, along with the United States, to release some of our manpower to produce some more civilian goods.

"Finally, we have been able to reduce the lend-lease program so that there will be no obstacles to the efforts we must ourselves begin at once and intensify to defeat Germany and to increase the export trade, which will be absolutely vital to us when, at the termination of the war, the present system of lend-lease necessarily and properly comes to an end."

In our issue of Nov. 30, page 2379, reference was made to President Roosevelt's report on reverse lend-lease aid received by the United States from Great Britain.

Prime Minister Churchill's statement to Commons, as reported in United Press advices, from London Nov. 30, follow:

"I think it proper to take this opportunity to tell the House the outcome of the discussions which have been taking place the last few weeks in Washington between the British mission headed by Lord Keynes and the American administration.

"The mission has been occupied in examining the manner in which the continuation of the war after the defeat of Germany is likely to affect the best use of our joint resources, and, in particular, changes in the program of supplies which the American administration feels it is proper and right for us to have in accordance with the terms of the lend-lease act, a fact which we must remember was for the defense of the United States and strictly limited to what was necessary for the effective prosecution of the war by the United States and its Allies.

"The end of the war with Germany will make possible large reductions in some of our requirements. We expect our needs will be met by the program at a

rate not much more than half of what we have been receiving in 1944. All of these supplies and services will be exclusively for the joint war effort against the common enemy.

"The prolongation of the war into what will be for us the sixth and seventh year means that certain improvements are essential if our national economy is to be as fully effective as possible for the prosecution of the war. Fatigue and abstinence carried too far, endured too long, can impede the effectiveness of a people at war at least as much as a more sensational form of privation.

"After the defeat of Germany some release in man power to increase the supply available for essential civilian consumption must follow in due course, and some improvements in the standards and variety of the national diet and devotion of resources to the provision of emergency housing, and serious efforts to rebuild the export trade which we deliberately gave up in the extremity of our emergency but without which we cannot live in the future.

"These are forms of sacrifice which it is both possible and right to make over a limited period but they become self-defeating if they are continued too long.

"All these matters, both military and economic, have been jointly examined, supported with a wealth of detail, by our representatives in Washington with the heads of the American departments concerned. We have put at their disposal every particular and every relevant fact in our possession. Relevant material has been made available to the public both here and in the United States in the White Paper published a few days ago.

"During the recent brief recess our representatives in Washington have been in position to make a full report.

"I take this opportunity to express our very great appreciation of the practical sympathy with which the realities of the situation have been examined and of the results which have been achieved.

"I may remind the House that it is no part of the lend-lease act to provide general relief or to provide for post-war reconstruction or to aid our export trade. That great act has stood us and our allies in good stead and we have neither asked nor expected any assistance which is not strictly within its terms and provisions.

"Nevertheless, as the war proceeds, the nature of the aid which forwards its prosecution most effectively, though unchanged in major matters, gradually will change in detail. Accordingly, so that we can play our full part in continuing the struggle, the program of lend-lease aid against Japan after the defeat of Germany has now been planned with the American administration to maintain our fighting power against Japan. Without any reduction in our proportionate efforts, we shall be able, along with the United States, to release some of our man power to produce some more civilian goods.

Some improvement in the variety of civilian diet will be made possible. We shall be able to do more to build temporary and emergency houses. We must necessarily, for the most part, depend on our own efforts in this field. But in addition to those efforts resulting from the planned and proportional program, we anticipate aid from American sources, not only in materials but also in complete houses to meet some of our needs for temporary emergency houses for war workers in war areas. These items are being closely examined with the help of experts sent out by the Ministry of Works during the tenure of Lord Portal.

"It is too soon to say on what scale the possibilities of physical production and shipping will allow this most generous assistance to be realized in practice. It is

not too soon to say that the principle is recognized that provision of emergency shelters for bombed-out war workers is an essential part of fully effective contribution to final victory.

"Finally, we have been able to reduce the lend-lease program so that there will be no obstacles to the efforts we must ourselves begin at once and intensify to defeat Germany and to increase the export trade, which will be absolutely vital to us when, at the termination of the war the present system of lend-lease necessarily and properly comes to an end. This is a matter on which I am well aware the members are anxious to hear in some detail what our position will now be.

"The defeat of Germany will make possible reductions in the lend-lease program, and in certain fields we have been able to anticipate these changes and to work out the basis of a new program from the beginning of 1945. Thus, from that date we shall no longer get shipments to this country under lend-lease of any manufactured articles for civilian use which enter into the export trade nor of many raw materials and semi-fabricated materials such as iron, steel and some non-ferrous metals. We shall then be free to export a wide range of goods made from these materials.

"Naturally we have not used in export, and do not propose to use, any critically scarce material except where export is essential to the effective prosecution of the war.

"Until the German war is at an end, however, there can, of course, be no significant release of resources. Prosecution of the war must still continue to have first call on our resources after that, but after the defeat of Germany it will be both possible and necessary to turn over an increasing part of our resources to civilian production, including the export trade. As a result of recent discussions with the United States exports will then only be subject to those inevitable limitations dictated by the needs of the war against Japan.

"There is not, and never has been, any question of re-exporting in commerce any articles we received under lend-lease, nor in general shall we receive in this country under lend-lease finished articles identical with those we export.

"All such articles will be paid for by us. Where we continue to receive any raw materials the quantities supplied under lend-lease are limited to our domestic consumption for the manufacture of munitions and the maintenance of our essential wartime economy. We shall pay cash for any additional supplies we wish to take from the United States for export purposes. This one uncertainty about our future conditions has now been removed.

"It should be possible for exporters henceforward to make plans with the assurance that they will be able to give effect to those plans with the least possible time lag when the defeat of Germany releases man-power capacity and materials.

"I should like to add one word. The White Paper on reciprocal aid lately published and the President's lease-lend report provide vivid evidence of the extent to which community and interdependence of effort between the two great Atlantic communities proceeded.

"Never has there been a more thorough understanding of the facts of the economic position and the problems of Great Britain and the United States than we have now been able to reach. If men of good will start out from the same premises and agreed facts, they do not necessarily find it impossible to reach the same conclusions.

(Laborite Emanuel Shinwell interrupted to ask: "Are we to pay for the goods and raw materials imported from the United States out of our foreign assets

still available or would the United States take in return goods exported from this country?")

"Everything is as I said. This statement was agreed upon almost sentence by sentence by our American colleagues and I would be grateful if Mr. Shinwell would put the question, which is a perfectly valid question, to me after reading the paper either tomorrow or the next day.

"I would not like to give the answer offhand, which may not correspond with exactly what was decided upon. I must add that I consider the statement I have made one of a highly satisfactory nature and it gives real hope for the future and for the smooth development of economic affairs between the two countries in the future."

ABA Agricultural Program for 1945

A constructive three-point program through which the 11,000 country banks of the United States will serve their farm customers better during 1945, and which is planned especially to aid agriculture in meeting the problems of the period of transition from war to peace, was adopted in Memphis, Tenn., on Nov. 16, by the Agricultural Commission of the American Bankers Association at the close of an intensive two-day executive business session. This program for country banks has been organized about three main objectives:

- Help Keep Agriculture Financially Sound.
- Develop Sound and Helpful Farm Lending Methods.
- Merchandise Farm Service Aggressively.

The report of the Commission setting out in detail its country bank program was signed jointly by W. Randolph Burgess, President of the Association, who is also Vice-Chairman of the Board of the National City Bank of New York, and C. W. Bailey, Chairman of the Commission, who also is President of the First National Bank, Clarksville, Tenn.

In its program for banks to "Help Keep Agriculture Financially Sound" the necessity to "help farmers keep debts at a safe level," was stressed. The Agricultural Commission of the American Bankers Association will gather opinions and data from colleges, the Bureau of Agricultural Economics, farm leaders, and all farm lenders about over-extension of both long and short-term agricultural credit to keep bankers informed so that they may help their farmer-customers keep in a safe position.

The Commission is continuing to emphasize the importance of country bankers using their influence with farmers to promote the laying up of financial reserves in War Bonds that can be drawn upon as the bonds mature to repair machinery and buildings, improve the farm home, and meet emergencies such as crop failures or declining prices. Another major part of the program to keep agriculture financially sound is the efforts of country bankers to prevent a farm land boom. The Commission will continue its study of the farm land price situation and will bring its findings and recommendations to the country banks of the nation as it has done for the past three years. It is also pointed out by the Association that especially vital to the future welfare of agriculture during the months which will follow the cessation of hostilities, will be the development through efforts of the Commission of a close cooperation between country bankers and the committees being organized by the extension service in every county to advise returning veterans concerning the purchase of farms. This will help avoid mistakes such as the purchase of land not suited to profitable farm operations.

The State of Trade

(Continued from page 2522)

time Commission's shipbuilding program will be no means be completed by the middle of next year. At present this program is continuing but the seeming paradox in the falling off of Maritime steel orders is due more to a balancing out of shipyard inventories accompanied with close control than it is to any current drop in the rate of shipbuilding, states the magazine.

Extension of delivery dates productwise across the board is causing comment in some sections of the steel trade, but so far Washington officials do not seem to be alarmed about the situation. Some steel sources believe that if the current flurry of delivery troubles becomes too serious, production directives may be used to a greater extent as they were early this year.

Evidence at some centers as a result of the change in product mix occasioned by differences in various steel directives point to some decline in ingot operations. The lack of demand for ingots and semi-finished steel for the purpose of fabrication at plants other than those which produced these items has brought about some decline in raw steel output. A shift from plates to hot rolled sheet production too, has forced some cutback in raw steel output due to manpower shortages in fully processing hot rolled and cold rolled sheets which require more manpower than in plate production. Such production difficulties however, will have no material effect upon delivery of urgently needed war materials, it is felt.

The delivery situation in bars, galvanized sheets, coated nails and structural steels were reflecting a tighter delivery situation, the Navy being confronted with one of the tightest delivery items in the steel industry—galvanized sheet. "The Iron Age" reports.

Railroad equipment orders by the various roads according to the magazine, are coming to hand and revision of the Army 1944 railroad car program provides for completion of 38,782 units by the end of this year. The 1945 Army program calls for 26,170 units, of which 15,700 are under suspension. Further Brazilian inquiries are also on the books.

Although the Iron Age steel scrap composite price showed no change last week at \$17.08 a gross ton, the markets were definitely stronger with many grades other than No. 1 heavy melting advancing in price.

The American Iron and Steel Institute announced last Monday that the operating rate of steel companies (including 94% of the industry) will be 96% of capacity for the week beginning Dec. 4, compared with 96.3% one week ago. This week's operating rate is equivalent to 1,727,000 net tons of steel ingots and castings, compared with 1,732,400 net tons last week and 1,730,700 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,368,519,000 kwh. in the week ended Nov. 25 from 4,450,047,000 kwh. in the preceding week. The latest figures approximate a decline of 0.87% from the level of one year ago, when output reached 4,403,342,000 kwh.

Consolidated Edison Co. of New York reports system output of 175,600,000 kwh. in the week ended Nov. 26, 1944, comparing with 209,100,000 kwh. for the corresponding week of 1943, or a decrease of 16.0%.

Local distribution of electricity amounted to 170,400,000 kwh., compared with 205,600,000 kwh. for the corresponding week of last year, a decrease of 17.1%.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Nov. 25 totaled

768,730 cars, the Association of American Railroads announced. This was a decrease of 95,643 cars, or 11.1% below the preceding week this year due to Thanksgiving holiday, and a decrease of 51,102 cars, or 6.2% below the corresponding week of 1943. Compared with a similar period in 1942, an increase of 25,266 cars, or 3.4%, is shown.

Commodity Price Index—Commodity prices at the primary market level remained unchanged at 104.1% of the 1923 average during the week ended Nov. 25. Slightly lower prices for farm products, particularly livestock, were offset by higher prices for grains, for certain fruits and vegetables and for scrap steel. In the past four weeks the all-commodity index has risen 0.2% to a point 1.5% higher than at this time last year, the Bureau of Labor Statistics reports.

Coal Production—The U. S. Bureau of Mines reports production of Pennsylvania anthracite for week ended Nov. 25, 1944, at 1,135,000 tons, a decrease of 114,000 tons (9.1%) from the preceding week, and a decrease of 133,000 tons or 10.5% below the corresponding week of 1943. The 1944 calendar year to date shows an increase of 6.9% when compared with corresponding period of 1943.

The report of the Solid Fuels Administration placed bituminous production for the week ended Nov. 25 at 11,200,000 net tons, a decrease below the output in the week preceding, which totaled 12,180,000 net tons. Production in the corresponding week of last year amounted to 12,685,000 net tons, while output for Jan. 1 to Nov. 25, 1944, totaled 564,830,000 net tons, an increase of 6.5% over the 530,481,000 tons mined in the same 1943 period.

Estimated production of beehive coke in the United States for the week ended Nov. 25, 1944, as reported by the same source, showed a decrease of 9,500 tons when compared with the output for the week ended Nov. 18, last. There was also a decrease of 62,500 tons for the corresponding week of 1943.

Machine Tool Orders in October—Machine tool industry orders increased 70% in October over September the WPB recently disclosed. The backlog of unfilled orders advanced to \$213,000,000 as a result of net placements of \$56,521,000 last month. At the present rate of shipments it would fall according to estimates of the WPB about six months to wipe the backlog.

There was a marked increase in shipments of machine tools ordered without priority ratings.

Lumber Shipments—The National Lumber Manufacturers Association reports that lumber shipments of 497 reporting mills were 5% above production for the week ended Nov. 25, while new orders of these mills are 6% more than production. Unfilled order files amounted to 87% of stocks.

For 1944 to date, shipments of reporting identical mills exceeded production by 2.8% and orders ran 3.9% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 20.1% greater, shipments 26.8% greater, and orders 16.3% greater.

Crude Oil Production—Daily average gross crude oil production for the week ended Nov. 25, as estimated by the American Petroleum Institute, was 4,736,000 barrels. This represented a decrease of 2,850 barrels per day under the preceding week, and 15,500 barrels in excess of the daily average figure recommended by the Petroleum Administration for War for the month of November, 1944. When compared with the corresponding week last year, crude oil production was 322,350

barrels per day higher. For the four weeks ended Nov. 25, 1944, daily output averaged 4,730,500 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mine basis) approximately 4,672,000 barrels of crude oil daily and produced 14,549,000 barrels of gasoline. Kerosene output totaled 1,452,000 barrels, with distillate fuel oil placed at 4,484,000 barrels and residual fuel oil at 8,992,000 barrels during the week ended Nov. 25, 1944. Storage supplies at the week-end totaled 79,421,000 barrels of gasoline, 13,502,000 barrels of kerosene, 47,101,000 barrels of distillate fuel, and 62,835,000 barrels of residual fuel oil.

Paper Production—Paper production for the week ended Nov. 25 was at 90.3% of capacity, as against 91.7% of capacity in the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. The rate during the week ended Nov. 27 last year was 87.6% of capacity. As for paperboard, production for the same period was reported at 91% of capacity, a decline of 5 points from the previous week.

Silver—Consideration is now being given to the extension of the Green Silver Act by the Senate Committee on Banking and Currency. It is the opinion of authorities that the "Act" will be extended for at least one year. The London market for silver the past week was unchanged at 23½d. The New York Official for foreign silver continued at 44½ cents with domestic silver at 70½ cents.

Auto Financing in October Rises—Sales finance companies in October financed 6% more new passenger cars than in the previous month, while used car sales of this type advanced in the month by 7%, according to the Department of Commerce. In each case, it is understood, the paper volume was up 7%. New commercial vehicles financed in September were 10% fewer in number than in the preceding month and paper volume was off by 6%. There was no change in the number of used commercial vehicles from September, but paper volume rose by 9%.

Jewelry Trade—"An enormous number of men are going to be active prospects for the sale of a watch as soon as they get home," so states "Jewelers' Circular-Keystone," monthly publication in its December issue.

According to a survey made by former members of the magazine's editorial staff, only one G. I. in three owns a wrist-watch in good condition, and the other two want watches. Samplings in two widely distant theaters of war revealed that less than one-third of the men surveyed—on Guam and in the Netherlands—have working wrist-watches, in sharp contrast to 80% of the male civilian population who own watches.

A poll of 400 soldiers in almost every branch of the Army, the magazine revealed, found that the life expectancy of a timepiece on the fighting fronts is very short. On Guam alone, 40% of the men polled had ruined or lost one or more watches in active service. It was also learned that 50.8% of the watches were acquired by purchase and 49.2% by gift.

Retail and Wholesale Trade—Estimated volume of retail trade throughout the country in the past week ranged from 9 to 13% above the same period of last year, Dun & Bradstreet reported the current week. Christmas shopping, as usual, made for a much heavier volume of sales.

Demand for women's wear was especially heavy, with sizable sales volume in handbags, lingerie, gloves, slippers and hosiery. Irregular supplies hampered turnover in furniture and housefurnishings departments. Personal linens, toweling and household specialties were principally affected. In the men's department

higher-priced suits and overcoats moved in better volume. Toy stocks this year were reported in greater abundance than one year ago.

Steadiness marked the course of wholesale activity the past week. Some stimulation was also afforded by the Christmas season, with holiday-ware and reorders large. Business in industrial supplies was slightly improved over last. Beer, wine and liquor volume was also on the increase, while food sales were slower than the previous week, but better than a year ago.

Retail percentage increases on a regional basis for the week were: New England, 7 to 10%; East, 8 to 12%; Middle West, 10 to 12%; Northwest, 8 to 10%; South, 15 to 18%; Southwest, 12 to 15%, and Pacific Coast, 12 to 18%.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 17% ahead of a year ago for the week ended Nov. 25. This compared with 13% in the preceding week. For the four weeks ended Nov. 25, 1944, sales increased by 11%. A 9% increase in department store sales for the year to Nov. 25, 1944, over 1943, was also noted.

The inclement weather here in New York last week had a very negligible effect upon retail trade as the pace of Christmas shopping quickened. Department stores enjoyed substantial gains in sales, some of which reflected advances of 15% or more over the like period in 1943.

The wholesale markets continued to be plagued by a tight delivery condition, with the prospects of further difficulties in the early months of 1945, growing, according to the New York "Times." The holiday assortment of stocks are showing evidences of gaps as dealers strive to round out their supplies.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Nov. 25 increased by 14% over the same period of last year. This compared with 8% in the preceding week. For the four weeks ended Nov. 25 sales rose by 9%, and for the year to Nov. 25 they improved by 9%.

Reports on Holdings Of Life Ins. Policies

At the end of this year, approximately 70,000,000 Americans will own life insurance policies for an aggregate of about \$148,400,000,000, and the assets, which, together with future premiums and interest earnings, guarantee the payment of those policies will total \$40,750,000,000, James A. Fulton, President of the Life Insurance Association of America, reported to member company executives at the organization's 38th Annual Meeting at the Waldorf-Astoria in New York on Dec. 1. He said that the owners of life insurance policies and their beneficiaries, in the aggregate, now comprise a large majority of the men, women and children of the nation.

As to the part played by life insurance in financing the war effort, Mr. Fulton disclosed that by the end of this year, \$16,500,000,000, or 40% of the assets of the life insurance companies will be invested in Government bonds. This, he said, contrasts with 21% only as far back as 1941. He predicted that by the time the war is over half of the assets of American life insurance will be so invested. He also reported that life insurance company holdings of corporate obligations total \$11,000,000,000, or about 27% of assets, \$5,500,000,000 being in utility bonds, \$3,000,000,000 in railroad securities, and \$2,500,000,000 in other corporate obligations, and observed: "These figures seem to

spell out the necessity for the closest examination of those trends in government and business which can adversely affect those obligations." Six billion dollars or nearly 16% of assets, he said, are invested in mortgages.

The Association's President estimated that in 1944 American life insurance companies will have paid or credited to policyholders and beneficiaries approximately \$2,500,000,000. Of this amount, he said, 48% will have gone to beneficiaries as death claims and 52% will have gone to living policyholders.

"We must do everything we can to see that these dollars which are paid to beneficiaries have somewhere near the same purchasing power as the dollars which the insureds have paid to guarantee the future of these beneficiaries," he continued. As to the possibility of post-war inflation, he said: "Sound fiscal policy, a sensible tax program, and other factors will be the things in the future that will primarily determine whether the benefits for which our policyholders have sacrificed are to be whittled away by the depreciation of the value of the dollars which they and their beneficiaries receive."

Mr. Fulton enumerated two things which must be done if the life insurance business is to discharge its primary obligation of service to policyholders and beneficiaries. "First," he declared, "we must defend the right of life insurance to perform its proper functions without being hindered by excessive taxation or unreasonable restrictions. Second: We must find ways of improving the service we can render our policyholders and the American people."

One problem which lies ahead of life insurance, Mr. Fulton asserted, relates to the absorption into civilian life of the country's 11,000,000 service men. Pointing out that they have in force over \$120,000,000,000 of National Service Life Insurance, he said that through an Association joint committee on the subject, plans are already being made to cooperate with the Federal Government in measures which will best serve their interests. He added "As an organization and as individual companies, there is much we will be able to do along this line."

In concluding his report, Mr. Fulton said: "The progress of mankind has been a story of a struggle for two things—liberty on the one hand, and security on the other. Liberty is precious; men fight and die for it; and yet, when necessary, men sacrifice liberty to have security. In the beginning of this Republic, security could be achieved through the ownership of a small business, a home, a plot of land. With the development of our modern machine civilization, this is no longer possible for a great part of our people.

"Security can be had in just two ways—one, through government, and that means a sacrifice of liberty, the other through personal effort and the use of the institution of life insurance. To the extent that we as an organization and life insurance as an institution discharge our obligations and meet our opportunities will we make unnecessary the assumption of those obligations by government. If we fail, then the trend to collectivism of one kind or another will be irresistible and rapid. We have in our custody not only the future of life insurance, but, to a large extent, the future of the American dream of individual liberty under a government of law and everything that that means to the hopes of all mankind."

Post-War Tasks and Problems of the United States and United Kingdom

(Continued from first page)

main heads: first, the practical arrangements for world security, treaties, defense plans, etc., and as far as that is concerned our interests are identical and indivisible. Secondly, there is the ordering of our own societies at home, and there it seems to me that we have parallel problems and a great deal to learn from each other. Thirdly, there is the way in which we earn our daily bread, our industry, and our commerce, on which success under the other two heads entirely depends, and in that part of the picture we may come flat up against each other. The question we have to ask ourselves is, are we going to let quarrels over industry and trade prevent us from cooperating together for world security and social progress, without which I believe neither of us will succeed in our aims?

I want to talk mainly on the third head, but I would just like to say a word about the other two, because it seems to me there are chances of misunderstandings between us under those heads.

As to world security, I think our interdependence is now generally acknowledged on your side. I think that Walter Lippmann, for example, in his last two books has done a great deal to help us all to think clearly on that subject. You know that you want us for certain purposes and we, of course, know that we want you.

The U. K. Not Just An American Airfield

I just want to make two points about our position, and first I should like to say: Do not regard us merely as a moated airdrome that you are going to need for any operations in Europe, just as you might need bases in the West Indies. This moated areodrome is going to be no use to you unless it is filled with a strong people, a people strong in national purpose and strong in industrial potential. Then the other point that I wanted to make concerns our interests over the whole world, the wide spread of the territories of the British Commonwealth. I think there too you recognize, or public opinion recognizes, that as a foundation for any strategic plan or any structure of world security you need and you must walk with the territories of the British Commonwealth spread throughout the world, but I have a feeling that some of your thinkers—and this applies, I think, particularly to Walter Lippmann—do not quite appreciate all that our position means to you and the aspect of it which I think he has failed to appreciate adequately, is the vital importance of the maintenance of the Pax Britannica—the British Peace—in what I would describe as the Indian Ocean region, that vast area which stretches from the Suez Canal to Singapore, an area which contains 400 millions of Moslems and Hindus, an area which contains or is closely linked to all the peoples of Southeast Asia, an area which must provide the anchor and the arsenal for any contribution to world security in the region that lies between the Far East and the West, and an area, too, across which pass trade routes of vital importance to our people and to yours.

Now, there is—we must acknowledge it—a possibility of misunderstanding; and the point that I want to stress in regard to that is how I myself long to see Americans doing more to appreciate what is our position in India and on the Continent of Africa. Please do not regard us as hanging on to old imperialistic ideas. Our problem in India is very different from that: our problem is how can we withdraw the British influence in India without tearing down the whole structure of se-

curity; and I want to impress upon you that if in that area the order which we have given is followed by chaos, then the chances of the maintenance of world peace over the next 25 years will be gravely jeopardized. That problem is your problem now just as much as ours, and therefore I say I wish to see Americans doing more to understand our position in India, in Africa, and in Egypt. I wish, Mr. Chairman, the time were available to talk at greater length upon that and to do something if I could to dispel certain of the misunderstandings that exist, but I am afraid I must pass on to my second heading.

Britain's Leftward Drift No Cause for Alarm

My second heading, as you will remember, was the ordering of our societies at home, where I suggested that we had parallel problems. As I see it, we both have one dominating problem now, or rather a set of dominating problems which all fit in together, and that is this: how to ensure that State guidance of economic activities which is needed to produce what I would call a coordinated national effort is applied without destroying individual enterprise or the spontaneous force of society; how to create security without creating slavery and stagnation; and how to create a really good understanding between wage-earners, management and finance. All those problems hang together and they are your problems just as they are ours. On that I would say, and I believe it is true, that all political parties in this country are groping to find the right answer, the right solution of those varied aspects of the same problem. Some of you in America, I rather think, fear that our color is becoming alarmingly red, and that we are moving dangerously toward Socialism.

All I would say upon that is: Do not be afraid of that. We what we are about in this country. This is a land of peaceful evolution; and I would ask you to remember how we, with you, showed the way forward after the dangers of the French Revolution, how we together showed the way forward for peaceful advance in the political field. I think we have to do the same thing in the economic field in the years which lie before us; but I am going to venture to say that you have a great deal to learn from us in that matter. Production is not merely a question of well laid out factories and a proper flow line of production and good machine tools; the human side is very important, and I believe that you have lessons to learn from us on the human side of the various things that have been going on during this war, such as the development of the functions of works production councils and so on, and I would gladly see more being done by Americans to study what has been happening in this country during the war.

Now, Mr. Chairman, I come to my third heading, industrial and commercial policy, and the provision of the material foundation for all our plans. Here our two positions contrast glaringly together; our essential problem is how to produce what is needed to meet the vast needs and commitments that lie before us. Yours is how to find fruitful purposes which will fully utilize your vast resources. We must export to live; you want exports to give your people employment at home. Let me try to present the two pictures in a few broad touches. Consider our commitments. We are committed now to a vast program for improving standards at home—higher wages, more leisure, children's allowances, and the

whole range of all those things that are covered by the heading of social security. We are committed to very much higher expenditure on non-productive purposes, education and defense; we are committed to a vast housing program. We have immense arrears of maintenance and replacement of industrial plant to undertake, some of it arrears accumulated during the war, but I am afraid we had fallen back a good deal before the war began. All those are tasks which we can fairly be expected to provide for out of our own resources. But on top of that we have got certain special British difficulties. We have the great destruction of our houses and factories to make good; and the thing that worries me more than anything is that we shall end up this war owing vast debts on current account, not funded debts, to other countries to repay war expenditures. Lord Keynes has estimated that we shall end up with debts of that kind amounting to something like 3,000 millions (sterling). I am chiefly concerned with our debt to India, which will certainly be more than 1,000 millions sterling.

Vast Trade Difficulties Loom

Those are going to be great difficulties, but our greatest difficulty of all, our special British difficulty, concerns exports. We all know that we shall have lost most of our foreign investment income and shall suffer from severe cuts in our income from services like shipping and insurance; and we all know too that such exports as we try to place we shall have to place in much more difficult markets than before the war because of the great industrialization that has gone on during the war in what were our former markets. It is now becoming generally recognized—and Sir John Anderson accepted the difficulties as established in his speech at the Mansion House the week before last*—that if we are going to import the same volume of goods as we did before the war we shall have to increase the volume of our exports by 50%. That is an easy phrase, and many people are talking as if they saw the way and as to how it is going to be done. But I do not believe that anyone has faced up to what it means, to what a vast dislocation it will mean in the trade of the world, for we have to remember this: a mere general increase in world trade, which might increase our exports, will not give us what we want, because what we want is to increase our exports by 50% more than the measure by which we increase our imports. If I were to give my own opinion, I would say quite definitely that I regard that as completely impossible, and I think we have to face up to what that means, what it will mean in its reactions on British commercial policy, and the point I want to put to you is that you ought to try to understand that problem of ours and realize into what a jam we may be placed.

America's Frightening Productive Capacity

Now, let me turn from that to your position, which I have described as a surplus position. We have various ways of measuring it. We all know from people who come back and report that although you have got 10 millions or 12 millions in the Forces and are devoting half your productive effort to war production, you are still able to maintain your civilian population at something like pre-war standards.

Or, again, we might take certain striking figures; I have just picked out some figures that were given in an article in the "Sunday Times" this last Sunday affecting certain commodities. You are producing now, according to this article, 700,000 tons annually of syn-

*See "Commercial and Financial Chronicle," Nov. 9, 1944, p. 2021.

thetic rubber. Your capacity is 1,000,000 tons. Your pre-war consumption was only 600,000 tons. You have now got an annual productive capacity of aluminum of three-quarters of a million tons (personally I believe it is more than that), and we have to add to that the half-million or so which Canada can produce; but even at three-quarters of a million tons that is more than the total world consumption of aluminum before the war.

How Will It Be Used?

I say these are frightening signs of potential disturbance in the world's complex balance of trade exchanges. But to measure your own position more precisely, I was going to select from many possible yardsticks some figures given in a very interesting article which appeared in the "Survey of Current Business" which is published by your United States Department of Commerce. It was published last year, and that provided a most interesting and careful survey of the trends of growth in manpower and of productivity per man-hour in the United States, and it arrived at this conclusion, that in order to produce the same quantity of goods and services which you produced in 1940, a year which was away above the production of your top boom year of 1929, looking ahead to 1946, to what your manpower will be then and what your productive efficiency will be then, you will be able to produce that result and still have 19½ millions unemployed. Well, now, if your production in 1940 was enough to keep all your people clothed, happy and contented, and in 1946 you are going to be able to do that with 19½ millions unemployed, what does that mean? Well, that may perhaps be overpainting the picture, but I say that there is no more fateful question in the whole world than this: How will the United States use her surplus capacity after the war? Because the fact that she will have a surplus capacity of staggering size is one which no one can possibly question, and I ask: Will she pour that out on the world in manufactured goods, looking mainly to her need for giving employment to her people at home, or will she concentrate primarily on building up her standards at home and regulate her exports so as in the first place to create as little disturbance as possible to the economies of other countries who have to export abroad, and so in the second place to produce the maximum possible permanent advantage to the countries that are receiving her goods? I have not the slightest doubt in my own mind that in the long run interest of the United States that question ought to be answered in the latter sense, but one has got to recognize that it will involve most difficult adjustments. You have your industries geared up to produce an enormous quantity of goods, and, of course, you will want to export, and I ask myself what political party is going to tell your electrical industry or your new shipbuilding industry to cut down and send their men off to build houses for their own people, so as to give British manufacturers a better chance?

Great Maladjustments Followed World War I

There are the two positions as I see them. But I do not want to present the picture merely as one of two countries each with its own set of problems. I think the better way of looking at it is that we are really involved together, you in one way and we in another, in the terribly complex tangle caused by the complete upset of the old world equilibrium by two world wars. I should have liked to have gone over in some detail the story of what happened after the last World War, because I think it has been so much misrepresented and misunderstood. I think it is sufficient to say this, that there had been built up before 1914 a com-

plex system of trade exchanges between various countries working on a multilateral basis which fitted the natural capacities of the countries concerned and was in harmony with their international financial relations, so that debtors could settle their debts with goods and so on.

But the first World War completely upset that structure. Everybody's position was turned upside down; countries which had taken secondary products were producing their own, and other countries which had been creditor countries became debtor countries and vice versa, and international financial obligations did not in the least fit in with their natural flow of trade. We had not in the years between the two wars completely adjusted that position; we were gradually climbing back by carefully concerted measures after the collapse of 1929-32, and we were doing quite good work in that way, much better than some people would lead one to understand; but still we had not created a properly balanced system again; and then on top of that has come this new war, and that is going to create, if anything, a more serious upset than the last war did.

U. S. A.'s Responsibility; New Deal Unsuccessful

There is the problem, I think, which we have to face together. Both of us really struggled on between the two wars; we partly by starting to live on the income of our foreign investments, which previously we had always reinvested, and partly by failing to spend enough to keep our industrial plant up to date, partly as the result of enjoying very favorable terms of trade, but all the time we had the terrible blot of two million to three million unemployed. You on your side had a different and in some ways more painful experience. You started by a wide pouring out of foreign loans which did not fit in really with the economic needs of the world in the way of building up a permanently sound situation, which rather tended to disguise what were the underlying unsoundnesses, and then suddenly you stopped those loans and landed yourselves in the most terrible collapse and infected the rest of the world rather largely with your own collapse.

Then you tried the most staggeringly vast experiment that the world has ever seen, and God knows what would have happened to that experiment if the war had not come to create a completely changed set of conditions; so that I do not think you can say that you had attained equilibrium; you were still oscillating violently and had not settled down to any satisfactory balance. All those problems will come on us again after the war.

A Planless World; Signs of Misunderstanding

Now, I am afraid I am being very gloomy, but I think it is well to face facts. Then I turn from that to what is happening today, and I confess that I am not very cheerful about that. I do not see anywhere an attempt to get down to any comprehensive factual survey of the position, so that we may assess what will be the surplus capacity of the various countries, and what will be the importing needs of various countries, how we are going to fit this picture together again, and the point I am making is what we shall never do that except by carefully concerted measures, and I want to see a much more realistic study of the position taking place than has yet taken place. One looks about and sees various aspects of the situation discussed. We had the Wheat Agreement; we had the Bretton Woods Conference; but nowhere do I see an attempt to put all these pieces together and see the picture as a whole.

On top of that one does see, and

again it is well to face the fact, all sorts of disturbing signs of differences and misunderstandings between our two countries. We on our side cherish the pretty widespread feeling that the unilateral declaration of how we were to operate under the Lease-Lend Agreement, an understanding based on what was written by Mr. Eden to your Ambassador in 1941, has put us into very great difficulties, and that there was a strong case for modifying it as soon as you came into the war. Our manufacturers are very frightened, too, by what they fear are plans for reorganizing for peace production and particularly export trade which are going on in the United States, and I might add that perhaps what we are most frightened about of all is our own Board of Trade and its apparent lack of any realistic vision of the situation or of the need for giving our manufacturers a lead.

Wants Commerce Department to Survey Britain's Economy

You, on your side, I think, cherish certain suspicions about us, but I need not go into those. What I am leading up to is this. I want to see a new attempt made so that business people on each side of the Atlantic may get to understand each other's position. I want to throw out a practical suggestion. My suggestion is this, that a delegation of high quality of practical industrialists and economists from the United States should make a careful factual survey of British economy as it will be after the war, of what will be our problems, what will be our resources, what will be required for our healthy economic existence, and how those can be fitted into the United States position. I should not at all object myself to a unilateral inquiry of that kind; I think it would be very valuable for us to have it; but it would be much more valuable if it were balanced by a parallel inquiry by British industrialists and economists into the United States position. I believe that the two combined would produce a story of most fascinating interest and of a value which would become increasingly appreciated as we pass on to handle our problems after the war.

Now, I would put it to you that that is no fanciful dream; it could be done. You can send absolutely first-class people to do it. I think at that kind of inquiry you are certainly a great deal more advanced than we are. I myself have seen nothing better in the range of factual studies into the economic position than that report which was published by your Commerce Department in the United States on "The United States in the World Economy." I should like to see the sort of people who did that carrying out this kind of investigation which I have in mind. So I do put that suggestion forward, Mr. Chairman, as a serious proposal which might be taken up by your National Association of Manufacturers, possibly working together with one of your great foundations like the Rockefeller Foundation, and I claim that practical experience of what has happened during this war justifies my suggestion.

I am told that there has been any number of cases during the war affecting war supplies where there have been threats of disturbances and of misunderstandings and quarrels arising between our two countries, and that in every single case where the procedure has been adopted of sending a small American mission over to this country to study facts or getting a small mission from this country to go over to America—in every single case when the facts have been agreed upon on both sides and each side has understood the facts, differences have been resolved. Of course, I may be told that the suggestion is unnecessary, that there are oppor-

tunities now for joint discussion either at conferences arranged by the Governments or through Chambers of Commerce, but the point that I feel about it is that in conferences of that kind each side always puts its own case and the facts of the case put up by the other side are not always accepted.

Wants Businessmen to Get Together Unchaperoned

I want your people to make their own study of our position, and then they will be really satisfied about the realities of the position. Also I want businessmen themselves to get together rather than a set of politicians who all the time will be looking over their shoulders thinking what their own businessmen will say about them. I believe that if I am right in supposing, as I said at the beginning, that we are both decent peoples, that we both want fair play and that we are sensible peoples who will see that neither of us can profit from the troubles of the other—I believe the sort of contact which I have suggested might be of great value, because we in this country, without the slightest doubt, want a strong, prosperous and stable United States and you want just the same from this country, and the problem is how to combine the two in the actual circumstances, with all the conflict of different interests that will arise after this war. Well, I am not afraid of those difficulties if they are frankly faced and if the picture as a whole is always kept before people's minds.

In conclusion, Mr. Chairman, I want to just say that I think that our own Prime Minister used some very good words the other day, or rather they were quoted the other day—those instructions which he gave to his technical advisers before the invasion preparations in Normandy. I should like to see our businessmen on both sides taking those words as a text and saying to themselves: "We have got to find a way in which we can both prosper. We do not want argument. The difficulties will argue for themselves."

C. A. Miller Dies

Charles Addison Miller, retired banker and President of the Reconstruction Finance Corporation from August, 1932, to March, 1933, died on Nov. 22 at his home in New York City. He was 76 years old. Born in Utica and educated in the public schools there and at Trinity School, Tivoli, N. Y., Mr. Miller was graduated from Harvard University in 1890. He studied law in the office of Miller, Fincke & Brandegee, Utica, and became a member of the firm in 1892 and, said the New York "Sun," he remained a member of the firm and successors until his death, at which time he was a senior partner in Miller & Hubbell. From the "Sun" we also quote:

"He became a trustee of the Savings Bank of Utica at the death of his father, Addison C. Miller, in 1895, and four years later was appointed vice-president.

"Mr. Miller was also President of the New York State Savings Bank Association in 1909 and the following year he was elected vice-president of the New York State Bar Association.

"In February, 1932, Mr. Miller was appointed manager of the New York agency of the RFC. It was announced at that time that he had been selected as Utica's Most Useful Citizen of 1931 by a board of award which represented seven service clubs of the city.

"Mr. Miller, a Republican, was appointed president of the RFC by President Hoover and he accepted the post with the understanding that he might retire after it had gotten well under way."

From Washington Ahead of The News

(Continued from first page)

recurrence of the present terrible war. Such an undertaking on the part of nations should be encouraged by all peace-loving peoples.

It so happens that the pact is between Britain and this country and no one ever suggests that they will ever go to war against one another, or without being on one and the same side.

It seems that all the American oil producers get out of this pact, this great example of what nations can accomplish when they resort to pacts instead of wars, is a guarantee that the wily rulers of the rich Arabian fields won't be able to play them against the British. This is a protection, of course, only for those American producers who are involved in the Arabian fields and it offers no proof whatsoever that the wily Arabian chiefs may not turn to Russia and play her against both the British and Americans.

But aside from this, in return for the protection which the involved American producers do get, an international body assumes control over all American production, or production anywhere in which Americans are involved. Naturally, the American oil producers, generally speaking, have set up a howl. According to the professional internationalists they are more concerned in profits than they are in perpetuating world good-will. Just what the professional internationalists are concerned in, we have never been quite able to dope out.

We think the gentlemen would serve themselves and the public more profitably if instead of browbeating American interests for not embracing every pact that comes along, they would look more realistically at the current world situation. Regardless of what we do or do not do, if there is any comfort anywhere for the millennium believers, it utterly escapes this writer. In France, Greece, Belgium, Italy, and elsewhere, so-called liberated peoples are engaged in killing each other off, with the Communists the instigators.

Here in Washington it is clear, that while during the campaign Mr. Roosevelt considered it imperative to have the people think that he and Stalin were as thick as two peas in a pod, that it was utterly essential that he be re-elected because Stalin thought well of him—it is now clear that Roosevelt doesn't give much of a darn what Stalin thinks of him. Throughout the campaign the propaganda, circulated mostly by unwitting propagandists, was that he, Stalin and Churchill, the indispensable Big Three, were liable to get together at most any time. It would have been terrible under the circumstances, with this meeting likely to appear on the front pages most any morning, for the Americans to ditch their man!

It is no secret now that Roosevelt has not the slightest intention of running after Stalin any longer, or of going any such long distance as Moscow or Teheran to meet him again. If there is a meeting Stalin will come half way.

Indeed, Washington official circles are beginning to discuss Stalin quite frankly. Annoyance is not disguised any longer that he hasn't come through with his part of the Teheran bargain, of making a direct attack on the Eastern front coincident with our drive on the Western front. There is coming to be less emphasis, in fact, on the whole business about "winning the peace," and more on winning the current war.

NAM Proposes 6-Point Program to Assure Post-War Jobs By Business

The National Association of Manufacturers announced on Nov. 30 it would carry to the public for acceptance and support a 6-point program specifying the action that business will take to assure jobs and higher living standards in the post-war period. Ultimate objective of the Association's long-term program is to create and put into action a process of prosperity during the post-war period which

will enable Americans to "earn more, buy more, and have more." Walter B. Weisenburger, Executive Vice-President of NAM, in announcing the program, stated:

"Until victory is achieved every resource of industry will be mustered behind the millions of American fighting men and women on the battle fronts. War production must not slacken until this all-important job is done. Beyond victory, industry is prepared to assume its full responsibility in

Post-War Employment

(Continued from first page)

utilizing these same resources to build a better nation—a nation in which every person will have a greater opportunity to achieve higher living standards and increased security."

The six points of NAM's program of business action, all of which, it is stated, add up to more and better jobs, are:

"1. Offering better values for consumers by improving production and distribution methods, which will make available more and better goods and will stimulate employment.

"2. Insistence upon full and free competition to reduce prices and to encourage the establishment of new enterprises, again stimulating increased employment.

"3. Bold investment of risk capital to back new enterprises and expand production, which will also make more jobs.

"4. Adherence to wage policies which give workers a fair reward for work accomplished.

"5. Providing better tools and improved working conditions as an aid to higher production and fatter pay envelopes for individual workers.

"6. Keeping open all possible advancement opportunities for the individual worker, to encourage initiative and greater production by assuring that such personal effort on the part of workers will be rewarded."

Stating that "public acceptance is sought for NAM's six-point program as a charter for business action," Mr. Weisenburger said that "if industry is to proceed at full speed to activate an upward economic trend, there must be a combination of effort and the realization on the part of both public and industry that they have an identical goal—jobs and freedom of opportunity. Productive jobs for all who want them in the post-war period are our chief objective. From productive jobs stem buying power which is the motivating force that turns the wheels of industry."

He likewise said "that large segment of industry, the 12,000 member companies, large and small, which make up the National Association of Manufacturers, employs 75% of all wage earners in manufacturing industry, and is producing more than 85% of the materials and munitions with which the war is being fought. These 12,000 business leaders are convinced that America's vast wartime capacity can be used to build the greatest peacetime prosperity the world has ever known. NAM's six-point program can translate that belief into action with public backing and confidence. NAM's platform has been kept simple and direct and is keyed to the national welfare. If the people want to reap the full advantage of the action which industry will take, the public can play a vital part. Unregulated monopoly must be eliminated in the public interest. Post-war tax policies should leave sufficient funds for expansion of job-making production. Labor policies should place equal responsibility upon labor and management, and business regulation should be through legislation, instead of directives."

It is announced that the 4,000 manufacturers who will participate in the War and Reconversion Congress of American Industry, to be held in New York on Dec. 6-9, will discuss ways and means to implement this six-point program. The public will be fully informed on the program in a full scale national campaign, the spearhead of which will be large space advertisements.

"(9) There have been about 12,500,000 children born in the United States since Pearl Harbor. Of this number, over 2,000,000 are in excess of the normal birth rate. The poorest retail purchasers are the aged, who are dying off; but the best are the children and their parents.

"(10) Consumer goods are not only wearing out, but styles are changing. New things which will come on the market after the war will be of designs which will make the old things look obsolete. This applies not only to houses, furniture, wearing apparel, but even to foods and beverages.

"(11) Billions of dollars will be required merely to bring factories, offices, homes and individuals "up-to-date." The farms of the country will especially need attention. The land has been overworked; fertilization has been neglected; farm implements are out-of-date. Moreover, the farmers will have more money and less debts after the war than they have ever had before. All of these farm purchases must come through retailers.

"(12) Even the retail stores themselves will be large purchasers. Most of them must be re-furnished, relighted and repainted. Air conditioning must be installed in many; refrigeration and other new equipment will be needed. A large store is not necessary. It may have only a 10-foot frontage, but it should have modern furnishings with an excellent show window.

Returning service men should also consider warehousing, transportation, financing, advertising, printing and various other departments of distribution. The cooperatives, or group buying, or voluntary chains or manufacturers' branches present opportunities. I suppose there always will be an opportunity for the old style wholesalers, but that division does not appeal to me.

The greatest opportunity lies with the chain stores, especially the variety chains. Next in importance come the supermarkets; and third, the department stores. House-to-house selling will always be profitable for those with "guts." Consumer credit will come back; cooperatives will continue to increase in importance, but the chain stores have nothing to fear from cooperatives for many years to come. There will be changes in servicing as well as in products and packaging. This especially applies to the perishable goods such as meats, fish, fruits and vegetables due to the increased installations of deep-freezes.

Department Store Sales In New York Federal Reserve District in Oct. 11% Above Year Ago

The Federal Reserve Bank of New York announced on Nov. 17 that October sales of department stores in the second (New York) Federal Reserve District increased 11% over a year ago. The combined sales for January to Oct., 1944, were up 9% from the same period the previous year. Stocks of merchandise on hand in department stores at the end of Oct., 1944, were 1% over last year.

The apparel stores in the New York Reserve District reported an 18% gain in the net sales in October. Their stocks on hand at the close of the month were 6% higher than the same month in 1943.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES OCTOBER, 1944				
Second Federal Reserve District				
Department stores—	Percentage change from preceding year			Stocks on hand Oct. 31, 1944
	Oct. 1944	Jan.-Oct. 1944	Oct. 1943	
Second District.....	+11	+9	+1	
New York City.....	+11	+11	—	
Northern New Jersey.....	+10	+5	—	
Newark.....	+9	+3	—	
Westchester and Fairfield Counties.....	+7	+1	—	
Bridgeport.....	+5	+1	—	
Lower Hudson River Valley.....	+18	+16	+18	
Poughkeepsie.....	+16	+14	—	
Upper Hudson River Valley.....	+6	+1	+2	
Albany.....	+8	+2	+2	
Schenectady.....	+3	—	—	
Central New York State.....	+11	+10	+6	
Mohawk River Valley.....	+6	+3	—	
Utica.....	+3	+4	—	
Syracuse.....	+14	+14	+8	
Northern New York State.....	+16	+12	—	
Southern New York State.....	+11	+9	—	
Binghamton.....	+13	+10	—	
Elmira.....	+11	+10	—	
Western New York State.....	+8	+7	+2	
Buffalo.....	+6	+6	+3	
Niagara Falls.....	—	+3	+10	
Rochester.....	+13	+9	—	
Apparel stores (chiefly New York City).....	+18	+10	+6	

INDEXES OF DEPARTMENT STORE SALES AND STOCKS				
Second Federal Reserve District (1935-39 average = 100)				
Sales (average daily), unadjusted.....	1943		1944	
	Oct.	Aug.	Sept.	Oct.
Sales (average daily), unadjusted.....	*157	110	*158	173
Sales (average daily), seasonally adjusted.....	*137	151	*149	152
(1923-25 average = 100)				
Stocks, unadjusted.....	131	128	129	132
Stocks, seasonally adjusted.....	119	131	124	120

INDEXES OF DEPARTMENT STORE SALES†				
Average monthly sales, 1935-39 = 100				
New York City.....	1943		1944	
	Oct.	Aug.	Sept.	Oct.
New York City.....	*159	112	152	177
Newark.....	145	*99	138	158
Buffalo.....	204	158	198	215
Rochester.....	166	140	173	188
Syracuse.....	202	173	214	230
Bridgeport.....	164	121	156	172
Total Second District.....	*160	117	155	176

*Revised.
†Indexes are based on total monthly sales; no adjustments made for differences in the number of shopping days from month to month or for usual seasonal variation in sales volume.

Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of \$141,700,000 of open market paper outstanding on Oct. 31, 1944, the bank announced on Nov. 14. This compares with \$140,800,000 on Sept. 29, 1944, and \$187,800,000 on Oct. 30, 1943.

Following are the totals for the last two years:

1944—	\$	Oct 30	187,800,000
Oct 31	141,700,000	Sep 30	169,500,000
Sep 29	140,800,000	Aug 31	156,200,000
Aug 31	140,900,000	1943—	
July 31	142,900,000	July 31	149,800,000
June 30	136,500,000	June 30	143,300,000
May 31	150,700,000	May 29	159,600,000
Apr 29	171,500,000	Apr 30	178,900,000
Mar 31	194,800,000	Mar 31	200,600,000
Feb 29	213,700,000	Feb 27	209,100,000
Jan 31	208,900,000	Jan 30	220,400,000
1943—		1942—	
Dec 31	202,000,000	Dec 31	229,200,000
Nov 30	203,300,000	Nov 30	260,600,000

Consumer Credit Outstanding for October 3% Over Last Year

The Board of Governors of the Federal Reserve System announced on Nov. 30 that total consumer credit outstanding at the end of October is estimated at \$5,212 million, or about 3% more than a year ago. The increase of about \$140 million during the month was due largely to seasonal factors and occurred principally in charge accounts. The Board adds:

Instalment loans outstanding showed little change during the month but were slightly above the October, 1943, level. Back figures of these series have been recently revised.

Automobile sale credit continued in about the same volume for the third consecutive month and remained above the year-ago level. Other instalment sale credit was below that at the end of October, 1943, but was approximately 4% larger than on Sept. 30, this year.

Charge accounts receivable rose nearly 8% during October, somewhat more than the customary seasonal expansion.

*CONSUMER CREDIT OUTSTANDING

(Short-term credit. In millions of dollars. Figures estimated)

†Total consumer credit.....	Oct. 31, 1944	Increase or decrease from:	
	5,212	Sept. 30, 1944	Oct. 31, 1943
Instalment sale credit:		+137	+135
Automotive.....	210	—	+29
Other.....	533	+23	63
†Instalment loans.....	1,197	—2	+16
Charge accounts.....	1,516	+114	+150
Single-payment loans.....	1,024	+2	—49

*Several of the subsidiary series contained in instalment loans have been revised. The series revised are repair and modernization loans, consumer loans in commercial banks and credit union loans. These revisions are reflected in the estimates of total consumer credit. The "Federal Reserve Bulletin" for December will carry descriptive material and back figures. †Includes service credit not shown separately. ‡Includes insured repair and modernization loans.

Bankers' Dollar Acceptances Outstanding on Oct. 31 Increase to \$114,953,000

The volume of bankers' dollar acceptances outstanding on Oct. 31 amounted to \$114,953,000, an increase of \$3,852,000 from the Sept. 30 total, according to the monthly acceptance survey issued Nov. 16 by the Federal Reserve Bank of New York. As compared with a year ago, the Oct. 31 total represents a gain of \$70,000.

In the month-to-month comparison, dollar exchange, and those based on goods stored in or shipped between foreign countries were lower, and imports, exports, domestic shipments and domestic warehouse credits were higher, while in the yearly analysis all the items except domestic warehouse credits, dollar exchange, and those based on goods stored or shipped between foreign countries for October, 1944, are higher than a year ago.

The Reserve Bank's report follows:

BANKERS DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS			
Federal Reserve District—	Oct. 31, '44	Sep. 30, '44	Oct. 30, '43
1 Boston.....	\$17,852,000	\$17,075,000	\$20,114,000
2 New York.....	74,483,000	71,502,000	65,254,000
3 Philadelphia.....	6,311,000	7,022,000	5,208,000
4 Cleveland.....	1,813,000	2,259,000	2,019,000
5 Richmond.....	740,000	424,000	2,014,000
6 Atlanta.....	2,476,000	1,877,000	3,345,000
7 Chicago.....	2,859,000	2,996,000	5,982,000
8 St. Louis.....	634,000	545,000	837,000
9 Minneapolis.....	50,000	33,000	174,000
10 Kansas City.....	—	—	—
11 Dallas.....	220,000	222,000	443,000
12 San Francisco.....	7,515,000	7,146,000	9,493,000
Grand Total.....	\$114,953,000	\$111,101,000	\$114,883,000
Increase for month.....	\$3,852,000	Increase for year.....	\$70,000

ACCORDING TO NATURE OF CREDIT			
	Oct. 31, '44	Sep. 30, '44	Oct. 30, '43
Imports.....	\$79,144,000	\$77,746,000	\$66,871,000
Exports.....	12,653,000	10,536,000	9,290,000
Domestic shipments.....	9,289,000	8,142,000	7,593,000
Domestic warehouse credits.....	11,706,000	11,278,000	21,350,000
Dollar exchange.....	48,000	189,000	173,000
Based on goods stored in or shipped between foreign countries.....	2,113,000	3,210,000	9,606,000

BILLS HELD BY ACCEPTING BANKS			
Own bills.....	\$40,019,000	Bills of others.....	\$44,881,000
Total.....	\$84,900,000		
Decrease for month.....			\$89,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES NOV. 16, 1944			
Days	Dealers' Buying Rates	Dealers' Selling Rates	
30	1/2	3/4	
60	1/2	3/4	
90	1/2	3/4	
120	1/2	3/4	
150	1/2	3/4	
180	1/2	3/4	

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Sept. 30, 1941:

1941—	\$	1942—	\$	1943—	\$
Oct. 31	184,806,000	Oct. 31	118,581,000	Oct. 30	114,883,000
Nov. 29	193,590,000	Nov. 30	116,067,000	Nov. 30	111,283,000
Dec. 31	194,220,000	Dec. 31	118,039,000	Dec. 31	116,814,000
1942—		1943—		1944—	
Jan. 31	197,278,000	Jan. 30	119,682,000	Jan. 31	120,497,000
Feb. 28	190,010,000	Feb. 27	127,062,000	Feb. 29	134,772,000
Mar. 31	182,675,000	Mar. 31	129,818,000	Mar. 31	129,358,000
Apr. 30	177,293,000	Apr. 30	128,350,000	Apr. 29	125,566,000
May 29	173,906,000	May 29	135,815,000	May 31	113,139,000
June 30	162,849,000	June 30	139,846,000	June 30	111,675,000
July 31	156,302,000	July 31	110,250,000	July 31	138,692,000
Aug. 31	139,304,000	Aug. 31	130,244,000	Aug. 31	109,632,000
Sept. 30	123,494,000	Sept. 30	117,016,000	Sept. 30	111,101,000
				Oct. 31	114,953,000

Roosevelt Seeks Recommendations For Science Contributions to Post-War World

On Nov. 20 President Roosevelt called for recommendations as to how wartime scientific research could be carried into the post-war world to create jobs and improve the national health and living standards. His request was contained in a letter to Dr. Vannevar Bush, director of the Office of Scientific Research and Development, in which he paid tribute to that agency for its achievements in solving important technical problems of the war. Associated Press advices from Washington, Nov. 20, went on to say:

"The tangible results, though not known to the public, Mr. Roosevelt said, 'can be found in the communiques coming from the battle fronts all over the world,' adding that some day the full story of these achievements could be told.

"There is, however," he continued, "no reason why the lessons to be found in this experiment cannot be profitably employed in times of peace.

"The information, the techniques, and the research experience developed by the Office of Scientific Research and Development and by the thousands of scientists in the universities and in private industry, should be used in the days of peace ahead for the improvement of the national health, the creation of new enterprises bringing new jobs, and the betterment of the national standard of living."

With that objective in mind, said the Associated Press, Mr. Roosevelt asked Dr. Bush to make recommendations on the following major points:

First: What can be done, consistent with military security,

carefully considered."

Fourth: Can an effective program be proposed for discovering and developing scientific talent in American youth so that the continuing future of scientific research in this country may be assured on a level comparable to what has been done during the war?

"New frontiers of the mind are before us," Mr. Roosevelt said, "and if they are pioneered with the same vision, boldness, and drive with which we have waged this war, we can create a fuller and more fruitful employment and a fuller and more fruitful life.

"I hope that, after such consultations as you may deem advisable with your associates and others, you can let me have your considered judgment on these matters as soon as convenient, reporting on each when you are ready, rather than waiting for completion of your studies in all."

Sullivan Quits Treasury

The resignation of John L. Sullivan as Assistant Secretary of the Treasury was announced on Nov. 28. Mr. Sullivan, who had been with the Treasury five years, told President Roosevelt he desired to return to his law practice. His law firm is in Manchester, N. H.

In accepting the resignation of Mr. Sullivan, effective Nov. 30, President Roosevelt said:

"The five years of your service have been epochal in the importance of the fiscal problems with which you have been called upon to deal. I have only the highest praise for the contribution which you have made so unselfishly in the public interest. I shall hope, as need arises, to have the benefit of your wide knowledge and experienced judgment."

From Associated Press advices from Washington Nov. 28, we quote:

Mr. Sullivan entered the Government service as assistant to the Internal Revenue Commissioner in September, 1939. He became Assistant Treasury Secretary the following January.

In his letter of resignation he recalled that he had arranged to give up his professional responsibilities for one year when he came to Washington. Since then, the period has been extended four times. "Unfortunately," he asserted, "the cumulative pressure of the problems of those people with whom I am associated, and of others who have relied upon me, make it imperative that I now return to private practice."

Postoffice to Issue New Money Order Forms

"By the beginning of next year the Post Office hopes to put in the first-class offices 100,000,000 postal notes, a new and economical means of sending money orders not exceeding \$10 through the mails, Postmaster General Frank C. Walker said on Nov. 22, according to Washington advices to the New York "Times," from which we also quote:

"A uniform fee of five cents will be charged. A person who wants a postal note for \$2.93 will receive from the clerk a 90-cent and a 3-cent stamp affixed to a \$2 postal note. He must write the name of the payee on the note, then detach his record stub, on which he records the payee's name, and mail the postal note. The note itself is a pre-punched card form.

"The use of postal notes is a revival of a system used in the United States from 1884 to 1894, except that the earlier notes were for fixed amounts and payable to bearer, thus lacking the security offered by money orders. Use of postal notes of not more than \$10 has been legal since 1911, but an amendment this year removed the limitation of fixed denominations."

Third: What can the Government do now and in the future to aid research activities by public and private organizations?

"The proper roles of public and of private research, and their interrelation," he added, "should be

SEC Reports Further Working Capital Increase

Corporate net working capital reached a new high in the second quarter of this year*, estimated at \$44.3 billion as of June 30, 1944, according to the quarterly analysis made public today by the Securities and Exchange Commission. During the three months, April through June, 1944, working capital increased by \$1.3 billion, about the same rate as in the preceding quarter. This increase in working capital was approximately equal to retained profits.

As in the previous quarter, the record level of net working capital at the end of June was in extremely liquid form with both cash and U. S. Government securities accounting for a very substantial portion of the total. The only significant change in any of the items of current assets and liabilities during the quarter was the \$1.5 billion increase in U. S. Governments, reflecting the influence of the 5th War Loan Drive. Apparently corporations are continuing to invest their excess funds in Government securities. There was comparatively little change in any of the other components of working capital. The ratio of corporate liquid funds in the form of cash and U. S. Governments to sales, which is one rough measure of liquidity, increased again in the second quarter of 1944, and is well above pre-war levels.

In addition to the increase in working capital, corporations continued to accumulate post-war credits in refundable taxes, raising the total of such refundable taxes to \$1.8 billion as of June 30, 1944, an increase of \$200 million over the quarter. Other sources of substantial refunds payable to corporations are the provisions of the income and excess-profits tax laws for carry-back of losses and unused excess-profits credits, for accelerated amortization of emergency facilities, and for recomputation of base-period income for excess-profits determination. As for other items affecting the corporations' financial position, there was on the assets side a drop of \$500 million in the net property account and on the liabilities side a reduction of \$300 million in long term debt; both of these declines reflected a continuation of trends which characterized the two preceding years.

The attached tabulation and chart show the working capital of all corporations in the United States on which the above discussion is based. Tables presenting more detailed data on current assets and liabilities for various industrial and size groups of corporations registered with the Securities and Exchange Commission may be obtained on request. These tables indicate that, though there was considerable variation from group to group, practically all groups of corporations shared in the rise of working capital over the war period.

*Exclusive of banks and insurance companies.

CURRENT ASSETS AND LIABILITIES OF U. S. CORPORATIONS 1939-1944

	Billions of dollars					
	1939	1940	1941	1942	1943	1944
Current Assets—						
Cash on hand and in banks	10.9	13.1	13.9	17.5	22.6	21.8
U. S. Government securities	2.2	1.9	3.9	10.2	16.0	18.3
†Receivables from U. S. Government	—	—	1.5	2.8	3.6	3.3
Other notes and accounts receivable	22.1	23.9	27.5	24.3	23.7	23.2
Inventories	18.0	19.8	25.6	27.3	26.8	27.0
‡Other current assets	1.4	1.5	1.4	1.3	1.3	1.4
Total current assets	54.6	60.3	72.8	83.4	94.1	95.7
Current Liabilities—						
†Advances and prepayments, U. S. Government	—	3	4	1.4	1.6	1.7
Other notes and accounts payable	21.9	22.6	25.6	24.7	25.5	24.9
Federal income tax liabilities	1.2	2.5	7.1	12.1	15.9	16.1
§Other current liabilities	6.9	7.4	7.6	8.7	9.5	9.4
Total current liabilities	30.0	32.8	40.7	46.9	52.5	51.9
New working capital	24.6	27.5	32.1	36.5	41.6	44.3

*All U. S. corporations excluding banks and insurance companies. Data for 1939-1941 are based on statistics of income, covering virtually all corporations in the United States. Data for 1942-1944 are estimates based on data compiled from many different sources, including data on corporations registered with the Commission. Because of the nature of the figures, these estimates are subject to revision.

†Receivables from and payables to U. S. Government do not include amounts offset against each other on the corporation's books or amounts arising from subcontracting which are not directly due from or to the U. S. Government.

‡Includes marketable securities other than U. S. Government.

§For 1942-1944 includes provisions for renegotiation other than those combined with income tax liabilities.

Wholesale Prices Unchanged for Week Ended Nov. 25, Labor Dep't Reports

"The Bureau of Labor Statistics' index of commodity prices at the primary market level has remained unchanged at 104.1% of the 1926 average for three consecutive weeks," said the U. S. Dept. of Labor in its Nov. 30 advices, which also said that "during the week ended Nov. 25 slightly lower prices for farm products, particularly livestock, were offset by higher prices for grains, for certain fruits and vegetables and for scrap steel. In the past four weeks the all-commodity index has risen 0.2% to a point 1.5% higher than at this time last year." The report continued:

"Farm Products and Foods"—Led by a decline of 1.3% in primary market prices for livestock and poultry and by lower quotations for cotton, average prices for farm products dropped 0.3% during the week. Most grains, except rye, advanced. In addition, higher prices were reported for ewes, hay, wool, eggs, onions and sweet potatoes. Since the latter part of October average prices for farm products rose 0.6% and were 2.4% higher than at the end of November, 1943.

"Higher prices for flour, fruits and vegetables and eggs accounted for an increase of 0.1% in prices for foods at wholesale during the last week of November. Although average prices for foods advanced 0.9% in the past four weeks they were 0.8% lower than at this time last year.

"Industrial Commodities"—Except for greater activity and strengthening prices in scrap steel markets during the latter part of November there was very little movement in industrial commodity markets. Effective Nov. 13, the OPA raised ceiling prices on domestic cigars in an attempt to prevent the disappearance of low priced goods."

The Labor Department included the following notation in its report:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics

will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for Oct. 28, 1944, and Nov. 27, 1943, and the percentage changes from a week ago, a month ago, and a year ago, and (2) percentage changes in subgroup indexes from Nov. 18, 1944, to Nov. 25, 1944.

WHOLESALE PRICES FOR WEEK ENDED NOV. 25, 1944 (1926=100)

Commodity Groups—	1944				1943				Percentage change to Nov. 25, 1944 from—		
	11-25	11-18	11-11	10-28	11-27	11-18	10-28	11-27	11-18	10-28	11-27
All commodities	104.1	104.1	104.1	103.9	102.6	0	+0.2	+1.5			
Farm products	124.1	124.5	124.4	123.3	121.2	-0.3	+0.6	+2.4			
Foods	105.0	104.9	104.9	104.1	105.8	+0.1	+0.9	-0.8			
Hides and leather products	116.7	116.7	116.7	116.7	116.9	0	0	-0.2			
Textile products	98.9	98.9	98.9	98.9	97.2	0	0	+1.7			
Fuel and lighting materials	83.6	83.6	83.5	83.5	81.7	0	+0.1	+2.3			
Metals and metal products	103.9	103.8	103.8	103.8	103.8	+0.1	+0.1	+0.1			
Building materials	116.4	116.4	116.4	116.4	113.0	0	0	+3.0			
Chemicals and allied products	104.8	104.8	104.7	104.9	100.4	0	-0.1	+4.4			
Housefurnishing goods	106.1	106.1	106.1	106.1	104.2	0	0	+1.8			
Miscellaneous commodities	93.5	93.4	93.4	93.4	93.0	+0.1	+0.1	+0.5			
Raw materials	114.1	114.3	114.3	113.5	111.1	-0.2	+0.5	+2.7			
Semimanufactured articles	94.7	94.7	94.7	94.7	92.9	0	0	+1.9			
Manufactured products	101.2	101.2	101.1	101.1	100.3	0	+0.1	+0.9			
All commodities other than farm products	99.7	99.7	99.7	99.6	98.6	0	+0.1	+1.1			
All commodities other than farm products and foods	98.9	98.9	98.8	98.8	97.5	0	+0.1	+1.4			

*Preliminary.

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM NOV. 18, 1944 TO NOV. 25, 1944

Group	Increases		Group	Percentage Change
	Nov. 18, 1944	Nov. 25, 1944		
Grains	1.2	Other miscellaneous	0.3	
Fruits and vegetables	0.3	Other foods	0.1	
Iron and steel	0.1			
		Decreases		
Livestock and poultry	1.3	Cereal products	0.1	

Changes in Holdings of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The New York Stock Exchange issued on Nov. 17 the following tabulation of companies who have reported changes in the amount of stock held as heretofore reported by the Department of Stock List:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Adams Express Company, The, common	1,109,548	1,111,614
Associates Investment Company, 5% cum. preferred	747	889
Atlas Corporation, common	75,106	75,196
Borden Company, The, capital	158,875	167,710
Bucyrus-Erie Company, preferred	13,841	13,853
Cruible Steel Company of America, 5% conv. pfd.	3,600	4,200
Davega Stores Corporation, 5% cum. preferred	100	253
General Motors Corporation, common	60,600	69,600
International Minerals & Chemical Corporation, common	135,279	134,729
Jewel Tea Co., Inc., common	2,419	2,359
Jewel Tea Co., Inc., preferred	1,600	1,760
Johnson & Johnson, common	None	42,767
Johnson & Johnson, 2nd preferred, series A, 4%	None	1,919
Nash-Kelvinator Corporation, capital	84,414	84,490
National Cylinder Gas Company, common	5,809	1,939
Newport News Shipbuilding and Dry Dock Company—		
\$5 cumulative convertible preferred	35,700	36,300
Petroleum Corporation of America, capital	2,900	4,800
Purity Bakeries Corporation, common	31,749	31,349
Real Silk Hosiery Mills, Inc., 7% cum. preferred	6,795	6,295
Safeway Stores, Incorporated, preferred	96	98
Sheaffer (W. A.) Pen Company, common	2,304	2,304
Sinclair Oil Corporation, common	954,126	954,127
Transamerica Corporation, capital	1,251,659	1,260,059
United Merchants & Manufacturers, Inc., common	24,826	27,309
Wilson & Co., common	7,862	13
Wilson & Co., preferred	1,552	3,125

NOTES

- (1) Acquired 9,600 shares, issued 765 shares covering the purchase of Supreme Dairy Co., Inc.
- (2) Purchased 1,130 shares, sold 5,000 shares.
- (3) Purchased 10 shares, sold 10 shares.

The New York Curb Exchange made available on Nov. 20 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
American Cities Power & Light Corp.—		
"A" opt. div. series 1936	None	600
Convertible "A" opt. div. series	3,050	3,510
American General Corp, common	385,499	385,512
Crown Central Petroleum Corp., common	600	601
Detroit Gasket & Mfg. Co., 5% preferred	10,466	10,766
Equity Corp., The, \$3 convertible preferred	59,773	60,373
Esquire, Inc., capital	51,263	51,863
Hearn Department Stores, Inc., 6% preferred	25,444	25,654
Knott Corp., The, common	11,378	11,379
Kcbacker Stores, Inc., common	4,342	5,609
Lane Bryant, Inc., 7% preferred	180	330
Thomas J. Lipton, Inc., 6% preferred	None	3,093
Midland Oil Corp., \$2 conv. pref.	12,445	12,565
New York Merchandise Co., Inc., common	129,291	129,331
Root Petroleum Company, \$1.20 conv. pref.	7,717	8,117
Trunz, Inc., common	19,715	19,790
United Profit-Sharing Corporation, 10% pfd.	1,399	1,549
Utility Equities Corp., \$5.50 div. prior stock	12,250	12,450

Nelson Named Personal Representative of FDR

Donald M. Nelson has been raised to Cabinet level by President Roosevelt, who has appointed him as "personal representative of the President." Mr. Nelson, who was formerly Chairman of the War Production Board, and who in September returned from a special mission to China, was recently directed by the President to return to China to work on measures to strengthen the Chinese war effort, and in organizing a Chinese War Production Board. His arrival in Chungking, with a group of American experts to help China expand her war production and make the maximum possible use of her own resources against Japan, was indicated in press advices from that city Nov. 16.

Mr. Nelson, according to Associated Press advices from Chungking on Nov. 27, told the Peoples' Political Council that the objective for the coming year must be to double or triple the weapons provided by Chinese industry for China's soldiers. He was also reported as saying:

"Mobilization of Chinese indus-

try for war would increase the flow of urgently needed munitions and strengthen the morale of the Chinese people.

"If any one group in the economy were, in this critical time, to take an uncompromising position at the expense of the national war effort," he continued, "the result would be to injure the war plans of the United Nations and cost the lives of many thousands of Chinese, American and British fighting men.

"If that were to happen, it is perfectly plain that the status of China during the war and after the war might be seriously damaged. Given full cooperation in war production, I think the outlook for China is brighter than it ever has been during this war."

Mr. Nelson's appointment as representative of the President was made known on Nov. 21, when the letter, dated Nov. 2, notifying him of his appointment, was made public at the White House as follows:

"Dear Donald:

"I am hereby appointing you as personal representative of the President, effective Sept. 30, 1944. You will attend Cabinet meetings and are empowered to obtain such assistance as you may require from existing government agencies.

"We have a vast and difficult job to do in achieving complete and final victory and in working out the basis of an enduring peace. Your knowledge, experience and abilities can be of great value to me in my work. At the present time I should like you to advise and assist me in dealing with some of the most important problems now facing the American people; and to undertake specific missions for me. One of these missions, of prime importance, will require your early presence again in the Pacific theatre of war.

"I feel confident that your work in your new post will be of lasting benefit to the United States and to all friendly nations.

"Sincerely,

"FRANKLIN D. ROOSEVELT."

Under date of Nov. 16, Associated Press advices from Chungking said:

"Mr. Nelson and his aids will cooperate with the newly created Chinese War Production Board, which was formally inaugurated today under Wong Wenhao, Minister of Economic Affairs and Chairman of the National Resources Commission.

"Mr. Nelson said he had no idea how long he would stay but that several members of the group, including Howard Coonley, a metals executive, would remain when Mr. Nelson returned to the United States.

"Mr. Nelson's party included Edwin A. Locke, who accompanied him on his first mission several months ago; Carl Bell, of the United Engineering & Foundry Co., Newcastle, Pa.; Henrik Ovesen, Lukens Steel Co., Coatesville, Pa.; Herbert W. Graham, director of metallurgy and research for Jones & Laughlin Steel Co., Pittsburgh; Harry A. Strain, U. S. Steel Corp., Pittsburgh; Francis Cleary, Eugene Stallings, Albert C. Carr, Whiting Willauer, and Alex Taub."

Two Brokers Sentenced

Norman W. Minuse and Joseph E. H. Pelletier surrendered to United States Marshal James E. Mulcahy to begin serving of sentences of fifteen months and a year and a day respectively for unlawful manipulation of stock in Tastyest, Inc. on the New York Curb Exchange in 1935 and 1936.

In the intervening eight years they were arrested and convicted of violating Securities and Exchange Commission regulations, won a reversal of the conviction, were retried, appealed again, and exhausted their appeals without success.

Moody's Bond Prices And Bond Yield Averages

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

Table with columns for Date, U.S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R.R., P.U., Indus.). Rows include dates from Dec 5, 1944, to Dec 5, 1942.

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

Table with columns for Date, U.S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R.R., P.U., Indus.). Rows include dates from Dec 5, 1944, to Dec 5, 1942.

*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.

Civil Engineering Construction \$35,953,000 For Week

Civil engineering construction volume in continental U. S. totals \$35,953,000 for the week. This volume, not including the construction by military engineers abroad, American contractors outside the country, and shipbuilding, is 31% below the total reported to "Engineering News-Record" for the corresponding 1943 week, but it tops the \$23,189,000 reported for the holiday-shortened preceding week, and is 48% above the previous four-week moving average.

Private construction for the week is 41% higher than a year ago. Public construction is 44% lower than in the 1943 week as a result of the 48% drop in federal work and the 3% decline in state and municipal volume.

The current week's construction brings 1944 volume to \$1,636,496,000 for the 48 weeks, a decrease of 44% from the \$2,937,565,000 reported for 1943 period.

Civil engineering construction volumes for the 1943 week, the short preceding week, and the current week are:

Table comparing construction volumes for Dec 2, 1943 (five days), Nov 23, 1944 (four days), and Nov 30, 1944 (five days) for Total U.S. Construction, Private Construction, Public Construction, State and Municipal, and Federal.

In the classified construction groups, all classes of work except streets and roads report gains over their respective totals in the holiday-shortened preceding week. Sewerage and industrial buildings record gains over the 1943 week.

New capital for construction purposes totals \$1,822,000 for the week, and it is made up entirely of state and municipal bond sales. The week's new financing brings 1944 volume to \$1,684,869,000, a total 45% below the \$3,066,352,000 reported for the 48-week 1943 period.

Electric Output for Week Ended Dec. 2, 1944 Declined 0.8% Below the Same Week in 1943

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 Dec. 2, 1944 was approximately 4,524,257,000 kwh., compared with 4,560,158,000 kwh. in the corresponding week a year ago, a falling off of 0.8%.

Table showing Percentage Increase Over Previous Year for Major Geographical Divisions (New England, Middle Atlantic, Central Industrial, West Central, Southern States, Rocky Mountain, Pacific Coast) and Total United States.

Table showing Data for Recent Weeks (Thousands of Kilowatt-Hours) for Week Ended from Aug 5 to Dec 2, 1944, comparing 1944, 1943, and 1942 volumes and percentage changes.

High Court Rules Against Okla. Law Permitting Husband and Wife to Split Incomes in Tax Report

The U. S. Supreme Court on Nov. 20, by a vote of 7 to 2, ruled against Oklahoma's community property law whereby a man and his wife could split their total incomes and keep them in lower surtax brackets than if reported to the Federal Government as a single return.

According to Washington advices, Nov. 20, to the New York "Times," Justice Owen J. Roberts, who wrote the majority opinion, defined the basic questions as "whether, upon a State's adoption of an optional community property law, a husband and wife who elect to come under that law are entitled thereafter to divide the community income equally between them for purposes of Federal income tax."

Arizona, Louisiana, California, Idaho, New Mexico and Nevada, have community property plans, but not of the elective type.

"Before 1939, said Justice Roberts, Oklahoma had no policy regarding 'the artificial being' known as a community.

"Nor can we say that since that year," he went on, "the State has any new policy, for it has not adopted, as an incident of marriage, any legal community property system. The most that can be said is that the present policy of Oklahoma is to permit spouses, by contract, to alter the status which they would otherwise have under the prevailing property system in the State."

"Such legislative permission cannot alter the true nature of what is done when husband and wife, after marriage, alter certain incidents of that relation by mutual contract. Married persons in many non-community States might, by agreement, make a similar alteration in their prospective rights as to the fruits of each other's labor or investments."

"In his dissent, Justice Douglas asked why if Texas could reduce the husband's income tax by creating in his wife a 'vested' interest in half his salary and other income, its neighbor, Oklahoma, can't do the same thing.

"The court now concedes that once established the community property status of Oklahoma spouses is at least equal to that of man and wife in any community property State," said Mr. Douglas. "How, then, can Oklahoma be denied the same privilege which other community property States enjoy?"

Crowley Stays With FEA At Request of FDR

Leo T. Crowley, who had tendered his resignation to President Roosevelt as Foreign Economic Administrator, has consented to continue in his post, at the request of the President until the defeat of Germany. According to Associated Press advices from Washington on Nov. 24, the White House disclosed on that day that Mr. Crowley wrote the Chief Executive Nov. 17, saying he wanted to give more time to business and wanted Mr. Roosevelt to bear in mind his desire to be relieved "when the time comes for you to consider making administrative changes for your new term as President."

Mr. Roosevelt replied the next day, "You are doing a fine job," the President wrote, "and I want you to remain at least until the elimination of Germany from the war." Mr. Crowley complied by letter.

In United Press Washington accounts Nov. 23 it was stated: Mr. Crowley, while retaining his private job as chairman of the board of Standard Gas and Electric Company, has served for more than a year as chairman of the Federal Deposit Insurance Corporation as well as chief of FEA which embraces the Lend-Lease Administration, the Export-Import Bank, United States Commercial Corporation, Rubber Development Corporation, Board of Economic Warfare and Petroleum Reserve Corporation.

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index for various dates from Tuesday, Nov 28, 1944, to 1944 High, Nov. 3, and Low, Jan. 5.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Nov. 29 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Nov. 11, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Nov. 11 (in round-lot transactions) totaled 1,109,715 shares, which amount was 14.38% of the total transactions on the Exchange of 3,858,330 shares. This compares with member trading during the week ended Nov. 4 of 1,306,106 shares, or 15.86% of the total trading of 4,118,720 shares. On the New York Curb Exchange, member trading during the week ended Nov. 11 amounted to 286,795 shares, or 15.04% of the total volume on that exchange of 953,405 shares; during the Nov. 4 week trading for the account of Curb members of 303,475 shares was 13.10% of total trading of 1,158,455 shares.

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

WEEK ENDED NOV. 11, 1944			
A. Total Round-Lot Sales:	Total for week	%	
Short sales	116,180		
†Other sales	3,742,150		
Total sales	3,858,330		
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	282,440		
Short sales	36,460		
†Other sales	246,060		
Total sales	282,520	7.32	
2. Other transactions initiated on the floor—			
Total purchases	149,010		
Short sales	10,600		
†Other sales	151,650		
Total sales	162,250	4.03	
3. Other transactions initiated off the floor—			
Total purchases	102,805		
Short sales	26,350		
†Other sales	104,340		
Total sales	130,690	3.03	
4. Total—			
Total purchases	534,255		
Short sales	73,410		
†Other sales	502,050		
Total sales	575,460	14.38	

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

WEEK ENDED NOV. 11, 1944			
A. Total Round-Lot Sales:	Total for week	%	
Short sales	11,685		
†Other sales	941,720		
Total sales	953,405		
B. Round-Lot Transactions for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	76,340		
Short sales	4,750		
†Other sales	80,545		
Total sales	85,295	8.48	
2. Other transactions initiated on the floor—			
Total purchases	31,260		
Short sales	2,050		
†Other sales	32,500		
Total sales	34,550	3.45	
3. Other transactions initiated off the floor—			
Total purchases	34,815		
Short sales	1,300		
†Other sales	23,235		
Total sales	24,535	3.11	
4. Total—			
Total purchases	142,415		
Short sales	8,100		
†Other sales	136,280		
Total sales	144,380	15.04	
C. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales	0		
†Customers' other sales	40,955		
Total purchases	40,955		
Total sales	30,523		

*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."

National Fertilizer Association Commodity Price Index Declines

The weekly wholesale commodity price index, compiled by the National Fertilizer Association, and made public on Dec. 4, declined to 139.4 in the week ending Dec. 2 from 139.6 in the preceding week. A month ago the index stood at 139.3 and a year ago at 135.2, based on the 1935-1939 average as 100.

The fractional decline in last week's wholesale commodity price index was mainly the result of lower prices in the farm products group. This group reached the lowest point in ten weeks. Lower quotations for cattle and hogs more than offset a slight rise in ewes, causing the livestock group also to reach its lowest level in ten weeks. Higher prices on rye and oats more than offset lower prices for wheat, reflecting an upturn movement in the grain index. The foods group has again advanced to a new high level as higher prices for oranges and raisins were more than sufficient to offset slightly

lower quotations for potatoes. The textiles group again moves into higher ground as a result of advancing prices for raw spot cotton and wool. The remaining group indexes were unchanged from the previous week.

During the week price changes in the index were evenly balanced with 7 advances and 7 declines; in the preceding week 7 price series advanced and 3 declined; and in the second preceding week 5 price series advanced and 7 declined.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Preceding			Year Ago
		Week Dec. 2, 1944	Week Nov. 25, 1944	Month Ago Nov. 4, 1944	
25.3	Foods	144.4	143.9	143.9	140.6
	Fats and oils	145.1	145.1	145.1	145.6
	Cottonseed oil	163.1	163.1	163.1	159.6
23.0	Farm Products	163.0	164.2	163.4	152.9
	Cotton	204.1	202.8	202.3	185.0
	Grains	158.6	157.9	158.8	162.5
	Livestock	157.9	160.4	159.0	144.8
17.3	Fuels	130.4	130.4	130.4	122.8
10.8	Miscellaneous commodities	133.2	133.2	133.4	131.4
8.2	Textiles	155.2	155.0	154.9	149.6
7.1	Metals	105.6	105.6	104.0	104.4
6.1	Building materials	154.1	154.1	154.1	152.4
1.3	Chemicals and drugs	126.1	126.1	126.1	127.7
.3	Fertilizer materials	118.3	118.3	118.3	117.7
.3	Fertilizers	119.9	119.9	119.9	119.8
.3	Farm machinery	104.7	104.7	104.7	104.2
100.0	All groups combined	139.4	139.6	139.3	135.2

*Indexes on 1926-1928 base were: Dec. 2, 1944, 108.6; Nov. 25, 108.7, and Dec. 4, 1943, 105.3.

Steel Production Continues At High Level— Deliveries Tightest in Two Months—Scrap Up

"Smashed hopes for an early German defeat and the tough hard fighting in the European theater has been followed on the home front by an increased tempo in war steel production and a moratorium on talk and output of civilian steel," states "The Iron Age" in its issue of today (Dec. 7), which further states in part:

"War programs are being rearranged, stepped up and enlarged so as to cover any eventuality in the European war field even to the extent of the war lasting until next summer. Although it may not take that long for Germany to be battered down, current war steel requirements reflect the absence of a chance that this may not become a fact.

"Steel activity this week was rapidly moving upward and there were indications that before the new secondary peak in war output is reached, the level of output for some war items may approximate previous highs. This is especially true with respect to the ammunition programs.

"Steps to sidetrack civilian production taken thus far have won general approval from the steel industry, but inquiries from military steel strengthens the belief that civilians will have to tighten their steel requirement belts still further. The apparent inability of far western mills to absorb as great a steel plate load as had been hoped, further complicates the problem of substantially increasing the steel industry's shell steel output.

"The impact of the newly expanded shell steel programs which in the overall will be increased as much as 20%, with the greatest increment in the smaller categories, will be tremendous on the output of other steel items. Some steel companies are now facing production and delivery problems strongly reminiscent of several months ago, before cutbacks gathered momentum.

"Steel orders recently have been on the rebound and deliveries on practically all products have again become quite extended.

"An upward movement in scrap prices at all locations except the West Coast was in full swing this week. The "Iron Age" steel scrap composite price advanced \$1.59 a gross ton this week to \$18.67 a gross ton.

The American Iron and Steel Institute on Dec. 4 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 96.0% of capacity for the week beginning Dec. 4, compared with 96.3% one week ago, 96.3% one month ago and 99.3% one year ago. The operating rate for the week beginning Dec. 4 is equivalent to 1,727,000 tons of steel ingots and castings, compared to 1,732,400 tons one week ago, 1,732,400 tons one month ago, and 1,730,700 tons one year ago.

"Steel" of Cleveland in its summary of the iron and steel mar-

Manufacturing Workers' Earnings At New High

In the 25 manufacturing industries surveyed each month by the National Industrial Conference Board, average hourly and weekly earnings of workers were the highest on record in September, while "real" weekly earnings were only 0.2% below the June record. The Board, in its advices Nov. 20, also said:

"These figures, which include overtime and other monetary compensation, were \$1.08 for hourly earnings, a rise of 0.9% from August, and \$49.43 for weekly earnings, also an increase of 0.9%."

Key figures of The Conference Board's survey for September are:

"Hourly earnings average rose 0.9% to \$1.08. They were 4.2% higher than in September, 1943, 42.3% above January, 1941, and 83.1% above the 1929 level.

"Weekly earnings at \$49.43 were 0.9% above those of August. They have risen 4.9% since September, 1943, 61.5% above January, 1941, and 73.1% above 1929.

"Real weekly earnings, or dollar weekly earnings adjusted for changes in living costs, were 1.0% higher in September than in August. They were 2.8% above September, 1943, 32.4% above January, 1941, and 65.1% higher than those of 1929.

"Hours per week remained unchanged at the August level of 45.6. This was 0.3 hour more than in September, 1943, or 0.7%. They were 5.4 hours or 13.4% longer than in January, 1941, but 2.7 hours or 5.6% shorter than the average work week in 1929.

"Employment declined 0.9% in September. Since September, 1943, employment in the 25 manufacturing industries has declined 8.8%, but it was 24.9% greater than in January, 1941, and 35.0% greater than in 1929.

"Man-hours declined 0.9%. They averaged 8.2% below those of September, 1943, but were 41.9% greater than in January, 1941, and 27.4% greater than in 1929.

"Payrolls in September were 0.04% below those of August, and 4.4% below those of September, 1943. They were, however, 101.8% greater than in January, 1941, and 133.6% above those of 1929."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 29 a summary for the week ended Nov. 18 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Nov. 18, 1944	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week
Number of orders	21,164
Number of shares	589,912
Dollar value	\$24,769,814
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	305
Customers' other sales	18,751
Customers' total sales	19,057
Number of Shares:	
Customers' short sales	8,654
Customers' other sales	494,954
Customers' total sales	503,608
Dollar value	\$18,619,433
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	60
†Other sales	126,936
Total sales	126,996
Round-Lot Purchases by Dealers:	
Number of shares	200,280
*Sales marked "short exempt" are reported with "other sales."	
†Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."	

Daily Average Crude Oil Production for Week Ended Nov. 25, 1944 Decreased 2,850 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 25, 1944, was 4,736,000 barrels, a decrease of 2,850 barrels from the preceding week. The current figure, however, exceeded the corresponding week last year by 322,350 barrels per day and was 15,500 barrels higher than the daily average figure recommended by the Petroleum Administration for War for the month of November, 1944. Daily output for the four weeks ended Nov. 25, 1944, averaged 4,730,500 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,672,000 barrels of crude oil daily and produced 14,549,000 barrels of gasoline, 1,452,000 barrels of kerosine, 4,484,000 barrels of distillate fuel and 8,992,000 barrels of residual fuel oil during the week ended Nov. 25, 1944, and had in storage at the end of that week 79,421,000 barrels of gasoline, 13,502,000 barrels of kerosine, 47,101,000 barrels of distillate fuel and 62,835,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

District	*P. A. W. Recommendations November	*State Allowables Nov. 1	Actual Production		4 Weeks Ended Nov. 25, 1944	Week Ended Nov. 27, 1943
			Week Ended Nov. 25, 1944	Change from Previous Week		
Oklahoma	345,000	346,000	357,250	+ 800	358,650	325,800
Kansas	274,000	269,400	274,200	+ 8,500	270,800	273,200
Nebraska	1,000	---	950	- 50	950	1,700
Panhandle Texas	---	---	94,150	---	94,650	85,500
North Texas	---	---	151,200	---	150,950	141,900
West Texas	---	---	473,950	---	476,000	359,750
East Central Texas	---	---	144,600	---	145,150	142,950
East Texas	---	---	367,900	---	368,250	376,400
Southwest Texas	---	---	347,100	---	345,750	298,100
Coastal Texas	---	---	553,400	---	551,700	524,600
Total Texas	2,133,000	2,138,385	2,132,300	---	2,132,450	1,929,200
North Louisiana	---	---	72,350	+ 100	72,450	78,800
Coastal Louisiana	---	---	291,300	---	291,150	272,200
Total Louisiana	350,000	395,500	363,650	+ 100	363,600	351,000
Arkansas	78,000	79,975	80,300	- 150	80,500	78,450
Mississippi	50,000	---	52,950	+ 400	51,600	49,650
Alabama	---	---	250	---	250	---
Florida	---	---	50	---	50	---
Illinois	200,000	---	211,400	+ 20,950	202,700	218,100
Indiana	13,000	---	13,350	+ 850	13,050	13,500
Eastern (Not incl. Ill., Ind., Ky.)	72,000	---	63,850	- 2,900	66,150	69,850
Kentucky	26,000	---	29,400	- 1,000	30,250	24,550
Michigan	50,500	---	47,800	- 2,000	48,550	53,750
Wyoming	100,000	---	96,900	+ 3,250	95,300	102,850
Montana	24,000	---	21,350	---	21,300	21,300
Colorado	9,000	---	9,350	- 300	9,500	7,350
New Mexico	110,000	110,000	104,850	---	104,850	112,900
Total East of Calif.	3,835,500	---	3,860,200	+ 9,850	3,850,500	3,633,150
California	885,000	885,000	875,800	- 12,700	880,000	780,500
Total United States	4,720,500	---	4,736,000	- 2,850	4,730,500	4,413,650

*P.A.W. 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.

†This is the net basic allowable as of Nov. 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 2 to 15 days, the entire state was ordered shut down for 6 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 6 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 NOV. 25, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

District	Daily Refining Capacity	Potential % Re-Porting Rate	Crude Runs to Stills		Production at Refineries		Stocks of Gasoline	Stocks of Gas Oil	Stocks of Residual Fuel Oil
			Average Daily	% Natural	Finished	Unfinished			
East Coast	729	100.0	700	96.0	1,610	11,995	14,040	10,351	
Appalachian									
District No. 1	130	83.9	106	81.5	309	2,445	492	326	
District No. 2	47	87.2	54	114.9	170	1,570	218	145	
Ind., Ill., Ky.	824	85.2	785	95.3	2,932	16,028	7,181	3,763	
Okl., Kans., Mo.	418	80.2	378	90.4	1,479	7,460	2,455	1,645	
Inland Texas	278	66.9	245	88.1	962	2,843	428	601	
Texas Gulf Coast	1,165	90.5	1,146	98.4	3,560	14,451	7,655	8,216	
Louisiana Gulf Coast	242	95.5	266	109.9	735	4,132	2,180	1,202	
No. La. & Arkansas	104	68.0	83	79.8	235	2,406	637	316	
Rocky Mountain									
District No. 3	13	17.0	11	84.6	307	65	19	31	
District No. 4	141	58.3	100	70.9	91	1,655	387	589	
California	817	89.9	798	97.7	2,159	14,371	11,409	35,650	
Total U. S. B. of M. basis Nov. 25, 1944	4,908	87.2	4,672	95.2	14,549	79,421	47,101	62,835	
Total U. S. B. of M. basis Nov. 18, 1944	4,908	87.2	4,567	93.1	14,579	78,741	48,017	63,301	
U. S. Bur. of Mines basis Nov. 27, 1943			4,282		12,614	69,229	45,449	61,735	

*Composed of 13,017,000 barrels of unfinished, 41,484,000 barrels civilian-grade automotive and 24,920,000 barrels aviation, military, solvents and naphthas, and gasoline blending stocks currently indeterminate as to ultimate use. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,452,000 barrels of kerosine, 4,484,000 barrels of gas oil and distillate fuel oil and 8,992,000 barrels of residual fuel oil produced during the week ended Nov. 25, 1944, which compares with 1,479,000 barrels, 4,436,000 barrels and 8,824,000 barrels, respectively, in the preceding week and 1,474,000 barrels, 4,379,000 barrels and 8,726,000 barrels, respectively, in the week ended Nov. 27, 1943.

Note—Stocks of kerosine at Nov. 25, 1944 amounted to 13,502,000 barrels, as against 14,137,000 barrels a week earlier and 10,699,000 barrels a year before.

Weekly Coal and Coke Production Statistics

The Solid Fuels Administration, U. S. Department of Interior, in its latest report, states that the total production of soft coal in the week ended Nov. 25, 1944, is estimated at 11,200,000 net tons, a decrease of 980,000 tons, or 8%, from the preceding week. In the week of November, 1943, production of soft coal amounted to 12,635,000 net tons. During the calendar year through Nov. 25, 1944, output totaled 564,830,000 tons, a gain of 6.5% over the corresponding year of 1943.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Nov. 25, 1944, was estimated at 1,135,000 tons, a decrease of 114,000 tons (9.1%) from the preceding week. When compared with the output in the corresponding week of 1943, there was a decrease of 133,000 tons, or 10.5%. The calendar year to date shows an increase of 6.9% when compared with the corresponding period of 1943.

The estimated production of beehive coke in the United States for the week ended Nov. 25, 1944, showed a decrease of 9,500 tons when compared with the output for the week ended Nov. 18, and was 62,500 tons less than for the corresponding week of 1943.

Item	Week Ended			January 1 to Date		
	Nov. 25, 1944	Nov. 18, 1944	Nov. 27, 1943	Nov. 25, 1944	Nov. 27, 1943	Nov. 27, 1937
Total incl. mine fuel	11,200,000	12,180,000	12,685,000	564,830,000	530,481,000	405,145,000
Daily average	2,000,000	2,030,000	2,187,000	2,021,000	1,885,000	1,458,000

*Average based on 5.6 working days.

Item	Week Ended			Calendar Year to Date		
	Nov. 25, 1944	Nov. 18, 1944	Nov. 27, 1943	Nov. 25, 1944	Nov. 27, 1943	Nov. 27, 1937
Penn. anthracite—	1,135,000	1,249,000	1,268,000	59,031,000	55,226,000	46,706,000
Total incl. coll. fuel	1,090,000	1,199,000	1,217,000	56,671,000	53,017,000	44,371,000
Commercial produc.	1,090,000	1,199,000	1,217,000	56,671,000	53,017,000	44,371,000
Beehive coke—	---	---	---	6,846,200	7,147,700	3,016,700
United States total	107,300	116,800	169,800	6,846,200	7,147,700	3,016,700

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

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

State	Week Ended			
	Nov. 18, 1944	Nov. 11, 1944	Nov. 20, 1943	Nov. 20, 1937
Alabama	368,000	360,000	413,000	246,000
Alaska	7,000	7,000	7,000	2,000
Arkansas and Oklahoma	97,000	80,000	91,000	82,000
Colorado	157,000	151,000	188,000	178,000
Georgia and North Carolina	1,600	1,000	1,000	*
Illinois	1,490,000	1,196,000	1,642,000	1,138,000
Indiana	586,000	472,000	617,000	395,000
Iowa	54,000	42,000	62,000	97,000
Kansas and Missouri	182,000	188,000	174,000	168,000
Kentucky—Eastern	1,005,000	773,000	994,000	686,000
Kentucky—Western	382,000	324,000	324,000	193,000
Maryland	34,000	33,000	39,000	33,000
Michigan	3,000	3,000	4,000	14,000
Montana (bitum. & lignite)	97,000	88,000	131,000	79,000
New Mexico	32,000	33,000	37,000	30,000
North & South Dakota (lignite)	57,000	62,000	77,000	72,000
Ohio	674,000	675,000	651,000	492,000
Pennsylvania (bituminous)	2,864,000	2,705,000	3,067,000	1,815,000
Ohio	139,000	114,000	170,000	101,000
Texas (bituminous & lignite)	3,000	3,000	6,000	19,000
Utah	137,000	137,000	126,000	82,000
Virginia	388,000	302,000	416,000	258,000
Washington	29,000	32,000	18,000	42,000
West Virginia—Southern	2,110,000	1,731,000	2,392,000	1,408,000
West Virginia—Northern	1,082,000	992,000	1,110,000	476,000
Wyoming	201,000	196,000	217,000	124,000
Other Western States	1,000	*	*	1,000
Total bituminous & lignite	12,180,000	10,700,000	12,974,000	8,231,000
Pennsylvania anthracite	1,249,000	1,158,000	1,213,000	1,029,000
Total all coal	13,429,000	11,858,000	14,187,000	9,260,000

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

Non-Ferrous Metals—WPB to Review Lead Supply Situation—Quicksilver Unchanged

E. & M. J. metal and mineral markets in its issue of November 30, stated:

"Concern in Washington over the reduction in surplus stocks of lead that has occurred this year now points to action to maintain the stockpile at a minimum of about 100,000 tons. The advisory group representing the industry has been asked to meet with WPB officials to review the outlook. Copper and zinc producers learned last week that the small-arms ammunition program will be expanded, pointing to sustained high consumption of brass in the first quarter of 1945. Additional curtailment in production of magnesium was ordered at government-owned plants. Exports of tin from Bolivia in October were smaller than in the prior month, but above the monthly average for the first ten months of the year. Quicksilver was unchanged." The publication further went on to say:

Copper
Demand for copper and brass for the munitions program continues on a scale that offered little hope of an early expansion in tonnages released for civilian consumption. The industry believes that imports of copper for first-quarter needs will not be reduced. Brass in the form of fired cartridge cases of small arms and artillery is the only non-ferrous metal scrap being returned from overseas in quantity, according to a recent report by the United States Army. Owing to the shortage of personnel and conservation of shipping space the amount of this brass being returned has

Lead
The shrinking stockpile in lead has brought the subject of supply and demand of the metal up for review in Washington. The advisory committee of the industry will meet with WPB officials today (Nov. 30) to explore the situation. Producers believe that the authorities intend to take steps that will prevent the reserve supply from falling below 100,000 tons. This may be accomplished by increasing imports, or asking consumers to limit their purchases to actual nearby requirements. Little hope is held out for increasing domestic production, ow-

ing to the tight labor situation. Action on releasing foreign lead for December delivery awaits the outcome of WPB deliberations.

Sales in the domestic market for the last week amounted to 3,491 tons.

The Federal Trade Commission has filed a complaint alleging a conspiracy to maintain monopolistic conditions and non-competitive prices in interstate sales of white lead. Companies named are National Lead, Anaconda, International Smelting & Refining, Eagle-Picher Lead, Eagle-Picher Sales, Sherwin-Williams, and Glidden.

Zinc
The announced expansion in the smallarms ammunition program has made producers lift their estimates on probable consumption of zinc by brass makers early next year. Orders for zinc have come through on a larger scale, anticipating increased demands for brass. Call for zinc was confined chiefly to high grade and brass special.

Tin
Tin contained in concentrates exported from Bolivia during October amounted to 3,913 metric tons, which compares with 4,750 tons in September, and 3,254 tons in October last year. Exports in the January-October period totaled 32,494 tons of tin contained.

Statistics released by the Bureau of Mines place 1943 consumption of tin in the United States at 80,330 long tons, of which 34,077 tons was classified as secondary. This compares with 85,687 tons in 1942 (29,299 tons secondary); 134,695 tons in 1941 (31,609 tons secondary); and 97,154 tons in 1940 (24,830 tons secondary). The tinplate industry consumed 44% of the total tonnage of primary metal used in 1943.

Prices in the United States market remained unchanged last week on the basis of 52c. per pound for Straits quality tin. Shipment quotations were nominally as follows:

	Dec.	Jan.	Feb.
November 23	---	Holiday	---
November 24	52.00	52.00	52.00
November 25	52.00	52.00	52.00
November 27	52.00	52.00	52.00
November 28	52.00	52.00	52.00
November 29	52.00	52.00	52.00

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

Magnesium
Because military use of magnesium has continued to decrease, and surplus stocks of the metal have almost doubled the amount originally set aside as a safety reserve, WPB last week announced additional curtailment of production. Production of magnesium in government-owned plants will virtually cease by Jan. 1, 1945, it was stated officially.

All restrictions on the use of magnesium were removed by WPB in October.

Quicksilver
The supply situation in quicksilver remains tight and occasional business is heard of at prices close to and at the

Revenue Freight Car Loadings During Week Ended Nov. 25, 1944 Decreased 95,643 Cars

Loading of revenue freight for the week ended Nov. 25, 1944, totaled 768,730 cars, the Association of American Railroads announced on Nov. 30. This was a decrease below the corresponding week of 1943 of 51,102 cars, or 6.2%, but an increase above the same week in 1942 of 25,266 cars, or 3.4%.

Loading of revenue freight for the week of Nov. 25 decreased 95,643 cars, or 11.1% below the preceding week due to Thanksgiving holiday.

Miscellaneous freight loading totaled 371,136 cars, a decrease of 36,864 cars below the preceding week but an increase of 2,961 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 98,383 cars, a decrease of 10,446 cars below the preceding week but an increase of 2,259 cars above the corresponding week of 1943.

Car loading amounted to 162,603 cars, a decrease of 12,964 cars below the preceding week and a decrease of 19,221 cars below the corresponding week in 1943.

Grain and grain products loading totaled 45,578 cars, a decrease of 6,457 cars below the preceding week and a decrease of 5,253 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of Nov. 25 totaled 30,499 cars, a decrease of 3,574 cars below the preceding week and a decrease of 2,217 cars below the corresponding week in 1943.

Livestock loading amounted to 21,095 cars, a decrease of 3,222 cars below the preceding week but an increase of 5,058 cars above the corresponding week in 1943. In the Western Districts alone loading of livestock for the week of Nov. 25 totaled 16,579 cars, a decrease of 2,473 cars below the preceding week but an increase of 4,433 cars above the corresponding week in 1943.

Forest products loading totaled 37,683 cars, a decrease of 3,774 cars below the preceding week and a decrease of 4,244 cars below the corresponding week in 1943.

Ore loading amounted to 18,871 cars, a decrease of 21,154 cars below the preceding week and a decrease of 30,782 cars below the corresponding week in 1943.

Coke loading amounted to 13,381 cars, a decrease of 762 cars below the preceding week and a decrease of 1,880 cars below the corresponding week in 1943.

All districts reported decreases compared with the corresponding week in 1943, except the Central Western, but all districts reported increases compared with 1942 except the Northwestern.

Table with 4 columns: Week, 1944, 1943, 1942. Rows include weeks of January through November 25, and a Total row.

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 25, 1944. During the period 48 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED NOV. 25

Large table with columns: Railroads, Total Revenue Freight Loaded (1944, 1943, 1942), Total Loads Received from Connections (1944, 1943, 1942). Rows include Eastern, Northwestern, Central Western, Southwestern, and Allegheny districts.

Main table with columns: Railroads, Total Revenue Freight Loaded (1944, 1943, 1942), Total Loads Received from Connections (1944, 1943). Rows include Southern, Northwestern, Central Western, and Southwestern districts.

Maj. Gen. Hurley Named Ambassador to China

President Roosevelt sent to the Senate on Nov. 27 the nomination of Maj. Gen. Patrick J. Hurley, U. S. Army, of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States to China. In United Press advices from Washington Nov. 24 it was stated: "General Hurley would succeed Clarence E. Gauss, Ambassador to China since 1941, who resigned shortly after General Joseph W. Stillwell was recalled last month. General Hurley has been in China for some time in an advisory capacity to aid China's output of war materials."

From Chungking, Nov. 26, the Associated Press reported: "Ranking Chinese welcomed today the appointment of Major-Gen. Patrick J. Hurley as United States Ambassador, expressing the belief that it reflected Washington's acute interest and concern in the critical China situation."

"It was felt that Gen. Hurley, who came here as President Roosevelt's personal representative, enjoyed more intimate contact with the White House than his predecessors. In frequent discussions with President Chiang Kai-shek, Gen. Hurley has become closer personally to the Generalissimo than any other American Ambassador or other foreigner."

P. O. Appeals for Early Christmas Buying, Mailing

An appeal to the public to buy and mail their Christmas purchases as early as possible, was recently made by Frank C. Walker, Postmaster General, who stated that otherwise "the postal service cannot do its job of delivering all Christmas gifts on time." Noting that "extraordinary wartime conditions face us," Mr. Walker said:

"Unprecedented shortages of man power and transportation facilities growing out of the war compel early mailing. The Postal Service has given 50,000 experienced employees to the armed forces and 300,000 railroad workers have gone to war. Equally serious is the fact that rail and other transport facilities are taxed to the limit with the great burden of war traffic which all of us know must take precedence."

"The way in which everyone responded in making it possible for us to handle a volume of 70,000,000 parcels for the armed forces overseas leaves no doubt in my mind that the Christmas mailing will be equally successful. I ask for the help of the press, radio, business advertisers, civic groups and all Americans in making it possible for the Postal Service to do its work."

"We urge everyone to buy now, mail and mark gifts 'Do Not Open Until Christmas.'"

Lumber Movement Week Ended Nov. 25, 1944

According to the National Lumber Manufacturers Association, lumber shipments of 497 mills reporting to the National Lumber Trade Barometer were 5% above production for the week Nov. 25, 1944. In the same week new orders of these mills were 6% more than production. Unfilled order files of the reporting mills amounted to 87% of stocks. For reporting softwood mills, unfilled orders are equivalent to 34 days' production at the current rate, and gross stocks are equivalent to 36 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 2.8%; orders by 3.9%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 20.1% greater; shipments were 26.8% greater, and orders were 16.3% greater.

Weekly Statistics of Paperboard Industry

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

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

Table with columns: Period, Orders Received, Production Tons, Unfilled Orders Remaining, Percent of Activity (Current, Cumulative). Rows include 1944-Week Ended (August 5-26, September 2-30, October 7-21, November 4-25) and 1943-Week Ended (September 2-30, October 7-21, November 4-25).

Notes: Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Items About Banks, Trust Companies

In its Dec. 1 Bulletin, the New York State Banking Department reported approval by it on Nov. 25 of certificate of increase of Morgan & Cie Inc., 23 Wall St., of the amount of capital stock and authorization of new shares from \$150,000, consisting of 1,500 shares having a par value of \$100 each, to \$1,000,000, consisting of 10,000 shares having a par value of \$100 each.

Nathan C. Lenfestey, Vice-President and Cashier of The National City Bank of New York, was tendered a reception at the Bankers Club on Nov. 30 to mark the completion of his 25th year as Cashier of the bank. More than 500 veteran employees and officers who have been closely associated with him during that time attended.

E. Chester Gersten, President of The Public National Bank & Trust Company of New York, announces that directors on Nov. 30 recommended, subject to shareholders' vote and approval of the Comptroller of the Currency, an increase in capital of the bank to \$7,700,000 by transfer of \$700,000 from undivided profits and payment of 10% stock dividend on Feb. 1, 1945 to holders of record Jan. 16, 1945. Total capital, surplus and undivided profits are expected to aggregate approximately \$20,500,000 as of the end of the year. Regular quarterly dividend of 37½¢ per share was declared payable Jan. 2, 1945 to holders of record, Dec. 20, 1944.

Manufacturers Trust Co. has announced that Elliott Debevoise, Vice-President of the bank for the last 12 years, and affiliated with its Fifth Avenue office at Fifth Avenue, corner 43rd Street, for the last two years, will be placed in charge of that office beginning Jan. 1. He will succeed John T. Madden, Vice-President, who is leaving at the end of the year to become President of the Emigrant Industrial Savings Bank. Mr. Madden will continue to be closely identified with Manufacturers Trust Co. by reason of the fact that he will be elected to its board of directors in the near future. A native New Yorker, Mr. Debevoise was graduated from Williams College in 1915. During World War I he served in the Navy as a Lieutenant. Mr. Debevoise began his banking career with the former Seaboard National Bank in 1920, and one year later became associated with the former Chatham Phenix National Bank & Trust Co., where he served successively as Assistant Trust Officer, Assistant Cashier, Assistant Vice-President and Vice-President. Following the merger of Manufacturers Trust Co. with Chatham Phenix National Bank & Trust Co. in 1932, Mr. Debevoise continued as a Vice-President of the former institution, and, during the next two years he was located at the 149 Broadway Office of the bank. In 1934, he was named Vice-President in charge of the Personal Trust Department at the Main Office of Manufacturers Trust Co., where he remained for eight years. In 1942, he was assigned to the Fifth Avenue office. Mr. Debevoise is a director of the Oil Transfer Corp. and a member of the Executive Committee of Trust Companies Association of New York. He is a past President of the New York Chapter of Robert Morris Associates.

Walter R. Miller, formerly Assistant Vice-President of Manufacturers Trust Company, New York, has been elected a Vice-President of the bank. Mr. Miller was graduated from New York University in 1925. Immediately after graduation, he entered the employ of the former National Bank of Commerce in New York as a credit analyst. He remained there until 1928 when he accepted

a position in the credit department of the former Chatham Phenix National Bank & Trust Co. Following the merger of Chatham Phenix with Manufacturers Trust Company in the early part of 1932, Mr. Miller was transferred to the principal office of the latter institution and was named branch loan supervisor for several of its offices. During the latter part of 1932, Mr. Miller was appointed Assistant Manager of Manufacturers Trust Company's office in the Williamsburg Bridge Plaza in Brooklyn. Four years later he was elected an Assistant Secretary and placed in charge of that office, and in 1938 he was transferred to the office at 84 Broadway, Brooklyn. One year later, Mr. Miller was transferred back to the main office to assist in the supervision of the bank's 23 offices in Brooklyn and Queens, and in 1940 he was elected an Assistant Vice-President.

Manufacturers Trust Company of New York announces that John H. Brennen, H. C. V. Cann, Raymond F. De Mott, Alexander M. Horner, Leon A. Rosenbaum and Edwin B. Thorpe, all former Assistant Secretaries, have been elected Assistant Vice-Presidents of the bank. Mr. Brennen is affiliated with the bank's Out-of-Town Department at its principal office. Mr. Cann is located at the office at 149 Broadway, New York. Mr. De Mott is in charge of the office at Fourth Avenue, corner 27th Street, New York, and Mr. Rosenbaum is at the office at Seventh Avenue, corner 39th Street, New York. Mr. Horner and Mr. Thorpe are with the bank's Personal Loan Department at 29 Broadway, New York.

The New York State Banking Department announced on Dec. 1 that it had approved on Nov. 24 the certificate of increase of capital stock from \$800,000, of the Trade Bank & Trust Co. of New York City, consisting of 80,000 shares having a par value of \$10 each, to \$1,500,000, consisting of 150,000 shares of a par value of \$10 each.

Robert M. Catherine, President of the Dollar Savings Bank, New York, N. Y., announced on Nov. 27 the election of Urban C. LeGost as Assistant Secretary of the bank.

Lester Mendell, Chairman of the Board of the Flushing National Bank, of Flushing, L. I., announces that the following have been elected to the bank's board of directors:

Charles F. Stratton, Vice-President, Treasurer and a director of the American Merchant Marine Steamship Corp., and Vice-President and Treasurer of Betalba Realty Corp.;

Russell Marston, President and director of Lawyers Mortgage Corp., and President and a director of the Carol Agency, Inc.;

Hubert F. Young, President, Treasurer and director of Fidel Association of New York, Inc., and Secretary, Treasurer and a director of Securities Corporation General; and

Jesse B. White, President, director and a member of the executive committee of the Rhode Island Insurance Company, and Vice-President of the Louisville Fire & Marine Insurance Company.

Charles Miller, banker and former Postmaster of Baldwin, Long Island, N. Y., died on Nov. 22. He was 82 years old. Mr. Miller was a director and one of the founders of the Baldwin National Bank & Trust Co. of Baldwin.

Horace S. Ford, Treasurer of the Massachusetts Institute of Technology, was elected a director of the Old Colony Trust Co., Boston, Mass., at a meeting of the directors on Nov. 21.

The approval of the stockholders of the Quincy Trust Co., of Quincy, Mass., was given recently at a meeting, to the proposed issuance of 10,000 shares of \$10 par stock which according to the Boston "Herald" of Dec. 2, were to be offered to stockholders of record Sept. 1 for subscription at \$15 a share on the basis of one share for each 2½ shares held. Stockholders also voted that proceeds of the stock sale shall be used to retire and cancel 12,950 shares of preferred, amounting to \$129,500, held by the RFC.

It is announced that sale of the unsubscribed portion of an issue of 60,000 shares of First Camden National Bank and Trust Company of Camden, N. J., \$12.50 par value common stock, has been completed by Butcher & Sherrerd, Philadelphia, underwriters. The shares were originally offered for subscription to common stockholders at \$13 per share.

Charles Hasler, Treasurer of the Orange Savings Bank, Orange, N. J. and veteran of 58 years in the banking business, died on Nov. 26, at the age of 74. According to the Newark "News" Mr. Hasler began his banking career as a clerk in the former Orange National Bank. He served that institution 45 years, and when he resigned in 1931 to take the position of Treasurer of Orange Savings Bank he was a Cashier and director.

Albert R. Jube, a director of the National State Bank, of Newark, N. J., and member of the law firm of Chamberlin, Kafer, Wilds & Jube of New York, was elected on Nov. 30, a trustee of the United States Savings Bank, Newark, N. J. Mr. Jube was a member of New Jersey's former Governor Edison's Committee on Railroad Taxation, and is a director of the Fireman's Insurance Co. of Newark and of Collins & Aikman Corp. of N. Y.

James E. Gowen, President of the Girard Trust Co., of Philadelphia, Pa., on Dec. 1 announced the resignation of Effingham B. Morris, Jr., as Vice-President of the bank. Mr. Morris, whose resignation will go into effect Jan. 1, has been with the bank since 1928. Simultaneously, Mr. Gowen announced that Clyde P. Smith had been named Assistant Treasurer and John E. Neeley, Assistant Secretary.

Albert D. Graham, Chairman of the Board of the First National Bank of Baltimore, Md., announced recently that an increase in the outstanding capital stock of the bank from 400,000 to 500,000 shares was recommended by directors at a meeting held on Nov. 28. J. S. Armstrong, Financial Editor of the Baltimore "Sun" in reporting this also said in part:

"The board proposes that the 100,000 additional shares be offered to stockholders at \$30 a share in the proportion of one new share for each four now held.

"The stock is now quoted on the over-the-counter markets 58 bid, 60 asked, thus indicating a substantial value for the subscription rights.

"Stockholders will be asked to authorize the capital increase at the annual meeting scheduled to take place next Jan. 9.

"Issuance of the new stock will increase the bank's combined capital, surplus and undivided profits from \$12,200,000 to \$15,200,000. Capital will be augmented from \$4,000,000 to \$5,000,000; surplus from \$6,000,000 to \$8,000,000, and undivided profits will be unchanged at \$2,200,000.

"Deposits of the First National, largest commercial bank in the Fifth Federal Reserve district, are now averaging around \$300,000,000."

James Edward Webb, President and founder of the Bank of Hampton Roads at Newport News, Va., and civic leader, died on Nov. 30. Mr. Webb was 71 years of age.

The Community Bank of Warsaw, Warsaw, Mo., became a member of the Federal Reserve Bank on Dec. 1, according to an announcement by the Federal Reserve Bank of St. Louis, which said:

"The new member was chartered March 2, 1934. It has a capital of \$25,000 and surplus of \$20,000; total resources of \$765,719. Its officers are: C. W. Kennedy, President; M. N. White, Vice-President; W. J. Lumpe, Cashier, and Beryl Gregory and J. E. Brady, Assistant Cashiers.

"The addition of the Community Bank of Warsaw brings the total membership of the Federal Reserve Bank of St. Louis to 474. These member banks hold over 70% of the net deposits of all banking institutions in the Eighth District."

Roy E. Garnett, President of the First National Bank in Lake Worth, Florida, announces that a 150% increase in the bank's capital stock was voted at a special meeting of the stockholders held on Nov. 29. This increase is being accomplished by the sale of 500 shares of stock at \$100 per share or \$50,000 of new stock to stockholders of record as of Nov. 23, 1944 and a \$100,000 stock dividend on the basis of one additional share for each share owned. When completed on Dec. 31, the capital will show \$200,000 surplus, \$200,000 undivided profits and reserves over \$62,000 for a total of more than \$462,000 or an increase of \$102,000 over one year ago. In addition, Mr. Garnett stated that the par value of the bank's stock is being reduced from \$100 to \$10 per share so that as of Dec. 31, 1944 there will be 20,000 shares outstanding.

It was also revealed by Mr. Garnett that only 12 out of 175 banks in Florida would have a larger Capital Account to its credit than the First National Bank in Lake Worth will show on Dec. 31. He also said that this capital stock increase would enable the bank to take greater advantage of, and be prepared for increased business. A further report to the stockholders by Mr. Garnett disclosed that checking and savings accounts number over 4,700 which is more than 25% ahead of last year, while the deposit increase is 57% as of this date and now total \$5,500,000.

Wiley R. Reynolds, Chairman of the Board of the Lake Worth bank in addition, heads the First National Bank in Palm Beach and American National Bank, Miami.

"The election of J. C. Tenison as President of the Dallas National Bank of Dallas, Tex., to succeed the late Ernest R. Tennant, was announced on Nov. 25 by Christian C. Weichsel, Chairman of the Board of the bank.

Mr. Weichsel at the same time announced the election of Roger L. Tennant as a member of the board of directors, and Joe Agee as Executive Vice-President.

In reporting these changes the Dallas "Times-Herald" of Nov. 26 said:

"Mr. Tennant has been in the banking business since 1908, starting as a runner and collector for the old City National Bank, of which his father was president. Mr. Tennant left the City National in 1916 to become a member of the firm of E. O. Tenison and Sons, Bankers, a private bank which in 1917 was nationalized as the Tenison National Bank. He was elected Vice-President of Tenison National, which in 1920, merged with the City National Bank. He then served as Cashier of the Dallas National Bank, which in 1931 consolidated with the Dallas Bank and Trust Company and operated until 1937 when a national charter was secured. Mr. Tennant was Vice-President and Cashier of the bank but owing to the growth of the institution, some years ago relinquished the position of Cashier and served as Vice-President only.

The election of W. W. Banks, President of the Dallas Tank Co., Dallas, Tex., as a member of the board of directors of the Oak Cliff Bank and Trust Co., of Dallas, was announced by R. D. Suddarth, President of the Oak Cliff Bank on Nov. 16.

M. M. Walter, manager of the main Montreal branch of The Royal Bank of Canada since 1938, who began his banking career with The Royal Bank in 1912 and who is well known in business and financial circles, has been appointed Assistant General Manager of the bank, according to announcement received at The Royal Bank's New York agency. In addition to his new duties, Mr. Walter will continue to serve as manager of the Montreal branch. He is a veteran of the First World War and an officer in the Second Battalion, Canadian Grenadier Guards, is a member of the Soldiers' Dependents Advisory Board, and for a number of years has taken an active interest in the work of the Canadian Red Cross and Montreal Welfare Federation.

Organization of Blood Donor Groups Urged

The organization of blood donor groups for the duration to back up General Eisenhower's call for "more of everything" was urged on industry and labor at the weekly business forum of the Commerce and Industry Association of New York in observing "Thanksgiving for Plasma" over Station WMCA on Nov. 22. "Make it the business of business to bring them back alive," Gordon Lamont, Chairman of the Blood Donor Committee of the New York Chapter of the American Red Cross, said in urging the formation of the donor groups. In praising the more than 400 firms and organizations which have instituted such a program for the duration, Mr. Lamont said they constitute between 60 and 70% of the donors at the New York Blood Donor Center. He added that while 650,000 donors in Manhattan and Brooklyn have contributed 1,250,000 pints of blood, the number represents but 6% of New York's population. "When are the rest going to get into the fight?" he asked. "Too many people think the war is over. It is all over but the fighting. That really takes blood. When the boys come back and ask 'What were you doing while I was fighting, bleeding and dying?' you donors will have an answer. You are going to be able to say 'We sent blood.' And those boys will know, because their lives will have been saved by you donors," Mr. Lamont said.

A graphic example of the value of blood plasma was a speaker on the forum in the person of Lieutenant Cord Meyer, Jr., of the Marine Corps.

Walter E. Van der Waag, Chairman of the Blood Donor Committee of the Federal Reserve Bank of New York, described the organization of the Bank's hundreds of employees who are regularly donating their blood. He said they even have a so-called flying squadron that jumps in to fill gaps in their pledged quota when business or illness prevents scheduled donors from keeping an appointment. Placards about the Bank show the ratio of blood donors to Bank personnel in the armed forces. More than 25% of the employees are donors, with a total of 2,100 pints in 18 months.

Lieut. Meyer closed the forum by pointing out that "If those back in the United States donate sufficient blood, even the most seriously wounded will have a fighting chance. If we do not give enough, in the fond belief that the war will soon be over, or thinking that someone else will do it, the day will come when some boy who might have lived will die instead."