

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4428

New York, N. Y., Thursday, October 11, 1945

Price 60 Cents a Copy

The Financial Situation

However unfortunate the epidemic of strikes and threats of strikes, however unwise labor leaders may be in their current behavior, and however "irresponsible" many of the rank and file of the wage earners of the country have proved themselves to be, it must be said in all candor that the labor difficulties now being encountered are the natural outgrowth of what has gone before. Not, of course, by way of undertaking any defense of the unions of the country, but rather in order to know better how to deal with the situation by which we are now confronted, and to make sure if that may be that we shall not repeat the blunders which are in very substantial part responsible for present difficulties, it is worth while to analyze the situation carefully.

Human nature being what it is, we must apparently always expect labor strife whenever general conditions seem to the rank and file of the workmen to be favorable for exerting pressure upon their employers, and particularly when in addition the treasure chests of the unions are well filled. Business—as well as the general community—is almost feverishly eager to get back to a peace footing as quickly as possible. It is exceedingly loath to permit anything to get in the way of rapid "reconversion." It is, on the whole, convinced that demand for goods will be substantial—that given any sort of reasonable conditions under which to operate money can be made during the next few years. Moreover, it realizes the goodwill which prompt return to normal employment and civilian production would bring it—and it values public goodwill as never before.

The Position of Business

Business is not nearly so bloated with cash and other "quick" assets as many would have us believe. It is true (Continued on page 1748)

Byrnes Tells of Peace Parley

In Radio Address He Outlines Russia's Attitude and States U. S. Position. Says Some Points of Agreement Were Arrived At, But Disputes Russian Delegation's Interpretation of Potsdam Agreement Regarding Representation of Full Council in Deliberations. Holds Peace Must Be Among Peoples and Not Governments and Denies Unfriendliness Toward Russia as Determining Our Attitude in Balkans. Concludes We Must Not Relax in Our Efforts to Achieve a Just and Lasting Peace.

Secretary of State James F. Byrnes, recently arrived from London where, for three weeks as a member of the Council of Foreign



James F. Byrnes

Ministers established by the Potsdam Conference to settle peace terms with the Axis satellites, he participated in deliberations with other representatives of the Five Powers, spoke over the Columbia Broadcasting network on Friday, Oct. 5. In his address, Secretary Byrnes, though admitting at the outset that the London parley "closed in a stalemate," reported that unanimity on several matters had been achieved, and that "undeterred by temporary setbacks. . . . We must not relax in our efforts to achieve a just and lasting peace for ourselves and for

all nations." The text of the address follows:

The first session of the Council of Foreign Ministers closed in a stalemate. But that need not, and should not, deprive us of a second and better chance to get on with the peace.

In the past I have been both criticized and commended for being a compromiser. I confess that I believe that peace and political progress in international affairs as in domestic affairs depend upon intelligent compromise. The United States delegation acted in that spirit at Berlin. We acted in that spirit at London. And we shall continue to act in that spirit at future conferences.

That spirit is essential in international conferences where action can be taken only by unanimous agreement. When any one member can prevent agreement, compromise is a necessity. Men and women who have served on a jury can appreciate that.

Compromise, however, does not (Continued on page 1750)

Here and There

By A. WILFRED MAY

For the development of atomic energy for industrial use the most reliable estimate of the amount of money required lies in the five-to seven-hundred million dollar range. The method of such financing will present a problem; shall it be done exclusively by private industry with ownership remaining there, or shall private capital be accompanied by Government subsidy? Atomic energy, it is anticipated, will be used in making of new types of steel, various metals, products for medicinal use, and as a means for using solar energy for industrial purposes. It is highly dubious whether it will ever be economically practicable as a substitute for coal and other cheap fuels.

The fallacy in much of the discussion over whether to disclose our atomic achievement to other nations lies in the assumption that it involves merely a simple formula like a recipe from a cookbook, which can be readily transmitted in a trans-Atlantic telephone conversation. Actually the processes involve several thousand different patents, and are the product of this country's unparalleled industrial techniques and "know-how," without which our progress cannot be matched by other nations for years. They represent development over a span of years by the managerial brains and facilities of our greatest corporations, such as DuPont, Union Carbide, Radio Corporation, Eastman, etc.

In laying his recommendations on excess profits taxation before the House Ways and Means Committee last week Secretary of the Treasury Vinson, seems to have committed a serious double-error of commission as well as of omission. Affirmatively he stated that the excess profits tax has constituted an important contribution "to the maintenance of economic stability." In reality this technique of taxation—as had been forecast—encouraged enormous (Continued on page 1752)

GENERAL CONTENTS

Editorial	
Financial Situation.....	1745
Regular Features	
From Washington Ahead of the News.....	1745
Here and There.....	1745
Moody's Bond Prices and Yields.....	1756
Moody's Common Stock Yields.....	1756
Items About Banks and Trust Cos.....	1760
Trading on New York Exchanges.....	1757
NYSE Odd-Lot Trading.....	1757
State of Trade	
General Review.....	1747
Commodity Prices, Domestic Index.....	1758
Weekly Carloadings.....	1759
Weekly Engineering Construction.....	1757
Paperboard Industry Statistics.....	1759
Weekly Lumber Movement.....	1759
Fertilizer Association Price Index.....	1756
Weekly Coal and Coke Output.....	1758
Weekly Steel Review.....	1755
Moody's Daily Commodity Index.....	1758
Weekly Crude Oil Production.....	1758
Non-Ferrous Metals Market.....	1758
Weekly Electric Output.....	1758
Cotton Ginnings Prior to Sept. 16.....	1756
Bankers' Dollar Acceptances Outstanding at Aug. 31.....	1757
Crop Report as of Sept. 1.....	*1681
*This item appeared in our issue of Oct. 8 on page indicated.	

U. S. Must Assume Principal Role In Keeping World Peace: Truman

President Says He Will Not Shirk the Job, and Urges an Understanding of the Difficulties He Faces. Warns Road to Peace May Be More Difficult Than Road to Victory and Calls for Cooperation at Home and Abroad. Reasserts Attitude Against Isolation and Asks Labor, Management and Agriculture to Join in Showing the World Our Ability to Effect a Rapid Peacetime Conversion. Asserts "We Cannot Stand Another Global War."

In an extemporaneous address at Caruthersville, Mo., on Oct. 7, President Harry S. Truman spoke of the responsibilities and difficulties facing him in solving the problems of both "peace at home and peace abroad" and stated firmly that "I shall not shirk the job." He reviewed the progress toward international cooperation since he took office and reasserted his attitude against a policy of isolation. He called for American leadership in making the peace and urged that labor, management and agriculture cooperate and thus show the world that we are efficient in accomplishing reconversion from war to peace.



President Truman

The full text of his address, as reported by the Associated Press, follows:

My friends of Southeast Missouri, Northeast Arkansas, Tennessee, Kentucky and Illinois:

It is a pleasure to be here today. Once again I'm your guest at the American Legion Fair. It is a customary procedure for me. This is number 12. I came down here the first time, as I remember correctly, in 1934.

At that time I was the presiding judge of the County Court of Jackson County and a candidate for United States Senator. The next time I came I was the United States Senator from Missouri and for nine times I came down here as the Senator from Missouri because I like to come.

I have almost as many friends in this part of the great State of Missouri as I have in Jackson County, and that is really saying something.

(Continued on page 1753)

From Washington Ahead of the News

By CARLISLE BARGERON

One of Henry Wallace's men was circulating amongst us the other night with this story: A soldier in the South Pacific wrote to his father to this effect: "I see, after I have fought the war, that Truman is giving the country back to the men whom Roosevelt took it away from." The significant thing, whether any soldier wrote that or not, is that the Wallace camp would be circulating it. Certainly, it is not a thing for a loyal member of the Truman official family to be circulating. It is but further proof of the story, which we wrote sometime ago, that Wallace is looking for an ideological split with Truman so that he can become the great leader of the common man, among whom, of course, there is nobody any commoner than Henry.



Carlisle Bargeron

There is no indication, however, that this situation has had any influence on Truman. What did seem to have a little effect, though, was a recent visit to Bob Hannegan, chairman of the Democratic National Committee, and the man responsible for Truman, by a delegation of high CIO moguls. They are reported to have talked turkey to him, to have told him that they had gone to bat for the Roosevelt-Truman ticket and that unless there was a change in attitude on the part of the Democratic party, they intended to switch their CIO-PAC political support to the Republicans. Notwithstanding that Bob has been going around the country making conservative speeches, this is said to have excited him, and he went hot-footing to the White House. The result of this visit was that Mr. Truman sought to become a "leader." This writer has always been interested in how men become "leaders" and he was more than interested this time. Mr. Truman attempted to do it through the simple device of calling the House Ways and Means Committee before him, the committee being in the act of considering the full employment bill and the one to give workers up to \$25 a week unemployment compensation, and speaking "vigorously." We had to have the word of Charlie Ross, the White House press secretary, to tell us that Mr. Truman really talked to these fellows "vigorously." We have always wanted to see such a show as this.

It so happens that regardless of (Continued on page 1753)

President Urges Legislative Control of Atomic Power—House Group Asks Secrecy

In a message to Congress on Oct. 3 President Truman recommended that steps be taken to outlaw the use of atomic power as a destructive force to mankind and to promote its further development for the benefit of humanity. Associated Press Washington advices stated, adding that the President had made it clear that he intended to keep the principle of the atomic bomb secret while discussing with

the President's chief recommendation, the Associated Press continued, was that Congress authorize a United States Atomic Energy Commission to control domestic sources and the development of atomic energy for industrial uses. This Commission would have vast powers to buy, or take by condemnation all minerals and lands which can supply atomic energy.

The War Department and Congress moved swiftly to act on the President's recommendations for the Commission. Chairman May (Dem., Ky.) introduced legislation to carry out Mr. Truman's request.

The bill was sent to Mr. May by Secretary of War Patterson with a plea for immediate action. Secretary Patterson said the misuse of atomic energy "by design or through ignorance, may inflict incalculable disaster upon the nation, destroy the general welfare, imperil the national safety and endanger world peace."

The President went on to say, according to the Associated Press, that he proposed to initiate discussions with Great Britain and Canada looking to international agreements outlawing the use of atomic bombs.

Other nations, presumably including Soviet Russia, will be brought into the discussions later. At the same time the President stressed that—temporarily at least—the secret of the bomb would not be disclosed to others outside the Great Britain-Canada-United States group.

The President further stated: "I desire to emphasize that these discussions will not be concerned with disclosures relating to the manufacturing processes leading to the production of the atomic bomb itself.

"They will constitute an effort to work out arrangements covering the terms under which international collaboration and exchange of scientific information might safely proceed."

The outcome of the discussions will be reported to the Congress as soon as possible, and any resulting agreements requiring Congressional action will be submitted to the Congress.

But regardless of the course of discussions in the international field, I believe it is essential that legislation along the lines I have indicated be adopted as promptly as possible to insure the necessary research in, and development and control of, the production and use of atomic energy.

In part, the President's message as given in United Press accounts from Washington, also said:

Almost two months have passed since the atomic bomb was used against Japan. That bomb did not win the war, but it certainly shortened the war. We know that it saved the lives of untold thousands of American and Allied soldiers who would otherwise have been killed in battle.

The discovery of the means of releasing atomic energy began a new era in the history of civilization. The scientific and industrial knowledge on which this discovery rests does not relate merely to another weapon. It may some day prove to be more revolutionary in the development of human society than the invention of the wheel, the use of metals, or the steam or internal combustion engine.

Never in history has society been confronted with a power so

full of potential danger and at the same time so full of promise for the future of man and for the peace of the world. I think I express the faith of the American people when I say that we can use the knowledge we have won, not for the devastation of war, but for the future welfare of humanity.

To accomplish that objective we must proceed along two fronts—the domestic and the international.

The first and most urgent step is the determination of our domestic policy for the control, use and development of atomic energy within the United States.

We cannot postpone decisions in this field. The enormous investment which we made to produce the bomb has given us the two vast industrial plants in Washington and Tennessee, and the many associated works throughout the country. It has brought together a vast organization of scientists, executives, industrial engineers and skilled workers—a national asset of unestimable value.

The powers which the Congress wisely gave to the Government to wage war were adequate to permit the creation and development of this enterprise as a war project. Now that our enemies have surrendered, we should take immediate action to provide for the future use of this huge investment in brains and plant. I am informed that many of the people on whom depend the continued successful operation of the plants and the further development of atomic knowledge, are getting ready to return to their normal pursuits. In many cases these people are considering leaving the project largely because of uncertainty concerning future national policy in this field. Prompt action to establish national policy will go a long way toward keeping a strong organization intact.

It is equally necessary to direct future research and to establish control of the basic raw materials essential to the development of this power whether it is to be used for purposes of peace or war. Atomic force in ignorant or evil hands could inflict untold disaster upon the nation and the world. Society cannot hope even to protect itself—much less to realize the benefits of the discovery—unless prompt action is taken to guard against the hazards of misuse.

I therefore urge, as a first measure in a program of utilizing our knowledge for the benefit of society, that the Congress enact legislation to fix a policy with respect to our existing plants, and to control all sources of atomic energy and all activities connected with its development and use in the United States.

The legislation should give jurisdiction for these purposes to an Atomic Energy Commission with members appointed by the President with the advice and consent of the Senate.

The Congress should lay down the basic principles for all the activities of the Commission, the objectives of which should be the promotion of the national welfare, securing the national defense, safeguarding world peace and the acquisition of further knowledge concerning atomic energy.

The people of the United States know that the overwhelming power we have developed in this war is due in large measure to American science and American

industry, consisting of management and labor. We believe that our science and industry owe their strength to the spirit of free inquiry and the spirit of free enterprise that characterize our country. The Commission, therefore, in carrying out its functions should interfere as little as possible with private research and private enterprise, and should use as much as possible existing institutions and agencies. The observance of this policy is our best guarantee of maintaining the pre-eminence in science and industry upon which our national well-being depends.

All land and mineral deposits within the United States which constitute sources of atomic energy, and all stock piles of materials from which such energy may be derived, and all plants or other property of the United States connected with its development and use should be transferred to the supervision and control of the commission.

The Commission should be authorized to acquire at a fair price, by purchase or condemnation, any minerals or other materials from which the sources of atomic energy can be derived, and also any land containing such minerals or materials, which are not already owned by the United States.

The power to purchase should include real and personal property outside the limits of the United States.

The Commission should also be authorized to conduct all necessary research, experimentation and operation for the further development and use of atomic energy for military, industrial, scientific or medical purposes. In these activities it should, of course, use existing private and public institutions and agencies to the fullest practicable extent.

Under appropriate safeguards, the Commission should also be permitted to license any property available to the Commission for research, development and exploitation in the field of atomic energy. Among other things such licensing should be conditioned of course upon a policy of widespread distribution of peacetime products on equitable terms which will prevent monopoly.

In order to establish effective control and security, it should be declared unlawful to produce or use the substances comprising the sources of atomic energy or to import or export them except under conditions prescribed by the Commission.

Finally, the Commission should be authorized to establish security regulations governing the handling of all information, material and equipment under its jurisdiction. Suitable penalties should be prescribed for violating the security regulations of the Commission or any of the other terms of the act.

The other phase of the problem is the question of the international control and development of this newly discovered energy.

In international relations as in domestic affairs, the release of atomic energy constitutes a new force too revolutionary to consider in the framework of old ideas. We can no longer rely on the slow progress of time to develop a program of control among nations. Civilization demands that we shall reach at the earliest possible date a satisfactory arrangement for the control of this discovery in order that it may become a powerful and forceful influence toward the maintenance of world peace instead of an instrument of destruction.

Scientific opinion appears to be practically unanimous that the essential theoretical knowledge upon which the discovery is based is already widely known. There is also substantial agreement that foreign research can come abreast of our present theoretical knowledge in time.

The hope of civilization lies in international arrangements looking, in possible, to the renuncia-

tion of the use and development of the atomic bomb, and directing and encouraging the use of atomic energy and all future scientific information toward peaceful and humanitarian ends. The difficulties in working out such arrangements are great. The alternative to overcoming these difficulties, however, may be a desperate armament race which might well end in disaster. Discussion of the international problem cannot be safely delayed until the United Nations organization is functioning and in a position adequately to deal with it.

On Oct. 1, President Truman was urged by a group of Representatives just returned from a tour of United States military installations around the world to maintain the secret of the atomic bomb pending a report of findings by a Commission composed of scientists who directed the project, the Joint Chiefs of Staff, the State Department and Congress. We quote from Washington advices Oct. 1 to the New York "Times," which in part added:

The Congressional group, composed of members of the House Appropriations Subcommittee for the War Department, expressed their views in a report of conclusions including a recommendation that the United States keep possession of enemy islands in the Pacific, to the end that "we should never have to take them again."

Meanwhile Rep. Jerry Voorhis of California appealed to the House to heed the word of scientists who had agreed that an international authority should be established to control the use and development of the atomic bomb.

"I believe America could force this if we said we would give information regarding the release of atomic energy to such a world authority and to no one else," Representative Voorhis told the House.

He said he had been informed that 96% of the scientists who worked on the atomic bomb were agreed that control of the weapon should be vested in a world authority.

\$40 Billion Cut in Appropriations Is Sought by Truman

In a recapitulation issued by the White House, Oct. 3, it was pointed out that during September President Truman had recommended reductions of \$39,750,000 in appropriations available for the current fiscal year, special Washington advices to the New York "Times" stated, and continued:

Of the amount recommended for repeal by Congress, \$28,700,000,000 was in appropriations for the Army and \$8,300,000,000 for the Navy, with another \$2,800,000,000 for war emergency agencies and war-related activities.

In addition the President asked reductions of more than \$4,000,000,000 in contract authorizations, \$5,300,000,000 in unrequired balances in prior year appropriations and \$9,318,307 in administrative expenses of Government corporations.

Another \$1,190,500 was recommended to be returned to the Treasury from Government corporations established by the Office of Inter-American Affairs.

"In transmitting his recommendations the President has in each indicated to the Congress that all war and war-related appropriations will be under continuous study," the White House announcement said, adding:

"He has declared that he plans another full review of such appropriations and will make a report to Congress on Jan. 3, 1946, containing recommendations for further adjustments."

Cotton Report as of October 1, 1945

A 1945 cotton crop for the United States of 9,779,000 bales of 500 pounds gross weight is forecast by the Crop Reporting Board, based upon information as of Oct. 1. This is a decrease of 247,000 bales or 2.5% below the forecast as of Sept. 1 and compares with 12,230,000 bales produced in 1944 and the ten (1934-43) year average of 12,293,000 bales. Lint yield per acre for the United States, computed at 260.7 pounds, is 32.8 pounds below last year's record yield but 29.7 pounds above the 10-year 1934-43) average.

In the Carolinas, continued wet weather during September, together with the torrential rains which accompanied the mid-month tropical hurricane, further reduced prospective production. Rotting of bolls and sprouting of seed in the burr was general in coastal areas of these States, while in Piedmont counties heavy foliage and lack of sunshine delayed opening. In the northern half of Georgia the crop outlook improved but this was more than offset by losses in southern counties.

In Alabama, the crop outlook improved during last month. In Tennessee and Missouri, where the crop is unusually late, boll development indicated a slight improvement in crop prospects. In Louisiana and Mississippi and central and eastern Texas open bolls showed more weevil damage than had been anticipated and indicated production declined. In northwest Texas, hot, dry winds damaged late-planted cotton. Prospects in Arkansas show no change, but in Oklahoma dry, hot weather followed by rains of flood proportions damaged the crop very seriously.

The crop is extremely late and the percent ginned to date is near a record low. In the northern half of the Cotton Belt plant growth is unusually large and foliage is heavy, delaying opening and increasing potential damage in case of early frost.

No estimate of cottonseed production will be made until December. However, if the ratio of lint to cottonseed is the same as the average for the past 5 years, production of cottonseed would be 4,030,000 tons.

The Bureau of the Census reports that 2,176,023 bales of cotton were ginned from the crop of 1945 prior to Oct. 1, compared with 3,988,150 bales for 1944 and 5,749,745 bales for 1943.

President Orders Navy Reorganization

President Truman has laid out a reorganization plan for the Navy which calls for the setting up of a central office to co-ordinate research, experimental and development activities, the Associated Press reported from Washington, Oct. 2, adding that the White House announcement included the statement that the changes were being made at Presidential direction to permit a test period before any formal recommendations are made to Congress. The President's order, according to the Associated Press, specified abolition of the wartime post of Fleet Commander in Chief, with transfer of his duties to the Chief of Naval Operations. Fleet Admiral Ernest J. King holds both posts, and the Navy said he would continue to do so temporarily. The press advices added:

Taking note that Navy activities fall into three main categories—military, administrative and industrial—the order calls upon the Secretary to assign duties among the various branches to reflect this fundamental division.

It was not immediately clear what effect the reorganization would have. The White House said it had been ordered to take advantage of wartime experience.

The State of Trade

Industrial output last week tapered off slightly, but the level of production continues very high and above prewar years. Prevailing strikes in such important industries as oil and coal proved detrimental to reconversion progress in many fields. Raw material shortages and price uncertainties, too, hampered production of consumer durable goods.

Commenting upon the price factor and its relation to production costs, "Business Week," in its current issue has the following to say:

"This country is committed, consciously or unconsciously, to policies which clearly mean gradually rising prices over the long-term.

"Things may not pan out, it is true: (1) Prices may turn down two or five or 10 years from now; or conversely (2), controlled inflation may not work and the price rise conceivably could get out of hand. The point is, though, that long-range business planning must take into account the price forces that have been or are being launched.

"Don't get caught in a position where you can't pass along higher costs. This applies just as much to raw materials producers and to makers of component parts as it does to fabricators of finished products."

Touching upon the forces gathering and the ideas flowing from them that would inject pressure under prices, the magazine cites the statements of Secretary of Labor Lewis Schwellenbach, who espoused a general 15% boost in hourly wages when he urged that figure as the basis of a truce in the oil industry. Such a boost in wages would without question necessitate a higher price for gasoline.

Including the Secretary of the Treasury Fred Vinson and John Snyder, head of reconversion, as among these forces, the magazine continues:

"Treasury Secretary Fred Vinson called ours a \$200,000,000,000 country (in terms of potential gross national product). To hit that level in, say, 1948, implies a rise of a few percentage points in over-all prices.

"Reconversion boss John Snyder supported the bill to raise the minimum wage level from the legal floor of 40 cents (actual effective minimum is 55 cents) to 65 cents. This would involve upward revisions of differentials for those making better-than-minimum wages and would push prices up. Behind all this is the Administration's sponsorship of full employment (by deficit spending, if necessary) and a rising living standard."

Taking up the beneficial effects of moderately rising prices over an extended period the magazine observes that: "Gently rising prices over a protracted period would hold no special hazards for business and could yield some positive advantages. A high level of prosperity and general confidence in the price trend would attract investment money into common stocks. The average company year by year, would pick up a bit on inventory. Consumers would have no qualms about spending pretty freely.

"It is hard to predict, though, just how much confidence there would be in the rising price trend at any given time. It is one thing to decide what prices ought to do and quite another to make them do it. Many economists doubt the Government's ability to control prices in a free market which, presumably, will exist increasingly from now on. The experience with 'reflation' in 1933 is a case in point."

Steel Industry—Exceptional difficulty in obtaining steel may be experienced by nonintegrated steel producers before the end of the year. "The Iron Age," national metalworking paper, reports in its current summary of the steel trade. Nonintegrated producers, it was explained, are those firms who purchase semi-finished steel

from basic producers for conversion into finished steel products. In addition to procurement difficulties it was predicted that the same firms will be harassed by an upward trend in prices.

Last minute reports reveal that the chances are only fair for consumers to obtain electrical appliances for Christmas gifts this year. Notwithstanding the progress already made by most manufacturers on peacetime production after reconversion, special problems coupled with heavy demand indicates that distribution by mid-December will still fall far short of retailer's desires.

The domestic stockpile of refrigerators has been reduced to precariously low levels and because of the possibility of labor troubles slowing down manufacturing, there is a growing feeling that refrigerator inventory must be enlarged before distribution of all production is undertaken, the magazine notes. Authoritative sources hold that unfilled market demand for refrigerators stands upwards of 4,000,000 units, which would provide about 18 months of capacity operation for the industry. The highest production ever reached in prewar years approximated 3,400,000 units. The obsolescence rate in the industry is said to be figured at 10% per year, but efforts are being made to increase this by the introduction of new combined refrigerator fast freezer boxes.

During the war the WPB had issued directives upon larger steel companies to furnish stipulated tonnages to the nonintegrated steel producers. These further conversion directives are being abolished effective in the fourth quarter with the result that the smaller steel makers are scouring the woods for sources of semi-finished steel supplies.

Primary steel producers hard put to produce sufficient semi-finished steel for their own needs are turning a deaf ear towards orders for this profitless group of products. Over the long term the situation promises to deteriorate further as present contracts for semi-finished steel written several years ago on a low-price basis expire. Nonintegrated mills will have difficulty in renewing contracts and there is immediate prospect that finished steel production by the nonintegrated mills which are not covered with orders for semi-finished steel in the fourth quarter may decline.

Steel rolling mill schedules on the mills of many producers are threatened through declining productivity and manpower shortage both in steelmaking and finishing departments. This may be an indication of a "stretch out the work" philosophy designed to retain overtime operations as long as possible. Several steel plants report a marked decline in labor productivity in the past two months. This, coupled with manpower shortages in finishing mills, has caused producers to fall behind delivery schedules, particularly on critical cold-rolled sheets and highly finished products. The situation is so serious that several large producers are attempting to escape mentioning definite delivery commitments.

The American Iron and Steel Institute on Oct. 8 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 73.5% of capacity for the week beginning Oct. 8, compared with 79.7% one week ago, 80.3% one month ago and 96.9% one year ago. This represents a decrease of 6.2 points or 7.6% from the preceding week.

This week's operating rate is equivalent to 1,346,300 tons of steel ingots and castings, the lowest for the year with the exception of 1,280,300 tons produced in the week of Japan's surrender, and compares with 1,459,800 tons one week ago, 1,470,800 tons one month ago and 1,443,200 tons one year ago.

Railroad Net Income in August—Class I railroads of the United States in August, 1945, had an estimated net income, after interest and rentals, of \$51,300,000, compared with \$60,346,451 in August, 1944, according to the Association of American Railroads.

In the first eight months of 1945 estimated net income after interest and rentals amounted to \$445,000,000, compared with \$447,205,277 in the corresponding period of 1944. In August net railway operating income before interest and rentals was \$86,683,195 and compared with a net railway operating income of \$101,483,622 in a like period in 1944.

For the first eight months of this year the carriers had a net railway operating income before interest and rentals of \$722,678,154, compared with \$753,656,408 in the same period one year ago.

In the 12 months ended Aug. 31, 1945, the rate of return on property investment averaged 3.84%, compared with a rate of return of 4.13% for the 12 months ended Aug. 31, 1944.

Operating revenues for August totaled \$755,218,186, compared with \$836,183,413 in August, 1944, while operating expenses totaled \$557,263,363, compared with \$538,488,861 in the same month of 1944. Total operating revenues in the first eight months of 1945 totaled \$6,251,217,314, compared with \$6,281,293,192 in the same period of 1944, or a decrease of 0.5%. Operating expenses in the same period amounted to \$4,292,026,125, compared with \$4,141,323,456 in the corresponding period of 1944, or an increase of 3.6%.

Taxes paid by the carriers in the first eight months of 1945 amounted to \$1,109,797,303 and compared with \$1,250,638,219 in the same period in 1944. For the month of August, alone, the tax bill of the Class I railroads amounted to \$106,603,845, a decrease of \$70,798,565, or 39.9% under August, 1944.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Sept. 29, 1945, total 832,263 cars, the Association of American Railroads announced. This was a decrease of 5,030 cars, or 0.6% below the preceding week this year, but 80,364 cars, or 8.8% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 78,381 cars, or 8.6%, is shown.

Freight car loadings in the fourth quarter of 1945 are expected to be 6% below actual loadings in the same quarter in 1944, according to estimates just compiled by the 13 Shippers' Advisory Boards and made public today by the Association of American Railroads on Monday of this week.

On the basis of those estimates, freight car loadings of the 28 principal commodities will be 3,548,720 cars in the fourth quarter of 1945, compared with 9,105,017 actual car loadings for the same commodities in the corresponding period in the preceding year. Three of the 13 Shippers' Advisory Boards estimate an increase in carloadings for the fourth quarter of 1945, compared with the same period in 1944, but 10 estimate decreases.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,038,542,000 kwh. in the week ended Sept. 29, 1945, from 4,018,913,000 kwh. in the preceding week. Output for the week ended Sept. 29, 1945, was 7.5% below that for the corresponding week of 1944.

Dulles Optimistic on London Parley

By JOHN F. DULLES

In Radio Broadcast, Advisor to Secretary Byrnes Says Accord Will Be Reached. Outlines Basic Propositions of U. S. and Maintains That, Despite Russian Contention, the Berlin Accord on Peace Treaty Formulation Was Carried Out.

Speaking over the Columbia Broadcasting System on Oct. 6, John Foster Dulles, expert on international affairs and Advisor to Secretary of State James F. Byrnes at the London Peace Parley, expressed the belief that despite the opposition attitude of the delegates of the Soviet Union a final accord on the formulation of peace treaties by the Allied powers would be reached. He supported the position taken by Secretary Byrnes regarding the participation of France and China in the parley and stated that it was in full accord with the agreement of



John F. Dulles

Sept. 11 drawn up by the United States, Great Britain and Russia at the Potsdam Conference.

The text of Mr. Dulles' statement follows:

At London the Council of Foreign Ministers began the task of peace making. This is no easy task. It is not a matter of victors imposing their will upon defeated enemies. When we get to that, it will be easy. Before we get to that, the victors must try to agree on what their joint will shall be. So, we are not now negotiating peace with Italy or Rumania or Germany. We are negotiating peace with the Soviet Union, Great Britain, France and other United Nations. These nations have different interests and different ideals. To reconcile them is not a process of coercion but of reason.

(Continued on page 1751)

Ward Elected President Clearing House Ass'n—Houston Heads Clearing House Group

Harry E. Ward, Chairman of the Board of the Irving Trust Co. of New York was elected President of the New York Clearing House Association at its annual meeting on Oct. 1. As President he succeeds William C. Potter, Chairman of the Executive Committee of the Guaranty Trust Co. of New York. The newly elected Chairman of the Clearing House Committee is Frank K. Houston, President of

C. Von Elm, Vice Chairman of Board, Manufacturers Trust Company. Nominating Committee—John I. Downey, Chairman, President Fifth Avenue Bank; Samuel A. Wellton, Chairman of the Board, Fifth National Bank; W. Randolph Burgess, Vice Chairman of the Board, National City Bank; S. Sloan Colt, President Bankers Trust Company; Benjamin Strong, First Vice President United States Trust Company.

Committee on Admissions—J. Luther Cleveland, Chairman, President Guaranty Trust Company; George Whitney, President J. P. Morgan & Co. Inc.; John R. McWilliam, First Vice President Corn Exchange Bank Trust Company; H. Donald Campbell, President Chase National Bank; Chester R. Dewey, President Grace National Bank.

In the annual report of Mr. Beck, Manager of the Clearing House, total Clearing House transactions for the year ending Sept. 30, 1945 are shown as \$376,000,693,226 compared with \$325,974,222,970 for the year ending Sept. 30, 1944. Extracts from the latest annual report are made available as follows:

The Clearing House transactions for the year amounted to—

Exchanges	\$318,896,843,204.38
Balances	57,103,850,021.31
Total transactions	\$376,000,693,225.69
The average daily transactions:	
Exchanges	\$1,062,989,477.35
Balances	190,346,166.74
Total	\$1,253,335,644.09
Largest exchanges on any one day during the year (June 19, 1945)	\$2,154,322,497.92
Smallest exchanges on any one day during the year (Aug. 17, 1945)	\$389,977,608.42
Largest balances on any one day during the year (Dec. 18, 1944)	\$441,301,918.82
Smallest balances on any one day during the year (Oct. 24, 1944)	\$97,574,831.65
The total amount of the Coupon Exchange was	\$549,761,907.16
The total amount of the Return Item Exchange was	\$15,445,124.26
Exchanges	\$9,568,230,763,231.45
Balances	1,039,803,452,040.50
Total	\$10,608,034,215,271.95

In the past year the Night Exchange Department handled 66% of the total daily exchanges.

Total transactions since organization of Clearing House (92 yrs.): Largest exchanges on record (Oct. 31, 1929) \$3,857,040,114.48 Largest balances on record (March 16, 1944) \$455,123,140.02

The figures of the Clearing House for the year ended Sept. 30, 1944 were given in our issue of Oct. 12, 1944, page 1617.

The Financial Situation

(Continued from first page)

that its "current position" is good when measured by some of the accepted techniques, but, as most shrewd judges of the existing situation realize, there are a number of factors in the situation which tend to render the situation less favorable than at first appears to be the case. Nonetheless, at least the larger and better financed enterprises are in a position which enables them to proceed without undue niggardliness to get ready for full peacetime production. What is more, the current doctrine of many of the political-economists that high wages is at least one of the keys to prosperity, whether true or not, has attracted many followers among the rank and file even of business men. The coffers of the unions are filled to overflowing. Must we then, expect other than demands, strikes, threats of strikes, and all the rest? Such, at least, is one of the "explanations" being offered for current labor troubles.

But the full explanation of the present situation is not quite so simple as this. There are elements in it which are the creation of public policy during the past dozen years—policies which are now bearing precisely the fruit which their very nature made all but inevitable. For one thing, the financing of the war has—perhaps in large part unavoidably—created the fundamentals which normally result in sharp increases in prices, including that of labor. Money supply has multiplied during the past dozen years, particularly during the war years, at a staggering rate. It is widely dispersed among the rank and file of the people. That it is not still greater is in part due to the fact that a great many people have been persuaded to buy war bonds with arguments which strongly suggested that these investments need—and normally would—be held only until the war was over.

Price Control

Meanwhile all sorts of means—some of them straightforward and others devious—have been employed to prevent prices from rising, and from appearing to rise. Wage rates as such have likewise been held in check while workmen were "taken care of" by premium overtime pay which was much larger than would have been the case had the 40-hour week not become a fetish before the war was upon us. Now that business must find ordinary buyers for its goods, it must carefully consider costs, which means that it must avoid overtime wage rates wherever possible. There is no need here to go into the question as to whether hourly wage rates have risen

as rapidly as the cost of living or not. Suffice it here to say that probably neither wages nor prices have risen nearly as much as in ordinary circumstances would be expected to accompany the increase in the supply of money. In fine, the effort to prevent further increases in wages and prices is definitely one to control an economic force originating in the method of financing the war.

But there are other aspects of this situation which certainly are not the outgrowth of circumstances beyond our control. The fact of the matter is that for a dozen years the Washington government, and not infrequently politically-minded local governments, have been busily, not to say incessantly, aiding and abetting in the development of a full-blown monopoly in the labor field. It appears a little strange now to recall the clamor for "labor unity" which arose from the New Deal circles for years—and, it must be said, from a number of other quarters, too. It was true, of course, and still is true, that in a few instances jurisdictional difficulties arising out of inter-union rivalry in this country have plagued and still plague us, but compared with the difficulties arising out of the fact that nowhere in the labor field is there left a shred of effective competition, they pale into insignificance.

The calm self-assurance with which one of the union leaders of the day recently announced that his men intended to take one after the other of the competing units in the automobile industry, and bludgeon it into meeting their spectacular demands was nothing less than astounding. One would have supposed that labor would think it unwise to call the attention of the public in so dramatic a fashion to the fact that under the law the motor companies must compete while the men they employ are wholly free from any such obligation or restraint. Place the CIO, the AFL and all the independent unions of the country under one management, and we should have "labor unity" possibly, but we should certainly also have "labor super-monopoly"—which would take the existing unfortunate situation one step further.

"Union Security"

The aid that the unions have been able to obtain from the Government for a decade or more, particularly during the war, has, moreover, placed them in a financial position to be arbitrary—even when dealing with the Government itself. This aid has taken many forms. Possibly the most important in creating the present situation—apart

from so-called collective bargaining legislation and what might be termed public relations assistance—has been what is termed "union security"—which amounts to little less than the straight "check-off." But unemployment benefits paid even when men are unemployed by reason of their participation in a strike is also of vital importance both directly and indirectly. By encouraging men to remain longer unemployed than need be, it reduces the effective labor force, and by providing them with an anchor to the windward, it certainly does not subtract from the stubbornness with which they insist upon remaining out on strike.

Precisely what the Administration can effectively do in a situation which has gotten to this point remains to be seen. Of course, the unions have made themselves politically powerful, or they could not have gained such a hold upon the Government. How long it will take the people to sicken of it all, the unions and the Administration, too, should events continue along their present course, it would be difficult to say.

One thing is certain. Either the epidemic of wage demands must be brought under control or all idea of preventing a general rise in prices must be abandoned. Perhaps we shall presently learn that natural forces attend to many of these matters better than government can ever do.

President's Aid Sought In Jewish Immigration

The American Jewish Committee, through the president and chairman of its executive committee has sought the aid of President Truman in its efforts to bring about an increase in the number of Jews to be permitted immigration to Palestine, a special dispatch from Washington to the New York "Times" stated on Sept. 29, adding that the President had given his assurance that he was using the influence of the United States in bringing the increase about.

Joseph M. Proskauer and Jacob M. Blaustein, the two representatives of the organization who called at the White House, stated, according to the "Times" report, that they told the President that political questions relating to Palestine must be put aside and the humanitarian factor placed foremost. The "Times" continued:

They insisted that the tragic events of the summer in Europe and the severe economic conditions there sharply accentuated need for increasing Jewish immigration. Many lives of Jews who survived the Nazi terror could be saved if this were done, the Committee's representatives said. Committee reports from Europe bear this out, they added.

Mr. Proskauer and Mr. Blaustein explained that their reference to political consideration was an allusion to current discussion as to whether or not Palestine should receive Statehood. The Zionist movement favors status as a nation but the American Jewish Committee has advocated an international trusteeship for Palestine. The Committee, however, regards an immediate increase in immigration as of greater urgency than the time-consuming settlement of Palestine's political future.

Philippine Independence Date Still July, 1946

To bring an end to the confusion in interested Government quarters brought about by rumors that President Truman would proclaim the independence of the Philippines before the statutory date of July 4, 1946, the President on Oct. 3 read a formal statement to his weekly news conference in which he said that no such earlier proclamation would be made unless adequate measures had first been taken for the rehabilitation of the Islands.

The President also indicated that the holding of a free election and the opportunity for the Philippine Government to set its house in order were necessary preliminaries to independence, the Associated Press reported from Washington on Oct. 3 in its account of Mr. Truman's announcement.

The following is the text of the President's statement, according to the Associated Press:

As you know, President Osmena of the Philippines is in Washington. On Monday I conferred with him and with the High Commissioner to the Philippines, Mr. McNutt, and the Acting Secretary of the Interior, Mr. Fortas. I propose to confer again with President Osmena and to formulate a broad program for this Government with respect to the Philippines.

This program will, of course, reflect the traditional friendship of the people of the United States and of the Philippines, and it will take account of the heroic and loyal conduct of the Filipinos during the war. In preparation for my further conferences with President Osmena, I have asked Mr. McNutt and Mr. Fortas to consult with the President of the Philippines with respect to all matters of mutual interest.

At the moment, I want to clarify the question of the date

upon which Philippine independence may be expected. Under the statutes now enforced, independence is scheduled for July 4, 1946, or sooner if the President of the United States shall so proclaim.

There has been wide speculation as to whether a date prior to July 4, 1946, will be fixed. This speculation has introduced a high degree of uncertainty at a very critical time in Philippine affairs and has resulted in some confusion in the programs of both the commonwealth government and United States agencies.

It would be neither just nor fair to the loyal people of the Philippines, who have been our brothers in war as well as in peace, to proclaim their independence until the necessary program for rehabilitation has been worked out and until there has been a determination of the fundamental problems involved in our mutual relationship after independence.

Additional time is also required to enable the Philippine Government to set its own house in order and to hold a free democratic election.

To assist in the orderly working out of these problems, I am taking this opportunity to state that I do not intend to consider advancing the proclamation of Philippine independence to a date earlier than July 4, 1946, until the necessary measures which I have outlined have been taken.

Internal Revenue Conferences on Tax Issues

Three officials of the Bureau of Internal Revenue left early in October for the Pacific Coast for a series of conferences with district enforcement and administrative heads designed to step up the Treasury's drive against tax evaders and to set up machinery for expediting settlement of tax liabilities for the war years generally. Joseph D. Nunan, Jr., Commissioner, Norman D. Cann, Deputy Commissioner in charge of the Income

Tax Unit, and J. P. Wenchel, Chief Counsel, undertook the inspection trip. They arrived in Los Angeles on Oct. 5, for conferences with Bureau personnel lasting through Oct. 9. They were scheduled to be in San Francisco Oct. 10, 11, and 12 for meetings with revenue and special agent and collector's staffs. Mr. Nunan said similar conferences in other sections of the country are contemplated. He also said one major subject of the conferences will be means of insuring prompt settlement of refunds that will be due many businesses under the so-called relief provisions of wartime tax laws, and thus help industry in the shift to peacetime production. Another purpose of the meetings is to insure unity of action on the part of all branches of the revenue service in the drive against tax cheats, to plan for effective use of new personnel now being rapidly recruited, and to give personal attention to problems arising from specific investigations now under way.

The Commissioner said that since June 1, some 30,000 delinquent or amended returns had been filed voluntarily, accounting for additional taxes of more than \$50,000,000.

In addition to the drive against evaders, the Bureau executives will give particular attention to organizing in the field the tremendous task of prompt settlement of tax liabilities arising from the war, including such problems as the determination and allowance of refunds and credits where due. The Commissioner pointed out that many wartime tax laws contained provisions under which thousands of business tax returns must be reopened for adjustments arising from such factors as the carryback of losses and the un-

used excess profits credits, post-war credits of excess profits tax and other relief provisions, and the respend of special amortization allowances on war plants and other emergency facilities.

"The disposition of the pending war year cases will enable business to know precisely where it stands in the matter of tax liabilities, and thus eliminate a possible source of concern which might otherwise interfere with reconversion and employment," Mr. Nunan said. "This work will be expedited in every possible manner. We promise to exercise every resource so that the taxpayer entitled to refunds may receive his money promptly."

Mr. Nunan also will give attention to the mechanism for making refunds of taxes overpaid by individuals. He pointed out that the Bureau recently completed the mailing, ahead of schedule, to some 20,000,000 taxpayers refunds totaling a billion dollars.

Harrison Director of Richmond Res. Bank

Charles E. Rieman, President of the Western National Bank of Baltimore, Md., and President of the Baltimore Clearing House, declined to stand for reelection for Director of the Federal Reserve Bank of Richmond. He was elected Class A, Group 1 Director from Maryland in 1918. At the end of 1945 he will have served 27 years. His successor is James D. Harrison, President of the First National Bank of Baltimore, the largest bank in the Fifth District. Mr. Harrison was born in Virginia and has been connected with the First National Bank since 1923.

Truman Urges Speeding of St. Lawrence Project

In a message to Congress on Oct. 3, President Truman urged passage of legislation which would carry through construction of the St. Lawrence waterway and power project without loss of time, an undertaking which the President described as one of the "great constructive projects of the North American continent, in fact, one of the great projects of the world," according to Associated Press advices from Washington.

The President recommended that the agreement between the United States and Canada, dated March 19, 1941, for development of the St. Lawrence basin be approved without further delay. Earlier, legislation to carry out this recommendation had been introduced in both Houses of Congress.

This legislation, the Associated Press reports, seeks to compromise what has been a main point of controversy—whether the 1941 agreement with Canada for construction of the seaway could be approved by legislation or must be treated as a treaty. The Associated Press, Oct. 3, went on to say:

The difference is that legislation requires approval by a simple majority of House and Senate. A treaty must be ratified by two-thirds of the Senate.

The pending measures would have construction go ahead under legislation but reserve two disputed points of the agreement for handling in treaties.

They are: (1) A provision giving Canada perpetual rights of navigation on the Great Lakes and the United States the same rights on certain Canadian canals, and (2) a provision covering water diversion in the Niagara River.

Mr. Truman recommended that electric power should be developed and handled by the State of New York. This also has been a matter of controversy.

There was no indication, however, that the efforts to smooth over controverted issues would soften up the opposition to a project which has been discussed for 50 years.

Much of the opposition has come from lower Mississippi River interests. They fear that a Great Lakes-ocean steamship connection via the St. Lawrence would take away much trade that moves over the Mississippi.

Mr. Truman noted in his message that Canada, in expectation that the United States would go through with the agreement, has already built more than half its share.

Before the war, the cost of the U. S. share was estimated at \$277,000,000.

The President said that the power facilities are to be constructed by the Federal Government and turned over to New York State under an agreement dated Feb. 7, 1933, between United States Army engineers and the Power Authority of New York State. Under this agreement, which the President described fair and acceptable, that State would pay \$93,375,000 as its share of the construction cost.

The President told Congress that when the project is approved Canada and the United States will be able to harness for the public benefit one of the greatest natural resources of North America. He said it would open the Great Lakes to ocean navigation and create 2,200,000 horsepower of hydroelectric capacity to be divided equally between this country and Canada.

Hydroelectric development of the river, he added, would give this country power for distribution within a radius of 300 miles, including most of New York State and its neighbors to the east. He said public and private agencies will be able to pass on to consumers in that area all the advantages of this cheap power.

The President in his message, the Associated Press stated, backed up his arguments for the advantages of completing the construction by asserting that timely development of the Tennessee, Columbia and rivers of the central valley of California "short-

ened the war by many years and saved countless American lives." These advices also quoted the President as saying:

"Without the power from these rivers the goal of 50,000 airplanes a year—considered fantastic only five short years ago but actually surpassed twice over—would have been impossible. Nor could we have developed the atomic bomb as early as we did without the large blocks of power we used from the Tennessee and Columbia rivers."

The State Department strongly favors this country's participation in the Canadian-American St. Lawrence seaway and power project, Acting Secretary Dean Acheson said on Oct. 4, the Associated Press noted in advices from Washington, which likewise quoted him as follows:

"The Department is now, and always has been, strongly in favor of the approval of this agreement," Mr. Acheson declared. He said the Department was convinced the project would be "of great immediate benefit" to the Great Lakes-St. Lawrence area, and would bring "long-range benefits to the country as a whole. The rapids of the St. Lawrence have always constituted a natural barrier to our foreign trade," Mr. Acheson said.

According to Carroll B. Huntress, Chairman of the New York State Conference in Opposition to the St. Lawrence Project, the development of atomic energy, foreseen by eminent engineers within 20 years, dispenses with the need for such hydro-electric projects as that proposed for the St. Lawrence River.

In a statement issued on Oct. 4 he stated, the New York "Sun" indicated, that "at the earliest, it would be five years before a hydro installation could be completed, and by that time it is easily conceivable that plans for harnessing atomic energy for industrial purposes would be well along. The huge investment in a hydro plant, advocated as a make-work project, would soon become another white elephant."

In our issue of Oct. 4, page 1620, it was noted that the observance of New York State rights in the St. Lawrence project had been pledged by President Truman.

Wainwright to Have Eastern Defense Command

The unofficial report that General Jonathan M. Wainwright would be appointed commanding general of the Eastern Defense Command, with headquarters on Governors Island, New York, has been confirmed in an announcement by the War Department, according to special advices reaching the New York "Times" from Washington on Sept. 28. The exact date on which General Wainwright will assume his new post has not yet been made known, as he is said to be resting now at the Army Center at White Sulphur Springs, W. Va. The command was formerly held by Lieut. General George Grunert who recently retired, the "Times" stated and give the following brief account of the post:

"The Eastern Defense Command, under the new set-up created by the war, consists of 40 of the 48 States, overseas bases at Newfoundland, Greenland, Iceland and Bermuda and the responsibility for all harbor defenses from Portland, Me., to Galveston, Tex."

"Brig. Gen. Kenneth P. Lord has been acting commanding general since the retirement of General Grunert on Aug. 1."

Dr. Huang Named Counsel to China

Dr. Robert T. Huang, lately assistant general counsel of the United Nations Relief and Rehabilitation Administration and an authority on Chinese and American business law, has been appointed Resident Legal Counsel to the China-America Council of Commerce and Industry, Inc., Lee H. Bristol, President of the Council, recently announced. In his announcement he said:

"With the surrender of the Japanese armies, the question of resuming trade relations with China assumes immediate importance. It is now essential that accurate translations of Chinese laws and clear interpretations of the laws and regulations be provided for American firms contemplating doing business with China. Having represented American companies in China and served with many Chinese government agencies, Dr. Huang is particularly qualified to provide advice for the American firms making up the Council in the legal aspects of post-war American trade with an investment in China, which have been materially affected by the abolition of extraterritorial rights. This change for the first time brings American companies under Chinese laws."

Born in Nanking in 1903, Dr. Huang attended St. John's University in Shanghai and has degrees of B. S. and Bachelor of Laws from the University of Illinois and Doctor of Jurisprudence from Northwestern University. The new legal Counsel of the China-America Council, practiced law in Shanghai for 12 years, representing important American business interests. He served as legal secretary of the Shanghai Bureau of Testing and Inspection of Commercial Commodities, 1929-1931, and of the Ministry of Industries, 1931-1934. He was legal secretary to the Governor of the Central Bank of China and Minister of Finance, 1934-1940, and concurrently, to the President of the Executive Yuan, 1938-1939. In 1939-1940, he was director of the Bureau of Trade Marks.

When the International Labor Organization met in New York and Washington in 1941, Dr. Huang was legal adviser to the Chinese delegation. He served in the same capacity to the Chinese delegation to the Conference of the UNRRA at Atlantic City three years later. From 1941 to 1943, he made a special study of corporation laws in the several states of the United States. Dr. Huang was an official observer of the UNRRA at the International Labor Conference at Philadelphia in 1944 and a year later at the Conference of the Institute of Pacific Relations at Hot Springs, Va. In 1945 he was appointed a member of the International Secretariat of the United Nations Conference on International Organization at San Francisco, in which capacity he was largely concerned with the drafting of technical legal documents. He was awarded a Certificate of Honorable Mention by the President of the Conference.

The China-America Council is making exhaustive studies of the changed foreign business and trade relationships, due to the renunciation of extraterritorial rights, which will prevail in China after the war. Pending revisions of Chinese commercial legislation, which will affect Chinese trade mark and patent laws, real property rights, corporate laws and other matters of vital interest to American companies, are also being analyzed and discussed by the Council's Legislative Committee with Chinese and American government authorities.

A reference to the China-America Council appeared in our issue of Oct. 4, page 1606, under the

Capital Welcomes Admiral Nimitz

The nation gave a rousing welcome to its naval hero, Admiral Chester W. Nimitz, when he arrived at Washington on Oct. 5 to find the honors of a grateful people and their traditional reception awaiting him. A vociferous welcome was likewise accorded the Admiral in New York on Oct. 9.

Cheered by the throngs and saluted by a thousand Navy planes which speared out in a V-formation in the sky, the Admiral called at the Capitol, where he addressed a joint session of Congress, motored down Pennsylvania Avenue at the head of a parade of several thousand soldiers, sailors, marines and Coast Guardsmen, spoke to the crowd assembled at the foot of the Washington Monument, then continued on to the White House, where he was warmly welcomed by President Truman, who awarded him the Gold Star, in lieu of a third Distinguished Service Medal. However, the New York "Times" reported in its Washington advices of Oct. 5, the President pinned the third DSM on the Admiral, although the ceremony had called for the Gold Star.

The "Times" gave the following as the President's citation: "For exceptionally meritorious service to the Government of the United States as Commander in Chief, United States Pacific Fleet and Pacific Ocean Areas, from June, 1944, to August, 1945. Initiating the final phase in the battle for victory in the Pacific, Fleet Admiral Nimitz attacked the Marianas, invading Saipan, inflicting a decisive defeat on the Japanese fleet in the First Battle of the Philippines and capturing Guam and Tinian. In vital continuing operations his fleet forces isolated the enemy-held bastions of the Central and Eastern Carolines and secured in quick succession Peleliu, Angaur and Ulithi. With reconnaissance of the main beaches on Leyte effected, approach channels cleared and opposition neutralized in joint operations to reoccupy the Philippines, the challenge by powerful task forces of the Japanese fleet resulted in a historic victory in the three-phased battle for Leyte Gulf, Oct. 24 to 26, 1944. Accelerating the intensity of aerial offensive by pressure exerted at every hostile strong point, Fleet Admiral Nimitz culminated long-range strategy by successful amphibious assault on Iwo Jima and Okinawa. A wise, steadfast and indomitable leader, Fleet Admiral Nimitz, by his daring strategy and his faith in the courage and skill of the officers and men under his command, finally placed representative forces of the United States Navy in the harbor of Tokio for the formal capitulation of the Japanese Empire. Through his mastery of naval warfare, his strategical skill, his sound judgment and his inspiring leadership, he demonstrated the highest qualities of a naval officer and rendered services of the greatest distinction to his country."

The ceremony in the White House rose garden appeared to be over when the Admiral, according to the "Times," spoke a few words which left a memorable impression on the assembled guests. Declaring that it was through the self-sacrifice and devotion to duty of the sailors, soldiers, marines and Coast Guardsmen who served under his Pacific command that victory was made possible, Admiral Nimitz added: "I accept this honor as your 'well done' to the job that they have done."

Earlier in the day the Admiral spoke at length to the members of Congress, and again at the Washington Monument. He told Congress, according to the text of his remarks as given by the New York "Times": "With our seapower making possible the use of all other resources, we gave Japan

the single choice of surrender or slow but certain death. And for the final wise decision, to surrender and spare us the terrific cost in lives of an invasion, we can all breathe a fervent 'Thank God.'"

Then Admiral Nimitz continued. "In stressing the importance of seapower in our Pacific victory, I do not intend or desire to give the impression that, in gaining this victory, any one service deserves praise above another. It was my privilege and honor to command officers and men in all of the services. Never did I find that a man's uniform affected his willingness to respond when there was a job to be done. They were all brave men. There was no difference in the way they fought; and when they fell—whether they were dressed in Army khaki, Marine green or Navy blue—they all wore the same red badge of honor that is stained with the blood of free men who hold that liberty is dearer than life itself."

"Our victory was the product of integrated teamwork from the highest echelons of command to the lowest. No mention of the Pacific war could or should be made by me without reference to the late President Franklin D. Roosevelt, whose foresight and keen interest resulted in a rapid upbuilding of the Navy soon after he assumed the responsibility of Commander-in-Chief."

"We, the officers and men of the Army, Navy, Marine Corps, and Coast Guard in the Pacific, are deeply grateful to our late Commander-in-Chief, to our present Commander-in-Chief, and to our seniors in the chain of command for their unwavering support of the forces in the field."

For the crowds gathered at the monument the Admiral wound up his remarks by saying, in part (we quote from the "Times"): "Today you, the people of the United States, are the possessor of the mightiest seapower the world has ever known. Because we are a democracy, you also have the right to say whether you will keep and preserve this seapower, or whether you will pat it on the back and let it die. Because we are not a warlike people, we will face a strong temptation to do the latter. I pray that we will not take the easiest way; that we pledge ourselves to remain strong in order that we may continue to live as free men."

Through his mastery of naval warfare, his strategical skill, his sound judgment and his inspiring leadership, he demonstrated the highest qualities of a naval officer and rendered services of the greatest distinction to his country."

The Secretary of the Treasury announced on Oct. 8 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Oct. 11 and to mature Jan. 10, 1946, which were offered on Oct. 5, were opened at the Federal Reserve Bank on Oct. 8. The details of this issue are as follows:

Total applied for, \$2,157,462,000.
Total accepted, \$1,310,993,000 (includes \$54,863,000 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, 99.907, equivalent rate of discount approximately 0.368% per annum.
Low, 99.905, equivalent rate of discount approximately 0.376% per annum.
(54% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 4 in the amount of \$1,310,649,000.

the single choice of surrender or slow but certain death. And for the final wise decision, to surrender and spare us the terrific cost in lives of an invasion, we can all breathe a fervent "Thank God."

Then Admiral Nimitz continued.

"In stressing the importance of seapower in our Pacific victory, I do not intend or desire to give the impression that, in gaining this victory, any one service deserves praise above another. It was my privilege and honor to command officers and men in all of the services. Never did I find that a man's uniform affected his willingness to respond when there was a job to be done. They were all brave men. There was no difference in the way they fought; and when they fell—whether they were dressed in Army khaki, Marine green or Navy blue—they all wore the same red badge of honor that is stained with the blood of free men who hold that liberty is dearer than life itself."

"Our victory was the product of integrated teamwork from the highest echelons of command to the lowest. No mention of the Pacific war could or should be made by me without reference to the late President Franklin D. Roosevelt, whose foresight and keen interest resulted in a rapid upbuilding of the Navy soon after he assumed the responsibility of Commander-in-Chief."

"We, the officers and men of the Army, Navy, Marine Corps, and Coast Guard in the Pacific, are deeply grateful to our late Commander-in-Chief, to our present Commander-in-Chief, and to our seniors in the chain of command for their unwavering support of the forces in the field."

For the crowds gathered at the monument the Admiral wound up his remarks by saying, in part (we quote from the "Times"):

"Today you, the people of the United States, are the possessor of the mightiest seapower the world has ever known. Because we are a democracy, you also have the right to say whether you will keep and preserve this seapower, or whether you will pat it on the back and let it die. Because we are not a warlike people, we will face a strong temptation to do the latter. I pray that we will not take the easiest way; that we pledge ourselves to remain strong in order that we may continue to live as free men."

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Oct. 8 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Oct. 11 and to mature Jan. 10, 1946, which were offered on Oct. 5, were opened at the Federal Reserve Bank on Oct. 8. The details of this issue are as follows:

Total applied for, \$2,157,462,000.
Total accepted, \$1,310,993,000 (includes \$54,863,000 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, 99.907, equivalent rate of discount approximately 0.368% per annum.
Low, 99.905, equivalent rate of discount approximately 0.376% per annum.
(54% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 4 in the amount of \$1,310,649,000.

Byrnes Tells of Peace Parley

(Continued from first page)

mean surrender, and compromise, unlike surrender, requires the assent of more than one party.

The difficulties encountered at the London Conference will, I hope, impress upon the peoples of all countries, including our own people, the hard reality that none of us can expect to write the peace in our own way. If this hard reality is once accepted by statesmen and peoples at an early stage of the peace-making process, it may at later stages save us and save the peace of the world.

Calls for Unity in Foreign Policy

Regardless of how Americans may differ as to domestic policies, they desire unity in our foreign policies. This unity will be essential in the days ahead of us when we may expect differences in views by various governments as to peace settlements. However, the political party in power cannot expect this unity unless it freely consults representatives of the opposing political party.

Believing this, I requested Mr. John Foster Dulles, one of the best informed Americans in the field of foreign relations and a loyal Republican, to accompany me to London in an advisory capacity. He has been more than an adviser; he has been a partner. Between us there have been no secrets. At the Council table and in private conference he has participated in the making of all decisions. Our accord serves to show that in foreign affairs Republicans and Democrats can work together and that in vital matters of foreign policy we Americans stand united.

When it was agreed at Berlin to establish the Council of Foreign Ministers I think we all had in mind the precedent of the Dumbarton Oaks conference. There representatives of Great Britain, the Soviet Union, China and the United States worked together to prepare draft proposals for the United Nations Charter as a basis for discussion with other nations. France was not present at Dumbarton Oaks only because France had not yet been liberated. Her right to permanent membership on the United Nations Security Council was never questioned.

Experience reveals that a certain degree of understanding among the major powers is essential to secure general agreement among many nations. When understanding among the great powers is not achieved in advance of a conference participated in by many nations it usually has to be secured informally during the conference.

For example, at the Versailles conference, it took the Big Three and the Big Five so long to agree among themselves that the complaint was made that the smaller powers had little more time to consider the treaty than was given to the Germans.

Purpose of Council of Foreign Ministers

The Berlin agreement envisaged the naming of high-ranking deputies who could carry on the work of the Council in the absence of their chiefs, the Foreign Secretaries. The Council, as President Truman and I understood it, was to be a sort of combined staff to explore the problems and prepare proposals for the final peace settlements.

At Berlin it certainly was never intended that the three powers present or the five powers constituting the Council should take unto themselves the making of the final peace. The Berlin declaration setting up the Council begins with the statement, "The conference reached the following agreement for the establishment of a Council of Foreign Ministers to do the necessary preparatory work for the peace settlements."

The Council was not to make the

peace settlements but it was to do the necessary preparatory work for the peace settlements. It certainly was not my intention to agree to any final treaty without first getting the views of the Foreign Relations Committee of the United States Senate, which must pass upon all treaties before ratification.

The first session of the Council, so far as the personal participation of Foreign Ministers was concerned, was intended to provide directives for the deputies in the preparation of treaties for Italy, Rumania, Bulgaria, Hungary and Finland.

Now, this work was exploratory: To find out on what points we were in agreement, on what points we differed and on what points further study and data were required. It is a little naive to suppose that when really vital differences emerge one nation or another is likely to abandon its position on the first exchange of views.

At this stage it is important to know and understand wherein we and our Allies differ just as it is important to know wherein we agree. We must understand our points of difference before we can intelligently consider means of reconciling them.

Good Progress on Italian Treaty

So far as the Italian treaty was concerned, I think we made very good progress toward agreement on directives to govern the work of our deputies.

There was ready acceptance of the American proposal that Italy should undertake to maintain a bill of rights which will secure the freedoms of speech, religious worship, political belief and public meeting envisaged for Italy in the Moscow declaration of November, 1943, and which will confirm the human rights and fundamental freedoms set forth in the Charter of the United Nations.

There was some difference among the conferees at the start as to providing for the limitation of armaments. But it was our feeling that Italy should rely on the United Nations for protection against aggression and should not engage in competition in armaments when all of her resources are so badly needed to restore her civilian economy. And this view gained general acceptance.

While the very controversial boundary dispute between Yugoslavia and Italy was not settled, it was encouraging to find that it was possible to agree that the line between the two countries should in the main be governed by ethnic considerations and that regardless of its sovereignty there should be a free port at Trieste under international control.

The Council was in general agreement that the Dodecanese Islands should go to Greece, although the assent of one member was qualified pending the study of certain questions by his Government.

There was general agreement that the Italian colonies should come under the trusteeship provisions of the United Nations Charter. Various views were expressed as to the preferred form of trusteeship for the colonies.

The American delegation was particularly gratified that the directive given to the deputies, while not restricting their studies, called for special consideration of the American proposal for truly international administration directly responsible to the United Nations with a view to the attainment of the greatest degree of independence of the inhabitants of two of the colonies at the end of ten years and independence for the people of a third colony at as early a date as possible.

This proposal was presented by

the American delegation when the Italian treaty first was taken up. It was consistently adhered to.

It was our view that the object of a trusteeship should be to promote the self-government of the people of a colony and not to enrich a trustee or to increase its economic or its military power.

It was also agreed that Italian sovereignty should be restored on the conclusion of the treaty so that foreign troops may be withdrawn and, except as specially provided in the treaty, foreign controls within Italy terminated.

Wants No Italian Reparations

There was no definite understanding on reparations. The United States took the position that Italy could not pay anything like \$600,000,000. Apart from certain foreign assets, she should be required to pay as reparations only such factory and tool equipment designed for the manufacture of war implements which are not required for the limited military establishment permitted to her and which cannot be readily converted to peaceful purposes. If Italy is stripped of more, then her economy cannot be restored.

The United States has contributed several hundred million dollars for the relief of the Italian people. Today their condition is deplorable. We must continue to help them. But we cannot contribute more millions of dollars if those millions are to be used to enable Italy to pay reparations to other Governments. We did that for Germany after the last war. We shall not do it again.

Substantial progress was also made on the directives for the preparatory work on the Finnish treaty and the treaties with Rumania and Bulgaria. The principles suggested by the American delegation and accepted for the Italian treaty for the safeguarding of human rights and fundamental freedoms are also to be incorporated in these treaties.

The directives concerning the limitation of armament for Rumania and Bulgaria are expected to follow the same general line as those accepted for Italy.

The Hungarian Treaty

Before work could be commenced upon the directives for the Hungarian treaty the Soviet delegation announced that they felt obliged to withdraw their assent to the procedure previously accepted and followed by the Council for dealing with peace treaties.

Before taking up these procedural difficulties I should say a few words about the Soviet delegation's disappointment with the failure of Great Britain and the United States to recognize the Bulgarian and Rumanian Governments.

The thought apparently exists in their minds that our Government objects to these Governments because they are friendly to the Soviet Union and that our unwillingness to recognize these Governments is a manifestation of unfriendliness to the Soviet Union.

Russian Misconception of Our Attitude

There could be no greater misconception of our attitude. I was at Yalta. The Yalta declaration on the liberated and ex-satellite countries was based on a proposal submitted by President Roosevelt. Under it the Allied powers, including the Soviet Union, assumed the responsibility of concerting their policies to assist in the establishment of interim governments broadly representative of all important democratic elements in the population and pledged to the earliest possible establishment through free elections of Governments responsive to the will of the people. That pledge cannot be fulfilled in countries where freedom of speech and of assembly are denied.

That policy I have recited

sponsored by President Roosevelt, was America's policy and remains America's policy.

We are well aware that no Government is perfect and that the representative character of any provisional Government will always be subject to debate. We do not demand perfection where perfection is unobtainable.

In an effort to concert our policies with our Allies we have tried to show a spirit of conciliation. Certainly we did not make unduly exacting the requirements we set before we recognized the Provisional Polish Government or the conditions which we have proposed as a basis for the recognition of the Provisional Hungarian Government.

And I hope that as the result of efforts now being made by the Provisional Austrian Government to broaden its representation we may soon be able to recognize that Government.

At Berlin we stated we would examine in the near future, in the light of prevailing conditions, the question of the recognition of Rumania and Bulgaria. We have investigated and we shall continue to investigate. But we cannot know whether conditions justify recognition unless our political representatives are fully informed and unless our news correspondents are permitted freely to enter countries and freely to send their stories uncensored.

We do not seek to dictate the internal affairs of any people. We only reserve for ourselves the right to refuse to recognize Governments if, after investigation, we conclude they have not given to the people the rights pledged to them in the Yalta agreement and in the Atlantic Charter.

The peace of Europe depends upon the existence of friendly relations between the Soviet Union and its European neighbors, and two wars in one generation have convinced the American people that they have a very vital interest in the maintenance of peace in Europe.

The American Government shares the desire of the Soviet Union to have Governments friendly to the Soviet Union in eastern and central Europe.

Friendship of Peoples Essential

But lasting peace depends not only upon friendship between Governments but upon friendship between peoples.

Had it not been for the difficulties experienced by the Allied Governments in agreeing upon a common policy in regard to the recognition of the Governments of Rumania and Bulgaria a more conciliatory spirit might possibly have prevailed and might greatly have helped to overcome the procedural difficulties of the Council.

No one present at the Council on Sept. 11 questioned the decision taken by the Council that day inviting all five members to be present at all meetings.

Directives for the Italian treaty were under discussion for several days, with China, not a party to the surrender terms, present, participating in the discussion, but not voting. No one objected.

Directives for the Finnish treaty were then considered, with the United States, France and China present, but not voting. No one objected.

Directives for the Rumanian treaty and then for the Bulgarian treaty were considered, with France and China present, but not voting. No one objected.

It was only on Sept. 22 that the Soviet delegation took the position that the decision of the Council on Sept. 11 violated the Berlin agreement.

Interpretation of Berlin Agreement

Now it will be recalled that the Berlin agreement set up a Council of the Soviet Union, Great Britain, France, China and the United States to undertake the necessary preparatory work for the peace

settlements. It provided that the Council should draw up with a view to their submission to the United Nations peace treaties with Italy, Rumania, Bulgaria, Hungary and Finland.

It provided further that in the discharge of these tasks the Council will be composed of members representing those States which were signatory to the terms of surrender imposed upon the enemy State concerned, and for the purpose of the Italian settlement, France should be regarded as a signatory to the surrender terms.

The Berlin agreement further provided that other members of the Council will be invited to participate when matters directly concerning them are under discussion.

Now this distinction between members of the Council who were parties to the surrender terms and those who were not was not a part of the original American proposal and was reluctantly accepted by us. We were fully aware that a member would not have the right to vote if not a party to the surrender terms, but we understood from the exchange of views at the table that all members would be allowed to participate in all discussions in the Council.

Certainly it never occurred to President Truman or myself that any of the five members of the Council, who are also the five permanent members of the United Nations Security Council, which is charged with the responsibility for maintaining the peace which the Council of Foreign Ministers is preparing, would not be invited to be present during the discussions of these treaties.

Such exclusion of two permanent members of the Security Council would not promote the harmonious relations essential to the success of the United Nations Organization.

The Soviet delegation's position was not simply that they wished to withdraw the invitation to China and France to participate without the right to vote. Their position was that it was beyond the authority of the States signatory to the surrender terms to extend the invitation.

Although this construction of the Berlin agreement did not accord with the understanding of the American delegation or the British delegation or the President of the United States or the Prime Minister of Great Britain, the Soviet delegation insisted that they could no longer discuss treaty matters in the presence of members who were not parties to the surrender terms.

Thereafter the meetings of the Council for a number of days were confined to the discussion of other items on the agenda such as international inland waterways, the Ruhr, the acceleration of German reparations, restitution, repatriation of Allied nationals and the Austrian food supply.

Soviet Delegations Creates Impasse

When the general items on the agenda were exhausted, agreement had not been reached for solving the procedural obstacles which, in view of the Soviet delegation, made further discussion of treaty matters impossible until the decision of Sept. 11 should be rescinded.

Since it had always been my view that the Berlin agreement contemplated a broadening out of the participants before the final conclusion of a peace treaty, I sought to find a compromise along that line.

The Berlin agreement expressly provided in Section 4 of the article establishing the Council that the Council may adapt its procedures to the particular problems under discussion; that in some cases it may hold its own discussions prior to the participation of other interested States; and in other cases it may convene a formal conference of

States interested in particular problems.

I therefore proposed, with considerable reluctance, that we ask our French and Chinese colleagues to accept the position of the Soviet delegation that the preparatory and exploratory work of the Council for the peace settlements be confined to the signatories of the surrender terms in question, provided that at the same time it should be agreed that a truly representative peace conference should be convoked before the end of this year. To ensure the calling of such a conference we thought that France and China, in the interest of peace, might make even this sacrifice.

This conference would be convoked for the purpose of considering the peace treaties with Italy, Rumania, Bulgaria, Hungary and Finland. To the conference would be invited:

(1) The five members of the Council of Foreign Ministers, which are also the five permanent members of the United Nations Security Council;

(2) All European members of the United Nations;

(3) All non-European members of the United Nations which supplied substantial military contingents in the war against the European members of the Axis.

Position of United States

The American delegation took the position that, in an interdependent, democratic world, peace cannot be the exclusive concern of a few presently powerful States; it was our position that unless we were to revert to a world of isolationism none of the States which we wanted invited to the peace conference could be said to be not directly concerned in the peace.

We urged that those States, both large and small, which had fought and suffered in the war must make the peace. This has been a peoples' war; it must be a peoples' peace.

The Soviet delegation stated, however, that they could not agree to the American proposal for a peace conference until they had returned to Moscow and had personal consultations with their Government.

It therefore became obvious that there could be no agreement unless the other delegations were prepared to yield their views and convictions to those of the Soviet delegation. This none of the other delegations was prepared to do.

The United States is willing to dictate terms of peace to an enemy but it is not willing to dictate terms of peace to its Allies.

Our task then became one of arranging an adjournment until the Soviet delegation could return to Moscow. It is customary before adjournment to adopt and have all conferees sign a protocol containing a record of the agreed decisions of a conference. The Soviet delegation would not agree to the inclusion in the protocol of the decision of Sept. 11 that the five members should participate in all meetings, even though it included a statement of the action taken by the Soviet delegation on Sept. 22 to withdraw their assent to that decision.

New Soviet Proposal

On the last day of the session the Soviet delegation announced it would offer a compromise proposal. The proposal was that there should be four separate protocols without recording in any one of them the decision of Sept. 11 which had been agreed to by them but which they later wished to rescind. Well, this was the same position they had urged for days. The only thing new about their proposal was the suggestion that on the following day they would discuss unsettled ques-

tions, including the American proposal for a peace conference and the disputed Sept. 11 decision. In answer to a question, the Soviet Foreign Minister stated that while he could discuss the proposal for a peace conference he still was without authority to act upon it. The proposal had been discussed for a week. Further discussion without action was futile.

It was also obvious that once the four protocols were signed it would be useless on the following day to discuss the question of inserting in the protocols the decision of Sept. 11. An objection by the Soviet delegation would prevent its insertion.

The Soviet delegation also reiterated their position that they would not discuss the treaties in the presence of members they now believed to be ineligible. This would have excluded China from the consideration of all treaties and France from the consideration of all but one without any assurance of participation in a peace conference.

It became apparent that agreement was impossible and that further meetings were useless. The Chinese Foreign Minister, who was presiding when the council adjourned and at whose instance the council had remained in session from Sunday until Tuesday, stated that under the circumstances he could not ask the council to continue in session longer.

So, as the record stands the Foreign Minister of the Soviet Union has not rejected our proposal for a peace conference. During discussions he admitted it was correct in principle. My hope is that, after he has conferred with his Government, his Government will agree that the nations that fought to war—the World War—shall have a chance to make the world peace.

Differences Are Not Trivial or Technical

The matter that caused the suspension of our work is no trivial or technical question. It presented an issue that had to be met. The issue is whether the peace shall be made by three, or even five, nations to the exclusion of other nations vitally concerned in the maintenance and enforcement of the peace which is being prepared.

And the issue goes even deeper. The Council of Foreign Ministers acts under the unanimity rule just as the Security Council of the United Nations must act in many important matters, but in the Security Council no nation has the veto power in procedural matters while in the Council of Foreign Ministers one nation can veto all action.

The veto power is a great power. It should not be lightly exercised. We are willing to make many concessions, but the United States does not believe in agreement at any price.

The power of veto in procedural matters should not be used by the United States or any other nation to coerce the judgment and the conscience of fellow nations.

Peace must be based upon mutual understanding and mutual respect. It cannot be secured by procedural maneuverings which obscure from the people the real and the vital issues upon which their peace depends.

Undeterred by temporary setbacks and ever willing to accord to others that tolerant understanding that we wish others to accord to us, we must not relax in our efforts to achieve a just and lasting peace for ourselves and for all nations. "With firmness in the right as God gives us to see the right, let us strive on to finish the work."

Dulles Optimistic on London Parley

(Continued from page 1747)

Peace Task Difficult

I am under no illusion that that will be an easy task. I was at the peace conference which followed the First World War and there learned, at first hand, how difficult it is for a war coalition to maintain unity after victory has been won. It is possible that, this time also, we shall not agree on the post-war settlement. If that happens, it would lead to different nations carrying out their will in particular areas. That is not necessarily a permanent disaster, but it would be most unfortunate. It would tend to divide the world into blocs and spheres of influence. That would be a bad heritage for the victors to bequeath the United Nations Organization.

So far as the United States delegation to London is concerned, we are determined to preserve in peace the unity we had in war and to apply the lesson we have so painfully learned, that peace is indivisible. There will be no bloc of Western powers if the United States can avoid it. Also, I may say, nothing that has happened so far makes me feel that we may not all come to agree.

I realize that it came as a shock to the American people that the Council of Foreign Ministers ended their first session without producing a public statement of unity and accomplishment. That is because for over four years every meeting of representatives of the great powers was followed by a pronouncement which gave the impression that complete harmony had been achieved. That was a war diet of soothing syrup. The reality was that there was unity in so far as it related to joint effort against common enemies. But behind that there have always been the differences which are now coming to light.

It is not healthy, and I am glad that it is no longer necessary, to try to cover up the fact that we have differences. Only if our people realize the magnitude of the task we face will we put forward the effort and achieve the unity needed for success.

I said that in the task upon which we have embarked the permissible tool is reason, not coercion. The American delegation was alive to that. We presented only propositions which seemed to us to be reasonable.

U. S. Propositions

The basic principles which we espoused were these:

1. Territorial settlements should, as far as possible, conform to the wishes of the peoples concerned. Strategic and economic considerations ought to be subordinated to human considerations. This principle would call for some territorial readjustments. But it would not give to Yugoslavia the large Italian population of Trieste.

2. The treaties should realize the conception of an international bill of rights. At Moscow in 1943 the Big Three had agreed that they sought for Italy a regime which would assure the Italian people freedom of speech, religious worship, political belief and public meeting. We were determined that the treaties of peace should give reality to that goal and make a practical beginning in the great project of assuring to all the enjoyment of human rights and fundamental freedoms.

3. Colonies should be dealt with primarily from the standpoint of the welfare of the colonial peoples. We called for independence within a fixed term and we proposed trusteeship by the United Nations Organization, rather than by any single power. That was the only solution which would avoid a disastrous struggle between the great powers for colonial prizes. Without it, there was no way to decide the rival claims for the Italian colonies of North Africa.

4. Armament of our ex-enemies should be limited and subjected to a system of supervision which would prevent secret rearmament as occurred after the last war in the case of Germany. This supervision is particularly important in view of the development of modern weapons of vast destructive power. This, we felt, compelled the inauguration of a system, which might later on be extended, whereby the human race would have facilities to protect itself against its own total destruction.

5. Finally we made it clear that we could not negotiate and conclude treaties of peace with governments which, as in Rumania, failed to provide those freedoms which, in conjunction with the Soviet Union and Great Britain, we had promised to seek for the liberated peoples of Europe.

Soviet Position

The first 10 days of the conference were devoted to considering the application of such principles to Italy, Finland, Rumania and Bulgaria. During the course of these discussions it became increasingly evident that the Soviet Union was dissatisfied with the trend of the conference. The American proposals, which in the main were supported by Great Britain, France and China, cut across certain political ends which the Soviet Union sought. For example, the Soviet Union was disposed to support the claim of Yugoslavia to Trieste. It wanted for itself trusteeship of Italy's most valuable colonial area in North Africa in order that it might develop for itself a great warm-water port in the Mediterranean comparable to what it had obtained in the Far East at Port Arthur and Darien. Above all, the Soviet delegation objected to the refusal of the United States, under existing conditions, to conclude peace treaties with Rumania and Bulgaria.

It was discussion about Rumania on Sept. 21 which led the Soviet Union on Sept. 22 to move to test out the determination of the United States. The means chosen was to insist on a change of procedure. The underlying and understood purpose was to make it appear that the Soviet Union could and would interrupt any procedure which did not lead to results more satisfactory to it.

A great deal has been said, and much more doubtless will be said, as to whether the procedure under which the Conference was operating was in strict conformity with the Berlin agreement, which established the Council. I do not intend tonight to discuss that highly technical matter. It is enough to say that the procedure which permitted France and China to be present at all Council meetings, though with no power of vote in certain cases, was agreed to by the Soviet Union on Sept. 11 and had been followed for 10 days without question. Certainly the Soviet Union would not have accepted and followed a procedure which it believed to be violative of the Berlin agreement. Only when the procedure failed to produce results satisfactory to the Soviet Union did it demand a change which would have eliminated France and China. That change was demanded as a means of indicating Soviet displeasure with the course the negotiations were taking and as a means of finding out whether or not the United States was really determined to hold the basic principles I have described.

U. S. Unwilling to Sacrifice

The Soviet delegation believed, and rightly believed, that the United States attached great importance to preserving the appearance of unity among the Big Three. They also knew that we

were anxious quickly to conclude peace with Italy. They wanted to find out how much of our principle we would sacrifice to attain these goals. They did find out. They found out that the United States was not willing to sacrifice its principles or its historic friendship with China and France.

That American decision vitally concerned the future of our nation. As Secretary Byrnes said last night, I participated with him in the making of that decision. I unqualifiedly concurred in it. However, he, as the Secretary of State, had to assume the primary responsibility, and he is entitled to the support of the American people, without regard to party, in standing for principle rather than expediency, in keeping with the best American tradition.

Let me hasten to say that I have no feeling that the Soviet delegation, in forcing that decision upon us, did anything that was not within their rights. In every important negotiation, public or private, there comes a moment when the negotiators test each other out. It was inevitable that a time should come when the Soviet Union would want to test us out. It is a good thing that that has happened and that it is now behind us.

The American people should see what has happened in its true proportions. We are at the beginning of a long and difficult negotiation which will involve the structure of the post-war world. The Soviet Union wants to know what our political attitude will be toward the States which border them, particularly in the Balkans. They want to know what our attitude is toward sharing with them the control of defeated Japan. They want to know what our attitude will be toward giving them economic aid. These and other matters must, in due course, be explored, and it may be that until that whole area has been explored progress will be slow.

Good Beginning Made

Let us be calm and be mature. We have made not a bad, but a good, beginning. That beginning has not created difficulties. It has merely revealed difficulties of long standing, which war has obscured. It is healthy that we now know the facts. Furthermore, we have at the beginning shown that we stand firm for basic principles. That is of transcendent importance.

We are emerging from six years of war, during which morality and principle have increasingly been put aside in favor of military expediency. The war has now ended and with that ending principle and morality must be reestablished in the world. The United States ought to take a lead in that. We are the only great nation whose people have not been drained, physically and spiritually. It devolves upon us to give leadership in restoring principle as a guide to conduct. If we do not do that, the world will not be worth living in. Indeed, it probably will be a world in which human beings cannot live. For we now know that this planet will, like others, become uninhabitable unless men subject their physical power to the restraints of moral law.

N. Y. Chapter AIB to Hold Annual Banquet

Edgar C. Egerton, President of the New York Chapter, American Institute of Banking, and Vice-President of the Seamen's Bank for Savings, announces that the Chapter will hold its 42nd annual banquet on Saturday evening, Feb. 2, at the Hotel Astor. This traditional bankers' meeting is being resumed after a lapse of three years.

WPB Abolished by President—Replaced by CPA Nov. 3; Small New Administrator

Recent conjectures as to the fate of the War Production Board, the agency which played the biggest part in the conduct of our industrial economy during the war, were ended by the announcement on Oct. 4 of the issuance by President Truman of an executive order abolishing the WPB and replacing it with a comparatively smaller agency, the Civilian Production Administration. The Associated Press, in reporting the news from Washington of the President's action, stated that the CPA would be set up in the Office of Emergency Management, which is part of the executive office of the President. The dissolution of the WPB is to be effective Nov. 3, and J. A. Krug, its Chairman, has resigned as of that date. The President has named J. D. Small, now Chief of Staff for WPB, as the Administrator of the CPA. In outlining on Oct. 4 the functions of the new agency, Mr. Small said in part:

"The War Production Board's task of production for war has been completed and WPB's record of accomplishment during the war years speaks for itself. The Civilian Production Administration will take over, and will carry forward, those remaining WPB functions and controls that are required during the transition period of reconversion to accomplish the objectives laid down by the applicable Federal statutes and Executive Orders of the President, including particularly the War Mobilization and Reconversion Act of 1944 and the recent executive order of the President outlining the policies to be followed in the transition from war to peace. The functions transferred to the new office will be utilized to further a swift orderly transition from wartime production to a maximum peacetime production in industry free from wartime Government controls with due regard for the stability of prices and costs.

"It will use its authorized powers to expand the production of materials which are in short supply; limit the use of materials which are still scarce; restrict the accumulation of inventories so as to avoid speculation, hoarding, and unbalanced distribution which would curtail total production; grant priority assistance to break bottlenecks which would impede the reconversion process; facilitate the fulfillment of relief and other essential export programs, and allocate scarce materials or facilities necessary for the production of low priced items essential to the continued success of the stabilization program."

Mr. Small also stated: "The executive order creating the CPA as a separate agency carrying out the policies of the Director of War Mobilization and Reconversion, transfers to it on Nov. 3, 1945, all the still remaining functions, powers, personnel, records, etc., of the War Production Board. Any outstanding WPB regulations, directives, orders, or delegations of authority remain in full force and effect as instruments of CPA, until revoked or amended by that office."

Mr. Small explained, however, that the individual CPA controls will be lifted as soon as each is no longer needed for orderly reconversion.

Outlining the organizational structure of the new office, Mr. Small said that it would be much smaller and more compact than the giant WPB structure that was needed during the war years. There will be five main bureaus handling respectively, industrial operations, priorities, field operations, international supply, and the orderly demobilization of former WPB functions that will now either be closed out or, in some cases, transferred to other agencies.

"Instructions have been sent to the Compliance Division to continue its expanded investigations and other compliance activities during the next few months in order to prevent possible vio-

Here and There

(Continued from first page)

corporate extravagance (with "10-cent dollars") and inflationary consumer spending, and thus actually enhanced economic instability. Hence he erroneously alleged a benefit of the tax, and at the same time failed to point out this inflationary feature as one of the important reasons for abolishing it.

If the imminent corporate savings from excess profits tax repeal are mandatorily or otherwise largely devoted to wage rises, inflation and economic instability will again be promoted.

It seems that the foolish but growing accusation is being brought against "industry" that it is promoting labor strife at this time because it doesn't care about losing production which would bring in additional earnings at 1945 excess-profits rates. This commits a frequent basic error of conceiving of management policies and interests on an industry-wide rather than on a company basis. Surely the desire to gain its own best competitive position by getting the jump in reconversion (as with Ford) is more to the self-interest of an individual company and outweighs any thoughts of paying for plant tie-ups with "tax-money."

Chancellor of the Exchequer Dalton announces that the first steps to "nationalize" the Bank of England will be taken in Parliament shortly. The real significance of the procedure with regard to the Bank, as with the balance of the British socialization program, remains in utter confusion. British labor interests, including their organs of the press, hail the Bank changes as a decisive step, while on the other hand, British officials here are zealously soft-peddling the "so-called" nationalization of the Bank as merely a minor change of form rather than of substance.

In any event it is understood that the joint stock banks will not be taken over, but that the Bank of England will become the Government's instrument for financial control over them.

Surely the Government must get off the fence in defining a policy on the relationship of increased wages and prices. Industry, backed by reconversion chief Snyder, will continue to battle against increased labor costs unless they are accompanied by equivalent price rises, while labor will push to the bitter end its fight for increased real income for labor and the alleged maintenance of consumer purchasing power. In any event Government machinery will have to be established for the determination of accompanying price increases in individual cases and for the consideration of inequities that might justify particular wage increases.

In view of the current bullish performance of the shares of the utilities in keeping pace with the general market rise in industrials and rails, it may be worth while to point out some grounds for caution.

One should not generalize on the effects of tax-relief on an industry-wide basis, but each company should be examined individually. This applies to excess profits taxation, and also to the acceleration of amortization of plant, which will work out differently by companies; the ending of acceleration will cause a rise in the taxes of some companies.

It also must be borne in mind that because of ever-present rate regulation, the practice of forecasting net earnings by simply applying anticipated tax rates to recent and current gross income, is highly dangerous. Rates may be cut also as a result of the combination of public supplies of

U. S. Supreme Court Opens New Term; Truman Present as Burton Is Sworn In

The opening of the new term of the United States Supreme Court on Oct. 1 was marked by the unprecedented visit to the Court of President Truman to see his first appointee, Harold H. Burton of Ohio (Republican), assume his post as an Associate Justice. The nomination of Mr. Burton was unanimously confirmed by the Senate on Sept. 19, as was noted in our Sept. 27 issue, page 1496.

Regarding the seating of the new Associate Justice, Associated Press accounts from Washington Oct. 1 said in part:

Veteran court officials said that in the court's 155-year history no President had appeared in the courtroom while serving as Chief Executive.

Mr. Truman stepped into the yellow marble courtroom from a side entrance eight minutes before the black-robed Justices marched to their bench at noon.

Court attaches escorted Mr. Truman to a mahogany counsel table directly beneath the bar and a few feet from Chief Justice Stone. From this point in front of the jammed courtroom he had an unobstructed view of the brief ceremony by which Mr. Burton, with whom the President served in the Senate, became a member of the high tribunal.

The President, wearing a gray, double-breasted suit and soft collar shirt, chatted with Attorney-General Tom C. Clark and other acquaintances while waiting for the justices to appear.

Mr. Truman stopped chatting and jumped to his feet quickly at the instant Chief Justice Stone appeared through the velvet curtain leading to the bench. He exchanged smiles with the justices as they took their places.

Justice Stone paid a tribute to Owen J. Roberts, who retired from the court last July. Then Mr. Burton, wearing the traditional black silk judicial robe for the first time, stepped to the desk of Charles Elmore Cropley, clerk of the Court. With upraised right hand he swore to give justice to all impartially.

After Mr. Burton took his seat, the President left. He was in the courtroom thirteen minutes.

Mr. Burton already had taken an oath to support the Constitution. It was administered by Justice Stone in the court's conference room.

In Washington advices Oct. 1 to the New York "Times" Lewis Wood reported that following the swearing in of Justice Burton the court ceased work until Monday Oct. 8, when hundreds of petitions for review will be acted upon. It was added that hearing of arguments will begin Oct. 15, but no opinions are expected before the first part of November, at the earliest.

Former Associate Justice Roberts (retired) whose place on the

power with cutbacks in war-induced industrial consumption. They may also be cut by regulatory bodies to bring them within legal rates of return—at levels as currently conceived as fair, or lower.

Increases in the cost factor must also be considered. In addition to their own direct rises in labor costs, arising from wage advances and increases in the number of employees to pre-war levels, higher wages in the coal industry would entail higher costs to the utility companies.

Moreover, buying of utilities prompted by their supposed relatively liberal dividend yields, is based on loose thinking. Actually the yields on the industrials in the Dow-Jones averages exceeds that of the utilities. And the utilities pay out about 80% of their earnings in dividends, against 60% for industrials; the price-earnings ratios of high grade utility operating companies considerably exceeding that of industrials (the average of which is 15 calculated on the current Dow Jones average price combined with its components' projected first-half earnings).

Bench is taken by Justice Burton, was also a Republican. Justice Stone is the only other Republican in the Court, said United Press advices from Washington on Sept. 30, from which we also quote:

With Mr. Burton seated, the Justices will plunge into the work of the eight-month term. Reconversion is expected to bring many legal problems before the Court.

It will be handicapped to some extent at the start by the absence of Associate Justice Robert H. Jackson, who now is in Europe serving as Chief United States Prosecutor of war crimes. He is not expected back until after the first of the year at least.

Justice Jackson's absence also opens up the possibility that a number of cases heard early in the term may be decided by 4 to 4 tie votes. Such deadlocked verdicts automatically sustain judgments of lower courts.

Such a result becomes more apparent under scrutiny of the philosophies of the eight-man panel. Mr. Burton, a middle-of-the-road Republican, is expected to vote most consistently with the rather conservative views of Chief Justice Stone and Justices Reed and Frankfurter. Justices Hugo L. Black, William O. Douglas and Frank Murphy, often joined by Wiley B. Rutledge, have often voted as a bloc, especially on issues involving governmental policies.

The court's docket already contains an appeal in one major case born out of wartime emergencies. This is the appeal of Montgomery Ward & Co. of Chicago, asking for a review of legal issues involved in the Government's seizure of its properties tied up by labor troubles.

Other major issues before the tribunal include:

1. The North American Company, giant holding company, and two kindred cases challenging constitutionality of the so-called "death sentence" clause of the 1938 Public Utility Holding Company Act.
2. A petition by The Associated Press urging the court to reconsider its June 18 ruling that AP's membership by-laws violate the Federal anti-trust laws.
3. An appeal by the Postoffice Department over the issue of whether Esquire Magazine's drawings are clothed sufficiently to be sent through the second-class mails.

Veterans' Guide Forum

The Young Men's Board of Trade sponsored a veterans' guidance forum on Oct. 1 to provide information and advice about opportunities for returning service men interested in careers in the financial world. Edward O. Douglas, Assistant Vice-President of the New York Federal Reserve Bank; John A. Elbe, Vice-President of Lincoln Savings Bank of Brooklyn; and J. Stanley Brown, personnel director of Chemical Bank & Trust Company of New York described some of the present-day job opportunities and possibilities in the banking field. James Lyall, President of the Young Men's Board of Trade, announced the Board's decision to conduct a similar forum each Monday night. A panel of banking and investment men will be present each week to give counsel and answer questions of veterans interested in these fields, he declared. Thomas B. Noble of Philip Wilcox, Inc., is in charge of the forum which meets at 50 Rockefeller Plaza in facilities provided by the National Cash Register Company.

U. S. Must Assume Principal Role In Keeping World Peace: Truman

(Continued from first page)

Last year I came as the candidate for Vice-President of the United States. Mr. Roosevelt and myself were the candidates on the Democratic ticket.

We won that election, as you know, and I settled down as President of the Senate and its presiding officer to happily enjoy a four-year term. Then suddenly, like a bolt out of the blue, Mr. Roosevelt passed away, a great leader, a great humanitarian, the greatest of our war presidents.

The greatest responsibility that ever has fallen to a human being in the history of the world fell to me. In my first address to the Congress after that happened I explained to them that I had not sought that responsibility, nor had I sought the honor which goes with that responsibility. But I had been a public servant in one phase or another for the past 30 years, and I have never shirked a job.

I shall not shirk this one. I told the American Congress and the nation that if we're to be successful, and we will be, undoubtedly, it would require the cooperation not only of the Congress, but of the country as a whole, for us to accomplish the things which Almighty God intended this great nation to accomplish.

Just to rehearse for your benefit a few of the things that have happened since April 12, 1945, just about six months ago. The San Francisco Conference was convened on the 25th day of April, just 13 days after I was sworn in as President of the United States.

The Conference was successful and just about four months after it was convened the United States approved the Charter of the United Nations by an overwhelming majority. There were only two Senators against it and I never did understand why they were against it.

New Foreign Policy
At any rate, the United States entered on an entirely new development of its foreign policy.

Some three months after that I went to Berlin to meet with the heads of the Governments of Russia and Great Britain in order to discuss the world outlook for the coming peace.

The deliberations of that Conference will be felt for generations in the final peace.

Just a little less than a month after I became President, that is 26 days after I was inaugurated, the Axis Powers in Europe folded up.

On the 12th day of August, Japan folded up. In the meantime, the most earth-shaking discovery in the history of the world was made, the development of atomic power.

That discovery was used in the last war effort against Japan and the effect of that atomic bomb is too terrible for contemplation. But we have only begun on the atomic energy program. That great force, if properly used by this country of ours and by the world at large, can become the greatest boon that humanity has ever had.

It can create a world which, in my opinion, will be the happiest world that the sun has ever shone upon.

Now I am reminding you of all these things which have taken place in the last short six months to impress upon you the terrible responsibilities of the President of the United States. The President of the United States is your President. I am telling you just what his responsibilities are, be-

cause you are my friends, and I think you understand the difficulties which I face.

Cooperation Essential

Now, it is just as necessary to have the cooperation of every branch and every member of every part of the Government of the United States, from the constable in this township to the President of the United States.

We must have that cooperation. We must go forward. We are going forward.

We understand that the road to peace is just as difficult and may be more difficult as was the road to victory during the war. And the reason for that difficulty is that we all distinctly understand that after every war there's bound to be a let down. There is bound to be a change of attitude.

There is bound to be a great many of us who say, "Oh well, I don't have to work any more. I don't have to take any interest in the welfare of any Government any more."

We can't have that attitude. We must cooperate now as we never have before in the history of the country. We have the greatest production machine that the world has ever seen. We conclusively proved that free government is the most efficient government in every emergency.

We conclusively proved that by our victory over Germany and Italy and Japan and their allies.

In order to prove to the world that our reconversion program can be handled just as efficiently, and that our tremendous production machine can be operated for peace as well as war, we must all get in and push.

Home-Front Peace Required

That doesn't require anything in the world but plain understanding among ourselves. That requires the cooperation of management and labor and the farmers and every storekeeper, and every man who has an interest in the Government of the United States. And by showing that we ourselves know where we are going and why, we can show the rest of the world the road to liberty and to peace.

We are not anywhere near stalled on that road. We are only beginning to travel it.

We are going to have difficulties. You can't do anything worthwhile without difficulty. No man who ever accomplishes anything can expect to do it without making mistakes. The man who never does anything never makes any mistakes.

We may make mistakes. We may have difficulties, but I am asking you to exercise that admonition which we will find in the gospels and which Christ told us was the way to get along in the world:

"Do by your neighbor as you would be done by."

And that applies to you and you just as it applies to Great Britain and France and China and Russia and Czechoslovakia and Poland and Brazil. The nations, when they decide that the welfare of the world is much more important than any individual gain which they themselves can make at the expense of another nation, then we can take this discovery which we have made and make this world the greatest place the sun has ever shone upon.

U. S. Must Lead

Now, in 1938, I stood on this platform right here and explained to you that our then isolationism would eventually lead to war. I made that speech after President Roosevelt made his speech at Chicago in 1937, in which he

From Washington Ahead of The News

(Continued from first page)

how vigorous a man Mr. Truman is, he is quite annoyed with labor. He and his friend, Mr. Snyder, the reconversion director and preventer of inflation, rather amateurishly had a plan that would get America over the hump. It was that big industry could give an increase up to 15% without raising the price to the consumers. This, the oil companies did. Whether the other fellows were going to do it or not, we do not know. It was the Truman-Snyder formula that this was an easy way to reconversion, without inflation, and that's a term which has been so bandied about that this writer ceases to make any pretense of understanding it.

Anyhow, labor didn't take the 15%. Oil employees and other employees alike are seeking 30%. Mr. Truman figures that this is no way to play ball. It is an awful mean thing to do to him.

What then, is he likely to do in the premises? By way of being a strong man, a leader, he moved the Navy into the oil plants. Our reports are that they are taking no nonsense from anybody. There is no coddling of the union.

If we were of the Detroit automobile industry, we would have no fear of Government embarrassment in our dealings with the union leaders. If it was our purpose to sit it out with them, we would go ahead and do that on the strength of what we know about Mr. Truman. In the first place, his sympathies with labor are considerably dulled, and any forceful leadership that he might be forced to take, would be, if not against the labor leaders, at least ineffectual.

But another situation is coming up out there, bearing upon the whole reconversion program, and the getting of the wheels of progress started again, etc., which is unpredictable. This is the situation revolving around the ascension of young Henry Ford II to the head of the Ford empire. It is not just such a case as it was several years ago when Edsel Ford was made president. Because the old man kept a hold on things.

It is our information that the old man is now definitely through and it is quite apparent that young Henry has been given his head, with his mother, Edsel's widow, in the driver's seat. The stories that are circulating in Washington about their plans are more important on our future economy than anything Mr. Truman may do. One alarming story is that their ambition is to get back into first place as the producers of low priced cars, regardless of what it costs. This story is to the effect that they are prepared to tell the CIO that if this can be done the CIO can write its own ticket. Manifestly, if this is true, the other automobile companies can't sit out anything with anybody. It is our point that the story of America's future labor relations shifts to the unpredictable young Henry and his mother. It doesn't have to do with Mr. Truman.

warned the United States that we were approaching another world war. We can't stand another global war. We can't ever have another war unless it is total war and that means the end of our civilization as we know it. We are not going to do that. We are going to accept that Golden Rule and we are going forward to meet our destiny, which I think Almighty God intended us to have, and we are going to be the leaders.

Cotton Ginned from 1945 Crop Prior to Sept. 16

The Census report issued on Sept. 24, compiled from the individual returns of the ginners, shows as follows the number of bales of cotton ginned from the growth of 1945 prior to Sept. 16, 1945 and comparative statistics to the corresponding date in 1944 and 1943.

State—	RUNNING BALES		
	(Counting round as half bales and excluding linters)		
United States	1945	1944	1943
Alabama	143,857	185,248	404,008
Arizona	4,457	3,930	10,128
Arkansas	6,543	147,906	302,561
Florida	4,408	6,825	9,835
Georgia	113,042	188,371	343,960
Louisiana	95,494	178,090	372,840
Mississippi	118,809	294,664	738,564
New Mexico	417	189	5,184
North Carolina	5,045	60,095	75,489
Oklahoma	1,335	23,182	26,501
South Carolina	83,496	188,358	213,958
Texas	440,666	456,841	1,122,682
All other States	89	90,563	110,161

*Includes 132,737 bales of the crop of 1945 ginned prior to Aug. 1 which was counted in the supply for the season of 1944-45, compared with 48,182 and 107,053 bales of the crops of 1944 and 1943.

The statistics in this report include 20 bales of American-Egyptian for 1945, 175 for 1944, and 3,289 for 1943; also included are no bales of Sea-Island for 1945, none for 1944, and 8 for 1943. The ginning of round bales has been discontinued since 1941.

The statistics for 1945 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Sept. 1, is 462,938 bales.

Living Costs Down Or Unchanged in 40 Of 63 Cities in July

Living costs of wage earners and lower-salaried clerical workers declined from June to July in 26 of the 63 industrial cities surveyed each month by the National Industrial Conference Board, and were unchanged in 14 cities. Increases were shown for 23 cities. The Conference Board's report issued on Sept. 10 added:

Declines of 0.6% occurred in Denver, Evansville and Youngstown. There were increases of 0.7% in New Orleans and Philadelphia, and of 0.5% in Chattanooga, Macon, Roanoke, and Trenton.

The following table gives the percentage changes in the cost of living in 63 cities from June to July, according to The Conference Board indexes:

City—	% Change
New Orleans	+0.7
Philadelphia	+0.7
Chattanooga	+0.5
Macon	+0.5
Roanoke, Va.	+0.5
Trenton, N. J.	+0.5
Atlanta	+0.4
Birmingham	+0.4
Erie, Pa.	+0.4
Sacramento	+0.4
Grand Rapids	+0.3
Minneapolis	+0.3
Boston	+0.2
Buffalo	+0.2
Cleveland	+0.2
Duluth	+0.2
Houston	+0.2
Los Angeles	+0.2
Parkersburg, W. Va.	+0.2
Portland, Ore.	+0.2
Syracuse	+0.2
Baltimore	+0.1
Akron	0
Fall River	0
Huntington, W. Va.	0
Kansas City, Mo.	0
Lewistown, Pa.	0
Muskegon	0
Newark	0
New York	0
Providence	0
Richmond	0
Rochester	0
St. Paul	0
Toledo	0
Wilmington, Del.	0
Chicago	-0.1
Dallas	-0.1
Front Royal, Va.	-0.1
Joliet, Ill.	-0.1
Lansing	-0.1
Memphis	-0.1
Rockford, Ill.	-0.1
St. Louis	-0.1
Seattle	-0.1
Cincinnati	-0.2
Dayton	-0.2
Des Moines	-0.2
Indianapolis	-0.2
Louisville	-0.2
New Haven	-0.2
Pittsburg	-0.2
San Francisco-Oakland	-0.2
Spokane	-0.2
Green Bay, Wis.	-0.3
Omaha	-0.3
Eridgeport	-0.4
Milwaukee	-0.4
Wausau, Wis.	-0.5
Denver	-0.6
Evansville, Ind.	-0.6
Youngstown	-0.6

U. S. to Have Offshore Jurisdiction

President Truman on Sept. 28 proclaimed the exclusive right of the United States to oil and other natural resources of the 759,600 sq. miles of "Continental Shelf," which is submerged land contiguous to the United States mainland, its territories and possessions, covered by no more than 600 feet of water. The Associated Press in its Washington dispatch, pointed out that this shelf extends in most instances beyond the three-mile limit of ownership recognized by international law. The action, taken in an executive order, was accompanied by another proclamation asserting this Government's right to establish conservation zones for the protection of its fisheries in areas of the high seas off the coasts of the United States, the Associated Press stated, and continued:

The President's proclamation said the United States considers "the exercise of jurisdiction over the natural resources of the subsoil and sea bed of the continental shelf by the contiguous nation is reasonable and just."

"The continental shelf," it said, "may be regarded as an extension of the land-mass of the coastal nation and thus naturally appurtenant to it."

Its resources "frequently form a seaward extension of a pool or deposit lying within the territory."

"Self-protection compels the coastal nation to keep close watch over activities off its shores which are of a nature necessary for utilization of these resources."

The President declared that the development and discovery of new sources of petroleum and other minerals should be encouraged in view of the worldwide need, and that experts believe portions of the United States continental shelf beyond the three-mile limit contain valuable oil deposits.

Oil being taken at present from within the three-mile limit off the coast of California and there are geological indications that rich oil deposits extend into the Gulf of Mexico off the coast of Texas.

By directive order accompanying the proclamations, the President reserved administration of the resources of the continental shelf, pending legislative action, under the control of the Secretary of Interior.

The State of Trade

(Continued from page 1747)

responding weekly period, one year ago.

Consolidated Edison Co. of New York reports system output of 172,200,000 kwh. in the week ended Sept. 30, 1945, comparing with 168,500,000 kwh. for the corresponding week of 1944, or an increase of 2.2%.

Local distribution of electricity amounted to 170,800,000 kwh., compared with 160,700,000 kwh. for the corresponding week of last year, an increase of 6.3%.

August Hardware Store Sales Rise—Sales of independent retail hardware stores in all parts of the United States showed an average gain, in dollar volume, of 6% in August over the same month, last year. "Hardware Age" reported Oct. 11, in its every-other-Thurs-day market summary. Sales for the first eight months of this year showed an average increase of 11% over the same period last year.

Paper and Paperboard Production—Paper production in the United States for the week ending Sept. 29, was 97.0% of mill capacity, against 94.3% in the preceding week and 93.5% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 96%, compared with 93% in the preceding week and 95% in the like 1944 week.

Business Failures Continue Low—Little change occurred in commercial and industrial failures in the week ending Oct. 4, reports Dun & Bradstreet, Inc. Concerns failing showed a small increase from the previous week but did not reach one-half the number in the comparable week of 1944. Failures number 13 in the week just ended against 10 last week and 27 in the corresponding week a year ago.

Large failures involving liabilities of \$5,000 or more increased from 6 in the prior week to 10 this week, but they were far short of the 19 occurring last year. On the other hand, only 3 concerns failed with liabilities of less than \$5,000. Most of the week's failures were concentrated in retail trade and in construction.

One Canadian failure was reported, the same as in the prior week. There were 3 failures in Canada in the corresponding week a year ago.

Wholesale Commodity Price Index—Largely reflecting the rising trend in grain and cotton values, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., extended the upward movement that began early in September. The index went to 177.71 on October 1, the highest since the wartime peak of 178.56 reached on July 16 and closed at 177.50 on October 2. This compared with 176.94 a week previous and with 173.34 at this time a year ago.

Grain markets showed further strength. Continuing the advance which started late in August, wheat futures as well as the cash grain rose to new high ground for the current season. A dominant factor in the rise was the continued heavy actual and prospective foreign food requirements. Rye also touched new seasonal peaks and other grains, except corn, scored good gains for the period. Frosts were reported in parts of the corn belt but a good part of the crop is now said to be out of danger. Trading in flour was quiet most of the week but fairly good bookings were reported on Monday of this week following the advance in the wheat subsidy rate for August. Production of lard and fats remained on a restricted basis. Hog values held firmly at ceilings with the limited receipts continuing in strong demand.

Cotton prices displayed marked firmness as the week closed fol-

lowing irregular movements in early transactions. Aiding in the rise were the unexpected advance of 13 cents in the parity price of the staple to 21.58 cents as of mid-September and the general belief that Government controls will be continued. Caution still dominated the carded gray goods markets as far as forward commitments were concerned. Moderate day-to-day sales took place, however, following issuance of OPA price ceiling increases. This added up to a sizable volume for the week, most transactions being for spot or nearby delivery.

With the trade still awaiting revision of pricing schedules, domestic wools in the Boston market continued very quiet. Scattered offerings of fine foreign wools met with good demand at firm prices but buying of foreign medium grades was cautious due to uncertainty of prices for domestic. Due mainly to manpower problems at the mills, woolen and worsted fabric deliveries continue behind schedules and Spring allocations to the men's wear division are reported far below trade expectations.

Wholesale Food Price Index Higher—Advancing three cents from the year's low of \$4.04 ruling for four weeks past, the Dun & Bradstreet wholesale food price index for Oct. 2 went to \$4.07. This was 1.7% higher than last year's \$4.00 and was slightly above the \$4.05 recorded on the like 1943 date. Up for the week were wheat, rye, oats, barley, eggs, currants, sheep and lambs. Declines occurred in flour and potatoes.

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

Retails and Wholesale Trade—Retail trade volume for the country at large increased slightly over last week and over the corresponding week a year ago. Purchasing in some areas was reported hampered by rain or unseasonable heat. On the whole, however, retailers' problems continued to be those of getting adequate supplies rather than slackening of demand, reports Dun & Bradstreet, Inc., in its review of trade for the past week. It was remarked that customers were paying closer attention to price-quality relationships. Fall apparel, accessories and groceries were among lines with higher volume than at the same time last year.

In most apparel lines volume rose during the week. Especially in northern areas, winter underwear, night clothes, skirts and sweaters were best sellers. Customers called for ornamented black dresses beyond the ability of some retailers to secure replacements. Retailers again reported rayon stockings in large demand. Fur volume picked up. Men's and boys' sportswear sold well.

Jewelry volume remained high; gold was favored over silver. Houseware departments noted increased interest in advance orders for home appliances. Rugs sold well with small rugs particularly in demand. In buying house furnishings, customers were said to be more selective. Piece goods counters had scant variety but volume was sustained.

Grocery volume remained moderately above a year ago. Meat supplies continued in larger quantity and butchers in increasing numbers resumed the customary six-day business week. Produce, especially potatoes, was available in plenty.

Retail volume for the country was estimated at from 1 to 5% over a year ago. Regional percentage increases were: New England 3 to 6, East 2 to 6, Middle West —1 to +3, Northwest 4 to 8, South 1 to 4, Southwest 0 to 4, Pacific Coast 3 to 7.

Trading in the wholesale mar-

House Group Completes Tax Reduction Program

After receiving the administration's proposals for tax relief in 1946, the House Ways and Means Committee on Oct. 4 worked out its own ideas as to what form new tax legislation should take and turned the result over to the legislative drafting service to be put into bill form for House action, advices from the Washington Bureau of the "Wall Street Journal" stated. A day earlier the Committee had voted individuals a reduction for next year of almost half a billion dollars more than Treasury Secretary Vinson's program proposed, and finally reduced the excess profits tax rate from 95% to 60% (effective rate 54%), although Mr. Vinson had recommended outright repeal of this levy.

On October 9 the committee formally approved the bill and completed drafting its report, which the United Press indicated would be made public Oct. 10. It was added that following traditional practice, the committee would ask the House Rules Committee to send the bill to the floor under a special rule forbidding amendments. United Press Washington advices Oct. 9 also said:

"Republican members of the Ways and Means Committee said tonight that future tax reductions could be made only if the Administration stopped 'wasteful and unnecessary spending'."

In a statement prepared to accompany the Committee report on the \$5,300,000,000 tax relief bill, the Republicans, while welcoming the reductions, said that "much greater" ones would be possible now if the Administration had practiced strict economy.

It was noted by the Associated Press on the same day that the Republican members of the Committee declared "we cannot continue to play Santa Claus to the other nations of the earth and remain solvent." The Associated Press continued:

Filing their "supplemental views" on the \$5,300,000,000 peacetime tax-cutting bill, the Republicans blamed the size of the national debt on "profligate spending" and stated:

"Further reductions in tax rates can only be made if the Administration will cut out wasteful and unnecessary spending."

The minority committeemen made their "Santa Claus" statement at a time when Britain and other nations are seeking loans in this country. They said:

kets last week was heavy; volume equaled that of the previous week and was slightly over the same week of last year. Reorders were abundant for most apparel lines. Deliveries of many types of merchandise were slow. Wholesalers' stocks were irregular; in some sections they were reported to be smaller even than during the war.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Sept. 29, 1945, increased by 6% above the same period of last year. This compared with an increase of 14% in the preceding week. For the four weeks ended Sept. 29, 1945, sales increased by 7% and for the year to date showed an increase of 11%.

Here in New York the past week the garment trade was endeavoring to catch up on both delayed production and shipments occasioned by the elevator strike in the previous week. Retail trade was given a lift by cooler weather with apparel and accessories particularly benefited. The rise in wholesale and retail food sales in the week showed no abatement. The scarcity of sugar, fats, oil and soap remained unchanged.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Sept. 29, 1945, increased by 2% above the same period of last year. This compared with an increase of 14% in the preceding week. For the four weeks ended Sept. 29, 1945, sales rose by 8% and for the year to date increased by 12%.

"The demands upon the Federal Treasury are becoming increasingly heavy and the time has come for the Administration to take an inventory of our assets and liabilities with view to determining what we should do and how far we can go."

"Only a solvent America can help meet the post-war problems of the world."

"Billions will be needed to provide adequate care for those who return home maimed and wounded. The dependents of those who made the supreme sacrifice must be secured against want and uncertainty if we would do our full duty to our heroic dead. Those sacred obligations must come before all other considerations."

The Republicans said the \$5,300,000,000 tax cut is good, "but it is not enough." They added: "The country will expect further and more substantial reductions in the next bill which will be taken up at the next session of Congress."

The program, as finally approved by the Ways and Means Committee, according to the "Wall Street Journal," calls for:

1. Retention of the excess profits tax through 1946, but with the 95% "gross" rate cut to 60%. This would save some 19,000 companies an estimated \$1,270,000,000 in taxes on their 1946 earnings.

2. A reduction of 10% in the regular taxes on corporation incomes. This will be made by cutting the 16% surtax to 12%, with the result that the combined corporate and normal surtax will drop on Jan. 1 from a 40% to a 36% rate. This change, it was estimated, will save corporations an additional \$404,000,000 and spread the savings among all tax-paying companies.

3. Repeal of the so-called wartime declared value excess profits tax on July 1, 1946. Repeal of this tax, which must be paid even if a company has no income, will save an estimated \$200,000,000.

4. Repeal of the so-called wartime increases in excise tax rates on more than a dozen goods and services, including rate boosts on telephone bills, light bulbs, alcoholic beverages, furs and jewelry, on July 1, 1946. This, it is estimated, will save taxpayers \$550,000,000 next year.

Refunds will be made by the Treasury on tax-paid floor stocks in the hands of manufacturers, dealers and retailers at the time the rate reduction becomes effective. These refunds are figured at \$160,000,000.

5. Repeal of the automobile and boat use tax stamp. Elimination of this war-time tax will save auto and boat users about \$135,000,000.

6. Freeze of the social security payroll tax at its present 1% rate on employers and employees for 1946. This tax had been scheduled to rise to 2½% on employers and employees Jan. 1 and would have cost them nearly \$1,500,000,000 next year.

7. Higher normal tax personal exemptions and lower surtax rates for individuals.

A proviso for individuals, the "Wall Street Journal" noted, states that their reductions shall not be less than 10% of their tax bill, figured at 1945 rates.

It is expected that the Senate Finance Committee will take exception to the House committee's decision to continue the excess profits tax for 1945 at a 60% rate, the "Wall Street Journal" pointed out, and continued:

Repeal of the excess profits tax Jan. 1, 1946, as proposed by Treasury Secretary Vinson, would have benefited only those companies

with earnings high enough to come in the excess profits class. There was strong sentiment in the House committee to write in some provision which would have extended relief to include all companies. At the same time, majority sentiment favored repeal of the excess profits tax Jan. 1 as a "business assurance" move. Together, these moves would have extended the revenue loss beyond the level recommended by the Treasury.

One Ways and Means Committee member said that it was the prospect that the Senate committee would vote to repeal the excess profits tax and retain the reduction in the combined corporate normal and surtax rate that prompted the House group's action.

As committee members interpreted their action, the proposed 60% excess profits tax rate for 1946 is the "gross" rate, comparable to the present 95% rate. Under the 10% post-war credit provision, which the committee left in the law, the net rate becomes 54%, compared with the present net rate of 85.5%.

The carryback of unused excess profits tax credits will continue through 1946, but will disappear when the excess profits tax comes off the books at the end of the year.

The committee instructed its experts to see if they can develop some way of preventing the carryback from being abused. It would be possible for so-called "war babies" to stop operations and claim a refund of past excess profits tax payments.

The four percentage point cut in combined normal and surtax rates will be reflected in the special graduated rates for companies with incomes of less than \$50,000.

All the reduction was made in the surtax, cutting it from 16% to 12%. The normal tax remains unchanged at 24%.

By making the cut in the surtax the committee improved the position of so-called partially exempt Government bonds. Interest from these bonds is fully exempt from normal taxes and subject only to surtaxes. Thus, corporate income derived from these bonds gets the benefit of a 25% reduction—the cut from 16% to 12% in the surtax rate.

There was no indication whether Chairman George of the Senate Finance Committee will call the bill before his group in advance of the time it passes the House.

The Administration's tax program was given in the text of Mr. Vinson's message to the Ways and Means Committee carried in the "Chronicle" Oct. 4, page 1569, while a reference to the House committee's action on Mr. Vinson's plan appeared on page 1605.

Labor-Management Charter Ratified

Announcement has been made of final ratification of the labor-management charter to promote industrial peace, and of formation of a national committee "to promote an understanding and sympathetic acceptance" of its principles, the Associated Press reported from Washington, May 30.

In a joint statement, William Green, American Federation of Labor president; Philip Murray, Congress of Industrial Organizations president, and Eric Johnston, president of the Chamber of Commerce of the United States, said the committee, to meet in Washington, June 11, was now being organized.

In their statement, the three called attention to section four of the charter which specifies "the fundamental rights of labor to organize and to engage in collective bargaining with management, shall be recognized and preserved, free from legislative enactment which would interfere with or discourage these objectives."

Daily Average Crude Oil Production for Week Ended Sept. 29, 1945 Decreased 170,100 Bbls.

The American Iron and Steel Institute estimates that the daily average gross crude oil production for the week ended Sept. 29, 1945, was 4,357,450 barrels, a decrease of 170,100 barrels per day from the preceding week. This sharp decline was caused largely by the oil strikes in the northern and southern areas of the Middle West, output in Texas falling off 102,100 barrels per day. The current figure was also 404,850 barrels per day below that for the corresponding week of 1944, and showed a decrease of 215,450 barrels when compared with the daily average figure as recommended by the Petroleum Administration for War for the month of September, 1945. Daily output for the four weeks ended Sept. 29, 1945, averaged 4,485,300 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 3,812,000 barrels of crude oil daily and produced 11,913,000 barrels of gasoline; 1,278,000 barrels of kerosine; 3,940,000 barrels of distillate fuel, and 7,047,000 barrels of residual fuel oil during the week ended Sept. 29, 1945; and had in storage at the end of that week 48,204,000 barrels of civilian grade gasoline; 31,348,000 barrels of military and other gasoline; 14,499,000 barrels of kerosine; 43,689,000 barrels of distillate fuel, and 46,853,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations September	*State Allowables Begin Sept. 1	Actual Production Week Ended Sept. 29, 1945	Change from Previous Week	4 Weeks Ended Sept. 29, 1945	Week Ended Sept. 30, 1944
Oklahoma	380,000	388,000	331,300	- 3,300	392,450	343,400
Kansas	274,000	269,400	272,500	+ 950	268,700	277,600
Nebraska	1,000		1,900	+ 50	850	900
Panhandle Texas			88,000		88,000	98,700
North Texas			141,900		141,900	147,750
West Texas			413,200	- 36,800	441,300	504,050
East Central Texas			112,100	- 16,350	124,350	149,800
East Texas			315,300		315,300	370,950
Southwest Texas			267,550	- 24,100	286,750	341,750
Coastal Texas			442,850	- 24,850	461,500	543,050
Total Texas	1,978,000	1,973,041	1,780,900	-102,100	1,859,100	2,156,050
North Louisiana			70,850	- 950	71,100	73,000
Coastal Louisiana			292,000		292,000	288,400
Total Louisiana	350,000	394,600	362,850	- 950	363,100	361,400
Arkansas	75,000	78,642	76,350	- 1,650	78,000	80,800
Mississippi	47,000		52,550	+ 1,500	53,250	48,950
Alabama	500		200	- 50	600	300
Florida			150	- 50	150	50
Illinois	200,000		181,800	- 20,550	197,950	210,500
Indiana	13,000		12,850	- 350	13,500	13,550
Eastern (Not incl. Ill., Ind., Ky.)	66,200		65,950	- 2,550	63,300	69,650
Kentucky	28,000		29,200	+ 350	28,900	28,750
Michigan	47,000		41,200	- 3,900	46,550	49,350
Wyoming	93,200		96,250	+ 11,600	106,200	100,300
Montana	22,000		20,300	- 200	20,150	22,400
Colorado	12,000		14,600	+ 2,400	10,000	8,650
New Mexico	100,000	100,000	95,300	- 9,000	102,850	106,200
Total East of Calif.	3,686,900		3,495,150	-148,300	3,607,600	3,878,800
California	886,000	886,000	862,300	-21,800	877,700	883,500
Total United States	4,572,900		4,357,450	-170,100	4,485,300	4,762,300

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

Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Sept. 26, 1945. This is the net basic allowable as of Sept. 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 5 to 16 days, the entire State was ordered shut down for 5 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 5 days' shutdown time during the calendar month. Recommendations of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED SEPT. 29, 1945

(Figures in thousands of barrels of 42 gallons each)
Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District	% Daily Crude Runs Refining to Stills Capacity	% Op-erating	% Op-erated	Gasoline		Stocks of Gas Oil		Stocks of Residual Fuel Oil		Stocks of Gasoline	
				Production	Inc. Net	Gas Oil	Inc. Net	Residual Fuel Oil	Inc. Net	Gasoline	Inc. Net
East Coast	99.5	70.4	89.0	1,793	15,093	7,788	4,960	9,453			
Appalachian											
District No. 1	76.8	50	61.6	315	885	249	1,248	1,353			
District No. 2	81.2	22	44.0	82	143	214	138	317			
Ind., Ill., Ky.	87.2	483	56.4	1,642	6,097	3,282	4,481	11,855			
Okla., Kan., Mo.	78.3	393	83.3	1,380	2,762	1,291	1,411	5,608			
Inland Texas	59.8	233	70.6	941	441	984	897	1,651			
Texas Gulf Coast	96.3	480	38.8	1,739	5,427	5,217	8,089	6,263			
Louisiana Gulf Coast	96.8	294	113.1	914	1,608	1,045	1,560	2,362			
No. La. & Arkansas	55.9	75	59.5	209	467	273	120	2,170			
Rocky Mountain											
District No. 3	17.1	13	100.0	36	20	35	15	75			
District No. 4	72.1	119	74.8	360	455	688	422	1,102			
California	87.3	905	90.9	2,502	10,281	25,787	7,958	4,955			
Total U. S. B. of M. basis Sept. 29, 1945	85.8	3,812	70.1	11,913	43,689	46,853	*31,348	48,204			
Total U. S. B. of M. basis Sept. 22, 1945	85.3	4,499	82.8	14,545	43,620	47,601	32,745	50,156			
U. S. B. of M. basis Sept. 30, 1944		4,825		14,742	43,592	64,256	36,894	40,014			

*Includes aviation and military gasoline, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending stocks currently indeterminate as to ultimate use, and 9,486,000 barrels unfinished gasoline this week, compared with 11,922,000 barrels a year ago. These figures do not include any gasoline on which title has already passed, or which the military force may actually have in custody in their own or leased storage. Stocks at refineries, at bulk terminals, in transit and in pipe lines. Not including 1,278,000 barrels of kerosine, 3,940,000 barrels of gas oil and distillate fuel oil and 7,047,000 barrels of residual fuel oil produced during the week ended Sept. 29, 1945, which compares with 1,570,000 barrels, 4,589,000 barrels and 7,928,000 barrels, respectively, in the preceding week and 1,434,000 barrels, 4,496,000 barrels and 9,211,000 barrels, respectively, in the week ended Sept. 30, 1944.

Note—Stocks of kerosine at Sept. 29, 1945 amounted to 14,499,000 barrels, as against 14,237,000 barrels a week earlier and 14,683,000 barrels a year before.

Steel Output Again Declines—Deliveries Further Extended—Net Order Volume Lower

"Steel price adjustments to compensate for cost factors other than any wage increase which may be granted in the steel industry have practically been decided upon by OPA, states 'The Iron Age,' in its issue of today (Oct. 11), which further adds: 'It was said that the announcement of price increases in the steel industry is being held up pending a clearer view of what the industry faces in the way of increased wage costs.' Such costs if they come are not included in the decisions already reached with regard to probable steel price increases slated for the near future. Steel makers, it was said, were not able to obtain anywhere near the relief for which they had asked. Any wage increase will result in demands for additional price adjustments, it was said.

"Barring unforeseen events price increases on many carbon steel products may be announced within the next 30 days or so. On an overall basis the adjustment may average out between \$2 and \$2.25 a ton. Higher increases will be made on items showing the greatest loss or the least return, while lower adjustments or none at all will involve products on which the return is considered to be almost enough or enough. Should advances be made on semi-finished steel, as is expected, corresponding increases will be made on some flat-rolled products to an extent which will enable small nonintegrated producers to obtain relief.

"Because of coal strikes the steel ingot rate for the industry this week has again declined and if the mine deadlock continues, further reduction is indicated for next week.

"The opportunity of steel companies to catch up on some of their orders while consumers make last minute progress on re-conversion changes has been severely curtailed this week by coal strikes and their effects on steel production. Steel industry coal supplies never were at a healthy level during the past few years and the shutdown of coal mines in western Pennsylvania because of labor difficulties means not only an immediate curtailment in steel production but recurring declines in the future.

"Normally steel companies should be obtaining as large an inventory of coal as possible at this time in order to offset subsequent severe weather conditions. If the latter materializes this winter, many steel companies will again be forced to operate at a lower rate than would otherwise be necessary.

"Even though net steel order volume is somewhat lower in recent weeks due to additional cancellations, lower operating rates have tended to extend deliveries much farther into the future. There is no longer any doubt that the tightness in many steel products especially flat rolled items will cause many steel consumers to revise their more optimistic plans for production of civilian products. Whether or not this difficulty in obtaining bars, sheets and strip will be prolonged depends entirely upon the course of present labor difficulties.

"War expansion in steel facilities and the introduction of new products has enabled Canada to attain almost complete independence of the United States with regard to steel supply. Before the war the Canadian automotive industry imported practically all sheets used in the manufacture of automobiles there, as well as a large percentage of castings. These export potentialities will be drastically changed upon completion of the new sheet and strip mill unit at the Hamilton works of the Steel Co. of Canada."

The American Iron and Steel Institute on Oct. 8 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 73.5% of capacity for the week beginning Oct. 8, compared with 79.7% one week ago, 80.3% one month ago and 96.9% one year ago. The current rate represents a decrease of 6.2 points or 7.8% from the preceding week. The operating rate for the week beginning Oct. 8 is equivalent to 1,346,300 tons of steel ingots and castings, compared to 1,459,800 tons one week ago, 1,470,800 tons one month ago, and 1,743,200 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets on Oct. 8, stated in part as follows: "Although steel demand still is heavy, increasing labor disturbances spread widely over the country have a definitely deterring effect on buyers. "In addition to a greater number of suspensions by steel consumers because of strikes in their own organizations or in others on which they are dependent for supplies and services, greater caution is being shown by many buyers in making future commitments, pending possible clarification in general wage policies during the next several weeks, possibly as a result of management-labor conferences early in November. "Caution is being exhibited not only by consuming manufacturers but in even greater degree by building contractors, who want a much clearer idea than they have at present as to what labor costs will be six to nine months from now. They also need more definite assurances as to deliveries of materials than are possible under present disturbed conditions. "Steel production, as well as demand, also is being adversely affected, a major threat at the moment being increasing disturbances in the soft coal industry. Some large steel producers have less than a week's supply of coal on hand and more blast furnaces are being forced to suspend. Consumers of foundry coke are being given drastic cuts in coke shipments. A large eastern by-product coke producer has been compelled to reduce foundry shipments 50%, at a time when foundry labor supply was beginning to show some improvement. "The poor outlook in pig iron production has given some strength to scrap, which in some instances recently showed some easing. However, should steel ingot production be sharply reduced, with much dependent on oil workers' reaction to Government control of plants, some strength in scrap might be lost. "In spite of these adverse factors demand for steel is active and there is increasing disposition among producers to put customers on a quota basis to assure all a reasonable fair share of available material. This is noted particularly in sheets, where pressure is heaviest. Many mills, however, are booked so far ahead that such rationing will not be felt for some time. Some producers set up their schedules on such a basis shortly after the end of the war and in some cases have not yet formally opened books for first quarter, although assuring regular customers they will be given at least as much as they were allotted for the current quarter. "Iron ore shipments in September, at 10,543,099 gross tons, is short by 785,930 tons of the movement in the corresponding months last year. Cumulative shipments to Oct. 1 totaled 61,671,771 tons, 4,231,413 tons less than the same date last year."

Snyder's Plan for Ship Disposal Opposed

The National Federation of American Shipping, Inc., is strongly opposed to the recommendations made recently by Reconversion Director Snyder for the disposal of the \$15,000,000,000 merchant fleet built during the war, according to a special dispatch from Washington, to the New York "Times," Oct. 3. Through its President, Almon E. Roth, the Federation, which comprises practically all American-flag ship owners, contended that Mr. Snyder was advocating measures which would favor foreign shipping at a time when many new countries were about to join in the race for foreign trade. He mentioned Soviet Russia as one which had developed a sudden interest in a merchant marine. The "Times" further said.

Mr. Snyder's views on the merchant fleet were embodied in a letter which he wrote on Sept. 27 to the Senate Commerce Commission, recommending changes in the Ship Sales Bill. He wrote:

"In general, may I urge upon the Committee the desirability of looking at the ship disposal problem as part of the overall question of international trade and commerce and foreign policy.

"This bill is conceived too narrowly. We live in a world in which our own safety and prosperity are directly dependent on the maintenance of friendly relations with other countries and on their economic progress as well as our own."

One of Mr. Snyder's recommendations, to which Mr. Roth took strong exception, would eliminate from the ship sales bill a clause which gives American ship operators first option for the purchase of fast ships for a six-month period.

Farley Named Head of Foreign Trade Group

Acceptance by James A. Farley, former Postmaster General of the United States, of an invitation to serve as Chairman of the New York Convention Committee of the Thirty-second National Foreign Trade Convention was announced on Oct. 8 by Eugene P. Thomas, President of the National Foreign Trade Council. Mr. Farley, a director of the Council, is Chairman of the board of the Coca-Cola Export Sales Company.

Concerning the convention, which will be held at the Waldorf-Astoria in New York, November 12, 13 and 14, the new Committee Chairman prepared the following statement:

"A war-torn world which has directed for long years all thought and energy to the problems of military effort and which has had too little time to spare for constructive policies is now finding again before it the arduous and more complex tasks of peace. We shall not succeed in binding up the wounds of the world, in meeting the long unsatisfied needs of its peoples and in eliminating the root causes of war unless we establish America's commercial relationships with the world on mutually advantageous policies and with a long-range viewpoint. The Thirty-second National Foreign Trade Convention held at this time should be in a position to make a constructive contribution to the formulation of such a program."

Serving with Mr. Farley as Vice-Chairman of the New York Convention Committee are: John B. Glenn, President of the New York Board of Trade; Leroy A. Lincoln, President of the Chamber of Commerce of the State of New York, and Allan M. Pope, President of the Commerce and Industry Association of New York.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES (Based on Average Yields) Table with columns for 1945 Daily averages, U.S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R.R., P.U., Indus.).

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

Table showing Moody's Bond Yield Averages for 1945 and previous years, categorized by U.S. Govt. Bonds, Corporate by Ratings, and Corporate by Groups.

*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.

Electric Output for Week Ended Oct. 6, 1945 7.9% Below That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Oct. 6, 1945, was approximately 4,028,286,000 kwh., which compares with 4,375,079,000 kwh. in the corresponding week a year ago, and 4,038,542,000 kwh. in the week ended Sept. 29, 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR Table with columns for Major Geographical Divisions (New England, Middle Atlantic, etc.) and Week Ended (Oct. 6, Sept. 29, Sept. 22, Sept. 15).

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours) Table with columns for Week Ended (1945, 1944), % Change over 1944, and 1943, 1929.

National Fertilizer Association Commodity Price Index Makes Fractional Gain

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Oct. 8 advanced fractionally to 140.1 for the week ended Oct. 6, 1945, from 139.9 for the preceding week.

Three of the composite groups of the index advanced during the latest week and the remaining group of the index remained unchanged. The greatest gains took place in the farm products group with the three subgroups of this index sharing in the advance.

During the week nine price series in the index advanced and three declined; in the preceding week 13 advanced and six declined; in the second preceding week 10 advanced and seven declined.

WEEKLY WHOLESALE COMMODITY PRICE INDEX Table with columns for Each Group (Food, Fats and Oils, etc.), Group, Latest Preceding Week, and Month Year Ago.

Moody's Common Stock Yields

For yields in prior years see the following back issues of the "Chronicle": 1941 yields (also annually from 1929), Jan. 11, 1942, page 2218; 1942 yields, Jan. 14, 1943, page 202; 1943 yields, March 16, 1944, page 1130; 1944 yields, Feb. 1, 1945, page 558.

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS Table with columns for Industrials, Railroads, Utilities, Banks, Insurance, and Average Yield.

Freezing Controls on France Almost Ended

France has been almost completely released from the Treasury Department's freezing controls, Secretary Vinson declared on Oct. 4. At the same time the Secretary announced the lifting of the Treasury's import and export controls over checks, drafts, bills of exchange and other payment instructions being sent to or from blocked countries.

As a result of these two major steps in the Treasury's defrosting program there are no freezing restrictions on current transactions with France. Trade between France and any unblocked country may now be freely financed through the United States.

To prevent the release of property in the United States which is held in French names, but is actually enemy owned, all assets in which persons in France have an interest will remain frozen until the Government of France has had an opportunity to check the beneficial ownership.

frosting, Secretary Vinson today released the complete text of the letters exchanged with M. Plevin. Similar negotiations are under way with other liberated countries. It is anticipated that defrosting programs for such countries will shortly be announced.

The above changes result from the issuance of General License No. 92 and the extensive amendment of General Ruling No. 5A. Treasury officials pointed out that as a result of the change in the Ruling checks and drafts other than those which prior to V-J Day have been within enemy territory, or territory which has been occupied by the enemy, may again be freely imported into the United States.

The continuation of the prohibition against the collection or payment of checks and drafts which prior to V-J Day have been within enemy territory or territory which has been occupied by the enemy will render valueless any such instruments which have been issued under duress or otherwise looted by the aggressor nations.

Purchase Site for New Beekman Street Hospital

The purchase of a site for the new \$2,750,000 modern Beekman-Downtown Hospital was announced on October 5 by Elisha Walker, Chairman of the hospital board. The property is a plot of approximately 30,000 square feet covering the full frontage of William Street between Beekman and Spruce Streets.

"It is due to the cooperation of Charles F. Noyes that we were able to acquire this desirable location in the heart of the financial, insurance and industrial community of lower New York. Mr. Noyes has sold this property to us considerably below its assessed valuation of \$605,000."

This property was acquired by Mr. Noyes a few years ago from the New York Telephone Company which had accumulated the parcels.

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index values for various dates from Oct. 2, 1945, to 1945 High, Oct. 8, and Low, Jan. 24.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Oct. 3 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 Sept. 15, 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 Sept. 15 (in round-lot transactions) totaled 2,030,367 shares, which amount was 14.47% of the total transactions on the Exchange of 7,015,000 shares. This compares with member trading during the week ended Sept. 8 of 1,522,085 shares, or 13.70% of the total trading of 5,558,200 shares. On the New York Curb Exchange, member trading during the week ended Sept. 15 amounted to 475,490 shares or 13.07% of the total volume on that Exchange of 1,818,435 shares. During the week ended Sept. 8 trading for the account of Curb members of 413,900 shares was 12.96% of the total trading of 1,596,485 shares.

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

WEEK ENDED SEPT. 15, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales.....	194,910	
Other sales.....	6,820,090	
Total sales.....	7,015,000	
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.....	592,850	
Short sales.....	112,180	
Other sales.....	450,990	
Total sales.....	563,170	8.24
2. Other transactions initiated on the floor—		
Total purchases.....	182,100	
Short sales.....	16,800	
Other sales.....	166,480	
Total sales.....	183,280	2.60
3. Other transactions initiated off the floor—		
Total purchases.....	228,127	
Short sales.....	21,800	
Other sales.....	259,040	
Total sales.....	280,840	3.63
4. Total—		
Total purchases.....	1,003,077	
Short sales.....	150,780	
Other sales.....	876,510	
Total sales.....	1,027,290	14.47

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

WEEK ENDED SEPT. 15, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales.....	35,060	
Other sales.....	1,783,375	
Total sales.....	1,818,435	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	140,770	
Short sales.....	13,360	
Other sales.....	137,425	
Total sales.....	150,785	8.02
2. Other transactions initiated on the floor—		
Total purchases.....	24,790	
Short sales.....	2,700	
Other sales.....	41,710	
Total sales.....	44,410	1.90
3. Other transactions initiated off the floor—		
Total purchases.....	52,980	
Short sales.....	12,200	
Other sales.....	49,555	
Total sales.....	61,755	3.15
4. Total—		
Total purchases.....	218,540	
Short sales.....	28,260	
Other sales.....	228,890	
Total sales.....	256,950	13.07
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales.....	0	
Customers' other sales.....	72,968	
Total purchases.....	72,968	
Total sales.....	74,245	

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

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

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

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

Civil Engineering Construction \$74,731,000 For Week of October 4

Civil engineering construction volume totals \$74,731,000 for the week, the third highest volume reported in 1945, according to reports to "Engineering News-Record." The week's total is 16% below the 1945 high of a week ago, but tops the corresponding 1944 week's total by 182%, and is 7% greater than the previous four-week moving average. The report issued on Oct. 4 added:

Private construction, though 13% under the five-year high of a week ago, is 1,703% above the volume for the 1944 week. Public construction is 25 and 36% lower, respectively, than a week ago and a year ago. Federal work declines 10% from last week, and is down 71% from last year. State and municipal work drops 30% from the preceding week's total, but is up 45% compared with a year ago.

The current week's construction brings 1945 volume to \$1,570,985,000 for the 40-week period, a 12% increase over the \$1,406,091,000 reported in 1944. Private construction, \$621,738,000, is 11% higher than last year, but public construction, \$949,247,000, is 15% lower

as a result of the 25% decrease in federal work. State and municipal volume, \$268,510,000, tops the 1944 period by 36%.

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

	Oct. 4, 1945	Sept. 27, 1945	Oct. 5, 1944
Total U. S. Construction.....	\$74,731,000	\$88,817,000	\$26,530,000
Private Construction.....	59,974,000	69,218,000	3,326,000
Public Construction.....	14,757,000	19,599,000	23,204,000
State and Municipal.....	9,928,000	14,247,000	6,824,000
Federal.....	4,829,000	5,352,000	16,380,000

Commercial building volume reached its highest volume since the week of January 16, 1941, and industrial building was the highest reported in 1945, except for the five-year high of the preceding week. In addition to these two classes of work, sewerage, bridges, and streets and roads report increases over their totals for the corresponding 1944 week. Gains over a week ago are in sewerage, commercial buildings, public buildings, earthwork and drainage, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, \$316,000; sewerage, \$1,156,000; bridges, \$1,525,000; industrial buildings, \$28,248,000; commercial building and large-scale private housing, \$26,046,000; public buildings, \$3,153,000; earthwork and drainage, \$1,803,000; streets and roads, \$4,762,000; unclassified construction, \$7,722,000.

New capital for construction purposes for the week totals \$23,023,000. It is made up of \$16,523,000 in state and municipal bond sales, and \$6,500,000 in corporate security issues. The week's financing brings 1945 volume to \$1,672,259,000, a total 4% above the \$1,615,470,000 reported for the 40-week 1944 period.

Proposed Engineering Construction Backlog Totals \$23.7 Billions

The proposed construction backlog of identified and recorded engineering projects totals \$23,672,516,000 for the period from Jan. 1, 1943 through Sept. 27, 1945 according to reports to "Engineering News-Record." Of this future construction backlog, \$11,090,641,000, or 47% of the proposed reserve, have plans under way or completed, and on projects valued at \$2,020,707,000 all financing arrangements have been completed.

Bankers' Dollar Acceptances Outstanding on August 31 \$128,035,000

The volume of bankers' dollar acceptance outstanding on Aug. 31 amounted to \$128,035,000, an increase of \$11,318,000 from the July 31 total, according to the monthly acceptance survey issued Sept. 17 by the Federal Reserve Bank of New York. As compared with a year ago, the Aug. 31 total represents a gain of \$18,403,000.

In the month-to-month comparison, domestic shipments, dollar exchange and those based on goods stored in or shipped between foreign countries were lower and imports, exports, domestic warehouse credits were higher, while in the yearly analysis all the items except exports and these based on goods stored in and shipped between foreign countries were lower in Aug., 1945 than a year ago.

The Reserve Bank's report follow:

MONTHLY ACCEPTANCE SURVEY BANKERS DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District	Aug. 31, '45	July 31, '45	Aug. 31, '44
1 Boston.....	\$17,322,000	\$17,223,000	\$14,444,000
2 New York.....	75,130,000	67,536,000	68,864,000
3 Philadelphia.....	9,126,000	8,314,000	7,313,000
4 Cleveland.....	2,286,000	1,199,000	2,546,000
5 Richmond.....	1,146,000	1,207,000	418,000
6 Atlanta.....	2,379,000	3,025,000	2,509,000
7 Chicago.....	4,674,000	3,348,000	3,420,000
8 St. Louis.....	247,000	273,000	907,000
9 Minneapolis.....	168,000	118,000	87,000
10 Kansas City.....	530,000	528,000	106,000
11 Dallas.....	15,027,000	13,446,000	6,318,000
12 San Francisco.....			
Grand Total.....	\$128,035,000	\$116,717,000	\$109,832,000
Increase for month.....	\$11,318,000	Increase for year.....	\$18,403,000

ACCORDING TO NATURE OF CREDIT

	Aug. 31, '45	July 31, '45	Aug. 31, '44
Imports.....	\$91,074,000	\$80,708,000	\$74,856,000
Exports.....	9,729,000	9,021,000	10,215,000
Domestic shipments.....	9,333,000	10,087,000	8,670,000
Domestic warehouse credits.....	16,048,000	12,343,000	12,919,000
Dollar exchange.....	225,000	341,000	155,000
Based on goods stored in or shipped between foreign countries.....	1,606,000	4,217,000	2,817,000

BILLS HELD BY ACCEPTING BANKS

Own bills.....	\$50,248,000	Bills of others.....	\$50,265,000	Total.....	\$100,513,000
Increase for month.....		\$10,511,000			

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES SEPT. 17, 1945

Days	Dealers' Buying Rates	Dealers' Selling Rates
30.....	1/2	1/2
60.....	1/2	1/2
90.....	1/2	1/2
120.....	1/2	1/2
150.....	1/2	1/2
180.....	1/2	1/2

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since August, 1942:

1942—	1943—	1944—			
Aug. 31.....	\$139,304,000	Sept. 30.....	\$117,016,000	Sept. 30.....	\$111,101,000
Sept. 30.....	123,494,000	Oct. 31.....	114,883,000	Oct. 31.....	114,953,000
Oct. 31.....	118,581,000	Nov. 30.....	111,289,000	Nov. 30.....	115,336,000
Nov. 30.....	116,067,000	Dec. 31.....	116,814,000	Dec. 30.....	128,944,000
Dec. 31.....	118,039,000				
1943—	1944—	1945—			
Jan. 30.....	119,682,000	Jan. 31.....	120,497,000	Jan. 31.....	129,743,000
Feb. 27.....	127,062,000	Feb. 29.....	134,772,000	Feb. 28.....	126,269,000
Mar. 31.....	129,818,000	Mar. 31.....	129,358,000	Mar. 31.....	127,512,000
Apr. 30.....	128,350,000	Apr. 29.....	125,566,000	Apr. 30.....	116,825,000
May 29.....	135,815,000	May 31.....	113,139,000	May 31.....	104,356,000
June 30.....	139,846,000	June 30.....	111,675,000	June 30.....	106,893,000
July 31.....	110,250,000	July 31.....	138,692,000	July 31.....	116,717,000
Aug. 31.....	130,244,000	Aug. 31.....	109,632,000	Aug. 31.....	128,035,000

Merge N. Y. Office of London "Financial Times" And "News"

Incident to the acquisition by the Financial News, Ltd., in London of controlling interest of the "Financial Times" of London, we are advised that by a resolution of the Board of Directors of the two companies, it was decided that the two newspapers be merged under the title: "The Financial Times incorporating the Financial News."

The advices to us Sept. 28 also stated that the merger would take place Oct. 1st. Hargreaves Parkinson, Editor of "The Financial News," is the Editor of the newly-expanded paper, which will combine the best editorial features of both dailies. We are further advised:

As both staffs are being taken over "The Financial Times" will dispose of an amount of talent and experience unrivaled in the history of British financial journalism. The group of which Viscount Moore is Managing Director, includes also two subsidiaries: "The Banker" (Editor: M. Dacey) and "The Investors Chronicle" (Editor: J. Wincott). The Financial News Ltd. hold also a 50% part in The London Economist.

"The Financial Times" has set up temporary New York Offices at 30 Rockefeller Plaza (Suite 4436).

An item regarding the purchase of controlling interest in the "Financial Times" by the "Financial News" appeared in our issue of Aug. 2, page 546.

Patterson Sworn in as Secretary of War

On Sept. 27 Robert P. Patterson took the oath of office as Secretary of War. The former Under-Secretary, who was nominated to succeed Henry L. Stimson, resigned, was sworn in by Judge Learned Hand of the Second Circuit Court of Appeals. Mr. Patterson was a Judge on that court before the war. The appointment of Mr. Patterson as War Secretary was noted in our issue of Sept. 27, page 1493. The Senate confirmed the nomination on Sept. 25.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 3 a summary for the week ended Sept. 22 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Sept. 22, 1945	
Odd-Lot Sales by Dealers—	Total
(Customers' purchases).....	33,180
Number of orders.....	958,275
Number of shares.....	\$37,555,486
Dollar value.....	
Odd-Lot Purchases by Dealers—	
(Customers' sales).....	
Number of Orders:	
Customers' short sales.....	237
Customers' other sales.....	29,508
Customers' total sales.....	29,745
Number of Shares:	
Customers' short sales.....	7,903
Customers' other sales.....	785,606
Customers' total sales.....	793,509
Dollar value.....	\$30,758,900
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales.....	200
Other sales.....	162,590
Total sales.....	162,790
Round-Lot Purchases by Dealers—	
Number of shares.....	319,630
*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."	

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Sept. 29, 1945, as estimated by the United States Bureau of Mines, was 10,930,000 net tons, a decrease of 670,000 tons, or 5.8%, from the preceding week. Output in the corresponding week of 1944 amounted to 12,180,000 tons. For the period from Jan. 1, 1945 to Sept. 29, 1945, production amounted to 437,838,000 net tons, a decrease of 7.2% when compared with the 471,594,000 tons produced during the period from Jan. 1, 1944 to Sept. 30, 1944.

Production of Pennsylvania anthracite for the week ended Sept. 29, 1945, as estimated by the Bureau of Mines, was 1,230,000 tons, an increase of 88,000 tons (7.7%) over the preceding week. When compared with the corresponding week of 1944 there was a decrease of 91,000 tons, or 6.9%. The calendar year to date shows a decrease of 16.0% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended, Sept. 29, 1945 showed a decrease of 200 tons when compared with the output for the week ended Sept. 22, 1945; and was 48,500 tons less than for the corresponding week of 1944.

ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE

	Week Ended			Jan. 1 to Date	
	Sept. 29, 1945	Sept. 22, 1945	Sept. 30, 1944	Sept. 29, 1945	Sept. 30, 1944
Bituminous coal & lignite:	10,930,000	11,600,000	12,180,000	437,838,000	471,594,000
Total, including mine fuel	1,181,000	1,096,000	1,268,000	1,913,000	2,029,000
Daily average	1,822,000	1,933,000	2,030,000	1,913,000	2,029,000

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Calendar Year to Date	
	Sept. 29, 1945	Sept. 22, 1945	Sept. 30, 1944	Sept. 29, 1945	Oct. 2, 1944
Penn. anthracite—	1,230,000	1,321,000	1,316,000	48,616,000	38,042,000
Total incl. coll. fuel	1,181,000	1,096,000	1,268,000	39,203,000	36,140,000
Commercial produc.	1,181,000	1,096,000	1,268,000	39,203,000	36,140,000

Beehive coke—
 United States total 67,800 68,000 116,300 4,314,600 5,544,900 2,649,200

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

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

(The current weekly estimates are based on railroad 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		
	Sept. 22, 1945	Sept. 15, 1945	Sept. 23, 1944
Alabama	413,000	417,000	358,000
Alaska	5,000	6,000	6,000
Arkansas and Oklahoma	102,600	92,000	99,000
Colorado	136,000	135,000	155,000
Georgia and North Carolina	1,483,000	1,411,000	1,355,000
Illinois	536,000	523,000	534,000
Indiana	37,000	39,000	55,000
Iowa	149,000	122,000	169,000
Kansas and Missouri	980,000	1,048,000	951,000
Kentucky—Eastern	377,000	375,000	375,000
Kentucky—Western	34,000	38,000	36,000
Maryland	2,000	4,000	4,000
Michigan	78,000	78,000	89,000
Montana (bitum. & lignite)	30,000	30,000	33,000
New Mexico	49,000	44,000	49,000
North & South Dakota (lignite)	752,000	804,000	689,000
Ohio	2,680,000	2,875,000	2,978,000
Pennsylvania (bituminous)	134,000	141,000	135,000
Tennessee	121,000	3,000	2,000
Texas (bituminous & lignite)	350,000	358,000	352,000
Utah	25,000	20,000	28,000
Virginia	1,933,000	2,130,000	2,047,000
West Virginia—Southern	953,000	1,145,000	1,155,000
West Virginia—Northern	179,000	190,000	181,000
Wyoming	179,000	190,000	181,000
Other Western States	11,600,000	12,175,000	11,966,000

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

Wholesale Prices Increased 0.1% in Week Ended Sept. 29, Labor Dept. Reports

Commodity prices in primary markets averaged slightly higher (by 0.1%) during the week ended Sept. 29, according to the Bureau of Labor Statistics of the U. S. Department of Labor, which on Oct. 4 stated that higher prices for farm products, cotton goods and building materials more than offset declines for foods and petroleum products. At 105% of the 1926 average the general index was 0.2% below the level of four weeks ago and 1.2% above the corresponding week of last year, the Department said. It further reported:

Farm Products and Foods—Prices for farm products as a group were up 0.2% during the week because of price advances for grains and livestock, which more than offset declines for fresh fruits and vegetables and cotton. Quotations for livestock were higher as demand continued heavy and supplies remained below expectations. Live poultry prices declined. Oats, wheat and barley were higher with larger purchases for export and decreased supplies of Canadian grains. Sweetpotatoes declined sharply as the new crop came onto the market in large volume and apples and oranges were also lower. White potatoes continued to advance contrasessionally. Increases for eggs were more than usual at this time of year. Cotton quotations dropped. On the average farm products were 0.3% below a month ago and 1.5% above a year ago.

The group index for foods declined 0.4% during the week, chiefly because of the 2.2% decrease for fruits and vegetables. Powdered milk dropped sharply with reduced Army buying and oatmeal prices were much lower reflecting earlier price declines for oats. Wheat flour was fractionally lower. Average prices of foods have decreased 0.8% during the last four weeks to a level 0.8% above late September 1944.

Other Commodities—Prices of textile products rose 0.3% during the week, reflecting increased OPA ceilings for osnaburg and print cloth required under the Bankhead Amendment to the Stabilization Extension Act of 1944. Mercury quotations advanced with higher export demand, following the persistent declines of recent months. Prices of petroleum products were lower because of further adjustments to reduced OPA ceilings, while building materials were slightly higher. Average prices of all commodities other than farm

products and foods were 0.2% below a month ago and 1.1% above last year.

The Labor Department also included the following notation in its report:

NOTE: During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following tables show (1) indexes for the past three weeks, for Sept. 1, 1945 and Sept. 30, 1944 and (2) percentage changes in subgroup indexes from Sept. 22, 1945 to Sept. 29, 1945.

WHOLESALE PRICES FOR WEEK ENDING SEPT. 29, 1945 (1926=100)

Commodity Groups—	Sept. 29, 1945			Sept. 30, 1944			Percentage changes to Sept. 29, 1945, from—		
	9-29	9-22	9-15	9-1	9-30	9-22	9-1	9-30	
All commodities	105.0	104.9	104.7	105.2	103.8	+0.1	-0.2	-1.2	
Farm products	124.7	124.5	123.6	125.1	122.8	+0.2	-0.3	-1.5	
Hides and leather products	104.7	105.1	104.6	105.5	103.9	-0.4	-0.8	-0.8	
Textile products	118.6	118.6	118.6	118.6	116.5	0	0	+1.8	
Fuel and lighting materials	99.9	99.6	99.4	99.1	98.5	+0.3	+0.8	+1.4	
Metals and metal products	84.4	84.5	84.4	85.5	83.7	-0.1	-1.3	-0.8	
Building materials	104.8	104.8	104.8	103.8	103.8	0	0	+1.0	
Chemicals and allied products	117.8	117.7	117.7	117.6	115.9	+0.1	+0.2	+1.6	
Housefurnishing goods	95.3	95.3	95.3	95.3	94.9	0	0	+0.4	
Miscellaneous commodities	106.3	106.3	106.3	106.2	106.1	0	+0.1	+0.2	
Raw materials	94.6	94.6	94.6	94.6	93.4	0	0	+1.2	
Semimanufactured articles	115.7	115.5	115.0	115.8	113.2	+0.2	-0.1	-2.2	
Manufactured products	95.9	95.7	95.7	95.4	94.3	+0.2	-0.5	-1.7	
All commodities other than farm products	101.8	101.8	101.8	102.1	101.1	0	-0.3	-0.7	
All commodities other than farm products and foods	100.6	100.6	100.6	100.8	99.6	0	-0.2	+1.0	

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM SEPT. 22, 1945 TO SEPT. 29, 1945

Subgroup	Increases		Decreases	
	Sept. 29, 1945	Sept. 22, 1945	Sept. 29, 1945	Sept. 22, 1945
Livestock and poultry	1.5	0.2	0.2	0.2
Cotton goods	0.8	0.2	0.2	0.2
Grains	0.7	0.1	0.1	0.1
Other foods	0.1	0.1	0.2	0.2
Fruits and vegetables	2.2	0.2	0.2	0.2
Other farm products	0.7	0.2	0.2	0.2
Petroleum and products	0.2	0.2	0.2	0.2

Non-Ferrous Metals—Call for Lead Active—Copper and Zinc Sales Fair—Mercury Higher

"E. & M. J. Metal and Mineral Markets," in its issue of Oct. 4, stated:

"Demand for lead was active last week, with larger tonnages moving to manufacturers of pigments, tetraethyl lead, cables, and batteries. The price situation in lead was firm. Copper was in sufficient demand to absorb domestic production and a fairly large tonnage of foreign metal easily. Producers of zinc experienced a good volume of business in the grades used in die casting and galvanizing. Demand for silver at the higher price has moderated. Sales of quicksilver were larger than first reported, and the price advanced \$2 per flask. Cadmium business was described as excellent." The publication further went on to say, in part, as follows:

Copper

Except for labor difficulties, consumption of copper in the United States now would be in excess of 100,000 tons a month, producers believe. Call for copper from the wire and cable division has been quite active. Brass mills have been troubled with strikes, and their purchases have reflected a drop in production. WPB officials believe that under normal operating conditions brass mill production should level off at around 150,000,000 lb. monthly for a considerable period, owing to pent-up civilian needs. August production of brass mills was 175,725,000 lb., and July was 201,572,000 lb.

Lead

Sales of lead during the week that ended Oct. 3 totaled 7,884 tons, against 4,822 tons in the previous week. With important consumers in a position to obtain more lead in the Oct.-Dec. period, owing to recent action by WPB to ease the limitation order, the surplus now in the hands of the Government is expected to decline. The stockpile at the end of September totaled around 96,000 tons, and is likely to drop below 90,000 tons by the end of October.

Total receipts of lead in ore and scrap smelted in connection with ore by United States smelters came to 41,182 tons in August, against 42,844 tons in July, and 47,589 tons in August last year, the American Bureau of Metal Statistics reports.

Stocks of lead at United States smelters and refineries, in tons,

according to the American Bureau of Metal Statistics:

	Sept. 1	Aug. 1
In ore, matte, and in process at smelters	87,858	74,605
In base bullion:		
Smelters and refineries	9,336	10,687
Transit to refineries	2,041	2,479
Process at refineries	13,941	13,420
Refined pig lead	31,208	35,514
Antimonial lead	9,102	5,631
Totals	153,486	142,336

*Revised.

Zinc

Producers are not counting on continued purchases of domestic zinc during October by Metals Reserve, which implies that any surplus production from concentrates not owned by the Government will move into private stocks. So far, the demand for Special High Grade and Prime Western has been good, absorbing virtually all of current production. Call for the other grades, however, has been quiet. The position of foreign zinc is being studied for signs of any selling pressure in this market from that direction.

Aluminum

Within the next five years, the United States market as a whole will be consuming 1,250,000,000 lb. of aluminum a year, or some five times the prewar average, Roy A. Hunt, President of the Aluminum Company of America, asserted in a radio address recently. Though steel and aluminum will often battle for the same piece of business, both metals make markets for each other, he declared. The steel industry will use aluminum as a deoxidizing agent in the production of steel, as a coating for thin sheets of steel, and as a covering of steel sheet to produce "plymetals," Mr. Hunt said.

Tin

The Senate Special Committee investigating the defense program has been looking into the tin situation. Testimony by those appearing before the committee brought out nothing that was new. Questions asked indicated that

members of the committee were greatly concerned with the problem of postwar operation of the tin smelter at Texas City. Experts called tried to make it clear that the price of the metal in a free market establishes the value of the ore or concentrate. Also, the grade of the ore has an important bearing on the cost of recovering tin.

Conditions surrounding the tin market remain unchanged. Straits quality tin for shipment, in cents per pound, was nominally as follows:

	Oct.	Nov.	Dec.
Sept. 27	\$2.00	\$2.00	\$2.00
Sept. 28	\$2.00	\$2.00	\$2.00
Sept. 29	\$2.00	\$2.00	\$2.00
Oct. 1	\$2.00	\$2.00	\$2.00
Oct. 2	\$2.00	\$2.00	\$2.00
Oct. 3	\$2.00	\$2.00	\$2.00

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

Quicksilver

Buying of quicksilver that appeared as the price dropped to the \$90 level in the preceding week was larger in volume than first estimated. Business placed disposed of the floating supply, and involved more than 1,200 flasks. This firmed the market in all directions, and in the last few days of the E. & M. J. week quotations covered a range of \$95 to \$99 per flask. San Francisco advices received on Oct. 3 reported light offerings at \$95 per flask, Coast, and upward.

Export business accounted for a share of the business booked here recently. According to some observers, the New York price, for a time, was the lowest of all marketing centers, which attracted European buyers.

Silver

There were no new developments in the silver situation in the week that ended yesterday. The New York Official for foreign metal held at 70% c. throughout the week with domestic metal also at that level.

The London quotation was unchanged at 44d. an ounce troy, with the market quiet.

Confirm McGrath As Solicitor General

The U. S. Senate on Oct. 3 confirmed the nomination of J. Howard McGrath to be Solicitor General of the United States. The nomination was sent to the Senate by President Truman on Sept. 28. Mr. McGrath, Democratic third-term Governor of Rhode Island, was named to his new post to replace Charles Fahy, resigned. The New York "Times" correspondent, Lewis Wood, in reporting the announcement from Washington, Sept. 23 of the nomination, mentioned that Mr. McGrath's appointment, apparently held as a secret in close Administration circles, came as a surprise because it had been taken somewhat for granted that Governor Ellis Arnall of Georgia would be named to the post. Mr. Wood pointed out that it was Governor McGrath, who seconded the nomination of Mr. Truman for the Vice Presidency, and he is described as a personal friend of the President as well as of Postmaster General Hannegan and Attorney General Clark. Mr. Wood reports that Mr. Clark recommended the nominee largely on the strength of having done "a splendid job" as United States Attorney in Rhode Island in 1935-40. The "Times" report continued:

Governor McGrath, now 41 years old, was Vice Chairman of the State Democratic Committee 1928-30, Chairman, 1930-34, and was a delegate to the last four Democratic national conventions. He became Governor in 1940 when he defeated William H. Vanderbilt.

It is understood that he would assume the office of Solicitor General immediately upon Senate confirmation.

Revenue Freight Car Loadings During the Week Ended Sept. 29, 1945 Decreased 5,030 Cars

Loading of revenue freight for the week ended Sept. 29, 1945, totaled 832,263 cars, the Association of American Railroads announced on Oct. 4. This was a decrease below the corresponding week of 1944 of 80,364 cars, or 8.8%, and a decrease below the same week in 1943 of 78,381 cars or 8.6%.

Loading of revenue freight for the week of Sept. 29 decreased 5,030 cars, or 0.6% below the preceding week.

Miscellaneous freight loading totaled 361,651 cars, an increase of 7,349 cars above the preceding week, but a decrease of 55,765 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 110,510 cars, an increase of 2,651 cars above the preceding week and an increase of 589 cars above the corresponding week in 1944.

Coal loading amounted to 165,407 cars, a decrease of 6,960 cars below the preceding week, and a decrease of 14,462 cars below the corresponding week in 1944.

Grain and grain products loading totaled 53,912 cars, a decrease of 1,712 cars below the preceding week but an increase of 3,900 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Sept. 29 totaled 38,206 cars, a decrease of 1,982 cars below the preceding week but an increase of 4,927 cars above the corresponding week in 1944.

Livestock loading amounted to 23,212 cars, an increase of 1,484 cars above the preceding week and an increase of 285 cars above the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of Sept. 29 totaled 19,034 cars, an increase of 1,205 cars above the preceding week, and an increase of 963 cars above the corresponding week in 1944.

Forest products loading totaled 37,756 cars, a decrease of 3,076 cars below the preceding week and a decrease of 7,102 cars below the corresponding week in 1944.

Ore loading amounted to 68,333 cars, a decrease of 4,021 cars below the preceding week and a decrease of 5,086 cars below the corresponding week in 1944.

Coke loading amounted to 11,482 cars, a decrease of 745 cars below the preceding week, and a decrease of 2,723 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944. All reported decreases compared with 1943 except the Pocahontas.

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
4 Weeks of March	4,018,627	3,916,537	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
4 Weeks of June	4,364,662	4,338,886	4,003,393
4 Weeks of July	3,378,266	3,459,830	3,455,328
4 Weeks of August	3,240,175	3,576,269	3,554,694
Week of September 1	860,439	897,603	901,075
Week of September 8	730,623	825,166	834,670
Week of September 15	856,105	891,486	902,766
Week of September 22	837,283	897,883	907,311
Week of September 29	832,263	912,627	910,644
Total	31,997,114	32,746,065	31,797,865

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Sept. 29, 1945. During this period 45 roads reported gains over the week ended Sept. 30, 1944.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED SEPT. 29

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
Eastern District—						
Ann Arbor	333	322	250	1,321	1,513	
Bangor & Aroostook	1,587	1,376	1,347	482	534	
Boston & Maine	7,354	6,996	7,114	12,403	14,539	
Chicago, Indianapolis & Louisville	1,100	1,236	1,426	1,985	2,132	
Central Indiana	27	37	36	50	29	
Central Vermont	1,153	1,114	1,074	2,434	2,567	
Delaware & Hudson	5,044	5,011	6,263	10,244	12,556	
Delaware, Lackawanna & Western	7,608	8,431	7,569	8,899	10,425	
Detroit & Mackinac	314	402	270	135	130	
Detroit, Toledo & Ironton	1,172	2,030	1,959	1,048	1,277	
Detroit & Toledo Shore Line	355	343	353	2,326	2,679	
Erie	11,812	14,568	14,025	15,064	17,178	
Grand Trunk Western	3,384	4,197	3,993	7,857	8,250	
Lehigh & Hudson River	211	153	222	2,376	2,372	
Lehigh & New England	2,447	2,311	2,024	1,449	1,632	
Lehigh Valley	8,600	8,833	8,957	8,236	12,370	
Maine Central	2,627	2,494	2,397	3,297	3,784	
Monongahela	2,808	6,490	6,143	275	303	
Montour	2,079	2,642	2,363	18	14	
New York Central Lines	47,028	52,140	54,787	45,700	55,774	
N. Y., N. H. & Hartford	10,402	10,182	10,008	14,391	18,209	
New York, Ontario & Western	1,040	1,166	1,328	2,342	3,354	
New York, Chicago & St. Louis	5,927	6,798	7,058	12,535	14,978	
N. Y., Susquehanna & Western	376	489	657	1,804	2,388	
Pittsburgh & Lake Erie	6,442	8,182	8,321	6,650	9,157	
Pere Marquette	4,906	5,468	5,694	5,988	7,154	
Pittsburgh & Shawmut	774	793	964	39	7	
Pittsburgh, Shawmut & North	176	321	436	197	238	
Pittsburgh & West Virginia	870	1,219	1,117	2,059	3,138	
Rutland	420	373	420	1,250	1,323	
Wabash	5,645	6,096	6,453	10,032	11,874	
Wheeling & Lake Erie	5,257	5,853	6,172	3,954	4,453	
Total	149,290	167,976	171,200	186,340	226,296	
Allegheny District—						
Akron, Canton & Youngstown	535	790	732	1,003	1,249	
Baltimore & Ohio	42,069	47,356	46,446	23,754	28,181	
Bessemer & Lake Erie	4,260	5,835	6,893	1,819	1,739	
Buffalo Creek & Gauley			341			
Cambria & Indiana	736	1,743	1,699	11	6	
Central R. R. of New Jersey	6,578	7,102	7,752	16,032	19,511	
Conwall	578	536	685	45	55	
Cumberland & Pennsylvania	203	191	212	10	14	
Ligonier Valley	90	117	146	10	17	
Long Island	2,542	1,873	1,655	4,200	4,573	
Penn-Reading Seashore Lines	1,863	2,027	1,861	2,018	2,479	
Pennsylvania System	80,250	91,627	85,818	59,120	68,655	
Reading Co.	14,440	16,072	14,982	24,773	29,631	
Union (Pittsburgh)	16,046	20,009	20,857	5,277	6,631	
Western Maryland	4,126	4,135	3,955	11,180	13,383	
Total	174,226	199,413	194,024	149,249	176,244	
Pocahontas District—						
Chesapeake & Ohio	30,028	30,129	28,898	13,736	14,235	
Norfolk & Western	21,890	22,331	23,118	6,624	8,355	
Virginian	5,043	4,531	4,743	1,703	2,437	
Total	56,961	56,991	56,759	22,065	25,027	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
Southern District—						
Alabama, Tennessee & Northern	384	340	326	262	354	
Atl. & W. P.—W. R. R. of Ala.	783	865	700	1,938	2,487	
Atlanta, Birmingham & Coast	800	908	727	1,069	1,447	
Atlantic Coast Line	10,235	11,568	11,673	8,434	10,810	
Central of Georgia	3,799	3,627	3,831	4,424	4,706	
Charleston & Western Carolina	427	408	380	1,237	1,676	
Cinchfield	1,701	1,601	1,678	2,512	3,762	
Columbus & Greenville	401	356	359	347	347	
Durham & Southern	176	163	147	649	469	
Florida East Coast	877	789	1,360	1,204	1,521	
Gainesville Midland	65	52	44	219	93	
Georgia	1,211	1,182	1,182	2,114	2,865	
Georgia & Florida	359	404	442	597	585	
Gulf, Mobile & Ohio	4,771	4,854	4,365	4,290	3,988	
Mississippi Central	25,597	30,589	29,892	17,385	18,092	
Louisville & Nashville	25,919	26,030	25,495	10,024	11,521	
Macon, Dublin & Savannah	228	211	192	725	671	
Mississippi Central	353	406	263	494	513	
Nashville, Chattanooga & St. L.	3,476	3,437	3,682	3,829	4,739	
Norfolk Southern	1,117	1,121	1,034	1,844	1,872	
Piedmont Northern	403	396	368	1,385	1,374	
Richmond, Fred. & Potomac	421	463	363	8,081	9,163	
Seaboard Air Line	8,452	9,073	9,924	7,909	8,868	
Southern System	25,592	24,994	23,282	22,454	25,219	
Tennessee Central	663	747	603	869	955	
Winston-Salem Southbound	150	142	176	989	1,175	
Total	118,860	124,733	122,487	105,272	119,272	
Northwestern District—						
Chicago & North Western	19,839	21,075	22,749	15,219	15,305	
Chicago Great Western	2,663	2,590	2,987	3,422	3,656	
Chicago, Milw., St. P. & Pac.	22,803	22,905	23,471	10,680	11,412	
Chicago, St. Paul, Minn. & Omaha	3,889	3,711	4,305	4,533	4,341	
Cluluth, Missab. & Iron Range	23,871	26,957	29,677	584	216	
Elgin, South Shore & Atlantic	1,905	918	1,079	533	560	
Elgin, Joliet & Eastern	7,786	9,408	9,379	8,140	10,458	
Ft. Dodge, Des Moines & South	452	423	410	93	82	
Great Northern	24,780	26,461	28,464	6,415	6,532	
Green Bay & Western	509	599	736	843	931	
Lake Superior & Ishpeming	2,735	1,935	2,184	73	61	
Minneapolis & St. Louis	2,458	2,399	2,599	2,529	2,904	
Minn., St. Paul & S. S. M.	8,324	7,799	8,191	3,455	2,977	
Northern Pacific	13,451	13,976	14,089	4,871	6,608	
Spokane International	160	196	171	351	597	
Spokane, Portland & Seattle	2,141	2,918	2,901	2,924	3,804	
Total	137,766	144,270	153,392	64,665	70,444	
Central Western District—						
Atch., Top. & Santa Fe System	25,199	25,527	23,263	12,355	16,303	
Alton	3,392	3,792	3,403	3,182	4,554	
Bingham & Garfield	304	334	505	99	113	
Chicago, Burlington & Quincy	20,166	21,634	22,031	12,153	14,568	
Chicago & Illinois Midland	3,233	2,983	2,947	769	764	
Chicago, Rock Island & Pacific	12,452	13,208	12,925	12,261	13,490	
Chicago & Eastern Illinois	2,748	3,057	2,829	3,281	5,203	
Colorado & Southern	897	885	970	2,144	3,220	
Denver & Rio Grande Western	4,730	5,503	4,956	6,134	7,735	
Denver & Salt Lake	337	966	467	59	36	
Fort Worth & Denver City	972	923	1,593	1,587	2,098	
Illinois Terminal	2,139	2,197	1,971	1,945	2,193	
Missouri-Illinois	1,237	1,443	1,283	645	586	
Nevada Northern	1,415	1,590	2,043	81	87	
North Western Pacific	1,046	1,334	1,138	802	764	
Peoria & Pekin Union	4	1	8	0	0	
Southern Pacific (Pacific)	31,914	35,847	33,823	12,352	15,059	
Toledo, Peoria & Western	231	268	308	1,742	2,028	
Union Pacific System	18,043	21,241	18,680	16,761	20,029	
Utah	709	530	599	7	5	
Western Pacific	2,580	2,375	2,179	4,377	6,009	
Total	134,248	145,638	137,861	92,746	114,844	
Southwestern District—						
Burlington-Rock Island	394	718	311	383	475	
Gulf Coast Lines	3,473	4,974	6,1			

Items About Banks, Trust Companies

Frederick E. Hasler, President of the Continental Bank & Trust Co. of New York, announced on Oct. 4 following a meeting of the board of directors that a special meeting of stockholders will be held on Oct. 30 to vote on a proposal to increase the capital stock from \$4,000,000 to \$5,000,000 by the issue of a stock dividend of 25%. The dividend, consisting of 100,000 shares of the \$10 par value capital stock, would be paid by the distribution of one share of stock for each four shares held by stockholders of record at the close of business on Oct. 15. Mr. Hasler said that in the opinion of the directors the conservative policy which the bank had followed in regard to dividends would permit a maintenance of the current dividend rate of 80 cents a share after the declaration of the 25% stock dividend. Upon approval of the stock dividend by stockholders, the capital structure of the bank will be: Capital \$5,000,000; surplus \$5,000,000; undivided profits (approximate) \$1,210,000; unallocated reserves (approximate) \$500,000, making a total of \$11,710,000.

The First National Bank of New York reports in its statement as of Sept. 29, 1945, total resources of \$1,150,059,668 and total deposits of \$995,069,291 compared with \$1,291,924,162 and \$1,151,978,625 respectively on June 30, 1945. At the end of September the bank reported United States Government bond obligations of \$763,105,970, contrasted with \$828,982,399 on June 30. Loans and discounts at the latest date are shown as \$126,183,033 against \$209,042,486 at the end of June. Undivided profits increased from \$21,040,321 on June 30, to \$22,046,514 on Sept. 29, after making provision for the Oct. 1 dividend of \$2,000,000. Capital and surplus shown as \$10,000,000 and \$100,000,000 in the September report, are unchanged from the June 30 figures.

The Singapore branch of The National City Bank of New York was reopened Oct. 1.

Three officers of the Chase Bank, an affiliate of the Chase National Bank of New York with branches in Paris and the Far East, are en route to China to begin preparations for the reopening of the bank's branches there. Eric A. G. Petersen, manager of the Shanghai office, and Roy G. Fairfield, manager at Tientsin, are returning to the branches with which they were associated for many years prior to Pearl Harbor. Both were repatriated in December, 1943, after internment by the Japanese. William J. Lammeck will accompany Mr. Petersen to Shanghai as assistant manager. Mr. Petersen and Mr. Lammeck left New York on Oct. 7 for San Francisco, from whence Mr. Fairfield sailed a few days previously.

The statement of condition of the Chase National Bank of New York as of Sept. 29, 1945, shows total deposits of the bank of \$4,620,617,797, which compares with \$4,952,627,000 on June 30, 1945. Total resources as shown in the latest report amounted to \$4,965,393,701, against \$5,288,247,000. Cash on hand and due from banks is now shown as \$885,689,923, which compares with \$887,309,000 as of June 30. U. S. Government securities held Sept. 30 are reported as \$2,765,350,070, against \$2,900,026,000; while loans and discounts at the latest date are \$919,835,477, compared with \$1,159,769,000 three months ago. The capital and surplus of the bank remain unchanged at \$111,000,000 and \$124,000,000, respectively.

J. Luther Cleveland, President of Guaranty Trust Company of

New York, announces the appointment of Herman W. Warnken, formerly Assistant Secretary, as a Second Vice-President of the company.

Brown Brothers Harriman & Co., private bankers, report that as of Sept. 30, 1945, total deposits amounted to \$180,665,748, compared with \$167,857,610 on June 30. Total assets as of the most recent report are shown as \$202,845,069, against \$189,584,235 three months ago. Capital and surplus advanced from \$13,654,792 in June to \$13,666,066 at the present time. Cash on hand and due from banks now total \$40,112,514 while U. S. Government securities amount to \$66,738,506, these figures comparing with \$36,302,714 and \$57,517,175, respectively, for the period ending June 30. Loans and discounts are now reported as \$45,330,805, against \$42,936,737 three months ago.

Lt.-Col. Harold H. Kaufman, presently on terminal leave from the Army Air Force, has rejoined the Manufacturers Trust Company of New York as an Administrative Vice-President at its main office. Colonel Kaufman had been on a leave of absence from the bank for 37 months. He was commissioned a Captain in the Air Forces in August of 1942. He served overseas with the 12th and 15th Air Forces during the Tunisian Naples-Foggia and Rome-Arno campaigns. While overseas he was in turn commanding officer of a large service group servicing many groups of heavy bombers and fighter escorts, Asst. Chief of Staff of the 15th Air Force Service Command and commanding officer of an Advanced Air Force Depot. He was returned to the United States to assist with problems arising out of the termination of war contracts and at the time of Colonel Kaufman's separation from service he was assigned to the executive office of the Chief of Readjustment Division, Hdqrs. Air Technical Service Command, Wright Field, Dayton, Ohio.

The consolidated net operating earnings of Marine Midland Corporation and its constituent banks, trust companies and other affiliates for the third quarter of 1945, after contingent provision for taxes of \$577,000, were \$1,155,450, or 20 cents a share. This compares with \$1,175,647, or 20 cents a share after provision for taxes of \$425,000 for the same quarter of 1944. For the first nine months of 1945 the net operating earnings after taxes of \$1,598,000 were \$3,264,200, or 57 cents a share, as against \$3,310,552, or 57 cents a share, after taxes of \$1,236,000 for the same period of 1944. These earnings, it is indicated, are adjusted to minority interest as reported to the New York Stock Exchange. Dividends received by Marine Midland Corporation, the parent company only, during the first nine months of 1945 from its constituent banks and trust companies, plus its other income, less its expenses and taxes for the period, was \$1,116,707, slightly over 19 cents a share. This compares with \$751,146 for the same period of 1944.

Percy H. Johnston, Chairman of the Chemical Bank & Trust Company of New York, announces the appointment of Samuel H. Cropper as Assistant Manager of the Madison Avenue at 46th Street office. Mr. Cropper is Assistant Vice-President of the Bloomfield Bank & Trust Company, of Bloomfield, N. J., with which institution he has been associated for the past 18 years. Mr. Cropper is a graduate of the Graduate School of Banking, Rutgers University, and is Treasurer of the town of Bloomfield. He will report for duty with the Chemical on Nov. 1.

In its statement of condition Sept. 30, 1945, the United States Trust Co. of New York shows total resources of \$160,712,624 and deposits of \$128,000,750. These figures compare with \$170,549,226 and \$138,883,868 on June 30. The Sept. 30 resources include cash in banks of \$27,156,620, against \$26,651,526 on June 30, loans and bills purchased (Sept. 30) of \$23,964,412, as compared with \$28,596,121 three months ago, and U. S. Government obligations of \$93,659,761, against \$99,776,136 at the end of June. Capital stock continues unchanged from the June 30 figures at \$2,000,000 and \$26,000,000, respectively, while undivided profits have risen from \$2,583,418 to \$2,606,545 on Sept. 30.

Following a meeting of the board of directors of the Bank of the Manhattan Company held Oct. 4, F. Abbot Goodhue, President, announced that Capt. William R. Driver, Jr., was elected an Assistant Vice-President and will return to the bank on Oct. 15 and again be associated with the bank's New England division. Captain Driver entered military service on April 1, 1944, as a private, attended Officers' Candidate School at Camp Lee where he received his commission as Second Lieutenant, was assigned to the Control Division of the Army's Service Forces and subsequently was promoted to First Lieutenant and recently Captain.

Sterling National Bank & Trust Company of New York reports, in its statement of condition as of Sept. 30, 1945, total resources of \$154,898,285, an increase over the June 30, 1945, total of \$153,439,196. Deposits now at \$140,773,641, compare with \$146,876,255 June 30. Of the September total deposits, U. S. Government deposits amounted to \$19,801,877, as against \$38,004,142 three months ago. Commercial and other deposits reached an all-time high of \$120,971,763, compared with \$108,872,112. Capital, surplus and undivided profits increased to \$5,406,530, a new high, as against \$5,368,573 on June 30, last. Cash and due from banks amounted to \$27,217,352 on Sept. 30, 1945, as against \$30,376,544 on June 30, 1945; U. S. Government securities were up to \$94,769,873, compared with \$86,849,158; State, municipal and corporate securities amounted to \$1,243,227, as against \$1,071,166; loans and discounts were \$30,613,969, compared with \$34,198,028; reserves increased to \$1,210,594, as against \$878,970.

At the regular meeting of the board of directors of the National City Bank of New York held Oct. 3, David A. Campbell and Robert P. MacFadden were appointed Assistant Cashiers.

J. Henry Schroder Banking Corporation reports total resources of \$57,939,975 on Sept. 30, 1945, against \$60,095,496 on June 30, 1945. Cash on hand and due from banks is now shown as \$5,839,385, against \$7,111,689. U. S. Government securities Sept. 30 were \$37,646,634, against \$37,293,838; customers' liability on acceptances, \$5,944,498, compared with \$4,650,900. Surplus and undivided profits are now \$2,670,912, against \$2,665,495 in the previous quarter; amount due to customers is reported at \$41,206,456, against \$44,937,458. Acceptances outstanding were \$7,157,878, against \$5,801,379.

Schroder Trust Company reported Sept. 30 resources of \$41,962,661, compared with \$44,841,863 on June 30; cash and due from banks, \$5,514,510 (against \$7,642,212). U. S. Government securities, \$31,286,908, against \$32,488,362; loans and discounts, \$4,417,315, against \$3,898,692. Surplus and undivided profits were \$2,072,623, against \$2,067,158. Deposits were \$37,764,823, against \$40,738,673.

The Continental Bank & Trust Co. of New York announces that Roger F. Hornby had been elected an Assistant Vice-President in charge of the personnel department and Albert W. Doyle elected an Assistant Trust Officer. Both have been in the Trust Department of the bank for several years.

The statement of condition as of Sept. 30, 1945, of the Grace National Bank of New York shows deposits of \$84,412,938, as compared with \$92,942,431 on June 30, 1945, and \$67,201,389 a year ago. Surplus and undivided profits amounted to \$3,536,589, as compared with \$3,420,930 on June 30, 1945, and \$3,219,866 a year ago. Cash in vault and with banks totaled \$15,510,874 Sept. 30, as compared with \$17,028,142 on June 30, 1945, and \$15,132,005 a year ago. U. S. Government securities were \$43,904,462, as compared with \$56,254,735 on June 30, 1945, and \$37,457,706 a year ago. Loans and discounts were \$25,452,944, as compared with \$19,052,413 on June 30, 1945, and \$14,205,997 a year ago.

Four new officers were elected at the annual meeting on Oct. 1 of the Providence (R. I.) Institution for Savings, it is learned from the Providence "Journal," which states that these included Dwight T. Colley as a member of the board of trustees; Stanley J. Daley, Assistant Secretary; Anthony W. Rzeplia, Assistant Secretary, and William B. Fairman, Statistician. It is added that elected to the board of investment of the bank was Thomas F. Black, Jr., a member of the board of trustees. The "Journal" also states that A. Livingston Kelley, treasurer of the Angell Electroforming Corp., was re-elected President of the Providence Institution for Savings, "The Old Stone Bank," at the 126th annual meeting of the bank on Oct. 1. It is further indicated that for the first time in the institution's history, it was announced at the meeting, current resources are in excess of \$100,000,000 with the total as of the close of business one Saturday, Sept. 29, set at \$102,168,087.

Sidney T. Maxwell, Chairman of the board of the Mechanics Savings Bank, of Hartford, Conn., announced the election of Francis S. Murphy to the board of trustees of the bank on Oct. 2, the Hartford "Courant" reports. Mr. Murphy is publisher of the Hartford "Times" and is a director of the New England Council and the Hartford Chamber of Commerce.

The National Bank of Commerce of Lincoln, Neb., announces the election Oct. 1 of Marshall D. Hewitt as Assistant Vice-President and Manager of its personal loan department. Byron Dunn is President of the bank.

The Merchants & Farmers Bank of Columbus, Miss., became a member of the Federal Reserve System on Oct. 1, it is announced by the Federal Reserve Bank of St. Louis, which also stated: "The new member was chartered July 15, 1902, and opened for business March 9, 1903. It has a capital of \$100,000, surplus of \$130,000 and total resources of approximately \$3,800,000. Its officers are: C. H. Reeves, President; T. H. Henry, Vice-President; J. O. Slaughter, Vice-President, and D. D. Patty, Cashier. The addition of the Merchants & Farmers Bank brings the total membership of the Federal Reserve Bank of St. Louis to 490 as compared with 472 a year ago."

Officials of the Union Trust Co. of Pittsburgh have announced that Henry Cooper II has joined the staff of the company's personal trust department, it was made known in the Pittsburgh

IBA Pledges Victory Drive Cooperation

The Investment Bankers Association of America announced on Sept. 28 that, as in the past, it has again offered its fullest cooperation to the Treasury in the forthcoming Victory Loan bond drive, the last of the big public drives to mobilize the money power of the nation.

John Clifford Folger, President of the association, in a communication to its members states:

We are advised that Treasury expenditures will continue at high levels for some time. Men in the armed forces must be brought home and given their mustering-out pay; the injured must be cared for, and the families of men lost must be given support. Business men, eager to convert to peace time operation, will want prompt settlement of terminated war contracts. All this points to the urgency of raising the \$11,000,000,000 of the Victory Loan in the shortest possible time.

The Campaign opens on Oct. 29 and extends through Dec. 8. Investment bankers are requested by the Treasury to keep new financing at a minimum during the period from Oct. 29 to Nov. 15. This may be spoken of as the period of the Yellow light. The Red light will go on on Nov. 15, and from then until Dec. 8, no underwritings whatsoever should be offered.

The Treasury Department has expressed keen appreciation for what we have done in past campaigns, and has asked us to again back up a man from the investment business who will give full time to directing the activities of security dealers in the Victory Loan Drive. Morris M. Townsend of New York has made himself available for this important job. He will be stationed at the Treasury from now on until the end of the Campaign.

Mr. Townsend is well qualified for this assignment, having been in Wall Street for more than 18 years, of which the last 10 years were with W. E. Hutton & Co. He has also served the Treasury Department in three of the seven War Loan drives, and is thoroughly familiar with the work from that end.

Mr. Townsend, special consultant for Investment Bankers' may be reached at 733 Washington Building, Washington 5, D. C.

Cotton Spinning for August

The Bureau of Census announced on Sept. 25 that, according to preliminary figures, 23,776,300 cotton spinning spindles were in place in the United States on August 31, 1945, of which 22,170,180 were operated at some time during the month, compared with 22,030,280 in July, 22,188,330 in June, 22,167,678 in May, 22,158,674 in April and 22,240,676 in August 1944. The aggregate number of active spindle hours reported for the month was 8,792,784,268 an average of 370 per spindle in place, compared with 7,922,813,588, an average of 343 per spindle in place, for last month and 9,947,190,990, an average of 428 per spindle in place, for August 1944. Based on an activity of 80 hours per week, cotton spindles in the United States were operated during August 1945 at 100.5% capacity. The percent, on the same activity basis, was 102.0 for July, 118.8 for June, 114.8 for May, 116.9 for April, and 116.2 for August 1944.

"Post Gazette" of Oct. 1, which added:

"He was formerly a trust officer of the Peoples-Pittsburgh Trust Company.

"Mr. Cooper was admitted to the Bar in 1934."