

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4432

New York, N. Y., Thursday, October 25, 1945

Price 60 Cents a Copy

The Financial Situation

The Salient Question of the Day Is Whether or Not We Desire to Use the Power to Tax, to Redistribute Income and Wealth Permanently and Thereby Destroy Our System of Government and Social Order.

We should have much less difficulty in agreeing on the amount by which taxes should be reduced at present—and for that matter in the future—if we first formulated and agreed upon the general principles which are to guide us in making such decisions. It may be that we should find it as difficult to agree upon principles as upon specific programs, but the fact is that it is quite impossible for us to make solid progress with programs unless we first come to some understanding of what we are trying to accomplish. We delude ourselves if we suppose that we can evade troublesome problems of principle, meanwhile muddling along in "a practical way" trying to find some common ground which is safe politically, and reach any position which will even reasonably well serve the public interest.

Some Basic Issues

There are several basic issues which the American people must face and decide without further delay. At least one of these goes to the very heart of the American system of government and the social order. It is this: Are we henceforth to discard the fundamental American principle that the functions of government are strictly limited, that in overwhelming degree the private lives and private fortunes of the individuals who comprise the nation are the affairs of these same individuals, that government may rightly interfere with or accept responsibility as respects them only to maintain order, establish and protect in the business world a fair field and no favor, and provide a few

(Continued on page 1996)

Should Banks Make "Marginal" Loans?

By RALPH E. FLANDERS*

President, Federal Reserve Bank of Boston

Prominent Banker Industrialist Urges Banks Grant "a Reasonable Percentage" of Loans That Are on Borderlines of Safety in Order to Encourage Expansion of Business. Holds Faith in Borrower's Character and Abilities as Primary Element in a Bank's Judgment, and Urges Support of the Wagner-Spence Bill Which Provides for Sharing of Loan Risks Between the Federal Reserve Banks and the Private Banks. Says Good Banking Means Taking Calculated Risks to Expand Industry and Points Out That Restrictions on Fiduciary Funds Are Limiting Availability of Capital for Industrial Uses. Advocates Changing SEC and Blue Sky Laws if They Hinder Expanded Investment.

The New England Council, its then President, my friend, Edward Chase, and the members of the Special Committee to whom the task was assigned, all deserve the gratitude of our region for the report which we are considering this afternoon.

It is important that we take a look at the financial support given to New England business new and old, large and small, and see whether the conditions are favorable for the establishment of the new, the growth of the small and the continued prosperity of the large



Ralph E. Flanders

business institutions of New England.

Discussion will necessarily focus on the new and the small, since the practical problems for the most part met with are in this area. The report is particularly good in that instead of describing and deploring conditions, it makes definite suggestions for improvement.

A group of proposals centers around the correction of legal and administrative tendencies in bank examination. It is asserted in this report, and reasserted by many bankers with whom I have conversed, that the tendency of bank

*An address by Mr. Flanders before the New England Bank Management Conference, Hotel Statler, Boston, Oct. 11, 1945.

(Continued on page 2000)

Here and There

By A. WILFRED MAY

In lieu of the general concentration on "tax relief" can't we get some Administration leadership toward "expenditure relief?" The technique of the Congress and the Treasury is based on working out a tax bill to follow some expenditure figure which is rather blandly assumed as minimum; whereas the equivalent and primary effort would better be expended on bringing expenditures within the bounds of reasonable taxation. The imminent excusing of 12 million voters from tax obligations surely isn't going to help this situation.

Latest proof that Hitler is really dead—absence of an indignant objection from him to the charge of Vice-President Reuther of the United Automobile Workers against General Motors that its mentioning that "higher wages mean higher prices and higher prices mean inflation, is the Hitler technique of the big lie."

Dr. Alvin Johnson assuredly is recognized as one of the nation's most progressive liberals; and the New School, of which he is director, is widely thought of as "deep pink" and even "communist." Hence his indignation at labor as evidenced in the following remarks, excerpted from a note on "Labor and Responsibility" in the School's current bulletin are particularly interesting: "To many leaders of labor it looks very clever to tie up an industry just when the public interest may take the maximum damage. Tie up the port of New York while all America is yearning to get its boys home. Tie it up when thousands and thousands of tons of food are waiting shipment to the starv-

(Continued on page 1999)

GENERAL CONTENTS

<i>Editorial</i>	Page
Financial Situation.....	1993
<i>Regular Features</i>	
From Washington Ahead of the News.....	1993
Here and There.....	1993
Moody's Bond Prices and Yields.....	2003
Items About Banks and Trust Cos.....	2008
Trading on New York Exchanges.....	2005
NYSE Odd-Lot Trading.....	2005
<i>State of Trade</i>	
General Review.....	1994
Commodity Prices, Domestic Index.....	2006
Weekly Carloadings.....	2007
Weekly Engineering Construction.....	2005
Paperboard Industry Statistics.....	2007
Weekly Lumber Movement.....	2007
Fertilizer Association Price Index.....	2005
Weekly Coal and Coke Output.....	2004
Weekly Steel Review.....	2004
Moody's Daily Commodity Index.....	2003
Weekly Crude Oil Production.....	2008
Non-Ferrous Metals Market.....	2003
Weekly Electric Output.....	2004
Transactions in Government Bonds During September.....	1996
Non-Farm Mortgage Financing in August.....	2004
NYSE and Curb Report Changes in Stock Holdings as of Sept. 17.....	1933
Fairchild's August Retail Price Index.....	1933
Copper Statistics Report of Oct. 11.....	1933
Earnings and Working Hours in April.....	1933
NYSE Bond and Stock Values at Aug. 31.....	1934
Bank Debits for Sept.....	1934
Sent. Engineering Construction.....	1935
Cotton Ginnings Prior to Oct. 1.....	1935

*These items appeared in our issue of Monday, Oct. 22, on pages indicated.

Truman Urges Peacetime Training

President, in Message to Congress, Favors Universal Military Training for War Services of All Men of 18 and Not Later Than 20 Years of Age. Says a Large Available Military Force Is the Only Alternative Against Maintaining a Large Army and Navy in Peacetime and Will Be a Means of Preserving World Peace. Denies It is Conscription or That It Is Counter to Our Democratic Traditions, and Contends That Program Would Develop Civilian as Well as Military Skills and Preserve Our Superiority. Holds Atomic Bomb or Scientific Research Does Not Displace Need for Fighting Men.

In a special message to Congress on Oct. 23, President Harry S. Truman recommended the immediate installation of a program of universal military training for all men reaching 18 years, as well as the maintenance of a comparatively small regular Army, Navy and Marine Corps, together with a greatly strengthened National Guard and an organized Army, Navy and Marine Reserve.



President Truman

The President denied that the program involves military conscription or is counter to American traditions of liberty and democracy.

The text of the message follows: In my message to the Congress of Sept. 6, 1945, I stated that I

would communicate to them with respect to a long-range program of national military security for the United States. I now present to Congress my recommendations with respect to one essential part of this program—universal training.

The United States now has a fighting strength greater than at any other time in our history. It is greater than that of any other nation in the world.

We are strong because of many things: Our natural resources, which we have so diligently developed; our great farms and mines, our factories, shipyards and industries, which we have so energetically created and operated. But above all else, we are strong because of the courage and vigor and skill of a liberty-loving people who are determined that this nation shall remain forever free.

With that strength comes grave responsibility. With it must also

(Continued on page 2002)

From Washington Ahead of the News

By CARLISLE BARGERON

It is not important but we would give a pretty penny to know what ran through Herbert Hoover's crowded mind when he read of Laval's execution. Whether the former Premier of France was a traitor, we don't know. We could select a lot of other babies over there who were far more traitorous. The Communists, for example. When we get through with the international war guilt trials it would

be perfectly splendid if we could have some in this country. But this is neither here nor there about Laval. He was the typical type of a cheap, opportunistic politician, and this has no relation as to whether what he did at any particular time was right or wrong. It is a safe bet that if he ever did anything honest in his life, it was unintentional.

We think it was back in 1930, getting back to what Hoover must have thought, when in response to a great newspaper propaganda that wars could be prevented if the statesmen and their wives could just get together, come to understand one another; it was in response to this that Hoover invited Ramsay MacDonald over here and then Laval as Premier of France.

With his characteristic cunning,



Carlisle Bargeron

Laval told a group of newspapermen as soon as he got off the train in Washington, that the man he really wanted to see, as the leader of America's foreign policy, was Senator Borah. This, of course, was a direct, and an intended reflection upon President Hoover. But we Americans, and particularly we American writers, go for these things in high glee. We have always enjoyed seeing our own officials laughed at by foreign statesmen. With the possible exception of the British, all foreign correspondents in our midst are agents or close collaborationists of their foreign offices. But we Washington correspondents have always sought to cultivate them and encourage them to make fun of our Government, even to the extent of giving them tips on our alleged weaknesses. Even our correspondents abroad have usually worked at cross purposes with our embassies. This is pure smart aleckiness on our part. But in fairness, it can be justified on the part of those of us who did it back in the Coolidge prosperity days. Our country was too damned smug. It is a more serious situation than that now.

Looking back, it appears that

(Continued on page 2008)

Neither Good Defense Nor a Good Argument

"I would say that it (the atomic bomb) has increased the necessity for greater immediacy in the availability of a force to be used at the outset of an emergency for the reason that we would have to act quickly in order to terminate a destructive attack of atomic nature.

"I might illustrate it this way: If the atomic bomb did away with the necessity for an army, there might be two scientists, one in Germany, we will say, and one in Washington. As each pressed a button, a horrendous explosion would occur in the other fellow's territory. This process would continue, short of a lucky hit on one of the scientists and his button establishment, until somebody got to the source of one of those buttons; this is a striking force.

"It would appear to be all the more necessary to be capable of aggressive offensive action because of the terrific destruction that would be carried out prior to the elimination of the enemy's power to launch such bombs by plane or rocket or other device."—General George C. Marshall.

If an "atomic bomb war" should ever break out in the future and involve us in its meshes, we hope we shall not have to endure bombardment until any "striking force" of ours reaches some far distant launching site—no matter how large, how powerful or how eminently trained and ready that force may be. If so, it would be the end of us—assuming, as the General apparently does, that such bombs have become abundant enough for such sustained attack.

We are certain that the General has a more realistic conception of defense in such a situation as he describes—or of preventing the rise of such a situation.

Apparently, the Army is determined to leave no stone unturned in its drive for peacetime compulsory universal military training.

Anti-Strike Legislation Sought

The wave of labor disputes throughout the nation has resulted in legislative demands that action be taken to bring about an end to the untenable situation which has had such disruptive effect on the country's industrial reconversion to peacetime production. Within Congress strong support has developed for new anti-strike measures, and according to Associated Press reports from Washington, Oct. 12, members from both parties have

indicated that they want to see the Smith-Connally War Labor Disputes Act repealed, and new statutes passed to make labor unions and employers "mutually responsible" for observance of contracts. Chairman May of the House Military Affairs Committee has expressed himself in favor of such a move, the Associated Press stated. "I want to hold hearings on it as soon as possible," Mr. May is quoted as having said. "Also, I'm personally in favor of specifying that either an employer or a union which won't submit to arbitration should have its bargaining rights taken away."

Senator Connally (D., Tex.) co-author of the Smith-Connally Act, is reported by the Associated Press in its Oct. 14 Washington dispatch, to have advocated that that section of the Act under which the National Labor Relations Board conducts strike votes be repealed. The Board is said to be bogging down under the weight of about 200 weekly requests for such votes. However, Senator Connally wanted it known that he was not in favor of killing the entire measure.

John M. Houston, member of the NLRB, appealed to the Committee to repeal at least the section of the bill which puts this "intolerable burden" upon his agency, the New York "Times" reported on Oct. 17 in its Washington dispatch.

Representative Howard W. Smith (D., Va.), reputedly one of the authors of the measure, according to the "Times" report, asked the House Military Affairs Committee to recommend repeal of this wartime legislation, and incidentally denied that it had

ever been sponsored by him. The "Times" stated:

Mr. Smith said that his name got connected with the law in some accidental fashion, adding that the bill finally passed had "most of the teeth removed" from what he originally proposed and that he did not consider it his measure.

"It came out of conference in a form I couldn't recognize," he said. "I still think this Committee could recommend a substitute to prevent this wave of strikes which may completely block reconversion."

"But the bill is now causing confusion both in industry and labor. Labor forces are particularly vociferous in demanding repeal. It was passed purely for emergency purposes and it was generally understood that it would stop when the shooting stopped. So I think, as a matter of good faith, that it should be repealed."

On Oct. 18, the Associated Press reported from Washington, Representative Arends (R., Ill.) proposed legislation "with bulldog teeth" to "deal immediately and effectively" with strikes. His five-point program, according to the Associated Press, would have Congress:

1. Repeal the War Labor Disputes Act.
2. Promote observance of agreements by labor unions by prohibiting dues collection by those who break contracts, and make unions financially liable for damage done during strikes.
3. Authorize Government seizure and operation of strike-bound public utilities, food, fuel and other essential services, while

Only U. S. Equipped To Make Atomic Bombs

Rear Adm. William R. Purnell told a joint Senate Committee on Commerce and Military Affairs in Washington on Oct. 16 that no nation other than the United States was industrially equipped to make atomic bombs. Not even Great Britain, which shares our scientific and industrial secrets about the atomic bomb, could manufacture a bomb at this time, the Navy's chief expert on the new weapon asserted according to United Press advices from Washington on that day published in the New York "World Telegram." Admiral Purnell was further reported to have testified that the fuse used to explode the atomic bomb was a trade secret that never had been released even to an ally. He said only one company in the United States possessed it. The United Press advices continued:

Adm. Purnell also told the Committee that he knew of no defense against the bomb. His testimony was counter to a recent suggestion by the House Naval Committee that atomic bombs might be detonated before reaching their target.

Adm. Purnell, described by Sen. Warren Manguson (D., Wash.) as the Navy's foremost atomic expert, said:

"I do not know of any defense against atomic bombs. Particularly, I cannot imagine anyone making bombs that would be detonated by a single countermeasure. Not more than two or three bombs are made the same."

He discounted a suggestion that Britain could produce the bomb within five years.

"Britain first has got to make its machinery modern before making the machinery that makes the bomb," he said.

Sen. Harley M. Kilgore (D., Va.) asked whether a proposed \$5,000,000,000 U. S. Loan to the British would "help make their machinery modern."

"Yes," Adm. Purnell replied.

Sen. William Fulbright (D., Ark.) asked about possible decentralization of American industry against any atomic attack.

"Our concentration of industry, compared with that of Russia, for example, makes us much more vulnerable than most countries, doesn't it?" Sen. Fulbright asked.

Adm. Purnell agreed. Then he was asked what effect atomic weapons would have on the Navy.

"It may wipe out the Navy, the Army and the Air Force, but the best scientists can't anticipate conditions 15 years hence," he replied.

The atom bomb is not the only military secret, another witness said.

Rear Adm. W. H. P. Blandy, Navy ordnance officer, said all secrets about the proximity fuse had not yet been released. He added that one company had a proximity fuse trade secret possessed by no other company.

FHLB Statistics Unit Moved To Washington

Ralph S. Weese, Chief of the Division of Operating Statistics of the Federal Home Loan Bank System, announces that the staff which prepares the monthly mortgage recording reports has been transferred from New York City to Washington, D. C. Future correspondence regarding these data should be directed to the following address:

Division of Operating Statistics
Federal Home Loan Bank System,
Washington 25, D. C.

management and labor negotiate their differences.

4. Deny jobless pay to all persons on strike.

5. Make national labor organizations responsible for the activities of their local groups.

The State of Trade

The trend of industrial production continued to fall the past week with many manufacturers reporting large backlogs of orders and the exertion of intensified pressure for deliveries. Lack of coal resulted in further declines in steel ingot production for the week but with the ending of the strike in the soft coal mines following the order on Wednesday of last week of John L. Lewis, head of the United Mine Workers, in which he instructed the men to return to the pits this week, some relief for the steel mills will be forthcoming. A few days, however, will be needed by the steel industry to attain pre-strike output.

In some quarters it is believed producers of consumers' durable goods will probably not be retarded much by delay in steel deliveries caused by the coal strike, since they have been stocking up for the time when their peacetime output really gets underway. In the purchase of parts and raw materials some allowance has been made for possible delays in deliveries and it is felt that timetables will not undergo any radical change.

For the week ending Oct. 6, lumber production continued to decline and fell 13% below the week previous, while shipments dropped 21% and the number of new orders decreased by 14%. Figures on building permits now in hand show a rise for the month of September for the country as a whole. This is the fourth consecutive month in which increases have occurred. The total volume for September was the largest since Aug., 1944 and represented a gain of 6.8% from the previous month, and of 72.3% over September a year ago, according to Dun & Bradstreet, Inc. Among the customary barometers of business and industry, railroad freight car loadings and electric kilowatt production show declines for the past week as well as steel output.

The automotive industry last week continued to be troubled with labor problems, but insofar as reconversion progress is concerned, the industry according to a current issue of the American Machinist, "has not been paralyzed by strikes, as one might conclude from reading newspaper reports. General Motors divisions are doing very well, and Chrysler has been reconverting quietly but steadily. The general impression is that Chrysler has seriously lagged behind the others. It intends to erase that impression."

"It is a safe bet," this trade authority asserts, "that there will be no authorized strikes against any one of the Big Three in the automotive industry this year. The United Automobile Workers believe that the key to future wage rates will be found in agreements with General Motors, Ford or Chrysler. Whatever rates are thus established will become the pattern for the industry."

New Capital Flotations in September—Corporate emissions for the month of September were the second largest of the year, the total, \$801,392,052, comparing with \$961,535,209 in July, which was the largest monthly total since September, 1929, when \$1,507,376,014 was recorded. The total for September of this year compares with \$442,322,155 for August and \$429,924,540 for Sept., 1944. The increase in the month's financing over August may be attributed to a better market for new securities, due to existing low interest rate levels and the fact that industry was eager to finance reconversion programs before the Victory Loan which is scheduled to start on Oct. 29.

Refunding of outstanding issues continued to absorb the greater portion of all the money raised as in the previous 21 months, the total for this purpose amounted to \$698,465,793, or 87%. The balance of \$102,926,259, or 13% went for new money purposes.

Public utility issues accounted for \$370,415,000 of the month's total; railroads \$271,412,000; other industrial and manufacturing \$99,738,752; motors, \$17,000,000;

land, buildings, etc., \$1,200,000 and miscellaneous, \$41,626,000.

There was a decided falling off in the amount of financing placed privately. The total for September, comprised seven separate issues aggregating \$12,700,000, or 1.6%. This compared with \$195,993,000, or 44.3% of the September total.

Total corporate emissions for the nine months ended Sept., 1945 aggregated \$4,322,129,687, compared with \$1,873,743,985 for the 1944 period. Of the total, \$813,163,455, or 19%, was for new money and \$3,508,966,232, or 81%, for refunding. The greater portion of the financing for the first nine months of 1945 fell under the public utility column, the total being \$1,515,358,407; railroads added up \$1,185,619,500; other industrial and manufacturing, \$813,149,693; iron, steel, coal, copper, etc. \$198,516,082; oil, \$255,289,452 and all other categories, \$333,196,553.

Steel Industry—The strike in the soft coal mines reached the point last week where it affected in a serious way reconversion to civilian manufacture, states "The Iron Age," national metalworking paper, in its summary of the steel trade stated Oct. 17, last. The loss to the steel industry will approximate more than 300,000 tons of steel ingots because of enforced shutdowns due to lack of coal supplies.

Interpreted into finished steel product loss, steel consumers the past week received about 125,000 tons less than they would have, had it not been for the coal strike. The prospects for the current week are that total finished steel shipments may be off as much as 225,000 tons, an amount which, were it available, would contribute heavily to the production of cars, washing machines, refrigerators and other civilian appliances.

While some of these losses may be made up in subsequent months, the time element because of necessary reconversion looms more important than any later attempt to make up for coal strike losses, states the above trade authority.

Months may be required to straighten out the current chaotic delivery situation. With shipping schedules so badly disarranged many steel companies find it impossible to make definite promises for future deliveries and customers are being asked to cancel orders for tonnages in excess of the informal quotas set up by steel companies, the magazine points out.

The overall demand for steel is being obscured by factors tending to keep down the amount of business placed on order books, hence a reservoir of tonnage especially in the flat rolled products group not yet accepted by the steel companies is building up rapidly. Despite this situation, producers are pushing sheet and strip mills to the maximum and orders for this type of product have shown no let down in the past few weeks.

Expansion of basing points for steel products other than stainless items predicted three weeks ago is now underway. Carnegie-Illinois Steel Corp. last week announced Youngstown as one for hot-rolled carbon steel bars and small shapes, alloy hot-rolled bars and spring flats, alloy bar strip and alloy strip, all of which are made at the company's Youngstown plant but which were not heretofore based priced at Youngstown. The same company also named Chicago and Pittsburgh as basing points for speigeleisen and Pittsburgh as a base for ferromanganese. Other companies are expected to take similar action, "The Iron Age" says.

(Continued on page 2001)

Senate Finance Committee Completes Tax Plan

The Senate Finance Committee, which concluded its open hearings on the tax-reduction bill on Oct. 17, has completed preparation of the bill for consideration on the floor of the Senate. The Senate committee has made radical revisions in the House-approved measure. In formally approving the bill on Oct. 23 the committee voted unanimously to report it to the Senate floor. On that date Washington Associated Press advised:

The overall figure, based on revised estimates by experts, is \$4,000,000 smaller than the original estimate of tax reductions in the Senate bill.

Chairman George (D.-Ga.) said there was only one last minute attempt to amend the bill and that failed. Senator Vandenberg (R.-Mich.) moved unsuccessfully to give corporations a retroactive \$25,000 exemption from the excess profits tax, applicable to 1945 income.

The proposal, along with several other changes, probably will be renewed when the bill is called up for action in the Senate tomorrow.

On its first day of closed session deliberations the Committee voted 13 to 3 to repeal the wartime excess-profits tax on corporations, estimated to amount to \$2,555,000,000, according to Associated Press advices from Washington Oct. 18.

On Oct. 22 it was indicated that President Truman had informed Democratic leaders in Congress that he hoped pending tax-reduction legislation would be held within the recommendation submitted by Secretary of the Treasury Vinson, calling for a cut of not more than \$5,175,000,000 on the tax liabilities of 1946. Samuel W. Bell, who reported this in his advices from Washington to the New York "Herald Tribune" on Oct. 22, also stated in part:

"The Treasury program provided for repeal of the war-time excess profits tax, \$2,555,000,000; repeal of the existing 3% normal tax on individual income, \$2,085,000,000, and elimination of the war-time excise taxes of the Revenue Act of 1943, to reduce revenues \$535,000,000.

"The estimate of the net reductions in the bill tentatively approved by the Senate Finance Committee, subject to formal ratification tomorrow, totals \$5,629,000,000. As passed by the House, the tax reduction bill would result in a 1946 reduction of \$5,190,000,000 without \$160,000,000 in floor stock taxes which must be refunded if the war-time excise levies on liquor and electric light bulbs are cut."

The formula which the Senators chose for the individual income tax reductions, the Associated Press pointed out on Oct. 18, would free an estimated 12,000,000 persons in low-income groups from their tax obligations. Paralleling the House bill and the Treasury Department's plan in that respect, it went about the operation in a different way. The House action on the bill was noted in our issue of Oct. 18, page 1869.

The Senate Committee, the Associated Press observed, voted to retain the so-called 3% normal tax, which currently carries an exemption of only \$500 regardless of the taxpayer's dependents, but to apply to the normal tax the more liberal surtax exemptions, giving not only the taxpayer, but each dependent, \$500 credit. In addition, the surtax would be cut 3 percentage points in each bracket. The House had approved a similar formula, the Associated Press went on to say, but with surtax cuts on 4% in each of the graduated levels of taxable income.

Vinson recommended straight-out repeal of the 3% normal tax. "That, in effect, is what the Senate bill does, too. The application of the surtax exemptions to the normal tax puts the two levies on a common base, and cutting the surtax by 3 percentage points offsets the normal levy.

"Two reasons were given for doing it the Senate way: Certain old Government bonds carry an

exemption from the normal tax though not the surtax; and the Committee, looking ahead, was chary of repealing a tax which it might want to apply again some time in the future.

"The Senators refused to agree to a House stipulation that all individual taxpayers get a minimum reduction of 10% in their taxes."

The Senate Committee voted for repeal of the automobile use tax next July 1, amounting to approximately \$140,000,000. In addition, the Associated Press continued:

"The Committee voted accordance with the House action in freezing the Social Security payroll tax for another year at its present rate of 1% each on employers and employees. Without the freeze the tax automatically would mount to 2½% on each Jan. 1.

"In voting to repeal the excess profit stax on corporations next January, the Finance Committee overrode the House which balloted to cut the effective rate from 85.5 to 60% next year and not repeal the war-time business levy until 1947.

"The Senate group stipulated that corporations might carry over unused excess profits tax credit for one year, throughout 1946, but turned down a House proposal to cut the combined normal and surtax rate on all corporations from 40 to 36%."

On the final day of deliberations, the Finance Committee voted individuals, through an over-all straight 5% cut, \$563,000,000 in income tax reductions in addition to the earlier approved \$2,085,000,000, and voted \$58,000,000 further tax aid for business, with a special treatment schedule for up-to-\$60,000 small businesses. The Senate Committee declined to approved reduction to 1942 levels of excise imposts for which the House had voted, to commence next July 1.

Relief for armed forces personnel was voted by the Committee in exemptions which would free enlisted men of all income taxes on service pay during the war period and give officers a three-year extension of time for paying accrued taxes on service pay and income earned prior to military service.

The following is the special treatment schedule, combining normal and surtax rates, which the Committee voted to apply to the up-to-\$60,000 corporations, as reported by C. P. Trussell to the New York "Times" on Oct. 19, from Washington:

"20% on corporate income up to \$10,000; 27% on income from \$10,000 to \$20,000; 29% between \$20,000 and \$25,000, and 51% between \$25,000 and \$60,000.

"Under present rates the normal tax runs from 15% on the first \$5,000 of net income to 24% on incomes over \$50,000. Surtaxes start at 10% on the first \$25,000 and go to 22% on income between \$25,000 and \$50,000, with 16% applied after \$50,000 for a flat combined normal-surtax rate of 40%.

"Under the 'special-treatment' schedule a small business with \$5,000 of net income which now pays \$1,250 in taxes, would pay \$1,000 and have a saving of \$250. A \$10,000 income corporation now paying \$2,600 in taxes would pay \$2,000, or \$600 less.

"The same amount, \$600, would be saved, beyond reductions realized through the repeal of the excess profits tax applying to all corporations, by small businesses with net incomes ranging from \$15,000 to \$25,000. A \$30,000 net income business which now pays normal and surtaxes amounting to

Senate Backs Truman In Pleas for Jewish Homeland in Palestine

Members of the Senate are reported to be backing up President Truman in his requests to the British Government concerning Jewish immigration to Palestine. Although the British Information Service in London reported on Oct. 1 that Prime Minister Attlee had replied to the President's message on Sept. 16, it has not been disclosed by the White House what the reply contained, although it was admitted by Press Secretary Charles G. Ross on Oct. 3, according to Associated Press Washington advices, that word from Mr. Attlee had been received.

The contents of President Truman's message on the Jewish question have only been surmised at, although Senator McMahon (D.-Conn.) said that he believed the President asked that 100,000 European Jews be allowed to go to Palestine, and that the Prime Minister decided otherwise.

Senators Wagner (D.-N.Y.) and Taft (R.-Ohio) told reporters, according to the Associated Press, that they plan to make a formal demand that Palestine be opened to Jewish immigration. They introduced such a resolution last year, but it was sidetracked because of "war problems."

It was feared then that any action by the United States might provoke an uprising by Arab leaders, who bitterly oppose wholesale admission of Jews.

Meanwhile it has been learned, United Press reports from Washington, Oct. 2, indicate that the Arab League has opened an office in this country to campaign against the Zionist movement for a Jewish homeland. The League is opposed to further Jewish immigration into Palestine.

Lederer Consultant To Aviation Section

J. Lederer, Chief Engineer, Engineering Department, Aero Insurance Underwriters, has been appointed Aeronautical Engineering Consultant to the Aviation Section, New York Board of Trade, John F. Budd, Chairman, announced on Oct. 11. Author of "Safety in the Operation of Air Transports," and numerous other writing on aviation, Mr. Lederer was Aeronautical Engineer for the U. S. Air Mail Service during 1926. In 1940 he became Director of the Safety Bureau, Civil Aeronautics Board, followed by becoming Executive Assistant for the Airlines War-Training Institute, established by all the airlines to train military personnel for the Air Transport Command. During the war he served as Operations Analyst for the Army Air Forces, and was a member of the National Advisory Committee for Aeronautics.

As Consultant to the Aviation Section, New York Board of Trade, Mr. Lederer will serve in an advisory capacity to implement much of the progress made during 1945 through the series of Aviation Luncheon Forums, which were directed toward local and national aviation expansion.

about \$9,400, would be assessed around \$8,700 in corporate levies and save \$700.

"The \$40,000 net income company, paying \$14,700 corporate, normal and surtaxes, would be assessed \$13,800 under the 'special-treatment' plan, a saving of \$900, while the \$50,000 corporation, having its taxes cut from \$20,000 to \$18,900, would save \$1,100. At \$60,000 of net income the savings would stop and the normal-surtax assessment would remain around \$24,000."

President Plans for Post-War Legislation

President Truman has started rallying his forces to push forward the legislative program which he considers necessary to put the nation back on a peacetime basis. In letters addressed to cabinet heads and other Federal officials the President called for "vigorous and united action" in completing "as soon as possible" the plans outlined in his message to Congress on Sept. 6, the Associated Press stated in Washington advices of Oct. 12, and continued:

Some of the President's proposals, including his plan to raise unemployment compensation to a nation-wide maximum of \$25 weekly, have had rough going in Congress.

The President called for reports twice a month on the status of his recommendations. John W. Snyder, Reconversion Director, received over-all responsibility for coordinating the legislative program of all agencies in cooperation with the Bureau of the Budget.

He was directed to "resolve differences" which may arise among agencies having overlapping interests.

The President wrote the Department heads he was "assigning specific responsibility for each part of the program to a designated agency."

"It is my intention that this agency will make the necessary studies, prepare material, assist in drafting, present testimony to Congressional committees, and in general follow the progress of the legislation in Congress," the President wrote.

He directed Mr. Snyder not only to coordinate the work of all but gave him primary responsibility for several pieces of legislation, including those for a "full employment" program and atomic-energy control.

The War and Navy Departments received joint responsibility for fostering passage of legislation dealing with volunteer recruitment and "a comprehensive and continuous program of national security including a universal training program, the continuation of selective service, and the unification of the armed services."

Legislation which would grant President Truman broad powers to reorganize executive agencies of the Government by shift and consolidations was approved on Oct. 12 by a Senate Judiciary subcommittee.

Govt. to Work With Advertising Council

Members of the American Association of Advertising Agencies on Oct. 17 heard John W. Snyder, War Mobilization and Reconversion director say that President Truman had instructed his agency to set up a unit to work with the War Advertising Council "to coordinate those programs which the council will conduct on behalf of the Government," according to an account in the New York "Times" Oct. 18. The AAAA, the "Times" pointed out, is one of the 27 sponsoring organizations of the Council, which plans as part of its post-war program to help create public understanding of important national problems through the medium of advertising.

The letter in which President Truman authorized the new coordinating unit was released by James W. Young, Chairman of the War Advertising Council, and was given as follows in the "Times":

"I am greatly pleased to hear the Advertising Council plans to carry on its public service activities. I would like to express the sincere hope that American business will see its way clear to supporting your public service project with some of its advertising. Our problems, unfortunately, did not end with the war, and there will be many vital ones which cannot be solved without the understanding cooperation of the people.

"In order to assist this important work, I have asked the Office

of War Mobilization and Reconversion under Mr. John Snyder to set up a unit which will correlate the information policies of the Federal Government on which public campaigns using your facilities are required. We look forward with pleasure to continued cooperation of American business on questions which will be vitally in the interests of all the people."

Mr. Snyder in his address praised the war work which the advertising industry had done, and emphasized its continued importance in the period of reconversion when many of the wartime controls had to be continued in spite of the fact that business and individuals had undoubtedly grown weary of them.

Workers, as well as business men, Mr. Snyder continued, according to the "Times," must "realistically face the fact that many of them will have to take jobs in service or manufacturing establishments where the rate of pay is less than they received in the shipyards and other munitions factories," Mr. Snyder continued. The responsibility of Government, employer and worker boils down to one essential, he said. That essential he described as the maintenance of buying power of all the people so that their consumption can support production at full employment.

"Many companies already have signified their ability and willingness to raise wages without increasing prices, and many such raises have been put into effect through collective bargaining," he declared.

"The real question," Mr. Snyder pointed out, "is where, when and how much wage increase can be granted without losing our fight to keep prices within bounds and to prevent a runaway inflation."

President Praises Record Of Merchant Marine

President Truman sent to Arthur M. Tode, Honorary President of the Propeller Club of the United States, a message of praise for the American Merchant Marine as it prepared to open its conference in New York City. The Propeller Club's 19th annual regional meeting is being held jointly with the conference. Wishing the conference "the utmost success," the President's letter to Mr. Tode took cognizance of the "proud record" of the Merchant Marine, and hailed the conference as a "link between the shipping industry and the Government." The President said, according to the New York "Journal of Commerce" in its Oct. 15 account of the letter, that "the fact that the American Merchant Marine Conference of 1945 is being held in peacetime is due in no little measure to the activities of those persons composing the conference." He cited the fact that "at no time during the war was essential cargo left in any of our ports for lack of shipping," adding that "the capacity of the United States to build and sail merchant ships gave the Allied forces the fluidity of action that enabled them to halt and drive back the enemy on all of many fronts."

Mr. Truman, the "Journal of Commerce" stated, praised the conference as providing "ground upon which there can be discussed those matters affecting our merchant fleet" and out of which "can come substantial contribution to the solution of our complicated maritime problems."

The Financial Situation

(Continued from first page)

services, such for example as public health precautions, public roads and certain educational facilities—and perform these functions at as low a cost as may be?

There is an element with no small following in this country at present, which would completely and finally repudiate such ideas as these and have government accept responsibility for the personal welfare of the individual in a degree which was not even thought of outside of Soviet Russia a very few years ago. This theory finds expression in the so-called full employment bill, but it is responsible for much more that is going on in Washington today. It finds its full development in the teachings of Lord Keynes in Great Britain and Professor Hansen in this country. The latter has repeatedly proposed that the management of the federal budget be regarded, not as a means of finding ways and means of meeting the necessary expenses of government, but as a mechanism with which the economy of the country be managed, controlled, and steadily steered toward the goal of stability at a high level of production and trade. The notions of Professor Hansen, we feel confident are familiar to our readers—as are, so we hope, their weaknesses. There is, therefore, no need to expound them or to refute them at this time. Suffice it to say now that no basis for any logical fiscal policy, including taxation, can be reached until we definitely reach a conclusion as to whether we shall accept the Hansen notion or not. It has been our tendency so far to avoid coming to grips with these matters, or indolently to suggest compromise solutions, etc.—as if such ideas could be half sound and half false.

What Objective?

It will likewise be difficult for us to do more than patch up thoroughly unsatisfactory compromises in matters that have to do with taxation, until we come to a clear conclusion in our own minds about the ends and aims of taxation as such. Until quite recent years it has been supposed by Americans at all events that the one purpose of taxation was to raise funds which government must have. They were universally regarded as a necessary, or at all events an unavoidable evil. It was all but universally agreed that levies should be laid upon the people in amounts no larger than absolutely necessary for the purposes in hand. It may be said, perhaps, that Adam Smith laid down the tenets of

sound taxation which have furnished the foundation of American thinking on the subject. It is probably true that through the years of the past half century, economists and statesmen have become increasingly aware that whether designed for the purpose or not, virtually all taxation has definite and often far-reaching effects in the business community. One would suppose that such a realization would render lawmakers the more cautious and careful in the framing of tax legislation. Perhaps it has, but certainly nothing of the sort has been in evidence for a decade or two at least.

What has happened is that realization of the great effect which taxation—particularly when present-day amounts must be collected—inevitably has upon the economy, appears to have suggested the notion to many that taxation furnishes a ready instrument with which income and the wealth of the world may be redistributed. Tax programs with such ends definitely—and all but outspokenly—in view have made extended and, we fear, not always completely fair or candid use of the so-called "ability to pay" principle of taxation. This general purpose has often seemed to pervade provisions of the income tax laws and equally the estate and inheritance tax laws. It, moreover, has not confined itself to the Federal scene. More than one of the states and even a number of smaller political units have appeared to be imbued with the same idea and the same spirit in recent years. The movement, if such it may be termed, has, of course, received tremendous impetus from the New Deal.

Time to Decide

The time has arrived when we must come to a definite decision as to whether this has become an American doctrine. If the decision is in the negative, then much needs to be done to our tax system, which has evolved through recent years in unsystematic, unplanned and ill-considered pieces poorly fitted together. If, on the other hand, the American people are seriously determined to redistribute income and wealth permanently by means of taxation, then, of course, the sooner that fact is made fully known the better. Of course, it must presently appear in such an event that smaller and smaller income and less and less wealth will be available for redistribution, and it is ardently to be hoped that the American people can summon the intelligence to realize that fact without having to learn it through bitter

experience; but we must choose our course, whatever it is to be, before we can make very much progress with current tax problems.

Another aspect of this matter of basic importance should not escape attention at this time. During the war there appeared to be some slight recognition of the plain fact that we could scarcely expect constructive attitudes among the people as a whole concerning all such questions unless the people as a whole knowingly helped bear the load of taxation—even if the collecting of taxes in small individual amounts from a great many people is not particularly profitable. Civic consciousness and intelligence seem somehow to be closely related to how public affairs affect the individual pocket-book. Apparently the politicians are now forgetting this important principle in their desire to appeal to rank-and-file voters.

Let us think all these things over and reach some definite conclusions before undertaking to decide on a postwar tax program.

Market Transactions In Govts. in September

During the month of September, 1945, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of \$12,526,000, Secretary Vinson announced on Oct. 15.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1943—		
September	\$2,651,600	sold
October	No sales or purchases	
November	5,000,000	sold
December	4,800,000	purchased
1944—		
January	\$9,924,000	sold
February	105,100,000	sold
March	11,500,000	sold
April	16,511,300	sold
May	9,965,000	sold
June	20,500,000	purchased
July	18,484,000	sold
August	18,992,500	sold
September	28,100,000	sold
October	*	
November	5,900,000	sold
December	12,000,000	sold
1945—		
January	\$67,475,000	sold
February	48,131,000	sold
March	2,940,000	sold
April	55,600,000	sold
May	34,400,000	sold
June	56,414,050	sold
July	17,060,000	sold
August	150,000	sold
September	12,526,000	sold

*Less than \$50,000 sold.

Air Mail for China

Postmaster Albert Goldman announced on Oct. 15 the receipt of information from the Post Office Department at Washington, that air mail can now be accepted for all places in China. The advice state:

The foregoing information has reference to air mail paid at the rate of 70 cents for each half ounce through transmission by air from New York to China. Such articles are restricted to letters in their usual and ordinary form weighing not in excess of two ounces and merchandise, prints, etc., may not be enclosed.

Pending receipt of further information, articles paid for transmission by surface means or for transmission by steamer to India and thence onward by air (30 cents for each half ounce in addition to the regular postage) will be restricted to places located in what was heretofore considered as "Unoccupied China."

CED Proposes Plan for Prosperity to Truman

The Committee for Economic Development has submitted to President Truman a plan to facilitate attainment of high-level production and employment in the United States on the basis of a free economy, it disclosed at a press conference held jointly, according to the New York "Times," on Oct. 11, by Paul Hoffman, Chairman of the CED and President of Studebaker Corporation; Ralph E. Flanders, President of the Boston Federal Reserve Bank, who is Chairman of the CED's Research Committee, and Beardsley Ruml, Treasurer of R. H. Macy & Co.

The proposal of the CED, according to the "Times," is for the setting up of a President's commission on full employment and of a joint Congressional committee, whose function would be to "review studies already completed by various private and public agencies and develop a coordinated and progressive program of measures designed to meet the appropriate responsibilities of the Federal Government."

Mr. Hoffman stated, the "Times" reports, that the 18-page plan had already been turned over to President Truman for his consideration, and that copies had also been presented to other high officials in both the executive and legislative branches of the Government. The "Times" further says:

The proposed President's commission would be headed by a representative of the President and would be "a small working body of from three to five members, composed of the ablest men to be found." The companion joint Congressional committee would be made up of the ranking members of the Senate and House Committees which now deal with major problems affecting the national economy. Together the committees would cooperate to "create the climate in which prosperity has the best chance" by cooperating in working out national policies in respect to taxation, encouragement of competition, labor mobility and dissemination of technical information, the report stated. In addition the commission and committee would deal with public works, Social Security, education and other public services as well as with such domestic problems as that of agriculture.

Declaring that the United States "shall not again be victimized by a nostalgia for normalcy," the study examines the new position in which the war has placed American free economy. It estimates that private industry "will have to provide the great bulk of 7,000,000 to 10,000,000 new peacetime jobs needed in as much as it has provided 90% of total employment in the past and there is little likelihood of any important change in that ratio in the future."

"The 30% to 45% increase in the output of goods and services, compared with 1940, necessary to provide these additional jobs," it continues, "will call for a free flow of ideas and willingness on the part of hundreds of thousands of enterprisers and millions of investors to risk billions of dollars." The committee views this expansion as an objective in which business, labor and Government share joint interest and responsibility. Its present program, it emphasizes, is concerned "more with basic problems of attaining and maintaining high productive employment in the years ahead than it is with purely transitional problems."

Asked how the two suggested commissions would fit into the present Murray Full Employment Bill, Mr. Hoffman stated that CED had begun its policy deliberations long before the Murray Bill had been presented. The CED measure, he stated, is entirely non-political. It would, however, he added, fit in with terms of the Murray Bill, although "CED takes no position for or against pending pieces of legislation on full employment."

The Stock Exchange Official Year-Book

The 1945 edition of the Stock Exchange Official Year-Book, published in London, England, has just been released in this country. Certain features that have had to be omitted from the 1941 and subsequent editions have been reinstated. These included the special chapters which contain an authoritative article on Indian Finance and tables of statistics, officially furnished, relating to the finances of the Dominions and Colonies and certain of the leading countries of the world.

The General Information section, duly revised and brought up to date, has been reinstated containing information on stamp duties, trustee investments, estate duty, maturity dates of certain debentures and other loans, lists of statutory and chartered companies and of companies requiring declaration of nationality, etc. Further, in view of the removal of the ban on publication, certain details in the accounts of public utility companies including recent sales of gas and electricity units have been re-introduced.

The new feature in the 1945 edition is the article on Dominion Income Tax Relief and a table showing the effect of the relief on certain categories of surtax payers.

Otherwise, the current edition follows the familiar lines of previous editions, containing complete financial particulars of thousands of companies and securities. It also has particulars of the Joint Advisory Committee of Stock Exchanges and a list of "Marking Names" recognized by the market.

The 1945 issue, which is published by Thomas Skinner & Co. (Publishers), Ltd., London and New York, under the sanction of the Council of the London Stock Exchange, contains 3,212 pages, and costs \$25 per copy in the United States and Canada (duty paid).

To Discuss Extension Of Hospitalization

Plans for extending pre-paid hospitalization to every employed person in the country will be discussed at the national conference of Blue Cross Plans to be held Oct. 29-31 at the Hotel Commodore, New York City. The conference will be attended by hospital leaders and representatives of the 19 million persons affiliated with America's 87 Blue Cross Plans. Scheduled speakers will include Louis H. Pink and Frank Van Dyk, President and Vice-President respectively of Associated Hospital Service of New York which serves more than 2 million Blue Cross subscribers in Greater New York. With five states, representing 5% of the population of this country, still uncovered by Blue Cross Plans, the conference will be primarily concerned with methods of making the hospitalization service nation-wide. Other projects to be considered include cooperation with management and labor to include health benefits in wage agreements, convenient transfers and out-of-town benefits, recommendations for extending medical and surgical bill prepayment plans, encouragement of individual and community enrollment, with emphasis on rural areas, payroll deduction for Federal Government employees, and coordination with tax-supported programs of medical care.

U. S. Ready to Accept Austrian Government

The United States is now ready to recognize the Provisional Government of Austria, the American member of the Allied Council in Austria, John Erhardt, has been instructed to notify the Council, according to Associated Press Washington advices of Oct. 15, which added that officials had expressed hope that support of a full-fledged national Government in Austria would help solve some threatening problems of control in that country. The Austrian regime, the Associated Press stated, was partially reorganized late last month when some Communist leaders lost power and some persons considered in this country to be "democratic leaders" came into the Government, which is headed by Chancellor Karl Renner.

The announcement of the State Department at Washington, as reported by the Associated Press, read as follows: "In accordance with the resolution of the Allied Council in Austria of Oct. 1, 1945, the members of the Council recommended to their respective Governments that the authority of the Provisional Austrian Government, subject to the guidance and control of the Allied Council as the supreme authority in Austria, be extended to the whole of Austria."

"The Provisional Austrian Government was reconstituted by the Austrian provincial conference of Sept. 24 to 26, 1945, so as to broaden the basis of its political representation. The American Government has instructed its representative on the Allied Council that it is prepared to recognize the Provisional Austrian Government on this basis."

"In submitting the recommendations the members of the Allied Council stated that one of the main duties of the Provisional Austrian Government will be the holding of national elections not later than December, 1945."

"The Council furthermore resolved that a democratic press be permitted to function in Austria."

"The American Government approves these recommendations, and regards them as an important step in fulfilling the declaration on Austria (at Moscow) of Nov. 1, 1943. That declaration, made by the powers now represented on the Allied Council, provided that Austria should be liberated from German domination and re-established as a free and independent State."

The Associated Press pointed out that the Austrian recognition policy is akin to that previously announced for Hungary, where the United States sent word in early September that it was prepared to recognize the Hungarian setup upon promises to broaden itself politically.

In Rumania and Bulgaria, on the other hand, the United States has taken the position that it will not recognize the Soviet-sponsored Governments until after they have taken definite steps to include leaders of parties not now fully represented.

Announcement of readiness to recognize the present Austrian regime leaves only a few mechanical steps, such as an exchange of ambassadors, to restore relations between Vienna and Washington to a normal diplomatic basis. This evidently will now be carried forward very rapidly.

ABA Staff Changes

Several changes in titles of A. B. A. staff members have been made by the Administrative Committee of the Association, it was announced by Harold Stonier, Executive Manager, on Oct. 15.

J. R. Dunkerley, John B. Mack Jr., and William T. Wilson were named Deputy Managers. Mr. Dunkerley, who has been identified with the Association since 1927, is Secretary of the Organization Committee and Secretary of the Savings Division. Mr. Mack joined the A. B. A. 14 years ago. He is Manager of its Advertising Department. Mr. Wilson, with the Association the past 12 years, is Secretary of the State Associa-

Issue Commodity Specifications Volume

The third edition of the "National Directory of Commodity Specifications," originally published in 1925, is now available, according to an announcement by the National Bureau of Standards, Department of Commerce, at Washington. The announcement issued on Oct. 10 further said:

In this 1300-page volume will be found listed and briefly described more than 35,000 commodity standards and specifications formulated by trade associations, technical societies and organizations that are representative in a national way of industry or some branch of industry, as well as the standards and specifications of agencies that represent the Federal Government as a whole.

The book is of interest to manufacturers, who produce almost everything covered by Government specifications, to purchasing agents and other groups. It is designed to serve as a ready reference work in the field of standards and specifications. As in previous editions the decimal system of classification of commodities is used, some minor changes and additions having been made to take care of new material.

Where the use of a commodity is not self-evident from the title of the specification, a brief explanation has been given when possible. A summary of each specification is also included so that the reader may to some extent judge for himself whether the scope of the specification fits his particular needs. Cross-referencing serves to tie up related specifications.

A comprehensive index is provided in which the commodities are listed alphabetically and references are given to the classification groups in which the specifications for the particular commodities appear. The names and addresses of the standardizing agencies from which copies of the specifications can be obtained are also given.

The Directory was prepared by Paul A. Cooley and Ann E. Rapuzzi under the direction of A. S. McAllister, formerly chief of the Division of Codes and Specifications, Bureau of Standards. It is known as Miscellaneous Publication M178. Copies, bound in green buckram, may be obtained from the Superintendent of Documents, Washington 25, D. C., at \$4.00 each.

Sept. Freight Traffic Volume 17.6% Lower

The volume of freight traffic, handled by Class I railroads in September, 1945, measured in ton-miles of revenue freight, amounted to 50,400,000,000 ton-miles, according to a preliminary estimate based on reports received from the railroads by the Association of American Railroads. The decrease under September, 1944, was 17.6%.

Revenue ton-miles of service performed by Class I railroads in the first nine months of 1945 was 4.4% under 1944, and 1½% less than the corresponding period two years ago. However, compared with 1939 the 1945 total was more than two times as much.

The following table summarizes revenue ton-miles for the first nine months of 1945 and 1944, (000 omitted):

	1945	1944	%
1st. 7 mos.	425,644,875	431,106,870	1.3
Mo. of Aug.	56,400,000	64,459,523	12.5
Mo. of Sept.	150,490,000	61,181,730	17.6
Total 9 mos.	532,444,875	556,747,123	4.4

* Revised estimate, † Preliminary estimate.

N. Y. S. E. Members to Vote on Official Nominees

The Nominating Committee of the Association of Stock Exchange Firms on Oct. 18 announced its nominations for offices to be voted on at the annual meeting and election of the Association to be held on Monday, Nov. 19, as follows:

Renominated to Serve Three Years

—Ranald H. Macdonald, of Dominick & Dominick, New York; Winthrop H. Smith, of Merrill Lynch, Pierce, Fenner & Beane, New York; Richard P. Dunn, of Auchincloss, Parker & Redpath, Washington, D. C.; John Witter, of Dean Witter & Co., San Francisco; Laurence P. Smith, of Crouse, Bennett, Smith & Co., Detroit.

Nominated to Serve Three Years—James F. Burns, of Harris, Upham & Co., New York; F. Dewey Everett, of Hornblower & Weeks, New York; Walter W. Stokes, Jr., of Stokes, Hoyt & Co., New York; C. Newbold Taylor, of W. H. Newbold's Son & Co., Philadelphia; Joseph M. Scribner, of Singer, Deane & Scribner, Pittsburgh.

Nominated to Serve Two Years to Fill a Vacancy—George R. Kantzler, of E. F. Hutton & Co., New York.

Nominated to Serve One Year to Fill a Vacancy—Thomas F. Lennon, of Delafield & Delafield, New York.

A proposal to increase the number of the Board of Governors from 30 to 33 will be submitted for vote at the annual meeting. If approved, the following have been nominated for the board:

M. A. Willem, of Beer & Co., New Orleans, to serve three years; J. E. Hogle, of J. A. Hogle & Co., Salt Lake City, to serve two years; F. Edward Bosson, of Putnam & Co., Hartford, Conn., to serve one year.

Nominating Committee for 1946

—Roy E. Bard, of Shearson, Hammill & Co., Chicago; John L. Clark, of Abbott, Proctor & Paine, New York; Allan H. Cray, of E. F. Hutton & Co., Los Angeles; Henry Harris, of Harris, Upham & Co., New York; Edgar Scott, of Montgomery, Scott & Co., Philadelphia.

The five retiring Governors, viz.: Frank E. Baker, Baker, Weeks & Harden, Philadelphia; Eugene Barry, Shields & Co., New York; Herbert F. Boynton, F. S. Moseley & Co., New York; William J. Fleming, A. E. Masten & Co., Pittsburgh, and William B. Haffner, Wilcox & Co., New York, have each served two consecutive times. Under the constitution of the association no governor may serve more than two consecutive terms.

The Nominating Committee which submitted the above report is composed of Alfred E. Thurber, Shearson, Hammill & Co., N. Y., Chairman; C. Prevost Boyce, Stein Bros. & Boyce, Baltimore; Paul H. Davis, Paul H. Davis & Co., Chicago; Wright Duryea, Glore, Forgan & Co., New York, and James J. Minot, Paine, Webber, Jackson & Curtis, Boston.

Miller Approved as Federal Security Administrator

The United States Senate on Oct. 11 confirmed the nomination of Watson B. Miller, of Maryland, to be Federal Security Administrator, succeeding Paul V. McNutt, now High Commissioner to the Philippines. Mr. Miller was named to his new post by President Truman on Oct. 3. He had been Assistant to Mr. McNutt since March, 1941. Washington advices to the New York "Times," Oct. 3, said:

"Before entering the FSA service, Mr. Miller was for 20 years the national rehabilitation director of the American Legion. A Captain in the first World War, he was motor transport officer, first for the Ninth Division and then for the 37th Division. Named from Maryland, he has a home in the District of Columbia."

Truman Would Resume Public Works Program

As part of the reconversion program President Truman has requested Congress to appropriate funds totaling \$221,842,000 for the resumption of public works activities interrupted by the war, the Associated Press stated in Washington advices Oct. 17. The money would go largely for flood control, reclamation and navigation projects. The President's proposal asked that \$128,475,000 be appropriated for the Corps of Engineers and another \$93,367,000 for the Bureau of Reclamation. Funds recommended for the flood control program under the Army Engineers provide for the completion of 32 deferred projects and resumption of work on 25 others, and for initiation of 31 projects expected to be completed by 1948 and 29 others which will take longer to construct, the Associated Press stated. Under the Engineers' navigation program 23 projects are involved, and under the Reclamation Bureau's, 31.

The Presidential recommendations include \$10,000,000 for the Bureau of Reclamation, the Associated Press reported, for work on the Davis Dam on the Colorado River, involved in the water treaty with Mexico ratified last April. The Associated Press continued:

"In the Missouri River basin, the requested funds would permit the Reclamation Bureau to start construction on the Kortess, Angostuar and Boysen dams and the Army Engineers to start the Garrison Dam on the main stream."

"For the central valley of California, funds were asked for work on the Delta Mendota and Delta Cross Channel canals, as well as for final work on Shasta, Friant and Keswick dams."

In an earlier request the President asked Congress for \$3,998,000 for the Civil Aeronautics Administration, \$25,000,000 for the Public Roads Administration, and \$1,641,000 for the International Boundary Commission, it was noted by the Associated Press, which added:

"The appropriation requested for the Civil Aeronautics Administration would provide for construction of additional hangars and the extension of the terminal building at the Washington, D. C., National Airport which is expected to be turned back for civilian use shortly."

"Major flood control and navigation improvements in the East, such as the Buggs Island Reservoir on the Roanoke River, the Clark Hill Reservoir on the Savannah River and deepening and raising of bridges on the New York State barge canal, also are contemplated for construction by the engineers on all the important watersheds in the eastern part of the country."

"In the Pacific Northwest, the President proposed authorizing the engineers to start work on flood control dams in the Willamette Valley. He also recommended authorizing construction or irrigation works in the Columbia River Valley to provide farms for returning veterans."

"The sum of \$15,000,000 was asked for a continuation of lower Mississippi Valley flood control. This would permit, the White House said, initiation of two more reservoirs in the Yazoo Basin and extensive work on the Atchafalaya floodway, in addition to continuing the work along the Mississippi River proper."

Swedish-British Monetary Discussions

Rapid Expansion of Sweden's Sterling Holdings Create Problems

Swedish and British delegates met in London some time ago to discuss various problems in connection with the monetary agreement between the two countries which was signed in London last March. As the "Financial Times" points out, British exports to Sweden have not attained the volume then envisaged and Sweden's inconvertible sterling holdings have increased at a rate that was not foreseen.

According to estimates in Stockholm papers in March, Swedish exports to Britain during the first 12-month period after the war were expected to amount in value to about \$125,000,000, while imports would probably be worth only \$75,000,000, leaving a Swedish export surplus of \$50,000,000. Early in October, on the other hand, indications were that Sweden would, during the current year, accumulate a sterling claim of more than \$75,000,000. This means that Sweden, directly or indirectly, would grant Britain an interest-free credit of that size.

When Sweden signed the agreement in March, the leading liberal newspaper, "Dagens Nyheter," now points out, she felt that it was in her interest to aid in restoring the prestige and position of the pound sterling. "International cooperation is needed in order to re-establish world economy and naturally Sweden will have to play her part. But we should make our contributions in close coordination with nations which economically are stronger and more powerful than Sweden. We should, at least, direct an essential part of our production capacity and export possibilities towards countries willing and able to help in developing multilateralism in trade relations." After having called attention to the negotiations in London, the newspaper continues: "It will probably be made clear that in the Swedish point of view there is a very close connection between our granting of credits and the mutual exchange of goods and services. If this exchange cannot be main-

tained—if, in other words, the original agreement proves a mistake in orientation—then a correction will be necessary. For it is a vital condition for Sweden's economy that we again find a course which leads to world trade where it actually exists, however large or small it may be after the devastation wrought by the war."

"Sweden Must Pursue Policy Facilitating Imports"—Montgomery

Discussing the situation from a somewhat different angle, the well-known economist, Professor Arthur Montgomery, first quotes English statements that Britain's volume of exports must be increased by 50% in order to make it possible for the country to maintain imports on the prewar level. "At the same time, however, other countries must be willing to increase their imports. Obviously, the United States holds a key position. By increasing its imports more than its exports the United States can play a most important part in stabilization of international monetary relations. But Sweden also is in a position to make a contribution to the same end. During the 1930's our imports were too low in relation to our exports. We do not know yet what our balance of payments will look like when international relations have become more stabilized. But if our position should remain as strong as it was during the 1930's, then we ought to pursue a policy which facilitates imports, if we really want to further the recovery of world economy."

House Group Recommends Cutbacks

The House Appropriations Committee on Oct. 17 sent to the House for consideration legislation which it recommended to cancel \$52,453,535,278 in Government spending authorized for the current fiscal year. The specific provisions of the measure, according to the Associated Press Washington report, would cancel \$48,264,441,439 in direct appropriations already made for the year ending next June 30, and would wipe out \$4,187,903,339 in contractual authority for the same period, which, if used, would have required additional appropriations of that amount; the bill includes recovery of \$1,190,500 in funds of corporations created by the Coordinator of Inter-American Affairs.

The legislation as proposed is a direct result of the war's end and the cuts it outlines would apply as follows, according to the Associated Press:

"Military establishments, \$30,903,090,564.

"Naval establishments, \$17,662,163,961.

"Miscellaneous executive agencies, \$3,887,090,253.

"Previous cancellations already approved by Congress bring the total to \$56,810,654,278 of an estimated original available spending of \$170,000,000,000 for the fiscal period. However, the committee pointed out, approximately \$80,000,000,000 of this year's original total already has been spent or obligated.

"The biggest cut in the Army's funds was \$12,166,313,000 for the Air Corps. On Aug. 23 of this year, the Committee said, the Army Air Corps had 62,045 planes, with plans to dispose of 44,222 while acquiring 1,238 new ships. To start the fiscal year the Army had a total of \$47,129,605,501 available to spend. The Budget Bureau and the President recommended cancellation of \$28,692,772,000. The Committee raised this by \$2,210,318,564, a practice it followed generally in other

budgets and Presidential recommendations."

Calling for more rapid demobilization of Army and Navy personnel, the Committee wrote into the legislation, the Associated Press reported, a requirement that the armed services proceed with discharges at a rate not less than would be necessary to keep within the limits of remaining funds for personnel pay. The press advices added:

"The \$17,662,163,961 dropped from the Navy's funds exceeded budget recommendations by \$603,239,515 and leaves the sea service with an estimated balance of \$11,945,257,515 to tide it over until next June 30. The Committee suggested a cut of \$3,481,300,000 in naval aviation funds. It said the Navy had 41,000 planes at the start of the fiscal year and plans to junk or otherwise dispose of 24,000 of them.

"Attached to the bill is a ban against starting any new ship construction during the current year in view of the tremendous size and modernness of the existing fleet."

"The Committee served notice that it hasn't finished slashing appropriations, asserting that "larger rescissions are practicable" and will be forthcoming as soon as more definite figures on obligations and needs of the various agencies are available.

"The biggest cut in the executive agencies' funds was \$2,339,561,000 from the Lend-Lease appropriation. It leaves the pro-

To Liquidate NWLB

Official announcement was made on Oct. 16, by the National War Labor Board that it is proceeding with plans to liquidate by Jan. 1. For the continuation of those functions which require administration until the expiration of the Stabilization Act, June 30, 1946, it is expected that an interim agency will be created, the "Journal of Commerce" stated in advices from its Washington bureau on Oct. 16. These advices added:

At the same time it was understood that President Truman was favorably impressed with the suggestion advanced by several NWLB members at a White House conference (Oct. 15) that a tripartite commission be established to deal with reconversion wage policy. The commission, if created, would be a temporary body and Government officials who discussed the proposal felt that it should be set up immediately and attempt to complete its work before the Labor-Management Conference in November.

Objection to creation of such a commission was expressed by several CIO and AFL leaders, who took the position that formulation of wage policy under the President's Executive Order of Aug. 18 is the sole responsibility of the Administration and should not be passed off on others. The suggestion made to the President was that men like Eric Johnston, President of the United States Chamber of Commerce; Ira Mosher, President of the National Association of Manufacturers; CIO President Philip Murray; AFL President William Green and several outstanding public representatives sit down and work out recommendations for a wage policy with the help of the interested and responsible Government agencies, including OPA, OES, OWMR and NWLB.

The Board's new Chairman, Lloyd K. Garrison, said at a press conference, according to the "Journal of Commerce," that the Board has pending some appeal cases "which would raise some questions as to the formulation of wage policy."

Mr. Garrison was also quoted as follows:

He asserted that among pending cases in which the Board, even under its procedures for liquidation may issue directive orders, are some involving alleged inequities and maladjustments."

"As I see it," Mr. Garrison said, "there are two phases of the wage-price problem. One involves the allowance or the disallowance of price increases when wage increases are permitted. This phase is very clearly covered in the President's Executive Order of Aug. 18. The price factor is up to OPA and OES. The other phase involves inequities and maladjustments. If no clarification is coming by the time the Board is called upon to act on those cases now pending, it might be that the Board would have to formulate its own definitions. How this would be done I do not know."

From the "Journal of Commerce" advices we also quote:

The interim agency which would supplant NWLB would deal primarily with passing upon voluntary wage increases where Board approval is necessary and with handling the mass of violations of wage stabilization regulations which has accumulated. More than 20,000 cases, including illegal increases during the war and illegal wage decreases ordered since the war, are now pending. The Board does not hope to act on those before it liquidates.

gram, now being liquidated, with cash and contractual availability of \$1,879,183,000."

Labor Dept. Reports on Hours and Earns. in July

Earnings of factory workers in July averaged \$45.42 per week, about the same as a year earlier, although the average work-week of 44 hours was 0.6 of an hour less than in July, 1944, the Bureau of Labor Statistics reported on Sept. 25. Widespread observance of the July 4 holiday coupled with cuts in war production shortened the work-week by one-half hour from June, 1945, levels and reduced weekly earnings by ½ cents. The Labor Department's advices further said:

"Total hours of work in factories dropped by more than 25,000,000 per week (5%), from June to July, the durable goods industries accounting for approximately 80% of the decline. Of the nine durable goods groups, the six major munitions groups, transportation equipment, iron and steel, machinery except electrical, automobiles and electrical machinery showed decreases totaling 18,500,000 hours, resulting from both employment declines and reductions in the scheduled work-weeks. These declines occurred before the Japanese surrender.

"Weekly earnings in the durable goods group averaged \$50.60 in July, almost 2½% below the June level. This cut in weekly pay was due primarily to a 2% reduction in the average work-week. Although weekly earnings in each of the durable groups were less than in June, only in automobiles were they substantially lower than a year ago."

The advices went on to say:

"Workers in the automobile industry earned \$53.05 as compared with \$55.54 in June and \$56.43 in July of last year. The 4½% reduction in weekly earnings over the year in this group reflects declines of about 3% in both the average work-week and average hourly earnings. Among the durable goods groups, the automobile group reported the greatest reduction in hours over the year and is the only one in which hourly earnings were less than a year before. Nevertheless, production workers in this industry still earn on an average of \$1.25 per hour, second only to the transportation equipment group.

"In the lumber group, production workers earned only slightly less than a year ago, but their weekly earnings were 7% below those in June. The decline in weekly earnings was brought about by a 6% reduction in the average work-week and, to a lesser degree, by a 1½% reduction in average hourly earnings. Observance of the July 4 holiday, vacations, seasonal slack and inclement weather in the northwestern mills all combined to shorten the work-week. Loss of overtime at premium pay plus a decrease in the proportion of higher-paid employees reduced the average hourly earnings.

"All of the 11 nondurable goods groups reported higher weekly earnings than a year ago, but nine of these reported lower pay than in June. The only sizable declines, ranging from about 3 to 4½%, were in the apparel, miscellaneous and tobacco groups. A strike in the cigar industry over new piece-work rates was the prime factor in reducing working hours in the tobacco group to a level of 41.1 hours per week and weekly pay to \$30.85. Reduced weekly pay in the miscellaneous group was due to production cuts in the scientific instruments industry which is the highest paying industry in the group. While the decline in weekly earnings in apparel was partly seasonal, the reduction in hours occasioned by the holiday and vacations were contributing causes.

"The major groups which reported increases, petroleum and rubber, showed gains of 1% and ½%, respectively in weekly pay. Premium pay for July 4—most firms remained open on this day—raised both weekly and hourly earnings by equal proportions in the petroleum industry. A return to normal operations in the rubber industry, after strikes in June, accounted for the rise in weekly

hours and earnings in this industry.

"Hourly earnings for anthracite miners averaged about 4% more than in June—an increase from \$1.17 to \$1.22 per hour. This may be attributed to the new Anthracite Agreement, effective June 16. Under this contract miners receive pay for underground travel time, premium pay for work on second and third shifts, and an increase in annual vacation pay. Weekly pay remained practically unchanged, since hours dropped by about 4% as the result of holiday observance."

Curbs President's Agency Merger Power

The Senate Judiciary Committee has rewritten the House measure approved by the House on Oct. 4 designed to give the President authority to streamline government agency set-ups. The effect is to cut by nearly half the broad powers to reorganize the government which President Truman had asked of Congress. The Senate Committee, according to the Associated Press in its Washington advices of Oct. 16, put in provisions that:

1. No change shall be made in the status of 13 agencies. (This still leaves 90 or more that the President can shift about.)

2. Any reorganization plan may be vetoed by either House or Senate, acting alone.

The Associated Press at the same time said:

The agencies exempted from reorganization are the Federal Communications, Interstate Commerce, Federal Trade, Securities and Exchange, Tariff, and Federal Power Commissions; the Federal Land Bank System, the Federal Deposit Insurance Corporation, the National Mediation Board, the National Railroad Adjustment Board, the Railroad Retirement Board, the District of Columbia government and the General Accounting Office.

With the exception of these agencies, the measure allows the President to draw plans for shifting and consolidating government agencies to achieve efficiency and economy.

Any reorganization plan, however, must be submitted to Congress. It would become effective sixty days later unless either House or Senate adopted a resolution of disapproval.

As the measure came from the House it required that both House and Senate adopt a resolution of disapproval in order to invalidate a reorganization proposal.

The House voted to exempt completely from reorganization only the Federal Trade, Interstate Commerce and Securities and Exchange Commissions and the three railway labor agencies.

The idea that one Chamber of Congress alone should be able to veto a reorganization plan has been plugged from the start by Senator Homer Ferguson, Republican, of Michigan.

In the committee showdown, however, the fight for it was led by Senator Burton K. Wheeler, Democrat, of Montana, one of the President's close friends.

Senator Wheeler told reporters he wanted a tighter Congressional grip "because you and I know the President can't and won't draft these reorganization plans."

"Somebody does it for him," he added. "And nine out of ten of these professional reorganizers don't know as much about what they are doing as do members of Congress."

Fairchild's Retail Price Index for September

Retail prices of general merchandise based on the Fairchild Publications index remained unchanged in September as compared with August. This follows the first advance in the index for some time. As compared with a year ago, there was practically no change, only a fractional gain of 0.1%. The advices for September made available Oct. 16, further stated:

"For the first time in several months there were also no changes recorded by the major groups. However, each one of the major groups—with the exception of home furnishings, showed a nominal change as compared with a year ago. There was a decrease in piece goods and infants' and children's wear quotations. There were fractional gains in women's and men's apparel prices. The increases in the major groups since the 1933 low have been exceedingly marked, varying from 41½% in infants and children's wear to 72% in piece goods.

"Commodities showing changes during the month included fractional gains in furs, men's, infants' and children's shoes. Fractional declines were recorded in aprons and house dresses, women's underwear and men's shirts. The same commodities also showed changes as compared with a year ago. The greatest change was recorded in furs.

"As emphasized before, the Fairchild Retail Price Index does not include style items and only includes a minimum of women's apparel. The advance in style items has been greater than standard merchandise. Furthermore, the Index does not measure changes in quality which undoubtedly represent a good-sized advance in former values received for the same dollar.

"The higher prices granted by OPA for cotton textiles should partially be reflected in an increase in these items. Upward adjustments are also expected in other commodities as wage advances are granted. It is unlikely, however, that OPA will grant increases in finished goods prices at wholesale equivalent to the gains given to labor. The pricing policy of OPA on home furnishings, which are included in the Fairchild Index, should also mean a slight gain in prices at retail.

"According to A. W. Zelomek, Economist, under whose supervision the Index is compiled, retail prices based on comparable quality items should average slightly higher. The return to better quality at the same levels will occur only partially, part of the return to better quality levels is to be reflected in moderate advances."

Chile Pres. Received At White House

The first reception by President Truman of the head of a Latin-American State took place on Oct. 11 when Chile's President, Jan Antonio Rios, arrived at Washington and was entertained at a stag dinner at the White House. President Rios drove up to Washington from Richmond, Va., with members of his party, and was met on the Virginia side of the Lincoln Memorial Bridge by President Truman's military and naval aides and Secretary of State Byrnes, the New York "Times" stated in its Washington dispatch. President Truman received the head of the Chilean Government on the north portico of the White House. A formal reception was held in the East Room of the Executive Mansion immediately after President Rios had presented Mr. Truman with the document ratifying the United Nations Charter for Chile.

That evening at dinner President Rios offered the following toast, according to the "Times":

"I render homage to the people and the democracy of the United States and to their President, His Excellency, Harry S. Truman,

whose distinguished wife I include in my sincerest wish for their personal welfare."

In the successive two days President Truman and his guest held several conversations in the White House, the Associated Press reported from Washington, Oct. 14, during which the Chilean is reported to have extended a cordial invitation to Mr. Truman to visit his country. Regarding political conditions in Argentina, President Rios predicted that that nation would soon return "to complete and full democracy and liberty," the New York "Times" Washington advices stated on Oct. 12, adding that he said that he preferred to regard the present situation there as "an incident in the general politics of the American continent." The "Times" said that Mr. Rios expressed the opinion that democratic sentiment was becoming so deeply rooted in South America that no dictatorship could survive. Before leaving Washington, according to the Associated Press, President Rios held a reception at the Chilean Embassy where he greeted members of the diplomatic corps and other notables.

President Rios arrived in New York City for a 5-day visit on Oct. 15, and the honors accorded him included a luncheon on Oct. 16 and a dinner the previous day at both of which he was the guest of honor. The luncheon was given for 300 business leaders at the Union Club, Park Avenue and 69th Street, by Thomas J. Watson, President of the International Business Machines Corporation, said the New York "Herald Tribune" of Oct. 17, which also stated in part:

At the luncheon, President Rios who shared the speakers' table with Mr. Watson, Dr. Nicholas Murray Butler, President Emeritus of Columbia University, and Nelson A. Rockefeller, former Assistant Secretary of State, made a strong plea for world-wide unity among nations. His address, delivered in Spanish, was repeated in English by Benjamin Claro-Velasco, former Chilean Minister of Education.

On Oct. 15 Dr. Rios was the guest of the Pan American Society and the Chile-American Association at a dinner in the Hotel Waldorf-Astoria attended by 1,000 members and friends of the two organizations. Among them were Mayor La Guardia, James A. Farley, Frederick E. Hasler, President of the Pan American Society; John T. Kirby, Chairman of the Chile-American Association, and the Most Rev. Bishop John F. O'Hara of Buffalo. This was noted in the New York "Times" of Oct. 16 which also said:

President Rios was welcomed to the city upon his arrival yesterday by Mayor La Guardia and a greeting committee headed by Grover A. Whalen at Pennsylvania Station. He will stay at the Waldorf-Astoria and be entertained throughout the week as the guest of the city.

As master of ceremonies Mr. Hasler hailed President Rios as "the first Chilean President to visit the United States during his term of office and as a tried and true friend of democracy and Pan-American solidarity—a staunch ally whose country contributed greatly to victory in the war—and a vigorous supporter of the planning for an enduring peace throughout the world."

In an interview in his suite at the Waldorf-Astoria Hotel on Oct. 16 President Rios said that there would be no advantage in calling an inter-American conference

now to discuss the political situation in Argentina.

The New York "Times" reported him as describing the present regime in Argentina as "a very sick man who each day grows weaker and weaker," and smilingly suggested that we leave him alone so "he can die in peace."

In New York on Oct. 17 President Rios speaking at a dinner in his honor at the Hotel Biltmore, given by the Free World Association called for economic solidarity among the American republics to reinforce the political solidarity which has been achieved, pointing out that complementary economics are "the most serious obstacle" to the social stability of Latin America.

In the New York "Herald Tribune" he was quoted as saying:

"If something fragile remains in the chain of American unity, it is because the economic link is as yet imperfect and weak. Even though we got, at the Conference of Mexico, an 'Economic Charter of the Americas,' which we all acclaimed with fervor and with faith, it does not walk as yet with sure and certain steps on the road of practical application."

President Rios explained, said the "Herald Tribune" that the condition of complementary economies is the "determining cause of the low levels of living which clamor for solution" in Latin America.

"Economic democracy is more difficult of attainment and pro-founder and slower than political democracy," he said. "That is why my government is now directing its efforts toward the increase and diversification of her exportable production and the mechanization of her industries as the best and surest means of gaining this end."

Ruml Group Offers Better Living Plan

The National Planning Association sent to President Truman its recommendations for national prosperity based on cooperation by business, labor, agriculture and Government toward creating "opportunity, security, rising standards of living and respect for human rights," and the President replied in a letter in which he fully agreed that cooperative planning by these four groups was necessary "if we are to realize our opportunities for steadily improving the national standard of living."

The NPA report was submitted, according to Washington advices from the Associated Press, Oct. 15, by a group of Committee Chairmen from the Association, including Beardsley Ruml, Theodore V. Schultz, Clinton S. Golden, Stacy May, Charles E. Wilson and H. Christian Sonne; and it embraced a series of questions designed to trace responsibility for various phases of national action looking to a co-operative program embracing the four groups. The Board and committee members of the NPA, the report said, will seek solutions to the various problems in a series of conferences, the first to be held on Dec. 7.

In his letter, the President wrote: "It is particularly gratifying to note the emphasis you place on respect for human rights. Enduring solutions to our national problems will be found only in so far as our human relationships are based on mutual trust and respect."

"I wish you every success in your own program of conferences and hope that your efforts will help stimulate agriculture, business and labor organizations to proceed along the lines you have suggested."

Here and There

(Continued from first page)

ing in Europe. Tie it up; labor proves its power. Labor has power, indeed. But the American peoples also are possessed of power, and hate irresponsibility and tyranny."

In addition to their other fallacies, proponents of the Murray Bill are committing an increasingly widespread error in presupposing that a single economic plan in practice operates in a vacuum, without reverberating throughout the economy. This is similar to the prevalent error of forgetting that a wage increase in a particular industry affects wages in other industries, raises raw materials and supply costs, and affects the volume of sales. Under the Murray Bill in actual operation, in order to get the last five million or so workers into employment, the federal government will have to control wages and prices, and determine the kind of goods to be produced; or spend billions at an accelerated rate—or both.

If the Administration really wants to forestall explosive inflation, surely there are some simple and definite steps that it can take. Among these are:

- (1) Stop supporting maintenance-of-purchasing-power theories.
- (2) Take concrete steps in affecting economies.
- (3) And probably most important—end the OPA regulations, thus making effective our most powerful anti-inflationary antidote, namely, the nation's tremendous productive capacity. In the face of OWMR Director Snyder's statement in Boston last week that "the first and best way to fight inflation is to produce more goods"; another government agency, the OPA, is imposing bottlenecks and other insuperable obstacles on both production and employment.

It is not realized that apart from what we may or may not do for Great Britain by way of a so-called loan, aid or gift, other billions will go to Europe through machinery that is already well-established. Dollars in huge amounts will be exported through the Bretton Woods' Fund and Bank; and through the Export-Import Bank. The latter has a program under which foreign governments can finance purchases of our goods that were formerly transferred through Lend-Lease; and has established credit for general purchases by Russia and the Netherlands at 2% for 30 years; and for the export of \$100,000,000 of cotton to eight European countries.

And England today has, of course, a fresh crop of troubles in the way of arranging real payments to us. She finds herself heavily in debt to many other countries; her creditors are frozen with non-negotiable credits, and she doesn't have the wherewithal to pay for the raw materials which are indispensable for her production of exports.

But it is repayment of our dollars and payment for our goods that on a world-wide scale remains—as it has since World War I—the continuing problem—how can we export more than we import and at the same time expect to be reimbursed with real wealth? If we are chronically to have export balances and, either because of our tariff policy or other reasons, not get paid for our exports in goods and services, then we simply will have to continue exports of our capital and subsidies in various guises. Insufficiency of imports by us and resultant shortages of dollars in the hands of foreigners will sooner or later surely undermine the

strength of the Bretton Woods' Fund.

It appears that in its preliminary stirring-up of interest for the imminent Victory Loan campaign, the Treasury is repeating its psychological error of omitting the bonds' appeal to the buyer's self-interest. This is exemplified in a current "pepping-up" statement by New York's Commerce and Industry Division. It contains not a word about the attractiveness of the E-Bond—about its interest yield being double that obtainable from savings banks or its investment privilege of 10-year money-back call on the government—or about the higher than the comparable market yields which are obtainable from the new coupon bonds. Instead, the theme will be "the necessity of finishing the war job in the good old-fashioned American way," surely a vague imposition of duty far less appealing post-war than it was midst the wartime excitement.

65-Cent Minimum Wage Meets Opposition

While it appeared reasonably certain that legislation would be passed to give some boost to the present 40-cent minimum wage level, Congressmen in general have been expressing the view that the Administration's request for a 25-cent increase is excessive when conditions throughout the nation as a whole are taken into consideration. Legislators from the farm States, for example, are afraid that such an increase would draw workers away from the farms, which for the most part, cannot support such a high minimum level, the Associated Press pointed out in its Washington advices of Oct. 15. Business, as well as the farmer, is registering opposition to a 65-cent scale. The National Association of Manufacturers, through its President, Ira Mosher, has stated its position to the Senate Committee on Education and Labor, which is conducting hearings on the Pepper Minimum Wage Bill. The NAM is definitely opposed at this time to a 65-cent minimum, according to reports to the New York "Journal of Commerce" from its Washington Bureau on Oct. 12.

The railroads too have gone on record as opposed to the increase, the Associated Press reported from Washington on the same day. Their spokesman, J. H. Parmalee, of the Association of American Railroads, testified before the Senate Committee to the effect that railroads now pay a minimum of 57 cents and that a sharp boost would bring pressure for raises for those in higher levels and "price control would be wrecked by the passage of the bill." His argument was that such legislation would lead to unemployment and tend to cut "aggregate purchasing power," the Associated Press stated.

Among those testifying for the farming interests were Charles W. Holman, Secretary of the National Cooperative Milk Producers' Federation, who stated, according to the Associated Press, that enactment of the Pepper Bill in its present form would result in "a considerable cut" in the net income of dairy farmers; also Samuel Fraser, Secretary of the International Apple Association, who advanced the view that the bill would be harmful not merely to management but to organized labor as well.

How Congress regards the matter may possibly be surmised from a comment made by Representative Ramspeck (D., Ga.), who told reporters, according to the Associated Press, that he thought "some type of satisfactory compromise can be worked out."

Should Banks Make "Marginal" Loans

(Continued from first page)

examination is to place dependence on market values and published security ratings for the analysis of the worth of a bank's portfolio of investments. This is, of course, perfectly natural. It is an easy routine task for the examiner to set down market values of securities and published ratings of bonds.

It is not so easy to test the New England local enterprise "on the basis of local knowledge and judgment." To the extent that a local bank serves a local community, to that extent will there be an increase in the volume of loans of the sort in which there must be some meeting of minds between the examiner and the bank.

How serious is this problem? How well documented is the banker with the information on which he makes the loan? How far can he go in balance sheet and operating statement evidence in substantiating his case? He should have in his files everything of this nature which will support his wisdom in making any given loan; and it would seem that proper credit files would meet most of the requirements whether in presenting a loan to the bank directors or in defending the loan before the examiner. Does not, however, the difficulty come in the borderline cases in which faith in the borrower's character and abilities is the primary element in the bank's judgment? Such faith is more easily brought to a decision by local directors than it is by an examining official from the outside. Perhaps this is the area in which differences of opinion will be most serious and most important.

Favors Marginal Loans

In your speaker's opinion there should be a reasonable percentage of these marginal cases in each bank portfolio if the bank is to be of the greatest service to its community. The argument for this is the same as for a reasonable credit policy on sales in the ordinary business. The credit man of a business organization is properly criticized if he does not have a certain percentage of bad debts. If he does not, it means that he has turned down an unwarranted number of good marginal risks. At the same time he must not have so many bad debts that writing them off destroys the profits which were received from the successful marginal cases. We are in an area where good judgment makes the difference between success and failure.

It is in this area, I believe, that New England bankers should give some thought to the wisdom of a Federal Reserve guarantee of hopeful, productive and constructive marginal loans. If we accept the premise that some minor percentage of a bank's investments should be of a marginal nature in support of healthy new and small enterprises, then we are concerned with seeing that the banking system offers enough of this service safely to really serve its region.

The mechanism for doing this in the field of intermediate term credit is the 13b loan, or its new successor provided for by the Wagner-Spence Bill, which is still hanging fire in Congress. This mechanism provides a Federal Reserve guarantee for the major part of such loans. This means that the volume of risk safe for a given bank can be multiplied to five much more needed service to the community.

The Wagner-Spence Bill

It is probable that the slow progress or lack of progress of the Wagner-Spence Bill through Congress is due to the organized opposition of organized banking. In

my judgment that opposition is mistaken and is against the public interest. It will result in the crystallization of unenterprising banking, a lack of needed banking accommodations, and will provide needless grounds in support of the political hostility to private banking.

The proposed action is safe from the bank's standpoint because it does not seek to multiply the total investment in which there is an element of risk involved. It does multiply the volume loaned. As to the total guaranteed by the Federal Reserve Bank (which will, of course, be much larger than the risk by the banks) there will be some losses and some gain, but if experience with 13b in this district is any guide, total net operations after balancing losses against gains will be profitable.

What Is Good Banking?

Is this proposal to expand the volume of Federal Reserve guaranteed marginal loans good banking or bad banking? The answer to that question depends on what we mean by good banking. If good banking means gilt-edged, riskless banking our proposal is bad banking. If good banking means the taking of carefully examined and calculated risks in support of the expansion of business and employment in the region which the bank serves, then the proposal is good banking. I submit that good banking in this sense is the only practice which recognizes the social responsibilities of the private banking system and forms the only safe foundation for its future, against the political and social forces which are rising up against it. These forces at times are dormant, at times active, but they neither sleep nor die, nor will their pressure decrease over the years.

Let New England bankers therefore reconsider the merits of the Wagner-Spence revision of the 13b loan. If you are convinced of its merits, find out from your representatives in Congress what is holding it up. This proposal is an available answer to many of the problems raised in the report which we are considering today.

Growth of Fiduciary Funds

Your Committee in raising questions as to fiduciary funds has touched on a point that is vital to New England's future. About ten years ago an estimate was made at the Federal Reserve Bank of Boston of the amount of these fiduciary funds. The estimate in round numbers runs as follows:

INSTITUTIONAL INVESTMENTS (Federal Reserve District 1)	
Description	
Insurance companies	\$2,982,253,000
Endowed institutions	455,937,000
Trustees:	
National banks (2)	390,711,000
Trust companies	1,490,140,000
Banks:	
National	768,301,000
Trust	537,068,000
Savings	3,064,617,000
Co-operative banks, credit unions, etc.	510,866,000
Total	\$10,199,893,000

I understand that similar estimates have been made by one of the financial institutions in Boston as to the current situation. This indicates that about the same amount of money is in fiduciary investments as was the case ten years ago. It is not surprising that the amount has not grown, since the further accumulation of wealth in private hands has been virtually stopped by corporate, personal and estate taxes.

Even to this generation of deficit and war spenders, ten billion dollars is not a small sum. I do not know what the figures are for other regions of the country, but

I venture the guess, and the venture is a safe one, that in no Federal Reserve District is the amount of these fiduciary funds per capita as large as it is here in New England. We are the oldest of the industrial regions and our fortunes were more largely inherited than was the case in other parts of the country. Besides this our life insurance funds and the endowments of our educational institutions concentrate here resources drawn from other parts of the country.

These funds are unavailable for expanding industry, commerce and resulting employment here in New England. In large part by law, and to fully as large an extent by traditional ways of defining the responsibilities of trustees, these funds are available only for investment in low-yield, completely safe securities. The trend of returns from safe investment is downward and there is no sign of any upturn in the future. This means an embarrassing low yield for these fiduciary funds as well as leaving them sterilized so far as any expansive effect on New England is concerned.

In making special reference to insurance companies I have in mind the law passed by the Connecticut Legislature last March, whose enacting provision reads as follows:

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Sec. 1. Any domestic life insurance company may loan or invest its funds to an amount not exceeding in the aggregate 5% of its total admitted assets in loans or investments not qualifying or not permitted under its charter or under Section 1265e, 1238e of the 1939 supplement to the general statutes.

Sec. 2. This act shall take effect from its passage. This simple enactment opens the door of opportunity.

In the first place, whatever were the particular purposes for which the law was drafted, it recognizes the fundamental concept which underlies the Wagner-Spence Bill, and that is, that a certain safe and reasonable percentage of investment funds should be freed from restrictions which prevent it from going into investment of the constructive developmental type in which there is always some element of risk.

I wish to suggest that the elements of risk in capital investment can be lessened and spread by risk investment in corporations of the type promoted so long by Lincoln Filene, or along the lines proposed in the report on "Capital for Small Business," recently published by the Investment Bankers Association of America. Perhaps better plans than either of these can be devised.

In such undertakings, with risk minimized by judicious selection and spreading over a variety of undertakings, lies our principal hope for reasonably safe returns over the minimum now received for fiduciary investment. In undertakings of this sort also lie the possibilities of profitable public service, which if successfully performed will demonstrate the public usefulness of commercial banks, investment houses and the life insurance companies.

The insurance companies are indeed the ideal source for the ridiculously small percentage of their funds which would be required to finance an undertaking such as is contemplated in the Investment Bankers Association report, for instance. If the laws of Massachusetts or any other State forbid such action the laws should be changed. If there are difficulties in the SEC set-up which interfere with the constructive risk of the nation's capital resources, those regulations should be revised. If the administration of the "Blue Sky" laws of the nation hold back its development, those policies should be redirected to

Equal Opportunity With Foreign Competitors Asked by Marine Insurance Companies

Thomas J. Goddard, President of the American Institute of Marine Underwriters, recently stated that the unsecured loans to foreign governments which are now being made or contemplated by the Government of the United States for the purpose of promoting the foreign trade of this country will unquestionably be used by the foreign governments concerned in such manner as to divert to foreign markets a large volume of marine insurance which normally would be placed in the American market by the American seller. Such diversion of business, it is stated, has already occurred, and this process will undoubtedly continue if permitted by our Government. The underwriters believe that this is not only damaging to the insurance companies, but detrimental to the economy of the United States.

Mr. Goddard said:

"In justice not only to the marine insurance companies but also to the American taxpayers, we ask that any marine insurance which may be required on American exports financed by the United States Government or any of its agencies, or paid for with funds loaned by the Government or any such agency, be placed in the customary manner in the American market whenever the insurance is obtainable here at rates comparable to those available in other markets for equal coverage and security. If foreign countries, operating with funds loaned by the United States Government, are permitted to transfer the insurance on American exports to their own marine insurance markets, American underwriters will inevitably suffer the loss of a large proportion of their normal business."

He stated that Congress repeatedly has recognized that an adequate marine insurance market is indispensable to the successful operation of the American merchant fleet, but pointed out that development of such a market will be impossible if United States Government funds are to be used to divert to foreign underwriters marine insurance which otherwise would be placed in the United States. He explained that the existence or lack of adequate marine insurance facilities in this country may well be a vital factor in determining how future shipments will be financed and under what flag they will be transported. Mr. Goddard made it clear that the underwriters are entirely in sympathy with the general policy of making loans to foreign governments with a view to stimulating foreign trade. They are confident, however, that these loans can be made fully effective without diverting the marine insurance from the channel in which it would normally flow, and thereby seriously weakening the American marine insurance market as an instrument in the development of American commerce.

The membership of the American Institute of Marine Underwriters consists of 84 insurance companies, including both American companies and foreign companies admitted to do business in the United States. These 84 companies write an overwhelming majority of the marine insurance risks written in the United States. Mr. Goddard, now serving as President of the Institute, is a partner of Chubb & Son, representing several member companies.

the expansion of America's future.

What is being proposed in these suggestions is not bad banking but good banking. It is not casting away safety and plunging blindly into risk, it is the willingness courageously to undertake carefully measured risks. Will we exhibit that willingness here in New England? The answer to that question will determine whether there is still youth, vigor and growth in our region, or whether we have succumbed to senile decay.

Death of F. A. Carroll

The death of Frederick A. Carroll, American Red Cross Commissioner and immediate past President of the Trust Division of the American Bankers' Association, was made known in Associated Press advices from Paris Oct. 16, which stated that Mr. Carroll was killed that day in an automobile accident 30 miles north of Paris, the Red Cross announced. Merle E. Selecman, Deputy Manager and Secretary of the ABA was seriously injured in the accident. Mr. Carroll, who was Red Cross Commissioner for Great Britain and Western Europe, was on leave of absence from the National Shawmut Bank of Boston, Boston, Mass., where he was Vice-President, Trust Officer, and Counsel since 1924. Mr. Selecman was special assistant to Mr. Carroll in Europe and is on leave of absence from the ABA, where he is Secretary of the Association and Deputy Manager in charge of its Trust Division and director of its Public Relations Council.

Full military honors were accorded Mr. Carroll at funeral services held in Paris on Oct. 20.

The American Bankers Association supplies the following information regarding Mr. Carroll's activities.

Mr. Carroll was admitted to the Massachusetts Bar in 1912, and engaged in a general law practice which gradually led into extensive business interests in the financial field. He was Vice-President of the Shawmut Association of Boston, and of the Shawmut Bank Investment Trust, a trustee of the Home Savings Bank, and a director of the United Mutual Fire Insurance Company, the National Protective Companies, Shawmut Corporation of Boston, Devonshire Financial Service Corporation and the Boston Better Business Bureau.

Mr. Carroll has been active in the work of the ABA for several years. In 1944-1945 he was President of the Trust Division which term of office expired on Sept. 28, 1945. He was also a member of the Tax Committee of the National Bank Division.

In the Massachusetts Bankers Association, Mr. Carroll was a member of the Conference Committee under the Code of Ethics for Trust Business. In the Corporate Fiduciaries Association of Boston, he was a member of the Executive Committee and of the Committee on Fees. Mr. Carroll has written many articles on workmen's compensation, costs and experience rating, taxes, trusts, banking and various other subjects which have appeared in legal, educational and banking publications.

As to Mr. Selecman the Association says:

Mr. Selecman has been, with the ABA for the past 18 years. In addition to his work as Secretary of the Association he is Deputy Manager in charge of its Trust Division and director of its Public Relations Council. Mr. Selecman was born in Maryville, Mo. He attended the University of Missouri, took his A. B. degree at the Northwest Missouri State Teachers College at Marysville and his Masters degree at Northwestern University in Chicago. Prior to joining the Association Mr. Selecman spent ten years in newspaper, advertising, and publicity work and teaching journalism in the mid-west.

The State of Trade

(Continued from page 1994)

The American Iron and Steel Institute announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 65.1% of capacity for the week beginning Oct. 22, compared with 66.3% one week ago, 83.6% one month ago and 96.3% one year ago. This represents a decrease of 1.2 points or 1.8% from the preceding week.

This week's operating rate is equivalent to 1,192,400 tons of steel ingots and castings, and compares with 1,214,400 tons one week ago, 1,531,200 tons one month ago and 1,732,400 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Oct. 13, 1945, total 754,521 cars, the Association of American Railroads announced. This was a decrease of 13,464 cars, or 1.8% below the preceding week this year, but 144,199 cars, or 16.0% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 157,827 cars, or 17.3% is shown.

Railroad Earnings in September—Based on advance reports from 88 class I railroads, whose revenues represent 80.4% of total operating revenues, the Association of American Railroads today estimated that railroad operating revenues in Sept. 1945, decreased 15.6% under the same month of 1944. This estimate, it was pointed out, covers only operating revenues and does not touch upon the trends in operating expenses, taxes, or final income results. Estimated freight revenues in Sept. 1945, were less than in Sept. 1944, by 17.9%, while estimated passenger revenues decreased 9.4%.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 3,934,394,000 kwh. in the week ended Oct. 13, 1945, from 4,028,286,000 kwh. in the preceding week. Output for the week ended Oct. 13, 1945, was 9.6% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 170,800,000 kwh. in the week ended Oct. 14, 1945, comparing with 171,200,000 kwh. for the corresponding week of 1944, or a decrease of 0.3%.

Local distribution of electricity amounted to 169,700,000 kwh., compared with 164,700,000 kwh. for the corresponding week of last year, an increase of 3.0%.

Paper and Paperboard Production—Paper production in the United States for the week ending Oct. 13, was 96.2% of mill capacity, against 94.1% in the preceding week and 92.9% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 97%, compared with 95% in the preceding week and 96% in the like 1944 week.

Business Failures—Commercial and industrial failures showed a small increase in the week ending Oct. 18th, reports Dun & Bradstreet, Inc. Fifteen concerns failed as compared with 12 in the previous week and 12 in the corresponding week of last year. This marked the seventh week so far in 1945 when failures have exceeded those in the comparable week a year ago.

Large failures involving liabilities of \$5,000 or more accounted for 11 of the week's failures. Last week concerns failing with large losses numbered 10 compared with 11 last year—a remarkably steady trend. On the other hand, small failures with liabilities under \$5,000, at 4 in the week just ended, were two times the number a week ago and four times the number in the same week of 1944.

Almost half the week's failures were concentrated in manufacturing. Seven manufacturers failed,

the same number as in the previous week and only one short of the number in 1944. In trade, both wholesale and retail, failures were higher than the number last week or a year ago. For the second consecutive week, no failures were reported in commercial service.

No Canadian failures were reported against 1 in the previous week and 2 in the same week of last year.

Wholesale Daily Commodity Price Index—Fluctuations in the daily Wholesale Commodity price index, compiled by Dun & Bradstreet, Inc., were small during the past week. The index reached a new peak of 178.68 on Oct. 10, and closed at 178.20 on Oct. 16. This compared with 18.49 a week earlier, and with 173.38 at this time a year ago.

Grains were active throughout most of the week with many futures contracts reaching new highs for the season. A reversal of the earlier uptrend occurred at the close, however, with wheat off about 2 cents after prices again attained new 20-year highs. Heavy realizing sales in wheat were due to the small volume of exports reported thus far this season, favorable conditions for the seeding of winter wheat, and the growing opposition to the Pace Bill which is designed to increase parity prices by including labor costs. Rye closely followed the pattern set by wheat and established new highs. Frost in the corn belt apparently had little effect upon the market and cash corn as well as futures went slightly below ceilings. Oats futures again sold at seasonal peaks with trading held down by profit-taking. Business in the flour market was slow with offerings small, though prices were firm. Continued small marketings of hogs remained in active demand after ceiling prices were revised upward on Oct. 9. Demand continued for good and choice grade steers at ceiling levels; receipts were light. Lard production remained small with sales restricted by scarcity of offerings.

Cotton prices, both spot and futures, dipped slightly during the week, losing from 22 to 42 points after having reached new 18-year highs in the previous week. The downtrend was especially evident in the distant crop months. Although activity in the spot market rose slightly, it was seasonally low. Considerable hedge selling and profit-taking was noted. The U. S. Department of Agriculture's Oct. 1 forecast of this year's cotton yield, showing a 20% drop from last season, had little effect on the market.

Trading in the Boston wool market last week was limited. Buyers watched carefully for spot or nearby fine grade foreign wool. There was a ready market for Australian, Cape, or South American spot wool. The supply, however, remained tight. While fine grades were preferred, buyers were willing to take anything they could get rather than be caught short. Activity in domestics was low except for scattered transactions in pulled wool. While deliveries of wool goods to cutters have increased slightly, they remain very small. Wool goods production is larger than in worsteds which were in good demand for civilian trade, despite the fact that Government orders continued to fill up the looms.

Wholesale Food Price Index Up Sharply—Advancing 4 cents over last week, the Dun & Bradstreet wholesale food price index for Oct. 16 went to \$4.10, only slightly below the year's high point. The current figure marks a gain of 2.5% above the corresponding 1944 index of \$4.00 and of 0.7% over the \$4.07 recorded two year's ago. The week's rise reflects higher prices for flour, rye, eggs,

potatoes, steers, and lambs. Declines occurred in wheat and oats. The index represents the sum total of the price per pound of 31 foods in general use.

Retail and Wholesale Trade—Favorable weather and Columbus Day last week combined to raise retail volume for the country at large over the previous week. Over-all volume was moderately above the similar week last year, Dun & Bradstreet, Inc. reports. Customers did not object to higher prices but tried to select better quality in all types of merchandise. Keen demand for overseas gifts and confections stimulated consumer spending. Grocery and meat lines have eased considerably. The rise in unemployment was reported not seriously affecting consumer spending.

Volume of sales in children's departments rose sharply last week. Coats and snow suits were leading items. Sustained interest was evident in better quality sportswear. Furs received a better response this week and sales were slightly over a week ago. Dresses were in strong demand and shoe sales were slightly ahead of the previous week. Lower priced jewelry sold in substantial volume. All styles of handbags sold well. The volume of men's apparel and furnishings was moderately above a week ago.

Furniture volume rose slightly in the week, though stocks remained low. The supply of household furnishings, especially better quality merchandise, increased modestly but remained inadequate for current heavy demand. Hardware stocks improved a little. In the lumber and hardware fields storm sash, caulking, and weatherstripping, were in strong demand as home owners prepared for the winter. The small quantity of electrical appliances that were available were quickly purchased.

Food volume rose slightly above the previous week and surpassed the level of the same week of last year. Canned foods sold rapidly. Sugar and butter stocks increased somewhat as supplies were released by the Government.

Retail volume for the country was estimated at from 8 to 12% over a year ago. Regional percentage increases were: New England 7 to 11, East 11 to 15, Middle West and Northwest 6 to 10, South 5 to 9, Southwest 4 to 8, Pacific Coast 1 to 5.

Wholesale trade volume rose a trifle above that of last week as buyers attempted to fill in stocks, but it was fractionally below a year ago. New orders for consumers goods continued to be placed in large numbers, while unfilled orders for scarce merchandise remained high. Deliveries in most fields were slow and behind schedule.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Oct. 13, 1945, increased by 11% above the same period of last year. This compared with an increase of 11% in the preceding week. For the four weeks ended Oct. 13, 1945, sales increased by 11% and for the year to date showed an increase of 11%.

Retail trade in New York the past week while active was affected in a degree by prevailing warm temperatures. In the wholesale markets activities were held down by the lack of hotel accommodations. Buyers on hand were exerting pressure for deliveries on garment orders in manufacturers' hands. It is expected that spring lines will be ready as is customary during the first week of November. The textile field was granted an upward adjustment in prices for knit underwear. Retailers will absorb the additional cost. In the week both wholesale and retail food volume continued to reflect marked activity.

According to the Federal Reserve Bank's index department store sales in New York City for the weekly period to Oct. 13, 1945,

Truman Urges Vote on Govt. for Puerto Rico

In a message to Congress on Oct. 16 President Truman proposed that Congress take steps to ascertain the kind of government desired by the people of Puerto Rico and then to enact legislation designed to give them that type of government within whatever limits Congress may consider necessary. The President outlined four possible courses which might be offered Puerto Ricans, according to the Associated Press Washington dispatch on the subject, the choice being: Election of their own Governor, with broader local self-government provisions; a dominion type of government; statehood, or full independence.

"It is now time," Mr. Truman said, "to ascertain from the people of Puerto Rico . . . the kind of government which they desire." His full message to Congress in the matter, as given by the Associated Press, follows:

"It is the settled policy of this Government to promote the political, social and economic development of people who have not yet attained full self-government, and eventually to make it possible for them to determine their own form of government.

"It is our pride that this policy was faithfully pursued in the case of the Philippines. The people of the Philippines determined that they desired political independence, and the Government of the United States made provision to this effect.

"It is now time, in my opinion, to ascertain from the people of Puerto Rico their wishes as to the ultimate status which they prefer, and, within such limits as may be determined by the Congress, to grant them the kind of government which they desire.

"The present form of government in the island appears to be unsatisfactory to a large number of its inhabitants. Different groups of people in Puerto Rico are advocating various changes in the present form of government.

"These advocated changes include different possibilities: (1) The right of the Puerto Ricans to elect their own Governor with a wider measure of local self-government; (2) statehood for Puerto Rico; (3) complete independence, and (4) a dominion form of government.

"Each of these propositions is being urged in the island, and each has its own advocates. Uncertainty has been created among the people as to just what the future of Puerto Rico is to be. These uncertainties should be cleared away at an early date.

"To this end, I recommend that the Congress consider each of the proposals, and that legislation be enacted submitting various alternatives to the people of Puerto Rico. In that way the Congress can ascertain what the people of Puerto Rico themselves most desire for their political future.

"However, in the interest of good faith and comity between the people of Puerto Rico and those of us who live on the mainland, Congress should not submit any proposals to the Puerto Ricans which the Congress is not prepared to enact finally into law. We should be prepared to carry into effect whatever options are placed before the people of Puerto Rico, once the Puerto Ricans have expressed their preference.

"I hope that this problem can be considered by the Congress at an early date, and that appropriate legislation be enacted designed to make definite the future status of Puerto Rico."

increased 20% above the same period of last year. This compared with an increase of 15% in the preceding week. For the four weeks ended Oct. 13, 1945, sales rose by 13% and for the year to date increased by 13%.

President Praises General Marshall

At a dinner given by the Reserve Officers Association of America to honor General of the Army George C. Marshall, Army Chief of Staff, President Truman paid signal tribute to the General by calling him the greatest military leader of all time. The President based his claim as a judge on the fact of having devoted much of his spare time to the study of outstanding military geniuses through the ages, including Alexander the Great, Ghengis Khan, Napoleon, and as he said, dozens of others, and he declared that none of these men had ever undertaken a task like that faced by General Marshall on Dec. 7, 1941.

The President pointed out, according to the New York "Times" special Washington dispatch of Oct. 16, that not only had General Marshall acted as Chief of Staff of the Army, but also of the Combined Chiefs of Staff. The President added that his own Chief of Staff, Fleet Admiral Leahy, had also helped along with Gen. Marshall, in achieving the Navy's co-operation with the Army.

Gen. Marshall, who was presented by the President with a life membership in the Reserve Officers Association, told those present at the dinner that the country was in the midst of one of the greatest demobilizations in history, one that was moving much more rapidly than had been expected. The New York "Times" continued:

He went on to stress that the citizen army of the United States was the greatest factor to assure peace in the world. Reserve Officers, by keeping themselves available for national defense, could do much toward maintaining the peace, he said, and he urged that universal military training would be necessary too.

At the table with the President and General Marshall were Brig. Gen. E. A. Evans, President of the Association; Secretary Patterson, Gen. Henry H. Arnold and Admiral Leahy. Others present were Gen. George C. Kenney, Chief of the Far East Air Force; Gen. Carl Spaatz, Chief of the Strategic Air Force; Gen. Jacob L. Devers, Chief of Army Ground Forces, and Lieut. Gen. Alexander Patch, who is Chairman of a board which is reorganizing the Army.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Oct. 22 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Oct. 25 and to mature Jan. 24, 1946, which were offered on Oct. 19, were opened at the Federal Reserve Bank on Oct. 22. The details of this issue are as follows:

Total applied for, \$2,084,705,000.
Total accepted, \$1,310,034,000 (includes \$58,973,000 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.

(58% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 25 in the amount of \$1,312,071,000.

Truman Urges Peacetime Training

(Continued from first page)

come a continuing sense of leadership in the world for justice and peace.

Our Strength Assures Peace

For years to come the success of our efforts for a just and lasting peace will depend upon the strength of those who are determined to maintain the peace. We intend to use all our moral influence and all our physical strength to work for that kind of peace. We can insure such a peace only so long as we remain strong. We must face the fact that peace must be built upon power, as well as upon good will and good deeds.

Our determination to remain powerful denotes no lack of faith in the United Nations Organization. On the contrary, with all the might we have, we intend to back our obligations and commitments under the United Nations Charter. Indeed, the sincerity of our intention to support the organization will be judged partly by our willingness to maintain the power with which to assist other peace-loving nations to enforce its authority. It is only by strength that we can impress the fact upon possible future aggressors that we will tolerate no threat to peace or liberty.

To maintain that power we must act now. The latent strength of our untrained citizenry is no longer sufficient protection. If attack should come again, there would be no time under conditions of modern war to develop that latent strength into the necessary fighting force.

Never again can we count on the luxury of time with which to arm ourselves. In any future war the heart of the United States would be the enemy's first target. Our geographical security is now gone—gone with the advent of the robot bomb, the rocket, aircraft carriers and modern airborne armies.

The surest guarantee that no nation will dare again to attack us is to remain strong in the only kind of strength an aggressor can understand—military power.

A Large Military Force the Alternative

To preserve the strength of our nation, the alternative before us is clear. We can maintain a large standing Army, Navy and Air Force. Or we can rely upon a comparatively small regular Army, Navy and Air Force, supported by well-trained citizens, who in time of emergency could be quickly mobilized.

I recommend the second course—that we depend for our security upon comparatively small professional armed forces, reinforced by a well-trained and effectively organized citizen reserve. The backbone of our military force should be the trained citizen who is first and foremost a civilian, and who becomes a soldier or sailor only in time of danger—and only when the Congress considers it necessary. This plan is obviously the more practical and economical. It conforms more closely to long-standing American tradition.

In such a system, however, the citizen reserve must be a trained reserve. We can meet the need for a trained reserve in only one way—by universal training.

Men Must Be Trained in Advance

Modern war is fought by experts—from the atomic scientist in his laboratory to the fighting man with his intricate modern weapons. The day of the minute man who sprang to the flintlock hanging on his wall is over. Now it takes many months for men to become skilled in electronics, aeronautics, ballistics, meteorology and all the other sciences of modern war. If another national emergency should come, there would be no time for this complicated training. Men must be trained in advance.

The sooner we can bring the maximum number of trained men into service, the sooner will be the victory and the less tragic the cost. Universal training is the only means by which we can be prepared right at the start to throw our great energy and our tremendous force into the battle. After two terrible experiences in one generation, we have learned that this is the way—the only way—to save human lives and material resources.

The importance of universal training has already been recognized by the Congress, and the Congress has wisely taken the initiative in this program.

The select committee of the House of Representatives on Post-war Military Policy has organized hearings and has heard extended testimony from representatives of churches and schools, labor unions, veterans organizations, the armed services, and many other groups. After careful consideration the committee has approved the broad policy of universal military training for the critical years ahead. I concur in that conclusion and strongly urge the Congress to adopt it.

In the present hour of triumph, we must not forget our anguish during the days of Bataan. We must not forget the anxiety of the days of Guadalcanal. In our desire to leave the tragedy of war behind us, we must not make the same mistake that we made after the First World War when we quickly sank back into helplessness.

Program Recommended

I recommend that we create a post-war military organization which will contain the following basic elements:

First—A comparatively small regular Army, Navy and Marine Corps.

Second—A greatly strengthened National Guard and organized reserve for the Army, Navy and Marine Corps.

Third—A general reserve composed of all the male citizens of the United States who have received training.

The general reserve would be available for rapid mobilization in time of emergency, but it would have no obligation to serve, either in this country or abroad, unless and until called to the service by an act of Congress.

In order to provide this general reserve I recommend to the Congress the adoption of a plan for universal military training.

Enforced Training Not Conscriptio

Universal military training is not conscription. The opponents of training have labeled it conscription, and by so doing have confused the minds of some of our citizens. "Conscription" is compulsory service in the Army or Navy in time of peace or war. Trainees under this proposed legislation, however, would not be enrolled in any of the armed services. They would be civilians in training. They would be no closer to membership in the armed forces than if they had no training. Special rules and regulations would have to be adopted for their organizations, discipline and welfare.

Universal training is not intended to take the place of the present Selective Service system. The Selective Service system is now being used to furnish replacements in the armed forces for veterans of this war who are being discharged.

Only the Congress could ever draw trainees under a universal training program into the Army and Navy. And if that time ever came, these trainees could be inducted only by selective process, as they were inducted for World War I and World War II. The great difference between having

universal training and no training, however, is that, in time of emergency, those who would be selected for actual military service would already have been basically trained.

That difference may be as much as a year's time. That difference may be the margin between the survival and the destruction of this great nation.

The emphasis in the training of our young men will not be on mere drilling. It will be on the use of all the instruments and weapons of modern warfare. The training will offer every qualified young man a chance to perfect himself for the service of his country in some military specialty.

Will Develop Skills

Under the plan which I propose, provisions should be made within the armed services to help trainees improve their educational status. The year of universal training should provide ample opportunity for self-improvement. Some part of the training could be used to develop skills which would be useful in future civilian life just as such skills have been developed during the present war.

The period of training could well be used to raise the physical standards of the nation's manpower, to lower its illiteracy rate, and to develop in our young men the ideals of responsible American citizenship.

Medical examinations of the young trainees would do much toward removing some of the minor disabilities which caused the rejection of so many men during this war by the Selective Service system.

The moral and spiritual welfare of our young people should be a consideration of prime importance, and, of course, facilities for worship in every faith would be available.

But the basic reason for universal training is a very simple one—to guarantee the safety and freedom of the United States against any potential aggressor. The other benefits are all by-products—useful indeed, but still by-products. The fundamental need is, and always will be, the national security of the United States, and the safety of our homes and our loved ones.

A Varied Training

Since training alone is involved, and not actual military service, no exemptions should be allowed for occupation, dependency, or for any other reason except total physical disqualification.

All men should be included in the training, whether physically qualified for actual combat service or not. There should be a place into which every young American can fit in the service of our country. Some would be trained for combat, others would be trained for whatever war service they are physically and mentally qualified to perform.

I recommend that the training should be for one year. Each young man should enter training either at the age of 18 or upon his graduation from high school—whichever is later; but in any event before his 20th birthday. A trainee who completes his high school education in his 17th year should be eligible, with parental consent, to enter the course of training.

After the first few months of training, selected trainees who are not physically qualified for military service could be trained in certain skills so that if war came, they could take their places in shipyards, munitions factories and similar industrial plants.

A General Reserve

Upon completion of the full year's training, the trainee would become a member of the general reserve for a period of six years. After that he should be placed in a secondary reserve status.

Present personnel in the Army and Navy reserves would, of course, be retained, and the new

trainees would provide the source from which the reserves of the future would draw their personnel.

Commissions would be granted to qualified men who complete the course of training and who then take additional instruction in officer candidate schools, in the Reserve Officers Training Corps or Naval Reserve Officers Training Corps. Outstanding trainees could be selected after an adequate period of training and sent to college with government financial aid, on condition that they return, after graduation and with ROTC training, as junior officers for a year or more of additional training or service.

Would be Democratic and Efficient

Such a system as I have outlined would provide a democratic and efficient military force. It would be a constant bulwark in support of our ideals of government. It would constitute the backbone of defense against any possible future act of aggression.

It has been suggested in some quarters that there should be no universal training until the shape of the peace is better known, and until the military needs of this country can be estimated and our commitments under the United Nations Organization can be determined. But it is impossible today to foresee the future. It is difficult at any time to know exactly what our responsibilities will require in the way of force. We do know that if we are to have available a force when needed, the time to begin preparing is now.

The need exists today—and must be met today.

If, at some later time, conditions change, then the program can be re-examined and revalued. At the present time we have the necessary organization, the required camp installations, and the essential equipment and training grounds immediately available for use in a training program. Once we disband and scatter this setup, it will be much harder and more expensive to re-establish the necessary facilities.

Would Not Endanger Liberty or Democracy

The argument has been made that compulsory training violates traditional American concepts of liberty and democracy, and even that it would endanger our system of government by creating a powerful military caste. The purpose of the program, however, is just the contrary. And it will have just the contrary result. The objective is not to train professional soldiers. It is to train citizens, so that if and when the Congress should declare it necessary for them to become soldiers, they could do so more quickly and more efficiently. A large trained reserve of peace-loving citizens would never go to war or encourage war, if it could be avoided.

It is no valid argument against adopting universal training at this time that there are now millions of trained veterans of this war. No fair-minded person would suggest that we continue to rely indefinitely upon these veterans. They have earned the heartfelt gratitude of all of us—and also they have earned the right to return promptly to civilian life. We must now look to our younger men to constitute the new reserve military strength of our nation.

Scientific Research vs. Training

There are some who urge that the development of rocket weapons and atomic bombs and other new weapons indicates that scientific research, rather than universal training, is the best way to safeguard our security. It is true that, if we are to keep ahead in military preparedness, continuous research in science and new weapons is essential. That is why in my message to the Congress of Sept. 6 I urged that there be created a national research agency,

one of whose major functions would be to carry on fundamental military research.

It is true that there must be continuous exploration into new fields of science in order to keep ahead in the discovery and manufacture of new weapons. No matter what the cost, we cannot afford to fall behind in any of the new techniques of war or in the development of new weapons of destruction.

Must Preserve Superiority

Until we are sure that our peace machinery is functioning adequately, we must relentlessly preserve our superiority on land and sea and in the air. Until that time, we must also make sure that by planning—and by actual production—we have on hand at all times sufficient weapons of the latest nature and design with which to repel any sudden attack, and with which to launch an effective counterattack.

That is the only way we can be sure—until we are sure that there is another way.

But research, new materials, and new weapons will never, by themselves, be sufficient to withstand a powerful enemy. We must have men trained to use these weapons. As our armed forces become more and more mechanized, and as they use more and more complicated weapons, we must have an ever-increasing number of trained men. Technological advances do not eliminate the need for them. They increase the need.

General of Army George C. Marshall, in his recent report to the Secretary of War, has made this very clear. I quote from his report:

"The number of men that were involved in the delivery of the atomic bomb on Hiroshima was tremendous. First we had to have the base in the Marianas from which the plane took off. This first required preliminary operations across the vast Pacific, thousands of ships, millions of tons of supply, the heroic efforts of hundreds of thousands of men. Further, we needed the B-29s and their fighter escort which gave us control of the air over Japan. This was the result of thousands of hours of training and preparation in the United States and the energies of hundreds of thousands of men.

"The effect of technology on the military structure is identical to its effect on national economy. Just as the automobile replaced the horse and made work for millions of Americans, the atomic explosives will require the services of millions of men if we are compelled to employ them in fighting our battles.

"This war has made it clear that the security of the nation, when challenged by an armed enemy, requires the services of virtually all able-bodied male citizens within the effective military age group."

Bomb does not Displace Need for Men

Even the atomic bomb would have been useless to us unless we had developed a strong Army, Navy and Air Force with which to beat off the attacks of our foe, and then fight our way to points within striking distance of the heart of the enemy.

Assume that on Dec. 7, 1941, the United States had had a supply of atomic bombs in New Mexico or Tennessee. What could we have done with them?

Assume that the United States and Japan both had had a supply of the bombs on Dec. 7, 1941. Which would have survived?

Suppose that both England and Germany had had the atomic bomb in September of 1940 during the "blitz" over England. Which country would have been destroyed?

The answer is clear that the atomic bomb is of little value without an adequate army, air and naval force. For that kind of force is necessary to protect our

shores, to overcome any attack and to enable us to move forward and direct the bomb against the enemy's own territory. Every new weapon will eventually bring some counter-defense against it. Our ability to use either a new weapon or a counter-weapon will ultimately depend upon a strong Army, Navy and Air Force, with all the millions of men needed to supply them—all quickly mobilized and adequately equipped.

No Alternative for Protection

Any system which is intended to guarantee our national defense will, of course, cause some inconvenience—and perhaps even some hardship—to our people. But we must balance that against the danger which we face unless we are realistic and hard-headed enough to be prepared. Today universal training is the only adequate answer we have to our problem in this troubled world.

There will be better answers, we hope, in the days to come. The United States will always strive for those better answers—for the kind of tried and tested world co-operation which will make for peace and harmony among all nations. It will continue to strive to reach that period quickly. But that time has not yet arrived.

Even from those who are loudest in their opposition to universal training, there has come no other suggestion to furnish the protection and security which we must have—nothing but pious hope and dangerous wishful thinking.

I urge that the Congress pass this legislation promptly—while the danger is still fresh in our minds—while we still remember how close we came to destruction four years ago—while we can vividly recall the horrors of invasion which our Allies suffered—and while we can still see all the ravages and ruin of war.

Let us not by a short-sighted neglect of our national security betray those who come after us. It is our solemn duty in this hour of victory to make sure that in the years to come no possible aggressor or group of aggressors can endanger the national security of the United States of America.

Sept. Cotton Consumption

The Census Bureau at Washington on Oct. 17 issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles in the month of September.

In the month of September, 1945, cotton consumed amounted to 701,000 bales of lint and 77,439 bales of lint, as compared with 739,811 bales of lint and 84,255 bales of lint in August and 789,623 bales of lint and 122,332 bales of lint in September, 1944.

In the 2 months ending Sept. 30 cotton consumption was 1,440,811 bales of lint and 161,694 bales of lint, which compares with 1,631,163 bales of lint and 248,535 bales of lint in the corresponding period a year ago.

There were 1,748,654 bales of lint and 196,588 bales of lint on hand in consuming establishments on Sept. 30, 1945, which compares with 1,833,487 bales of lint and 231,745 bales of lint on Aug. 31, 1945, and 1,714,475 bales of lint and 213,064 bales of lint on Sept. 30, 1944.

On hand in public storage and at compressors on Sept. 30, 1945, there were 8,307,985 bales of lint and 25,038 bales of lint, which compares with 7,839,009 bales of lint and 28,465 bales of lint on Aug. 31 and 9,776,029 bales of lint and 39,050 bales of lint on Sept. 30, 1944.

There were 21,911,746 cotton spindles active during September, which compares with 22,170,180 cotton spindles active during August, 1945, and with 22,279,910 active cotton spindles during September, 1944.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES† (Based on Average Yields)

1945—Daily averages	U. S. Govt. Bonds	Avg. Corporate Rate*	Corporate by Ratings*			Corporate by Groups*			
			Aaa	Aa	A	R. R.	P. U.	Indus.	
Oct. 23	123.03	116.22	120.63	119.20	116.22	109.42	112.75	116.41	119.82
22	123.05	116.22	120.63	119.20	116.22	109.42	112.75	116.41	119.82
20	123.08	116.22	120.63	119.20	116.22	109.42	112.75	116.41	119.82
19	123.08	116.22	120.63	119.20	116.22	109.42	112.75	116.41	119.82
18	122.97	116.22	120.64	119.20	116.22	109.42	112.56	116.41	120.02
17	122.90	116.41	120.63	119.20	116.41	109.60	112.75	116.41	120.02
16	122.75	116.41	120.63	119.20	116.41	109.60	112.56	116.41	120.02
15	122.75	116.41	120.84	119.20	116.41	109.42	112.56	116.41	120.02
13	Exchange closed								
12	Exchange closed								
11	122.76	116.22	120.84	119.00	116.22	109.42	112.56	116.22	120.02
10	122.78	116.22	120.84	119.00	116.22	109.42	112.37	116.22	120.02
9	122.81	116.22	120.84	119.00	116.22	109.24	112.37	116.22	120.02
8	122.78	116.22	120.84	118.80	116.22	109.24	112.37	116.22	120.02
7	122.72	116.22	120.84	119.00	116.22	109.24	112.37	116.22	120.02
6	122.56	116.22	120.84	119.00	116.22	109.24	112.37	116.22	120.02
5	122.42	116.02	120.84	119.00	116.02	109.06	112.37	116.22	120.02
4	122.41	116.02	120.84	119.00	116.02	108.88	112.19	116.02	120.02
3	122.31	116.02	120.84	118.80	115.82	108.88	112.19	116.02	119.82
2	122.25	116.02	120.63	118.80	116.02	108.88	112.19	116.02	119.82
1	122.19	116.02	120.84	118.80	115.82	108.88	112.19	116.02	119.82
Sept. 28	121.97	115.82	120.43	118.80	116.02	108.88	112.19	116.02	119.61
27	121.98	116.02	120.84	118.80	116.02	108.70	112.19	116.02	119.61
26	122.09	116.02	120.63	119.20	116.22	108.52	112.37	116.02	119.61
25	122.09	116.02	120.84	119.00	116.22	108.52	112.56	116.02	119.41
24	121.91	115.82	120.63	119.00	116.02	108.16	112.56	115.82	119.41
23	121.91	115.82	120.84	119.00	116.22	108.16	112.56	115.82	119.41
22	122.14	116.02	121.04	119.20	116.02	108.34	112.93	115.82	119.41
21	122.36	115.82	120.84	119.20	116.02	108.16	112.93	115.82	119.00
20	122.39	115.82	120.84	119.20	115.82	108.16	112.93	115.82	119.00
19	122.80	116.02	121.04	119.41	116.02	108.34	112.93	115.82	119.41
18	122.89	116.22	121.04	119.61	116.22	108.34	113.31	115.82	119.61
17	122.92	116.02	121.04	119.41	116.02	108.16	112.93	115.82	119.61
16	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.82	119.41
15	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.26
14	122.38	115.24	120.84	118.40	115.04	107.09	112.19	114.27	119.26
13	122.04	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.26
12	122.04	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.26
11	121.92	114.66	120.02	118.00	114.46	106.04	110.52	114.08	119.41
10	120.83	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
9	120.83	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
8	120.83	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
7	120.83	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
6	120.83	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
5	120.83	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
4	120.83	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
3	120.83	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
2	120.83	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
1	120.83	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
High 1945	123.08	116.41	121.04	119.61	116.41	109.60	113.31	116.41	120.02
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20
1 Year Ago									
Oct. 23, 1944	119.55	112.75	118.62	116.61	112.93	103.64	107.44	113.50	117.40
2 Years Ago									
Oct. 23, 1943	120.33	111.25	119.00	116.61	111.44	99.20	103.47	113.89	116.61

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

1945—Daily averages	U. S. Govt. Bonds	Avg. Corporate Rate*	Corporate by Ratings*			Corporate by Groups*			
			Aaa	Aa	A	R. R.	P. U.	Indus.	
Oct. 23	1.55	2.84	2.62	2.69	2.84	3.20	3.02	2.83	2.66
22	1.55	2.84	2.62	2.69	2.84	3.20	3.02	2.83	2.66
20	1.55	2.84	2.62	2.69	2.84	3.20	3.02	2.83	2.66
19	1.55	2.84	2.62	2.69	2.84	3.20	3.02	2.83	2.66
18	1.56	2.84	2.61	2.69	2.84	3.20	3.02	2.83	2.66
17	1.56	2.83	2.62	2.69	2.83	3.19	3.02	2.83	2.65
16	1.58	2.83	2.62	2.69	2.83	3.19	3.03	2.83	2.65
15	1.58	2.83	2.61	2.69	2.83	3.20	3.03	2.83	2.65
13	Exchange closed								
12	Exchange closed								
11	1.57	2.84	2.61	2.70	2.84	3.20	3.03	2.84	2.65
10	1.57	2.84	2.61	2.70	2.84	3.20	3.04	2.84	2.65
9	1.57	2.84	2.61	2.70	2.84	3.21	3.04	2.84	2.65
8	1.57	2.84	2.61	2.71	2.84	3.21	3.04	2.84	2.65
7	1.58	2.84	2.61	2.70	2.84	3.21	3.04	2.84	2.65
6	1.59	2.84	2.61	2.70	2.84	3.21	3.04	2.84	2.65
5	1.60	2.85	2.61	2.70	2.85	3.22	3.04	2.84	2.65
4	1.60	2.85	2.61	2.70	2.85	3.23	3.05	2.84	2.65
3	1.61	2.85	2.61	2.71	2.86	3.23	3.05	2.85	2.66
2	1.61	2.85	2.62	2.71	2.86	3.23	3.05	2.85	2.66
1	1.61	2.85	2.62	2.71	2.86	3.23	3.05	2.85	2.66
Sept. 28	1.63	2.85	2.61	2.71	2.86	3.23	3.05	2.85	2.66
27	1.65	2.86	2.63	2.71	2.85	3.23	3.05	2.85	2.67
26	1.66	2.85	2.61	2.71	2.85	3.24	3.05	2.84	2.67
25	1.65	2.85	2.62	2.69	2.84	3.25	3.04	2.85	2.67
24	1.65	2.85	2.61	2.70	2.84	3.25	3.03	2.85	2.68
23	1.67	2.86	2.62	2.70	2.85	3.27	3.03	2.87	2.68
22	1.67	2.86	2.61	2.70	2.84	3.27	3.03	2.86	2.68
21	1.65	2.85	2.60	2.69	2.85	3.26	3.01	2.86	2.68
20	1.65	2.86	2.61	2.69	2.85	3.27	3.01	2.86	2.70
19	1.64	2.86	2.61	2.69	2.85	3.27	3.01	2.86	2.70
18	1.60	2.85	2.60	2.68	2.85	3.26	3.01	2.87	2.68
17	1.60	2.84	2.60	2.67	2.84	3.26	2.99	2.87	2.67
16	1.60	2.85	2.60	2.68	2.85	3.27	3.01	2.87	2.67
15	1.60	2.85	2.60	2.69	2.85	3.27	3.01	2.88	2.68
14	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69
13	1.63	2.89	2.61	2.73	2.90	3.33	3.05	2.94	2.69
12	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69
11	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68
10	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72
9	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
8	1.55	2.83	2.60	2.67	2.83	3.19	2.99	2.83	2.65
High 1945									
Low 1945									
1 Year Ago									
Oct. 23, 1944	1.86	3.02	2.72	2.82	3.01	3.53	3.31	2.98	2.78
2 Years Ago									
Oct. 23, 1943	1.81	3.10	2.70	2.82	3.09	3.80	3.54	2.96	2.82

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

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

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Oct. 13, 1945, as estimated by the United States Bureau of Mines, was approximately 6,130,000 net tons, a decrease of 1,940,000 tons, or 24%, from the preceding week. Output in the corresponding week of 1944 amounted to 11,940,000 tons. For the period from Jan. 1 to Oct. 13, 1945 production amounted to 451,730,000 net tons, a decrease of 8.8% when compared with the 495,260,000 tons produced during the period from Jan. 1 to Oct. 14, 1944.

Production of Pennsylvania anthracite for the week ended Oct. 13, 1945, as estimated by the Bureau of Mines, was 1,201,000 tons, an increase of 46,000 tons (4%) over the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 102,000 tons, or 7.8%. The calendar year to date shows a decrease of 15.6% 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 Oct. 13, 1945 showed a decrease of 19,200 tons when compared with the output for the week ended Oct. 6, 1945; and was 94,900 tons less than for the corresponding week of 1944.

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

	Week Ended		Jan. 1 to Date	
	Oct. 13, 1945	Oct. 6, 1945	Oct. 14, 1944	Oct. 14, 1944
Bituminous coal & lignite:	6,130,000	8,070,000	11,940,000	451,730,000
Total, incl. mine fuel	1,201,000	1,355,000	1,940,000	495,260,000
Daily average	1,022,000	1,345,000	1,990,000	1,875,000

*Revised. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended		Calendar Year to Date	
	Oct. 13, 1945	Oct. 6, 1945	Oct. 14, 1944	Oct. 14, 1944
Penn. anthracite:	1,201,000	1,155,000	1,303,000	43,190,000
*Total incl. coll. fuel	1,155,000	1,109,000	1,251,000	41,465,000
†Commercial prod.	1,155,000	1,109,000	1,251,000	41,465,000
Beehive coke:	23,100	42,300	118,000	4,378,600
United States total	1,224,100	1,191,300	1,419,000	47,863,600

*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		Oct. 7, 1944
	Oct. 6, 1945	Sept. 29, 1945	
Alabama	383,000	402,000	349,000
Alaska	5,000	5,000	7,000
Arkansas and Oklahoma	81,000	77,000	94,000
Colorado	138,000	141,000	152,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,407,000	1,423,000	1,395,000
Indiana	419,000	482,000	491,000
Iowa	38,000	34,000	48,000
Kansas and Missouri	105,000	97,000	132,000
Kentucky—Eastern	432,000	397,000	375,000
Kentucky—Western	378,000	348,000	356,000
Maryland	37,000	39,000	37,000
Michigan	2,000	2,000	2,000
Montana (bitum. & lignite)	75,000	90,000	103,000
New Mexico	27,000	30,000	32,000
North & South Dakota (lignite)	66,000	62,000	54,000
Ohio	444,000	748,000	655,000
Pennsylvania (bituminous)	1,408,000	2,196,000	2,824,000
Tennessee	113,000	131,000	130,000
Texas (bituminous & lignite)	2,000	2,000	2,000
Utah	124,000	126,000	136,000
Virginia	287,000	365,000	385,000
Washington	26,000	26,000	29,000
†West Virginia—Southern	1,318,000	2,045,000	2,137,000
†West Virginia—Northern	547,000	813,000	1,012,000
Wyoming	201,000	208,000	188,000
‡Other Western States	1,600	*	*
Total bituminous & lignite	8,070,000	10,890,000	11,726,000

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

Non-Farm Mortgage Financing Up In August

Reserving slight declines of the preceding two months, non-farm mortgage financing in the country during August rose to \$489,000,000—4% above the July total—the Federal Home Loan Bank Administration reported on Oct. 13. This is 14% greater than the figure for August last year, 45% in excess of records in the same month of 1942, the first year of war, and represents a peak total for any month since such figures were first compiled nationally in 1939. The advances from the FHLBA further state:

"All types of lenders in real estate shared in the August gain over July, with increases ranging from 1% for life insurance companies to 7% for savings and loan associations. These associations continued to lead in the relative proportion of total recordings, reaching a new high of 37% of the monthly volume.

"By Federal Home Loan Bank districts, the greatest increase in total financing over August, 1944 was recorded in the Topeka region, comprising Arkansas, Louisiana, Mississippi, New Mexico and Texas, which amounted to 22%.

"For the first eight months of 1945, mortgage financing in the nation totaled \$3,016,000,000 a 16% increase over the same period in 1944. Comparing the two periods, totals for life insurance companies declined by 9% in 1945, while all other types of lenders increased their activity. Their rises ranged from 2% for "miscellaneous" lenders to 26% for individuals.

"The estimates are derived from reports of recorded mortgage of up to \$20,000. The number and dollar amounts of recordings for last August, by type of lender, are as follows:

	Number	Amount	Per Cent
Savings and loan associations	51,017	\$1,156,000	37
Insurance companies	3,849	20,389,000	4
Banks and trust companies	25,603	93,358,000	19
Mutual savings banks	4,535	18,488,000	4
Individuals	43,452	120,015,000	25
Miscellaneous lending institutions	14,343	56,013,000	11
Total	142,799	\$489,389,000	100

Electric Output for Week Ended Oct. 20, 1945 9.9% 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. 20, 1945, was approximately 3,914,738,000 kwh., which compares with 4,345,352,000 kwh. in the corresponding week a year ago, and 3,934,394,000 kwh. in the week ended Oct. 13, 1945. The output for the week ended Oct. 20, 1945 was 9.9% below that of the same week in 1944.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Major Geographical Divisions	Week Ended			
	Oct. 22	Oct. 13	Oct. 6	Sept. 29
New England	5.3	7.4	3.1	3.5
Middle Atlantic	4.7	4.7	3.9	2.6
Central Industrial	12.8	12.8	11.4	11.0
West Central	1.6	1.2	1.0	0.6
Southern States	15.3	12.9	11.1	9.7
Rocky Mountain	4.6	3.9	1.6	3.3
Pacific Coast	5.8	7.2	6.0	8.1
Total United States	9.9	9.6	7.9	7.5

*Increase over similar week in previous year.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended	1945	1944	% Change over 1944	1943	1932	1929
July 7	3,978,426	3,940,854	+ 1.0	3,919,398	1,415,704	1,711,622
July 14	4,295,254	4,377,152	- 1.9	4,184,143	1,433,903	1,727,225
July 21	4,384,547	4,380,980	+ 0.1	4,196,357	1,440,386	1,732,031
July 28	4,434,841	4,390,762	+ 1.0	4,226,705	1,426,986	1,724,728
Aug. 4	4,432,304	4,399,433	+ 0.7	4,240,638	1,415,122	1,729,667
Aug. 11	4,395,337	4,415,368	- 0.5	4,287,827	1,431,910	1,733,110
Aug. 18	3,939,195	4,451,076	- 11.5	4,264,824	1,436,440	1,750,056
Aug. 25	4,116,049	4,418,298	- 6.8	4,322,195	1,464,700	1,761,594
Sept. 1	4,137,313	4,414,735	- 6.3	4,350,511	1,423,977	1,674,588
Sept. 8	3,909,408	4,227,900	- 7.5	4,229,262	1,476,442	1,806,259
Sept. 15	4,106,187	4,294,839	- 6.6	4,358,512	1,490,863	1,792,131
Sept. 22	4,018,913	4,377,339	- 8.2	4,359,610	1,499,459	1,777,854
Sept. 29	4,038,542	4,365,907	- 7.5	4,359,003	1,505,216	1,819,276
Oct. 6	4,028,286	4,375,079	- 7.9	4,341,754	1,507,503	1,806,403
Oct. 13	3,934,394	4,354,575	- 9.6	4,382,268	1,528,145	1,798,633
Oct. 20	3,914,738	4,345,352	- 9.9	4,415,405	1,533,028	1,824,160
Oct. 27		4,358,293		4,452,592	1,525,410	1,815,749

Steel Deliveries Further Extended by Low Output—General Price Adjustments Delayed

"Rumors persist in the steel industry without confirmation that a steel walkout either on an industry-wide basis or on a company-by-company basis is in the making," states "The Iron Age," national metalworking paper, in its issue of today (Oct. 25), which further adds: "Such reports may be premature or even without foundation if judged by the comparatively conservative past actions of the CIO-United Steel Workers of America."

However, if the age-old method of compromise has been junked by the steel union and it follows the lead of other CIO organizations that the wage raise will be 30% and nothing less, then the steel industry may well face a labor disruption which will again cut down production and hold up re-conversion. Steel companies insist that any wage increase granted whether it be a 30% adjustment or less must be compensated for by an increase in prices over and above adjustments which are expected soon.

"Coal output at mines near steel centers was picking up rapidly this week, but the disruption in steelmaking schedules caused by the shutdowns was still holding steel ingot rates at subnormal levels.

"It will take a few weeks at least to untangle production snarls and to bring back into production all blast furnaces and open hearths which were forced down by the mine shutdowns. Steel ingot loss this week will be around 300,000 tons when compared with output four weeks ago.

"The Office of Price Administration's delay in announcing general steel price adjustments to cover increased steel production costs to date is having serious repercussions on the distribution of many steel products. Some steel concerns are being forced to cut-down production of those products on which they are losing money and concentrate as far as possible on the output of items showing a better return. This enforced action fits in with consumer demand which is calling loudly for the more highly finished steel products, the return on which steel companies claim is necessary to keep them out of the red.

"It is believed in some steel circles that OPA's hold-up in raising steel prices may be related to possible changes in corporate tax structure now before Congress. It is feared that OPA may shelve price adjustments until the extent to which producers may be benefited by forthcoming tax relief becomes more apparent.

However, the 75c a ton increase suddenly granted on all grades of pig iron except charcoal may be indicative of a sudden announcement in steel price increases within the next 30 days.

"No matter what adjustments are made in the steel price structure the smaller non-integrated steel companies claim that the relief will be based on the average return for larger steel companies and will leave them in the same squeeze position where they have been since profitable war contracts were canceled. Many of these smaller companies had been granted special prices above the regular steel price ceilings, but because of normal steel market factors such premiums cannot now be obtained.

"Heavy steel buying already far ahead of faltering shipments before the coal strike continues to widen the gap during the industry's convalescent period. Finishing mill schedules were still somewhat adversely affected this week because of the lower ingot rate. Producers were as yet unable to make definite delivery promises on many products especially flat rolled in view of the over-extended deliveries for products already booked."

The American Iron and Steel Institute on Oct. 22 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 65.1% of capacity for the week beginning Oct. 22, compared with 66.3% one week ago, 83.6% one month ago and 96.3% one year ago. The current rate represents a decrease of 1.2 points, or 1.8% from the preceding week. The operating rate for the week beginning Oct. 22 is equivalent to 1,192,400 tons of steel ingots and castings, compared to 1,214,400 tons one week ago, 1,531,200 tons one month ago, and 1,732,400 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Oct. 22 stated in part as follows: Although striking soft coal miners were scheduled to re-

turn to work Oct. 22 it may be two weeks or more before steel production begins to show appreciable recovery, due principally to the time required to get coal moving to steel plants and to get cold ovens ready for coke production.

Action ending the strike came when steel production had dropped to about 65% of capacity and would have undergone another sharp cut within a few days. As a result of this breathing spell in the soft coal controversy, steel demand has taken a renewed spurt, only to find many producers still unable to offer definite delivery promises in certain products, such as sheets and carbon bars, in which some sellers are completely out of the market for some time on the more popular grades.

Recent curtailment in steel production, principally because of the soft coal dispute, has thrown producers further behind on current commitments than at any time in months. This, combined with as high demand as prevailed before the coal strike, had led to further extension of deliveries on various products. Hot-rolled pickled and cold-rolled sheet deliveries run late into second quarter next year, with galvanized and silicon sheets in practically the same position. Plain hot-rolled, however, can be had early in first quarter, at least early in February.

As a result of coal shortage and deep cuts in coke production pig iron output has been reduced heavily and producers have been careful in its distribution, shipping to foundries which had coke supplies with which to melt. No severe distress has resulted from the shortage as labor is still in too small supply to allow full foundry operation.

Scrap has gained added strength recently as heavier demands were made on it to replace pig iron in many cases. Ceiling prices prevail and full springboards are paid in most instances. No winter reserves are being accumulated by most melters and the situation is far from comfortable. Some war steel is being released, notably landing mat steel, which commands top price.

Structural steel demand continues heavy and mill schedules are filled into next year in most cases. Tonnage would be much heavier if fabricators could figure all the business offered. Lack of estimators and draftsmen causes much delay.

Railroads are in the market for new equipment and streamlined trains are being placed.

38,315 Freight Cars On Order October 1

The Class I railroads on Oct. 1, 1945, had 38,315 new freight cars on order, the Association of American Railroads announced Oct. 22. This included 12,070 hopper, 4,500 gondola, 1,292 flat, 16,525 plain box, 3,028 automobile, 850 refrigerator, and 50 miscellaneous cars. New freight cars on order on Sept. 1 totaled 38,249, and on Oct. 1, 1944, amounted to 32,224.

They also had 535 locomotives on order on Oct. 1 this year, which included 129 steam and 406 Diesel locomotives. This compares with 124 steam, two electric and 373 Diesel on order on Oct. 1, 1944.

The Class I railroads put 30,590 freight cars in service in the first nine months this year, which included 7,319 hopper, 4,936 gondola, 420 flat, 239 stock, 1,747 refrigerator, 1,449 automobile and 14,093 plain box freight cars, and 87 miscellaneous cars. Total placed in service in the first nine months of 1944 was 26,156 freight cars.

They also put 547 new locomotives in service in the first nine months of 1945, of which 62 were steam and 395 were Diesel. New locomotives installed in the same period last year totaled 721, which included 267 steam, one electric and 453 Diesel.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Oct. 17 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. 29, 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. 29 (in round-lot transactions) totaled 1,910,599 shares, which amount was 13.28% of the total transactions on the Exchange of 7,196,580 shares. This compares with member trading during the week ended Sept. 22 of 2,186,158 shares, or 14.26% of the total trading of 7,663,200 shares. On the New York Curb Exchange, member trading during the week ended Sept. 29 amounted to 544,800 shares or 11.56% of the total volume on that Exchange of 2,356,975 shares. During the week ended Sept. 22 trading for the account of Curb members of 578,945 shares was 14.44% of the total trading of 2,004,290 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. 29, 1945			
A. Total Round-Lot Sales:	Total for week		%
Short sales.....	153,990		
Other sales.....	7,042,590		
Total sales.....	7,196,580		
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.....	553,806		
Short sales.....	82,270		
Other sales.....	445,690		
Total sales.....	527,960		7.52
2. Other transactions initiated on the floor—			
Total purchases.....	191,380		
Short sales.....	12,200		
Other sales.....	141,550		
Total sales.....	153,750		2.40
3. Other transactions initiated off the floor—			
Total purchases.....	220,756		
Short sales.....	25,500		
Other sales.....	237,453		
Total sales.....	262,953		3.36
4. Total—			
Total purchases.....	965,936		
Short sales.....	119,970		
Other sales.....	824,693		
Total sales.....	944,663		13.28

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

WEEK ENDED SEPT. 29, 1945			
A. Total Round-Lot Sales:	Total for week		%
Short sales.....	21,550		
Other sales.....	2,335,425		
Total sales.....	2,356,975		
B. Round-Lot Transactions for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases.....	149,865		
Short sales.....	11,560		
Other sales.....	125,185		
Total sales.....	136,745		6.08
2. Other transactions initiated on the floor—			
Total purchases.....	43,050		
Short sales.....	2,600		
Other sales.....	29,025		
Total sales.....	31,625		1.59
3. Other transactions initiated off the floor—			
Total purchases.....	94,315		
Short sales.....	3,300		
Other sales.....	85,900		
Total sales.....	89,200		3.89
4. Total—			
Total purchases.....	287,230		
Short sales.....	17,460		
Other sales.....	240,110		
Total sales.....	257,570		11.56
C. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales.....	0		
Customers' other sales.....	81,906		
Total purchases.....	81,906		
Total sales.....	81,906		

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

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

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

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

National Fertilizer Association Commodity Price Index Again Advances

The weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on Oct. 22, rose 0.4%, reaching 141.1 for the week ended Oct. 20, 1945, from 140.6 for the preceding week. This is the third consecutive week that the general index has advanced. A month ago the index stood at 139.9, and a year ago it was at the same level of 139.9, all based on the 1935-1939 average as 100. The Association's report went on to say:

Four of the composite groups of the index advanced during the latest week with the largest increases in the farm products and foods groups and smaller advances in the textiles and chemicals and drugs groups. The farm products group pushed through to a new high peak with the cotton and livestock subgroups also advancing to new high peaks. The grains index declined moderately. The rise in the foods index was due to higher quotations for eggs and potatoes. The advance in the price for denatured alcohol was responsible for the higher index of chemicals and drugs. The advances in the prices for Tennessee phosphate rock were not sufficient to raise the fertilizer materials index. The textiles index, reaching a new high

peak, has advanced in six of the last seven weeks; in the other week it was unchanged. There were no changes in the remaining groups.

During the week nine price series in the index advanced and three declined; in the preceding week 11 advanced and four declined; in the second preceding week nine advanced and three declined.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

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

% Each Group Bears to the Total Index	Group	Latest Preceding Week		Month Ago	Year Ago
		Oct. 20, 1945	Oct. 13, 1945		
25.3	Food.....	143.7	142.3	141.3	143.3
	Fats and Oils.....	145.2	145.2	144.5	144.4
	Cottonseed Oil.....	163.1	163.1	160.7	160.7
23.0	Farm Products.....	170.1	168.4	164.7	165.8
	Cotton.....	219.7	218.2	213.9	205.5
	Grains.....	164.4	166.0	160.7	161.6
	Livestock.....	164.5	161.6	158.1	161.4
17.3	Fuels.....	129.7	129.7	129.7	131.2
10.8	Miscellaneous Commodities.....	132.8	132.8	132.8	133.4
8.2	Textiles.....	159.5	159.0	157.9	155.4
7.1	Metals.....	109.6	109.6	108.9	104.0
6.1	Building Materials.....	154.7	154.7	154.7	154.0
1.3	Chemicals and Drugs.....	126.2	126.8	125.8	126.1
.3	Fertilizer Materials.....	118.3	118.3	118.3	118.3
.3	Fertilizers.....	119.9	119.9	119.9	119.9
.3	Farm Machinery.....	104.9	104.9	104.8	104.7
100.0	All groups combined.....	141.1	140.6	139.9	139.9

*Indexes on 1926-1928 base were: October 20, 1945, 109.9; October 13, 1945, 109.5; and October 21, 1944, 109.0.

Civil Engineering Construction Totals \$73,081,000 for Week

Civil engineering construction volume in continental United States totals \$73,081,000 for the week. This volume is 55% over the total for the preceding week, 72% over the corresponding 1944 week's volume, and 15% higher than the previous four-week moving average as reported to "Engineering News-Record." The report issued on Oct. 18, added:

Private construction is up 62%, compared with a week ago, and soars 1194% above the week last year as a result of the increased activity in industrial and commercial building. Public work is 33% higher and 2% lower, respectively, than last week and last year. Federal volume declines 11% from the preceding week, and drops 73% from the 1944 week's total. State and municipal construction is 42% over a week ago, and tops a year ago by 69%.

The current week's construction brings 1945 volume to \$1,677,272,000 for the 42-week period, an 11% increase over the \$1,484,582,000 reported for the period last year. Private construction, \$701,149,000, is 57% higher than a year ago, but public construction, \$976,123,000, is down 17% due to the 31% decrease in Federal work. State and municipal construction, \$288,542,000, is 25% greater than in the period last year.

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

	Oct. 18, 1945	Oct. 11, 1945	Oct. 19, 1944
Total U. S. construction.....	\$73,081,000	\$33,206,000	\$20,812,000
Private construction.....	57,079,000	22,332,000	4,414,000
Public construction.....	16,002,000	10,874,000	16,398,000
State and municipal.....	12,794,000	7,238,000	5,297,000
Federal.....	3,208,000	3,636,000	11,101,000

In the classified construction groups, all classes except last week's leader, earthwork and drainage, showed strong gains over the preceding week. Bridges were reported as five times the amount of the preceding week and public, industrial and commercial buildings, doubled in the amount of construction over the week ending Oct. 12. Subtotals for the week in each class of construction are: Waterworks, \$1,545,000; sewerage, \$1,508,000; bridges, \$4,149,000; industrial buildings, \$21,985,000; commercial building and private mass housing, \$19,647,000; public buildings, \$2,497,000; earthwork and drainage, \$1,338,000; streets and roads, \$4,481,000, and unclassified construction, \$15,272,000.

New capital for construction purposes for the week totals \$20,333,000. It is made up of \$7,633,000 in State and municipal bond sales, and \$12,700,000 in corporate security issues. The week's new financing brings 1945 volume to \$1,701,677,000, a 6% increase over the \$1,631,621,000 reported for the 42-week period in 1944.

Tax Program Offered by State Chambers

The National Association of State Chambers of Commerce has drawn up a tax relief plan, and presented it to Congress, which has the approval and sponsorship of 26 affiliated organizations throughout the country with a membership, chiefly among small business, of approximately 33,000 employing more than 6,500,000 workers, it was stated in advices to the New York "Journal of Commerce" from its Washington bureau Oct. 14.

Under this program, the "Journal of Commerce" continued, provision is made not only for immediate relief but for the formulation of a long-range Federal tax procedure.

The Association urges for 1946, according to the paper from which we quote, the following steps:

1. Repeal of the 3% normal tax on individuals, and reduction of surtaxes by a minimum of 20%.
2. Repeal of the wartime excess profits tax on corporations, with retention of the two-year carryback of unused excess profits credits and reduction of the combined corporate normal and surtax rate from 40% to 32%.
3. Continuation of the net loss carryovers.
4. Reduction in rates for cor-

tain existing exemptions and credits for the present; (5) alleviate double taxation of dividends by giving individuals a credit of 16% of their dividends; (6) reduce tax rates on long-term capital gains and allow deductions of capital losses on the same basis that capital gains are taxed; (7) reduce the estate and gift taxes substantially, and (8) continue the principle of withholding and improve its procedure wherever possible.

"For business, it recommends: (1) Reduce corporate tax rates further as fast as revenue requirements will permit, with a consideration of the effects of the tax on production and employment; (2) continue to provide a favorable tax climate for small business; (3) extend the net-loss carry-forward to seven years; (4) discontinue the tax on the receipt of intercorporate dividends; (5) eliminate the penalty tax on consolidated returns; (6) allow discretion in choosing rates of depreciation; (7) allow options in methods of deducting research and development expenses, and (8) tax Government-financed enterprises on a basis comparable with competing private enterprises."

In making public the program, Charles A. Eaton, Jr., Newark, N. J., President of the Association, and E. M. Elkin, Pittsburgh, Pa., Chairman of its Federal Taxation Committee, pointed out that taxes would be higher than ever before in peacetime, and that only a national income of at least half again as much as in any prewar year would make them bearable. The public must choose, they added, according to the "Journal of Commerce," between a moderate budget and moderate taxes on business enterprise and individuals or a high budget and crushing taxes on all productive business and individuals.

"Ours," Messrs. Eaton and Elkin declared, "is a program aimed at gearing up the nation's economy to produce the unprecedented peacetime national income which will be required to raise the taxes needed to pay for the war, while at the same time preserving, and ever increasing, our standard of living."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 17 a summary for the week ended Oct. 6 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 Oct. 6, 1945		Total
Odd-Lot Sales by Dealers—		For Week
(Customers' purchases)	39,227	
Number of orders.....	1,157,087	
Number of shares.....	\$46,740,268	
Dollar value.....		
Odd-Lot Purchases by Dealers—		
(Customers' sales)		
Number of orders.....	171	
Customers' short sales.....	33,400	
Customers' other sales.....		
Customers' total sales.....	33,571	
Number of Shares:		
Customers' short sales.....	5,512	
Customers' other sales.....	907,708	
Customers' total sales.....	913,220	
Dollar value.....	\$35,422,534	
Round-Lot Sales by Dealers—		
Number of Shares:		
Short sales.....	130	
Other sales.....	153,090	
Total sales.....	153,220	
Round-Lot Purchases by Dealers—		
Number of shares.....	369,450	
*Sales marked "short exempt" are reported with "other sales."		
†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."		

Daily Average Crude Oil Production for Week Ended Oct. 13, 1945 Increased 159,800 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Oct. 13, 1945 was 3,780,650 barrels, recovering moderately from the record low for several years reached in the preceding week when the daily average output was 3,620,850 barrels. Production, however, remained well under the daily average figure of 4,464,400 barrels recommended by the Petroleum Administration for War for the month of October, 1945, and was 945,900 barrels below the daily average figure for the week ended Oct. 14, 1944. Daily output for the four weeks ended Oct. 13, 1945 averaged 4,071,650 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 3,609,000 barrels of crude oil daily and produced 11,242,000 barrels of gasoline; 1,124,000 barrels of kerosine; 4,113,000 barrels of distillate fuel, and 7,004,000 barrels of residual fuel oil during the week ended Oct. 13, 1945; and had in storage at the end of that week 43,672,000 barrels of civilian grade gasoline; 27,119,000 barrels of military and other gasoline; 13,281,000 barrels of kerosine; 41,960,000 barrels of distillate fuel, and 45,453,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

Table with columns: State, P.A.W. Recommendations, State Allowables, Actual Production, Change from Previous Week, 4 Weeks Ended, Week Ended. Rows include Oklahoma, Kansas, Nebraska, Panhandle Texas, North Texas, West Texas, East Central Texas, East Texas, Southwest Texas, Coastal Texas, Total Texas, North Louisiana, Coastal Louisiana, Total Louisiana, Arkansas, Mississippi, Alabama, Florida, Illinois, Indiana, West Virginia, Kentucky, Michigan, Wyoming, Montana, Colorado, New Mexico, Total East of Calif., California, Total United States.

*PAW recommendations and State allowables (latter subject to change by any further emergency orders), 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. Oct. 10, 1945. ‡This is the net basic allowable as of Oct. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for 14 to 26 days, the entire state was ordered shut down for 19 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 19 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 OCT. 13, 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

Table with columns: District, % Daily Crude Runs, Refining to Stills, Capacity, % Operating, % Opperting, % Gasoline, % Stocks, % Gasoline Stocks, % Mill-CI, % Other Grade. Rows include East Coast, Appalachian, District No. 1, District No. 2, Ind., Ill., Ky., Okla., Kan., Mo., Inland Texas, Texas Gulf Coast, Louisiana Gulf Coast, W. La. & Arkansas, Rocky Mountain, District No. 3, District No. 4, California, Total U. S. B. of M., Total U. S. B. of M., U. S. B. of M., U. S. B. of M.

*Includes aviation and military gasoline, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending gasoline this week, compared with 12,063,000 barrels a year ago. These figures do not include any gasoline in custody in their own or leased storage, or which the military finishes, at bulk terminals, in transit and in pipe lines. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,124,000 barrels of kerosene, 4,113,000 barrels of gas oil and distillate fuel oil and 7,004,000 barrels of residual fuel oil produced during the week ended Oct. 13, 1945, which compares with 1,174,000 barrels, 3,517,000 barrels and 6,435,000 barrels, respectively, in the preceding week and 1,463,000 barrels, 5,369,000 barrels and 8,881,000 barrels, respectively, in the week ended Oct. 14, 1944.

NOTE—Stocks of kerosene at Oct. 13, 1945, amounted to 13,281,000 barrels, as against 14,305,000 barrels a week earlier and 14,537,000 barrels a year before.

Wholesale Prices Rise 0.1% in Week Ended October 13, Labor Dept. Reports

Higher prices for agricultural commodities caused a rise of 0.1% during the week ended Oct. 13, 1945 in the index of commodity prices in primary markets prepared by the Bureau of Labor Statistics of the United States Department of Labor. This was the fourth consecutive weekly rise in the index from the post-war low point reached during the week ended Sept. 15, 1945. At 105.3% of the 1926 average, the index was 0.6% above a month ago and 1.4% above the corresponding week of 1944, said the Department of Labor which added:

Farm Products and Foods—Average market prices for farm products advanced 0.5% during the week with higher quotations for grains and livestock. Wheat prices rose on continued Government purchases. Oats moved up on strong demand, and corn quotations advanced as a result of the late crop. A strong demand for better grades of livestock raised prices for good to choice cows and steers, but prices for poorer quality cows were lower. Quotations for hogs rose, following an OPA ceiling increase. Lambs continued in short supply and prices advanced. Live poultry advanced in eastern markets with short supplies but declined seasonally in the Middle West. Cotton quotations were higher on unfavorable weather reports and anticipations of a revision in parity. Eggs advanced substantially, reflecting price advances for poorer grades. Quotations for apples were lower in Eastern markets with large supplies of the lower qualities. Sweet potatoes declined seasonally. Prices for oranges and onions advanced. Average prices for farm products were 2.2% above mid-September 1945 and 2.9% above a year ago.

Lower prices for fruits and vegetables caused a decline of 0.1% in the group index for foods. In addition, rye flour quotations were down reflecting the weakness in the grain market, while oatmeal prices were higher. Average prices for foods were 0.6% above a month ago and 1.3% above mid-October 1944.

Other Commodities—Primary market prices of other commodities were generally stable during the week. Some builders' hardware advanced in price during the week following OPA ceiling adjustments to encourage production of materials for low and medium price houses. Mercury prices recovered slightly and turpentine quotations were higher.

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. 15, 1945 and Oct. 14, 1944 and (2) percent changes in subgroup indexes from Oct. 6, 1945 to Oct. 13, 1945.

WHOLESALE PRICES FOR WEEK ENDED OCTOBER 13, 1945 (1926=100)

Table with columns: Commodity Groups, 10-13, 10-6, 9-29, 9-15, 10-14, 10-6, 9-15, 10-14, Percentage changes to Oct. 13, 1945, from Oct. 6, 1945, and from Oct. 13, 1944. Rows include All commodities, Farm products, Foods, Hides and leather products, Textile products, Fuel and lighting materials, Metals and metal products, Building materials, Chemicals and allied products, Housefurnishing goods, Miscellaneous commodities, Raw materials, Semimanufactured articles, Manufactured products, All commodities other than farm products, All commodities other than farm products and foods.

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM OCTOBER 6, 1945 TO OCTOBER 13, 1945

Table with columns: Increases, Decreases. Rows include Other foods, Livestock and poultry, Grains, Other building materials, Fruits and vegetables, Other farm products, Cereal products, Iron and steel, Paint and paint materials, Dairy products.

Non-Ferrous Metals—Lead Demand Good—Zinc Buyers Exhibit Caution—Mercury Steady

"E. & M. J. Metal and Mineral Markets," in its issue of Oct. 18, stated: Lead continues the most active of the non-ferrous metals, as demand remains at a level that absorbs some stockpiled lead as well as current supplies. The position of copper is also strong, and it appears likely that Metals Reserve Co. will have to continue satisfying demands for copper in excess of domestic production. The quantity to be released for November has not yet been announced. Some uncertainty prevails in the zinc market, where most buying continues on a nearby basis. Quotations on quicksilver remain unchanged, and the market seems to be holding the ground gained in recent weeks. The publication further went on to say in part as follows:

Copper The September statistics of Copper Institute revealed that the labor troubles at refineries reduced production of refined copper sharply [see Oct. 22, 1945 issue of "The Commercial and Financial Chronicle," page 1933]. Discussions between representatives of Chile and the United States are in progress to determine the nature of further purchases of Chilean copper by the United States, but no decision has been reached as yet. In speeches during his visit to this country, President Rios, Chile's chief executive, continues to offer assurances of co-operation with foreign investors.

ing from Canada. The condition of railroad operations in Mexico is said to be better than ever before, which has resulted in some improvement in Mexican lead shipments. The Government stockpile will probably again be drawn upon to satisfy the demand for lead in civilian industry. Lead sales for the week were 10,714 tons, against 11,767 tons the week preceding.

Antimony Antimony continues under allocation, as it probably will until Chinese metal is available.

Zinc Caution prevails in the zinc market. Consumers are unwilling to build up inventories to any great extent, and in addition demand for zinc suffers somewhat from the large stocks of brass left on the hands of fabricators when war contracts were terminated. It appears that the latter deterrent to market activity will soon be worked off. It is believed that as soon as production and labor problems in industry are solved, and some form of credit for the European countries is arranged, demand for zinc will pick up considerably.

Tin Revolutionary outbreak in the Dutch East Indies, wherein the Allies find themselves using Japanese troops to protect themselves against Indonesian insurgents, have retarded plans to bring tin mines and smelters into production. Chaotic conditions in the islands are said to prevail.

The market for tin in New York was unchanged. Forward quotations for Straits quality tin, in cents per pound, follow:

Table with columns: Oct. 11, Oct. 12, Oct. 13, Oct. 15, Oct. 16, Oct. 17, Oct. Nov. Dec. 52.000, 52.000, 52.000, 52.000, 52.000, 52.000.

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

Quicksilver

The quicksilver market was comparatively quiet last week, and prices remained unchanged at \$100 to \$104 per flask. Anxiety over a call for bids on a lot of 12,749 flasks of mercury, declared surplus upon termination of a war contract, was relieved on Oct. 17 when it was reliably reported that the Government had decided to stockpile the metal.

San Francisco advices received Oct. 16 reported Coast quicksilver quotations, \$95, f. o. b. mines, and that some mines are resuming operations on a greatly reduced scale, and they will continue only as long as they have orders in advance.

Silver

Senator Pat McCarran, Democrat of Nevada, introduced into the Senate on Oct. 15 a bill to pay American miners the full monetary price of silver, or \$1.29 per ounce.

Canadian producers of silver in their home market are operating under a price ceiling of 40c. an ounce. With the foreign market for silver well established at above 70c. an ounce, the pressure to revise the Canadian ceiling is increasing. Little or no silver is expected to flow to Canadian consumers at 40c. until the price discrepancy has been corrected.

Production of silver in Canada in July amounted to 951,348 oz., against 1,077,974 oz. in July last year.

Aluminum

Primary and secondary aluminum production in July, 1945, was 143,300,000 lb., or 5% lower than in June according to the WPB aluminum and magnesium division. Net shipments of semi-fabricated products to consumers were 170,200,000 lb., a drop of 12% from the June total. Deliveries against unratified orders, authorized in July, accounted for but little of the total.

Revenue Freight Car Loadings During the Week Ended Oct. 13, 1945 Decreased 13,464 Cars

Loading of revenue freight for the week ended Oct. 15, 1945, totaled 754,521 cars, the Association of American Railroads announced on Oct. 18. This was a decrease below the corresponding week of 1944 of 144,199 cars, or 16.0%, and a decrease below the same week in 1943 of 157,827 cars or 17.3%.

Loading of revenue freight for the week of Oct. 13 decreased 13,464 cars, or 1.8% below the preceding week.

Miscellaneous freight loading totaled 352,225 cars, an increase of 5,584 cars above the preceding week, but a decrease of 62,977 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 114,176 cars, an increase of 3,418 cars above the preceding week and an increase of 4,943 cars above the corresponding week in 1944.

Coal loading amounted to 100,463 cars, a decrease of 24,069 cars below the preceding week, and a decrease of 73,896 cars below the corresponding week in 1944.

Grain and grain products loading totaled 53,994 cars, an increase of 1,969 cars above the preceding week and an increase of 3,997 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Oct. 13 totaled 37,809 cars, an increase of 1,031 cars above the preceding week and an increase of 6,059 cars above the corresponding week in 1944.

Livestock loading amounted to 26,252 cars, an increase of 2,053 cars above the preceding week and an increase of 38 cars above the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of Oct. 13 totaled 22,105 cars, an increase of 2,025 cars above the preceding week, and an increase of 903 cars above the corresponding week in 1944.

Forest products loading totaled 36,006 cars, an increase of 1,743 cars above the preceding week, but a decrease of 6,991 cars below the corresponding week in 1944.

Ore loading amounted to 63,565 cars, a decrease of 1,666 cars below the preceding week and a decrease of 3,172 cars below the corresponding week in 1944.

Coke loading amounted to 7,840 cars, a decrease of 2,496 cars below the preceding week, and a decrease of 6,141 cars below the corresponding week in 1944.

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

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

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
4 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
4 Weeks of June	4,364,662	4,338,886	4,003,393
4 Weeks of July	3,378,266	3,459,830	3,455,328
4 Weeks of August	3,240,175	3,576,269	3,554,694
4 Weeks of September	4,116,728	4,424,765	4,456,466
Week of October 6	767,985	877,035	906,357
Week of October 13	754,521	898,720	912,348
Total	33,519,620	34,521,820	33,616,570

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Oct. 13, 1945. During this period only 37 roads reported gains over the week ended Oct. 14, 1944.

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
Eastern District—						
Ann Arbor	326	364	284	1,778	1,489	1,489
Bangor & Aroostook	1,451	1,679	2,646	324	529	529
Boston & Maine	6,713	6,799	7,005	11,683	15,131	15,131
Chicago, Indianapolis & Louisville	1,139	1,274	1,445	1,690	1,994	1,994
Central Indiana	38	38	50	27	34	34
Central Vermont	1,082	1,076	1,074	2,567	2,395	2,395
Delaware & Hudson	4,942	5,062	6,497	9,153	11,748	11,748
Delaware, Lackawanna & Western	6,821	8,240	7,633	8,934	11,074	11,074
Detroit & Mackinac	278	433	325	111	105	105
Detroit, Toledo & Ironton	1,552	1,821	2,112	917	1,275	1,275
Detroit & Toledo Shore Line	399	361	337	1,540	2,455	2,455
Erie	11,490	13,649	13,606	12,482	18,201	18,201
Grand Trunk Western	3,645	3,865	3,885	7,327	7,604	7,604
Lehigh & Hudson River	217	131	187	2,145	2,262	2,262
Lehigh & New England	2,363	2,214	1,845	1,237	1,607	1,607
Lehigh Valley	7,985	8,695	9,108	6,959	11,261	11,261
Maine Central	2,574	2,312	2,545	2,940	4,137	4,137
Monongahela	768	6,137	6,094	233	326	326
Montour	204	2,714	2,421	23	28	28
New York Central Lines	41,237	51,515	55,082	35,534	54,327	54,327
N. Y., N. H. & Hartford	9,705	9,532	9,536	13,614	18,028	18,028
New York, Ontario & Western	870	1,241	1,480	2,275	2,907	2,907
New York, Chicago & St. Louis	5,686	6,746	7,028	11,155	15,103	15,103
N. Y., Susquehanna & Western	402	503	628	1,339	2,462	2,462
Pittsburgh & Lake Erie	4,951	7,831	8,050	4,113	8,578	8,578
Pere Marquette	4,769	5,918	5,588	5,193	8,177	8,177
Pittsburgh & Shawmut	529	822	1,055	29	10	10
Pittsburgh, Shawmut & North	182	326	419	170	276	276
Pittsburgh & West Virginia	1,001	1,211	1,251	1,922	2,901	2,901
Rutland	401	377	386	1,104	1,273	1,273
Wabash	5,901	6,360	6,926	9,487	12,361	12,361
Wheeling & Lake Erie	3,220	5,394	5,462	3,532	4,195	4,195
Total	132,841	164,630	171,990	160,937	224,253	224,253
Allegheny District—						
Akron, Canton & Youngstown	541	753	815	782	1,269	1,269
Baltimore & Ohio	34,568	46,642	45,372	20,548	28,901	28,901
Bessemer & Lake Erie	3,148	5,462	5,815	1,235	1,806	1,806
Buffalo Creek & Gauley	4	4	290	10	1	1
Cambria & Indiana	389	1,674	1,766	10	9	9
Central R. R. of New Jersey	6,023	6,702	7,244	14,761	18,219	18,219
Cornwall	517	521	673	55	63	63
Cumberland & Pennsylvania	221	183	210	8	5	5
Ligonier Valley	65	111	137	8	36	36
Long Island	2,031	1,947	1,375	4,265	5,137	5,137
Penn.-Reading Seashore Lines	1,778	1,985	2,023	1,663	2,471	2,471
Pennsylvania System	68,882	86,820	86,868	48,640	66,225	66,225
Reading Co.	13,947	15,521	15,038	22,095	28,297	28,297
Union (Pittsburgh)	12,284	18,949	20,893	4,027	5,825	5,825
Western Maryland	3,606	3,984	4,027	10,604	12,676	12,676
Total	147,980	191,254	192,546	128,701	170,935	170,935
Peachontas District—						
Chesapeake & Ohio	11,137	28,692	29,364	10,292	14,030	14,030
Norfolk & Western	11,935	21,855	22,268	5,922	8,109	8,109
Virginian	1,658	4,005	5,483	1,839	2,276	2,276
Total	24,730	54,552	56,115	18,053	24,415	24,415

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	441	374	248	230	325
Atl. & W. P.—W. R. R. of Ala.	825	801	662	2,062	2,836
Atlanta, Birmingham & Coast	859	812	720	1,199	1,532
Atlantic Coast Line	10,871	12,390	11,545	7,546	10,050
Central of Georgia	3,871	3,656	3,808	4,247	4,396
Charleston & Western Carolina	427	458	412	1,247	1,640
Chinchfield	1,499	1,683	1,692	1,922	3,178
Columbus & Greenville	398	288	331	244	297
Durham & Southern	156	179	147	554	551
Florida East Coast	874	935	1,256	1,238	1,370
Gainesville Midland	76	54	46	119	106
Georgia	1,384	1,377	1,247	2,231	2,226
Georgia & Florida	417	428	512	681	629
Gulf, Mobile & Ohio	4,865	4,831	4,340	4,376	4,177
Illinois Central System	26,474	30,571	30,470	15,742	18,691
Louisville & Nashville	17,152	25,739	25,370	9,665	11,845
Macon, Dublin & Savannah	224	259	293	850	751
Mississippi Central	287	349	171	519	525
Nashville, Chattanooga & St. L.	3,175	3,333	3,631	3,884	4,682
Norfolk Southern	1,102	1,040	1,121	1,466	1,855
Piedmont Northern	424	403	391	1,426	1,428
Richmond, Fred. & Potomac	479	421	451	7,792	9,748
Seaboard Air Line	9,913	9,641	10,477	7,205	8,890
Southern System	24,088	25,225	23,513	19,839	25,503
Tennessee Central	484	751	620	845	954
Winston-Salem Southbound	133	144	152	1,000	1,081
Total	110,943	126,108	123,626	98,129	119,286
Northwestern District—					
Chicago & North Western	20,535	20,874	20,745	15,142	15,356
Chicago Great Western	2,478	2,646	3,078	3,501	3,471
Chicago, Milw. St. P. & Pac.	21,866	23,816	23,314	10,289	11,468
Chicago, St. Paul, Minn. & Omaha	4,209	3,541	4,075	4,782	4,161
Duluth, Missabe & Iron Range	25,711	24,776	26,526	531	208
Duluth, South Shore & Atlantic	961	595	1,023	489	531
Elgin, Joliet & Eastern	7,398	9,597	8,643	7,651	9,919
Ft. Dodge, Des Moines & South	524	466	418	100	93
Great Northern	24,044	24,507	28,363	5,512	6,803
Green Bay & Western	552	657	695	893	947
Lake Superior & Ishpeming	2,486	1,632	1,660	84	68
Minneapolis & St. Louis	2,529	2,633	2,356	2,814	3,063
Minn., St. Paul & S. S. M.	8,600	7,660	8,675	3,249	2,984
Northern Pacific	14,167	13,814	14,965	4,901	6,201
Spokane International	155	177	88	227	549
Spokane, Portland & Seattle	2,363	2,660	2,696	2,524	3,393
Total	138,578	140,051	149,320	62,689	69,761
Central Western District—					
Atch., Top. & Santa Fe System	24,327	25,836	24,680	11,718	17,096
Aitch.	3,525	3,592	3,737	3,400	4,440
Bingham & Garfield	301	391	556	62	68
Chicago, Burlington & Quincy	23,121	23,079	23,478	11,847	14,801
Chicago & Illinois Midland	3,011	2,463	2,999	745	916
Chicago, Rock Island & Pacific	12,875	12,622	13,392	12,075	13,502
Chicago & Eastern Illinois	2,611	2,965	2,643	2,998	5,137
Colorado & Southern	1,416	1,212	1,425	2,225	3,293
Denver & Rio Grande Western	5,224	5,285	4,989	5,436	7,391
Denver & Salt Lake	834	868	656	62	17
Fort Worth & Denver City	883	1,072	1,323	1,598	2,562
Illinois Terminal	1,946	2,246	1,962	2,149	2,194
Missouri-Illinois	1,384	1,239	1,261	567	628
Nevada Northern	1,427	1,594	2,022	109	91
North Western Pacific	1,195	1,208	1,084	724	919
Peoria & Pekin Union	4	5	9	0	0
Southern Pacific (Pacific)	31,812	34,364	32,938	11,743	14,821
Toledo, Peoria & Western	0	980	321	0	2,300
Union Pacific System	21,393	23,754	21,396	16,892	19,148
Utah	783	488	488	15	4
Western Pacific	2,117	2,394	2,271	4,632	5,583
Total	140,259	146,059	142,640	88,997	114,911
Southwestern District—					
Burlington-Rock Island	383	773	334	375	557
Gulf Coast Lines	2,959	5,307	6,342	2,285	2,591
International-Great Northern	1,886	2,659	2,464	3,143	3,659
Kansas, Oklahoma & Gulf	1	1	270		

Items About Banks, Trust Companies

At a meeting of the board of directors of Bankers Trust Co. of New York, on Oct. 16, Darrell H. Hamric was elected an Assistant Vice-President, effective Oct. 22. Mr. Hamric was connected with the Bank of Manhattan Co., in the credit department and as a loan officer, from 1931 to 1942, when he joined the Army Air Force. He has recently been released with the rank of Captain after three years of active duty.

Irving Trust Co. of New York has announced the election of Ben-Fleming Sessel as Vice-President in the company's corporate trust division, where he expects to assume his duties Nov. 1. He has resigned as Vice-President of the Tri-Continental group of investment and insurance companies sponsored by J. & W. Seligman & Co. Mr. Sessel, a graduate of the University of Colorado and Harvard Law School, has been associated with the Seligman firm and the Tri-Continental group of companies since his graduation from law school. His experience covers underwriting of domestic and foreign bond issues, the development of security issues for leading American corporations, also mergers and reorganizations in the industrial, utility and railroad fields. He is a director of the Kansas City Southern Ry.

Announcement of the approval by the directors of the Merchants Bank of New York of a stock dividend of 25%, payable Dec. 10, 1945, was made on Oct. 9 by Howard Markel, President of the bank. The stockholders are to meet on Oct. 30 to authorize the necessary additional shares. Consideration, it is stated, is being given by the directors to a recommendation to stockholders at the annual meeting on Jan. 1 to reduce the par value of the stock from \$100 to \$25. After both actions are completed stockholders will then have five shares for each one now held.

Two new trustees have been elected to the board of the Union Dime Savings Bank of New York, according to an announcement by William L. DeBost, President. They are Wilbur Studley Forrest and John C. Tredwell. Mr. Forrest is assistant editor of the New York "Herald Tribune" and a director of New York Tribune, Inc. At the present time Mr. Forrest is in the Pacific area on invitation of the War and Navy Departments. He is First Vice-President of the American Society of Newspaper Editors, and in November, 1944, was appointed Chairman of a three-man committee to represent the society on a visit to all friendly foreign capitals to consult with editors and Government officials regarding the possibility of international press freedom. Mr. Forrest was one of the outstanding war correspondents in World War I, and subsequently served as correspondent and special writer in Mexico, Haiti, France, the Far East, and Washington.

Mr. Tredwell has his own business—real estate appraising and mortgage lending, at 41 Park Row, Manhattan. Mr. Tredwell was graduated from the Wharton School, University of Pennsylvania, and served in World War I as a First Lieutenant, Field Artillery, 79th Division. He started in the real estate business in 1920 with a firm founded by his father, the late Edgar A. Tredwell, who was a trustee of the Union Dime Savings Bank for more than 25 years. Mr. Tredwell is a member of the Real Estate Board of New York, and formerly on its board of governors. He is Vice-President of Central Atlantic Region, American Institute of Real Estate Appraisers; also a member of the

Governing Council and Executive Committee, and Chairman of the Education and Research Committee of the American Institute of Real Estate Appraisers.

The New York State Banking Department announced on Oct. 10 that the Broadway Savings Bank, at 5-7 Park Place, New York, has been authorized to open a branch office at 250-252 West 23rd Street, Borough of Manhattan, City of New York.

The Greenwich Savings Bank of New York has recently received authorization from the New York State Banking Department to open a branch office at 3-5 West 57th Street.

The New York State Banking Department has recently authorized the opening of a new branch office of the Bank for Savings in the City of New York at 2360 Broadway.

The New York State Banking Department announced recently that approval has been given to the Bank of Suffolk County, Stony Brook, N. Y., to reduce the capital stock from \$40,650, consisting of 3,760 shares of preferred stock A, of the par value of \$2.50 each, 1,250 shares of preferred stock B, of the par value of \$5 each, and 500 shares of common stock, of par value of \$50 each, to \$25,000, consisting of 500 shares of common stock of the par value of \$50 each.

Stockholders of the Manufacturers & Traders Trust Co. of Buffalo, N. Y., and the Citizens' National Bank of Lancaster approved on Oct. 15 the merger of the two institutions, which will take effect Oct. 31, according to the Buffalo "Evening News," which further announced:

"M. & T. stockholders also voted to increase the capital stock of the bank from \$5,200,000 to \$5,335,000, and to issue 3,500 additional shares with a par value of \$10 each. There will be exchanged on the basis of nine-tenths of a share of M. & T. for each share of Citizens' National, to effect the consolidation.

"The Lancaster bank will be operated as an M. & T. branch, with the present management. The consolidation makes available to the businesses and residents of the Lancaster area the services of a bank with resources in excess of \$200,000,000, President Lewis G. Harriman of the M. & T. said."

Chairman Ralph Lowell of the board of directors of Boston Safe Deposit & Trust Co. of Boston, Mass., has advised the stockholders that the executive committee and the directors recommend that the par value of the stock of the institution be reduced from \$100 per share to \$25 per share and that four shares of the new be issued to replace each present share. The Boston "News Bureau" of Oct. 18, from which we quote, further said:

"After this change has been accomplished the bank will have outstanding 80,000 shares of \$25 par in place of the present 20,000 shares of \$100 par."

The stockholders will meet on Nov. 6 to act on the proposal.

Roy H. Booth Jr. and Paul F. McDevitt have been elected Assistant Vice-Presidents of the National Shawmut Bank of Boston, and renewed their association with the bank on Oct. 15, having recently, it was stated in the Boston "Herald" of that date, received their service discharges after serving in an administrative capacity with the U. S. Army Air Force.

Merger of the Second National Bank and the Commercial National Bank of Paterson, N. J., has been approved by the boards of

directors of both banks, and by the Comptroller of the Currency, it was announced on Oct. 19. Special advices from Paterson to the New York "Times" said. Stockholders next will pass on the consolidation.

The merged institutions are to bear the name of the Second National Bank of Paterson. Stockholders of the Commercial National are to be paid the full equity of their stockholdings in cash.

C. Henry Rabb, New Jersey banker and former President of the Essex County Chapter of the AIB, died on Oct. 14 at the age of 48. The last position Mr. Rabb held before his retirement late in 1943, according to the Newark "News" was Cashier of the Belleville National Bank, Belleville, N. J. Mr. Rabb had been in the banking business for over 20 years, starting in 1922 with the First National Bank of Garwood, N. J., as Assistant Cashier.

The board of directors of the National Bank of Germantown & Trust Co. of Philadelphia has approved and recommended to stockholders an increase in the authorized capital stock of the bank from \$500,000 to \$1,000,000, to be accomplished by declaring a 100% stock dividend, it was announced by Glenn K. Morris, President. A special stockholders meeting has been called for Nov. 20 to vote on the proposal. Subject to stockholders' approval, the directors plan to transfer \$500,000 from surplus to capital and increase the number of outstanding shares of \$10 par value capital stock from 50,000 to 100,000 shares. The capitalization of the bank will then consist of \$1,000,000 capital stock, \$2,000,000 surplus, and in excess of \$575,000 in undivided profits.

Mr. Morris stated that it is the present intention of the directors that the total dividend payment will remain at \$100,000 a year, with the present semi-annual dividend of \$1 a share being changed to 50 cents. If approved by stockholders the stock dividend of one additional share for each share held will be paid to holders of record Nov. 20.

In March of this year the bank increased its capital stock from \$400,000 to \$500,000 and its surplus from \$2,000,000 to \$2,200,000 by the sale of 10,000 shares of new stock at \$30 per share. In June the surplus was further increased by \$300,000 through the transfer of a like amount from undivided profits.

Since its founding in 1814 the bank has paid 259 consecutive semi-annual dividends. As of Sept. 29 it reported total deposits of \$32,391,091 and total resources of \$36,159,368.

G. Brinton Roberts, a director of the Corn Exchange National Bank & Trust Co. of Philadelphia and President of the Pennsylvania Society to Protect Children from Cruelty, died on Oct. 18. He was 76 years of age. The Philadelphia "Inquirer" states:

"Mr. Roberts, who retired 10 years ago from the wholesale coal firm of David E. Williams Co., Inc., also was a member of the executive committee of the trust company's board of directors. A member of the board of the children's protection society since 1928, he served the organization as President since 1939.

"He was the son of the late G. B. Roberts, who was at one time President of the Pennsylvania RR."

Stockholders of the Calvert Bank of Baltimore, Md., at a special meeting on Oct. 16 authorized an increase in the bank's capital from 8,000 to 12,000 shares of \$50 par value, says the Baltimore "Sun," which further states: "The additional stock is to be issued to present stockholders as a stock dividend of one share for

each two shares held. The stock dividend is payable Oct. 31 to stockholders of record at the close of business Oct. 27."

The Baltimore "Sun" of Oct. 12 reported that the stockholders of the Safe Deposit & Trust Co. of Baltimore at a special meeting on Oct. 11 approved an amendment to the company's charter reclassifying the 20,000 shares of \$100 par value stock now outstanding into 100,000 shares of \$20 par value stock. There will be issued in exchange for each share of old stock five shares of the new \$20 par value stock.

Charles L. Harrison, Cincinnati industrialist, was elected to the board of directors of the Lincoln National Bank of Cincinnati at a meeting of directors on Oct. 11, it was announced by Robert A. Cline, Chairman of the board. Mr. Harrison succeeds Charles H. Upson, who resigned because of ill health. Reporting this, the Cincinnati "Enquirer" said:

"Mr. Harrison is President of Victor Electric Products, Inc.; President of Cincinnati Metalcrafts, Inc.; a director of American Oak Leather Co.; Vice-President of Cincinnati Allied Industries, and Chairman of the fan section, National Electrical Manufacturers Association."

The recently proposed 20% stock dividend on the stock of The First National Bank of Chicago will be acted upon by stockholders at a special meeting on Dec. 18, it was announced on Oct. 11, it was stated in the Chicago "Journal of Commerce" of Oct. 12, from which we also quote the following:

"Holders will be asked to approve a transfer of \$10,000,000 from surplus to capital stock, increasing the latter amount to \$60,000,000 to provide for the new stock. A corresponding transfer of \$10,000,000 from undivided profits to surplus at the year-end was also ordered by directors yesterday to restore surplus to its present \$50,000,000 figure.

"Directors also voted a regular quarterly cash dividend of \$2 a share yesterday, payable Jan. 1 to holders of record Dec. 15, and on presently outstanding shares only. Directors have indicated their intention of continuing the same rate of cash payments on the increased capital stock in subsequent payments. Stock transfer books are to be closed Dec. 15 and remain closed until Dec. 28."

An item bearing on the plans of the bank to increase its capital appeared in our Sept. 20 issue, page 1384.

E. E. Gene Wallace Jr., decorated veteran of World War II, has been elected an Assistant Cashier of the Republic National Bank of Dallas, Tex., Fred F. Florence, President, has announced. The Dallas "Times-Herald," from which this is learned, also said:

"Mr. Wallace, a bank employee since 1936, is head of the recently organized veterans' advisory and assistance department."

Henry A. Bruno, a returning veteran, has been promoted to the post of Assistant Cashier of Central Bank of Oakland, Calif., it is announced, it is learned from the San Francisco "Chronicle" of Oct. 11.

At the directors' meeting of Citizens National Trust & Savings Bank of Los Angeles, held Oct. 13, W. E. Bock was elected Assistant Trust Officer. Mr. Bock, a graduate of University of Pittsburgh, B.S., LL.B., was formerly in the OPA Rent Control Office in Pittsburgh before joining Citizens National Bank in August, 1943.

Lloyd J. Wickham, Vice-President of Citizens National Trust & Savings Bank of Los Angeles, died on Oct. 11 after a short illness.

From Washington Ahead of The News

(Continued from first page)

we carried our support of foreign officials against our own too far even in those days. There was a time when Hoover thought he could avert the world collapse by granting Germany a moratorium. Manifestly, this whole thing was psychological but it worked for a few days. Our stock market values sprung up, so did those in London. Our recollection is that Hoover made a statement pointing out that American wealth had been increased by \$10 billions or something of the sort. But this increased wealth on our part was short-lived because of Laval. He threw the monkey wrench into the scheme by holding out on the moratorium. It wasn't a matter of principle with him. It is quite apparent that he simply wanted to be devilish. By the time he was brought half-heartedly into line the great psychological stunt had worn off. Whether it would have worked without Laval's hindrance, we don't know. Certainly, it was no crazier than the things which Roosevelt came along later and did. Whether it was a big event in our lives is a question. It was, however, a tremendous thing to Mr. Hoover at the time, and we bet he didn't send any flowers to the Widow Laval.

The Senate, in its belated confirmation of Braiden, late ambassador to Argentina, as an Assistant Secretary of State, pointed up an amazing example of how far our Leftists are going to create chaos, and they can have only one purpose in this.

Braiden's nomination as Assistant Secretary of State, had been hanging fire with the Senate Foreign Relations Committee for several weeks. In the meantime, the Leftists through their manifold propaganda channels had been agitating that the "reactionary" committee was playing into the hands of the "Fascists" because it was piqued at the State Department over some trivial matter. The committee, according to this propaganda, had not been consulted on a particular matter.

It develops that the committee was quite "piqued" if that is the expression. This Senate committee wanted to know what had become of the country's good-neighbor policy in Latin-America. It wanted to know why we were trying to provoke a revolution in Argentina. It wanted to know why we had spent and thrown away billions in Latin America to develop the good neighbor policy and yet our bureaucrats, under Leftist pressure, were destroying it by provoking strife in Argentina. It wanted to know why we called the Argentine Government a dictatorship when every government down there is one. It wanted to know just what is back of our enmity towards that government, and just what is meant by dubbing it a Fascist government. In the debate, it was developed that practically every other Latin American government has once again become disturbed about the "Colossus of the North" because of our interference in a Latin American government. The smaller governments see that we shall begin again to interfere in their governments. Out the window has gone our good-neighborliness for which we spent billions of dollars to get. The Senate confirmed Braiden as an underling carrying out State Department policy, but at the same time it sought to make clear to the Leftists that their policy is not that of the American people. It is simply a question of how long we are going to put up with the forces that in devious ways are seeking to destroy us.

He was 53 years of age. With the bank since 1911, he was elected to a Vice-Presidency in 1934.