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The Financial Situation

Many of the current arguments designed to prove that industry can grant substantially higher wages, hold prices unchanged and still make large if not unprecedented profits in 1946, bring to mind the complaint of John Milton that "he goes on building many faire and pious conclusions upon false and wicked premises which deceive the common Reader not well discerning the antipathy of such connexions." Nor is such faulty reasoning confined to the professional spokesmen for the labor unions. The Secretary of Commerce and—with deep regret be it said—some of the economists of the Department of Commerce are indulging in statistical and other procedures which certainly do not enhance the standing of an organization which in years past has often earned the respect of many, even though on occasions they may have disagreed with at least some of its conclusions. The material submitted the other day by Secretary Wallace in defense of his plea for higher wages in the automobile industry is a case in point, but even more to be regretted and more to be censured are many of the memoranda now being circulated in Washington offices in support of programs favored by this or that individual in high place.

The Gift of Prophecy

Perhaps the most objectionable and most dangerous assumption of most of these documents is that statisticians and economists, at all events if they happen to be employed by New Deal agencies of Government, are endowed with the gift of prophecy. The ease with which these gentlemen look into the future is astounding. Deeply to be regretted, if less astonishing, is the fact that "the common Reader not well discerning the antipathy of such connexions," apparently quite unaware of implicit premises, so often accepts

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From War to Peace

By HAROLD E. STASSEN*

Capt. USNR, and former Governor of Minnesota

Captain Stassen, U. S. Delegate at San Francisco, Advocates Outlawing the Atomic Bomb as a Conciliator of the Big 3 Powers. States That There Can Be No Successful Counter Measure, and That Fabrication Can Soon Be Accomplished Anywhere in the World. Decries Proposed Self-Interest Policy as "America First" and Proposes Placing the Control on a World-Wide Basis as Supporting the United Nations Organization.

There can be little doubt that we meet at the opening of one of the crucial decades of history. A worldwide war, tenfold more



Harold E. Stassen

destructive than and previous war, has ended. It ended, and left in its wake a billion of the men and women and little children of the world hungry and short of food. It ended, and left a quarter billion of the people of the world without shelter. It ended, and left a half billion inhabitants, including many on every hemisphere, seething in the ferment of political and social unrest. It ended, and left 50 millions of mankind wounded or ill or long, dreary distances from home, at strange locations to which they had been swept by the flood tides

of the conflict. It ended, and left little white crosses, row on row, around the globe, as signposts of the youth, virility and manhood that was no more and as symbols of the sorrows in the hearts of their loved ones. It ended, as the United Nations were preparing to put into effect their Charter for peace. It ended, and left the production and distribution systems in great areas of the world disrupted and destroyed. It ended, in a rapid succession of guns that shot farther, of airplanes that flew greater distances with heavier bomb loads, of rockets that outsped sound itself. It ended, with the awesome flash at Hiroshima and Nagasaki, signalling to the world that science had unlocked the devastating and disintegrating force of the atomic bomb. It ended, and we face the future.

*An address before the Academy of Political Science, New York City, Nov. 8, 1945.

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Observations

By A. WILFRED MAY

It is learned that only a fortnight before he fired Chairman William H. Davis from the War Labor Board, President Truman had refused his proffered resignation on the "indispensability" ground. To many Washington observers it seems grossly unfair of Mr. Truman to have expelled Mr. Davis for his rather indefinite utterance about wage rise possibilities in the face of his retention of Mr. Wallace, who surely goes further and more often off the deep end. The only explanation lies in the strong conviction held by Mr. Hannegan that Mr. Wallace will control much of the 1948 vote.

Motor industry leaders contend that price ceilings, as indicated by present formulae, will be higher under a continuation of OPA control than would be the case if full production and competition are permitted to govern prices. The OPA feels otherwise. Hence why not have a ceilingless trial period to determine the results under a free market, once and for all?

Judging by the present discussion of impending foreign loans, we seem about to commit many of the errors we made after World War I. Our fundamental error then was that we supposed that the world's economic ills could be solved by financial mechanisms — erected chiefly in the form of a facade of loans. Now, with the Bretton Woods agencies acting the role of the international banker, we are about to repeat the old mistakes of relying on the loan as the cure for deep-rooted troubles; letting political timidity prevent us from pursuing politically-distasteful, but necessary measures; and of forgetting the indispensability of the lender functioning as an importer. If we are going to make "loans" on which the receipt of interest is dubious, and on which real repayment of principal impossible, then we are merely using the Ponzi-scheme technique of "chain-borrowing," and we had

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A Business Executive's Responsibilities

By HARRY A. BULLIS*
President of General Mills, Inc.

Prominent Business Head Describes the Business Executive's Responsibilities to Stockholders, Employees, Customers and the Public. Stresses Need of Executives Fostering a Human Relationship of Goodwill and Cooperation of All Groups, and Achieving Through Actions the Approval of Each. Holds a High Output and Rapid Turnover of Goods and Services Is Essential Both to Future Peace and Prosperity and That the "No 1 Problem" Is to Maintain High Productive Employment Within the Framework of Free Enterprise. Says Higher Wages Come Logically With Enlargement of Production and Lower Unit Costs.

The companies represented here today make a wide variety of products, offer them to the public, and endeavor to widen the area of customer acceptance of those products. We are here because we want to do a better job than we have done, splendid though the accomplishments have been, particularly the achievements of the war years.



Harry A. Bullis

The business of making and selling products involves stockholders, employees, customers, suppliers, the public, and government. The manner in

which these groups are handled affects not only the products of my company and yours, but the acceptance of our products and of our companies on the part of the public.

I shall attempt to give you some quick pictures of my conception of the responsibilities of the chief executive of a soundly operated company, first, to the stockholders; second, to the employees; third, to the customers; and fourth, to the public or the nation.

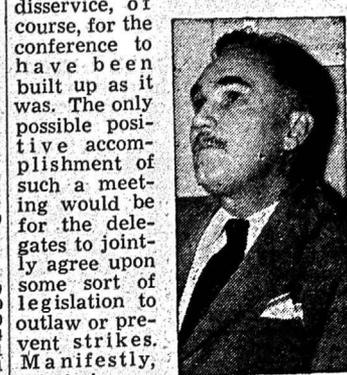
Responsibility to the Owners
The first responsibility of the chief executive of a company is

*An address by Mr. Bullis at the Annual Convention of the Grocery Manufacturers of America, New York City, Nov. 7, 1945.
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From Washington Ahead of the News

By CARLISLE BARGERON

If the world is coming to an end, as solemnly predicted by a lot of our newspaper and radio commentators, if the labor-management conference doesn't "achieve results," then everybody had better get to praying. Because the conference is not going to achieve anything except the comeback of John L. Lewis in influence, at the expense of Phil Murray. It was utterly absurd, amateurish and a downright



Carlisle Bargerone

disservice, of course, for the conference to have been built up as it was. The only possible positive accomplishment of such a meeting would be for the delegates to jointly agree upon some sort of legislation to outlaw or prevent strikes. Manifestly, this is impossible in a free country. Labor is not going to give up its right to strike any more than a business man is going to give up his right to profits. We started to say "his right to management," but he has already lost a lot of that.

Minnesota has a law providing for a cooling off period, the Na-

tional Mediation Act provides for one in railway disputes and something of the sort is contemplated in the highly ineffective Smith-Connally Act, but in the end the right to strike remains. There is no further machinery needed for the arbitration of disputes. It as well as conciliation and mediation machinery exist in abundance.

But we have to have these conferences periodically. They are a part of the American political pageantry. A tremendous agitation develops for something, in this instance, a cessation of strikes, and the Government bigwigs call a conference or set up a commission to make a study. The hope always is that the agitation will blow over before the conference or commission reports, or in the meantime that another crisis or problem will arise to divert the public's mind.

This particular conference, of course, served the purpose of letting both management and labor know that the country is pretty
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Newspapers Discussed

By ROGER W. BABSON

BABSON PARK, MASS.—People today are talking reconversion. In a short time, we will all be discussing distribution. Reconversion of a plant from war work to consumers work is a comparatively simple matter; but the sale and distribution of these consumer goods in the years ahead may be very difficult after the present backlog has been satisfied. Hence, we all should now begin to think of how we



Roger W. Babson

can help the sale and distribution of goods.

Armies Needed Today

During the past few years we have been drafting men for military purposes and paying large wages to others to make munitions, guns and airplanes. Unless we have sufficient volunteers as sales-

men, it may not be long before the country will be obliged to "draft" young men and young women for distribution purposes. After reconversion, it will be a simple matter for manufacturers to make goods of which there may soon be an excess. Selling goods, however, is another matter.

The sale of goods is a two-way street. It is dependent upon employment which, conversely, is dependent upon the sale of goods. One is the hatchet and the other is the handle; one is the lock and the other is the key. Hence, I am this week appealing to every young man who would like to be a salesman that immediately after his discharge from the service he train for the selling of goods. This will be as patriotic work as his work in the army, navy or air force.

Importance of Advertising

A salesman needs tools, however, as much as a carpenter, a surgeon or surveyor. Someone must go ahead of him and blaze the trail and prepare the ground on which he should work. A salesman cannot any more be expected to succeed without ground being prepared for him than can a farmer be expected to raise crops on land that has not been plowed, harrowed and fertilized. This means that all those who employ salesmen should be prepared to spend money—yes, more than ever before—on constructive advertising.

But advertising itself changed much during the war, so that business men now need expert advice in preparing advertising. This was brought out recently at a New York Publishers Association meeting by Don Bernard, the able advertising director of the Washington "Post." He appealed both to advertisers and newspapers, warning of a drop in lineage ahead unless they wake up and actively solicit business.

Different Forms of Advertising

When I was a boy the newspapers were about the only medium for advertising, although there were a few magazines such as the "Youth's Companion." The great magazines of today did not then exist. In 1907, I went to work for the "Saturday Evening Post" and I remember George Horace Lorimer, the editor, told me that the circulation was less than 50,000 when he took it over. Today, however, unless a magazine has a circulation of two or three million it has great difficulty surviving.

On the other hand, newspapers have a unique advantage over other forms of advertising. An advertisement can be delivered to a newspaper today which will be read by the community tomorrow, while magazines must go to press one or two months before the advertisement is published. Newspapers are also confronted with

radio advertising and probably will soon face television advertising.

Radio Advertising

Radio advertising is profitable for only big concerns. Where a newspaper can constantly increase its size, a broadcasting station is limited to one wave length and only twenty-four hours a day in which to use it. Many stations are already overloaded with advertising. Unless they correct the situation, this country will strive to cut out radio advertising altogether as has taken place in Great Britain. Furthermore, in the case of radio, the advertiser is using the spoken, rather than the written, word — and people forget quickly.

Your Community's Welfare

But more important than anything I have mentioned above is the service which your local newspaper renders to the upbuilding—morally, politically and socially—of your community. It can do many times the good of the preachers, school teachers and city fathers. It gives you more for your money than anything else you can buy. Back it up in every possible way by encouraging its editors and advertisers.

Tribute to Marines On 170th Birthday

United States marines stationed throughout the world celebrated the 170th birthday of the Marine Corps, which was observed with special ceremonies at Washington, as reported by the Associated Press on Nov. 10. A statue was unveiled symbolizing the Marine fight for Iwo Jima; it stands in front of Navy headquarters.

Praise was expressed by Navy Secretary Forrestal and Fleet Admiral Ernest J. King for the achievements of what the Marine Corps calls "the finest fighting organization in the world." "We are thankful that the long road to victory which began three years ago on Guadalcanal has now been traversed," said Mr. Forrestal. "A world at peace will not forget the immortal chapters written along that road by the United States Marine Corps."

The Secretary also read over the radio a "Well Done!" letter by President Truman. Praise for the Marines also came from Chief of Staff George C. Marshall and Rear Admiral Lloyd T. Chalker, commanding of the Coast Guard.

The President's letter said the anniversary gave the country "an opportunity to honor those heroic young Americans who opened the beachheads to final triumph in the Pacific," and added:

"To them, our people join in saying, 'Well done!'"

"The Japanese went to war," the President went on, "strong in the conviction that Japan was unsurpassable as a master of amphibious fighting, but at Guadalcanal, when our Marines launched our first ground offensive of the war, Japanese amphibious rule came to an end."

"Valor of the men of Guadalcanal turned the tide on that island, and from there the march to victory began."

General Marshall said that "throughout the terrible conflict just ended the members of the corps displayed a spirit and fecundity for successful accomplishment worthy of the highest traditions of the corps."

MBA Convention In New York Nov. 15

How mortgage lenders can best adapt their services for financing in the expected period of building expansion will be reviewed from two different angles at the 32nd annual convention of the Mortgage Bankers Association of America which opens at Hotel New Yorker, New York, Nov. 15 and continues through the week. The first session revolves around the Federal Housing Administration. More than 1,000 mortgage and commercial bankers, real estate men, title and trust company executives and life insurance officials will hear the new FHA Commissioner, Raymond M. Foley, and other FHA officials tell of the agency's postwar plans. Clyde Powell, Assistant Commissioner, will discuss Section 207 regulations and Curt C. Mack, Assistant Commissioner in charge of underwriting, will describe FHA policies for the determination of stabilized values. Kent Mulliken, FHA Southern Zone Commissioner, will speak on various technical aspects of the postwar program. The second of these sessions is scheduled for the second afternoon when representatives of various types of mortgage lenders will review their individual problems as they pertain to the coming expansion in real estate financing. Harold D. Rutan, Executive Vice-President of the Bank of Savings, New York, will speak for the mutual savings banks and T. S. Burnett of the Pacific Mutual Life Insurance Company, Los Angeles, will speak for the life insurance companies. Dean Vincent, who heads his own firm in Portland, Ore., will speak for the life insurance correspondents and Walter L. Cohrs, of the First National Bank of Chicago, will speak for banks. Walter Gehrke, of the First Federal Savings and Loan Association, Detroit, will speak for the savings and loan industry.

ABA Manual On Direct Automobile Financing

Plans made by seven thousand banks in every part of the United States will make it possible for their customers to use bank credit to finance the purchase of automobiles at a reasonable cost, according to Carl M. Flora, Chairman of the Committee on Consumer Credit of the American Bankers Association. To assist banks in rounding out their consumer credit service the Committee has published and will have available on request a new bank manual, "Direct Automobile Financing," Mr. Flora states. Mr. Flora, who is also Vice-President, of the First Wisconsin National Bank, Milwaukee, Wis., said that requests have already been made by banks for more than 4,000 copies of this new manual. Together with the previously published manual, "Bank Automobile Financing—Dealer Plan" the series is now complete. The new manual explains principles involved in direct lending operations and gives in detail credit requirements and operating procedures successfully used by banks in making automobile loans. "This manual," Mr. Flora says, "should not be construed as a recommendation for any particular method of automobile financing. The Committee on Consumer Credit is prepared to cooperate fully with automobile trade associations and insurance agents' associations to the end that the public may be furnished bank credit for the purchase of automobiles at a reasonable cost and on an equitable basis. Both direct and indirect financing are important functions of a bank lending program."

The State of Trade

Slight recovery was noted in industrial production the past week, but output nevertheless remained far below that of a year ago. The flow of orders continued unabated and many industries still find themselves in the position of not being able to accommodate customers for some time. In consumer durable goods reconversion progress proved spotty, the pace however, exceeds that of waning war production. In fact the tempo

of civilian output has turned the corner and is on the march and the months ahead should reflect a more promising picture. Such fields as the auto industry, basic metalworking lines, machinery and others have moved forward and construction has finally joined them in their rise.

The question of prices in the postwar period has proved a stumbling block to industry in its changeover to a peacetime economy and the demand that all price controls be lifted is ever increasing. As evidence of the thoughts of big business on this very important question, the National Association of Manufacturers on Friday of the previous week urged the removal of all OPA price controls by Feb. 15 next as an essential to quick reconversion.

Before a House committee on postwar economic policy and planning, John Airey, President of the King-Seeley Corporation of Ann Arbor, Mich. in testifying, contended that operation of plants ready for peacetime production is being seriously delayed through the cumbersomeness of the price control administration and the uncertainty of its final termination date.

Stressing the point further, he added, "Some manufacturers cannot afford to maximize operations already started because of the present uncertainty of profits or the extent of losses. Such uncertainty is still greater in planning

expansion. Industry finds itself caught in a squeeze resulting from the rise in costs of production and the restrictions upon prices."

Concluding his testimony, Mr. Airey stated that "wages are the most important element in prices. No matter how sincere Government officials may be in attempting to divorce the two interrelated factors of wages and prices it is axiomatic that to increase wages is to increase the costs of production."

Steel Industry—Steel order volume the past week passed the early postwar hump and most producers now are in a position to begin reducing unusually large backlogs, if labor peace permits a steady flow of production, so states "The Iron Age" in its current summary of the steel trade. Recapitulation of October steel order books finds them stripped of tonnage ordered for early delivery but which cannot be filled.

Despite serious production losses due to the coal strike, cancellations of orders which mills cannot fill has brought net new business down close to a par with shipments for the first time since the war ended, according to this trade authority of the national metalworking industry.

Notwithstanding these evidences of easing the steel picture, most mills still retain a heavy backlog of tentative business to be produced on an if-and-when

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Wallace Answers Romney

Commerce Secretary Upholds Report of His Department That Wages in Auto Industry Can Be Higher, Without Affecting Prices, and Refutes Statement of General Manager of Automobile Manufacturers That Workers' Productivity Has Not Increased During War.

In a letter dated Nov. 8 to George Romney, General Manager of the Automobile Manufacturers' Association, Secretary Henry A. Wallace replied to a protest against a report of the Department of Commerce that the high level of automobile output will permit an increase of wages in the industry, without affecting car prices. (See the "Chronicle" Nov. 8, 1945, p. 229.)

The text of Secretary Wallace's letter follows:

Dear Mr. Romney: Your letter of Nov. 6 has been received commenting upon the report released by the Department last week on the cost-price relationships in the automobile industry. We are glad to have your comments, and most certainly agree that the facts in this kind of situation should be clearly developed and publicized.

This report has been in preparation since early in the year. The Department of Commerce continually carries out analyses of the economic situation and prepares reports on current developments. The report in question summarizes a detailed and comprehensive study of sales, costs, productivity, and profits. This study was prepared by able statisticians who analyzed all available data, such data coming in large part from the published reports of the automobile companies. There is no basis for your conclusion that the public was grossly misled by this report.

The productivity data, for example, were examined for the entire period subsequent to 1919 and show a large increase in output per man-hour during both the decade of the Twenties and of the Thirties. We cannot account for your figure indicating a decline in the latter period. You attribute it to the Bureau of Labor Statistics, but the Bureau of Labor Statistics data show that between

1929 and 1939 output per man-hour in the motor vehicles, bodies and parts industries rose 18.8%. This was with total production in 1939, according to these data, one-fourth less than in 1929.

I agree that further improvement in productivity of labor and industry is essential in order to maximize the returns to consumers, workers, and management. Low productivity in terms of low finished goods output—such as you suggest in your citation of individual cases at present—is a natural consequence of the reconversion of the industry under way at this time. However, experience clearly shows that as volume is regained productivity rises. Hence, we do not believe that productivity associated with current low volumes of peacetime items can be accepted as a guide to man-hour requirements once high volume production is attained.

Certainly, with production so vital today, the efficiency of workers is of the utmost importance to the economy. Management has a right to expect, and labor has the obligation to give, full cooperation in the productive process.

It was clear from the outset that the report presented conclusions for the industry as a whole. It did not say that every company was in a position to give an equal wage rate increase. We recognize

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May They Bear Fruit!

"In inaugurating the Victory Loan, Secretary Vinson stressed the anti-inflationary aspect of a successful drive, declaring that it would help give inflation 'the knockout punch.'

"Putting your money into bonds," he said, "will build a sound economy for the nation that will afford you a prosperous future. As we whipped the enemy overseas, we beat an enemy here at home—inflation."

"In urging people to buy war bonds to help prevent inflation, we must not, however, forget our moral obligation to these bondholders to do the other things that are necessary to prevent inflation and maintain the value of these investments. As Secretary Vinson said, 'there is one very bad thing about fighting this ogre (inflation): you have to beat him every round.' Selling people war bonds—important as that is—cannot do the job alone. The ogre has to be fought on many fronts. There must be adequate taxes and reduction of Government spending to shut off the stream of deficit-created dollars that is the main cause of the inflationary menace. There must be production, so that there will be goods in the markets when people come to buy. There must be attention to costs; for if costs go up because of wage demands or other causes, prices will rise and the bondholders will lose.

"There must be, in short, recognition of where the real danger lies and consistency in dealing with it. How can we with logic, candor or justice tell people they must buy war bonds because too much purchasing power is threatening inflation, and at the same time call for injection of more purchasing power through Government spending and wage increases on the theory that it is needed to avert deflation?"—The National City Bank.

We earnestly hope that these eminently sane and timely observations will come to the attention of the authorities in Washington—and that they will bear fruit.

Industrial Activity In September Reported By Federal Reserve Board

In its summary of general business and financial conditions in the United States, based upon statistics for September and the first half of October, the Board of Governors of the Federal Reserve System stated on Oct. 26 that: "Output and employment at factories producing war products declined further in September but production and incomes in most other sectors of the economy were maintained or increased somewhat. Retail buying in September and the first half of October continued above year ago levels," said the Board, which further reported:

Industrial Production

"Industrial production declined 3% in September, reflecting mainly the continued rapid liquidation of output for war purposes, and the Board's seasonally adjusted index was 172% of the 1935-39 average as compared with 187 in August and 210 in July.

"Reduced activity in the machinery and transportation equipment industries continued to account for most of the decline in the total index. Output in these industries during September was about one-fifth below the August average and one-half of the rate at the beginning of the year. Steel production, on the other hand, was 5% larger in September than in August. In the first three weeks of October, however, steel mill operations declined substantially owing largely to a temporary reduction in coal supplies. Output of non-ferrous metals, lumber, and stone, clay and glass products decreased somewhat in September.

"Production of non-durable goods, as a group, showed little change in September, as further reductions in output of war products in the chemical, petroleum, and rubber products industries were offset by increases in output of most civilian-type products. Output of textile yarns and fabrics, shoes, meats, beverages, cigarettes, and paper products increased.

"Output of minerals declined in

revenue freight was maintained in September at the August rate and was only 8% lower than last year's high level. In the early part of October shipments of coal and coke declined substantially as a result of the drop in coal production.

Commodity Prices

"Prices of cotton, grains, and most other farm products increased somewhat from the middle of September to the middle of October, following decreases in the previous six weeks. Prices of most industrial products continued to be maintained at Federal maximum levels.

Bank Credit

"Rising reserve requirements, resulting from expanded deposits of businesses and individuals, and an increase in currency in circulation accounted for continuing needs for reserve funds by banks between the middle of September and the middle of October. These needs were supplied through decreases in Treasury and non-member deposits at Federal Reserve Banks. The amount of Reserve Bank credit outstanding showed little change in the period. Money in circulation increased by 175 million dollars during the four weeks ended Oct. 17; this was a smaller growth than has been customary in recent years, reflecting in part some currency inflow following the mid-September tax rate. Holdings of Government securities and member bank borrowing at the Reserve Banks increased fairly substantially in the latter part of September concurrent with a temporary rise in Treasury deposits, but both were later reduced. This reduction in security holdings was in Treasury bills and accompanied an increase in member bank holdings of bills.

"At reporting banks in 101 leading cities loans for purchasing and carrying Government securities declined by 550 million dollars during the four weeks ended Oct. 17; commercial loans increased somewhat, and holdings of securities showed little change in the aggregate. Loans on Government securities remained well above amounts outstanding immediately prior to the Seventh War Loan."

Senate OK's Revision Of GI Bill of Rights

The Senate on Nov. 8 approved revisions to the GI Bill of Rights designed to simplify the procedure for veterans' loan and to amplify the schooling provisions contained in the measure, according to Associated Press reports from Washington. The legislation, passed on a voice vote, was sent to the House which had already passed amendments to the original bill. The Senate version, however, was an entire substitution for that of the House.

Senator Johnson of Colorado, floor manager for the bill, estimated, according to the Associated Press, that its changes would make the GI program cost the Treasury \$9,000,000,000 over the years of its operation.

He said the cost of the original GI bill, enacted in June, 1944, was estimated at \$7,635,000,000.

Senator Magnuson of Washington offered an amendment, which was turned down, to give widows of veterans the benefits of the bill.

"It probably will involve only a very minimum, particularly of younger women," he said.

He was thinking particularly, he said, of schooling at Government expense for young widows.

Senator Johnson replied that the Finance Committee had considered that proposal as well as a suggestion from Senator Wheeler of Montana that the benefits be extended to children of veterans, but had decided against both.

De Seversky Discounts Effectiveness of Atom Bomb on U. S. Cities of Steel

The belief is held by Major P. de Seversky, who is studying bomb damage in Japan, that the atomic bomb wrought such heavy devastation in Hiroshima and Nagasaki because of their flimsy wood construction. He also declared that the fearsome atomic bomb that hastened Japan's defeat could kill no more people than a regular ten-ton bomb if dropped on United States cities of steel and concrete.

Associated Press accounts from Tokyo on Nov. 2, indicating Major de Seversky's views, further reported: The warplane designer, arguing against "getting hysterical" about the atomic bomb, said at a news conference that he also doubted whether it could sink a battleship unless it scored a direct hit. "If a bomb such as that dropped over Hiroshima were dropped over one of our cities," he asserted, "we would lose a lot of glass if the windows were closed. Chicago would require a great many atomic bombs to do any great deal of damage."

Thus he flew in the face of widespread expert opinion, just as he has in the past by preaching his thesis that huge fleets of long-distance bombers could make armies and navies obsolete.

Major de Seversky said the atomic bomb, as far as he could learn, started no fires in the two Japanese cities, but that the fires had broken out from stoves and gas leaks after the mighty blast had leveled homes and buildings.

For that reason, he said, he remained unconvinced that the atomic bomb could displace "incendiaries and high explosives if we are going to tackle well-prepared cities with concrete structures."

"Nothing happened at Nagasaki or Hiroshima," Major de Seversky added, "that indicates to me a radical revolution in the science of warfare to the point where we can dispense with the Army, Navy and Air Force."

He hastened to say, however, that he considered the atomic bomb "a great step in the science of demolition."

It would still be necessary to win air supremacy, both as a defense against the atomic bomb and as a means of employing it on the offense, Major de Seversky argued. For that reason, he said, America must remain strong in the air and should have an independent air force.

Fresh from an audience with Emperor Hirohito, Major de Seversky said the Emperor believed that aviation would play a major role in cementing friendship among the nations of the world.

According to United Press advices from Tokyo, Nov. 2, Major de Seversky said that 200 Superfortresses could have done as much damage to Hiroshima and Nagasaki as the atomic bomb. These advices added: "Of course, we cannot judge what the future will bring," he said. "There may come a time when we can deliver atomic bombs without the use of planes. But under the present set-up we must have control of the air."

"We have a big job ahead of us," he said. "That's why I feel there should be an independent autonomous air force. I believe air power will be the determining factor in the next war, and only air men can understand it. I believe that in peace there should be separate commands under joint chiefs of staff and that in wartime there should be one unified command."

Steelman To Aid Truman

President Truman announced at a news conference Oct. 25 that he had appointed Dr. John R. Steelman as his special assistant, to be used in any capacity he saw fit. Dr. Steelman, the Associated Press reported from Washington, who was formerly head of the U. S. Conciliation Service, is said to have the reputation of being one of the most effective peacemakers on the labor-industry front.

Mfrs. Trust Expands Consumer Credit

As part of its post-war program, Manufacturers Trust Company of New York instituted in 1944 a survey of the Consumer Credit Field with relation to "Instalment Sales" financing of consumer durable goods in New York City. As an outcome of this survey and in order to provide an additional credit service to the community served by its 69 offices, the company announces the formation of a "Time Purchase Plan" and a new Consumer Credit Time Sales Department. This new service will augment the banks Specialized Loan activities which in other departments include Personal Loans, Direct and Dealer Modernization Loans, both under F. H. A. Title I and a Special Bank Plan, Instalment Repayment Loans to Small Businesses, Commodity Loans, loans on Accounts Receivable and loans for the purchase of various types of machinery, transportation and other equipment. In part the company also says:

The "Time Purchase Plan", through the cooperation of appliance dealers, enables the consumer buyer to purchase appliances for the home, payable on a monthly instalment basis. This will include such home appliances as refrigerators, home freezers, washing machines, ranges, ironers, radio combinations, television sets and other consumer durable goods. In addition to helping time buyers to finance purchases at reasonable rates, the bank will also assist appliance and equipment dealers through "Floor Plan" financing.

On "Automobile Financing", the bank has decided to deal direct with the consumer. Loans for the purchase of new and used automobiles will be made through the Personal Loan Department. The bank will cooperate with local insurance agents in the development of the "Bank-Agent Auto Plan".

Mail to Czechoslovakia

According to advices Nov. 5 from Postmaster Albert Goldman information has been received from the Post Office Department at Washington, that mail service to Czechoslovakia is extended to comprise all classes of regular (Postal Union) mails, that is to say, letters up to four pounds, six ounces in weight, post cards, printed matter in general, printed papers and samples of merchandise, but printed matter (except printed matter for the blind), commercial papers and samples of merchandise, are limited to one pound per package. Printed matter for the blind may weigh up to 15 pounds, six ounces. It is further stated:

"Packages prepaid at the letter rate of postage may contain merchandise, such as clothing, non-perishable food, etc.

"The postage rates applicable are those in effect prior to suspension of service to Czechoslovakia. Fees: For registration, 20 cents; for special delivery, 20 cents.

"Articles weighing up to two ounces may be accepted for dispatch by air to Czechoslovakia, when prepaid at the rate of 30 cents per half ounce or fraction.

"The export control regulations set up by the Foreign Economic Administration are applicable to mail for Czechoslovakia."

The Financial Situation

(Continued from first page)

conclusions as gospel truth—particularly if they are deduced from or revealed by imposing tables or charts carrying mysterious terms and titles. The late H. Parker Willis early in the Roosevelt regime expressed the belief that nothing good could come of the childish faith shown by leading New Deal figures in lines drawn on sheets of paper! He was right. Nothing good has come of it. On the contrary, infinite harm has been inflicted upon the people of this country as a result of the ready acceptance of conclusions "proved" by charts drawn to the fancy of some half-cracked recent college graduate—and the faith in such "arguments" which has been implanted in the mind of the public.

But not all of the "planners" and "prognosticators" now infesting Washington always depend even upon charts. They are quite capable of "estimating" any figure that is required and of suavely presenting it as if it had some assured validity. Secretary Wallace has surrounded himself, or is surrounding himself, with men who are quite ready to "project"—and actually are engaged in "projecting"—all sorts of series in ways that seem to make out a case for programs desired by Mr. Wallace and others of a like mind. These statistical prognosticators find no difficulty at all, for example, in calculating what "national income" will be year by year through 1950 assuming (1) that Mr. Wallace does not get what he wants, and (2) that Mr. Wallace does get it. Of course, the statistical picture is much more pleasing in the latter case. And all this simply must be true since it is all shown in elaborate tables and by carefully and mysteriously drawn diagrams!

Where Do They Get Them?

How do these learned gentlemen arrive at these figures? Upon occasion they deign to give some clue to their mental processes. Of course, they must make many, many assumptions and have great faith in the application of arithmetic or more complex processes to data of more than doubtful reliability or acceptability in the first place, but that appears never to trouble the prognosticator and all too frequently not the reader. Nor is it at all uncommon to have one of these official soothsayers simply to set down the figures he seeks as "estimates"—and then to proceed henceforth as if they had some foundation other than in his own fancy.

A favorite procedure is to accept certain "estimates" or

other data prepared somewhere else in the New Deal menage. Certain presuppositions are sometimes listed—and then promptly forgotten. The final results, though resting upon wholly unproved and unverifiable assumptions and disregarding other factors not susceptible of statistical treatment, are employed in support of predetermined programs or arguments as if they themselves were not still in need of proof. A recent memorandum has been cited as proving that manufacturing industry could raise wages 24% with no increase in prices. Apparently it was not intended that the public should come into possession of the document, but several enterprising journalists succeeded in obtaining copies. It presents certain figures as forecasts of earnings of corporations for 1946. Precisely how these figures were arrived at—estimates that no reputable statistician to our knowledge outside of Government service would dare attempt—is not explained. Yet says the memorandum: "The profits forecast for 1946 provides a frame of reference for considering (sic!) the consequences to industry of any given increase in the general level of wages."

"One for the Book"

Blandly continuing, the prognosticator continues: "It is expected that total employment in manufacturing in 1946 will be about 13,000,000 and that the total wages bill will be about \$25 billion, if basic wage rates are increased sufficiently to maintain average hourly earnings in each manufacturing industry at the April 1945 level." And, as Governor Smith used to say, here is one for the book. In defense of the estimates of corporate earnings for 1946, this: "The behavior of the stock market in recent months suggests that the business and financial community expects profits after taxes to remain at or above the wartime peak." Does the author of this memorandum "assume" that Wall Street is convinced that there will be no price increases during the next 12 to 15 months? If so, he had better sneak out of Washington and do a little "slumming" in that iniquitous neighborhood incognito.

But how does he arrive at his figures of corporate earnings for 1946? This is about all that he has to say on the subject: "The profits forecasts for 1946 are based on projections of gross national product which have previously been circulated to the Advisory Board (of the OWMR). They assume (a) that the excess profits tax

has been repealed, effective in 1946, (b) that total national output (gross national product) is \$160 billion and (c) that wage rates have been increased sufficiently to make up for reduction in overtime premium and the 'more frugal administration of wage schedules' and hence to maintain average hourly earnings in each industry at the April, 1945 rate. This involves an average increase in basic wage rates of perhaps 10%. The removal of excess profits tax is assumed to increase 1946 profits after taxes by \$2.5 billion, i. e., by the total estimated yield of the tax." Evidently, in the words of the historian, "there were many great conjectures and presuppositions . . . to bring it to conclusion."

The author—give the devil his due—cites a number of imponderables in the situation and admits that his conclusions, based as they are upon his statistical conjectures, may be set awry by these incommensurables, but those who are using it for their own purposes are not much interested in such things.

May Providence preserve us from the New Deal and statistics!

Mollison Judge Of U. S. Customs Court

Irvin C. Mollison, Negro Chicago lawyer, who was named by President Truman early in October to the U. S. Customs Court at New York, a \$10,000-a-year lifetime job, was sworn into his new post in New York on Nov. 3. It was noted in the New York "Times" of Nov. 4 that he is the first Negro member of the Federal Bench within the Continental limits of the United States. From the "Times" we also quote:

The oath of office was administered in a Customs Court at 201 Varick Street by Presiding Judge Webster J. Oliver of the First Division, who welcomed his new associate to what he called "the strangest court in the entire world." Also sitting on the bench during the ceremony were Customs Court Judges Charles D. Lawrence, Second Division, and William A. Ekwall, Third Division.

Assistant Attorney General Paul P. Rao extended the greetings of the Department of Justice to Judge Mollison. Among other speakers were Dewey Arthur Grimes, Chief Justice of the Supreme Court of the Republic of Liberia; Rep. William L. Dawson of Illinois; Walter White of the National Association for the Advancement of Colored People; Commissioner Edward M. Sneed of Cook County, Ill., and Dr. Silas F. Taylor of Boston, former State Parole Commissioner of Massachusetts.

The nomination was announced by Attorney General Tom C. Clark who said, according to the Associated Press report from Washington on Oct. 3, of the appointment, that Mr. Mollison would succeed to the vacancy created by the death of the late Tom Walker, a brother of former Postmaster-General Frank C. Walker. The Associated Press also stated that Rep. Jed Johnson (D., Okla.) had originally been appointed to the vacancy, but had declined the judgeship.

The U. S. Senate confirmed Mr. Mollison's appointment on Oct. 26.

Admin. Seeks Continuance of Emergency Laws

Appearing before a House Judiciary subcommittee on Oct. 26, John W. Snyder, War Mobilization and Reconversion director, advocated postponement of bills declaring the war officially ended, on the ground that such action might impede the reconversion program, Associated Press Washington advices stated. Mr. Snyder stated that many of the President's emergency powers would come to an end when the declaration had been made, and urged that it was important that the President be permitted to retain for an indefinite period his power to continue rationing, priorities, the draft, and other controls. Mr. Snyder gave the Administration's assurance that "no wartime control will be exercised one day longer than is absolutely needed," but added: "In our haste to return to the ways peace" there is grave danger that the machinery for returning to peacetime ways would be thrown out of gear by a sudden abandonment of controls which have been in effect since 1932. He went on to say, according to the Associated Press, that this country has an "obligation" to help feed the starving abroad and that by use of continued controls we shall be "sharing our resources" until the ending of the emergency.

The hearing brought out the fact, the New York "Times" pointed out, that more than 200 laws designed for wartime controls were on the books, with varying phrasing saying they shall terminate after the war was ended. In many cases the termination date is set at six months after a Presidential declaration of the end of hostilities or earlier if Congress, by concurrent resolution, makes a similar declaration.

The Subcommittee has before it, the "Times" continued, several bills following the latter pattern, some declaring Aug. 14, V-J Day, to have been the end of hostilities, others recommending Sept. 2, or Sept. 8, on the ground that this was when official proclamations to the same end were made.

Opposite argument to that presented by Mr. Snyder was given to the Committee, according to the Associated Press by four legislators, Representatives A. L. Miller (Rep.-Neb.), Marion T. Bennett (Rep.-Mo.), Earl R. Lewis (Rep.-Ohio), and Lyle H. Boren (Dem.-Okla.).

Their principal objection was continuance of selective service.

Said Representative Miller: "It is morally wrong to keep men in the service who enlisted for the duration and six months, by this legal trick of continuing hostilities beyond the end of the shooting."

Norwegian Foreign Exchange Control

Federal Reserve Bank of New York recently announced that the following advices had been received by letter dated Oct. 23, 1945, from the Norwegian Embassy, Washington, D. C.:

"I hereby wish to direct your attention to the Norwegian foreign exchange control now performed by Norges Bank, Oslo, on behalf of the Norwegian Government.

"The present exchange control was established by Provisional Law (Order in Council) of Nov. 10, 1944. Pursuant to this law, payments of every kind from Norway to foreign countries or to Norway from abroad may only take place through Norges Bank or other intermediary authorized by the Ministry of Finance. The law empowers the Ministry of Finance to issue regulations regarding the various aspects of foreign exchange control, such as:

"(a) The transfer and acquisition of foreign funds and of Norwegian funds abroad, and the transfer of Norwegian funds to a person abroad or the ac-

quisition of such funds from persons abroad;

"(b) The opening of a credit abroad, or the opening of a credit for a person abroad, or the giving of a guarantee for such credits; further, any other economic or financial transaction which may result in an obligation to effect payment between Norway and a foreign country;

"(c) The disposal of credits due to persons abroad or the giving of a guarantee in favor of such persons;

"(d) The transfer of funds to or from Norway;

"(e) The requisitioning, against payment in Norwegian kroner, of funds held abroad."

"By authority granted by this law, the Norwegian Ministry of Finance has on June 11, 1945, decreed that all the above enumerated foreign exchange transactions except the last (requisitioning against payment in Norwegian kroner) can only be carried out with the consent of Norges Bank in the manner which may be decided by its Board of Directors.

"With regard to possible requisitioning of funds held abroad, the Ministry has further decreed that all Norwegian nationals are obliged, to the extent and in the manner determined by Norges Bank, to give information about their foreign funds.

"On June 26, 1945, the Ministry of Finance further determined that banks and others wishing to perform foreign exchange operations must apply for permission from the Ministry of Finance through Norges Bank. Those receiving such permission must obey the rules prescribed by Norges Bank.

"Norges Bank has, pending more detailed regulations, issued rulings, among which are the following:

"It is prohibited without the permission of Norges Bank to sell or otherwise dispose of foreign means of payment, foreign securities and foreign claims.

"Norwegian funds located abroad cannot be disposed of without permission from Norges Bank.

"Purchase of foreign exchange can only take place where permission from Norges Bank has been obtained.

"Foreign exchange transactions may only be performed at the exchange rates determined by Norges Bank. The most important rates will be quoted on the Oslo Stock Exchange.

"Export and import of means of payment and securities can only take place with the permission of Norges Bank.

"The above law and regulations have superseded previous statutory provisions. Thus paragraph 11 of Provisional Law of April 22, 1940, has been abrogated. For payments from private Norwegian accounts held in U. S. A. no clearance from this Embassy is henceforth needed, provided Norges Bank's written (or telegraphic) permission is at hand. For payments to a U. S. bank for credit to an account of a Norwegian bank such written permission from Norges Bank is not necessary. For payments requested by a Norwegian bank by letter or telegram to a U. S. bank it suffices that the communication states that Norges Bank's permission has been obtained."

Steel Output Shows Further Gain—Volume of New Orders Rises—Scrap Situation Tighter

"The return of steelmaking operating rates this week to pre-coal-strike levels is allowing many producers to begin working down a huge backlog of business," states "The Iron Age" in its issue of today (Nov. 15), which further adds:

"On the other hand incoming orders in the past week have increased in volume. Any progress made because of the higher steel operating rates will have little effect on improving deliveries on orders placed at this time because most mills have been keeping in their pockets orders which could not be scheduled.

"Indications are that barring labor difficulties, the rate of steel ingot production will again advance next week.

"Badgered by union demands and hemmed in by Governmental price policies, the steel industry this week has said indirectly that it has had enough and is now putting up a solid front which may soon result in a bitter fight to the finish in what it considers to be fair play.

"The somewhat surprising and very unusual departure of steel companies from individual or separate announcements and pronouncements to large advertisements and national radio talks sponsored by the American Iron and Steel Institute is apparent warning of girding for a consolidated showdown.

"Along the wage-price front the steel industry has practically told the Government that until the long-overdue and greatly needed price adjustment is made by OPA, there will be no negotiations with the union, or at least to engage in such would be more than futile. Whether or not the Government will meet this ultimatum remains to be seen, but Chester Bowles, OPA Administrator, is expected this week to announce the policy which he will take in granting steel price adjustments to cover accumulated material and labor costs.

"The expected OPA announcement may possibly be in the form of a percentage increase in steel prices, the distribution of which would be worked out by the OPA Steel Industry Advisory Committee, composed of top heads in the industry. Mr. Bowles is said to have promised an announcement for the latter part of this week. However, the number of promises and counter-promises made with respect to steel price adjustments over the past 60 days, none of which has been fulfilled as yet, has served to make the present steel price-wage situation a last-ditch controversy.

"A byproduct of the united and militant stand of the steel industry may be an opening for Philip Murray, CIO and USWA head, to actively push for industry-wide collective bargaining, a goal which he has sought for some time. Some members of the steel industry are known to favor industry-wide bargaining, while others have favored individual company negotiations.

"Lurking behind the preparation for a serious battle in the steel industry over the question of wages and prices is the probability of an industry-wide strike by the end of this month or early in December after votes have been tabulated. It may be the desire of both steel management and the unions to test each other's ability or power in negotiating the troublesome wage question. Since the industry has abandoned its lamb-like attitude in public and since Philip Murray has taken the position that his union wants a wage increase 'without dickering or compromise,' it does not take much speculation to anticipate some type of steel production shutdown because of strikes.

"The scrap situation has again become tighter this week with supplies harder to get and with prices straining at ceiling levels.

The dearth of No. 1 heavy melting scrap has caused some sentiment in the trade to consider asking for a 10% increase in the ceiling price of this item."

The American Iron and Steel Institute on Nov. 13 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 80.4% of capacity for the week beginning Nov. 12, compared with 77.0% one week ago; 66.3% one month ago and 96.0% one year ago. This represents an increase of 3.4 points, or 4.4% over the preceding week. The operating rate for the week beginning Nov. 12 is equivalent to 1,472,600 tons of steel ingots and castings, compared to 1,410,400 tons one week ago, 1,214,400 tons one month ago and 1,727,000 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Nov. 12, stated in part as follows:

"Although steel demand is overwhelming, producers are making headway in setting up orderly schedules, mainly by restricting tonnage accepted, through establishment of quotas or use of other selective measures.

"Some mills are virtually out of the market on the theory that it is better to digest what they have than to make delivery promises with little assurance they can be kept. As a partial result mill backlogs are not as heavy as during the war. One large producer of diversified products estimates backlogs at four months on the basis of theoretical 100% operation, against six months at the war peak. Also contributing to this situation is the lighter character of tonnage, reflecting the shift in emphasis from heavy ordnance and ship work to lighter civilian needs.

"In spite of progress in setting up orderly schedules much remains to be done. Consumer pressure for steel is being stimulated by a possible early increase in prices. Demand for steel is noted from practically all sides and employment of selective measures in many cases is difficult. Various mills, where they found nothing else could be done, as in light flat-rolled products in particular, started establishment of quotas rather late, making the task especially hard. Others, who are picking and choosing, although still trying to extend some help to as many buyers as possible, have trouble keeping schedules from becoming too much extended.

"Some producers of sheets and strip, who have been restricting scheduling for next year to first quarter only, are limiting it even further, setting it up on a monthly basis wherever possible. There also is greater disposition to set up sheet specialties, such as electrical sheets on a quota basis and there is possibility this may be extended to polished stainless sheets. Some producers already are booked into June on polished material and the likelihood is that if quotas are established they will be made effective for second half, as has been done in at least one or two cases in narrow hot strip.

"Pig iron output is increasing as blast furnaces resume after interruption during the coal strike. Careful distribution has prevented foundries losing time from lack of iron but the lost tonnage cannot be made up for some time. Labor supply at foundries shows slight gain."

NAM Urges End of Price Control by Next Feb.

A House committee on postwar economic policy and planning heard speakers for the National Association of Manufacturers on Nov. 9 urge that all OPA price curbs be removed by Feb. 15, 1946 as an aid to reconversion, according to Associated Press reports from Washington. The view that peacetime production is being hindered by the cumbersomeness of price control and the uncertainty of its culmination date was expressed by John Airey, President of the King-Seeley Corp. of Ann Arbor, Mich., who said, "Industry finds itself caught in a squeeze resulting from the rise in costs of production and the restrictions upon prices."

Another NAM witness, Clarence Randall, vice-president of Inland Steel Company of Chicago, declared, according to the Associated Press, that another necessity for early reconversion is the reestablishment of free collective bargaining at the plant level.

"The doctrine of union maintenance and compulsory check-off was imposed upon industry during the war without its consent," he declared, "and industry must now be freed from that conspiracy to coerce the individual freedom of the worker."

Also needed, he said, is the establishment of equality of responsibility and obligation in the performance of labor contracts.

"For many years past it has been the employer only who has been held responsible. Severe penalties have often been imposed upon the employer, but never upon organized labor."

Outlining the N. A. M.'s general appraisal of reconversion prospects, Robert R. Watson, President of Manning, Maxwell & Moore, Inc., said that the main concern of Government should be to assure free and fair competition among workmen for jobs and among employers for markets.

He said there was this alternative:

"We can have as much unemployment as the Government is willing to cause through restrictions, and as the people are willing to pay for in taxes and deficit spending, which is a deferred tax.

"Such Government payment for unemployment is a charge on the earnings as well as on the savings of all people with jobs."

Armistice Day Occasion Of Solemn Tribute

The twenty-seventh anniversary of the end of World War I was observed throughout the world on Nov. 11. Ceremonies were held all over the United States and in many foreign countries to mark the occasion, and solemn words were spoken by the peoples' leaders. Prime Minister Attlee of Great Britain and Prime Minister King of Canada, in Washington for discussions with President Truman on plans to avert future wars, participated with the President in services at the Tomb of the Unknown Soldier in Arlington National Cemetery.

King George VI of England placed a wreath of poppies on the National Memorial in London in a formal ceremony watched by thousands. In Paris too, and in countless smaller communities in Europe silent crowds paid tribute to the memory of their war dead.

Throughout the United States impressive services were held. In New York, a parade in which more than 2,500 persons took part, was followed by the annual ceremony at the Eternal Light in Madison Square Park.

Minimum Wage of 50 Cents An Hour Seen as Possible Compromise to 65-Cent Demand

A 50-cent-an-hour national minimum wage was mentioned on Nov. 6 as a possible compromise in the Administration's effort to boost the present 40-cent figure to 65 cents. This was indicated in Associated Press accounts from Washington on Nov. 6, which stated that:

Representative Robert Ramspeck (Democrat), of Georgia, presiding over House Labor Committee hearings on the Minimum Pay Boost Bill, told newspapermen: "I think we can pass 50 cents an hour, but 65 cents is doubtful. Some members feel that 50 cents is more in line with the theory of what business can stand without increasing prices. That would be a 25% increase, whereas a 65-cent minimum would raise the present 40-cent level about 66%."

The Associated Press added that Rep. Frank E. Hook (Dem.-Mich.), author of one of several bills proposing a higher minimum wage and broader coverage of workers affected by the wage-and-hour law, disagreed with Representative Ramspeck.

On Nov. 4, Price Administrator Bowles endorsed proposed increases in the legal minimum pay with the argument that the long-range effect would be to cut prices. Associated Press advices from Washington stated that Mr. Bowles took his position in a statement for a Senate Labor Subcommittee which is considering a bill to raise the legal hourly minimum wage for workers from 40 cents an hour to 65 cents now and 75 cents after two years. These press advices added:

He had a three-point base for his stand:

"First, judging by our history, I should say that the long-range effects of this legislation would be to reduce prices rather than to raise them. This is because higher wages increase productivity.

"Second, I am satisfied that even the immediate effects in the direction of raising prices will be few in number and small in magnitude.

"Third, even if the price effects were of somewhat greater dimensions, I would still support the proposed revision. I say this in spite of my fear of the huge inflationary forces which confront us. Prices that depend upon sweatshop wages are sweatshop prices. No thoughtful consumer would choose to benefit through lower prices if those prices are based on substandard wages."

Mr. Bowles declared that the enactment of the pending bill "is imperative for the health of our economy."

Meantime, President Truman has expressed the hope that Congress will not take a suggested recess until it has acted upon his legislative program, which includes several labor measures, the Associated Press reported from Washington Oct. 31. However, it is generally felt that the President's criticism of two House Committees for their failure to act on the Administration's full employment bill and unemployment compensation provisions may retard rather than foster passage of the legislation.

The last reference to the minimum pay bill appeared in our Nov. 1 issue, page 2125.

Martin Named Director Of Export-Import Bank

William McChesney Martin, Jr. was nominated on Nov. 1 by President Truman to be a member of the Board of Directors of the Export-Import Bank at Washington. Mr. Martin, who was formerly President of the New York Stock Exchange, left that post to enter the United States Army. According to special advices to the New York "Herald Tribune," from Washington on Nov. 1, Colonel Martin is now on terminal leave from his Army post as Assistant

to the Executive of the Munitions Assignment Board of the joint chiefs of staff. The advices from the "Herald Tribune" from which we quote added.

Colonel Martin was the first appointee named by the President to the new board of directors of the bank, now in process of reorganization under legislation adopted last July 31. The power of the present board of trustees expired today and the bank's authority to grant international loans will be inoperative until the new five-member board of directors is organized.

The appointment of Col. Martin leaves three vacancies to be filled on the board, since James F. Byrnes, Secretary of State, is an ex-officio member by virtue of his Cabinet post. The President indicated yesterday he was considering Leo T. Crowley, former Chairman of the bank's board as head of the now abolished Foreign Economic Administration, for one of the vacancies.

If Mr. Truman picks Mr. Crowley as a director, he will have to name Republicans to the remaining two directorships. The law provides that not more than three directors may be from the same party. Mr. Byrnes, Col. Martin and Mr. Crowley are all Democrats.

Col. Martin, now 38 years old, became the youngest President of the New York Stock Exchange in 1938 at the age of 31. He had, previously been a Governor of the Exchange and was secretary of the committee which drafted plans for its reorganization.

He was drafted into the Army as a private on April 16, 1941, rose through the ranks and was commissioned as an infantry first lieutenant in February, 1942. He has served with the Munitions Assignment Board for more than three years.

Col. Martin, who will be discharged from the Army when his terminal leave expires on Dec. 2, said today he planned a brief vacation in Florida before returning to take up his duties with the Export-Import Bank. He said he would devote full time to the bank's affairs and had no intention of resuming any position with the Stock Exchange.

On Nov. 8 the President nominated Herbert E. Gaston of New York and Robert Tenbrock Stevens of Plainfield, N. J., as directors of the Export-Import Bank. Mr. Gaston is now an Assistant Secretary of the Treasury. Mr. Stevens is a textile distributor, a director of the Federal Reserve Bank of New York and a director of several corporations.

New Members Elected To Coffee & Sugar Exch.

The Board of Managers of the New York Coffee & Sugar Exchange, Inc., at a meeting held on Nov. 7 announced the election of the following eight applicants to membership in the Exchange. This represents the largest number of applicants elected to membership in any one month since 1929: Andrew F. Heyden, Marianao Sugar Trading Corp.; Frederick W. Thoben, Hayden, Stone & Company; Mark L. McMahon, Nash, O'Brien & McMahon; Kenneth F. Thulin, Arnold, Dorr & Company; Henry March, Ladenburg, Thalmann & Company; Herbert A. Schwartz, T. Barbour Brown & Company; Daniel L. Dyer, B. W. Dyer & Company; and Harry F. Kattenhorn, Gruntal & Company.

Colmer Committee Reports on Trip to Europe

"A complete reorganization of American economic foreign policy under the capable leadership of the Department of State" was recommended in a report by the Colmer Committee of the House, seven of whose members have returned from an extended tour of Europe, during which they conferred with Prime Minister Attlee, Premier Stalin, and Pope Pius XII, special advices to the New York "Times" from Washington stated on Nov. 11, adding that the committee recommended centralization of foreign economic authority in a new Under-Secretary for Economic Affairs.

The committee was assisted in its tour and in the preparation of its report, the "Times" continued, by Prof. William Y. Elliott of Harvard University and Marion B. Folsom of the Eastman Kodak Company. Other of its major recommendations, according to the "Times," were:

1. Productive loans to Great Britain conditioned upon removal of exchange and import restrictions and the scaling down of the sterling debt that Great Britain owes the Commonwealth. "To facilitate this (British) recovery is to facilitate our own trade and to promote world stability and recovery." The committee backed the calling of an international trade conference, an idea to which the British have already subscribed.

2. Recognizing that Soviet Russia is "potentially the greatest economic as well as political power covering the continents of Europe and Asia," the committee held that "there would seem to be a real economic opportunity for extensive trade between the United States and Russia," subject to certain conditions. The committee also said that even though our business men must deal direct with Amtorg, "direct contacts between American business firms and Russian industries should be established where possible."

Conditions Are Set Forth

The conditions and questions that should be met or answered before the United States grants loans to Soviet Russia were listed as follows:

"(A) What is to be the policy of Russia in devoting to armaments the production over which it has control? What portion of Russian production will continue to be devoted to armaments and what relation does this bear to her needs? How does Russian policy in this regard compare with that of other countries?"

"(B) The full and frank disclosure of Russian statistics and an opportunity to scrutinize the facts upon which they are based with regard to economic production in all parts of Russia.

"(C) The fulfillment of Russia's political obligations on the same terms as those of other Governments. This includes the withdrawal of Russian occupation forces in accordance with the Potsdam agreements and the Yalta conference and other agreements.

"(D) The disclosure of the terms of the trade treaties made by Russia with the Eastern European countries now under Russian occupation and control. Without this information it is impossible to estimate what should be American policy toward these countries as well as to Russia.

"(E) The administration of relief in these areas on nonpolitical lines and in a way that does not permit the siphoning off of supplies to Russia which will have to be replaced by the relief afforded from the United States and UNRRA sources.

"(F) The committee feels that the protection of American property, including copyrights, in the countries under Russian control in western Europe should be a condition for loans to these countries. In addition there should be full freedom of entry of reporters and the protection of rights of individuals and nations to distribute books, magazines, papers, periodicals and movies in these coun-

tries. The Department of State has insisted upon the protection of the freedoms guaranteed at the Yalta conference—freedom of religion, press and elections. The committee feels that Russia itself should afford adequate opportunities both for diplomatic and uncensored journalistic inquiries and representation within Russia, and should agree to the right of entry of planes such as is accorded freely to Russia by other countries."

Another important recommendation of the committee was that the United States should exert some caution as to the percentage of gold, as differentiated from other commodities, that it deems advisable to accept in payment of foreign obligations. The recommendation was made with particular reference to Soviet Russia, as follows:

"The committee suggests that the problem of balancing exports by imports will for several years after the war require a careful re-examination of the willingness to accept gold in unlimited amounts from such systems as Russia on a purely bilateral basis.

"The absence of available imports from the rest of the world should not, in the judgment of the committee, lead to the repetition of the experience of the twenties and thirties when the United States accumulated much of the world's gold supplies, acquiring over-balanced holdings of this metal. If Russia's ability to produce gold is capable of large expansion, the question is raised as to what percentage of this gold should be taken into the United States in payment for future loans."

The committee also recommended, the "Times" stated:

1. Immediate relief, emphasizing the use of surplus United States war materials now in the areas concerned, to "prevent the deterioration of Europe into anarchy, disease and economic stagnation—such relief not to be continued indefinitely but rather until such times as these countries can have an opportunity to resume normal activities."

2. Short-term productive loans to assist the liberated countries in resuming production. These will cut European dependence upon American relief while at the same time aiding our foreign trade.

The committee added as to loans:

"All loans other than those made by the Export-Import Bank and prior to the working of the Bretton Woods agreement cannot properly be made to states which have not shown a willingness to undertake the obligations and enjoy the benefits of the Bretton Woods arrangements except for the type of loans that are to be made by the Export-Import Bank within its present authorized funds of \$3,500,000,000."

"All through its trip [through Europe], the report said, according to the New York "Times," "the group found that the countries visited, almost without exception, were returning to the principles of bilateralism; barter, with the accompanying features of frozen or controlled exchanges; quotas on imports; subsidized exports, and other devices which hamper world trade. This was due, it was recognized, to the present lack of adequate holdings of foreign assets to support large import programs and the inevitable absence of exports that accompanied the destruction of the productive systems or their almost total use for war purposes." Throughout its report the com-

House Group To Study Employment Measure

The House Expenditures Committee, one of the two Congressional groups criticized in President Truman's speech for its slowness in acting upon pending legislation, brought to a close six weeks of hearings on the President's "full employment" bill by appointing a subcommittee of five for the purpose of trying to work out an acceptable piece of compromise legislation. The Associated Press in reporting the closing of the hearings from Washington on Nov. 7, stated that the committee's Chairman, Representative Carter Manasco (D. Ala.), had been authorized to name the five-man group. Besides Mr. Manasco, the subcommittee is reported to consist of Representatives John J. Cochran of Missouri and William M. Whittington of Mississippi, Democrats; and Clare E. Hoffman of Michigan and George H. Bender of Ohio, Republicans.

Mr. Manasco is reported to have stated that it "will take some time" to write a bill which will win committee approval. The pending measure, the Associated Press continued, enunciates a government policy of supplementing private industry, when necessary, to assure job opportunities for all. In the version passed by the Senate the Government's pledge was to be considered binding only to the extent that it would not interfere with meeting of other Government obligations and would not increase the national debt, according to the New York "Times" in its report of the House committee's action.

Before the Expenditures committee closed hearings it heard Secretary of Labor Lewis B. Schwellenbach predict that the nation would have 6,000,000 to 8,000,000 unemployed by spring, and urge passage of the full employment measure. "The difference between the philosophy of a full employment bill and the efforts in the past," Mr. Schwellenbach stated, according to the Associated Press, "is that it is devised to meet the problem in advance rather than to improvise after the problem of unemployment is created."

Rosenman to Retire as Special Counsel to President

The White House announced on Nov. 13 that Judge Samuel I. Rosenman will retire at the end of the year as special counsel to the President, it was made known in an Associated Press dispatch from Washington on Nov. 13, which added:

Presidential Secretary William D. Hassett, making the announcement, said Judge Rosenman had served both President Truman and former President Franklin D. Roosevelt at a "tremendous personal sacrifice."

Justice Rosenman, who left a \$25,000-a-year post on the New York State Supreme Court, has been anxious to retire for some months, Mr. Hassett said.

"The President," Mr. Hassett said, "has consented to his release about the first of the year."

mittee stressed the severity and extremity of Europe's plight, typically in the following statement:

"The basic problem is that of the need for food and other absolute essentials of life, and in wide areas the actual destitution of European populations."

The committee, headed by Representative William M. Colmer of Mississippi, includes a number of ranking members of House Committees. The whole committee of 18 members unanimously approved the report based on the recommendations of the seven members who made the European tour.

Pearl Harbor Investigation to Proceed

After President Truman ordered on November 8 that the heads of all government offices and the Joint Chiefs of Staff to authorize their personnel to turn over to the Joint Congressional Committee investigating the Pearl Harbor disaster "any information of which they may have knowledge" which would serve to complete the data already on record, Senator Barkley, chairman of the joint committee, released on Nov. 10, according to a special dispatch from Washington to the New York "Times", a list of about fifty witnesses who will testify when open hearings begin shortly. The following statement by Senator Barkley accompanied the list, the "Times" reported:

"In order that there may be no misunderstanding resulting from the discussions in the Congress and in the press over the last few days about the progress of the Pearl Harbor inquiry, I think it desirable to make this statement as chairman of the committee.

"Neither I, as chairman, nor the committee as a whole will countenance any effort to keep from the public any fact material to the inquiry. Our task, as I see it, is to lay all the facts before the public, no matter whom they may hurt in high or low places, and we propose to conduct the inquiry accordingly."

"At the outset counsel for the committee was assured that no restraint whatever would be placed upon him in his efforts to bring out all the facts. The counsel and his staff have been engaged for weeks in preparing to present the whole story.

"The committee has been given whole-hearted cooperation by the various governmental departments. Counsel are now ready to produce at the hearings beginning Nov. 15 all the evidence they have collected to date. The initial proof, when heard, will enable the committee to decide wherein the investigation may be incomplete and needs to be pursued further.

"I think no one should jump at conclusions as to the sufficiency of the inquiry to date, until this initial proof has been made.

"All documents, records or information which the counsel has requested from departments have been furnished or are in course of preparation. All documents and information obtained by counsel are available to every individual member of the committee. All requests by individual members for information, whether classified top secret, secret, confidential or otherwise, have been presented to the departments by the counsel's office and supplied or in course of preparation.

"By Presidential order, every person in the Government service has been authorized and encouraged to talk with individual members of the committee and volunteer information. The evidence prepared up to date includes great quantities of material from many sources heretofore unpublished and confidential, including White House records and the papers of President Roosevelt.

"On Nov. 2 a general outline of the evidence so far prepared was supplied by counsel to the committee, including a tentative list of witnesses. Other names have since been added. The tentative list up to date is attached. Witnesses suggested by individual members of the committee are being added from time to time, and this process will continue, depending upon developments in the evidence as the hearings proceed.

"The evidence already prepared will require some time for presentation. When this is done, the committee will be in a good position to decide what further investigation should be made in order that no pertinent facts may be overlooked."

The list of witnesses given by Mr. Barkley, which had the proviso of "health permitting" in the cases of former Secretary Hull and former Secretary Stimson, follows, according to the "Times" report:

Gen. H. H. Arnold, Admiral John R. Beardall, Admiral P. N. L. Bellinger, Col. George W. Bicknell, Admiral Claude C. Bloch, Col. Rufus Bratton, Gen. Howard C. Davidson, Col. Carlisle Clyde Dusenbury, Col. Kendall J. Fielder, Col. Edward F. French, Gen. Leonard P. Gerow, Col. Charles D. Herron, Admiral Royal Ingersoll.

Also Admiral Husband E. Kimmel, Capt. Alvin D. Kramer, Capt. Edward T. Layton, Gen. George C. Marshall, Gen. F. L. Martin, Admiral Irving H. Mayfield, Capt. Arthur M. McCollum, Gen. Sherman Miles, Col. Walter C. Phillips, Col. Carroll A. Powell, Admiral James L. Richardson, Comdr. Joseph J. Rochefort, Col. Otis K. Sadtler, Capt. L. P. Safford, Gen. Walter C. Short.

And Admiral R. E. Schuirmann, Admiral Harold Stark, Comdr. William E. Taylor, Admiral Richmond K. Turner, Admiral T. S. Wilkinson, Thomas E. Dewey, Cordell Hull, Robert L. Shivers, Henry L. Stimson, Grace Tully, Secretary to President Roosevelt; Admiral Noyes, Admiral William F. Halsey, Admiral William S. Pye, Admiral Smith, Admiral Charles H. McMorris, Capt. John M. Listwieler, Capt. Ellis M. Zacharias, Colonel Clausen, Sumner Welles, Joseph Grew and various monitoring and radar witnesses.

Titles of generals and admirals are given in the list without distinction as to whether the holders are full admirals or generals or of lower rank in these categories.

From Capitol Hill, the New York "Times" continued, came indications that Congress and the members of the committee would demand much of the witnesses. Senator Homer Ferguson, Republican, of Michigan, and a committee member, said he had taken steps to obtain the diary of the events leading up to the disaster kept by former Secretary Stimson.

The Senator said he had asked William Mitchell, committee counsel, to request the diary two weeks ago, but he has not yet received it. The Michigan Senator has sought to have the hearings postponed until Nov. 23, on the ground that the committee did not have the information essential to the investigation.

"Take the Stimson diary, for example," he said. "I haven't seen that. How can I ask intelligent questions regarding it when Mr. Stimson appears as a witness?"

Senator Ellender, Democrat of Louisiana, called it "a great mistake" for the Democratic majority on the committee to refuse permission to Republican members to make independent examinations of Government papers.

All Senators, he asserted, whether on the committee or not, should be allowed to do their own investigating if they reported back to the committee before making their findings public.

Edward G. Sperry Dies

The death of Edward G. Sperry, Vice-President, Treasurer and a director of Sperry Products, Inc., Hoboken, N. J., son of the inventor of the gyroscope and founder of the Sperry Gyroscope Co., was announced Nov. 6, according to advices from Glen Cove, L. I., to the New York "Times." In 1928, the report stated, Mr. Sperry, with his father, organized Sperry Products, Inc. The elder Mr. Sperry died two years later. The company was active during the war in rail-flaw detection and in the making of special parts for ordnance and other military departments.

Private Construction Up in First 9 Months of '45

Private construction expenditures, stimulated by the rapid recovery of activity in the field of nonresidential building, experienced a decided upswing during the first nine months of 1945, the Bureau of Labor Statistics of the U. S. Department of Labor reported on Oct. 27. However, work financed with public funds continued the decline which had started during the last quarter of 1942. Total construction expenditures in the continental United States approximated 4,077 million dollars for the first 3 quarters of 1945. Although this was higher by 535 million dollars than the amount expended during the first 9 months of 1944. It was still more than 20% under the prewar levels of 1939 and 1940, and was far below the volume recorded for the war years of 1941-43.

During the first 9 months of 1945, expenditures for privately financed construction amounted to 2,495 million dollars, as compared with 1,769 million for the corresponding period of last year. Publicly financed construction expenditures, on the other hand, dropped to 1,582 million dollars—11% below the first 9 months of 1944.

The announcement continued: The dollar volume (1,027 million) of private non-residential building reported during the first 3 quarters of 1945 exceeded all levels for a like period of time since the prosperous twenties, except for 1937 and 1941, and accounted for four-fifths of the gain over 1944 in privately financed construction as a whole. Primarily responsible for this record was the 623 million dollars spent for industrial facilities, which was more than 2½ times the 1944 volume. Expenditures for commercial buildings followed next, rising from 79 million dollars in 1944 to 224 million in 1945, and construction of all other nonresidential buildings (schools, hospitals, institutions, etc.) increased from 101 to 180 million dollars.

Privately financed residential (nonfarm) construction expendi-

tures accounted for only 25% of all private construction activity in the period January-September 1945, as compared with 21% in the corresponding months of 1944 and over 50% in each of the prewar years of 1939-41. Estimates for private residential building totaled 633 million dollars in the first 9 months of 1945 and 546 million in 1944; during the comparable periods in the years 1939-41 they were 1,788, 1,330, and 2,329 million dollars, respectively.

The only major type of public construction expenditures which did not decline from last year was nonresidential building (other than military and naval facilities), which rose from 534 million dollars in the first 3 quarters of 1944 to 689 million dollars in the corresponding quarters of 1945. The 29% increase was caused almost entirely by expansion of ordnance manufacturing plants during the early part of this year.

Expenditures for military and naval facilities construction amounted to 462 million dollars, 20% below the 1944 figure. Publicly financed residential construction dropped to 64 million dollars, a little more than a tenth of the 581 million expended in the first 9 months of 1943 when public residential building expenditures reached an all-time high. Among the types of construction of an essential, but not necessarily vital, war nature, highway construction experienced the greatest decline, dropping from 271 million dollars in 1944 to 192 million dollars in 1945.

Secretary Wallace Answers Romney

(Continued from page 2370)

disparities in the relative efficiency and profitability of individual companies, and heartily subscribe to the President's statement to which you refer. However, that does not preclude generalizations, based upon over-all analysis of the relationships for particular industries, and for the economy as a whole. An industry figure is merely an average for all the individual companies; some companies are, of course, higher than the average, while others are lower. The report dealt with the industry relationships for the total output, and not with the comparative performance of individual companies or of individual products. The passenger car figures were included as a commonly understood indicator of the level of over-all output.

The major point made, of course, is the influence of volume of production upon total costs and profits, as has been amply demonstrated by both the pre-war and war experience. The conclusions in our report were based upon the assumption that a high level of output would be realized by the automotive industry in the years immediately ahead. This assumption is warranted on the basis of the deferred demands which exist, and which will not be satisfied without several years of high production. We projected this in the report on what we believe to be a conservative basis, because we are impressed with the time it will take to get production organized on a large scale.

The efforts of the Department of Commerce have been, and will continue to be, directed toward the promotion of business. A

sound expansion in business can occur only through the cooperative effort of all economic groups. Such cooperation can be obtained only through a common understanding, arrived at on the basis of a fair and complete presentation of the facts, accurate in its implications for the success of business enterprises and equitable as to the interests of various groups making up the total economy. Effective service by this Department requires, therefore, the maintenance of impartiality as well as accuracy in its fact-finding operations. Your suggestion that any possible misunderstanding in the present instance be cleared up as quickly as possible is indeed most welcome.

We shall be glad to make available the factual material and analysis upon which our conclusions were based. I have asked that the basic data and the derived statistical relationships be assembled in a convenient form so that they may be reviewed by analysts of the industry and revised if necessary.

We should be glad also to receive the industry data projecting sales ahead, together with the cost data, so that we may determine the differences between our analysis and the conclusions of the automobile companies.

It is my hope that the facts in this situation will be clearly developed in the interest of reaching a solution of current industrial disputes. It is my firm conviction that a prompt settlement of these disputes on a basis that will promote high production and high consumption is in the best interest of business as well as of labor and the public generally.

Sincerely yours,
(Signed) HENRY A. WALLACE,
Secretary of Commerce.

Observations

(Continued from first page)

better donate outright gifts and consider them part of our war cost.

Our weekly note on British socialization: Another long step in the Labor Government's course down the road toward totalitarianism is being taken in its imminent bill for the establishment of a national investment board. This proposal to control public investment differs from the previous nationalization measures that have been enumerated in this column, in that no election mandate was given therefor.

Chancellor of the Exchequer Dalton indicates that this measure is part of a "five-year plan," whose other components include nationalization of inland transport, of power and fuel, of the iron and steel industry, and for the assumption by the Government of control over exports. Such state regulation of exports will prevent restoration of multilateral trade and payments, for it will ensure the precedence thereover of domestic economic aims.

According to British observers, labor unrest has been less severe there than here because their "margin of economic safety" is much smaller. If that is true, our behavior is reflecting our complacency in so many quarters in assuming that "we can afford anything"—both during and after the war—because of our great natural resources, without realizing the degree to which such wealth represents merely fictitious book-keeping of various kinds.

In line with Assistant Secretary Acheson's recent Far Eastern pronouncement that the State Department is the agency to determine occupation policy, let it so act! But then the Department should clearly and completely state its governing principles vis-a-vis Germany. Otherwise our Army team will again pick up the (policy) ball and keep running with it.

The stalling of Germany's coal production at one-fifth of its present weekly capacity of 3,000,000 tons must—for motives of self-interest—be immediately remedied by the victorious powers. Excepting for Germany, Poland, and England, all European countries are importers of coal, and can receive from the United States and South Africa not more than 2,225,000 tons monthly. If Europe does not get the full production of the Ruhr and Cologne fields her whole economy will sink into complete collapse.

One of the main stimulants to the current bull stock market arises from anticipating an increase in future corporate net earnings by the amount of the deductions made for excess profits tax payments last year. Although these simple calculations are being ever more widely distributed, the pleasant results in the form of juicy profits must be examined with some degree of skepticism.

In the first place, there are the inroads from wage increases. According to a Government memorandum, if basic wage rates are increased 10%, profits before taxes will be reduced 30% from 1944. Also there will be increased costs from re-forming and re-training the labor force; the lower profit margins obtainable on goods sold under more severe peacetime competition; and many special expenses chargeable to the reconversion process. A tabulation of third quarter earnings made by the National City Bank shows that 180 of 320 industrial corporations earned less than a year ago; in a number of cases there was a sharp drop in operating earnings, or an actual deficit, which

From Washington Ahead of The News

(Continued from first page)

het up about things and it could result in causing both sides to exercise more caution. There is no evidence, however, that this has resulted. Both General Motors and Steel seem to be going right ahead for a showdown with the CIO. There is growing support for the idea entertained in many informed quarters here that there is more behind these disputes than appears on the surface, more than a dispute about wages.

Industry generally has come to accept unions. But the CIO is more than that. It is more than an organized labor movement. It is, in effect, a revolution. In the GM dispute, aside from the long contention of management that the labor leaders want to usurp managerial functions, they insist upon controlling prices. Industry can't forget the tactics of the CIO leaders, particularly the highly touted Walter Reuther, in the pre-Pearl Harbor days. They were a part of the drive to make industry "reconvert," go "all out for war production" when we were not at war, when no one in the Government indicated any such desire, when there were not enough war orders to justify their doing so. These men were a part of the agitation that we just go out and produce and scatter our goods to all the world just to ascertain what our capacity for production was. This is, of course, what we subsequently did, and now in spite of the Reuthers and the Administration's professed worry about inflation, there is growing evidence that inflation or "controlled" inflation is just what the Wallace schools wants. It will be a gigantic frisking of the holders of Government bonds, of course.

These were the men, too, who went out in the 1944 Presidential campaign to eliminate men from public office who, regardless of their having voted 100% with labor, were classed as isolationists. None of these matters—the business of reconversion, going to war, controlling prices, killing off isolationists—have heretofore been looked upon as the exclusive or peculiar property of organized labor. The A. F. of L. and the United Mine Workers were just about as isolationist, or as reluctant to go to war, as any other group in the country. You will find them wholly unconcerned now, too, about such academic questions as to whether India and the Indonesians should have freedom, whether democracy is applied in Greece, and about such highly breath-taking problems as the elimination of the poll tax in the Southern States; you will find that although they might occasionally give the latter lip service, they don't really give a damn. Not so with the collective bargaining yelpers of the CIO. Their hearts are literally bleeding for the Indonesians, et al.

The real truth is that they are a group of would-be Napoleons who are trafficking in human beings to attain their ends as viciously as any hidebound industrialist ever did. In labor circles generally, they are credited with a great accomplishment for

was only offset by tax credits arising from the charging-off of war plants, or from adjustments of tax reserves.

What some of the "bullishers" on railroad securities are forgetting is the drastic effect of imminent declines in the volume of passenger traffic. As the cost of this category of the carriers' business remains fairly constant in the face of fluctuations in the number of passengers, its wartime upswing has represented almost pure "gravy" whose removal may well reduce income to prewar levels.

October Rayon Shipments Show Increase of 13%

Rayon shipments reached the year's high during October and showed a substantial 13% increase from 59,800,000 pounds in September to 67,600,000 pounds last month, states the "Rayon Organon," published by Textile Economics Bureau, Inc. Filament rayon deliveries at 52,600,000 pounds were up 10% and staple shipments of 15,000,000 pounds were 26% above September. These increases are due not only to more working days in October but also to freer supplies of raw materials.

The announcement by the bureau issued Oct. 13 also said:

Ten months' shipments aggregated 633,700,000 pounds of rayon yarn and staple fiber, a quantity 9% above the like 1944 period. Of this figure, 498,200,000 pounds was rayon filament yarn, 13% above last year, and 135,500,000 pounds was cut staple, 2% below a year ago. Through October, 357,600,000 pounds of viscose-cupra filament yarn and 140,600,000 pounds of acetate yarn were delivered. In the same period, viscose staple deliveries amounted to 103,500,000 pounds and acetate staple to 32,000,000 pounds.

Although rayon stocks continue low, they have shown slight increases for the last few months, reaching a total of 11,700,000 pounds on Oct. 31. This is 5% above Oct. 31, 1944, but far below "normal."

Third quarter 1945 production was 3% below the second quarter level, states the "Organon." Nevertheless the aggregate nine months' output was 10% above last year's January-September total.

During the third quarter 152,700,000 pounds of continuous filament yarn (109,200,000 pounds of viscose-cupra and 43,500,000 pounds of acetate) and 41,000,000 pounds of staple fiber (30,900,000 pounds of viscose and 10,100,000 pounds of acetate) or a total of 193,700,000 pounds of rayon were produced. The second quarter total was 200,600,000 pounds.

Total nine months' output was 588,300,000 pounds this year compared with 533,500,000 pounds from January to September 1944.

The decline in viscose-cupra yarn and viscose staple during the third quarter was caused by employees' vacations, refurbishing of plants and the V-J Day and Labor Day Holidays.

Acetate yarn and staple production in the third quarter showed a contrary trend to that of viscose-cupra, increasing slightly in the case of acetate yarn but by 11% for acetate staple. This difference in trend indicates a freer supply of raw materials.

the underdog in finally organizing Steel and Motors. The A. F. of L. had spent millions and a lot of bloodshed trying to do so. The CIO did it with revolutionary tactics and with the U. S. Government behind them.

But the smoke of war will have to clear to determine whether they have effected an improvement in the living of these workers. Their wages have gone up, of course. So have the wages of everybody else. The question is whether it was not the war instead of the CIO that lifted these people. The fact is that until the war boom started, they were mostly out of work, in spite of their newly acquired rights to collective bargaining.

The CIO, however, having come to be what it is, there is a growing suspicion here that Steel and Motors may have elected to fight it out, not to crush a labor union as would have been the case in the past, but to crush this revolutionary movement. The CIO shares this suspicion and their leaders are somewhat hysterical. Should they lose in either of these two industries it would be just about the end of them—of that illustrious world statesman, Sidney Hillman, too.

A Business Executive's Responsibilities

(Continued from first page)
to the owners of the company. In the case of most food corporations today, the owners are the stockholders. But even though the chief executive may be the principal owner himself, he still has the responsibility of earning a reasonable return on his investment and conserving his assets.

The responsibility of the chief executive to the owners of the business is to produce consistently a satisfactory profit in relation to the investment they have made. A satisfactory profit over a long period of years can be made only by rendering a useful service to the public commensurate with its cost. Profits are the reward that comes to those who best serve the public interest by furnishing to the public what it wants in the most efficient and economical manner. Therefore, the responsibility of the chief executive to the owners is, in the last analysis, completely consistent and parallel with his responsibilities to the public.

This approach is so fundamental that I will repeat it again. The chief executive must be able to show satisfactory operating results each year in the light of current conditions. At the same time he must preserve and enhance the going value of the company, including properties, personnel, and above all, public good will.

The balance sheet of a corporation usually fails to include one important item—an item which my company considers most important. It is the going-concern value, the ability to enlarge and to win more profitable business. It is the overall "know how." It is the good will of customers, stockholders, employees, and the general public that the company has won over the years.

The annual report is the record of our stewardship in the national accounting, where the sovereign people are at one time the owners, the workers, and the consumers. We produce a large quantity of goods each year, and we earn money doing so. The stockholders of my company like that. So does the management. Employees likewise take pride in belonging to a successful company and they are a very important group. They are an intangible but a most potent and necessary asset, and while they do not appear in the balance sheet, their record does.

One of the most important tasks of the chief executive is to secure coordination and cooperation throughout the organization. He attempts to coordinate the operating executives, each of whom is a powerful dynamo, into a battery of dynamos in order to produce greater united power.

He develops self-reliant executives by delegating responsibility to them and by giving them authority commensurate with the responsibility. This delegation should be as far-reaching as possible, and the chief executive should have confidence in his executives and back them up in every reasonable way.

These executives work in a harness, which is the organization plan. The chief executive helps to adjust the organization harness if at any point it becomes tangled, or too loose, or too tight. He offers proper and deserved encouragement, and at times criticizes in such a manner as to effect the proper "pulling together."

He attempts to attain general overall maximum operating effectiveness by having the executives work efficiently and with enthusiasm. He knows, as Edmund Burke once said:

No men can act with effect who do not act in concert;
No men can act in concert who do not act with confidence;
No men can act with confidence who are not bound together by common opinions, com-

mon affections, and common industry.

Responsibility to the Employees

Perhaps the primary function of the chief executive today in his relation with his company's employees is to emphasize human relations. He must inspire enthusiasm throughout his organization and develop a high esprit de corps. He does that by developing a realistic, humanistic labor policy which does not treat his employees as merely pickets in a fence or cogs in a machine, but which treats them as associates who have self respect and self confidence. He sees to it that every one on the payroll has an opportunity to advance if he is willing to pay the price in intelligent hard work. His objective is to build men—big men—and to help men help themselves.

In order to have a full measure of efficiency and economy of operation, which will be reflected in the high quality and reasonable price of products, the level of employee morale must be high. Confidence is essential to high morale. Confidence grows out of faith in the company's products, its policies, and its management, and out of mutual understanding and opportunity.

Business, after all, is just men and women working to a common purpose. In every company the management and the employees should be friendly with each other. The policy of a company should be to carry on its daily work in a friendly spirit. As the company increases in size, it becomes more and more important to maintain these friendly human relations.

Every one of us wants to be looked upon as an important man, essential to the job that he is doing. We all like to receive fair and adequate payment for our work, but money is not always the controlling or major influence in our thinking. We want the things which salaries and wages can purchase, of course, but above all else, we want to be looked upon as persons of some importance. We want self respect and self confidence.

Every person on the payroll appreciates the same things that you and I appreciate—fairness, sincere treatment, and a reasonable chance to get ahead.

If the employees have the right mental attitude, they cooperate with each other and with the policies of the company. Cooperation is one of the master words in the English language. We usually get along if we can secure cooperation. That is true not only in our business life, but also in our social and our home life. We get cooperation if others believe that what they want can be secured by working with us and helping us to carry out a plan or program which in the end will benefit them and help them to achieve what they want. The most important asset of any company is men at work, cooperating with each other in making and selling products of real value.

The chief executive must encourage the research spirit in all of his associates. He must inspire his employees to grapple with problems and find new ways, new products, new markets, new materials, and new machines. He must draw out the best in people by stimulating their minds, and stir their imagination with the spirit of adventure and conquest.

The future of any company is linked up with research—research not only with new products and new methods, but research in connection with any changes affecting the business. It has often been said that there is nothing permanent except change. The chief executive must anticipate and be fully prepared for change by using research techniques. He

must actively and vigorously create and speed up the right changes.

In the case of my own company, an aggressive and enlarged research program is being used in devising new products, to enlarge the company's profit possibilities, and to provide additional employment.

Responsibility to Returning Servicemen

Every company has a special responsibility to its former employees who have served in the armed forces. Those who are physically handicapped should have not only our sympathy but our constructive help. They need our assistance both in training for employment and in finding the right job. The chief executive should see that the company's policy is thoroughly understood throughout the organization so that the returning veteran will be assured of a warm welcome and understanding help in getting readjusted to civilian life.

Responsibility to the Customers

My company makes and sells products to as many customers as possible. In doing so, we endeavor to have our customers think favorably about our products and our company. One of our major objectives is to widen the area of customer acceptance.

The chief executive must see to it that sales, advertising, and marketing policies are modernized so that potential customers will have increased confidence in his company's trade mark names and products.

Since we are rapidly going from a seller's to buyer's market, the emphasis has to be shifted from production-mindedness to market-mindedness. We have got to use our imagination to conceive what the consumer should have and will buy.

We may have products of the highest quality which are sold at reasonable prices; we may have good labor relations, and excellent dealer contacts; and the dealers in turn may have splendid stores with well-lighted shelves to display the ultra-modern packages in which our food products are packed. But unless the packages go off the grocery shelf onto the pantry shelf, and off the pantry shelf onto the table and into the mouths of the American people, our job is not completed; it has not even started.

We must get the package off the grocery shelf and into the home "again and again." We must have turnover—rapid turnover—continuous turnover. Our marketing job is to accelerate turnover, because it is through turnover that we raise the scale of living for consumer, distributor, manufacturer, laborer, and capitalist alike.

Our products must be right. They must have high quality. Our products and services must be constantly improved by research. My company feels product responsibility, not only for the basic raw materials, but for stimulating high quality in the end products, either by recipes and menu services or by developing new separate products with the modern attributes of convenience, high quality, and modern packaging.

During the war years, on practically no product were we able to produce as much as we could sell. From now on, it will be different. The customer will be boss in the period ahead of us, and our main emphasis will be on selling.

Responsibilities to the Public and the Nation

I believe that the chief executive of a company should, insofar as it is possible, be a statesman in this world which is now so dominated by economics. Business has an important bearing upon the national welfare and happiness.

An executive in a large corporation has an unusual opportunity to observe the workings of economic forces and to gain an understanding of what makes our economy tick. It is his obligation not only to see that his company renders a public service by efficiently producing and distributing quality products, so satisfying the needs and demands of the public, and providing employment, but also to share his knowledge and understanding with others and so to assist in the development of an increasingly productive and prosperous national economy.

The American public is looking for intelligent leadership, not so much leadership in high places in the government, but natural accepted leadership in business—in the fields of private individual enterprise. The public realizes the need for leadership which will make progress on the side of human relations within the company between management and employees, and human relations between the company and American industry as a whole and the American public. The goal toward which each man and woman is working is a simple one—a better standard of living. The goal of industry is identical with that of the average man. This approach, and this approach alone, can bring lasting internal peace, lasting understanding, and lasting cooperation among all groups.

The public wants leadership in industry that speaks out. I certainly do not know all of the answers, and I have no authority to speak for industry, but I believe that all of us in the world of commerce should currently make whatever contributions we can to the solution of the major problems of the day. What are the aims and needs of the country? What are the policies that industry should adopt and follow? What does America want? If industry will speak out on these and similar questions, and keep on speaking, we will in time arrive at an agenda for the future which will help to bring us that unity which our nation so sorely needs during this critical period of transition from war to peace.

Agenda for the Future

The United States is now embarked on the great adventure of peace. As we surprised ourselves with the vigor and quantity of our production for war, we must now try to surprise ourselves with what we can produce for peace.

We say that the war is over, and so it is as far as the actual fighting goes; but the economic part of the war will continue. We shall feel its effects until the war expenditures of our government have fallen far below the high of \$90 billions which they reached in the fiscal year ended June 30, 1945.

American industry is now in the reconversion period. What should we aim to attain when this period of reconversion is passed? To insure a prosperous peacetime economy, what is our country's greatest need? How can we best achieve a national economy that will in itself act as a force for world peace?

This country, for its own sake and for the sake of the world, needs to achieve a vigorously functioning, highly productive domestic economy. That is what we should work toward; that is what we should plan for. By planning I mean taking careful thought, on the basis of the facts of today, about what to do tomorrow. If we plan to do what will be good for our country, we can be assured that it will be good for American business. If we think only of our business and what will be good for it, we cannot be sure that it will be good for the country as a whole—and, if it is not, any benefits to business will be transitory.

High Output Vital to Foreign Trade and World Peace

You may ask why the achieving of a high output economy in this country is so important to the rest of the world. It is because what the rest of the world wants in the years of peace ahead is the opportunity to keep busy. Each country wants to be busy, not only at producing goods for its people at home, but also at producing its specialties for sale abroad, thus making it possible to pay for imports from other countries.

Only if we in the United States realize a high output economy will we have incomes high enough to permit us to buy large quantities of goods from abroad, thus furthering and facilitating the exchange of commodities that is so necessary if we are to have a peaceful and prosperous world.

High imports are dependent upon high domestic productivity even more than upon low tariffs. In a depression year such as 1932, even a great reduction in tariff rates would not have resulted in any large increase in our imports of finished European goods. Without adequate income, goods will not be imported, whether the tariff is low or high.

In former years, there has been much discussion about the Economy of Scarcity versus the Economy of Abundance. There is no such discussion now because everyone realizes that we must have an Economy of Abundance.

Prospects for High Output Good

In the period before the war, millions of potential workers were dependent for their living upon relief and made-work. During the war, most of them have been absorbed into industry. Many have learned for the first time of the high-productive and high-wage jobs that can be provided in large numbers by private industry and only by private industry. They have learned for the first time the satisfaction of having a job where they are doing necessary work—a job with a future. The men in our armed forces, scattered as they have been to all parts of the world, have had an opportunity to observe how things are done in other countries, and undoubtedly most of them are coming back with greatly increased respect for the competence of American business management.

These two factors favor the continuance in American industry of that high productivity built up during the war. There are also several other favorable factors. The high net income—almost twice our peacetime high—makes the prospect good for high levels of business.

The public's supply of cash, including both money and demand deposits, has trebled since the period just before the war—rising from \$40 billions to \$120 billions; but, in spite of this record-breaking amount of cash on hand, price levels have remained relatively low—a fact attributable partly to saving, partly to wartime price control, and partly to our great increase in production.

There is a tremendous backlog of deferred desires for such things as automobiles, houses, refrigerators, and radios. Moreover, consumers have materially reduced their outstanding volume of indebtedness. This fact, coupled with the expansion in their supply of money and deposits, puts them in a position to convert their desires into effective demands for durable goods. From the standpoint of the economic well-being of the American people, it is much better that the nation's workers be employed in private industry—turning out the goods needed to meet this demand—than that they be engaged in producing the types of public works characteristic of the depression years of the 1930s.

If industry continues to operate at capacity, the prospects are good for the introduction of more efficient methods which will reduce

costs and make possible increased wages.

Another favorable factor is the repeal on Jan. 1, 1946, of the excess profits tax—a tax which, in some fields, has tended to put a damper on efficiency.

All of these factors taken together should make possible for American industry the finest record in its history; but we will need to use our heads, and keep in mind always the good of the whole people.

The Number One Problem

How to maintain full productive employment is the country's Number One problem. Business must work with government to find the solution, but, if there are to be 55,000,000 or 60,000,000 jobs for people between 18 and 65, government should not be expected to provide even as much as 10% of the total. The great majority of jobs should be provided by private industry, including not only large-scale enterprises, but also agriculture, the service industries, and small business.

We all realize that the United States of the future is going to be different from the United States of the past. We certainly would not want to go back to conditions as they were before the war. But in order that our country in the future may be not only different, but better than it was in the past, we will need to make plans now, while conditions are fluid.

What should we propose as economic policies for a better future? I am going to suggest several which I believe deserve the substantial and united support of American business, and they all involve increasing the productivity of our economy.

Full Employment

Industry, including labor, should plan for and support the maintenance of high productive employment within the framework of free enterprise.

Employers should do their best to acquaint their employees with trends in productivity in relation to production costs. Workers should come to understand that, if wage rates are raised too rapidly, the resulting increasing costs and consequent reduction in sales of the product will result in eventual unemployment for many in their ranks. It would also seem desirable to hold management and labor conferences in different industries, cities, and plants, for the purpose of increasing the general understanding of the inter-relationship of sales, productivity, price changes, cost of living, and wages.

High productivity of industry is essential to the national welfare, and it is important that management, the general public, and all workers be enlightened as to what full employment really involves.

Wage Problem

In an economy as rich as ours, with such a large production of durable goods, we are able to postpone for a considerable time the purchase of replacements of such things as houses, furniture, and automobiles. This was to our advantage during the war, but in ordinary times it makes for instability of employment. We would not want to go back to a subsistence economy where everyone must work all the time in order to get the bare necessities of living. We want to maintain our high scale of living without the threat of unemployment, and to accomplish this we must all work together to keep stable the total volume of new spending power, and to keep wage rates from outrunning productive capacity. American industry should therefore give its attention to the wage problem.

Employees should be made to understand that the high earnings of American workers are not all due to the organization of labor. One of the tasks of management is to teach the public at large the

real reasons why American industry has been able to pay high wages. The first of these reasons is the skill of management (aided by the great American reservoir of capital) in providing each worker with highly efficient machinery and the largest possible amount of power. This has resulted in high productivity per man-hour. Without such high productivity, high wages are impossible. In the face of increased minimum wages and social security charges, both of which tend to increase costs, a high level of employment cannot be maintained without high productivity. Therefore, it is important that labor, the rank and file and labor leaders alike, join with management in increasing output per man-hour—in other words, in increasing labor's productivity.

Any official or group considering wage policy ought to take into account the possibility of a decrease in unit costs resulting from a number of factors, most of which were mentioned in President Truman's talk of a week ago.

The change from the 48- to the 40-hour week, with the elimination of the 50% premium for the extra eight hours, would result, provided the output per hour remained the same, in a decrease of 8% in labor cost per unit. Also some increase in productivity per man-hour could be anticipated because of the reduction in the number of hours worked per week. This is especially true in industries in which the fatigue element is important.

The replacement of poorly trained and inexperienced workers by those with more experience and training should result in greater output per man-hour. Increased productivity can also be expected to result if improvements are made in labor-management cooperation, in technological processes, or in both.

Other factors which may effect a reduction in unit costs are a nearer approach to capacity operation, and tax reduction.

Enlarging production not only improves wages, but it increases the national income, makes brighter profit possibilities, and increases the tax base.

Nutrition

I believe that the food industry of the United States has before it a great opportunity for service and expansion. Not only will there be a tremendous demand from other countries for our food products, but there is an expanding market right here at home.

A few years ago a good many of us had the idea that the country had reached a stable level of food consumption. It was common to hear such remarks as, "The people are well fed and you can't force them to eat a lot of additional things they don't want." But this idea proved to be wrong for the American people as a whole. During the war years they ate approximately 11% more per capita than they did in the prewar period. This of course was partly because they had better incomes and were able to pay for more food; it was also because they were learning more about nutrition. The low income groups improved their diets tremendously, and perhaps even the families with high incomes had more wholesome, more nutritious meals.

The depression year of 1935 marked the lowest level of food consumption per capita. In that year, according to a survey conducted by Elmo Roper, nearly 41% of the American people were willing to admit that they were not getting all the kinds of food they wanted, because they could not afford to pay for it. When their incomes were increased, they spent for food not only larger amounts, but a larger proportion of their total income. Food expenditures now account for 31% of total consumer expenditures as compared with 26% in the prewar period. This may be partly

because there have not been so many other things for which the people could spend their money. But it goes to show that when people recognize the importance of proper nutrition, and also have the money, they will spend more of it for food.

And as the people of this country are better fed, they will be healthier, more efficient, and more prosperous.

So I say again: The food producers and the food distributors of this country have before them a great opportunity. And again I want to emphasize the importance of research, with reference both to improved products and to improved distribution practices which will result in lowering the unit cost of distribution and making those improved products available to all the people.

Conclusion

The future will most certainly be unlike the past. We in America will have more to do in shaping the future than we have had in the past. We face the future with courage and confidence. It is a future that holds the greatest promise in the world's history. We know, from evidence at home and abroad, that peace requires hard work, the work that helps make worthy those who can win peace for themselves and for their country.

This is a time when the nations of the world are either preparing for peace or are unconsciously preparing for a third world war. The principal reason why we have not yet attained the objectives of peace is that, in many cases, there are no stable governments with which to make peace. It may be several years before we have those stable governments. In some cases, we have no stable policy for dealing with those countries. That will all be corrected in time. In the interval there will be a difficult period, a period requiring patience, tolerance, clear thinking, and a belief in the ultimate rightness of things. It is a period for us to cooperate with each other, a period when we must have unity at home.

I am confident that if we have unity at home, if we can develop and support wholeheartedly a proper agenda for the future, and if we drive straight ahead with a positive mental attitude, we will have that peace for which so many of our boys made the supreme sacrifice, and for which we are all praying so earnestly.

Senate Group Votes Return Of Job Service to States

A Senate subcommittee was said by Senator McKellar (D.-Tenn.) on Nov. 12, according to Associated Press Washington advices, to have approved return of the United States Employment Service to state control within 120 days. Return in 30 days has already received House approval, although President Truman asked that Federal control continue until June 30, 1947.

The committee also agreed on tentative appropriations cutbacks made possible by the war's ending. Final Senate figures are expected to be considerably less than the \$52,000,000,000 cutback authorized by the House.

Truman Requests Action On Public Works Fund

In a letter to Chairman Cannon of the House Appropriations Committee, Nov. 7, President Truman asked for "prompt and favorable consideration" on a previous request for \$107,500,000 to expand post-war planning of state and local public works. The request, according to Associated Press Washington advices, included originally in the President's Sept. 6 message to Congress, involves \$50,000,000 in appropriations and \$57,500,000 in contractual authority for the Federal Works Agency.

3-Power Conference on Control of Atomic Energy

A historic conference on the future of atomic energy started on November 10 when Prime Ministers Attlee of Great Britain and Mackenzie King of Canada arrived at Washington for discussions with President Truman, according to Associated Press Washington advices.

The formal sessions began after a luncheon at the White House. The following day, Armistice Day, the distinguished visitors participated with President Truman in

ceremonies at the Tomb of the Unknown Soldier, then boarded the Presidential yacht for a trip on the Potomac, during which the conferences were said to have continued. Secretary of State Byrnes was a member of the party, as well as Admiral William D. Leahy, Chief of Staff to the President; the Earl of Halifax, British Ambassador; Sir John Anderson, Chairman of the British Atomic Energy Committee, and Lester B. Pearson, the Canadian Ambassador.

On Nov. 12 the conferences were interrupted to give Prime Minister Attlee opportunity to prepare his speech for a joint session of Congress. Meanwhile, Presidential Secretary William D. Hassett announced that no news would be forthcoming officially until the conclusion of the conferences. According to the Associated Press, Mr. Hassett is said to have stated that President Truman is "honor bound" not to discuss the progress of his conversations with the British and Canadian prime ministers, "... until the three principals in the conversations agree upon a statement."

However, the British Prime Minister is known to have made proposals which, according to dispatches of Nov. 12 from Washington to the New York "Sun," clash with the President's promise that the secrets of the bomb would not be disclosed to any nation other than the three which now possess it. Prime Minister Attlee suggested, the "Sun" stated:

1—That Russia be asked to draw up a complete list of the territorial concessions which she feels she must have for her future security.

2—That these demands would then be considered and agreed upon by the Big Three at a forthcoming meeting.

3—That Russia and France then pledge themselves to full cooperation in the United Nations Organization.

4—That a pool then be created under the guardianship of the Security Council in which all secrets of the atom bomb would be deposited, and to which all nations would contribute all the scientific information concerning their own military discoveries.

Army-Navy Merger Hearings Continue

On Nov. 9, Lieut.-Gen. James H. Doolittle told the Senate Military Affairs Committee that he favored a single National Defense Department, with air raised to equal power with ground and sea forces, the Associated Press reported from Washington, adding that the General stated that the Army Air Forces want a post-war establishment of 400,000 regular officers and men and a reserve of 1,000,000. These figures, said Gen. Doolittle, have been approved by AAF leaders under Gen. H. H. Arnold, but they have not yet been accepted by the War Department or joint chiefs of staff.

Gen. Doolittle, according to the Associated Press, also offered these opinions:

The next war—if twenty years intervenes—will be conducted by pilotless, gyro-stabilized, radar-controlled, and radio-directed projectiles utilizing atomic bombs or some more powerful force.

The battleship now is obsolete. Aircraft carriers now are at their peak development and soon will be obsolete because they can be sunk.

The United States must main-

tain a line of far-flung bases for national defense.

Doolittle, leader of the first air raid on Toyko, predicted that the nation's future military planes will be able "to go to any part of the world and return to bases in America." Furthermore, he asserted, other countries will have the same sort of air power plus atomic bombs.

To assure the nation's safety in such a world, he contended it is necessary to create a single national defense department, with air co-equal to ground and sea forces.

"No ships can interpose their steel hulls and 16-inch guns between us and that attack," he said.

"No force tied to the ground can counterbalance its threat. It is a threat of air power and it must be met by air power."

The General said that 5,000 first-line bombers, fighters and other military craft must be constantly ready on airfields, with a large reserve of replacements. Approximately 3,000 tactical and training aircraft, he added, should be available for the National Guard Reserve.

In a letter to Secretary of War Patterson, Secretary of the Navy Forrester objected to a statement by Gen. Doolittle that "our B-29 boys are resting uneasily in their graves" as a result of asserted claims by admirals that sea power and carrier-based planes brought about the Japanese surrender, the Associated Press reported on Nov. 10. As hearings continued before the Senate Naval and Military Affairs Committees, controversy became heightened over the merger proposal. The Associated Press continued:

Senator McClellan of Arkansas, member of the Naval Affairs Committee, commented to a reporter on Secretary Forrester's letter criticizing the testimony of Lieut.-Gen. James H. Doolittle before the military committee yesterday.

"I think Secretary Forrester is to be commended," he said, "for placing it (the controversy) on a high plane."

But Senator Lister Hill of Alabama, a member of the Military Affairs Committee, had this to say:

"Gen. Doolittle's statement as a whole was a magnificent one. If Mr. Forrester's letter will stimulate people to read Gen. Doolittle's full statement it will serve a good purpose."

Senator McClellan declared that differences always had existed in military circles over policies of national defense.

"This issue should not be settled on a basis of personalities," he added, "but differences of opinion should be ironed out if possible and, if not, the decision should be made by responsible authorities."

Senator Hill, the Democratic whip, told a reporter that the Navy Secretary's letter tended to show "that division between the Army and Navy about which we heard so much at the time of Pearl Harbor."

"It emphasizes the need for putting the Army and Navy on the same team under a single department of the armed forces," he continued.

Sen. Thomas of Idaho Dies

The death was announced on Nov. 10, according to the Associated Press from Washington of Senator John Thomas (Republican) of Idaho. The Senator, who was 71 years old, was reported to have been ill for some time.

From War to Peace

(Continued from first page)

And, what of that future? What shall our course be?

I believe the best way to discuss that future course is to take up specifically one of the world's problems. I believe we can best come to grips with the issues of the days ahead by discussing frankly and in detail our policy on the world's major challenge of the future—atomic energy. Needless to say, I speak as an individual and not in any sense for the Navy or the Government.

Basic Information on Atomic Bomb

Seeking to find the wise policy as to atomic energy, it is important that we first endeavor to clarify basic factual information.

First of all, the successful development of the sustained neutron chain reaction resulting from nuclear fission, and the manufacture of the atomic bomb, was a result of many years of effort by scientists of many countries, including Denmark, France and Germany, culminating in the specific intense work by large groups from England, Canada and the United States in the Manhattan Project in Washington and Tennessee, and in Groups at Berkeley, Chicago, Columbia, Los Alamos, Clinton, Hanford, and elsewhere.

Second, scientists do not anticipate that there can be any successful scientific counter-measure to an atomic bomb. There appears no scientific theory that would provide for its neutralization or its advance detonation.

Third, the production of atomic bombs requires an installation of such size that a rigid inspection by competent scientists could ascertain the presence or absence of such production.

Fourth, it appears likely that the tremendous energy developed can at some future time be harnessed and controlled for peaceful and constructive purposes for the benefit of mankind.

Fifth, there is nothing about the scientific features or fabrication methods of the production of the bomb that cannot be ascertained in a relatively short space of years by any group of able scientists and engineers anywhere in the world.

Sixth, the destructive power in one small bomb is greater than a thousand of the greatest bombs made previously, and it is physically possible to manufacture these by the hundreds and to further increase their destructive power.

What Should America's Policy Be?

If these are the correct basic facts, then what should the policy of America be? Obviously, there are a number of alternatives. The first is the policy of secrecy and suppression. Under this policy we would provide for heavy penalties against anyone who would reveal any part of the information that was not already public. We would keep our own scientists under surveillance. We would investigate all reports of any of our scientists meeting with scientists or representatives from other countries. We would follow a policy that is inherent in the preface of the Smythe report. I quote, "All pertinent scientific information which can be released to the public at this time without violating the needs of national security is contained in this volume. No requests for additional information should be made to private persons or organizations associated directly or indirectly with the project. Persons disclosing or securing additional information by any means whatsoever, without authorization, are subject to severe penalties under the espionage act."

Under this secrecy and suppression policy, we would give to

our government extreme powers which it has never approached before in time of peace. And, what would be the result? Throughout the world other scientists and other engineers would pursue the same discoveries, would experiment and develop, until they too had atomic bombs. Throughout the world the pressure of all governments would be on their scientists to develop the explosive and the destructive powers of atomic energy. Throughout the world the research and experimentation and the utilization of atomic energy for peaceful and constructive purposes would be retarded. Here in America, for the first time in peace, we would be restricting the freedom of science. For the first time in peace, we would be departing from that basic liberty and openness of science which has led in the past to our superb scientific achievements. America would become less attractive as the home of scientists and we would begin to establish conditions of a nature similar to those which caused many scientists to flee from Germany and seek refuge elsewhere.

Or, as a second alternative, we can say we have no secrets from our allies, and open up our entire records and details of production to every one of the United Nations, and rely on their good faith in their use of this information.

What then would be the result? Many other nations would manufacture some of the bombs. There would be an uneasy apprehension between nations as to what their future course might be. Changing policies of government and changing leadership would be viewed with uncertainty around the world. Relations between nations would be carried on with the dread of possible surprise attacks. All of history says that good faith alone is not sufficient for the peaceful relationship between men. Good faith must be coupled with a framework of order, of law, and of justice. Under the give-away alternative, there would be no guarantee of reciprocal openness of information. We would, in effect, be increasing the armament of every other individual United Nation. There is no logical reason why each nation of the world should have the power to destroy other nations. Balancing of power has not proved in the past to be a road to peace, but rather a road to war.

Control on a World Level

It is the third alternative that I advocate tonight. This is the alternative of placing the control of the atomic bomb definitely on the world level. To my mind, it is the only basis that has real hope for future peace, stability, and progress. To my mind, the splitting of the tiny atom, and the destructive release of its tremendous energy, urgently requires the uniting of this great earth of the constructive energy of all mankind.

This new development is one additional powerful reason for developing a new and higher level of government to serve mankind. The progress of science, of communication, of travel, and of mass production, have already brought the people of the world close together. All of history tells us that whenever men are living close together, they require a government of some form to prevent anarchy and chaos, to establish order and justice, and to facilitate progress and well-being. The world needed government on a world level before the atomic bomb. Now it has become an imperative.

I present tonight specific detailed recommendations, not because I am insistent that these are the precise answers, but rather because it is my observation that

to discuss a subject in broad terms that mean all things to all men, does not contribute to clarification or decision. I present exact detail in order that men might differ with me and from the discussion of those differences we might find the way to the best answers.

I suggest that the United States propose an amendment to Article 43 of the United Nations Charter, an amendment granting to the Security Council the right and the duty to establish and maintain a small United Nations Air Force of five bomber squadrons and ten fighter squadrons, manned by volunteers from the United Nations, not more than one-fifth of the personnel of any squadron to be of any one nationality background, to be based at five different suitable bases around the world, to be financed by a small tax on all international travel, and that the United States furnish five atomic bombs to each of these five bomber squadrons at the five bases around the world to serve as the stabilization force for world order.

I suggest the United States propose an amendment to Article 26 of the United Nations Charter providing that no nation shall manufacture an atomic bomb, and that the manufacture or possession of such a bomb would be a crime against mankind. The present plants would manufacture the number required for the World Stabilization Force, and then stop.

I suggest that the United States propose to the United Nations that the Security Council be given the right and the duty to establish an Atomic Commission of distinguished scientists, with the power and the duty to thoroughly inspect all nations, including our own, to ascertain the fulfillment of the foregoing charter provisions.

I propose that no one shall engage in any nuclear or atomic research without registering with this United Nations Atomic Commission, but that once having registered, any scientist would be entirely free to carry on scientific research and to publish his results to the world. I wish to emphasize that scientific freedom is just as important as academic freedom or freedom of the press to our way of life. The registration should be merely for the protection of mankind as to the location of the research, and to facilitate the inspection of the activities.

Proposals are Practical

I know full well that proposals of this kind will be attacked. There will be those who call them visionary, but I might ask whether or not to fail to seek some such methods would not be blindness. Are not each of these proposals in fact practical, sound and attainable?

Some of the clamor of opposition will come from those who will say that such a proposal will violate the absolute national sovereignty of the member nations. Yes, it will! But the narrow concept of absolute nationalistic sovereignty belongs in the same historical discard as the theory of the divine right of kings. The proposal that I make would not cause the people to lose sovereignty. They would be simply delegating a portion of their inherent sovereignty to a new and higher level of governmental machinery where it can be more effectively administered for the people's welfare. Principles of government must stand the test of service to the people if they are to be respected. The concept of absolute nationalistic sovereignty no longer serves the people of this world. It is a barrier that prevents that successful cooperation which every other fact of modern life demands. It is a fertile source of those clashes and frictions that lead to war. And might I add, that the diplomats' squeamishness about abstract sovereignty, as they refuse to take

steps to prevent war, does not impress the millions of men who have seen the intimate innards of their pals spread over the landscape by war. Measures of world cooperation, steps of effective working together, machinery that serves mankind, should be judged on their own merits, not by seeking to apply to it the outworn shibboleth of absolute nationalistic sovereignty.

Another argument in opposition that will probably be made is that this proposal does not serve the "self-interest" of America. It will be argued that we now occupy a position of great power with our armed might and the possession of the atomic bomb; that we should use this power for our own enlightened "self-interest" rather than diffuse it on a world-wide basis.

Permit me to meet that argument head-on. In my judgment, if the selfish interest of America becomes the official guiding light of our world policy, it will be one of the most tragic phases of American history. The doctrine of "America First" is purely and simply the extension of the doctrine of "Me First." There is, and there will be, a considerable measure of this doctrine in life. But if it ever becomes the officially accepted standard to be followed by everyone, the tragedy, chaos, and suffering, the demoralization and disintegration, will be indescribable. Selfishness is not a virtue for individual life. Neither should it be considered a virtue for national life.

Policy of General World Welfare

It is my view that the first pennant nailed to the mast of our foreign policy should state the objective to promote the slow, steady march of social, economic and cultural progress of all mankind and the general welfare of one world at peace.

Nothing less than that is worthy of America. This does not mean a policy of waste and extravagance. It does not mean the encouragement of idleness in other lands. It does not mean a careless charity that undermines the recipient and dissipates the resources of the giver. It does not mean placing the welfare of any other individual nation above that of America. It does not mean that we should be weak in armed force. It does not mean we love America less. But it does require a broadness of concept of our policies. It does require that in our domestic activities we constantly be concerned as to their effect on peoples of other parts of the world. We are today the most powerful nation in the world. We do have the greatest productive capacity. We do have a homeland—thank God—that has not been ravished by war. We do have an economy that is healthy and strong. If we seek to be selfish and narrow in this position, that same selfishness and narrowness will pass on down to groups within our country. America will be divided. It will be bigoted and intolerant. And our economy will wither. We will lose that precise powerful position which we seek selfishly to maintain.

Give More than Lip Service to UNO

The broad policy I advocated means specifically that we must do more than give lip service to the United Nations Organization. We must do more than cooperate in a manner of detached aloof interest. We must seek constantly to give it vigor and vitality and contribute to its growth. I know there are those who speak of its inadequacy. It is true as I said long since, that it is only a "beach head in the battle for peace," that it is only a "very small step in the right direction."

But it is nevertheless a tremendously important step. It is a vital beach head. It has brought together all of the essential ele-

ments for effective world administration. It directly and indirectly represents three-fourths of all the peoples of the world. Its purposes are right. I read them to you:

1. To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace;

2. To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace;

3. To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion; and

4. To be a center for harmonizing the actions of nations in the attainment of these common ends."

Its machinery and powers are limited. Its veto is restrictive. But it is flexible. It can grow. It can be amended. It can be changed. Do not sell the United Nations Organization short. Do not undermine what you have in an academic discussion of what you wish you had. The United Nations Organization can be developed in any manner the United States, the Soviet Union, Great Britain, China and France, and a majority of the other nations wish it to be developed, and realistically, there cannot be effective world government without the agreement of those powers. The United States must continue to give leadership in this growth and development. I am tremendously encouraged by the ratification of the necessary five and twenty-four, by the successful completion of the work of the preparatory commission in London, and by the fact that in less than two months the first Assembly of the United Nations as a definite functioning organization will take place. This has been a bright spot amidst the dark clouds of the deterioration of our world relationships which occurred at the London Conference of Foreign Ministers, a conference, it should be remembered, that had no connection with this United Nations Organization and was not planned and prepared for in the same thorough manner.

The broad policy we are discussing means that we must promptly reconvert, develop full production, and proceed with plans for the exchange of some of the results of our great productive capacity, with those who need it now, for future raw materials and investments and trade and tourist opportunities.

Outlook Still Encouraging

We should not overlook that the basic long range facts of the world economy are encouraging, even in this tragic winter. The threat of Nazi and Japanese domination has been removed. This good earth has the capacity to produce enough food for all the people in it. The materials are here to construct shelter for all who wish it. There is room on the globe for all the people on it. But the science of government has not advanced as rapidly as have the other sciences, nor as rapidly as has the growth of population itself. We need intense study of this art of living together. This study should involve not only the development of mechanisms of

government on a new and higher level for the conduct of those affairs that cannot be carried on successfully on the old basis of the nationalistic state, but it also means the development of more effective government at local and national levels. The value of a periodic choice by the people between alternatives in administration needs earnest discussion and analysis. The avoidance of a complete political fragmentation of the population in a democracy to a point where no effective government of continuity is possible needs emphasis. The federal principle, its strength and its flexibility; the relations of the economic, social, and political structures; the specific question of federated economies, co-existent with political alliances; and the comparison of men's existing governments with what they had previously rather than with an abstract ideal, all need searching consideration. These must challenge the best of intelligences the world can apply to them. Surely we have learned through two tragic wars and a world-wide depression in a single generation, that the failure of men to learn how to live together can destroy and devastate much of what all their other intelligence, invention, study and toil can create.

This same broad foreign policy also means that throughout the world, we must constantly emphasize basic human rights more than American rights. I am convinced that if we follow such a broad policy as we have discussed tonight, it will not result in our own impoverishment—it will not result in our own weakness. In fact, we will thrive and grow and be happier under the challenge of this course. We will find that after the decade goes by we have a healthier economy. We will find that we have access to more raw materials—and greater markets than we otherwise would. We will find that we have a greater measure of good will throughout the world; that we have more jobs at home; that we are at peace.

In any discussion of the seriousness and scope of our discussion this evening, there always arises the question of how it shall be concluded. Permit me to merely say—Let's us face the future with confidence.

Cordell Hull Awarded Nobel Peace Prize

Cordell Hull, former United States Secretary of State, was awarded the 1945 Nobel Peace Prize by the Norwegian Parliament, Associated Press Oslo advises stated Nov. 12. Mr. Hull is credited with having laid the foundation for the San Francisco Conference, which drafted the United Nations Charter, and to have helped promote understanding among Britain, Russia and the United States.

It was also announced that the International Committee of the Red Cross at Geneva, Switzerland, is to receive the Nobel Peace Prize for 1944 for its work among prisoners of war. Once before, in 1917, the Red Cross received the award.

This is the first the Nobel Prize has been awarded since 1938; expectations are that subsequently awards will be made for the years 1942 and 1943.

The Nobel Prize, as the Associated Press pointed out, provided under the will of the late Dr. Alfred Nobel, inventor of dynamite, is awarded annually to the person or persons "who shall have most or best promoted the fraternity of nations and the abolishment or diminution of standing armies and the formation and extension of peace congresses." The peace prize is awarded at Oslo Dec. 10, anniversary of Nobel's death.

The State of Trade

(Continued from page 2370)

basis. The latter is in addition to a firm backlog of orders far into or beyond the first quarter of 1946. Current easement in order volume merely clarifies the industry's position and allows it to make more definite delivery promises, even though on some products they may be many months into the future.

Blast furnace operations are soon expected to be only slightly lower than the level before the strike, and this next week should see a full retrieval of lost ground. The slow recovery is largely due to policy calling for rebuilding of coal inventories before resuming operations at some plants. In many districts some mills are far from a strong position with regard to either coal or scrap inventories.

The steel industry received President Truman's speech calling for immediate upward wage adjustments with price adjustments to be made only after a trial period proving that increased costs could not be absorbed rather coolly. Steelmakers point to tardy OPA steel price adjustment tactics in granting price concessions even after the submission of evidence, culminated by the current situation in which an expected adjustment has been held up for no apparent reason.

Until some announcement is made on the current OPA steel price action, the steel industry will be wary of any wage proposals which do not carry with them a guarantee of future compensatory price action, states the magazine. The present holdup on the part of OPA in announcing steel price adjustments is believed to have followed the same pattern as past holdups—an attempt to define future trends before making price adjustments. However, there seemed this week to be a good chance that the long-overdue adjustment on the price of carbon steel products would be made in the near future. The sum total of the increase, however, may more nearly approach an average of \$2.25 to \$2.50 a ton for all products with adjustment on specific items being either above or below that average rather than the \$7 a ton requested by the industry. Part of the increase is expected to take the form of extra revisions—charges for specific chemical and physical characteristics.

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 80.4% of capacity for the week beginning Nov. 12, compared with 77.0% one week ago, 66.3% one month ago and 96.0% one year ago. This represents an increase of 3.4 points above that of the previous week.

This week's operating rate is equivalent to 1,472,600 tons of steel ingots and castings, and compares with 1,410,400 tons one week ago, 1,214,400 tons one month ago and 1,727,000 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Nov. 3, 1945, total 851,962 cars, the Association of American Railroads announced. This was a decrease of 2,817 cars, or 0.3% below the preceding week this year, but 41,107 cars, or 4.6% below the corresponding week of 1944. Compared with a similar period of 1943, an increase of 97,223 cars, or 12.9% is shown.

Railroad Earnings in September—Class I railroads of the United States in September, 1945, had an estimated net income, after interest and rentals of \$10,200,000 compared with \$55,544,824 in September, 1944, according to the Association of American Railroads.

The first nine months of 1945, estimated net income, after inter-

est and rentals amounted to \$452,000,000 compared with \$502,930,968 in the corresponding period of 1944.

In September, 1945, net railway operating income, before interest and rentals, totaled \$43,976,188 compared with \$90,128,547 in September, 1944.

For the first nine months of this year net railway operating income, before interest and rentals, was estimated at \$766,890,094 compared with \$843,784,954 in the same period a year ago.

In the 12 months ended Sept. 30, 1945, the rate of return on property investment averaged 3.67% compared with 4.05% for the 12 months ended Sept. 30, 1944.

Total operating revenues in the first nine months of 1945 totaled \$6,930,096,168 compared with \$7,080,146,600 in the similar period last year, or a decrease of 2.1%. Operating expenses in the first nine months of 1945, amounted to \$4,912,982,037 compared with \$4,662,405,103 in the corresponding period of 1944, or an increase of 5.4%.

Accrued taxes of the carriers in the first nine months of 1945 totaled \$1,113,299,794 compared with \$1,423,140,258 in the like period of 1944.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to approximately 3,889,293,000 kwh. in the week ended Nov. 3, 1945, from 3,937,420,000 kwh. in the preceding week. Output for the week ended Nov. 3, 1945, was 10.5% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 176,400,000 kwh. in the week ended Nov. 4, 1945, comparing with 172,900,000 kwh. for the corresponding week of 1944, or an increase of 2.0%.

Local distribution of electricity amounted to 175,800,000 kwh. compared with 168,600,000 kwh. for the corresponding week of last year, an increase of 4.3%.

Paper and Paperboard Production—Paper production in the United States for the week ending Nov. 3, was 96.3% of mill capacity, against 95.8% in the preceding week and 93% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 97%, compared with 98% in the preceding week and 96% in the like 1944 week.

Wholesale Commodity Price Index—A further rise in the Dun & Bradstreet daily wholesale commodity price index brought the Nov. 5 figure to a new high of 179.83 from 179.33 a week earlier. At this time last year it stood at 172.01.

Strength in grains was maintained, with prices in many instances advancing to new seasonal peaks as a result of a broad buying movement which followed renewed talk of inflation. Government buying of cash wheat continued on a small scale while demand from Europe and the Far East expanded. Box car shortage was said to be hampering the movement of cash wheat and corn from the country. The latter grain held tightly at ceilings with trading comparatively light due to scarcity of offerings. Harvesting of new corn was reported making rapid progress. Stimulated by a very tight supply situation, December rye futures reached new high ground for the past 20 years. Following announcement of higher subsidy rates for November, flour bookings reached substantial proportions last week, although shipping directions and mill operations continued to lag somewhat. Under continued good demand livestock values remained very firm.

Bolstered by continued favor-

able underlying conditions and the unexpected increase in the mid-October parity price, both futures and spot cotton quotations went on to score new seasonal highs this week. The movement of cotton into the Government loan and purchase programs so far this season has been on a very moderate scale. Preliminary estimates indicate a further reduction in this year's crop production. Due to unfavorable weather conditions a large percentage of the current crop is said to be of inferior grades.

Except for scattered small sales, activity in domestic wools in the Boston market remained quiet last week. There appeared to be much confusion in the trade over the action of the Commodity Credit Corporation requesting handlers to offer 10% of their holdings for bids from customers and the reported announcement by the Australian Wool Committee to the effect that the export selling price of Australian wool would be reduced by an average of approximately 6%, effective immediately. There was an increasing demand noted for spot foreign medium wools early in the week but trading slackened considerably following the announcements. Desired grades of fine foreign wools continued scarce. South American primary markets reported business slow with bid prices lower.

Food Price Index at 25 Year High—Up three cents in the week, the Dun & Bradstreet wholesale food price index climbed to \$4.14 on Nov. 6. This exceeds the war peak of \$4.12 recorded on May 18, 1943, and represents the highest level since Oct. 14, 1920 when it stood at \$4.17. The current figure compares with \$4.03 on the corresponding dates one and two years ago. The rise reflected advances in wheat, rye, oats, butter and potatoes, while declines were shown for flour and lambs.

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

Retail and Wholesale Trade—Consumer purchasing was stimulated by the Election Day holiday. Retail volume for the country at large, Dun & Bradstreet reports, was somewhat over that of last week and moderately above a year ago. Some consumers started to shop early for Christmas. Inventories continued low in some scattered lines; Christmas gift stocks were reported lower than in the previous two years. Stocks in hard lines improved slightly but remained far below requirements.

Demand for clothing continued high. Volume in children's clothes rose over the previous week. Men's clothing and furnishings were heavily purchased. Sales volume of men's shoes last week was above the previous week; that of women's shoes remained about even. Dress business was good. Fur volume was over the previous week; millinery volume was higher than a year ago. Lingerie departments were busy last week; stocks of pajamas and woollens were limited. Inventories of cotton, rayon, and woolen piece goods continued very low.

Hardware stocks remained limited; supplies are increasing slowly; some retail outlets received additional electric appliances. The supply of some items in the hard line, such as china, pictures, and some housewares, improved. Volume in radios, luggage, beds, and mattresses was over a year ago. Consumers placed orders for automobiles. Volume of fountain pens rose in some stores last week. Necklaces continued as best selling items in jewelry, with chokers, snake bands, and pearls as favorites.

Retail food volume last week was moderately over a year ago and slightly more than a week earlier. Poultry was very easily bought; supplies were plentiful.

The supply of other kinds of meat continued to improve but was somewhat low. Fruit was available in moderate quantities. Peas, lima beans, and string beans were items the consumer found most difficult to buy.

Retail trade for the country continued to rise last week and was estimated to be from 7 to 11% over a year ago. Regional percentage increases were: New England five to 10, East nine to 13, Middle West five to nine, Northwest four to eight, Southwest eight to 10, South 10 to 14, Pacific Coast six to 10.

Wholesale trade was maintained at a high level last week, volume was equal to the previous week's level and was slightly over a year ago. Deliveries generally have not improved. Buyers arrived in the principal markets in large numbers but found the supply of goods disappointingly small; some merchandise was reported to be scarcer than during the war.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Nov. 3, 1945, increased by 10% above the same period of last year. This compared with an increase of 12% in the preceding week. For the four weeks ended Nov. 3, 1945, sales increased by 12% and for the year to date showed an increase of 11%.

Notwithstanding continued unseasonable weather the past week, retail trade here in New York continued active. Merchants are getting their houses in order for a record Christmas trade.

The arrival of buyers in the wholesale markets established a new high mark for this time of year. The past week saw the opening of spring apparel and footwear lines. The supply of apparel continues rather tight and shoe manufacturers are still maintaining quotas.

Food volume, both wholesale and retail, rose in the week ended by holiday purchases of such specialties as nuts, canned cranberry sauce, plum puddings and similar foodstuffs.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Nov. 3, 1945, increased 13% above the same period of last year. This compared with an increase of 9% (revised figure) in the preceding week. For the four weeks ended Nov. 3, 1945, sales rose by 14% and for the year to date increased by 13%.

Mail To Far East, Etc.

Postmaster Albert Goldman made known on Nov. 5 the receipt of information from the Post Office Department at Washington, that letters not exceeding one ounce in weight and post cards, will be accepted for mailing to destinations in Brunel, Burma, French Indo-China, Hong Kong, Macao, Malaya States (Federated and non-Federated), North Borneo, Sarawak, Straits Settlements, and Thailand (Siam). The postage rates are 5 cents for letters and 3 cents for post cards to all destinations concerned. It is added:

"Air mail, registration, special delivery, money order, and parcel post services are not available at this time. There may be some delay in the delivery of mail due to inadequate steamship facilities and difficulties in the countries of destination.

"Business and financial communications are subject to the requirements of the freezing control regulations of the Treasury Department, information concerning which may be secured by prospective mailers from the nearest Federal Reserve Bank, or the Treasury Department."

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Nov. 3, 1945, as estimated by the United States Bureau of Mines, was 12,470,000 net tons, an increase of 340,000 tons, or 2.8%, over the preceding week.

Production of Pennsylvania anthracite for the week ended Nov. 3, 1945, as estimated by the Bureau of Mines, was 849,000 tons, a decrease of 402,000 tons (32.1%) from the preceding week.

The Bureau also reported that the estimated production of bee-hive coke in the United States showed an increase of 12,500 tons when compared with the output for the week ended Oct. 27, 1945; but was 35,700 tons less than for the corresponding week of 1944.

ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE

Table with columns for Week Ended (Nov. 3, 1945, Oct. 27, 1944, Nov. 4, 1944) and Jan. 1 to Date (1945, 1944). Rows include Bituminous coal & lignite, Total incl. mine fuel, and Commercial prod.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

Table with columns for Week Ended (Nov. 3, 1945, Oct. 27, 1944, Nov. 4, 1944) and Calendar Year to Date (Nov. 3, 1945, Nov. 4, 1944, Nov. 3, 1944, Nov. 4, 1944). Rows include Penn. Anthracite, Total incl. coll. fuel, Commercial prod., and Beehive coke.

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

Large table showing weekly production by state for Oct. 27, 1945, Oct. 20, 1944, and Oct. 28, 1944. Includes states like Alabama, Alaska, Arkansas, etc.

Civil Engineering Construction Totals \$45,828,000 for Week

Civil engineering construction volume in continental United States totals \$45,828,000 for a short (4 day) week. This volume is 48% below the total for the preceding week, 420% above the corresponding 1944 week's volume, and 31% below that of the previous four-week moving average.

Private construction is down 55% compared with a week ago, but is 1,580% above the week last year as a result of the increased activity in industrial and commercial buildings.

The current week's construction brings 1945 volume to \$1,869,316,000 for the 45-week period, a 20% gain over the \$1,547,954,000 reported for the period last year.

Table with columns for Nov. 8, 1945, Nov. 1, 1945, Nov. 9, 1944. Rows include Total U. S. Construction, Private Construction, Public Construction, State & Municipal, and Federal.

In the classified construction groups, unclassified construction showed the only gain over last week, largely due to the short (4 day) week. However, seven of the nine classes showed gains over last year.

New capital for construction purposes for the week totals \$4,191,000. It is made up of \$4,091,000 in state and municipal bond sales, and \$100,000 in corporate security issues.

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) and MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices). Tables with columns for U.S. Govt. Bonds, Corporate, and Corporate by Groups.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Nov. 9 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Nov. 15, and to mature Feb. 14, 1946, which were offered on Nov. 6, were opened at the Federal Reserve Bank on Nov. 9.

Total applied for \$1,939,681,000. Total accepted, \$1,315,677,000 (includes \$42,658,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price, 99.905+; equivalent rate of discount approximately 0.375% per annum. Range of accepted competitive bids:

High, 99.908, equivalent rate of discount approximately 0.364% per annum. Low, 99.905, equivalent rate of discount approximately 0.376% per annum. (64% of the amount bid for at the low price was accepted.)

Ind. Employment Shows 20th Month of Decline

Employment in 25 manufacturing industries surveyed each month by the National Industrial Conference Board recorded a decline of 2.9% in August, the Conference Board reported on Oct. 26.

The August decrease was the 20th decline in 21 months and brought the number of workers in the 25 industries 15.5% below the corresponding month last year and down to the lowest level since April, 1941, says the Conference Board, which added:

Payrolls dropped 5.1% in August, to a level 17.4% below August, 1944, and to the lowest point since July, 1942. The average work week in August this year was 1.8% shorter than in the preceding month, declining to 43.5 hours, less than in any month since September, 1942.

Total man-hours worked in the 25 manufacturing industries during August dropped 4.7% from the July figure, falling to the lowest level since July, 1941. The total was 19.5% less than in August last year and 25.9% below the peak of November, 1943.

Average hourly earnings of production and related workers continued to hold up better than other payroll statistics, the Conference Board reported, declining only 0.6% from July to August. Average weekly earnings showed a drop of 2.2% in August, sinking to the lowest level since January, 1944.

Although the peak of earnings in the 25 industries surveyed was in March this year, nine non-war industries in August recorded higher average weekly earnings than in the record month for the 25 industries combined.

The Conference Board's calculations of average "real" weekly earnings—the amount of goods and services that could be purchased with the dollar earnings—decreased only 1.9% in August, since a decline in the cost of living partially offset the drop in dollar earnings.

Finished Steel Shipments by Subsidiaries of United States Steel Corp. Again Off in October

Shipments of finished steel products by subsidiaries of the United States Steel Corp. in October amounted to 1,290,358 net tons, a decrease of 31,218 tons compared with September shipments of 1,321,576 net tons and a decrease of 484,611 tons compared with October shipments last year of 1,774,969 net tons.

For the 10 months ended Oct. 31, 1945, shipments totaled 15,678,067 net tons, against 17,639,435 tons in the same period last year.

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

Table with columns for 1945, 1944, 1943, 1942, 1941, 1940. Rows include months from January to December, Total by mos., and Yearly adjust.

Moody's Daily Commodity Index

Table with columns for Date and Index Value. Rows include Monday, Nov. 5, 1945, Tuesday, Nov. 6, Wednesday, Nov. 7, Thursday, Nov. 8, Friday, Nov. 9, Saturday, Nov. 10, Monday, Nov. 12, Tuesday, Nov. 13, Two weeks ago, Oct. 30, Month ago, Oct. 13, Year ago, Nov. 13, 1944, 1944 High, Dec. 31, Low, Nov. 1, 1945 High, Nov. 9, Low, Jan. 24, 1945.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Nov. 7 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 Oct. 20, 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 Oct. 20 (in round-lot transactions) totaled 2,693,929 shares, which amount was 13.01% of the total transactions on the Exchange of 10,353,030 shares. This compares with member trading during the week ended Oct. 13 of 1,945,192 shares, or 13.49% of the total trading of 7,209,700 shares. On the New York Curb Exchange, member trading during the week ended Oct. 20 amounted to 1,319,510 shares or 14.36% of the total volume on that Exchange of 4,595,405 shares. During the week ended Oct. 13 trading for the account of Curb members of 730,095 shares was 14.61% of the total trading of 2,498,530 shares.

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

WEEK ENDED OCT. 20, 1945		
A. Total Round-Lot Sales:	Total for week	1%
Short sales	265,450	
Other sales	10,087,580	
Total sales	10,353,030	
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	769,050	
Short sales	149,290	
Other sales	625,700	
Total sales	774,990	7.46
2. Other transactions initiated on the floor—		
Total purchases	230,860	
Short sales	22,250	
Other sales	248,440	
Total sales	270,690	2.42
3. Other transactions initiated off the floor—		
Total purchases	282,036	
Short sales	49,050	
Other sales	317,253	
Total sales	366,303	3.13
4. Total—	1,281,946	13.01
Total purchases	220,550	
Short sales	1,191,393	
Other sales	1,411,983	

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

WEEK ENDED OCT. 20, 1945		
A. Total Round-Lot Sales:	Total for week	1%
Short sales	104,595	
Other sales	4,490,810	
Total sales	4,595,405	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	303,970	
Short sales	23,650	
Other sales	259,535	
Total sales	283,135	6.39
2. Other transactions initiated on the floor—		
Total purchases	92,275	
Short sales	12,800	
Other sales	162,130	
Total sales	174,930	2.91
3. Other transactions initiated off the floor—		
Total purchases	98,490	
Short sales	56,650	
Other sales	310,010	
Total sales	366,660	5.06
4. Total—	494,735	14.36
Total purchases	93,100	
Short sales	731,675	
Other sales	824,775	
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
Customers' other sales	131,422	
Total purchases	131,422	
Total sales	144,303	

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

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

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

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

Wholesale Prices Rose 0.2% in Week Ended Nov. 3, 1945 Labor Dept. Reports

The index of commodity prices in primary markets prepared by the Bureau of Labor Statistics of the United States Department of Labor rose 0.2% during the week ended November 3, 1945 largely because of further advances for agricultural commodities. The Bureau's index is at the highest level since June, 105.9% of the 1926 average, 0.7% higher than a month ago and 1.8% above the first week in November 1944, said the advices from the Labor Department on Nov. 8, which added:

"Farm Products and Foods—Average market prices for farm products rose 1.1% during the week, continuing the general advance of recent weeks. Prices of most grains increased reflecting government purchasing and shortages resulting from transportation difficulties, as well as seasonal movements. Quotations for apples in New York were higher as the result of the poor crop and allowance of an additional storage charge. Sweetpotato prices advanced because of reduced marketings in anticipation of a ceiling increase while lemons, oranges and onions declined seasonally. Eggs rose seasonally. Quotations for cotton were fractionally higher. Quotations for steers declined with large supplies and lambs were lower,

while live poultry, calves and cows were higher. On the average farm products were 2.7% above the first week in October 1945 and 4.1% above last year.

"The group index for foods increased 0.6% during the week because of the increase for fresh fruits and vegetables and eggs and higher prices for butter, reflecting the first effects of the ceiling increases resulting from removal of the rollback subsidy. Wheat and rye flour also were higher. Prices of dried apricots and peaches declined with reduced Army demand. During the last four weeks average prices of foods have increased 1.2% to a level 2.1% above last year.

"Other Commodities—Prices of most industrial commodities were unchanged during the week. Upward adjustment of OPA ceilings under the Bankhead Amendment to the Stabilization Extension Act of 1944 were reflected in higher prices for flannel, towelling, cotton blankets and cotton rope. Prices of hollow tile advanced as the result of earlier increases in OPA ceilings designed to encourage production. Some refinery prices of Pennsylvania fuel oil and gasoline were reduced below ceiling. The index of all commodities other than farm products and foods was unchanged at the level of the previous week, 0.1% above the first week in October and 1.3% above last year."

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

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

The following tables show (1) indexes for the past three weeks, for October 6, 1945 and November 4, 1944, and (2) percent changes in sub-group indexes from October 27, 1945 to November 3, 1945:

WHOLESALE PRICES FOR WEEK ENDED NOVEMBER 3, 1945 (1926=100)

Commodity Groups—	1945				1944				Percentage changes to Nov. 3, 1945 from—			
	11-3	10-27	10-20	10-6	11-4	10-27	10-6	11-4	10-27	10-6	11-4	10-27
All commodities	105.9	105.7	105.5	105.2	104.0	+0.2	+0.7	+1.8				
Farm products	129.1	127.7	126.9	125.7	124.0	+1.1	+2.7	+4.1				
Foods	106.6	106.0	105.8	105.3	104.4	+0.6	+1.2	+2.1				
Hides and leather products	119.1	119.1	119.1	118.4	116.7	0	+0.6	+2.1				
Textile products	100.0	99.9	99.9	99.9	98.9	+0.1	+0.1	+1.1				
Fuel and lighting materials	84.5	84.7	84.5	84.5	83.5	-0.2	0	+1.2				
Metals and metal products	105.2	105.2	105.1	104.8	103.8	0	+0.4	+1.3				
Building materials	118.2	118.1	118.1	117.9	116.4	+0.1	+0.3	+1.5				
Chemicals and allied products	95.5	95.5	95.5	95.3	94.7	0	+0.2	+0.8				
Housefurnishing goods	108.4	106.3	106.3	106.3	106.1	+0.1	+0.1	+0.3				
Miscellaneous commodities	94.6	94.6	94.6	94.6	93.4	0	0	+1.3				
Raw materials	118.2	117.4	116.9	116.3	114.0	+0.7	+1.6	+3.7				
Semimanufactured articles	96.7	96.7	96.6	95.9	94.7	0	+0.8	+2.1				
Manufactured products	101.9	101.9	101.9	101.8	101.1	0	+0.1	+0.8				
All commodities other than farm products	100.8	100.8	100.8	100.7	99.6	0	+0.1	+1.2				
All commodities other than farm products and foods	100.1	100.1	100.1	100.0	98.8	0	+0.1	+1.3				

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM OCTOBER 27, 1945 TO NOVEMBER 3, 1945

Increases			
Fruits and vegetables	2.1	Cotton goods	0.5
Other farm products	1.3	Dairy products	0.5
Livestock and poultry	1.1	Grains	0.5
Brick and tile	0.9	Furnishings	0.2
Other foods	0.6	Other textile products	0.1
Decrease			
Petroleum and petroleum products	0.8		

National Fertilizer Association Commodity Price Index Rises to Previous Peak

The weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on Nov. 5, advanced fractionally for the week ending Nov. 3, 1945, from 141.5 in the preceding week to its previous high peak of 141.7. This high point was previously reached three different times; the first time was June 16, 1945; the second time, Aug. 4; and the third time, Aug. 18. After a rapid drop for three consecutive weeks, the index rose steadily and has again reached that same high level. A month ago the index stood at 140.1, and a year ago at 139.3, all based on the 1935-1939 average as 100. The Association's report continued as follows:

Three of the composite groups of the index advanced; no changes were registered in the remaining groups. The farm products group advanced to a new high peak, with the cotton and livestock sub-groups also advancing to new highs. The grains subgroup advanced fractionally, with slight gains being registered in most grains. The foods group advanced slightly, with the new increase in butter prices more than offsetting a decline in the price of flour. The textiles index advanced fractionally to a new high point. There was a small rise in the pig iron prices but it was not sufficient to change the metals index.

During the week 7 price series in the index advanced and 4 declined; in the preceding week 12 advanced and 2 declined; in the second preceding week 9 advanced and 3 declined.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

% Each Group Bears to the Total Index	Group	1935-1939=100*			
		Latest Week	Preceding Week	Month Ago	Year Ago
25.3	Food	144.6	144.4	141.0	143.9
	Fats and Oils	146.6	145.2	145.2	145.1
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	172.0	171.6	166.3	163.4
	Cotton	224.2	222.4	216.8	202.3
	Grains	165.8	165.2	164.8	158.8
	Livestock	166.1	166.0	158.9	159.0
17.3	Fuels	129.9	129.9	129.7	130.4
10.8	Miscellaneous Commodities	132.8	132.8	132.8	133.4
8.2	Textiles	160.1	159.9	159.0	154.9
7.1	Metals	109.8	109.8	109.6	104.0
6.1	Building Materials	154.7	154.7	154.7	154.1
1.3	Chemicals and Drugs	126.2	126.2	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	105.0	105.0	104.9	104.7
100.0	All groups combined	141.7	141.5	140.1	139.3

*Indexes on 1926-1928 bases were: Nov. 3, 1945, 110.4; Oct. 27, 1945, 110.2, and Nov. 4, 1944, 108.5.

Nat'l Banks Earnings Up In First Half of 1945

Net operating earnings of \$266,824,000 were reported by the National banks in the United States States and possessions for the six months ended June 30, 1945, an increase of \$37,233,000 over the first half of 1944, it was announced on Oct. 31 by Comptroller of the Currency Preston Delano, who stated that:

"Adding to the net operating earnings profits on securities sold of \$76,502,000 and recoveries on loans and investments, etc., previously charged off of \$45,626,000, and deducting therefrom losses and charge-offs of \$54,221,000 and taxes on net income of \$85,463,000, the net profits before dividends for the six months ended June 30, 1945, amounted to \$249,268,000, which at an annual rate amounts to 11.15% of capital funds. This figure of net profits before dividends was \$41,486,000 more than the amount reported for the six months ended June 30, 1944."

Comptroller Delano also said: "The principal items of operating earnings in the first half of 1945 were \$359,039,000 from interest and dividends on securities, an increase of \$58,984,000 over the corresponding period in 1944, and \$181,342,000 from the interest and discount on loans, an increase of \$3,686,000. The principal operating expenses were \$174,055,000 for salaries and wages of officers and employees and fees paid to directors, an increase of \$11,178,000 over 1944, and \$59,057,000 expended in the form of interest on time and savings deposits, an increase of \$12,896,000. Gross earnings of \$652,449,000 were reported for this six-month period. This represents an increase of \$70,175,000 over the gross earnings for the first six months of 1944. Operating expenses were \$385,625,000 as against \$352,683,000 for the first half of 1944."

"Cash dividends declared on common and preferred stock totaled \$73,371,000 in comparison with \$68,983,000 in the first half of 1944. The annual rate of cash dividends was 3.28% of capital funds.

"On June 30, 1945, there were 5,021 National banks in operation, as compared to 5,042 in 1944."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 7 a summary for the week ended Oct. 27 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. 27, 1945		Total
Odd-Lot Sales by Dealers— (Customers' purchases)		For Week
Number of orders		29,710
Number of shares		864,518
Dollar value		\$36,602,256
Odd-Lot Purchases by Dealers— (Customers' sales)		
Number of Orders:		
Customers' short sales		142
Customers' other sales		24,994
Customers' total sales		25,136
Number of Shares:		
Customers' short sales		4,664
Customers' other sales		685,660
Customers' total sales		690,324
Dollar value		\$28,759,050
Round-Lot Sales by Dealers—		
Number of Shares:		
Short sales		160
Other sales		137,160
Total sales		137,320
Round-Lot Purchases by Dealers—		
Number of shares		305,030
*Sales marked "short exempt" are reported with "other sales."		
†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."		

Daily Average Crude Oil Production for Week Ended Nov. 3, 1945 Increased 45,350 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 3, 1945 was 4,318,350 barrels, a gain of 45,350 barrels over the preceding week. This was the fourth consecutive week for which an increase was reported. It was, however, 401,550 barrels per day less than the output in the corresponding week of 1944, and was 146,050 barrels below the daily average figure of 4,464,400 barrels recommended by the Petroleum Administration for War for the month of October, 1945. Daily output for the four weeks ended Nov. 3, 1945 averaged 4,152,200 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,807,000 barrels of crude oil daily and produced 15,234,000 barrels of gasoline; 1,622,000 barrels of kerosine; 4,986,000 barrels of distillate fuel, and 8,922,000 barrels of residual fuel oil during the week ended Nov. 3, 1945; and had in storage at the end of that week 50,563,000 barrels of civilian grade gasoline; 25,858,000 barrels of military and other gasoline; 12,705,000 barrels of kerosine; 44,487,000 barrels of distillate fuel, and 46,128,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations Oct. 1 1945	*State Allowables Begin. Oct. 1 1945	Actual Production Week Ended Nov. 3, 1945	Change from Previous Week	4 Weeks Ended Nov. 3, 1945	Week Ended Nov. 4, 1944
Oklahoma	380,000	383,000	362,800	- 4,700	362,600	360,000
Kansas	274,000	254,400	224,850	-23,100	262,850	260,250
Nebraska	1,000		1,800		800	950
Panhandle Texas			85,000	- 3,000	87,250	96,150
North Texas			139,800	+ 5,500	131,250	150,200
West Texas			422,450	+26,450	378,250	482,050
East Central Texas			122,200	+ 4,500	110,750	146,700
East Texas			308,000	+ 6,000	281,750	369,400
Southwest Texas			282,800	+13,000	259,650	341,600
Coastal Texas			429,750	+25,850	384,200	546,700
Total Texas	1,868,000	1,794,923	1,790,000	+ 78,300	1,633,100	2,132,800
North Louisiana			73,450	+ 5,450	70,900	73,300
Coastal Louisiana			288,700	+ 3,700	285,900	290,650
Total Louisiana	350,000	393,000	362,150	+ 9,150	356,800	363,950
Arkansas	75,000	78,642	75,050	- 200	75,300	80,500
Mississippi	47,000		53,850	+ 1,400	52,300	49,300
Alabama	500		150	+ 50	150	200
Florida			150		150	50
Illinois	200,000		205,700	- 5,950	194,800	204,000
Indiana	13,000		13,650	- 200	12,950	13,300
Eastern— (Not incl. Ill., Ind., Ky.)	66,200		66,300	+ 3,450	63,600	68,050
Kentucky	28,000		29,500	- 400	27,350	30,850
Michigan	47,000		46,100	+ 1,850	44,400	46,550
Wyoming	93,200		96,350	- 5,550	99,650	98,450
Montana	23,500		19,500	- 800	20,100	21,050
Colorado	12,000		20,750	+ 1,650	18,750	9,250
New Mexico	100,000	100,000	94,200	- 5,700	98,450	104,900
Total East of Calif.	3,578,400		3,478,850	+49,250	3,324,100	3,844,400
California	886,000	886,000	839,500	- 3,900	828,100	875,500
Total United States	4,464,400		4,318,350	+45,350	4,152,200	4,719,900

*PAW recommendations and State allowables, as shown above, represent 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. 31, 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 from 5 to 17 days, the entire state was ordered shut down for 10 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 10 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 NOV. 3, 1945

(Figures in thousands of barrels of 42 gallons each)

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

District—	% Daily Crude Runs			Production of		Stocks of		Gasoline Stocks	
	Refining to Stills	Capac. Daily	Re-Aver. % Operating	Gasoline	Distillate	Gasoline	Distillate	Mill. Gallons	Other Grades
East Coast	99.5	817	105.3	1,925	14,903	7,079	4,865	10,638	
Appalachian									
District No. 1	76.8	101	69.2	326	629	200	872	1,479	
District No. 2	81.2	58	116.0	156	133	207	170	443	
Ind., Ill., Ky.	87.2	801	93.5	3,029	6,320	3,452	3,984	11,874	
Okla., Kan., Mo.	78.3	362	77.2	1,415	2,840	1,163	1,402	5,621	
Inland Texas	59.8	235	71.2	1,002	490	1,032	992	1,704	
Texas Gulf Coast	89.3	1,146	92.6	3,815	6,094	5,482	5,758	7,854	
Louisiana Gulf Coast	96.8	292	112.3	768	2,127	1,328	735	2,465	
No. La. & Arkansas	55.9	64	50.8	206	490	334	50	1,638	
Rocky Mountain									
District No. 3	17.1	12	92.3	34	20	33	15	87	
District No. 4	72.1	123	77.4	380	489	741	401	1,003	
California	86.5	796	82.3	2,178	9,952	25,077	6,614	5,757	
Total U. S. B. of M. basis Nov. 3, 1945	85.7	4,807	88.9	15,234	44,487	46,128	*25,858	50,563	
Total U. S. B. of M. basis Oct. 27, 1945	85.7	4,838	89.5	15,530	43,472	45,943	26,733	47,602	
U. S. B. of M. basis Nov. 4, 1944		4,602		14,271	47,329	63,526	39,091	38,963	

*Includes aviation and military gasoline, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending stocks currently indeterminate as to ultimate use, and 8,782,000 barrels unfinished gasoline this week, compared with 12,367,000 barrels a year ago. These figures do not include any gasoline on which title has already passed, or which the military forces may actually have in custody in their own or leased storage. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,622,000 barrels of kerosine, 4,986,000 barrels of gas oil and distillate fuel oil and 8,922,000 barrels of residual fuel oil produced during the week ended Nov. 3, 1945, which compares with 1,699,000 barrels, 5,159,000 barrels and 8,691,000 barrels, respectively in the preceding week and 1,419,000 barrels, 4,558,000 barrels and 8,760,000 barrels, respectively, in the week ended Nov. 4, 1944.

Note—Stocks of kerosine at Nov. 3, 1945 amounted to 12,705,000 barrels, as against 13,503,000 barrels a week earlier and 14,531,000 barrels a year before.

Electric Output for Week Ended Nov. 3, 1945 10.5% 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 Nov. 3, 1945, was approximately 3,899,293,000 kwh., which compares with 4,354,939,000 kwh. in the corresponding week a year ago, and 3,937,420,000 kwh. in the week ended Oct. 27, 1945. The output for the week ended Nov. 3, 1945 was 10.5% below that of the same week in 1944.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Major Geographical Divisions—	Nov. 3	Oct. 27	Oct. 20	Oct. 13
New England	4.9	2.1	5.3	7.4
Middle Atlantic	4.2	3.4	4.7	4.7
Central Industrial	11.8	12.2	12.8	12.8
West Central	1.0	0.9	1.6	1.2
Southern States	16.3	16.6	15.3	12.9
Rocky Mountain	0.6	0.3	0.6	0.9
Pacific Coast	12.1	7.9	6.8	7.2
Total United States	10.5	9.7	9.9	9.6

*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	1,711,625
July 14	4,295,254	4,377,152	- 1.9	4,184,143	1,433,903	1,727,225
July 21	4,384,547	4,380,930	+ 0.1	4,196,357	1,440,366	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	4,394,839	- 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	3,937,420	4,358,293	- 9.7	4,452,592	1,525,410	1,815,749
Nov. 3	3,899,293	4,354,939	-10.5	4,413,863	1,520,730	1,798,164
Nov. 10		4,396,595		4,482,665	1,531,584	1,793,584
Nov. 17		4,450,047		4,513,299	1,475,268	1,818,169
Nov. 24		4,368,519		4,403,322	1,510,337	1,718,027
Dec. 1		4,524,257		4,560,158	1,518,922	1,806,225

Non-Ferrous Metals - Call for Copper Steady - Lead Demand Good - Zinc Shipments Larger

"E. & M. J. Metal and Mineral Markets," in its issue of Nov. 3, stated:

"Consumers were interested last week in obtaining additional tonnages of copper for November delivery, and most observers feel that substantial tonnages of foreign metal will be needed here for some time to come to take care of domestic requirements. Lead business was active, with some consumers less inclined to pay close attention to the limitations on use that remain in force. There was some disappointment over the size of the gain in stocks of zinc recorded for October. Antimony and cadmium are in strong demand and tight. Quicksilver passed through another quiet period, yet prices were maintained in all directions." The publication further went on to say in part as follows:

Copper

The domestic situation in copper is viewed as favorable, with consumption continuing well in excess of current domestic production. Though the Government's position in regard to imports has not yet been clarified, the industry believes that foreign metal will remain a factor in this market for some time to come. During the last week additional requests came through for November copper from the wire and cable industry.

Exports of refined copper (ingots, bars, etc.) in the first seven months of 1945 totaled 28,167 tons, the Bureau of the Census reports. Of this quantity 2,890 tons was shipped to Mexico; 3,802 tons to Brazil; 3,646 tons to France; 16,650 tons to Great Britain; 123 tons to Russia; 561 tons to Sweden; and 495 to other countries.

Production of bar copper in Chile during August totaled 46,862 tons, against 42,320 tons in July, the American Bureau of Metal Statistics reports. Production in the first eight months of 1945 totaled 351,867 tons.

Lead

Demand for lead continues at a high level and consumers undoubtedly would accumulate metal if they were permitted to do so. Domestic production of refined lead during November and December is expected to increase somewhat. The stockpile of lead totals around 90,000 tons, against 96,000 tons a month ago.

Sales of lead during the last week involved 10,877 tons.

Total stocks of lead at United States smelters and refineries at the beginning of October amounted to 156,787 tons, against 153,486 tons a month previous, the American Bureau of Metal Statistics reports.

Primary production of unrefined lead in all forms in Canada in August amounted to 23,127,996 pounds, which compares with 25,401,404 pounds in July and 18,401,675 pounds in August last year. Production in the first eight months of 1945 totaled 217,908,742 pounds, which compares with 195,952,953 pounds in the January-August period of 1944, the Dominion Bureau of Statistics reports.

Production of refined lead in Canada during August amounted to 25,424,000 pounds, against 24,900,000 pounds in July, and 23,127,603 pounds in August last year. Production in the January-August period this year totaled 202,670,000 pounds, against 193,732,653 pounds in the same time last year.

Zinc

Buying of zinc was on the quiet side during the last week. Until automobile production increases, which will bring out a more active market in Special High Grade for die-casting, the industry looks for Prime Western to hold the center of interest. Brass makers are concerned with rising costs and price ceilings that threaten to disrupt operations.

Shipments of slab zinc during October increased about as expected, totaling 53,225 tons, which compares with 41,881 tons (corrected) in September, the American Zinc Institute reports. Production also increased, and members of the industry who had been counting on only a small increase in stocks were disappointed. The stocks at the end of October stood at 243,664 tons, against 233,275 tons a month previous and a low

for this year of 163,539 tons at the end of April.

Imports of zinc in all forms in the first seven months of 1945 contained 270,544 tons of metal, official statistics indicate. Of the total tonnage imported in the January-August period of the current year 217,255 tons was contained in ore and concentrates, 49,605 tons was brought into the country as metal, and 3,684 tons consisted of zinc contained in old zinc dross and skimmings.

Tin

Though most reports coming out of the tin-producing areas of the Far East on supplies actually available remain rather vague, consumers here feel that sufficient metal will be found to relieve the situation early next year. The British now report that about 4,000 tons of tin have been found in Siam and that some mines are operating in that area at present.

The price of "Grade A" or Straits quality tin in the United States market continues at 52¢ per pound. Forward quotations follow:

	Nov.	Dec.	Jan.
Nov. 1	52.000	52.000	52.000
Nov. 2	52.000	52.000	52.000
Nov. 3	52.000	52.000	52.000
Nov. 5	52.000	52.000	52.000
Nov. 6			
Nov. 7	52.000	52.000	52.000

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

Quicksilver

Traders were interested in figures showing that the stockpile of quicksilver amounts to 99,638 flasks, of which 83,638 flasks are stored in this country and 16,000 in Spain. The statistics were presented at hearings in Washington by Senator McCarran, who is backing legislation to remove the threat of dumping of surplus strategic metals on this market. He said that at one time the stockpile of quicksilver amounted to 110,000 flasks, but it has been reduced through sales to Great Britain of part of the stocks stored in Spain.

The market here was quiet last week, but with no pressure to sell the quotations continued at \$106 to \$109 per flask, the price varying according to quantity.

Silver

Production of refined silver in the United States in September amounted to 4,803,000 ounces, of which 2,300,000 ounces was of domestic origin and 2,503,000 ounces foreign, the American Bureau of Metal Statistics reports.

There were no price developments in silver during the last week. The New York Official for foreign silver continued at 70 3/4¢ an ounce, with domestic at 70 1/2¢. London held at 44d.

Gift Check Issued By Manufacturers Trust

The issue of a new type of check, the Gift Check, of which the first series will be put

Revenue Freight Car Loadings During the Week Ended Nov. 3, 1945 Decreased 2,817 Cars

Loading of revenue freight for the week ended Nov. 3, 1945, totaled 851,962 cars, the Association of American Railroads announced on Nov. 8. This was a decrease below the corresponding week of 1944 of 41,107 cars, or 4.6%, but an increase above the same week in 1943 of 97,223 cars or 12.9%.

Loading of revenue freight for the week of Nov. 3 decreased 2,817 cars, or 0.3% below the preceding week.

Miscellaneous freight loading totaled 368,852 cars an increase of 757 cars above the preceding week, but a decrease of 43,119 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 116,229 cars, a decrease of 295 cars below the preceding week but an increase of 7,187 cars above the corresponding week in 1944.

Coal loading amounted to 180,684 cars a decrease of 2,121 cars below the preceding week, but an increase of 10,059 cars above the corresponding week in 1944.

Grain and grain products loading totaled 59,070 cars an increase of 1,586 cars above the preceding week and an increase of 4,464 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Nov. 3 totaled 37,374 cars, a decrease of 235 cars below the preceding week but an increase of 2,728 cars above the corresponding week in 1944.

Livestock loading amounted to 27,830 cars a decrease of 175 cars below the preceding week but an increase of 2,543 cars above the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of Nov. 3 totaled 23,049 cars, a decrease of 22 cars below the preceding week, but an increase of 2,973 cars above the corresponding week in 1944.

Forest products loading totaled 36,008 cars an increase of 1,366 cars above the preceding week but a decrease of 7,944 cars below the corresponding week in 1944.

Ore loading amounted to 51,599 cars a decrease of 7,012 cars below the preceding week and a decrease of 11,650 cars below the corresponding week in 1944.

Coke loading amounted to 11,690 cars an increase of 3,077 cars above the preceding week, but a decrease of 2,647 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944 except the Pocahontas and Southern but all reported increases compared with 1943 except the Northwestern and Southwestern.

	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
4 Weeks of October	3,150,712	3,598,245	3,607,851
Week of November 3	851,962	893,069	754,739
Total	35,999,788	37,237,379	36,160,455

The following table is a summary of the freight loadings for the separate railroads and systems for the week ended Nov. 3, 1945. During this period 60 roads reported gains over the week ended Nov. 4, 1944.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED NOV. 3

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	383	428	309	1,455	1,539
Bangor & Aroostook	1,881	2,006	2,547	308	575
Boston & Maine	6,992	6,939	6,810	13,219	15,075
Chicago, Indianapolis & Louisville	1,340	1,322	1,021	1,984	2,079
Central Indiana	43	33	35	44	47
Central Vermont	1,127	1,100	1,115	2,464	2,399
Delaware & Hudson	4,224	4,875	3,330	10,786	12,704
Delaware, Lackawanna & Western	6,935	7,651	5,932	9,065	10,988
Detroit & Mackinac	460	411	317	156	124
Detroit, Toledo & Ironton	1,914	2,082	1,777	1,159	1,264
Detroit & Toledo Shore Line	396	383	313	2,463	2,721
Erie	11,562	13,820	12,157	14,798	17,374
Grand Trunk Western	4,093	3,935	3,969	8,094	8,381
Lehigh & Hudson River	190	184	238	2,203	2,449
Lehigh & New England	1,609	1,921	734	1,809	1,737
Lehigh Valley	7,944	8,249	5,980	8,415	13,754
Maine Central	2,637	2,407	2,358	5,515	4,038
Monongahela	6,488	5,743	2,079	274	290
Montour	48,228	51,572	49,227	49,643	55,506
New York Central Lines	10,463	9,770	9,925	13,832	17,487
N. Y., N. H. & Hartford	854	1,131	935	2,120	2,962
New York, Ontario & Western	6,591	6,753	6,985	13,728	16,015
N. Y., Susquehanna & Western	367	465	628	1,692	2,566
Pittsburgh & Lake Erie	7,008	8,214	6,822	7,209	7,798
Pittsburgh & West Virginia	5,519	5,838	5,304	6,332	7,752
Pittsburgh & Shawmut	764	735	378	43	18
Pittsburgh, Shawmut & North	194	255	249	219	226
Pittsburgh & West Virginia	1,131	1,076	697	2,432	2,864
Rutland	417	376	400	1,085	1,404
Wabash	7,104	6,963	6,206	11,392	12,616
Wheeling & Lake Erie	5,581	5,809	4,231	3,748	4,340
Total	157,396	164,416	143,543	195,702	229,175
Allegheny District—					
Akron, Canton & Youngstown	634	685	760	1,041	1,200
Baltimore & Ohio	43,989	46,814	32,992	24,766	29,273
Bessemer & Lake Erie	4,674	5,212	5,597	1,990	1,679
Buffalo Creek & Gauley			275		
Cambria & Indiana	1,498	1,445	6	9	7
Central R. R. of New Jersey	6,037	6,477	5,871	15,646	19,935
Cornwall	518	527	693	59	40
Cumberland & Pennsylvania	242	167	50	14	11
Ligonier Valley	53	120	77	8	37
Long Island	1,706	1,743	1,235	3,962	4,852
Penn-Reading Seashore Lines	1,839	1,821	2,024	1,636	2,413
Pennsylvania System	81,295	85,484	68,942	61,393	65,985
Pennsylvania Seashore	12,950	15,346	10,788	25,261	29,510
Reading Co.	15,285	19,536	18,711	5,339	5,647
Union (Pittsburgh)	4,153	3,918	2,656	10,669	12,894
Western Maryland					
Total	174,873	189,295	150,737	151,793	173,483
Pocahontas District—					
Chesapeake & Ohio	21,416	23,733	9,864	14,315	14,751
Norfolk & Western	22,950	21,307	7,732	6,454	8,534
Virginian	5,060	4,385	1,177	1,764	2,660
Total	59,426	55,425	18,773	25,533	25,945

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	431	343	320	198	487
Atl. & W. P.—W. R. R. of Ala.	831	767	608	2,129	2,899
Atlanta, Birmingham & Coast	730	839	781	1,230	1,502
Atlantic Coast Line	12,651	11,452	12,522	8,835	10,689
Central of Georgia	4,403	3,785	4,053	4,494	4,468
Charleston & Western Carolina	461	420	383	1,398	1,790
Clinchfield	1,808	1,687	1,316	2,586	3,171
Columbus & Greenville	446	331	273	250	294
Durham & Southern	117	173	114	628	762
Florida East Coast	1,830	1,559	1,990	1,189	1,380
Gainesville Midland	81	61	53	144	102
Georgia	1,287	1,294	1,247	2,137	2,483
Georgia & Florida	386	408	470	783	670
Gulf, Mobile & Ohio	5,046	5,007	3,738	4,541	4,421
Illinois Central System	28,692	31,561	23,670	15,631	19,230
Louisville & Nashville	26,911	26,225	13,806	10,050	11,826
Macon, Dublin & Savannah	242	225	180	883	710
Mississippi Central	291	435	269	420	476
Nashville, Chattanooga & St. L.	3,414	3,739	3,100	4,151	4,791
Norfolk Southern	1,244	993	1,157	1,678	2,072
Piedmont Northern	438	471	377	1,500	1,429
Richmond, Fred. & Potomac	435	429	457	8,514	9,587
Seaboard Air Line	10,815	9,911	11,260	8,119	8,997
Southern System	26,427	25,380	20,951	23,245	26,795
Tennessee Central	560	781	491	883	1,001
Winston-Salem Southbound	156	166	154	938	1,155
Total	130,123	128,516	103,740	106,539	123,183
Northwestern District—					
Chicago & North Western	20,472	19,783	20,908	14,675	14,653
Chicago Great Western	2,747	3,205	2,920	3,507	3,611
Chicago, Milw., St. P. & Pac.	22,672	22,975	20,958	10,527	10,922
Chicago, St. Paul, Minn. & Omaha	3,909	3,376	3,668	4,810	4,197
Duluth, Missabe & Iron Range	18,713	24,520	29,977	238	235
Duluth, South Shore & Atlantic	6,952	9,203	8,590	475	617
Elgin, Joliet & Eastern	430	407	465	8,530	11,408
Ft. Dodge, Des Moines & South	20,124	20,246	20,966	6,313	7,611
Great Northern	540	536	516	813	949
Green Bay & Western	2,018	1,931	1,051	66	54
Lake Superior & Ishpeming	2,469	2,308	1,961	2,986	2,931
Minneapolis & St. Louis	8,065	6,960	7,366	3,521	3,174
Minn., St. Paul & S. S. M.	12,719	12,489	12,630	4,944	6,786
Northern Pacific	155	163	103	413	599
Spokane International	2,069	2,670	2,326	2,514	3,339
Total	124,945	131,486	134,357	64,478	71,164
Central Western District—					
Ach., Top. & Santa Fe System	25,622	27,170	24,379	11,773	16,081
Alton	3,542	3,820	3,282	3,314	4,063
Bingham & Garfield	363	424	535	39	57
Chicago, Burlington & Quincy	23,123	23,149	17,928	12,765	16,397
Chicago & Illinois Midland	3,534	3,055	989	789	949
Chicago, Rock Island & Pacific	14,019	13,135	13,217	13,056	14,345
Chicago & Eastern Illinois	2,826	3,116	2,345	3,032	5,205
Colorado & Southern	1,288	1,347	1,183	2,107	3,198
Denver & Rio Grande Western	4,656	5,239	4,242	5,304	7,536
Denver & Salt Lake	790	628	271	35	22
Fort Worth & Denver City	1,155	1,057	1,292	1,858	2,458
Illinois Terminal	1,890	2,329	1,745	1,831	2,233
Missouri-Illinois	1,422	1,307	1,218	566	712
Nevada Northern	1,248	1,289	2,082	166	69
North Western Pacific	782	746	872	720	917
Peoria & Pekin Union	5	17	4	0	0
Southern Pacific (Pacific)	28,297	30,833	31,144	11,082	15,098
Toledo, Peoria & Western	0	403	444	0	2,044
Union Pacific System	21,828	23,301	20,357	15,802	19,517
Utah	859	486	202	5	6
Western Pacific	2,169	2,230	2,241	4,039	5,549
Total	139,217	145,061	129,975	88,283	116,456
Southwestern District—					
Burlington-Rock Island	353	641	282	385	554
Gulf Coast Lines	4,035	5,978	7,222	2,120	2,435
International-Great Northern	2,044	2,605	2,154	3,494	3,569
Kansas, Oklahoma & Gulf			244		
Kansas City Southern	2,710	5,443	4,791	2,722	3,252
Louisiana & Arkansas	2,290	3,764	3,380	2,293	2,555
Litchfield & Madison	343	330	282	1,254	1,336
Midland Valley	1,269	1,039	430	1,536	1,594
Missouri & Arkansas	189	220	211	320	515
Missouri-Kansas-Texas Lines	5,744	7,071	6,106	4,204	5,701
Missouri Pacific	18,288	18,873	16,732	15,269	20,001
Quanaah Acme & Pacific	160	86	100	155	404
St. Louis-San Francisco	10,465	10,290	8,340	7,909	9,766
Texas & Southwestern	3,434	4,135	3,345	4,	

Items About Banks, Trust Companies

The National City Bank of New York has received a cable from Shanghai advising the arrival of three members of its official staff: J. T. S. Reed, Carter S. Ransom and Leo W. Chamberlain. These officers will proceed with arrangements for the reopening of the National City branch. Records are intact and it is hoped the branch will be able to resume business within the next 30 to 60 days.

Franklin H. Gates, retired Vice-President of the Chase National Bank of New York, died on Nov. 8 at the age of 57. He joined the staff of the Chase in 1920 as Assistant Cashier, was made Vice-President in 1926, and retired four years later.

In order to help promote world trade with India and to maintain close contacts with its correspondent banks in that country, The Chase National Bank of New York has appointed Walter J. Bossert as its official representative in India with an office in Bombay.

At the regular meeting of the Board of Directors of City Bank Farmers Trust Company of New York held on Nov. 7, Philip A. Miller, formerly Trust Officer, was appointed a Vice-President; G. Warfield Hobbs III, formerly Assistant Vice-President, was appointed Vice-President; Marc A. Rieffel and Sanford L. Smith, formerly Assistant Trust Officers, were appointed Trust Officers; and Paul J. Connelly, James E. Robertson and Eldred W. Schumann were appointed Assistant Secretaries.

John E. Bierwirth, President, The New York Trust Company, announced today, the promotion of John T. Degnan from Assistant Treasurer to Assistant Vice-President.

Well known in the commercial banking field, Mr. Degnan has held several positions since joining the company in 1920. Prior to his appointment to Assistant Treasurer in 1941, he was manager of the credit department and he will continue to be associated with the banking division as a loaning and credit officer.

Mr. Bierwirth also announced the appointment of Harry A. Brennan as Assistant Treasurer in the banking division and Carl H. Bruns as Assistant Trust Officer.

Elliott V. Bell, New York State Superintendent of Banks, announced on Nov. 3 the payment of a sixth and final dividend of 2.2% or \$79,963.62 to the shareholders of Irish American Savings and Loan Association of Buffalo, N. Y. This payment follows the signing of an order by Justice George H. Rowe of the Supreme Court, Erie County, on Nov. 2, approving the final accounts of the Superintendent as Liquidator of the Association. With this payment the shareholders will have received a total of \$2,445,924.75, representing 67.2% of their claims. Checks for the final dividend are being mailed to approximately 6,000 shareholders. The creditors and preferred shareholders of the institution have heretofore been paid 100% of their claims, aggregating \$636,320.54.

Thomas V. Kennedy, formerly Executive Vice-President of The Bank of Westchester, N. Y., has been elected to the Vice-Presidency of the National Bronx Bank of New York. Mr. Kennedy has also been connected with the

Todd Shipyard Corporation, serving as assistant to the President and more recently acted as the corporation's representative in Washington and Rio de Janeiro.

Charles F. Auferdhar has recently been elected Assistant Vice-President of the Savings Bank and Trust Co. of New York. He first became connected with the bank in 1934.

Stockholders of the Garden City Bank and Trust Company have authorized increasing the bank's capital stock from 12,000 to 18,000 shares by the sale of 6,000 shares, it was reported in the New York "Times" of Nov. 12, from which the following has also been taken:

Stockholders of record Oct. 29 can subscribe for one-half share of stock for each share now held, at the price of \$40 per share, of which \$25 will be credited to capital and \$15 to surplus.

Authorized additional stock not subscribed to by shareholders by Nov. 20 will be turned over to A. M. Kidder & Company, underwriters, for reoffering to the public.

The New York State Banking Department announced on Nov. 9 that approval has been given to the Citizens Trust Company of Schenectady, N. Y., to increase its capital stock from \$300,000, consisting of 3,000 shares of the par value of \$100 each, to \$400,000, consisting of 16,000 shares of the par value of \$25 each.

George H. Jackson, Executive Vice-President of The Lynbrook National Bank & Trust Company of Lynbrook, Long Island, has announced that the directors of the bank have approved under Section 5 of Article Fifth of the Articles of Association, as amended, an increase in the capital stock from \$150,000 to \$225,000 and have declared a stock dividend of 50% which is equivalent to \$75,000. Lynbrook advises Nov. 8 in the Brooklyn "Eagle" reporting this added:

The stock dividend consists of 7,500 shares of \$10 par value stock and is being distributed to shareholders today, the bank's 38th anniversary, in the ratio of one share for each two shares outstanding.

This is the second stock dividend to be paid by The Lynbrook National Bank & Trust Company since 1928. In that year the bank increased its capital from \$50,000 to \$150,000 with a 200% stock dividend.

The capital, surplus, undivided profits and unallocated reserves of The Lynbrook National Bank & Trust now exceed \$407,000 and deposits amount to \$7,508,693.

The Officers and Directors of the Sullivan County National Bank of Liberty, N. Y., announce the death on Oct. 19, of their President and Associate Homer C. Baldwin.

Stockholders of Boston Safe Deposit & Trust Co., at special meeting recently approved reduction in par value of the bank's stock from \$100 to \$25 per share, and increase in stock from 20,000 to 80,000 shares.

Arthur H. W. Lewis has recently been elected a director of the Union Trust Co. of Providence, R. I. Mr. Lewis is connected with John D. Lewis, Inc. and Howard and Lewis Motor Sales Inc. of

Providence, as director and Treasurer.

The appointment by the Board of Directors of Francis F. Segerberg as Executive Vice-President of the Willimantic Trust Company of Willimantic, Conn., on Nov. 7, was recently announced by the Hartford "Courier," which also said:

He was educated in the American Institute of Banking at Hartford. From 1918-1932, he was with the City Bank and Trust Company at Hartford.

In 1936 he entered the Connecticut State Banking Department in which he was prominent in the rehabilitation and liquidation of banks that closed during the depression. In 1940 he went to the Madison Trust Company at Madison, Conn., and served as Secretary-Treasurer and Director.

The directors of The Union & New Haven Trust Company of New Haven, Conn., recently voted to increase the surplus account to \$1,500,000 by transferring approximately \$200,000 into that account from undivided profits, according to Edward M. Gaillard, President. The New Haven "Register" of Nov. 7, noting this, added:

This action, together with the recent issue of 413 additional shares of capital stock, brings the bank's combined capital and surplus figure to an even \$3,000,000.

According to the Pittsburgh "Post Gazette" of Nov. 8, Frederick K. Trask, Jr., has returned to the Farmers Deposit National Bank of Pittsburgh, to resume his duties as Vice-President after having been in the United States Army since May, 1942. The advices from which we quote added:

Mr. Trask served as a Major in the Office of Fiscal Director, in Kansas City, and was promoted to Lieutenant Colonel. Later he was assigned to the Office of Contract Settlement, Interior Financing, as Assistant Director of the department in Washington.

Hiland G. Batcheller was recently elected a director of the Farmer Deposit National Bank of Pittsburgh, Pa., it is learned from the Pittsburgh "Post Gazette," which said:

He is President of the Allegheny Ludlum Steel Corporation and until recently was Vice-Chairman of the War Production Board.

Mr. Batcheller is a director of the State Bank of Albany and of many corporations, including the New York Telephone Company. He is a trustee of Rensselaer Polytechnic Institute and of Wesleyan University.

Directors of the First National Bank of Philadelphia have voted to transfer \$500,000 from undivided profits to surplus, increasing the latter to \$6,000,000. Capital remains unchanged at \$3,111,000. Undivided profits after the transfer will be slightly more than \$3,000,000, according to the New York "Times" of Nov. 10.

Charleroi Savings and Trust Company of Charleroi, Washington County, Pa., has become a member of the Federal Reserve System, according to an announcement by President Ray M. Gidney of the Federal Reserve Bank of Cleveland. Mr. Gidney's advices state:

The bank, organized in 1901, has a capital of \$125,000 and surplus of \$1,250,000 and total assets of approximately \$4,000,000. It serves a population estimated at 50,000 people chiefly engaged in the manufacture of glass and steel, coal mining and farming. Officers of the bank are: R. C. Mountser, President; O. E. Eymann, First Vice-President; L. A. Calistri, Second Vice-President; Earl V. Gear, Secretary-Treasurer and Trust Officer; W. Ross Allen,

Assistant Secretary - Treasurer, and F. Bryce Kramer, Assistant Trust Officer.

The Lincoln National Bank of Cincinnati, Ohio, announced on Oct. 31 that Robert J. Barth, Cincinnati, has been appointed to the staff of the bank's recently organized Business Development Department. The Cincinnati "Enquirer" reporting this, added:

Barth resumes his banking career after three years' service with the Federal Bureau of Investigation in New York. He was associated with the Central Trust Co. from 1931 to 1942. Barth is a member of the Ohio bar.

William Frederick Burdell, Chairman of the Board of the Huntington National Bank, died at his home in Columbus, Ohio, on Nov. 10 at the age of 87.

The American Bank, of Port Clinton, Ohio, has become a member of the Federal Reserve System it is announced by President Ray M. Gidney of the Federal Reserve Bank of Cleveland, who states that the American Bank, founded in 1891 as The German American Bank with a capital of \$25,000, has a present capital of \$150,000 and surplus of \$140,000 and total assets of approximately \$5,600,000. It serves a trade area in Ottawa County having an estimated population of 10,000 to 12,000 during the summer resort season. Officers of the bank are: A. C. Lausten, President since 1939; Harry H. Kerr, Vice-President; Alma M. Goss, Secretary-Treasurer; F. A. Mekus, Assistant Treasurer, and Paul Konkle, Assistant Cashier.

The Board of Governors of the Federal Reserve System announced recently that effective Nov. 1 the St. Louis County Bank, Clayton, Missouri, a State member, has converted into a national bank under the title of St. Louis County National Bank.

Completion of the sale of 80,000 additional shares of common stock of the Wachovia Bank and Trust Company and a resulting increase of capital funds by \$4,000,000, was announced on Nov. 10 by President Robert M. Hanes. Certificates for the new shares have been mailed to stockholders.

The bank's former capital of \$3,000,000 has been increased to \$5,000,000, and the surplus of \$5,000,000 has been increased to \$7,000,000. "This gives us a combined capital and surplus of \$12,000,000," Hanes said, "which is the largest of any bank in the southeast. It also substantially increases our legal lending limit, and we can now offer a complete range of loans from \$25 in the time payment department for the individual to \$1,000,000 in the commercial department for the larger industries."

John K. Ottley Sr., of Atlanta, Ga., for many years a leader in finance, died on Nov. 1. At the time of his death, he was Chairman of the Board of the First National Bank of Atlanta, an institution which he had served for 55 years. Mr. Ottley was 77 years of age. In noting some of his activities the Atlanta "Constitution" said in part:

He was a moving spirit in obtaining the establishment of the Federal Reserve Bank in Atlanta as headquarters for the Sixth Federal Reserve District. He served two terms as a director of this bank and on various occasions was a member of the advisory council of the Federal Reserve System in Washington. He was also a member of the executive council of the American Bankers Association. He served on the American Bankers Association committee on banking and law, and the ABA committee on clearing house affairs.

Mr. Ottley career brought him

many other honors. In 1931, President Hoover appointed him to the Chairmanship of the Sixth Federal Reserve District of the National Credit Corporation, which was the forerunner of the Reconstruction Finance Corporation. Early this year, the Atlanta Chapter of the American Institute of Banking presented him an honorary life membership in appreciation of his services to the chapter and his interest in the education of young men and young women in the banking profession.

The Bank of Dayton, Ore., became the 30th unit of the United States National Bank of Portland, Ore., on Nov. 3, according to an announcement by E. C. Sammons, President of the Portland Banking Institution. The boards of directors of both banks gave their approval to the transaction.

We quote the Portland "Oregonian" of Nov. 4, which is reporting this also said:

Organized in 1904, the Bank of Dayton has progressed steadily through the years, having attained deposits of approximately \$1,250,000 at the time of the amalgamation.

The Board of Directors of the Bank of Nova Scotia on Oct. 30 elected J. A. McLeod to the Chairmanship of the Board and H. D. Burns to the Presidency where he succeeds Mr. McLeod. Mr. McLeod's predecessor in the Chairmanship, S. J. Moore, will continue as a member of the board. The Toronto "Mail and Globe" of Oct. 31 reporting this, further said in part:

Other appointments were: E. Crockett, former assistant general manager to be Executive Vice-President, and H. L. Enman as General Manager, succeeding H. D. Burns.

H. D. Burns' ascension to the position of President of the Bank of Nova Scotia was generally expected in banking circles. His energy and successes in various management positions for the bank over the years made that a foregone conclusion.

The bank is fortunate in being able to retain the counsels of the former President, J. A. McLeod, in his new position as Chairman of the Board, and Canadian business men will be glad that Mr. S. J. Moore remains as member of the board.

Mr. A. W. Bentley, a Joint General Manager of the Westminster Bank Limited since 1939, has retired on pension after nearly 47 years' service, it was announced on Oct. 31. The Directors have appointed Messrs. C. W. Deaves, H. W. Norris, and A. D. Chesterfield to be Assistant General Managers.

ABA Committee Seeks To Cut Non-Member List

As a result of intensive efforts by members for the Organization Committee of the American Bankers Association in the last fiscal year, only 575 banks remained non-members of the Association from among the more than 15,000 banks in the United States. The Committee's tentative goal for 1945-1946 is to cut the present non-member list in half, according to R. L. Dominick, Chairman of the committee, who is also President of the Traders Gate City National Bank, of Kansas City, Mo. Mr. Dominick reports that a good start has already been made since the opening of the new Association year on September 1, 1945, with 51 new member banks on A. B. A. rolls. The greatest gain in the number of banks has been made in Nebraska, and in Alabama six of 12 non-members joined the Association in October.