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The Financial Situation

One of the strangest notions of an era noted for its queer formulae is the "high consumption economy" doctrine as preached by many if not most of the economic planners of the New Deal menage left in Washington. It is, in a sense perhaps, a variant, or possibly better, a descendant of the "over-saving" theory of the early 'thirties, and is certainly not unrelated to the "mature economy" preachments which gained so much headway during the early days of the New Deal. It, however, appears to have certain absurdities all its own. The "over-saving" theorists, misled apparently by the accumulation of inflationary funds in institutions designed to hold the savings of the community, or at least a substantial part of them, rather loosely arrived at the conclusion that the economic merry-making of the 'twenties came to an end because, for reasons not clearly explained, the people insisted upon saving too much—and that despite the undisputed fact that production during the New Era was at record-breaking levels and there was no accumulation of consumers' goods. No one ever took the pains to explain how a people consuming more than it had ever done before could have "saved" itself into the depression of the early 'thirties.

Earlier Views

The New Deal in its earlier days took a gloomier and more fatalistic view of the situation. That is to say, it took unto its bosom the "mature economy" notion, which was based upon the contention that our economy, having left the last frontier behind, must expect a savings disproportionate to investment opportunity as a natural, regular and permanent phenomenon if matters were left to take care of themselves. The trouble was, however, held not so much "over-saving" as a scarcity of investment opportunity. The

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The Steel Wage Impasse

B. F. Fairless of U. S. Steel Corp., in Radio Broadcast Asserts No Wage Rise Possible Without Higher Prices, and Places Problem With OPA. Refutes as "Bare-faced Misstatement of Fact" Assertion of President Murray of CIO That Steel Companies Have Hidden Profits and That They Are Trying to Bludgeon the Government Into a Price Increase. Murray Writes Secretary Schwelienbach Attacking Tactics of U. S. Steel Corp.

The demand of the CIO United Steel Workers Union for a general two-dollar-a-day wage increase has been met by a flat denial



Benjamin F. Fairless

from the principal steel companies, who contend that no wage increase is possible without corresponding price increases in steel products. The attitude of the steel industry was stated in a radio interview with B. F. Fairless, President of the United States Steel Corp. and Vice-President of the American Iron and Steel Institute, over the network of the American Broadcasting Co. on Nov. 13. Because of its importance as a statement of the policy of the steel manufacturers, we give below the complete script of the broadcast:

Announcer: Good evening. Tonight we bring you a discussion of

one of the most important questions of the day. Every American is directly affected by the current wage dispute in the steel industry. We are all eager to get back quickly to peacetime manufacture. That is the only way we can make jobs for returning veterans and the men and women who held jobs in war industries. We are all looking forward to reconversion of war plants for new homes, automobiles, refrigerators, farm equipment and hundreds of items which weren't available to us during the war years.

And as you know, steel is essential in the manufacture of all these things. Industry cannot get going without it.

The United Steelworkers of America are insisting upon a \$2 a day wage increase. At the request of the CIO Union a strike vote is being taken on Nov. 28 to enforce this wage increase demand.

In the studio tonight is one of the key men in the steel industry. Let me describe him to you. He is of medium height. He has an un-

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Observations

By A. WILFRED MAY

Continuing its "cut-rate" aid to its selling of obligations of the U.S. Government—the world's finest investment—the Treasury Department last week sponsored a batch of new bonuses to buyers. These included such plums as nylon stockings, a soldier escort to a school prom, theatre tickets, and a ride on a miniature railroad.

The use of such stunts should not be lightly tossed aside as a joke, for it has deep repercussions on the entire War Bond campaign. The indication by the Treasury of its conviction that the offerings of Government Bonds must be "sweetened" by prizes ranging from jewelry to movie-star kisses, certainly has confused the public about their attractiveness—particularly with respect to their self-interested investment advantage. As a result, although paying double the interest rate obtainable from the bulging savings banks the United States Government cannot compete with them without resorting to additional premiums.

With the ending of the public's wartime psychology, the past underemphasis in selling the intrinsic attractiveness of War Bonds has now come home to roost. The current Victory Loan's Series E Bond sales, at \$579 million through last week, are running at about one-half those in the previous drive. Furthermore the denomination of the bonds sold is understood to be considerably larger than heretofore, indicating a far narrower distribution and a disproportionate decrease in the number of separate buyers.

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*These items appeared in the "Chronicle" of Nov. 19, on pages indicated.

President Truman's Message On Federal Health Insurance

Pointing Out That Nearly Five Million of Draft Registrants Were Found Unfit and "That Our New Economic Bill of Rights Should Mean Health, Security for All," Mr. Truman Recommends a Federal System of Health Insurance, Health Research and Hospital Facilities. Proposes a Prepayment Premium Plan Based on 4% of Earnings, Limited to \$3,600 and Denies It Will Mean "Socialized Medicine." Advocates Medical Subsidies to the States.

President Harry S. Truman on Nov. 19 submitted to Congress a special message in which he recommended the adoption of a Federal Health Insurance system as well as extensive grants in aid to medical research and Federal subsidization of health and hospital facilities. The text of the message follows:



President Truman

To the Congress of the United States: In my message to the Congress of Sept. 6, 1945, there were enumerated in a proposed Economic Bill of Rights certain rights which ought to be assured to every American citizen.

One of them was: "The right to

adequate medical care and the opportunity to achieve and enjoy good health." Another was the "right to adequate protection from the economic fears of . . . sickness."

Millions of our citizens do not have a full measure of opportunity to achieve and enjoy good health. Millions do not now have protection or security against the economic effects of sickness. The time has arrived for action to help them attain that opportunity and that protection.

The people of the United States received a shock when the medical examinations conducted by the Selective Service System revealed the widespread physical and mental incapacity among the young people of our nation. We had had prior warnings from eminent medical authorities and from investigating committees. The

(Continued on page 2504)

The Atomic Bomb And Future Peace

By HON. JAMES F. BYRNES* Secretary of State

Secretary Byrnes, Asserting That the Civilized World Cannot Survive an Atomic War, Declares That the Anglo-American-Canadian Agreement on the Atomic Bomb Is the First Step in an Effort to Rescue the World From a Desperate Armament Race. Recommends That Commission of UNO Be Formed to Provide for Exchange of All Scientific Information for Peaceful Purposes and the Future Application of Atomic Energy. Reiterates U. S. Adherence to United Nations Organization and States We Will Not Act to Undermine Our Own Safety or Safety of the World. Urges Expansion of World Trade and Removal of Trade Restrictions as Means of Attaining Peace and Prosperity.

When I accepted Charleston's very gracious invitation to return to the city of my birth and the scenes of my younger days, I thought that nothing I could say here would interest you more than world trade.

Charleston, being one of the oldest ports in America, certainly has a vital interest in the restoration of world commerce.

Since accepting this invitation to be with you I have participated in a conference in Washington which concerns every human being and civilization itself. Therefore, before expressing



James F. Byrnes

some views on international trade, I wish to comment briefly on the efforts we are making to control atomic energy so that it may be used, not for war and destruction, but for the peace and happiness of the world.

The full significance of the release of atomic energy is not quickly or easily comprehended. As it happened, in my capacity as Director of War Mobilization, I was well aware of the awesome character of the great experiment that we then referred to as the Manhattan Project.

Later, during the short period I was out of the Government

*An address by Secretary Byrnes at the Mayor's Dinner celebrating "Jimmy Byrnes Homecoming Day," Charleston, S. C., Nov. 16, 1945.

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From Washington Ahead of the News

By CARLISLE BARGERON

Those people who have been reluctant to face the facts about the British Socialist Government, who have been telling themselves that it isn't as bad as it seems, that it is going in for only limited socialization, that really it is a blessing in disguise for us, because it will serve as a comparison to the Communist totalitarian state and our democratic state—they didn't get any reassurance from Prime

Minister Attlee's visit to Washington. This writer had about as good an opportunity to observe him, at off-the-record conferences and luncheons, as anybody else.



Carlisle Bargeron

There is not the slightest doubt in our mind that the plan is to socialize all of Britain just as fast as the country can digest it. The premier would never say this. He would evade direct questions by saying that the Government had in mind first talking over those industries which are closely related to the public, the utilities, transportation, etc., and those vital industries which through their own inefficiency, such as the coal industry, needed the strong hand of government. This is as far as was expected to go the "first year or so." Repeated questions then as to whether a line was to be drawn, a line of demarcation between government ownership and private enterprise, got nothing but a smiling evasion.

There was another thing that impressed us about Attlee. He has been assiduously pictured, as a mildmannered schoolmaster type, nothing radical about him. In fact, much has been made of the business and professional men in the new government. If they are like Attlee, they are determined, frustrated men who are burning up against the private enterprise system as much as any of the wild-eyed babies we have had in Washington. Attlee frequently betrayed his bitterness. In spite of what has been written about him to the effect that he had a brilliant career as a lawyer ahead but voluntarily forsook it to live among the poorer classes, we would bet a pretty penny that he suffered an early frustration of some kind or another. Unless our impression is wholly wrong, there is nothing soft or mild about him except his speech. He is hard, and the socialization into which Britain is headed is to be gradually all embracing, one step begetting another, until they will have something on the order of totalitarianism. The Socialists can be voted out of power by the liberty loving British, we are told, but the few socialists among the British contingent in Washington, seem not to have the slightest fear of this. From them, and from some things that are going on over there, you get the impression that the government is moving fast like the New Deal to utterly subjugate the voters, make them dependent upon the government.

We note a marked similarity in their utterances to those of the New Dealers when they were rising high. These utterances surpass this writer's understanding of psychology but they worked in this country, so the utterers must know what they are doing. These utterances paint nothing but a long black future for the British, continued privations, continued restrictions. There seemed to be nothing apologetic about the announcement that controls must be continued for five years. Rather, the announcement in the Com-

mons reflected a pride of accomplishment, at least a gloating, as if to say: "You are to be severely punished for having had the Conservative government this long."

This was the theme of the New Dealers, perpetual punishment for our sins of the past, continued crises. We suppose it is really a psychological beating of the people into submission, a steady destruction of their self-confidence.

Instead of the American people being almost frightened to death over their possession of the atomic bomb, they would be laughing themselves sick if the editors would only give them a proper perspective of the heated debate. The great majority of the "scientists" coming here and demanding to be heard, demanding that the bomb be given to Russia, demanding this and demanding that, are youngsters just out of school and barely needing to shave. Even Senator Brian McMahon, a new member of the Senate who has attracted nationwide publicity by pulling a fast one on his older colleagues and getting through a resolution to study the whole question, can't help but laugh at these fellows.

Just as a few years ago when the cry went up for "strong men" and "leaders" to get us out of our distress, and it was amazing how many of them were lurking around in the bushes, an amazing number of "scientists" are appearing. They are forming into more associations than the veterans. There are separate associations for the clerks, pardon me, the "scientists" who worked at the various bomb projects, Tennessee, Washington, Manhattan and New Mexico, and there are associations of others who didn't. To hear a 25 year old youngster solemnly telling a senator that he will not stand for anything that prevents a free exchange of scientific thought all over the world, is really delightful. Our domestic Commies ever on the alert for the young and gullible minds have grabbed a number of these "scientists" for one of their fronts.

Behind the agitation of the more experienced ones is a yearning for a bigger and better way of living for scientists—more pay. They hope to make it utterly essential for every little industry to have a scientist in its employ. Our industries have come to be loaded down with economists, public relations and labor relations experts. Now, they've got to make room for the scientists. There is coming a time when the farmer is going to get tired of doing the only essential work.

Aufderhar Elected By Savings Banks Trust Co.

Charles F. Aufderhar was elected Assistant Vice-President of the Savings Banks Trust Company at the October meeting of the Board of Directors, it is announced by August Ihlefeld, President. Mr. Aufderhar joined the Savings Banks Trust Company in 1934. Previous to that time he was associated with the Bureau of Municipal Research in the Chamber of Commerce of Newark, N. J., and was for some years a municipal bond analyst with the Central Hanover Bank and Trust Company.

Human Rights Group Urged for UNO

A recommendation that an international bill of rights be drafted by the United Nations General Assembly when it holds its first meeting in January has been sent to the American delegation of the Preparatory Commission of the UNO, in London, by the group in this country known as the Commission to Study the Organization of the Peace. The commission, headed by Dr. James T. Shotwell and its director is Clark M. Eichelberger, according to a statement in the New York "Times" on Nov. 12. The proposal that the UNO appoint a small and carefully selected Commission on Human Rights was signed by the members of the United States organization's committee on human rights.

Dr. Shotwell's group have suggested possible functions and aims for the commission, and the "Times" discusses these as follows:

First on the list was formulating a declaration of human rights. This suggestion was made with the acknowledgement that the process may have to be slow, possibly with formal agreement on definition of a limited number of rights at first.

Acceptance of an international declaration of rights may constitute a next stage of development, the statement said. The United Nations may finally achieve a uniform bill of rights or a full-fledged international bill of rights. How rapidly these strides can be taken no one can now forecast. Much will depend upon the confidence which member States come to feel in the world organization, and upon progress in other fields, particularly in the development and codification of international law.

Other tasks of the commission, as suggested by the American group, would be to stimulate public discussion and understanding of human rights, to obtain information and report on the extent to which fundamental freedoms are respected throughout the world; to make recommendations for action in the field of human rights and to prepare reports on matters that may require consideration by any of the organs or agencies of the United Nations.

As for the membership of the commission, the statement said it should be composed of from five to 20 persons, appointed as individuals. Each nation, it was proposed, should submit a list of possible members, no more than half of whom would be its own citizens, and out of these nominations the Economic and Social Council of the UNO should choose the membership.

Besides Dr. Shotwell and Mr. Eichelberger, according to the "Times" the signers of the statement were Henry A. Atkinson, Walter Lyman Brown, Malcolm W. Davis, Monroe E. Deutsch, John R. Ellingston, Arthur J. Goldsmith, and Rev. John LaFarge, Archbishop Robert E. Lucey, Jeremiah T. Mahoney, George Z. Medalie, William Allan Neilson, O. Frederick Noide, Robert Norton, Bishop G. Bromley Oxnam, Bishop Edward L. Parsons, James N. Rosenberg, Henry P. Van Dusen, Quincy Wright, Allen Wardwell.

Reports on Reich Control

Byron Price, who recently returned from a six-weeks European trip, has made a detailed report to President Truman on his survey of relations between military control authorities and civilians in Germany, according to Associated Press Washington advices of Nov. 14. The report is not to be made public, however, until the President has completed his study of the findings.

The State of Trade

Modest recovery was again noted in industrial output the past week notwithstanding material and labor shortages. Some improvement in deliveries took place in a few lines, but unemployment remained higher than a year ago and was generally unchanged in the week. As pointed out in preceding weeks, despite large numbers without situations, many positions remain unfilled. For the week ending Nov. 3, initial unemployment compensation claims rose by 2%.

In the automotive field, the first to be almost wholly converted to wartime purposes, manufacturers are beginning to get production into high gear with output of automobiles and trucks up 7,000 units a week for the past three weeks. As the picture looks at present, the monthly level of 200,000 units will be attained by the end of November if the present rate is maintained and industry is not hampered by strikes.

The long-awaited OPA statement on auto prices was announced by Price Administrator Chester Bowles on Sunday, last. The new 1946 model passenger automobiles, now coming into dealer showrooms, will be sold at retail prices which on the average will be no higher than those charged in January, 1942, adjusted for changes in design and engineering specifications.

Factor prices, according to Mr. Bowles, apart from specification changes, will be increased on the average by less than 3½% above the 1942 levels. This increase in factory prices will not be passed through to the car buyer.

Dealers' normal prewar initial margins will be uniformly reduced by 2.5 percentage points, which will assure the 1942 retail prices on the average for all cars. Because of the elimination or reduction in the losses which they formerly were forced to take on used cars, dealers are, however, assured margins considerably above those actually realized before the war.

On Saturday, last, the United States finally yielded to the demands of Latin-American producing nations for an increase in the ceiling price of green coffee, but held the price line to United States consumers through a \$24,000,000 subsidy to coffee importers. From Stabilization Director John C. Collet's announcement, importers would be permitted to pay three cents a pound additional for green coffee from Nov. 19, 1945 to March 31, 1946, but that the increase, estimated to cost \$24,000,000 would be absorbed by a Government subsidy.

"The subsidy," Mr. Collet said, "is the only alternative either to a return to coffee rationing or to a price increase to consumers of five cents or more per pound of roasted coffee."

He further stated that the new program is "designed solely as an emergency measure to avoid a critical shortage of coffee during the coming winter."

Steel Industry—The steel industry, confronted by union demands and hampered by Governmental price policies, gave evidence last week of putting up a solid front which may soon result in a bitter fight to the finish in what it considers to be fair play, according to the "Iron Age," national metalworking paper, in its summary of the steel trade for the past week. 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 & 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. Chester Bowles, OPA Administrator, the magazine states, 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. The number of promises and counter-promises made with respect to steel price adjustments over the past 60 days, none of which have been fulfilled as yet, has served to make the present steel price-wage situation a last-ditch controversy.

A by-product 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, the "Iron Age" points out. Some members of the steel industry are known to favor industry-wide bargaining, while others have favored individual company negotiations.

In the background of the conflict 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, following the tabulation of votes. 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 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. 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.

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 announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 82.4% of capacity for the week beginning Nov. 19, compared with 80.4% one week ago, 65.1% one month ago and 95.4% one year ago. This represents an increase of 2.0 points or 2.5% above that of the previous week.

This week's operating rate is equivalent to 1,509,300 tons of steel ingots and castings, and compare with 1,472,600 tons one week ago, 1,192,400 tons one month ago and 1,716,200 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Nov. 10, 1945, total 838,218 cars, the Association (Continued on page 2502)

Recommends Uniform Airway Bills of Lading

A. M. Strong, Chairman of the Committee on Uniformity in Documents and Practices of the Bankers' Association for Foreign Trade, Urges International Air Carriers Devise Airway Bills Which Will Convey Title to Goods and Be Suitable for Bank Financing. Also Recommends Clear Legal Definition of a Delivery Order and a General International Adaptable Definition of a Delivery Order and a General International Adaptable Credits as Fixed by the International Chamber of Commerce.

Current problems of foreign trade financing were discussed at the annual meeting of the Bankers' Association for Foreign Trade held at the Hotel Hersey, Hershey, Pa. on Nov. 16. Mr. A. M. Strong, Vice-President of the American National Bank and Trust Company of Chicago, and Chairman of the Committee on Uniformity in Documents and Practices of the Bankers' Association for Foreign Trade, rendered a report on various topics of pertinent interest to foreign traders and bankers.



A. M. Strong

In discussing the transportation of cargo by air and the financing of air shipments, Mr. Strong pointed out that no international conference on air transportation, with the exception of the convention held at Warsaw, Poland, in 1929, had given consideration to Air Shipping Documents. The Warsaw Convention, which prescribes a non-negotiable Airway bill, governs international air traffic between the United States and most foreign countries, and opinion was expressed by some air carriers that a negotiable Airwaybill would not be effective of the place of departure or arrival is situated in a country which adheres to the Warsaw Convention. Mr. Strong stated on behalf of his Committee that:

"Financial facilities are of paramount importance to the development of international air cargo. Bank financing, however, requires suitable documents conveying title to the goods. The non-negotiable Airwaybill presently used by air carriers does not meet the requirements of bank financing and the lack of proper documentation will create a serious obstacle to the development of international air cargo."

The Committee recommended that the international air carriers devise uniform negotiable and non-negotiable Airwaybills conveying title to the goods and suitable for bank financing; that the matter of air shipping documents be given consideration in international arrangements and that uniform laws be adopted with regard to international air cargo shipments and the documents relating to such shipments.

With regard to the Delivery Order, Mr. Strong stated that an analysis of the Committee revealed that the Delivery Order has come into general use between commercial houses and is tendered to banks as a document of title. It performs an important function and is found to be of great practical use; however, its legal standing as a document of title is questionable. There is no clear legal definition of the instrument although it may be upheld in common law as a contract to deliver the merchandise to the holder. It, therefore, is a useful commercial device without legal status with the possible exception of a Delivery Order issued by a steamship company in exchange for a bill of lading which is generally

accepted as a continuation of the bill of lading.

The Committee suggested that the Delivery Order may be improved by making it irrevocable, by stipulating that delivery is to be made free of any payment, and by incorporating a statement that the goods are already in possession of the party on whom the order is issued.

Mr. Strong stated that the Uniform Customs and Practices for Commercial Documentary Credits fixed by the Seventh Congress of the International Chamber of Commerce are now adopted by the United States of America, Belgium, France, French Guiana, Germany, Italy, Mexico, The Netherlands, Netherlands West Indies, Rumania, Salvador, Sweden, and Switzerland. Negotiations are under way by the American Section of the International Chamber of Commerce in other Latin American Republics.

The Uniform Customs and Practices are now made a part of Export Letters of Credit issued or advised by American banks, by using the following clause:

Unless otherwise expressly stated, this Credit is subject to the Uniform Customs and Practices for Commercial Documentary Credits fixed by the Seventh Congress of the International Chamber of Commerce and certain guiding provisions.

Mr. Strong reported that the Committee on Uniformity in Documents and Practices made a study of Interbank Guaranties tendered when documents do not conform to the terms of the Letter of Credit. The Committee recommended a uniform procedure and standard forms of guaranties.

Other topics covered in Mr. Strong's report were: Acceptances as Borrowed Invested Capital, Through Bills of Lading from Mexico, Special Clauses in Letters of Credit, and Withholding Tax on Interest Received for Account of Foreign Residents.

N. Y. Reserve Distributes Farm Credit File

A farm credit file, consisting of a special folder and various forms and agreements designed to enable small banks to improve their handling of credit, is being distributed by the Federal Reserve Bank of New York. Planned particularly for the agricultural districts, the service is extended to banks in Connecticut and New Jersey as well as New York. Allan Sproul, President of Federal Reserve Bank of New York, explained in a letter accompanying the file that the "use of a credit file will not guarantee the quality of the loans made; that will still depend upon the judgment of the individual banker and his directors. However, the information which should be found in a properly maintained credit file, together with the banker's knowledge and judgment, should enable a bank to serve adequately the credit needs of its community and to grant borrowers the credit to which they are entitled without exposing the bank to undue risks."

Removal of Reg. W Controversial Subject

The Retail Credit Institute of America, which represents more than 1,000 retail merchants in 44 States, has sent a petition to President Truman asking that Regulation W, the Federal Reserve Board's Consumer Credit Control, be ended immediately, on the ground that the measure was intended to meet the exigencies of wartime and was now jeopardizing the future of thousands of small merchants. The question is not one which has met with wholehearted agreement, considerable controversy existing among Chicago bankers, economists, credit men and merchandisers, some of whom have expressed endorsement, however, of the Institute's action, according to a special dispatch from Chicago to the New York "Times," Nov. 11.

A spokesman for the Federal Reserve Bank of Chicago stated that the regulation is constantly under study by the governors of the Federal Reserve Board, but he added that he had no idea when it might be lifted. Harry C. Hausman, secretary of the Illinois Bankers Association, according to the "Times" made the statement that Regulation W was a wartime control which should now be eliminated because the need for the curb was over and it represented an unnecessary piece of bureaucratic control as long as it remained. If removed, business should police itself on credit extension, Mr. Hausman said, and recalled 1939 when automobiles were financed on a "practically nothing down basis and three years to pay." The trade soon learned, he said, that this was an unhealthy situation.

A leading bank economist, the "Times" continued, thought that the question of continuing the regulation "not too important at present." No dire need exists for consumer credit extensions, he said, explaining that emphasis should be put on production "to get things rolling fast."

M. J. Spiegel Jr., President of Spiegel, Inc., whose former business policy of full credit was particularly hard hit by the regulation back in 1942, said the situation today is "entirely different."

The institute is "talking through its hat" when it warns of the danger of small merchants, he said. Sales volume of stores today is not limited by the regulation, but by lack of merchandise. When merchandise flows freely, the curb probable will be eliminated, he predicted.

H. H. Faulstich, President of the Chicago Association of Credit Men, said his organization had no well-defined policy on the regulation.

"Because of the widely diversified interests of the Association's membership, including manufacturers, wholesalers and financial institutions, opinions of our membership are naturally divided," he said. "Some members favor complete repeal of the curb, some wish retention, and others favor varying degrees of modification."

Civil Service Pay Rise Approved by Senate Group

Legislation to raise the pay of Civil Service employees 20% won approval of the Senate Civil Service Committee, Nov. 15, the Associated Press reported from Washington. Left for further consideration were proposals to increase Congressmen's salaries from \$10,000 to \$20,000, Cabinet members from \$15,000 to \$20,000 and Supreme Court Justices from \$20,000 to \$30,000. Although the bill provides a 20% increase "for offices or positions in the Executive Branch," Senator Mead expressed the opinion that this would not apply to Cabinet members.

N. Y. Stock Exchange Considering Permissive Incorporation of Business of Firms

The question of the advisability of permitting "a presently existing member firm" of the New York Stock Exchange to incorporate its business is under consideration by the Board of Governors of the Exchange. In advice to members of the Exchange under date of Nov. 15 Emil Schram, President made available a copy of a memorandum dated Nov. 5 outlining in general language the restrictions and conditions which might be imposed by the Exchange should permissive incorporation be permitted." In the memorandum it is stated.

Briefly summarized, it is contemplated that the Exchange would impose such restrictions as it deems necessary to continue to exercise the same control over the corporation, its officers, directors, stockholders and employees as it now does over the member firm, its partners and employees. The corporation would be subject to at least as rigorous regulations for the protection of the public as the member firm is. In addition, there would be initially greater capital requirements and required bonding of officers.

Only organizations engaged mainly in the securities business, as brokers, dealers or underwriters, could be member corporations. Therefore, banks, investment trusts and insurance companies would not be eligible. Also, non-member securities corporations would not be eligible if their stock is publicly held and they are therefore not in effect partnerships in corporate form. The Exchange has no idea of the number of non-member corporations that would be interested in Exchange memberships and could meet the Exchange's restrictions and requirements.

Conditions under which permissive incorporation would be permitted are outlined as follows in the memorandum.

Customer Protection

Initially a member corporation would have to have a paid-in capital and surplus 20% greater than that required of a member firm.

The maintenance capital requirements would be the same as those presently imposed on member firms.

The corporation would be required to have a so-called surprise audit once in each year, submit three answers each year to financial questionnaires, and be subject to an annual visit by an Exchange examiner, which requirements are the same as those imposed on member firms.

The corporation would have to bond its officers, which is a requirement that it is not possible to impose upon firms with respect to their general partners.

A corporation organized under the laws of a state other than New York must subject itself to such salutary restrictions, similar to those imposed by New York law, on the conduct of corporate affairs, payment of dividends, loans to stockholders, etc., as may be prescribed by the Exchange.

Control by Exchange

A corporation may have voting and non-voting stock, corresponding to general capital and limited capital in a partnership.

Voting stock must be at least 55% of the capital in line with the Exchange requirement that general capital in a member firm be at least 55% of the total capital.

Voting stockholders and principal officers must be members or allied members of the Exchange and as such must devote the major portion of their time to the business of the corporation.

At least one voting stockholder must be a member of the Exchange. His stockholdings must be percentage-wise at least equal to the interest now required to be held by an Exchange member who is a general partner in a member firm.

Non-voting stockholders who are not members or allied members must be approved in the

same fashion as limited partners in member firms. Also, directors and junior officers must be passed upon by the Exchange.

The Exchange would reserve the right to limit the number of stockholders.

A stockholder in one member corporation cannot be a stockholder in another member corporation or a partner in a member firm.

Preferred stock could not receive prerential dividends in excess of 6%. It may receive additional dividends out of earned surplus on a parity with or after dividends on common stock.

The stock of a withdrawing, deceased, suspended or expelled stockholder must be offered to the corporation or its remaining stockholders.

A member corporation would be deprived by the Exchange of its privileges if the corporation's stock should be acquired by anyone other than a member, allied member, or the estate of a deceased stockholder.

A member or allied member would be required to sever all connection with the corporation, and cease to be a stockholder, if the Exchange found it was not in its best interest that the connection be continued. This is in line with the present power of the Exchange to order the discontinuance of any connection of a partner after coming to such a conclusion.

Every employee of the corporation whose duties correspond to those of a registered employee would have to be approved by the Exchange, which is presently the case with such an employee of a member firm.

Any stockholder, officer, or director, who is a member or allied member, would be liable to the same discipline and Exchange penalties for the acts of the corporation as for his own acts.

Redemption Profits Tax Refund Bonds

The Treasury Department announced on Nov. 10 the procedure for the redemption of excess profits tax refund bonds, on or after Jan. 1, 1946, as authorized in the recently enacted Tax Adjustment Act of 1945. All of the outstanding tax refund bonds become eligible for redemption on that date.

Owners who desire payment on Jan. 1 are urged to surrender their bonds immediately. Others are requested to surrender their bonds well in advance of any later payment date desired.

Full instructions on how to submit the bonds for redemption will be mailed within the next few days to all owners of record, of whom there are approximately 70,000. Assignment of the bonds to the Secretary of the Treasury for redemption is to be made by executing a form on the back of the securities, unless otherwise specifically instructed. They are then to be forwarded to the Treasury Department, Fiscal Service, Division of Loans and Currency, Washington 25, D. C., or to any Federal Reserve Bank or branch.

Although eligible for redemption Jan. 1, the bonds continue to be non-negotiable until six months after the formal ending of World War II hostilities. Bonds to the amount of \$1,112,536,347.70 were outstanding on Oct. 31. They are non-interest bearing.

The Financial Situation

(Continued from first page)

remedy at first proposed was deliberate control, and where indicated, reduction of production accompanied by a redistribution of income. That the remedy obviously poorly fits the alleged condition, indeed at bottom appears at times to be scarcely related to it, is but a reflection of the strange thinking of that time.

But it was not long before the defeatist nature of such programs became clear, and those who had advocated them were obliged to wince under the "economy of scarcity" shafts which were directed at them. The plowing under of cotton and the killing of little pigs could not long be good political fodder. The adoption of the Keynes-Hansen idea that the state itself must provide investment opportunities for the "savings" of the community, indeed that it must go even further and by compulsion if need be see that the "savings" of the community were continuously invested, followed. Precisely how it happens that politicians can find worth-while investment for idle funds when private business can not is not well explained. The answer really seems to be that those who reason in this way are not too much interested in the nature of the investment into which the funds are to be poured, so long as it is something that tends to keep men going through the motions, more or less, of work and drawing wages therefor.

The "Switch-Over"

The development of this general line of argument provided the program makers with an opportunity to drop their worship of scarcity and go over to the notion of an "economy of abundance"—the abundance to be supplied directly or indirectly by government expenditures—whether for leaf raking or something more substantial. Whether the "investment" of the government created anything particularly desired by the community appears to be a matter of secondary interest—or at all events, whether the products of such activities are sufficiently prized by the people to lead them voluntarily to pay what they cost is apparently not given any consideration at all. At any rate the doctrine makers now shout from the house tops a doctrine of abundance with government guaranteeing the abundance.

It is not easy to understand the rationale which leads these same political big-wigs to carry over into this economy of abundance certain relics of their older ideas of economic scarcity, or at all events of scarcity of economic opportunity, but they have obviously done so. Otherwise

the insistence upon the various devices designed to "spread the work" would not find place in the present programs as it does. Of course, the political powers that be leave demands for the more extreme shortening of the work week to the unions, as they do matters which definitely and usually directly restrict output, and were designed in the first place to oblige employers to hire more men. It is, nonetheless, plain enough that those who shape current political policies and presumably coin or control the coinage of political slogans are far from wanting sympathy with the demands of the union leaders. The explanation doubtless is that most of the political leaders are unaware of these underlying inconsistencies—and, in any event, are much more interested in the political value of programs they design and promote.

Higher Wage Theories

The official interest in higher wages is from a political viewpoint understandable enough, and probably from even a logical viewpoint somewhat less a mystery than some of the other doctrines now being preached. If one assumes—as of course, thoughtful observers of economic inter-relationships never would or could assume—that higher wages insure larger demand for the products of labor, and thus tend to place an economy of abundance upon a more certain footing, it follows naturally enough that high and higher wages are sound economics. Here the question is that of placing consumers in a position to have what they already much want. Again, we must point out that no such end is really promoted in so simple a way as merely raising wages—even when productivity is increased and employers can "afford" higher wages. Under an economy of real competition there is no reason to worry about unduly high profits, and ordinarily no need to suppose that high profits will not be promptly expended and thus create demand for goods—assuming conditions which encourage such expenditure. There is no good reason why any particular group of wage earners should enjoy all the fruits of progress which they had no particular part in effecting. The public is due that reward, and under competition gets it. Nonetheless the higher wage doctrines of the day have a sort of superficial plausibility, which enables one to understand how it happens that so many followers can be attracted to them—even apart from the obvious fact that there are a great many in

Joint Palestine Study Planned by U. S. & Britain

It was announced simultaneously on Nov. 13 in Washington and London that the United States and Great Britain would participate in establishing a joint Anglo-American committee to examine the whole Palestine problem, according to Associated Press advices. It was reported that the British had suggested the creation of the committee after President Truman had proposed admission of an additional 100,000 Jews to Palestine, a figure which Prime Minister Attlee had previously been reported as considering too high.

The White House released a statement by President Truman disclosing the issues involved between the two governments leading up to the formulation of the plan for a joint committee. Following is the text of the President's statement, as given by the Associated Press:

Following the receipt of information from various sources regarding the distressing situation of Jewish victims of Nazi and Fascist persecution in Europe, I wrote to Mr. Attlee on Aug. 31 bringing to his attention the suggestion in a report of Mr. Earl G. Harrison that the granting of an additional 100,000 certificates for the immigration of Jews into Palestine would alleviate the situation. A copy of my letter to Mr. Attlee is being made available to the press. I continue to adhere to the views expressed in that letter.

I was advised by the British Government that because of conditions in Palestine it was not in a position to adopt the policy recommended, but that it was deeply concerned with the situation of the Jews in Europe.

During the course of subsequent discussions between the two Governments, it suggested the establishment of a joint Anglo-American committee of inquiry, under a rotating chairmanship, to examine the whole question and to make a further review of the Palestine problems in the light of that examination and other relevant considerations.

In view of our intense interest in this matter and of our belief that such a committee will be of aid in finding a solution which will be both humane and just, we have acceded to the British suggestion.

The terms of reference this committee has agreed upon between the two Governments are as follows:

1. To examine political, economic and social conditions in Palestine as they bear upon the problem of Jewish immigration and settlement therein and the well-being of the peoples now living therein.

2. To examine the position of the Jews in those countries in Europe where they have been the victims of Nazi and Fascist persecution and the practical measures taken or contemplated to

the community who have good, if selfish, reasons to be attracted to it.

A Strange Doctrine

But the current "high consumption economy" preachments of the day often appear to go far beyond any of this. They seem to attain a sort of abstract adoration of consumption for its own sake. It is at times as if they insist that the public must be taught how to consume more and persuaded to manage somehow to want to consume more. What these prophets appear sometimes to be saying is that we must teach ourselves to assimilate more and more of the goods and services we are in a position to produce—in order that we may have the exquisite pleasure of producing them for the purpose. It is a strange doctrine.

be taken in those countries to enable them to live free from discrimination and oppression and to make estimates of those who wish or who will be impelled by their conditions to migrate to Palestine or other countries outside Europe.

3. To hear the views of competent witnesses and to consult representative Arabs and Jews on the problems of Palestine as such problems are affected by conditions subject to examination under Paragraphs 1 and 2 above and by other relevant facts and circumstances and to make recommendations to His Majesty's Government and the Government of the United States for interim handling of these problems as well as for permanent solution.

4. To make such other recommendations to His Majesty's Government and the Government of the United States as may be necessary to meet the immediate needs arising from conditions subject to examination under Paragraph 2 above, by remedial action in the European countries in question or by the provision of facilities for emigration to and settlement in countries outside Europe.

It will be observed that among the important duties of this committee will be the task of examining conditions in Palestine as they bear upon the problem of Jewish immigration.

The establishment of this committee will make possible a prompt review of the unfortunate plight of the Jews in those countries in Europe where they have been subjected to persecution, and a prompt examination of questions related to the rate of current immigration into Palestine and the absorptive capacity of the country.

The situation faced by displaced Jews during the coming winter allows no delay in this matter. I hope the committee will be able to accomplish its important task with the greatest speed.

The President's statement was followed by the text of his letter to the Prime Minister on Aug. 31, 1945:

"My dear Mr. Prime Minister: "Because of the natural interest of this Government in the present condition and future fate of those displaced persons in Germany who may prove to be stateless or non-repatriable, we recently sent Mr. Earl G. Harrison to inquire into the situation.

"Mr. Harrison was formerly the United States Commissioner of Immigration and Naturalization and is now the representative of this Government on the Intergovernmental Committee on Refugees. The United Kingdom and the United States, as you know, have taken an active interest in the work of this committee.

"Instructions were given to Mr. Harrison to inquire particularly into the problems and needs of the Jewish refugees among the displaced persons.

"Mr. Harrison visited not only the American zone in Germany, but spent some time also in the British zone, where he was extended every courtesy by the Twenty-first Army headquarters.

"I have now received his report. In view of our conversations at Potsdam I am sure that you will find certain portions of the report interesting. I am, therefore, sending you a copy.

"I should like to call your attention to the conclusions and recommendations appearing on page 8 and the following pages—especially the references to Palestine. It appears that the available certificates for immigration to Palestine will be exhausted in

the near future. It is suggested that the granting of an additional 100,000 of such certificates would contribute greatly to a sound solution for the future of Jews still in Germany and Austria, and for other Jewish refugees who do not wish to remain where they are or who for understandable reasons do not desire to return to their countries of origin.

"On the basis of this and other information which has come to me I concur in the belief that no other single matter is so important for those who have known the horrors of concentration camps for over a decade as is the future of immigration possibilities into Palestine.

"The number of such persons who wish immigration to Palestine or who would qualify for admission there is, unfortunately, no longer as large as it was before the Nazis began their extermination program. As I said to you in Potsdam, the American people, as a whole, firmly believe that immigration into Palestine should not be closed and that a reasonable number of Europe's persecuted Jews should, in accordance with their wishes, be permitted to resettle there.

"I know you are in agreement on the proposition that future peace in Europe depends in large measure upon our finding sound solutions of problems confronting the displaced and formerly persecuted groups of people. No claim is more meritorious than that of the groups who for so many years have known persecution and enslavement.

"The main solution appears to lie in the quick evacuation of as many as possible of the non-repatriable Jews, who wish it, to Palestine. If it is to be effective, such action should not be long delayed.

"Very sincerely yours,

"HARRY S. TRUMAN."

In London, Foreign Secretary Ernest Bevin stated, according to Associated Press advices, that both Britain and the United States favored an interim settlement of the Jewish question pending the submission of a proposed permanent solution to the United Nations Organization. He asked members of parliament "in this crisis in the world" not to pursue racial antagonism and said:

"We have had so many wars, so much bloodshed, over racial antagonism that this house will help me to keep it under check in order that I may find a solution."

Britain's labor government, he said, is satisfied that the course it plans to pursue on the Palestine problem in the immediate future is "not only in accordance with its obligations, but also is in the best interests of both Jews and Arabs. Britain governs Palestine under a mandate from the old League of Nations.

Nothing was mentioned about establishing a national home for the Jews in Palestine, the Associated Press added.

McCloy and Lovett Resign

It was announced on Nov. 14 that John J. McCloy, Assistant Secretary of War had submitted his resignation to President Truman, effective Nov. 24, which the President had accepted, without, however, naming a successor to Mr. McCloy. Robert A. Lovett, another Assistant Secretary of War, has also submitted his resignation, but this has not yet been acted upon, the Associated Press reported from Washington. Mr. McCloy recently returned from a mission to the European and Pacific theaters, undertaken in connection with occupation problems. In accepting his resignation, President Truman wrote, according to the Associated Press: "You have rendered a most valuable service to me, to my lamented predecessor, and to your country during the past five eventful years."

Gen. Eisenhower Urges Military Training

Expressing the opinion that trained man power and technological advancement are "our greatest assurance of keeping the peace for which we fought," Gen. Dwight D. Eisenhower appeared on Nov. 15 before the House Military Affairs Committee in support of President Truman's request for universal military training, the Associated Press reported from Washington, on that day. The General stated emphatically that he did not consider another war inevitable. He asserted however that, "there will never be a war between Great Britain and the United States," and, regarding the only other nation in a position to compete militarily with the United States, declared that he believed Russia's to be one of friendship for this country. "There is in Russia," he said, according to the Associated Press, "a desperate and continuing concern for the lot of the common man, and they want to be friends with the United States."

The text of Gen. Eisenhower's prepared remarks, according to the Associated Press, was as follows:

I understand that the official views and detailed plans of the War Department are being presented to you by others. I hope you will allow me to speak, not as a representative of the War Department but as a citizen and as a professional soldier to whom has been given a peculiar opportunity to participate in the greatest effort ever made by our citizen-soldiers. My personal views are largely based on that unique experience.

The men who won the victories of Africa, Sicily, Italy, France and Germany were able to do so solely because of their individual and unit-training — their ability to work as a team. The long periods spent in training camps in the United States and in England were essential to the perfection of this teamwork. Thereafter, brief battle-hardening, and our teams were superb! Certain phases of this training are highly technical, involving radar, signal communications, air operations, construction, transportation and ordnance. All this work is interdependent, and each part is vital to success. All of it was minutely geared to an equally complex schedule of tactical ground force movements which required perfect unit-training and above all—timing.

Time has always been of the essence in warfare but never was it more essential than in our most recent war. With the introduction of atomic and electronic warfare and the astounding advances being made almost hourly in aerial warfare, the tempo is increasing in geometric progression. If war comes to us again the fact seems inescapable that we will not have time to train units before we are faced with the final issue of defeat or victory. Certainly it would be unconscionable to gamble on a fortuitous recurrence of the time to prepare bought by the blood of our allies in 1917 and in 1942.

We must be prepared on M-day—the day the enemy strikes—or we may never be prepared to avert defeat at the hands of any aggressor who uses against us the weapons of the future. Our weapons must be better than theirs on that day, our resources must be promptly available and above all our manpower must have already been trained. This training must be given in time of peace. Without a standing army of prohibitive size this can be accomplished by training our civilian reserve, our citizen army. The most democratic way to do this is by universal military training, in which every able bodied young man is fitted to discharge his duty to protect our freedom. This has been the ultimate solution in every major military crisis this country has faced. The only difference now, and the great lesson of World War II, is that it must be done before not after the first shot is fired.

I understand that to be the issue before this Committee. Although I know the general plans, I have not had time to familiarize myself

civilian reserve, of defending the peace.

Gentlemen, I have heard many arguments about the desirability or undesirability of universal military service from a moral, educational and religious standpoint. These factors have always been of the greatest concern to me in the discharge of my functions of command. There is no question but that the sum-total of these values makes up the very essence of the thing we fought to preserve—our American way of life. But the facts of today must be faced. The preservation of our way of life in a world which twice within a single generation has fought to virtual exhaustion depends squarely upon the national security. That is a truism.

I sincerely believe that the only practicable way to assure the national security is by peacetime military training and that this must be universal. No practicable alternative, that I have heard of, has ever been suggested. Therefore, I believe arguments as to the incidental disadvantages or benefits to be foreign to the main issue. I feel completely confident that the Congress can provide all the necessary safeguards to prevent abuses of a method forced upon us by a necessity which must be faced.

I feel sure that no true American would be willing to take on his own shoulders the awful responsibility for actively prohibiting all training and thus leaving our country defenseless and naked before a future enemy armed with the weapons of that day. But our fighting forces in war are always made up of civilians, so a failure to provide for the training of the civilian reserve amounts to nothing less than condemning us to such a state of helplessness. A large standing Army would certainly be much more objectionable on all of those grounds even if it were not economically impossible to maintain one of sufficient size without impoverishing the country.

An aspect of this whole problem that deeply concerns me is that of the rights and the best interests of the young men destined to receive the training. I wonder whether any honest opponent of peacetime training has any clear conception of the difference between the trained and untrained men on the battlefield? In terms of the larger issue of victory or defeat comparison is scarcely possible, because in modern war it is not possible to win without training. But in the more personal matter of the individual's chances for survival I should say that the trained combat soldier has at least three times the chances of the untrained to live to become a veteran!

I have sincerely searched my mind on this whole problem! Through the past three-and-a-half years the picture of the progressive destruction of civilization which war brings was constantly before me. I keenly felt the burden of the terrible responsibility I bore. I shuddered particularly at the thought how close our own beloved country came to being afflicted with the same devastation and our own people with the same indescribable sufferings that came to the peoples of Europe. I know that if it had not been for the time given us by the almost superhuman efforts of our Allies, we would not have been able to mobilize our resources or to train our men to avert disaster.

I know that the nature of the weapons available to future aggressors make it ridiculous to hope that we will somehow miraculously be given this same time again. Our resources must be already available, our weapons must be second to none in speed and effectiveness. This means that we must be preeminent in technical research and in industrial mobilization, and we must have a trained force large enough to make our resources and wea-

Ford Demands Union Accept Responsibility

The Ford Motor Co., in a letter to Richard T. Leonard, United Automobile Workers Ford director, stated that four years of a union shop and dues check-off contract had not brought peaceful relations, and insisted that the UAW affiliate of the Congress of Industrial Organizations give "effective guarantees against work stoppages and for increased productivity" by union workers. This was indicated in Associated Press Detroit advices, Nov. 13, which stated that the Ford company informed the union that unless it recognized and fulfilled "a responsibility of its own, the very future of the Ford Motor Co. is at stake."

Referring to the union's demand for wage increases, the letter said, according to the Associated Press:

"We do not believe that this is the time to attempt to settle on general wage increases. They would have to be based on guesses of what our volume of production and our costs are going to be. We feel a general increase such as you propose would amount to a very heavy mortgage on the future of all of us—the Ford Motor Co. and its employees alike."

Besides the proposal for what it termed "company security," the Associated Press continued, the Ford letter also proposed a provision requiring the union "to reimburse the company for any damages it may suffer by reason of violations of the provision prohibiting strikes and other interferences with production." The Associated Press advices added.

The management letter said the company currently is paying the highest wages in the car industry and "will pay higher wages whenever we are sure that we can pay them and still maintain this company as a sound and growing business."

It added that every dollar of the company's war profits already is committed to post-war expansion "and to gear our operations to sharp post-war competition."

"The company agreed in 1941 to the union shop and check-off provisions," said the Ford letter. "Its purpose in so doing was not only to give the union the benefit of membership and financial security, but to eliminate a great deal of friction, dispute and downright industrial strife."

"In return the company was assured by union representatives that it would receive greater security and that disturbances of the type then prevalent in other plants would be avoided."

"The peaceful relations have not materialized. The experiment has been an unhappy one. The records show, for example, 773 work stoppages since the signing of that contract in 1941."

"During this period, the cost to the company of maintaining the

check-off system has been huge. Last year, for example, the company spent \$2,814,078.36 in the Dearborn (parent plant) area alone to collect these dues and fees, and to pay more than 1,000 union men in the company's plants who spent all or part of their time handling union business.

"From August, 1941, through October 1945, the company collected for the union in dues, initiation fees and special assessments, a total of \$7,799,924.65.

"Last year the union's income through the check-off system was \$2,050,563.71."

"The result has been that the union has had membership and financial security, but the company has had no compensating security. This had become so serious that unless some provision can be arrived at in our negotiations to require the union to recognize and fulfill a responsibility of its own, the very future of the Ford Motor Co. is at stake."

"The company accepts the principle of union membership for its employes and collective bargaining with the union representatives. But if we are to reach production efficiency essential to our common objectives we must insist upon guarantees by the union against work stoppages and losses in productivity."

Election of Directors of N. Y. Federal Reserve Bank

The results of the election of directors of the Federal Reserve Bank of New York to succeed Warren W. Clute, Jr., class A director, and Carle C. Conway, class B director, whose terms expire Dec. 31, were made known as follows on Nov. 16 by Beardsley Ruml, Chairman of the Board of the Reserve Bank:

Howard A. Wilson, President, Citizens National Bank and Trust Company of Fulton, Fulton, N. Y., was elected by member banks in Group 3 as a class A director of this bank; and Carle C. Conway, Chairman of the Board and President, Continental Can Company, Inc., New York, N. Y., was re-elected by member banks in Group 3 as a class B director of this bank. Each was chosen for a term of three years beginning Jan. 1, 1946.

Propose Free Circulation and Coinage of Gold

Senators Murray and Taylor of Senate Subcommittee on Mining and Minerals Announce That They Will Introduce Bill to Repeal Gold Nationalization Law and Restore Gold Coinage and Also Authorize President to Raise Gold Price.

It was announced on Nov. 13 by the Senate Subcommittee on Mining and Minerals Industry that a new bill designed to permit free circulation of gold will be presented to the United States Senate soon by Senator Glen Taylor (Idaho), for himself, and Senator James E. Murray (Montana).

Specifically, the bill provides for the following changes in existing rules governing the circulation of gold:

1. It will permit coinage of a \$50 gold piece.
2. It will provide for free circulation of gold and the convertibility of gold with currency.
3. It will authorize the Presi-

dent to raise the price of gold above the present \$35 per ounce figure.

4. It will permit persons tendering gold bullion to the mints to receive in return therefor either coined gold or currency, depending upon his wish.

Senator James E. Murray, co-author of the bill, who is absent from Washington on official business, is chairman of the Mining and Minerals Industry Subcommittee of the Senate Small Business Committee as well as being chairman of the full committee. Senator Taylor is also a member of the subcommittee.

A companion bill is expected to be introduced in the House of Representatives by Congressman Clair Engle (California) in the near future.

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The State of Trade

(Continued from page 2498)

of American Railroads announced. This was a decrease of 13,744 cars, or 1.6% below the preceding week this year, but 1,286 cars, or 0.2% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 9,754 cars, or 1.2% is shown.

Electric Production — The Edison Electric Institute reports that the output of electricity increased to approximately 3,948,024,000 kwh. in the week ended Nov. 10, 1945, from 3,889,293,000 kwh. in the preceding week. Output for the week ended Nov. 10, 1945, however, was 10.2% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 176,200,000 kwh. in the week ended Nov. 14, 1945, comparing with 174,500,000 kwh. for the corresponding week of 1944, or an increase of 1.0%.

Local distribution of electricity amounted to 175,800,000 kwh. compared with 169,700,000 kwh. for the corresponding week of last year, an increase of 3.6%.

Building Permits in October — Volume of building permits rose sharply during October, with all sections of the country, except the Middle Atlantic, showing substantial improvement over a year ago. Permits issued in 215 cities last month, according to Dun & Bradstreet, aggregated \$161,851,437, the highest for any previous month since May, 1930, when they totalled \$174,000,000.

At New York permit valuations fell 66.0% to \$20,486,894 from \$60,329,467 in October last year, when the total was swollen by the filing of plans for numerous large post-war building projects.

Aggregate permit values for 215 cities during the first 10 months of this year rose 31.0% to \$980,642,492, from \$679,656,089 last year. New York with \$181,526,222 for the cumulative period, continued 23.2% under a year ago.

Paper and Paperboard Production — Paper production in the United States for the week ending Nov. 10, was 97% of mill capacity, against 97½% in the preceding week and 91.3% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 97%, compared with 97% in the preceding week and 96% in the like 1944 week.

Business Failures Decline — In the week ending Nov. 15 commercial and industrial failures declined to the lowest number in five weeks, reports Dun & Bradstreet, Inc. Twelve concerns failed as compared with 17 in the previous week and 13 a year ago.

Small failures with liabilities under \$5,000 outnumbered large failures for the first time since June. These small failures jumped from none last week to seven in the week just ended and were more than twice the number in the corresponding week of 1944. On the other hand, large failures involving liabilities of \$5,000 or more declined to a third those a week ago, five this week as compared with 17, and were half the 10 occurring in the same week last year.

Retailing accounted for one-third the week's failures and manufacturing for a quarter. No other trade or industry group reported more than two failures. As well, retailers and manufacturers were the only groups in which failures were more numerous this year than in 1944.

Five Canadian failures were reported, as compared with three in the previous week and none in the corresponding week of 1944.

Wholesale Commodity Price Index — Reflecting continued advances in farm products, the daily wholesale commodity price index, compiled by Dun & Bradstreet,

Inc., moved sharply upward this week, reaching 182.06 on Nov. 10, the highest since it was started in 1932. The index closed at 181.56 on Nov. 13, marking a gain of 1.0% over a week previous, and a rise of 5.7% over a year ago when it stood at 171.70.

Continuing their upward trend, all grain futures, with few exceptions, reached new high levels for the season with wheat and rye selling at new highs for 20 years. Tightness of supplies and the belief that foreign requirements would be much larger than the trade had anticipated a short while ago were leading factors in the rise. Heavy trading in oats featured the largest turnover in futures markets for more than a year past. Corn futures held at ceilings despite a sharp increase in the movement of new corn from the country. Flour business was quiet with prices firmer, reflecting the tightness in cash wheat. Large-scale Government buying of flour was looked for in the near future. Hogs remained firm at ceilings and clearances were good.

Extending the upward movement of the past few months, cotton prices responded to inflation talk and speculative buying during the past week-end rose to new high ground for the season. Spot markets were active with demand for better grades of medium staples exceeding the supply in most markets. The movement of cotton into the Government loan and purchase stocks thus far this season has been on a very limited scale due to the recent sharp advance in values.

Very little trading occurred in domestic wools in the Boston market last week, and few bids were noted as a result of the request of the Commodity Credit Corporation that handlers seek bids on up to 10% of their holdings of domestic wools. Sales of spot foreign wools were slow. Foreign wool buying in Montevideo resulted in firmer prices in that market. There were few orders reported placed in South American markets by U. S. buyers. Domestic wool appraisals for purchase by the CCC were larger. A total of 6,199,158 pounds for the week ending Nov. 3 brought the aggregate appraisals for the season to date to 287,108,977 pounds.

Wholesale Food Price Index Attains New Peak — The Dun & Bradstreet wholesale food price index rose 1 cent further this week to reach a new peak since 1920. The Nov. 13 figure, at \$4.15, represents a rise of 2.5% over last year's \$4.05, and of 3.0% over the \$4.03 recorded on the like date two years ago.

There were no declines during the week. Advances occurred in flour, rye, oats and eggs. The index represents the sum total of the price per pound of 31 foods in general use.

Retail Hardware Sales Up in September, Jobber Sales Off — Sales of independent retail hardware stores, in all parts of the United States, had an average gain of 7% in September, 1945, over volume for the same period a year ago. "Hardware Age" reports, in its every-other-week market summary. Sales that month averaged 2% more than in August, 1945. Cumulative sales for the first nine months of 1945 showed a 10% gain in volume over the first three-quarters of 1944.

Sales of wholesale hardware distributors, reporting on that phase of their operations, indicated an average dollar volume decline of 8% in September of this year from the same month last year. Sales for the first nine months of this year averaged 1% over that period in 1944. Inventories on hand as of Sept. 30 had a dollar value of 5% more than those of the same date last year,

and showed a 2% gain over Aug. 31, 1945. Collections on accounts receivable dropped from September, 1944, but were better than in August, 1945.

Retail and Wholesale Trade — Large shopping crowds, intent on holiday purchasing, lifted retail volume for the country as a whole last week slightly above a week earlier; volume was moderately above the high level of a year ago, according to Dun & Bradstreet, Inc., in its weekly review of wholesale and retail trade. Armistice Day volume was good; it was slightly over a year ago. Inventories in most stores remained low in particular lines.

A high level of demand for better quality merchandise was apparent. Cold snaps throughout the country pushed fur coat volume upward; mink coats increased in volume over the previous week and cloth coats continued to sell in large quantities. Women's suits of all types remained as leading selling items. The heavy demand for men's suits and furnishings continued, raising the volume well above a year ago.

Lingered, suitable for Christmas gifts, was heavily purchased. Sales volume in women's handbags continued high and the promotion of gloves and scarfs stimulated sales. Toilet articles, cosmetics, and costume jewelry were fairly plentiful and much gift buying was done in these departments.

House furnishings department were very active with china and glassware chiefly in demand. Blankets increased somewhat in supply, while stocks of mattresses, springs, and towels remained limited. Furniture dealers reported volume under a year ago. Hard goods stocks are increasing with the reappearance of such things as electric irons, clocks, and metal toys. Cameras and films have become more easily available.

Retail food volume was about 5% over a year ago and remained even with last week. Stocks of fresh fruit continued inadequate in some localities. Some retailers again limited sales of scarce canned foods, while meat and poultry were available in greater quantities.

Retail volume for the country was estimated at from 7 to 11% over a year ago. Regional increases were: New England 5 to 9, East 8 to 12, Middle West 4 to 9, Northwest 6 to 10, South 9 to 12, Southwest 7 to 11, Pacific Coast 9 to 13.

Wholesale volume last week was maintained at a level equal to the previous week and was slightly above that of the corresponding week a year ago. Buyers continued to swell the large markets in search of merchandise. The supply situation remained low in many lines. Deliveries continued slow. New order volume generally increased.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Nov. 10, 1945, increased by 13% above the same period of last year. This compared with an increase of 10% in the preceding week. For the four weeks ended Nov. 10, 1945, sales increased by 12% and for the year to date showed an increase of 11%.

Retail trade volume in New York last week stimulated by cooler weather and Christmas gift shipping moved into higher ground. In the week many buyers flocked to wholesale markets with the object of obtaining merchandise for immediate sale, but met with disappointment. However, orders on spring goods for January-March delivery were placed. With supplies at a low level, the system of allotments continues to rule. An increase in wholesale and retail food sales was noted, the past week over the preceding week as a result of the rising demand for holiday luxuries.

According to the Federal Re-

Observations

(Continued from first page)

Are the following items possible portents of trouble ahead for the stock market? (1) The stock split-up is back as a leading bull tip—supposedly a single piece of paper is worth less than the sum of its divided parts. (2) Country club conversation is no longer occupied with golf, gin, or sex; but with stock prices. (3) Trading in Southern Pacific was temporarily suspended last week because of a wild scramble of buying orders. (The opening in Anaconda was similarly delayed for a half-hour in 1929 when the price was \$125; three years later buyers of the stock were scarce at \$3 a share.)

The several fiscal policy-makers and spokesmen of the Administration really ought to get together! Intra-government inconsistency is again highlighted by SEC Chairman Purcell's demonstration of the paucity of capital financing in his address before the National Association of Securities Commissioners (published in full in this issue of the Chronicle), wherein he prophesied a continuation of the situation existing since 1941, since when most of the \$8 billion of corporate financing has been for refunding purposes. For this dearth of new capital issues in relation to the aggregate of investment funds seeking outlets, has its causes rooted in the Administration's past and prospective policies on such matters as taxation and labor-and-prices, and constituting the strongest bull tip on the inflationary stock market flies directly in the face of Mr. Marriner Eccles' continuing worry over continuing appreciation of capital values.

Stock market inflation is certainly enhanced also by the discouragement to short selling; caused not only by the SEC-instigated trading rules, but caused equally by the letter and interpretation of the tax law. For under the exclusion of long-term profits on short sales from the capital gains provision, which gives the relief of a 25% tax ceiling on long-term profits, the resulting enormous contribution to the tax "kitty" estops speculators above the lowest brackets from so functioning as a market stabilizer.

The OPA's action in ordering a 15% rise in the price of low-priced clothing is a welcome, although very small step in the right direction. The modification is without effect on all but the lowest quality apparel manufacturers. With the existing MAP surcharges, and with their inability to buy low-priced piece-goods, manufacturers of shirts and underwear will still have to run at a loss or go out of production.

The United Automobile Workers division of CIO in a formal statement charges that the Ford Company "has joined the conspiracy to perpetuate present starvation wages. . . . The Ford workers are not making enough money to live on. The company cannot deny that fact." Irrespective of whether Ford is or is not able to make denial, this column is not so prohibited. And our rebuttal consists simply in a demonstration of the concurrent relative rises in wage rates and the cost of living. Whereas during World War One and thereafter until 1920 the in-

serve Bank's index, department store sales in New York City for the weekly period to Nov. 10, 1945, increased 13% above the same period of last year. This compared with an increase of 13% in the preceding week. For the four weeks ended Nov. 10, 1945, sales rose by 13% and for the year to date increased by 13%.

crease in living costs outran wage rates, since 1939 the comparable figures evidence a rise in real wages. In the following tables, the index of wage rates for the earlier period applies to the construction and printing trades, and is taken from Statistical Abstract, U.S. Department of Commerce; the source for hourly earnings in the current period is the U.S. Department of Commerce; and the U.S. Labor Bureau Cost of Living Index is used for both periods.

	Wage Rates Skilled Labor	Cost of Living
1914	100	100
1915	100	101
1916	102	109
1917	107	128
1918	119	150
1919	137	172
1920	184	200
Index Numbers—1914 = 100.		
	Aver. Hourly Earnings	Cost of Living
1939	100	100
1940	104	101
1941	115	106
1942	132	117
1943	149	124
1944	158	126
1945	(June) 161	(July) 130
Index Number—1939 = 100.		

Perhaps the general assumption of an intense and prolonged boom in consumer durable goods should be viewed with some skepticism. The mere existence of huge savings will not be translated into consumption without the accompanying desire to spend them. Prohibitions against such spending may be induced by a variety of causes, as the fear of future radical style changes, recent demonstration of the surprising longevity of numerous articles, and the desire to correlate post-war buying with prospective income in lieu of one's nest-egg of savings. Recent surveys through the interview-technique conducted under the supervision of the Federal Reserve Board, to investigate the likely disposition of savings, revealed fear of the "rainy day" as the strongest motive, education as the next strongest, and the desire for consumer goods far behind.

Purchases by the \$5,000-and-over group will be held down by the impact on them of the greatly increased taxes, with a consequent reduction from their 1941 level of "discretionary spending power." In any event a large proportion of the buying will be handled on the installment plan. A recent survey conducted by "The Wage Earner Forum" of MacFadden Publications, Inc. resulted in 57% of those questioned stating that they would buy a home on credit, 51% in the case of refrigerators, and 35% for washing machines.

The question as to who will handle the installment finance business is highlighted by this week's initiation of a consumer finance plan jointly by 1,000 banks in 37 states. Although this arrangement overcomes previous obstacles from the banks' inability to serve dealers on a nationwide basis, it still leaves the consumer finance companies with the advantages of a cohesive group of operating units with uniform administrative policies, the ability to spread risks throughout their over-all nationwide volume, and highly specialized consumer "know-how." Despite competition for consumer (not dealer) paper from 8,000 of the 15,000 banks existing in 1941, the consumer credit companies—as C. I. T., Commercial Credit, and G. M. A. C.—in that year enjoyed their largest volume on record.

Coincidentally with our Administration's formulation of plans for turning on the propaganda heat on behalf of the British "Loan" (?), word of still another step toward nationalization comes across the Atlantic. The Labor Government is now planning to control farm production, to fix crop prices more than a year before their harvesting, as well as to direct the kinds of foods to be grown.

The Atomic Bomb And Future Peace

(Continued from first page)

service, it became clear to the scientists that an atomic bomb was an immediate practical possibility. At that time I was asked to serve as the President's representative on the committee, under the chairmanship of Secretary of War Stimson, which laid the plans for the New Mexico experiment.

The Future and the Atomic Bomb

Despite this experience, I know that I cannot presently evaluate the true impact of this discovery upon the future of the world. But from the day the first bomb fell on Hiroshima, one thing has been clear to all of us: the civilized world cannot survive an atomic war.

This is the challenge to our generation. To meet it we must let our minds be bold. At the same time we must not imagine wishfully that overnight there can arise full grown a world government wise and strong enough to protect all of us and tolerant and democratic enough to command our willing loyalty.

If we are to preserve the continuity of civilized life, we must work with the materials at hand, improving and adding to existing institutions until they can meet the stern test of our time.

Accordingly, the President of the United States and the Prime Ministers of Great Britain and Canada—the partners in the historic scientific and engineering undertaking that resulted in the release of atomic energy—have taken the first step in an effort to rescue the world from a desperate armament race.

The Washington Agreement

In their statement they declared their willingness to make immediate arrangements for the exchange of basic scientific information for peaceful purposes. Much of this kind of basic information essential to the development of atomic energy has already been disseminated. We shall continue to make such information available.

In addition to these immediate proposals the conference recommended that at the earliest practicable date a commission should be established under the United Nations Organization. This can be done within sixty days.

It would be the duty of this commission to draft recommendations for extending the international exchange of basic scientific information for peaceful purposes, for the control of atomic energy to the extent necessary to insure its use only for peaceful purposes, and for the elimination from national armaments of atomic weapons and of all other weapons adaptable to mass destruction.

The commission would recommend effective safeguards by way of inspection or other means to protect complying states against the hazards of violations and evasions.

Such protection would be afforded by having the work proceed by stages.

As a starting point the commission might recommend the wide exchange of scientists and scientific information. The next step might be the sharing of knowledge about the raw materials necessary to the release of atomic energy.

The successful completion of each stage would develop the confidence to proceed to the next stage.

The Application of Atomic Energy

A very serious question arises, however, when we reach the stage of exchanging detailed information about the practical industrial application of atomic energy. The thought to be borne in mind here

is that up to a certain rather advanced point the so-called know-how of production is the same whether atomic energy is to be stored in bombs or harnessed as power for a peaceful industrial purpose.

And so it was necessary for the conferees to determine in the light of this fact how soon information concerning the practical application of atomic energy should be disseminated.

Only one answer was possible. Until effective safeguards can be developed, in the form of international inspection or otherwise, the secrets of production of know-how must be held, in the words of the President, as a sacred trust—a trust in the exercise of which we are already under definite international obligation.

Under the Charter of the United Nations we have pledged ourselves not to use force except in support of the purposes and principles of the Charter. The suggestion that we are using the atomic bomb as a diplomatic or military threat against any nation is not only untrue in fact but is a wholly unwarranted reflection upon the American Government and people.

It is one of the inherent characteristics of our democracy that we can fight a war only with the genuine consent of our people. No President in the absence of a declaration of war by the Congress could authorize an atomic bombing without running the risk of impeachment.

No one who knows the peace-loving temper of our people can believe that our Congress would adopt a declaration of war contrary to our solemnly undertaken obligations under the United Nations charter.

The history of 1914 to 1917 and of 1939 to 1941 is convincing proof of the slowness of Congress to declare war. There is surely no reason to believe that it would be more eager to engage in a future war more terrible than any we have known.

While we consider it proper and necessary, therefore, to continue for a time to hold these production secrets in trust, this period need not be unnecessarily prolonged.

As experience demonstrates that the sharing of information is full and unreserved, it is to be hoped that the exchange for peaceful purposes can be extended to some and eventually to all the practical applications of atomic energy and of other scientific discoveries. This is the objective we seek.

Seriousness in Situation

It is our purpose and grave duty to act in our relations with other nations with the boldness and generosity that the atomic age demands of us. No officials of Government have ever been called upon to make a decision fraught with more serious consequences. We must act. But we will act in a manner that will not undermine our safety or the safety of the world.

Our declaration of willingness to exchange immediately the basic scientific information and our plans for the setting up of a commission under United Nations sponsorship have been sent by me to members of the United Nations Organization. We look forward to their cooperation.

No one appreciates more keenly than those who have advanced these proposals that they represent a very modest first step in what is certain to prove a long and difficult journey. I wish to emphasize our conviction that the creation and development of safeguards to protect us all from unspeakable destruction is not the exclusive responsibility of the

United States or Great Britain or Canada. It is the responsibility of all governments.

Without the united effort and unremitting cooperation of all the nations of the world there will be no enduring and effective protection against the atomic bomb. There will be no protection against bacteriological warfare, an even more frightful method of human destruction.

Atomic energy is a new instrument that has been given to man. He may use it to destroy himself and a civilization which centuries of sweat and toil and blood have built. Or he may use it to win for himself new dignity and a better and more abundant life.

If we can move gradually but surely toward free and unlimited exchange of scientific and industrial information, to control and perhaps eventually to eliminate the manufacture of atomic weapons and other weapons capable of mass destruction, we will have progressed toward achieving freedom from fear.

Must Abolish War and Trade Blackouts

But it is not enough to banish atomic or bacteriological warfare. We must banish war. To that great goal of humanity we must ever rededicate our hearts and strength.

To help us move toward that goal we must guard not only against military threats to world security but economic threats to world well-being.

Political peace and economic warfare cannot long exist together. If we are going to have peace in this world, we must learn to live together and work together. We must be able to do business together.

Nations that will not do business with one another or try to exclude one another from doing business with other countries are not likely in the long run to be good neighbors.

Trade blackouts, just as much as other types of blackouts, breed distrust and disunity. Business relations bring nations and their peoples closer together and, perhaps more than anything else, promote good-will and determination for peace.

Many of the existing restrictions on world trade result from present-day conditions and practices, largely growing out of the war.

Britain's Dilemma

Many countries, and not least Great Britain, had to sacrifice their foreign earning power to win the war. They have sold most of their foreign stocks and bonds, borrowed heavily abroad, let their foreign commerce go, and lost ships and factories to enemy attack.

Their needs for foreign goods are great and pressing but they lack foreign exchange, that is, purchasing power to buy abroad. Without aid they cannot see their way to buy as they used to abroad, not to speak of the additional things they need from abroad to rehabilitate their shattered and devastated economies.

In a situation of this kind what can a country do? It can seek to borrow the foreign currencies it needs, which will enable it to apply the liberal principles of trade which must be the basis of any permanent prosperity. Or it can draw in its belt. It can reduce the standard of living of its people, conserve in every way the foreign currencies that it finds hard to get, and transfer its foreign trade by Government decree to countries whose currencies are easier to obtain.

In the latter way lies increased discrimination and the division of the commerce of the world into exclusive blocs. We cannot oppose exclusive blocs if we do not help remove the conditions which impel other nations, often against their will, to create them.

We must not only oppose these exclusive trading blocs but we must also cooperate with other

nations in removing conditions which breed discrimination in world trade.

Whatever foreign loans we make will of course increase the markets for American products, for in the long run the dollars we lend can be spent only in this country.

The countries devastated by the war want to get back to work. They want to get back to production which will enable them to support themselves. When they can do this, they will buy goods from us. America, in helping them, will be helping herself.

Not Santa Claus to World

We cannot play Santa Claus to the world, but we can make loans to Governments whose credit is good, provided such Governments will make changes in commercial policies which will make it possible for us to increase our trade with them.

In addition to loans, lend-lease settlements, and the disposal of our surplus war materials, we have been discussing with Great Britain the principles of commercial relations—principles we want to see applied by all nations in the post-war world.

These are the same liberal principles which my friend and predecessor, Cordell Hull, urged for so many years.

They are based on the conviction that what matters most in trade is not the buttressing of particular competitive positions but the increase of productive employment, the increase of production and the increase of general prosperity.

The reasons for poverty and hunger are no longer the stinginess of nature. Modern knowledge makes it technically possible for mankind to produce enough good things to go around. The world's present capacity to produce gives it the greatest opportunity in history to increase the standards of living for all peoples of the world.

Must Expand World Trade by Removing Restrictions

Trade between countries is one of the greatest forces leading to the fuller use of these tremendously expanded productive powers. But the world will lose this opportunity to improve the lot of her peoples if their countries do not learn to trade as neighbors and friends. If we are going to have a real people's peace, world trade cannot be throttled by burdensome restrictions.

Some of these restrictions are imposed by Government decree; others by private combination. They must be removed if we are to have full employment.

To do this it will be necessary to agree upon some general rules and to apply them in detail. We shall shortly submit to the peoples of the world our views about these matters.

We intend to propose that commercial quotas and embargoes be restricted to a few really necessary cases, and that discrimination in their application be avoided.

Wants Tariffs Reduced

We intend to propose that tariffs be reduced and tariff preferences be eliminated. The Trade Agreements Act is our standing offer to negotiate to that end.

We intend to propose that subsidies, in general, should be the subject of international discussion, and that subsidies on exports should be confined to exceptional cases, under general rules, as soon as the period of emergency adjustment is over.

We intend to propose that Governments conducting public enterprises in foreign trade should agree to give fair treatment to the commerce of all friendly states, that they should make their purchases and sales on purely economic grounds, and that they should avoid using a mon-

opoly of imports to give excessive protection to their own producers.

We intend to propose that international cartels and monopolies should be prevented by international action from restricting the commerce of the world.

We intend to propose that the special problems of the great primary commodities should be studied internationally, and that consuming countries should have an equal voice with producing countries in whatever decisions may be made.

We intend to propose that the efforts of all countries to maintain full and regular employment should be guided by the rule that no country should solve its domestic problems by measures that would prevent the expansion of world trade, and no country is at liberty to export its unemployment to its neighbors.

An International Trade Organization

We intend to propose that an international trade organization be created, under the Economic and Social Council, as an integral part of the structure of the United Nations.

We intend to propose that the United Nations call an international conference on trade and employment to deal with all these problems.

In preparation for that conference we intend to go forward with actual negotiations with several countries for the reduction of trade barriers under the Reciprocal Trade Agreements Act.

Just when the negotiations will commence has not been determined. They will be announced in the usual way, as required by the Act, and due notice will be given in order that all interested persons may be heard before the detailed offers to be made by the United States are settled.

Success in those negotiations will be the soundest preparation for the general conference we hope will be called by the United Nations Organization.

By proposing that the United Nations Organization appoint a commission to consider the subject of atomic energy and by proposing that the organization likewise call a conference to enable nations to consider the problems of international trade, we demonstrate our confidence in that organization as an effective instrumentality for world cooperation and world peace.

After the first World War we rejected the plea of Woodrow Wilson and refused to join the League of Nations. Our action contributed to the ineffectiveness of the League.

Now the situation is different. We have sponsored the United Nations Organization. We are giving it our whole-hearted and enthusiastic support. We recognize our responsibility in the affairs of the world. We shall not evade that responsibility.

With other nations of the world we shall walk hand in hand in the paths of peace in the hope that all peoples can find freedom from fear and freedom from want.

President Signs Aluminum Plant Disposal Bill

The bill extending the time during which the Surplus Property Administration is prohibited from disposing of Government aluminum plants was signed by President Truman, Oct. 22, according to Associated Press Washington advices. The Surplus Property Act generally requires that in disposing of war plants there can be no action until 30 days after the Administration has reported to Congress on its plans. Under the new legislation, offered by Senator O'Mahoney (D.-Wyo.), according to the Associated Press, the period has been made 60 days in the case of aluminum plants and facilities.

President Truman's Message On Federal Health Insurance

(Continued from first page)

statistics of the last war had shown the same condition. But the Selective Service System has brought it forcibly to our attention recently—in terms which all of us can understand.

Cites Defects of Draftees

As of April 1, 1945, nearly 5,000,000 male registrants between the ages of 18 and 37 had been examined and classified as unfit for military service. The number of those rejected for military service was about 30% of all those examined. The percentage of rejection was lower in the younger age groups, and higher in the higher age groups, reaching as high as 49% for registrants between the ages of 34 and 37.

In addition, after actual induction, about a million and a half men had to be discharged from the Army and Navy for physical or mental disability, exclusive of wounds; and an equal number had to be treated in the armed forces for diseases or defects which existed before induction.

Among the young women who applied for admission to the Women's Army Corps there was similar disability. Over one-third of those examined were rejected for physical or mental reasons.

These men and women who were rejected for military service are not necessarily incapable of civilian work. It is plain, however, that they have illnesses and defects that handicap them, reduce their working capacity, or shorten their lives.

It is not so important to search the past in order to fix the blame for these conditions. It is more important to resolve now that no American child shall come to adult life with diseases or defect which can be prevented or corrected at an early age.

Medicine has made great strides in this generation—especially during the last four years. We owe much to the skill and devotion of the medical profession. In spite of great scientific progress, however, each year we lose many more persons from preventable and premature deaths than we lost in battle or from war injuries during the entire war.

We are proud of past reductions in our death rates. But these reductions have come principally from public health and other community services. We have been less effective in making available to all of our people the benefits of medical progress in the care and treatment of individuals.

Government Must Act

In the past, the benefits of modern medical science have not been enjoyed by our citizens with any degree of equality. Nor are they today. Nor will they be in the future—unless Government is bold enough to do something about it.

People with low or moderate incomes do not get the same medical attention as those with high incomes. The poor have more sickness, but they get less medical care. People who live in rural areas do not get the same amount or quality of medical attention as those who live in our cities.

Our new economic bill of rights should mean health security for all, regardless of residence, station or race—everywhere in the United States.

We should resolve now that the health of this nation is a national concern; that financial barriers in the way of attaining health shall be removed; that the

health of all its citizens deserves the help of all the nation.

Basic Problems

There are five basic problems which we must attack vigorously if we would reach the health objectives of our economic bill of rights.

1. The first has to do with the number and distribution of doctors and hospitals. One of the most important requirements for adequate health service is professional personnel—doctors, dentists, public health and hospital administrators, nurses and other experts.

The United States has been fortunate with respect to physicians. In proportion to population it has more than any large country in the world, and they are well trained for their calling. It is not enough, however, that we have them in sufficient numbers. They should be located where their services are needed. In this respect we are not so fortunate.

The distribution of physicians in the United States has been grossly uneven and unsatisfactory. Some communities have had enough or even too many; others have had too few. Year by year the number in our rural areas has been diminishing. Indeed, in 1940, there were 31 counties in the United States, each with more than a thousand inhabitants, in which there was not a single practicing physician. The situation with respect to dentists was even worse.

One important reason for this disparity is that in some communities there are no adequate facilities for the practice of medicine. Another reason—closely allied with the first—is that the earning capacity of the people in some communities makes it difficult if not impossible for doctors who practice there to make a living.

The demobilization of 60,000 doctors, and of the tens of thousands of other professional personnel in the armed forces is now proceeding on a large scale. Unfortunately, unless we act rapidly, we may expect to see them concentrate in the places with greater financial resources and avoid other places, making the inequalities even greater than before the war.

Demobilized doctors cannot be assigned. They must be attracted. In order to be attracted, they must be able to see ahead of them professional opportunities and economic assurances.

Hospital Shortages

Inequalities in the distribution of medical personnel are matched by inequalities in hospitals and other health facilities. Moreover, there are just too few hospitals, clinics and health centers to take proper care of the people of the United States.

About 1,200 counties, 40% of the total in the country, with some 15,000,000 people, have either no local hospital, or none that meets even the minimum standards of national professional associations.

The deficiencies are especially severe in rural and semi-rural areas and in those cities where changes in population have placed great strains on community facilities.

I want to emphasize, however, that the basic problem in this field cannot be solved merely by building facilities. They have to be staffed; and the communities have to be able to pay for the services. Otherwise the new facilities will be little used.

2. The second basic problem is the need for development of public health services and maternal and child care. The Congress can be justifiably proud of its share in making recent accomplishments

possible. Public health and maternal and child health programs already have made important contributions to national health. But large needs remain. Great areas of our country are still without these services. This is especially true among our rural areas; but it is true also in far too many urban communities.

Only Skeleton Organization

Although local public health departments are now maintained by some 18,000 counties and other local units, many of these have only skeleton organizations, and approximately 40,000,000 citizens of the United States still live in communities lacking full-time local public health service. At the recent rate of progress in developing such service, it would take more than a 100 years to cover the whole nation.

If we agree that the national health must be improved, our cities, towns and farming communities must be made healthful places in which to live through provision of safe water systems, sewage disposal plants and sanitary facilities. Our streams and rivers must be safeguarded against pollution. In addition to building a sanitary environment for ourselves and for our children, we must provide those services which prevent disease and promote health.

Services for expectant mothers and for infants, care of crippled or otherwise physically handicapped children and inoculation for the prevention of communicable diseases are accepted public health functions. So too are many kinds of personal services, such as the diagnosis and treatment of widespread infections like tuberculosis and venereal disease. A large part of the population today lacks many or all of these services.

Our success in the traditional public health sphere is made plain by the conquest over many communicable diseases. Typhoid fever, smallpox and diphtheria—diseases for which there are effective controls—have become comparatively rare. We must make the same gains in reducing our maternal and infant mortality, in controlling tuberculosis, venereal disease, malaria and other major threats to life and health. We are only beginning to realize our potentialities in achieving physical well-being for all our people.

Research Essential

3. The third basic problem concerns medical research and professional education.

We have long recognized that we cannot be content with what is already known about health or disease. We must learn and understand more about health and how to prevent and cure disease.

Research—well directed and continuously supported—can do much to develop ways to reduce those diseases of body and mind which now cause most sickness, disability and premature death—diseases of the heart, kidneys and arteries, rheumatism, cancer, diseases of childbirth, infancy and childhood, respiratory diseases and tuberculosis. And research can do much toward teaching us how to keep well and how to prolong healthy human life.

Cancer is among the leading causes of death. It is responsible for over 160,000 recorded deaths a year, and should receive special attention. Though we already have the National Cancer Institute of the Public Health Service, we need still more coordinated research on the cause, prevention and cure of this disease. We need more financial support for research and to establish special clinics and hospitals for diagnosis and treatment of the disease especially in its early stages. We need to train more physicians for the highly specialized services so essential for effective control of cancer.

Mental Cases Large

There is also special need for

research on mental diseases and abnormalities. We have done pitifully little about mental illnesses. Accurate statistics are lacking, but there is no doubt that there are at least two million persons in the United States who are mentally ill, and that as many as ten million will probably need hospitalization for mental illness for some period in the course of their lifetime.

A great many of these persons would be helped by proper care. Mental cases occupy more than one-half of the hospital beds, at a cost of about \$500,000,000 per year—practically all of it coming out of taxpayers' money. Each year there are 125,000 new mental cases admitted to institutions.

We need more mental-disease hospitals, more out-patient clinics. We need more services for early diagnosis, and especially we need much more research to learn how to prevent mental breakdown. Also, we must have many more trained and qualified doctors in this field.

It is clear that we have not done enough in peacetime for medical research and education in view of our enormous resources and our national interest in health progress. The money invested in research pays enormous dividends. If any one doubts this, let him think of Penicillin, plasma, DDT powder and new rehabilitation techniques.

Individual Cost Prohibitive

4. The fourth problem has to do with the high cost of individual medical care. The principal reason why people do not receive the care they need is that they cannot afford to pay for it on an individual basis at the time they need it. This is true not only for needy persons. It is also true for a large proportion of normally self-supporting persons.

In the aggregate, all health services—from public health agencies, physicians, hospitals, dentists, nurses and laboratories—absorb only about 4% of the national income. We can afford to spend more for health.

But 4% is only an average. It is cold comfort in individual cases. Individual families pay their individual costs, and not average costs. They may be hit by sickness that calls for many times the average cost—in extreme cases for more than their annual income. When this happens they may come face to face with economic disaster. Many families, fearful of expense, delay calling the doctor long beyond the time when medical care would do the most good.

For some persons with very low income or no income at all we now use taxpayers' money in the form of free services, free clinics and public hospitals. Tax-supported free medical care for needy persons, however, is insufficient in most of our cities and in nearly all of our rural areas. This deficiency cannot be met by private charity or the kindness of individual physicians.

Plight of Doctors

Each of us knows doctors who work through endless days and nights, never expecting to be paid for their services because many of their patients are unable to pay. Often the physician spends not only his time and effort, but even part of the fees he has collected from patients able to pay, in order to buy medical supplies for those who cannot afford them. I am sure that there are thousands of such physicians throughout our country. They cannot, and should not, be expected to carry so heavy a load.

5. The fifth problem has to do with loss of earnings when sickness strikes. Sickness not only brings doctor bills; it also cuts off income.

Economic Effect of Disability

On an average day there are about 7,000,000 persons so disabled by sickness or injury that

they cannot go about their usual tasks. Of these, about 3,250,000 are persons who, if they were not disabled, would be working or seeking employment. More than one-half of these disabled workers have already been disabled for six months; many of them will continue to be disabled for years, and some for the remainder of their lives.

Every year four or five hundred million working days are lost from productive employment because of illness and accident among those working or looking for work—about forty times the number of days lost because of strikes on the average during the ten years before the war. About nine-tenths of this enormous loss is due to illness and accident that is not directly connected with employment and is therefore not covered by workmen's compensation laws.

These then are the five important problems which must be solved, if we hope to attain our objective of adequate medical care, good health, and protection from the economic fears of sickness and disability.

Program for Congress

To meet these problems, I recommend that the Congress adopt a comprehensive and modern health program for the nation, consisting of five major parts—each of which contributes to all the others.

First: Construction of Hospitals and Related Facilities

The Federal Government should provide financial and other assistance for the construction of needed hospitals, health centers and other medical, health and rehabilitation facilities. With the help of Federal funds, it should be possible to meet deficiencies in hospital and health facilities so that modern services—for both prevention and cure—can be accessible to all the people. Federal financial aid should be available not only to build new facilities where needed, but also to enlarge or modernize those we now have.

In carrying out this program, there should be a clear division of responsibilities between the States and the Federal Government. The States, localities and the Federal Government should share in the financial responsibilities. The Federal Government should not construct or operate these hospitals. It should, however, lay down minimum national standards for construction and operation, and should make sure that Federal funds are allocated to those areas and projects where Federal aid is needed most. In approving State plans and individual projects, and in fixing the national standards, the Federal agency should have the help of a strictly advisory body that includes both public and professional members.

Prevent Disease

Adequate emphasis should be given to facilities that are particularly useful for prevention of diseases—mental as well as physical—and to the coordination of various kinds of facilities. It should be possible to go a long way toward knitting together facilities for prevention with facilities for cure, the large hospitals of medical centers with the smaller institutions for surrounding areas, the facilities for the civilian population with the facilities for veterans.

The general policy of Federal-State partnership which has done so much to provide the magnificent highways of the United States can be adapted to the construction of hospitals in the communities which need them.

Second: Expansion of Public Health, Maternal and Child Health Services.

Our programs for public health and related services should be enlarged and strengthened. The present Federal-State cooperative

health programs deal with general public health work, tuberculosis and venereal disease control, maternal and child health services and services for crippled children.

These programs were especially developed in the 10 years before the war and have been extended in some areas during the war. They have already made important contributions to national health, but they have not yet reached a large proportion of our rural areas, and, in many cities, they are only partially developed.

No area in the nation should continue to be without the services of a full-time health officer and other essential personnel. No area should be without essential public health services or sanitation facilities. No area should be without community health services such as maternal and child health care.

Hospitals, clinics and health centers must be built to meet the needs of the total population, and must make adequate provision for the safe birth of every baby, and for the health protection of infants and children.

Present laws relating to general public health, and to maternal and child health, have built a solid foundation of Federal cooperation with the States in administering community health services. The emergency maternity and infant care program for the wives and infants of service men—a great wartime service authorized by the Congress—has materially increased the experience of every State health agency, and has provided much-needed care. So too have other wartime programs such as venereal disease control, industrial hygiene, malaria control, tuberculosis control and other services offered in war essential communities.

Financial Aid to States

The Federal Government should cooperate by more generous grants to the States than are provided under present laws for public health services and for maternal and child health care.

The program should continue to be partly financed by the States themselves, and should be administered by the States. Federal grants should be in proportion to State and local expenditures, and should also vary in accordance with the financial ability of the respective States.

The health of American children, like their education, should be recognized as a definite public responsibility.

In the conquest of many diseases, prevention is even more important than cure. A well-rounded national health program should, therefore, include systematic and widespread health and physical education and examinations, beginning with the youngest children and extending into community organizations. Medical and dental examinations of school children are now inadequate. A preventive health program, to be successful, must discover defects as early as possible. We should, therefore, see to it that our health programs are pushed most vigorously with the youngest section of the population.

Of course, Federal aid for community health services—for general public health and for mothers and children—should complement and not duplicate prepaid medical services for individuals, proposed by the fourth recommendation of this message.

Third: Medical Education and Research

The Federal Government should undertake a broad program to strengthen professional education in medical and related fields, and to encourage and support medical research.

Professional education should be strengthened where necessary through Federal grants-in-aid to public and to non-profit private

institutions. Medical research also should be encouraged and supported in the Federal agencies and by grants-in-aid to public and non-profit private agencies.

In my message to the Congress of Sept. 6, 1945, I made various recommendations for a general Federal research program. Medical research—dealing with the broad fields of physical and mental illnesses—should be made effective in part through that general program and in part through specific provisions within the scope of a national health program.

Federal aid to promote and support research in medicine, public health and allied fields is an essential part of a general research program to be administered by a central Federal research agency. Federal aid for medical research and education is also an essential part of any national health program, if it is to meet its responsibilities for high grade medical services and for continuing progress. Coordination of the two programs is obviously necessary to assure efficient use of Federal funds. Legislation covering medical research in a national health program should provide for such coordination.

Fourth: Prepayment of Medical Costs.

Everyone should have ready access to all necessary medical, hospital and related services.

I recommend solving the basic problem by distributing the costs through expansion of our existing compulsory social insurance system. This is not socialized medicine.

Everyone who carries fire insurance knows how the law of averages is made to work so as to spread the risk, and to benefit the insured who actually suffers the loss. If instead of the costs of sickness being paid only by those who get sick, all the people—sick and well—were required to pay premiums into an insurance fund, the pool of funds thus created would enable all who do fall sick to be adequately served without overburdening anyone. That is the principle upon which all forms of insurance are based.

During the past fifteen years, hospital insurance plans have taught many Americans this magic of averages. Voluntary health insurance plans have been expanding during recent years; but their rate of growth does not justify the belief that they will meet more than a fraction of our people's needs. Only about 3% or 4% of our population now have insurance providing comprehensive medical care.

A system of required prepayment would not only spread the costs of medical care, it would also prevent much serious disease. Since medical bills would be paid by the insurance fund, doctors would more often be consulted when the first signs of disease occur instead of when the disease has become serious. Modern hospital, specialist and laboratory services, as needed, would also become available to all, and would improve the quality and adequacy of care. Prepayment of medical care would go a long way toward furnishing insurance against disease itself, as well as against medical bills.

Such a system of prepayment should cover medical, hospital, nursing and laboratory services. It should also cover dental care—as fully and for as many of the population as the available professional personnel and the financial resources of the system permit.

A Common Health Fund

The ability of our people to pay for adequate medical care will be increased if, while they are well, they pay regularly into a common health fund, instead of paying sporadically and unevenly when they are sick. This health fund should be built up nationally, in

order to establish the broadest and most stable basis for spreading the costs of illness, and to assure adequate financial support for doctors and hospitals everywhere. If we were to rely on State-by-State action only, many years would elapse before we had any general coverage. Meanwhile health service would continue to be grossly uneven, and disease would continue to cross State boundary lines.

Medical services are personal. Therefore the nationwide system must be highly decentralized in administration. The local administrative unit must be the keystone of the system so as to provide for local services and adaptation to local needs and conditions. Locally as well as nationally, policy and administration should be guided by advisory committees in which the public and the medical professions are represented.

Subject to national standards, methods and rates of paying doctors and hospitals should be adjusted locally. All such rates for doctors should be adequate, and should be appropriately adjusted upward for those who are qualified specialists.

People should remain free to choose their own physicians and hospitals. The removal of financial barriers between patient and doctor would enlarge the present freedom of choice. The legal requirement on the population to contribute involves no compulsion over the doctor's freedom to decide what services his patient needs. People will remain free to obtain any pay for medical service outside of the health insurance system if they desire, even though they are members of the system; just as they are free to send their children to private instead of to public schools, although they must pay taxes for public schools.

Doctors Free to Act

Likewise physicians should remain free to accept or reject patients. They must be allowed to decide for themselves whether they wish to participate in the health insurance system full time, part time, or not at all. A physician may have some patients who are in the system and some who are not. Physicians must be permitted to be represented through organizations of their own choosing, and to decide whether to carry on in individual practice or to join with other doctors in group practice in hospitals or in clinics.

Our voluntary hospitals and our city, county and State general hospitals, in the same way, must be free to participate in the system of whatever extent they wish. In any case they must continue to retain their administrative independence.

Voluntary organizations which provide health services that meet reasonable standards of quality should be entitled to furnish services under the insurance system and to be reimbursed for them. Voluntary cooperative organizations concerned with paying doctors, hospitals or others for health services, but not providing services directly, should be entitled to participate if they can contribute to the efficiency and economy of the system.

None of this is really new. The American people are the most insurance-minded people in the world. They will not be frightened off from health insurance because some people have misnamed it "socialized medicine."

Not Socialized Medicine

I repeat—what I am recommending is not socialized medicine. Socialized medicine means that all doctors work as employees of Government. The American people want no such system. No such system is here proposed.

Under the plan I suggest, our people would continue to get medical and hospital services just as they do now—on the basis of

their own voluntary decisions and choices. Our doctors and hospitals would continue to deal with disease with the same professional freedom as now. There would, however, be this all-important difference: whether or not patients get the services they need would not depend on how much they can afford to pay at the time.

I am in favor of the broadest possible coverage for this insurance system. I believe that all persons who work for a living and their dependents should be covered under such an insurance plan. This would include wage and salary earners, those in business for themselves, professional persons, farmers, agricultural labor, domestic employees, Government employees and employees of non-profit institutions and their families.

Pay Premiums for Needy

In addition, needy persons and other groups should be covered through appropriate premiums paid for them by public agencies. Increased Federal funds should also be made available by the Congress under the public assistance programs to reimburse the States for part of such premiums, as well as for direct expenditures made by the States in paying for medical services provided by doctors, hospitals and other agencies to needy persons.

Premiums for present social insurance benefits are calculated on the first \$3,000 of earnings in a year. It might be well to have all such premiums, including those for health, calculated on a somewhat higher amount, such as \$3,600.

A broad program of prepayment for medical care would need total amounts approximately equal to 4% of such earnings. The people of the United States have been spending, on the average, nearly this percentage of their incomes for sickness care. How much of the total fund should come from the insurance premiums and how much from general revenues is a matter for the Congress to decide.

Doctors' Bills Guaranteed

The plan which I have suggested would be sufficient to pay most doctors more than the best they have received in peacetime years. The payments of the doctors' bills would be guaranteed, and the doctors would be spared the annoyance and uncertainty of collecting fees from individual patients. The same assurance would apply to hospitals, dentists and nurses for the services they render.

Federal aid in the construction of hospitals will be futile unless there is current purchasing power so that people can use these hospitals. Doctors cannot be drawn to sections which need them without some assurance that they can make a living. Only a nation-wide spreading of sickness costs can supply such sections with sure and sufficient purchasing power to maintain enough physicians and hospitals. We are a rich nation and can afford many things. But ill-health which can be prevented or cured is one thing we cannot afford.

Fifth: Protection Against Loss of Wages from Sickness and Disability.

What I have discussed heretofore has been a program for improving and spreading the health services and facilities of the nation, and providing an efficient and less burdensome system of paying for them.

But no matter what we do, sickness will of course come to many. Sickness brings with it loss of wages.

Therefore, as a fifth element of a comprehensive health program, the workers of the nation and their families should be protected against loss of earnings because of illness. A comprehensive health program must include the pay-

ment of benefits to replace at least part of the earnings that are lost during the period of sickness and long-term disability. This protection can be readily and conveniently provided through expansion of our present social insurance system, with appropriate adjustment of premiums.

Cash Benefits Urged

Insurance against loss of wages from sickness and disability deals with cash benefits, rather than with services. It has to be coordinated with the other cash benefits under existing social insurance systems. Such coordination should be effected when other social security measures are re-examined. I shall bring this subject again to the attention of the Congress in a separate message on social security.

I strongly urge that the Congress give careful consideration to this program of health legislation now.

Many millions of our veterans, accustomed in the armed forces to the best medical and hospital care, will no longer be eligible for such care as a matter of right except for their service-connected disabilities. They deserve continued adequate and comprehensive health service. And their dependents deserve it, too.

By preventing illness, by assuring access to needed community and personal health services, by promoting medical research, and by protecting our people against the loss caused by sickness, we shall strengthen our national health, our national defense and our economic productivity. We shall increase the professional and economic opportunities of our physicians, dentists and nurses. We shall increase the effectiveness of our hospitals and public health agencies. We shall bring new security to our people.

We need to do this especially at this time because of the return to civilian life of many doctors, dentists and nurses, particularly young men and women.

Appreciation of modern achievements in medicine and public health has created widespread demand that they be fully applied and universally available. By meeting that demand we shall strengthen the nation to meet future economic and social problems; and we shall make a most important contribution toward freedom from want in our land.

FEPC Offices Closed

Chairman Malcolm Ross of the Fair Employment Practices Committee has announced that, due to shortage of funds, field offices in New York, Philadelphia, Atlanta, San Francisco, San Antonio, Los Angeles and Washington will close Dec. 15, the Associated Press reported from Washington, Nov. 14. Congress gave FEPC \$250,000 last summer to operate until next July. This was half the sum which had been sought.

Last September President Truman urged Congress to make FEPC permanent, and, the Associated Press stated, enabling legislation was approved by House and Senate labor committees. The House Rules Committee pigeonholed the bill. It still is on the Senate calendar.

"FEPC is reluctant to lose the able workers in the seven offices to be closed," Ross said in a statement. "The personnel of these offices during the years of actual war performed a notable service in keeping the war plant gate open to all American workers irrespective of race, creed, color or national origin."

He suggested that "those plants which are reconverting to peacetime production ought, as a matter of fair play and common sense, to offer work opportunities to all workers without favor or discrimination."

FEPC offices in Detroit, Chicago and St. Louis have been left in operation.

The Steel Wage Impasse

(Continued from first page)

ruly shock of black hair and the stocky build of an athlete. His father was a coal miner. He worked in the steel industry as a mill superintendent, surveyor, and engineer. Today he is President of the United States Steel Corp. He's a man who got to the top the hard way. And his name is Benjamin F. Fairless. He is also Vice-President of American Iron and Steel Institute, for which he speaks tonight.

Mr. Fairless: That's enough about me, Ken. There are a lot of questions people want answered about this situation, so let's get on with them.

Announcer: O. K. Here's the first. Some people say that you fellows in the steel industry are opposed to paying high wages. How about it?

Mr. Fairless: Absolutely not. Steel makers believe in high wages. Steel workers are among the highest paid in any manufacturing industry.

Announcer: Are you refusing to bargain collectively on the Union's wage demand?

Mr. Fairless: No, we are not refusing to bargain collectively. Negotiations are being blocked by the Union and by the Government.

Announcer: What do you mean they are being blocked by the Union?

Mr. Fairless: The President of the Union, Philip Murray, said flatly in the very beginning that his demand for an increase of \$2 a day was not subject to dickering or compromise.

Announcer: Well, how is the Government blocking collective bargaining, Ben?

Mr. Fairless: The Government is blocking it by keeping steel prices frozen. Wages cannot continue to go up when prices must remain at their present level.

Announcer: Isn't it possible to pay this wage increase without increasing prices?

Mr. Fairless: I wish we could, but we just can't. We're selling many steel products at a loss today, Mr. Williams. The prices we get for steel are generally less than steel prices in 1937, in fact \$3.53 a ton less than the scheduled steel prices of 1937. That is because the government-controlled ceiling prices have been frozen by OPA at pre-war levels. Costs, however, have not been frozen, and wages certainly have not been frozen during the war period. The average straight time hourly earnings in the steel industry rose 34% between January, 1941 and August, 1945. And remember, that is without counting any overtime pay.

Announcer: What would this new increase amount to?

Mr. Fairless: At least 225 million dollars a year.

Announcer: That's a lot of money.

Mr. Fairless: Yes—and it's more than all the companies in the steel industry combined are now earning.

Announcer: You say, Ben, that you need an increase in prices even at present wage levels. Is it not true that the industry generally is earning a profit at the present price and wage levels?

Mr. Fairless: Throughout the entire war period, the profitable items were the special items and not the regular items of steel manufacture. Today we are back to making regular peacetime items. Many of these are selling at an out-of-pocket loss.

Announcer: Have you placed these facts before the OPA, Ben?

Mr. Fairless: Definitely. Many months ago the steel industry went to OPA and laid all of the facts before it. We pointed out that if steel companies are to con-

tinue in business and do their share of providing jobs and steel there must be substantial price increases to compensate for past cost increases. Furthermore, if there is any wage increase another price increase would be necessary. OPA has not yet acted on our long-standing initial price request.

Announcer: I suppose then, Ben, that you have refused to discuss this wage issue with the Union until OPA acts.

Mr. Fairless: That is not true, Ken. We have discussed these issues with the Union. Since I am most familiar with our own case, let me tell you about the collective bargaining conferences between Mr. Murray's group and representatives of United States Steel. In our very first meeting with the Union Mr. Murray presented his demand on a "take it or leave it" basis. To use his own words, and I quote, "the demand is not subject to dickering or compromise." In our opinion this high-handed attitude is not what is commonly thought of when the term "collective bargaining" is used.

Announcer: Well, how would you define "collective bargaining," Ben?

Mr. Fairless: I would call it frank and open discussion between both parties in a "give and take" spirit of fair play. In my opinion it must be a two-way street in which labor and management each must give consideration to the problems and opinions of the other.

Announcer: What was the outcome of your company's conferences with the Union, Ben?

Mr. Fairless: Well, Ken, since Mr. Murray said that he would stand for no dickering or compromise we were compelled to answer him strictly on the basis of his demand for a \$2 a day, or \$10 a week wage increase. So after meetings with his group on October 10 and 11, we held another meeting with them on October 23. At the October 23 meeting we told him that existing ceiling prices for steel products, together with the Government's wage stabilization policy, do not enable United States Steel to grant a wage increase at this time. That is the situation today.

Announcer: What about the Government's suggestion that industry grant wage increases on a six month basis, and then discuss the price situation with the Government?

Mr. Fairless: I don't have to wait six months to give you an answer. I can give it to you in six seconds. We would have to sell many steel products at a much greater loss. You can't pay wage increases out of thin air.

Announcer: That was the answer given by your corporation, Ben. How does it apply to other steel companies?

Mr. Fairless: Well, United States Steel is only one unit of an industry composed of many companies. Many of the other companies also have met with the Union in collective bargaining conferences and their situation has been much the same as ours. After all, the economic facts of life apply to every business, large or small. The American Iron and Steel Institute, whose member companies employ 95% of the workers in the steel industry, in a statement today said, "Proceeds from sales of steel provide the only fund out of which wages can be paid. Today the ceiling prices imposed by OPA do not provide a sufficient return to pay current costs of steel operations, let alone any increase in wages."

Announcer: In radio, Ben, we are interested in people. Though our audience may be numbered in millions, we talk to people in their own living rooms as individuals.

Therefore, I'd like to know something about the present wages of the individual steel worker. Is he or she better or worse off today than before the war?

Mr. Fairless: Suppose, Ken, I let the figures speak for themselves. In August of this year average straight time pay for steel workers was \$1.15 an hour, or about \$11.25 more per 40-hour week than in 1941. Now that figure doesn't count overtime.

Actually there is still a lot of overtime being worked in the industry, and it will be many months yet before steel companies can find enough workers to get back to the normal 40-hour week. Because of the very nature of the steel industry there will always be some overtime.

I said a few minutes ago that straight time hourly earnings rose 34% between 1941 and 1945. That was more than the advance during this same period in the official government cost of living index compiled by the United States Department of Labor.

Announcer: I have seen some statements, Ben, that steel companies have hidden profits with which to pay increased wages. That is a serious charge against your industry. What do you have to say about it?

Mr. Fairless: I'd like to know, Ken, what sort of crystal ball these people who make that charge use to find those so-called "hidden profits." Maybe if I could borrow it, I would know how to operate a business where costs were greater than income, and still make a profit. Seriously, you and I and everyone who is listening to us tonight knows that there are government agencies which would be quick to detect any concealed profits, no matter how well hidden they might be.

Year after year every steel company has been checked by the official government agencies for renegotiation of contracts. Other government agencies have reviewed our reserves for depreciation and amortization and have found them to be a normal cost of doing business in the steel industry. Now there is no mystery about such things as depreciation. Machines wear out. Unless they are replaced, the workers who operate them will have no tools with which to work. Therefore these reserves are just as important to workers as they are to management.

Announcer: Ben, did you read Mr. Murray's letter to Secretary of Labor Schwollenbach published this afternoon?

Mr. Fairless: Yes, I have seen it and it is full of bare-faced misstatements of fact. For example, he states that the net profits of the industry after taxes in 1944 were \$407 million. The actual figure was less than half of that amount. This is typical of many misstatements made by Mr. Murray.

Announcer: What about the assertion that you are trying to bludgeon the Government into a price increase?

Mr. Fairless: The Government of the United States is your Government and mine. It does not belong to Mr. Murray. Since when has it become improper for citizens to present their position and rights publicly to our Government?

Announcer: Well, Ben, I see the time is getting short. Would you give us a quick summary of the facts?

Mr. Fairless: Okay. Here it is in one, two, three order. The steel industry is today losing money on many products. The OPA has frozen prices at pre-war levels, but costs have soared for four long war years. The steel worker today is among the highest paid wage-earners in American history, earning \$11.25 more per week than in January, 1941, even without counting overtime which is still

adding to many steel workers' take-home pay.

There is only one answer to further wage increases — it depends upon the steel price policy of OPA. Present steel prices do not provide a sufficient return to pay current costs of steel operations, let alone any increase in wages. As President Truman said recently, labor must realize, too, that business is entitled to a fair profit. "We must not kill the goose which lays the golden egg."

Provisions of the Act of Congress under which it was created make it the duty of OPA to set ceiling prices which yield a fair profit. Until OPA fulfills its duty in authorizing fair prices the industry cannot pay higher wages.

We are anxious to avoid, if possible, any interruption in steel production, which is so vital to reconversion and peacetime jobs and prosperity. The answer lies with OPA.

Murray's Letter to Secretary Schwollenbach

The letter, dated November 13, of President Philip Murray of the United Steel Workers of America, CIO, to Secretary of Labor Schwollenbach, referred to above by Mr. Fairless and dealing with negotiations of the Union with the United States Steel Corp., follows:

"On November 3rd you addressed a communication to the U. S. Steel Corporation and to the United Steelworkers of America suggesting that we resume our collective bargaining conference which had had under consideration the request of the Union for a wage increase of \$2 a day.

"The United Steelworkers of America accepted your suggestion and advised you that we were ready to meet the representatives of the U. S. Steel Corporation at an early date that may be designated by Mr. Arthur S. Meyer, who had been named by you as a Special Conciliator to represent the Labor Department at the conference.

"You very aptly set the framework of the conference by referring to the President's emphasis of the need, in the interest of avoiding a deflationary spiral; to protect wage earners against severe losses in earnings which have occurred since V-J Day.

"The U. S. Steel Corporation, however, arrogantly rejected your request. The Corporation, through Mr. Benjamin F. Fairless, its President, advised you that it would not resume collective bargaining with the Union until the OPA acted on the industry's request for higher price ceilings and simultaneously gave assurance that further price relief would be granted to compensate for any wage increases which might result from the present demand of the Union.

"The Corporation is obligated by law to engage in collective bargaining with the United Steelworkers of America. The President, in his recent message to the nation, and you, in your letter to both parties, pointed to the solemn obligation of management and labor to engage in genuine collective bargaining on this all-important wage issue.

"Yet the U. S. Steel Corporation has the unmitigated gall to advise the Government of the United States that it will not perform its legal and public duty unless the Government agrees to unconditional surrender to the demands of the industry for immediate price relief and a guarantee that for any wage increase that may be agreed upon in collective bargaining there will be additional price increases.

"At this time I wish to call to the attention of yourself and the OPA these cold facts: In 1944 the actual net profits of the steel industry—after taxes—were \$407,531,000. The average annual net profits of the industry—after taxes—during the peacetime era of 1936-39 were \$115,000,000.

"Bearing in mind the financial benefits which will accrue to the

Vote This Year on Mil. Training Unlikely

While some members of Congress are inclined to favor the disposal of the highly controversial subject of universal military training before Christmas in order to keep it out of next year's elections, the prospects for accomplishing a House vote on the legislation on Nov. 17 when Chairman Andrew J. May (D-Ky.), of the House Military Affairs Committee, expressed doubt that the committee could finish hearings before 1946. Mr. May stated, according to the Associated Press which reported the situation from Washington, that day, that there were still many witnesses to be heard and progress was not as rapid as had been hoped for. The press accounts added.

Representative May blamed opponents for the slow progress on President Truman's request for prompt action on legislation to require every able-bodied male to undergo one year of military training before becoming twenty years of age.

A group of committee Republicans, failing by a three-vote margin to postpone the hearings until next year, has objected to afternoon Committee sessions, defeating earlier plans to hold hearings morning and afternoon. There can be no afternoon sessions while the House is meeting—and it has been meeting almost daily—if any member of the committee objects.

Only three witnesses, Secretary of War Robert P. Patterson, General of the Army Dwight D. Eisenhower and Fleet Admiral Ernest J. King, have been heard. Waiting to testify are Navy Secretary James V. Forrestal and spokesmen for veterans' organizations, labor unions, industry, educational and religious groups and miscellaneous organizations.

In addition, the committee wants testimony from the Army and Navy on details of how they propose to operate the program if Congress gives the go-ahead.

All three witnesses have endorsed a program of peacetime military training. On Nov. 13 Secretary Patterson told the committee that the War Department was convinced that there was no alternative to universal training to safeguard national security. "In the world today, for the time being anyway, it's military power that talks," Mr. Patterson declared. On Nov. 15 General Eisenhower made it clear to the committee that he thought universal military training of vital importance, and on Nov. 16 Admiral King asserted that the Navy joins the Army in full support of peacetime training for young men, the Associated Press reported.

industry in 1946 due to the elimination of overtime, downgrading of workers, increased productivity and lower costs resulting from the elimination of obsolete equipment and the repeal of excess profits taxes, it is a conservative estimate that the anticipated net profits of the industry—after taxes—for 1946 will be approximately \$500,000,000, or more than four times the peacetime level.

"This is the record on the basis of which the industry is wailing and pleading for increased prices. This is the record on the basis of which the American Iron and Steel Institute in a nationwide advertisement today said 'Until OPA authorizes "fair" prices, nothing can be settled through collective bargaining.'

"The steel industry is clearly engaged in a brazen attempt to bludgeon the Government of the United States.

"Sincerely yours,
(Signed) "PHILIP MURRAY,
"President."

Trading on New York Exchanges

The Securities and Exchange Commission made public on Nov. 14 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. 27, 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. 27 (in round-lot transactions) totaled 2,140,881 shares, which amount was 15.19% of the total transactions on the Exchange of 7,047,490 shares. This compares with member trading during the week ended Oct. 20 of 2,693,929 shares, or 13.01% of the total trading of 10,353,030 shares. On the New York Curb Exchange, member trading during the week ended Oct. 27 amounted to 1,008,690 shares or 14.06% of the total volume on that Exchange of 3,586,670 shares. During the week ended Oct. 20 trading for the account of Curb members of 1,319,510 shares was 14.36% of the total trading of 4,595,405 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. 27, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales.....	209,580	
†Other sales.....	6,837,910	
Total sales.....	7,047,490	
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.....	640,750	
Short sales.....	119,910	
†Other sales.....	534,990	
Total sales.....	654,900	9.19
2. Other transactions initiated on the floor—		
Total purchases.....	126,240	
Short sales.....	16,300	
†Other sales.....	144,310	
Total sales.....	160,610	2.04
3. Other transactions initiated off the floor—		
Total purchases.....	267,055	
Short sales.....	38,700	
†Other sales.....	252,626	
Total sales.....	291,326	3.96
4. Total—		
Total purchases.....	1,034,045	
Short sales.....	174,910	
†Other sales.....	931,926	
Total sales.....	1,106,836	15.19

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

WEEK ENDED OCT. 27, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales.....	86,850	
†Other sales.....	3,499,820	
Total sales.....	3,586,670	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	251,845	
Short sales.....	17,445	
†Other sales.....	194,685	
Total sales.....	212,130	6.47
2. Other transactions initiated on the floor—		
Total purchases.....	63,355	
Short sales.....	33,500	
†Other sales.....	134,400	
Total sales.....	167,900	3.22
3. Other transactions initiated off the floor—		
Total purchases.....	99,785	
Short sales.....	34,200	
†Other sales.....	163,475	
Total sales.....	217,675	4.37
4. Total—		
Total purchases.....	410,985	
Short sales.....	85,145	
†Other sales.....	512,560	
Total sales.....	497,705	14.06
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales.....	0	
†Customers' other sales.....	97,211	
Total purchases.....	97,211	
Total sales.....	107,202	

*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."

Steel Operations Continue to Rise—Larger Production Fails to Balance Heavy Demand

In anticipation of a possible general steel strike in the near future, most steel consumers this week were frantically attempting to have their steel shipments stepped up, states "The Iron Age" in its issue of today (Nov. 22), which further adds:

There was no chance, however, that steel customers over the next several weeks would receive any more steel supplies than has been the case in the past few weeks.

Most active steel customer in the application of pressure upon the steel industry for better deliveries is the can making industry. Strong efforts are being made by tin can manufacturers to withdraw from steel company warehouses tinplate being held there for them. Under normal conditions steel mills retain in their own storage tinplate which has

been bought and paid for in large tonnage blocks by customers in order to keep it under atmospheric conditions retarding corrosion.

The rush by tinplate users to move this material to their own plants in order to provide a working backlog when and if the steel strike occurs has caused a box car shortage at some tinplate producing centers. This shortage has

been aggravated by heavy use of the cars in the Middle West grain movement.

Appalled by their inability to secure delivery promises on steel for months to come, some users are attempting with little or no success to place blanket orders for delivery as far ahead as 1947 in order to assure a place on rolling mill schedules.

Fear of a general strike is putting the brakes on further expansion of steel production even though operating rates in most districts have climbed back to pre-coal strike levels. Some steel producers who banked blast furnaces at the time of the coal strike or who have had blast furnaces down for relining or repairs are holding them out of production in order to prevent damage to linings which might result from returning them to production and then shutting them down again in case of a strike.

With new steel buying continuing at a higher level, though lower than wartime peaks, order volume for 1945 will probably exceed that of 1944 by 15%. Some large producers who have encountered production difficulties report an excess of orders over shipments amounting to 50%. This does not include a large amount of business being refused because of filled rolling mill schedules.

Continued reluctance of OPA to announce higher steel prices after repeated promises on such action has served to further complicate the steel wage-price picture. The original request by the industry for higher steel prices had nothing to do with the current wage controversy, but included accumulated wage and material costs which the industry claimed were necessary for financial stability. The tardiness of the OPA in making good on its promise for a price adjustment has tied the industry's price request into the current wage demand where it definitely does not belong.

The American Iron and Steel Institute on Nov. 19 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 82.4% of capacity for the week beginning Nov. 19, compared with 80.4% one week ago, 65.1% one month ago and 95.4% one year ago. This represents an increase of 2.0 points or 2.5% from the preceding week. The operating rate for the week beginning Nov. 19 is equivalent to 1,509,300 tons of steel ingots and castings, compared to 1,472,600 tons one week ago, 1,192,400 tons one month ago, and 1,716,200 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Nov. 19 stated in part as follows:

"In spite of accelerating steel production backlogs continue to with present demand at a rate far behind on current commitments, with present demand at a rate far in excess of production for all major lines. This now extends even to plates, and premiums on this product set up during the war by OPA to relieve some producers are reappearing.

"Indications are Office of Price Administration will authorize an increase in some steel prices within a week or ten days. Under increased pressure to act on steel-makers' request for an advance up to \$7 per ton, entered several months ago, it is reported that action deferred for weeks will be taken as soon as top government officials decide policy and details are worked out. Some time ago it was indicated OPA favored granting increases averaging \$2 to \$2.25 per ton. Whatever increases are allowed will be to compensate for past accumulated higher wages and other production costs and will not take into consideration any possible wage increase which may stem from the current wage controversy in the industry. "Steelmakers have controlled

the buying situation to a great extent by restrictions on order acceptance and by quotas, relating sales to previous consumption by buyers. In sheets, which are most in demand, various producers are refusing to accept tonnage for shipment beyond first quarter, which means under present circumstances that they are out of the market. In other products restrictions sharply limit order acceptance.

"In view of the menacing labor situation, not only in the steel industry, but in various consuming industries, pressure for steel is astonishing. Undoubtedly one factor is progress in reconversion to civilian production since the war's end, progress which would have been more rapid had it not been for labor difficulties already encountered. The question arises whether demand and perhaps actual bookings have not been in excess of actual requirements, as some trade leaders believe, on the theory that shortage in supply stimulates undue demand.

"A further step in setting up new basing points has been taken, Carnegie-Illinois Steel Corp. establishing Youngstown and Tennessee Coal, Iron & Railroad Co. making Birmingham basing points on tobacco hogshead and slack barrel hoops. Prices will be those formerly quoted at the Pittsburgh base.

"Pig iron production is increasing as fuel supply allows more blast furnaces to resume and the pinch is lessening. However, supply still is short and melters will enter the winter with far less protection than usual, causing some apprehension. Great care continues in distribution of the iron to assure supply for actual needs without inventory accumulation."

High Court Patent Ruling Criticized

The Supreme Court upheld, 6 to 2, the ruling of a Philadelphia Circuit Court in a basic patent decision, on Nov. 13, the Associated Press reported from Washington. The majority decision of the highest court, given by Chief Justice Harlan F. Stone, was criticized by Associate Justice Felix Frankfurter, who told his colleagues that if they wished to repudiate the principle of fair dealing in patents, they should do so "explicitly" and "not by circumlocution."

The Supreme Court rejected the claims of the Scott Paper Company which had charged the Marcalus Manufacturing Co., Inc., with infringement of a patent which previously had been assigned by a Marcalus official to Scott. The Third Circuit Court at Philadelphia ruled against Scott, and the company appealed to the high court. The patent claims relate to a machine which performs an operation for mounting paper cutters on box edges. The Associated Press account further reported:

Justice Stone's opinion held that Marcalus had a complete defense in its contention that the alleged infringing machine was based on an expired patent which had been granted to another inventor.

Justice Frankfurter, in attacking the majority finding, said, "The principle whereby an assignor is held to his bargain with the assignee has been part of the texture of our patent law throughout its history."

"Congress... has respected this principle and left it untouched," he stated. "Happily, law is not so divorced from ethical standards that a hitherto unquestioned principle of fair dealing should be deemed hostile to any branch of the law. But if the principle of fair dealing as between the assignor and the assignee of a patent that has for so long been a part of the patent law is to be repudiated judicially, it is better to do so explicitly, not by circumlocution."

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Nov. 19 that the tenders of \$1,300,000,000 or thereabouts of 90-day Treasury bills to be dated Nov. 23, and to mature Feb. 21, 1946, which were offered on Nov. 16, were opened at the Federal Reserve Bank on Nov. 19.

The details of this issue are as follows:

Total applied for \$2,178,513,000. Total accepted, \$1,302,105,000 (includes \$59,970,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price, 99.906; equivalent rate of discount approximately 0.376% per annum.

Range of accepted competitive bids:

High, 99.908, equivalent rate of discount approximately 0.368% per annum.

Low, 99.906, equivalent rate of discount approximately 0.376% per annum.

(56% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Nov. 23 in the amount of \$1,310,616,000.

Funds for Distribution to Holders of Panama Bonds

The National City Bank of New York, as fiscal agent, on Nov. 14 notified holders of Republic of Panama 35-year 5% External Secured Sinking Fund Gold Bonds, Series A, due May 15, 1963, that funds are available for distribution as an additional payment on the coupons due Nov. 15, 1941, at the rate of \$4.82 for each \$25 coupon and \$2.41 for each \$12.50 coupon.

Former Sen. Martin Dies

The death was announced Nov. 12 of George B. Martin, former United States Senator from Kentucky, the Associated Press reported from Catlettsburg, Ky. Mr. Martin was said to have been appointed to the Senate by Former Governor A. O. Stanley in 1918 to serve the remainder of the term of the late Ollie James.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 14 a summary for the week ended Nov. 3 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Nov. 3, 1945	
Odd-Lot Sales by Dealers— (Customers' purchases)	Total For Week 33,243
Number of orders.....	1,110,615
Dollar value.....	\$46,384,888
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales.....	169
*Customers' other sales.....	32,212
Customers' total sales.....	32,381
Number of Shares:	
Customers' short sales.....	6,411
*Customers' other sales.....	905,005
Customers' total sales.....	911,416
Dollar value.....	\$36,660,407
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales.....	200
†Other sales.....	173,770
Total sales.....	173,970
Round-Lot Purchases by Dealers—	
Number of shares.....	382,100
*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."	

Bonds Used in Moody's Corporate Bond Yield Averages

Table listing bonds used in Moody's Corporate Bond Yield Averages, categorized by RAILROADS and PUBLIC UTILITIES. Includes bond names, denominations, and maturity dates.

Table listing bonds used in Moody's U. S. Treasury Bond Averages, categorized by INDUSTRIALS. Includes bond names, denominations, and maturity dates.

BONDS USED IN MOODY'S U. S. TREASURY BOND AVERAGES

Table showing Treasury bond averages for partially tax-exempt and taxable bonds, with columns for bond type, maturity, and average yield.

Note—The list previously used in compiling the averages was given in the Jan. 14, 1943 issue of the "Chronicle" on page 202.

Electric Output for Week Ended Nov. 17, 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. 17, 1945, was approximately 3,984,608,000 kwh., which compares with 4,450,047,000 kwh. in the corresponding week a year ago, and 3,948,024,000 kwh. in the week ended Nov. 10, 1945.

Table showing percentage decrease under same week last year for various major geographical divisions and the total United States.

Table showing data for recent weeks (Weeks Ended) with columns for week number, 1945 output, 1944 output, and percentage change.

Moody's Bond Prices And Bond Yield Averages

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

Table showing Moody's Bond Prices and Moody's Bond Yield Averages based on average yields, with columns for dates, U.S. Govt. Bonds, Corporate Rates, and Corporate by Ratings.

Table showing Moody's Bond Yield Averages based on individual closing prices, with columns for dates, U.S. Govt. Bonds, Corporate Rates, and Corporate by Ratings.

Table showing Moody's Bond Yield Averages based on individual closing prices, with columns for dates, U.S. Govt. Bonds, Corporate Rates, and Corporate by Ratings.

*These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations.

Pearl Harbor Investigation Under Way

The joint ten-man investigating committee in Congress on Nov. 15 started its formal inquiry into the Pearl Harbor military disaster of Dec. 7, 1941, according to Associated Press Washington dispatches.

Information uncovered in the second day of the investigation showed that the Navy ordered the 16th the Cruiser Boise's pre-Pearl Harbor movements, said the Associated Press.

ordered the conveying of merchant vessels in the Pacific twelve days before the Japanese attack. A suggestion by Representative Gearhart (R.-Cal.) that General MacArthur was ordered in the Philippines not to fire on the Japanese until they fired first.

A further suggestion by the Californian that it was "strangely significant" that radar on the Hawaiian island of Oahu was ordered shut down at 7 a.m., an hour, he said, which was recognized as the most propitious for attack.

Testimony that the carrier Enterprise launched eighteen scout bombers 200 miles west of Pearl Harbor almost two hours before the Japanese struck the base.

Senator Ferguson, (R.-Mich.), developed from Admiral Inglis, a witness, that the Navy on Nov. 25, 1941, ordered merchant ships in the Pacific conveyed.

Under Mr. Ferguson's questioning, Admiral Inglis read an order which he said was issued on that date by Admiral Stark, directing that trans-Pacific shipping follow a southern route and that the fleet "provide necessary escort."

Mr. Gearhart brought out from the witness that the American fleet in the Pacific was numerically inferior to the Japanese when the transfer of some ships to the Atlantic was ordered in May, 1941.

The Californian said three battleships, one aircraft carrier, four cruisers and nine destroyers were transferred from the Pacific to the Atlantic.

Under Mr. Gearhart's direction, Admiral Inglis calculated that even if those transfers had not been made, the United States would have had in the Pacific sixty-three ships of the categories down to destroyers in the Pacific, compared with Japan's 109.

Norwegian Embassy on Exchange Control

The Federal Reserve Bank of New York has received the following by letter dated Nov. 9, 1945, from the Norwegian Embassy, Washington, D. C.:

"With reference to my letter of Oct. 23 concerning the Norwegian foreign exchange control, I wish to refer to the following period at the end of my letter: '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.'

"I believe that at present Norwegian banks when ordering payments are usually adding that Norges Bank's permission has been obtained. However, as the Norwegian banks are co-operating with Norges Bank in the execution of the foreign exchange control, such permission can always be assumed to have been received by the bank even though not explicitly stated in the payment request.

"I, therefore, now wish to state that U. S. banks may effect all payments requested by Norwegian banks regardless of whether it is stated or not that Norges Bank's permission has been obtained."

(Text of the Embassy's letter of Oct. 23 was given in the "Chronicle" of Nov. 15, on page 2372.)

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index for various commodities like wheat, cotton, and oil, with columns for date and index value.

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Nov. 10, 1945, as estimated by the United States Bureau of Mines, was 12,460,000 net tons, a decrease of 10,000 tons from the preceding week. Output in the corresponding week of 1944, curtailed by a partial observance of Armistice Day, was 10,820,000 tons. For the period from Jan. 1 to Nov. 10, 1945, production amounted to 494,640,000 tons, a decrease of 8.8% when compared with the 542,154,000 tons produced during the period from Jan. 1 to Nov. 11, 1944.

Production of Pennsylvania anthracite for the week ended Nov. 10, 1945, as estimated by the Bureau of Mines, was 1,172,000 tons, an increase of 323,000 tons (38%) over the preceding week. When compared with the output in the corresponding week of 1944 there was an increase of 27,000 tons, or 2.4%. The calendar year to date shows a decrease of 14.8% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Nov. 10, 1945 showed an increase of 1,500 tons when compared with the output for the week ended Nov. 3, 1945; but was 38,500 tons less than for the corresponding week of 1944.

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

	Week Ended			Calendar Year to Date	
	Nov. 10, 1945	Nov. 3, 1945	Nov. 11, 1944	Nov. 10, 1945	Nov. 11, 1944
Bituminous coal & lignite:	12,460,000	12,470,000	10,820,000	494,640,000	542,154,000
Total incl. mine fuel:	12,460,000	12,470,000	10,820,000	494,640,000	542,154,000
Daily average:	2,077,000	2,078,000	1,967,000	1,867,000	2,024,000

*Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons)

	Week Ended			Calendar Year to Date	
	Nov. 10, 1945	Nov. 3, 1945	Nov. 11, 1944	Nov. 10, 1945	Nov. 11, 1944
Penn. Anthracite:	1,172,000	849,000	1,145,000	47,692,000	55,994,000
Total incl. coll. fuel:	1,172,000	849,000	1,145,000	47,692,000	55,994,000
Commercial prod.:	1,125,000	815,000	1,099,000	45,787,000	53,754,000
Beehive coke:	77,400	75,900	115,900	4,603,100	6,233,000
United States total:	1,249,400	924,900	1,260,900	52,290,100	62,227,000

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

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

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

State	Week Ended		
	Nov. 3, 1945	Oct. 27, 1945	Nov. 4, 1944
Alabama	409,000	394,000	359,000
Alaska	6,000	5,000	7,000
Arkansas and Oklahoma	109,000	97,000	99,000
Colorado	155,000	159,000	152,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,516,000	1,486,000	1,528,000
Indiana	563,000	563,000	534,000
Iowa	47,000	55,000	58,000
Kansas and Missouri	120,000	108,000	156,000
Kentucky—Eastern	1,080,000	930,000	1,035,000
Kentucky—Western	432,000	445,000	382,000
Maryland	39,000	43,000	35,000
Michigan	3,000	3,000	2,000
Montana (bitum. & lignite)	90,000	93,000	89,000
New Mexico	31,000	30,000	32,000
North & South Dakota (lignite)	78,000	77,000	67,000
Ohio	803,000	786,000	637,000
Pennsylvania (bituminous)	2,777,000	2,713,000	2,691,000
Tennessee	150,000	132,000	155,000
Texas (bituminous & lignite)	2,000	1,000	1,000
Utah	121,000	120,000	127,000
Virginia	385,000	357,000	396,000
Washington	33,000	31,000	30,000
*West Virginia—Southern	2,223,000	2,097,000	2,143,000
*West Virginia—Northern	1,038,000	1,135,000	1,114,000
Wyoming	216,000	218,000	195,000
†Other Western States	1,000	1,000	1,000
Total bituminous & lignite:	12,470,000	12,130,000	12,019,000

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

Labor Department Reports Wholesale Prices For Week Ended November 10, 1945

For the eighth consecutive week, primary market prices advanced during the week ended Nov. 10, 1945, said the U.S. Department of Labor in its report on wholesale prices issued Nov. 15. Higher prices for both agricultural and industrial commodities resulted in a rise of 0.2% in the index of commodity prices in primary markets prepared by the Bureau of Labor Statistics, U. S. Department of Labor, bringing the index to 106.1% of the 1926 average, equal to the high point reached during the war. Average prices for farm products, foods, fuel and lighting materials and chemicals, still were slightly below wartime peaks, but all other major commodity groups were at, or above, the highest level reached during the war. The group index for all commodities other than farm products and foods moved up during the week to 100.2% of the 1926 average, the highest point since the beginning of the war. Average commodity prices during the week ended Nov. 10 were 0.8% above a month earlier and 1.9% above the corresponding week of last year.

Farm Products and Foods—Average prices for farm products rose 0.3% during the week with higher prices for grains and fresh fruits and vegetables. Quotations for grains were generally higher, with their usual seasonal movement accentuated by a shortage of shipping space. Cotton quotations advanced and prices for eggs and apples were fractionally higher. Price movements for livestock were mixed, with steers and hogs remaining close to ceiling. Quotations for lambs dropped. Average prices for farm products were 2.5% above four weeks ago and 4.1% above mid-November 1944.

Higher prices for fruits and vegetables and butter raised the group index for foods by 0.4% during the week. Quotations for butter in most areas completed their adjustment to higher ceilings following the removal of subsidies. In addition, quotations for canned tomatoes rose under higher ceilings allowed for the 1945 pack to cover increased costs. Prices for wheat flour dropped with the increase in subsidy payments to millers.

Other Commodities—Average prices for other commodities moved up fractionally during the week. Quotations for some cotton goods and artificial leather rose, following ceiling increases allowed by OPA. Mill realizations for western pine lumber averaged fractionally higher and turpentine quotations advanced. Higher

prices were reported for some types of builders' hardware under ceiling increases granted earlier by OPA to encourage the production of materials for low and medium priced houses.

The following notation was included in the Labor Department's 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 Oct. 13, 1945 and Nov. 11, 1944 and (2) percent changes in subgroup indexes from Nov. 3, 1945 to Nov. 10, 1945.

WHOLESALE PRICES FOR WEEK ENDED NOV. 10, 1945 (1926=100)

Commodity Groups	Nov. 10, 1945			Nov. 11, 1944			Percentage changes to Nov. 10, 1945 from—		
	11-10 1945	11-3 1945	10-27 1945	10-13 1944	11-11 1944	11-3 1944	10-13 1944	11-11 1944	
All commodities	106.1	105.9	105.7	105.3	104.1	+0.2	+0.8	+1.9	
Farm products	129.5	129.1	127.7	126.3	124.4	+0.3	+2.5	+4.1	
Foodstuffs	107.0	106.6	106.0	105.2	104.9	+0.4	+1.7	+2.0	
Hides and leather products	119.1	119.1	119.1	118.4	116.7	0	+0.6	+2.1	
Textile products	100.5	100.0	99.9	99.9	98.9	+0.5	+0.6	+1.6	
Fuel and lighting materials	84.5	84.5	84.7	84.5	83.5	0	0	+1.2	
Metals and metal products	105.3	105.2	105.2	104.8	103.8	+0.1	+0.5	+1.4	
Building materials	118.6	118.2	118.1	118.0	116.4	+0.3	+0.5	+1.9	
Chemicals and allied products	95.5	95.5	95.5	95.3	94.7	0	+0.2	+0.8	
Housefurnishing goods	106.4	106.4	105.3	106.3	106.1	0	+0.1	+0.3	
Miscellaneous commodities	94.6	94.6	94.6	94.6	93.4	0	0	+1.3	
Raw materials	118.6	118.2	117.4	116.6	114.3	+0.3	+1.7	+3.8	
Semimanufactured articles	96.8	96.7	96.7	95.9	94.7	+0.1	+0.9	+2.2	
Manufactured products	102.2	101.9	101.9	101.9	101.1	+0.3	+0.3	+1.1	
All commodities other than farm products	101.0	100.8	100.8	100.7	99.7	+0.2	+0.3	+1.3	
All commodities other than farm products and foods	100.2	100.1	100.1	100.0	98.8	+0.1	+0.2	+1.4	

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM NOVEMBER 3, 1945 TO NOVEMBER 10, 1945

Commodity Groups	Increases		Decrease	
	Nov. 10, 1945	Nov. 3, 1945	Nov. 10, 1945	Nov. 3, 1945
Dairy products	1.9	1.9	Other textile products	0.5
Cotton goods	1.1	1.1	Other farm products	0.4
Grains	1.1	1.1	Iron and steel	0.3
Other building materials	0.7	0.7	Lumber	0.1
Fruits and vegetables	0.6	0.6	Paint and paint materials	0.1
Cereal products	0.2	0.2		

Civil Engineering Construction Totals \$76,318,000 for Week

Civil engineering volume in continental United States totals \$76,318,000 for the week ending Nov. 15, 1945. This volume is 67% higher than last week's and 159% higher than the corresponding week last year. The week's total is also 14% greater than the previous four-week moving average as reported to "Engineering News-Record." The report issued on Nov. 15, added:

Private construction continued to climb this week and is 84% greater than last week's volume and 84% greater than the week last year. Public construction is 32% greater than last week and 2% greater than last year's week. State and municipal construction dropped 1% below last week's figure but is 100% greater than a year ago. Federal construction is found to be 140% greater than last week, but this does not present a true picture of federal construction trends as last week was a short (four-day) week; the more representative figure is found by noting that this week's federal volume is 39% below that of last year's week.

The current week's construction brings the 1945 cumulative volume to \$1,945,634,000 for the 46-week period, a 23% gain over the like period of 1944. Private construction's cumulative volume is 170% over last year, and state and municipal volume, 49% over last year. The decrease in public construction of 16% is largely due to the 29% decrease in federal work.

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

	Nov. 15, 1945	Nov. 8, 1945	Nov. 16, 1944
Total U. S. Construction	\$76,318,000	\$45,828,000	\$29,400,000
Private Construction	56,070,000	30,452,000	9,650,000
Public Construction	20,248,000	15,376,000	19,750,000
State & Municipal	11,762,000	11,843,000	5,861,000
Federal	8,486,000	3,533,000	13,889,000

In the classified construction groups, seven of the nine classes showed gains over last week as follows: sewerage, highways, earthwork and waterways, industrial and commercial buildings, unclassified and a slight gain in public buildings. Industrial and commercial buildings showed large gains over the week last year; other classes that gained over the week last year are: bridges, highways, earthwork and waterways and unclassified.

New capital for construction purposes this week totals \$14,627,000 and is made up of \$8,834,000 in corporate securities issues, and \$5,793,000 in state and municipal bonds. The week's financing brings 1945 volume to \$1,737,749,000, a 3% increase over the \$1,681,178,000 reported for the 45-week period of 1944.

Bank Debits for Month of October

The Board of Governors of the Federal Reserve System issued on Nov. 13 its usual monthly summary of "bank debits" which we give below:

Federal Reserve District	SUMMARY BY FEDERAL RESERVE DISTRICTS (In millions of dollars)			
	Oct. 1945	Oct. 1944	—3 Months Ended—	
Boston	3,610	3,403	Oct. 1945	Oct. 1944
New York	37,346	30,907	10,144	9,525
Philadelphia	3,457	3,132	99,657	88,484
Cleveland	4,567	4,806	9,559	9,239
Richmond	3,082	2,749	13,624	14,128
Atlanta	2,694	2,519	8,657	7,998
Chicago	10,871	11,794	7,582	7,378
St. Louis	2,254	2,141	31,091	33,626
Minneapolis	1,689	1,522	6,189	6,069
Kansas City	2,536	2,389	4,778	4,316
Dallas	2,199	2,092	7,578	7,185
San Francisco	7,209	6,439	6,332	6,185
Total, 334 centers	81,614	73,991	225,991	213,405
*New York City	34,984	28,553	92,917	81,584
*140 other centers	39,004	38,336	111,489	111,432
193 other centers	7,626	6,997	21,585	20,389

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

Senate Banking Group Supports Housing Plan

Democratic and Republican leaders of the Senate Banking Committee reported after a conference Nov. 12, that accord had been reached within the committee on new housing legislation covering special inducements for private builders to construct homes costing \$5,000 and less. Senator Robert F. Wagner (D.-N. Y.), committee Chairman, and Senators Robert A. Taft (R.-Ohio) and Allen J. Ellender (D.-La.) are said to concur on all major points, according to Associated Press Washington advices, which went on to say:

The measure is a revision of an earlier Wagner-Ellender bill to meet criticism advanced by Senator Taft and others and to incorporate some additional features, particularly for low-cost homes.

It is a fresh attempt, too, to implement a general administration housing program aimed at encouraging construction of 1,250,000 dwelling units a year for each of the next 10 years.

Here are its chief features in the low-cost field:

1. Authorization for the Federal Housing Administrator to guarantee mortgages up to 95% of the appraised value on low-cost homes. The interest rate could not exceed 4% (plus one-half of 1% insurance charge), and amortization could run for as long as 32 years.

The administrator would have discretionary powers as to what was a "low-cost" home to be included in this program, but it could not be applied to any home costing more than \$5,000.

Senator Taft said that in practice he thought this would work out so that the program would apply to homes costing \$5,000 or less in areas of high building costs but that the "ceiling" might be \$4,500 or less in sections where building costs are lower.

2. Mortgage guaranties up to 95% of value on "mutual housing" constructed under 3 1/2%, 40-year loans. The idea here is that a group of persons might form a co-operative, buy land and have homes built for themselves. It is argued that the lender, having to deal with only a single cooperative, could handle the loan at less cost than if he dealt with 40 or 50 individuals. An insurance charge of 1/2 of 1% would be made on such guaranties.

3. Guaranties of mortgages up to 90% of value on rental housing where the builders accepted a rent scale approved by the Federal Housing Administrator. Such loans would have to be at no more than 3 1/2% interest and 1/2 of 1% would be charged for the insurance.

Senator Ellender described the whole program as aimed to aid those who are a little too well off for public housing and are not financially able to take advantage of present FHA programs.

As a rough rule of thumb, he said, public housing now takes care of those who can pay no more than \$20 a month for housing and the present FHA program is geared for persons who can pay \$40 and up.

"This should close the gap," he said.

FHA mortgage guaranties now may not exceed 90% of the value of a home. In effect, that means the buyer must be able to make a down payment of 10%.

The 95% guaranty would permit much smaller down payments. The new measure retains public housing and urban redevelopment features of the Wagner-Ellender bill.

Under the proposed urban redevelopment program, the Federal Government would extend financial aid to cities which bought up "blighted areas," razed and redeveloped them.

Daily Average Crude Oil Production for Week Ended Nov. 10, 1945 Increased 132,850 Bbls.

For the fifth consecutive week, the daily average gross crude oil production showed an increase, according to the American Petroleum Institute which estimated daily output during the week ended Nov. 10, 1945 at 4,451,200 barrels. This was a gain of 132,850 barrels per day over the preceding week, but was 276,200 barrels per day less than the production in the corresponding week of 1944, and 148,800 barrels below the daily average figure of 4,600,000 barrels recommended by the Bureau of Mines for the month of November, 1945. Daily output for the four weeks ended Nov. 10, 1945 averaged 4,319,850 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 4,789,000 barrels of crude oil daily and produced 15,793,000 barrels of gasoline; 1,724,000 barrels of kerosine; 4,851,000 barrels of distillate fuel, and 8,587,000 barrels of residual fuel oil during the week ended Nov. 10, 1945; and had in storage at the end of that week 52,471,000 barrels of civilian grade gasoline; 25,717,000 barrels of military and other gasoline; 12,739,000 barrels of kerosine; 45,126,000 barrels of distillate fuel, and 45,936,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements November	State Allowables Nov. 1, 1945	Actual Production Nov. 10, 1945	Change from Previous Week	4 Weeks Ended Nov. 10, 1945	Week Ended Nov. 11, 1944
Oklahoma	390,000	390,000	1,390,150	+ 27,350	370,400	359,400
Kansas	270,000	249,000	1,243,800	+ 1,950	256,150	266,000
Nebraska	800	---	7750	---	800	1,000
Panhandle Texas	---	---	81,000	---	85,500	94,150
North Texas	---	---	147,100	+ 7,300	138,900	151,200
West Texas	---	---	457,750	+ 35,300	418,050	473,950
East Central Texas	---	---	128,000	+ 5,800	118,900	144,600
East Texas	---	---	316,000	+ 8,000	307,000	367,900
Southwest Texas	---	---	300,100	+ 17,300	280,650	347,100
Coastal Texas	---	---	464,250	+ 34,500	425,450	553,400
Total Texas	1,990,000	2,016,198	1,894,200	+ 104,200	1,774,450	2,132,300
North Louisiana	---	---	74,150	+ 700	71,750	71,850
Coastal Louisiana	---	---	293,650	+ 4,950	288,100	291,300
Total Louisiana	265,000	398,000	367,800	+ 5,650	359,850	363,150
Arkansas	78,000	77,311	76,100	+ 1,050	75,350	80,750
Mississippi	48,000	---	53,500	---	52,950	51,500
Alabama	300	---	550	+ 400	200	300
Florida	---	---	150	---	150	50
Illinois	215,000	---	207,200	+ 1,500	208,450	205,000
Indiana	13,500	---	13,900	+ 250	13,750	13,150
Eastern (Not incl. Ill., Ind., Ky.)	65,200	---	61,450	---	63,350	65,950
Kentucky	28,000	---	28,900	+ 600	29,300	30,350
Michigan	47,000	---	47,200	+ 1,100	44,900	50,000
Wyoming	92,000	---	95,500	---	99,050	92,150
Montana	23,200	---	19,550	+ 50	19,900	21,350
Colorado	12,000	---	21,400	+ 650	19,800	9,800
New Mexico	102,000	104,000	94,200	---	97,050	104,900
Total East of Calif.	3,740,000	3,610,000	3,616,300	+ 137,450	3,485,850	3,847,100
California	870,000	\$824,000	834,900	+ 4,600	834,000	880,300
Total United States	4,600,000	4,451,200	4,451,200	+ 132,850	4,319,850	4,727,400

*These are Bureau of Mines calculations of the requirements of domestic crude oil (after deductions of condensate and natural gas derivatives) based upon certain premises outlined in its detailed forecast for the month of November. As requirements may be supplied either from stocks of from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced. In some areas the weekly estimates do, however, include small but indeterminate amounts of condensate which is mixed with crude oil in the field.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Nov. 7, 1945.

‡This is the net basic allowable as of Nov. 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 1 to 13 days, the entire state was ordered shut down for 6 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 6 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL: PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED NOV. 10, 1945

(Figures in thousands of barrels of 42 gallons each)

District	% Daily Crude Runs Refining to Still	Capac. Daily Re-aver-	% Op-erating age	% Op-erated	Gasoline				
					Pro-duction at Ref. Inc. Nat.	Stocks of Gas Oil & Dist. Blended Fuel Oil	Stocks of Re-sidual Fuel Oil	Gasoline Milli-tary & Other	Stocks of Civilian Grade
East Coast	99.5	816	103.2	2,178	15,405	6,876	5,039	11,933	
Appalachian	---	---	---	---	---	---	---	---	
District No. 1	76.8	97	66.4	375	628	200	811	1,605	
District No. 2	81.2	54	108.0	186	129	200	129	640	
Ind., Ill., Ky.	87.2	805	93.9	3,084	6,479	3,334	3,936	12,373	
Okl., Kan., Mo.	78.3	356	75.9	1,346	2,857	1,140	1,261	5,765	
Inland Texas	59.8	231	70.0	1,011	487	1,018	1,041	1,733	
Texas Gulf Coast	89.3	1,184	95.7	3,772	6,075	5,365	5,245	7,657	
Louisiana Gulf Coast	96.8	300	115.4	946	2,093	1,607	851	2,041	
No. La. & Arkansas	55.9	59	46.0	174	506	352	26	1,751	
Rocky Mountain	---	---	---	---	---	---	---	---	
District No. 3	17.1	13	100.0	36	20	28	15	88	
District No. 4	72.1	102	64.2	413	519	739	346	1,127	
California	86.5	773	79.9	2,272	9,930	25,077	7,017	5,758	
Total U. S. B. of M. basis Nov. 10, 1945	85.7	4,789	88.6	15,793	45,126	45,936	25,717	52,471	
Total U. S. B. of M. basis Nov. 3, 1945	85.7	4,807	88.9	15,234	44,810	46,128	25,858	50,693	
U. S. B. of M. basis Nov. 11, 1944	---	4,682	---	14,687	47,281	64,122	38,946	38,927	

*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 8,739,000 barrels unfinished gasoline this week, compared with 11,947,000 barrels a year ago. These figures do not include any gasoline on which title to which has already passed, or which the military forces may actually have in custody in their own or leased storage. †Revised in East Coast. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,724,000 barrels of kerosine, 4,851,000 barrels of gas oil and distillate fuel oil and 8,587,000 barrels of residual fuel oil produced during the week ended Nov. 10, 1945, which compared with 1,622,000 barrels, 4,986,000 barrels and 8,922,000 barrels, respectively, in the preceding week and 1,528,000 barrels, 4,476,000 barrels and 8,466,000 barrels, respectively, in the week ended Nov. 11, 1944.

Note—Stocks of kerosine at Nov. 10, 1945 amounted to 12,739,000 barrels, as against 12,705,000 barrels a week earlier and 14,133,000 barrels a year before.

National Fertilizer Association Commodity Price Index Breaks Through to New High Peak

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Nov. 13, advanced for the week ending Nov. 10, 1945, from 141.7 in the preceding week to a new all-time peak of 142.0. The index broke through from its previous high level which it had reached in four previous weeks, in June, August and November. This new high point that the index has reached is only 1.4% higher than it was at the beginning of 1945. A month ago the index stood at 140.6, and a year ago at 139.5, all based on the 1935-1939 average as 100. The Association's report went on to say:

Increased prices for farm products and foods were responsible for the rise in the general index. The farm products group showed the largest gains and reached a new all-time peak, with its three subgroups, cotton, grains, and livestock, sharing in the advance and continuing their upward trend to new high peaks. The foods index advanced fractionally, also breaking through to a new high point. Higher quotations for eggs and potatoes were responsible for this advance. The textiles index continued its advance, this being the eleventh consecutive week that this index has risen. All of the remaining groups of the composite index remained unchanged.

During the week 8 price series in the index advanced and none declined; in the preceding week 7 advanced and 4 declined; in the second preceding week 12 advanced and 2 declined.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

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

% Each Group Bears to the Total Index	Group	Latest Week Nov. 10, 1945	Preceding Week Nov. 3, 1945	Month Ago Oct. 13, 1945	Year Ago Nov. 11, 1944
25.3	Food	145.0	144.6	142.3	143.7
	Fats and Oils	146.6	146.6	145.2	145.1
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	173.1	172.0	168.4	164.6
	Cotton	226.6	224.2	218.2	204.1
	Grains	167.6	165.8	166.0	157.3
	Livestock	166.8	166.1	161.6	161.0
17.3	Fuels	129.8	129.9	129.7	130.4
10.8	Miscellaneous Commodities	132.8	132.8	132.8	133.2
8.2	Textiles	160.5	160.1	159.0	155.1
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	142.0	141.7	140.6	139.5

*Indexes on 1926-1928 base were: Nov. 10, 1945, 110.6; Nov. 3, 1945, 110.4, and Nov. 11, 1944, 108.7.

Non-Ferrous Metals—Copper Deliveries Up—Lead Buying Active—Quicksilver Price Firm

"E. & M. J. Metal and Mineral Markets," in its issue of Nov. 15, state: "Metal producers last week were more concerned with the demands of labor in key industries than in their own affairs. Work stoppages would have a direct bearing on consumption of non-ferrous metals. So far, the demand for copper, lead, and zinc has been better than generally expected for the early reconversion period. Quicksilver was quiet, but firmer at an advance of \$1 per flask." The publication further went on to say in part as follows:

Copper

The October statistics of Copper Institute revealed that deliveries of refined copper to customers totaled 104,214 tons, of which 110 tons was exported. That October deliveries would be larger than those of the preceding month was expected, particularly in view of the fact that September was beset with labor troubles at both refineries and consuming plants. Production of refined copper in this country increased from 45,145 tons in September to 70,363 tons in October.

Brass mills have appealed to OPA for an upward revision of ceiling prices, holding that production for the peacetime market is more costly than under war conditions, and that higher prices are necessary for profitable operations.

Lead

Sales of lead during the last week were in good volume, involving 8,249 tons. Demand was active throughout the week and producers report that they could have sold substantially more metal had they been in a position to do so. Consumers anxious for more lead included battery makers, cable makers, and manufacturers of pigments. November requirements of consumers have been covered to the extent of 98%; consequently interest at present centers largely in December. With domestic production of refined lead amounting to roughly 44,000 tons a month, between 20,000 and 25,000 tons of foreign metal will be needed next month to meet the needs of con-

sumers. The price structure in lead is strong.

Receipts of lead in ore and scrap by smelters amounted to 44,554 tons in September, against 41,182 tons in August. Receipts of lead in ore totaled 37,587 tons, of which 10,642 tons originated outside of this country.

Zinc

Buying of zinc during the last week was in fair volume, with interest centering in Prime Western and Special High Grade. Except for the disturbed labor situation, demand for zinc would have been better. Under present unsettled conditions most consumers are limiting their purchases to nearby metal.

There was growing interest among smelters in the possibility that the subsidy now paid for treating Tri-State concentrates may end Dec. 31. So far as can be learned, nothing definite has been decided on this question. Some members of the industry believe that hasty action on smelter subsidies might open up the whole premium price controversy.

Production of galvanized sheets in September amounted to 128,780 tons against 134,523 tons in August and 121,113 tons in September last year, the American Iron and Steel Institute reports.

Antimony

Demand for antimony remains active and the supply situation is viewed as tight in all directions. World supplies are not expected to increase appreciably until China again becomes a factor in the market. Before the war, when world production averaged around 38,000 tons of antimony a year, China's contribution totaled close to 17,000 tons. Authorities in Washington continue to list anti-

mony among the metals in light supply.

Tin

There is good reason to believe that tin production (in Malaya) can be resumed quickly, if on a small scale, "The Economist," London, reports. There are still no hard facts about the condition of the dredges, the publication declared in a recent issue, and it is feared that many of the 122 installations have been damaged. But not all the properties were equipped with modern dredges. In 1940, little more than half the output of 80,700 tons was extracted by dredging. Some 28,300 tons was obtained by gravel pumping, and the remainder was won by various methods. A post-war tin scheme would seem worth while, the British paper holds, though it would have to be sanctioned and supervised by the governments of the major producing and consuming countries.

The tin situation in this country remains unchanged. Quotations continued on the basis of 52¢ per pound for Straits quality tin. Forward quotations follow:

	Nov.	Dec.	Jan.
Nov. 8	52,000	52,000	52,000
Nov. 9	52,000	52,000	52,000
Nov. 10	52,000	52,000	52,000
Nov. 12	---	---	---
Nov. 13	52,000	52,000	52,000
Nov. 14	52,000	52,000	52,000

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

Quicksilver

Though the market was inactive throughout the week that ended Nov. 14, there was no selling pressure from either domestic producers or importers, and the price was firm at \$107 to \$110 per flask, depending on quantity. This is \$1 per flask higher than in the preceding week. Domestic consumption at present is able to absorb domestic production, and, unless foreign metal is again offered at concessions, a fairly stable market is thought likely for the remainder of the year.

San Francisco, Nov. 14—Market quiet. According to a San Francisco dispatch dated Nov. 14, the market was quiet, with December shipment metal quoted at \$106 per flask, New York basis.

Silver

The New York Official price of foreign silver was unchanged at 70 3/4¢ an ounce.

London reported a quiet market, with the price unchanged at 44d. an ounce.

Treasury Calls Bonds For Redemption

The Secretary of the Treasury announced on Nov. 14 that all outstanding 3 3/4% Treasury bonds of 1946-56 are called for redemption on March 15, 1946. There are now outstanding \$489,080,100 of these bonds.

The text of the formal notice of call is as follows:

3 3/4% Treasury Bonds of 1946-56 Notice of Call for Redemption

To holders of 3 3/4% Treasury bonds of 1946-56 and others concerned:

1. Public notice is hereby given that all outstanding 3 3/4% Treasury bonds of 1946-56, dated March 15, 1926, are hereby called for redemption on March 15, 1946, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

Revenue Freight Car Loadings During the Week Ended Nov. 10, 1945 Decreased 13,744 Cars

Loading of revenue freight for the week ended Nov. 10, 1945, totaled 838,218 cars, the Association of American Railroads announced on Nov. 15. This was a decrease below the corresponding week of 1944 of 1,286 cars, or 0.2%, and a decrease below the same week in 1943 of 9,754 cars or 1.2%.

Loading of revenue freight for the week of Nov. 10 decreased 13,744 cars, or 1.6% below the preceding week.

Miscellaneous freight loading totaled 366,347 cars, a decrease of 2,505 cars below the preceding week, and a decrease of 28,139 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 116,493 cars, an increase of 264 cars above the preceding week and an increase of 8,288 cars above the corresponding week in 1944.

Coal loading amounted to 183,684 cars, an increase of 3,000 cars above the preceding week, and an increase of 28,180 cars above the corresponding week in 1944.

Grain and grain products loading totaled 57,340 cars, a decrease of 1,730 cars below the preceding week, but an increase of 5,829 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Nov. 10 totaled 36,276 cars, a decrease of 1,093 cars below the preceding week, but an increase of 2,947 cars above the corresponding week in 1944.

Livestock loading amounted to 25,942 cars, a decrease of 1,888 cars below the preceding week but an increase of 3,495 cars above the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of Nov. 10 totaled 20,821 cars, a decrease of 2,228 cars below the preceding week but an increase of 3,259 cars above the corresponding week in 1944.

Forest products loading totaled 33,727 cars, a decrease of 2,281 cars below the preceding week and a decrease of 6,224 cars below the corresponding week in 1944.

Ore loading amounted to 42,143 cars, a decrease of 9,456 cars below the preceding week and a decrease of 11,411 cars below the corresponding week in 1944.

Coke loading amounted to 12,542 cars, an increase of 852 cars above the preceding week, but a decrease of 1,304 cars below the corresponding week in 1944.

All districts reported increases compared with the corresponding week in 1944 except the Allegheny, Northwestern and Southwestern. All reported increases compared with 1943 except the Eastern, Allegheny, Centralwestern and Southwestern.

	1945	1944	1943
4 Weeks of January	3,061,544	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	4,338,888	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	3,599,245	3,607,851
Week of November 3	851,962	893,069	754,739
Week of November 10	838,218	839,504	847,972
Total	36,838,006	38,076,833	37,008,427

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 10, 1945. During this period 71 roads reported gains over the week ended Nov. 11, 1944.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED NOV. 10

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	463	403	310	1,459	1,362
Bangor & Aroostook	2,223	1,814	2,667	317	506
Boston & Maine	7,019	6,282	6,945	12,926	14,750
Chicago, Indianapolis & Louisville	1,389	1,241	1,350	1,907	1,833
Central Indiana	42	34	42	36	45
Central Vermont	1,116	1,031	1,016	2,391	2,473
Delaware & Hudson	4,785	5,002	6,177	10,251	12,215
Delaware, Lackawanna & Western	7,453	7,771	7,627	8,747	10,702
Detroit & Mackinac	505	369	251	120	132
Detroit, Toledo & Ironton	1,731	1,932	2,054	1,198	1,187
Detroit & Toledo Shore Line	375	337	324	2,556	2,392
Erie	11,724	13,286	13,161	14,871	16,512
Grand Trunk Western	4,166	3,823	3,923	8,356	8,054
Lehigh & Hudson River	197	167	207	2,252	2,402
Lehigh & New England	2,304	1,491	1,553	1,565	1,602
Lehigh Valley	8,464	7,808	8,248	7,987	13,646
Maine Central	2,741	2,022	2,208	3,476	3,871
Monongahela	6,313	5,745	5,939	261	290
Montour	3,064	2,281	1,713	18	20
New York Central Lines	46,126	47,797	50,884	48,240	51,377
N. Y., N. H. & Hartford	9,822	9,347	10,153	13,914	18,148
New York, Ontario & Western	865	1,101	1,199	2,091	2,919
New York, Chicago & St. Louis	6,466	6,715	6,854	13,776	14,538
N. Y., Susquehanna & Western	448	356	632	1,879	1,935
Pittsburgh & Lake Erie	6,720	7,253	7,534	7,688	6,999
Pere Marquette	5,846	5,500	5,370	6,339	6,969
Pittsburgh & Shawmut	902	878	777	13	34
Pittsburgh, Shawmut & North	185	306	372	197	233
Pittsburgh & West Virginia	965	1,094	1,435	1,920	2,789
Rutland	330	303	341	1,014	1,197
Wabash	6,972	6,082	6,181	11,149	12,015
Wheeling & Lake Erie	5,131	5,531	4,584	3,630	4,326
Total	157,222	155,214	162,033	192,364	217,474
Allegheny District—					
Akron, Canton & Youngstown	636	731	803	1,113	1,192
Baltimore & Ohio	43,988	44,313	45,364	24,494	27,444
Bessemer & Lake Erie	4,654	4,686	4,911	1,790	1,702
Buffalo Creek & Gauley			365	*	*
Cambria & Indiana	1,669	1,503	1,054	12	6
Central R. R. of New Jersey	6,360	6,178	7,320	15,742	19,444
Cornwall	500	580	625	62	40
Cumberland & Pennsylvania	289	172	232	13	8
Longport Valley	50	101	143	8	41
Long Island	1,604	1,788	1,480	4,373	5,214
Penn-Reading Seashore Lines	1,756	1,855	2,013	1,638	2,558
Pennsylvania System	82,580	82,161	80,726	62,304	65,668
Reading Co.	14,426	15,407	14,665	25,780	28,170
Union (Pittsburgh)	16,207	19,411	18,649	4,792	5,588
Western Maryland	4,401	3,924	4,194	10,419	12,523
Total	179,120	182,810	182,544	152,540	169,599
Peachontas District—					
Chesapeake & Ohio	20,681	25,361	29,423	13,885	13,406
Norfolk & Western	22,058	18,541	21,608	6,843	7,013
Norfolk	5,023	3,581	4,920	1,850	2,587
Total	57,762	47,483	55,951	22,578	23,006

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	448	442	288	168	346
Atl. & W. P.—W. R. R. of Ala.	786	714	699	2,061	3,150
Atlanta, Birmingham & Coast	756	859	741	1,310	1,504
Atlantic Coast Line	12,612	12,394	12,727	9,304	11,280
Central of Georgia	4,216	3,775	3,828	4,360	4,868
Charleston & Western Carolina	449	425	386	1,290	1,771
Chickamauga	1,436	1,647	1,596	2,496	2,855
Columbus & Greenville	423	345	316	254	314
Durham & Southern	114	149	129	423	877
Florida East Coast	2,313	2,239	2,208	1,263	1,440
Gainesville Midland	66	55	48	155	132
Georgia	1,269	1,271	1,177	2,039	2,552
Georgia & Florida	441	513	400	694	697
Gulf, Mobile & Ohio	4,907	5,060	4,255	4,429	4,509
Illinois Central System	28,354	28,003	28,577	15,426	17,241
Louisville & Nashville	24,913	23,230	25,135	10,116	12,325
Macon, Dublin & Savannah	226	198	180	859	827
Mississippi Central	284	416	256	404	472
Nashville, Chattanooga & St. L.	3,612	3,441	3,387	4,036	4,812
Norfolk Southern	1,157	1,053	1,088	1,506	2,231
Piedmont Northern	414	521	374	1,469	1,314
Richmond, Fred. & Potomac	443	408	510	8,477	10,518
Seaboard Air Line	11,218	9,940	10,998	8,177	9,349
Southern System	26,508	23,973	22,643	23,906	25,940
Tennessee Central	566	617	544	782	836
Winston-Salem Southbound	143	154	164	899	1,071
Total	128,074	121,842	122,634	106,303	123,231
Northwestern District—					
Chicago & North Western	20,043	17,958	17,519	14,040	13,539
Chicago Great Western	2,783	2,831	3,006	3,660	3,442
Chicago, Milw., St. P. & Pac.	21,769	21,448	21,253	10,167	10,341
Chicago, St. Paul, Minn. & Omaha	4,035	3,181	3,497	4,278	3,948
Duluth, Missabe & Iron Range	13,815	20,707	11,558	225	236
Duluth, South Shore & Atlantic	579	645	724	453	670
Elgin, Joliet & Eastern	7,695	9,319	8,453	9,171	11,294
Ft. Dodge, Des Moines & South	444	404	382	99	94
Great Northern	15,860	18,593	17,392	5,758	8,106
Green Bay & Western	579	477	524	820	974
Lake Superior & Ishpeming	1,888	1,090	921	55	68
Minneapolis & St. Louis	2,383	2,064	2,067	2,398	2,590
Minn., St. Paul & S. S. M.	7,232	6,686	6,007	3,148	2,933
Northern Pacific	11,185	11,572	12,317	4,484	6,294
Spokane International	184	217	107	303	566
Spokane, Portland & Seattle	1,798	2,503	2,480	2,577	3,708
Total	112,272	119,695	108,207	61,636	68,812
Central Western District—					
Atch., Top. & Santa Fe System	25,097	25,555	24,134	11,556	15,469
Bismark & Carfield	3,261	3,837	3,337	3,371	4,116
Chicago & Carfield	273	372	484	58	75
Chicago, Burlington & Quincy	22,444	21,245	20,973	11,735	14,531
Chicago & Illinois Midland	3,375	2,605	3,213	850	869
Chicago, Rock Island & Pacific	13,646	13,153	12,681	12,232	13,459
Chicago & Eastern Illinois	2,763	2,793	2,879	3,182	5,767
Colorado & Southern	1,456	1,256	1,514	1,769	2,612
Denver & Rio Grande Western	4,213	5,108	5,477	5,232	7,269
Denver & Salt Lake	845	635	575	18	18
Fort Worth & Denver City	1,118	1,000	1,066	1,644	2,423
Illinois Terminal	1,882	2,256	1,773	1,894	2,042
Missouri-Illinois	1,285	1,167	1,153	531	543
Nevada Northern	1,225	1,083	1,166	122	92
North Western Pacific	893	669	940	723	913
Peoria & Pekin Union	10	6	11	0	0
Southern Pacific (Pacific)	28,715	28,547	30,825	10,583	14,660
Toledo, Peoria & Western	0	493	398	0	1,940
Union Pacific System	21,367	21,652	21,626	14,598	18,376
Utah	842	475	598	4	2
Western Pacific	2,262	1,872	2,579	3,965	4,919
Total	136,971	135,778	138,402	84,084	110,095
Southwestern District—					
Burlington-Rock Island	289	624	344	112	644
Gulf Coast Lines	4,159	6,220	7,919	2,118	2,290
International-Great Northern	2,042	2,619	2,258	3,242	3,725
Kansas, Oklahoma & Gulf	331	272	233	34	4
Kansas City Southern	2,628	4,602	5,188	2,545	3,071
Louisiana & Arkansas	2,567	2,792	3,556	2,216	2,445
Meridian & Madison	311	272	282	1,185	1,359
Midland Valley	1,314	952	481	1,664	1,474
Missouri & Arkansas	198	205	211	355	511
Missouri-Kansas-Texas Lines	5,860	6,660	5,973	3,873	5,527
Missouri Pacific	18,411	17,765	18,162	15,051	19

Items About Banks, Trust Companies

At a meeting of the Board of Trustees of Central Hanover Bank and Trust Company of New York held on Nov. 20, the following were elected Vice-Presidents: Craig S. Bartlett; Richard S. Carr; Alfred K. Fricke; G. K. Handley; J. E. Johnson; J. A. Toensmeier; Harvey Weeks, and Porter L. Willett. Charles F. Mapes was appointed Assistant Treasurer.

At the regular meeting of the Board of Directors of the National City Bank of New York held on Nov. 20, E. Theodore Gardner, formerly an Assistant Cashier, was appointed an Assistant Vice-President.

Sterling National Bank & Trust Co. of New York has announced that it has inaugurated personal loan service, with loans ranging from \$60 to \$5,000, repayable in 12 to 24 month installments. This marks an extension of the bank's service in the consumer credit field. The bank also extends personal loans on stocks, bonds, savings account passbooks and on new and used automobiles. It also makes FHA Property Improvement loans ranging from \$50 to \$2,500, repayable in monthly installments over a period of one to three years. The new personal loan service is being made available at all three offices of the Sterling National Bank & Trust Co., at Broadway and 39th Street, New York, 42nd Street and Lexington Avenue, New York and at Queens Boulevard near 63rd Drive, Rego Park.

City Bank Farmers Trust Company of New York has been appointed Transfer Agent for 5,000 shares Capital Stock of \$100 par value, of The Merchants Bank of New York.

J. Luther Cleveland, President of the Guaranty Trust Company of New York, has announced the appointments of John R. Currier and Reidar E. Gundersen as Assistant Treasurers of the Company, and of John J. Moran, Alfred W. C. Spindler and Kenneth S. Stocker as Assistant Secretaries. Mr. Currier and Mr. Moran have recently returned to the Company from military leaves of absence.

John E. Bierwirth, President of the New York Trust Company announced on Nov. 15 the election of Lieutenant-Colonel William H. Gambrell as a Vice-President in the Personal Trust Division. Colonel Gambrell practiced law in New York City, prior to the war, with the firm of Cravath, deCorsdorff, Swaine & Wood, specializing in trusts and estates. In September 1942, he was commissioned in the Judge Advocate General's Department, Army of the United States, and was assigned to contract work in the service of supply.

At a meeting of the Board of Directors of The Commercial National Bank and Trust Company of New York held on Nov. 15, the following elections were authorized, effective Dec. 1.

Walter G. Kimball, President since January, 1939, was elected Chairman of the Board, and continues as chief executive officer of the bank.

John M. Budinger, Senior Vice-President since January, 1944, was elected President.

William T. Taylor, who was formerly President of the Union Trust Company of Springfield, Mass., and more recently Vice-President of the Guaranty Trust Company of New York, was elect-

ed a Director and Vice-Chairman of the Board.

John J. Martin, George S. Mills and Bradford Norman, Jr., have been designated General Vice-Presidents of the bank.

E. Chester Gersten, President of The Public National Bank & Trust Company of New York, announced on Nov. 19 that Lieutenant Alton J. Burge, recently returned from the Navy, has been appointed Assistant Cashier at the main office.

William Clarkson Taber, Chairman of the Board of Urner-Barry Company died Nov. 13 at the age of 88 at his residence, in Brooklyn, New York.

Mr. Taber, born in Flushing, Long Island in 1857 went West at the age of 15, settling near Newtown Kansas. In 1877 he came to New York City, as Market Editor of the New York "Tribune," under Whitelaw Reid. Five years later he became associated with the Urner-Barry Company, Publishers, and in 1928 was elected President. For 43 years Mr. Taber served as a Trustee of the East River Savings Bank. He was a member of the Executive Committee and the Chairman of the Examining Committee.

Charlton Bagley Bunce, retired Vice-President of the Chase National Bank of New York died on Nov. 8 at the age of 65. Mr. Bunce first became connected with the Chase National in 1930 as Vice-President, and served in that position until his retirement in 1942.

Franklin H. Gates, retired Vice-President of the Chase National Bank of New York died on Nov. 8 at the age of 57.

Land Title Bank and Trust Company of Philadelphia is offering to its stockholders of record Nov. 14, 75,000 additional shares of common stock on a share for share subscription basis at \$35 per share. The proceeds will be used to retire all of the bank's preferred stock, after which the Board expects to resume dividend payments on the common stock. The subscription rights are evidenced by Warrants and are transferable by assignment. The subscription period will end at noon on Saturday, Dec. 1. The advices from the company also state:

"A number of holders of common stock who own in the aggregate more than 50% of the outstanding shares have agreed to purchase from the bank, at \$35 a share, any shares which may not be subscribed for by holders of Subscription Warrants. They will buy the shares as an investment and will charge no commission.

"When the financing has been completed the bank's capital funds will be common stock \$3,750,000, surplus \$3,750,000 and undivided profits approximately \$1,000,000. About \$1,000,000 will also be added to the bank's valuation reserves against its holdings of "Other Real Estate."

It is learned from the Philadelphia "Evening Bulletin" of Nov. 10 that the directors of the First National Bank of Philadelphia have voted to transfer \$500,000 from undivided profits to surplus, thus increasing the amount of the surplus account to \$6,000,000. Capital remains unchanged at \$3,111,000 and undivided profits will be slightly in excess of \$3,000,000.

On Nov. 19, the Rocky River office of The National City Bank or Cleveland opened for business as a continuation of the business

of The First National Bank of Rocky River. The National City Bank recently acquired the assets and the business and assumed the liabilities of The First National Bank of Rocky River, subject to the approval of their stockholders which approval was given at a meeting held on Nov. 15. Advices from the bank Nov. 19 stated:

"The acquiring of this Bank and the continuance of its business as a branch operation is the first step in a policy of locating a limited number of banking offices throughout the Greater Cleveland area, in order that The National City Bank might better serve its many customers whose places of business are located outside of the downtown district.

"John Hoag, formerly President of The First National Bank of Rocky River, has been made a Vice-President of The National City Bank of Cleveland and will be in charge of the Rocky River Office. Frank Mitchell and F. W. Brown, formerly officers of the Rocky River bank, are now Assistant Vice-President and Assistant Cashier respectively of The National City Bank and will continue with the Rocky River Office.

The Directors of the Chicago Title and Trust Company, Chicago, Ill., on Nov. 13 declared a quarterly dividend of \$3 per share payable Jan. 2, 1946 to stockholders of record on Dec. 19, 1945. The directors have recommended to stockholders that at the annual meeting to be held Jan. 14, the shares of stock be increased from 120,000 to 600,000 and the par value be reduced from \$100 to \$20. Upon approval by the stockholders each stockholder will receive five new shares in lieu of each share now held. The company announces that during the depression and war years, from time to time reserves were created out of current and accumulated earnings. It is now possible, it is stated, to measure more accurately the need for certain of the reserves created and the board has authorized the transfer of \$2,000,000 to surplus from released reserves and undivided profits. The net income of the Company for 1944 was \$1,419,641.58. For the first 10 months of 1945 net income is about 20% above the first 10 months of 1944.

Col. Henry T. Bodman, until recently on the staff of Lt. Gen. Levin H. Campbell, Chief of Ordnance, has been re-elected Vice-President of the National Bank of Detroit. He has been on leave of absence from the bank since January, 1941, according to the Detroit "Free Press" of Nov. 15, which also stated:

"With the bank since its organization, Mr. Bodman was elected an officer in 1935 and promoted to Vice-President in 1938.

Raymond J. Hodgson was also elected a Vice-President of the bank. He was assistant examiner of the Michigan State Banking Department, 1928-29; with Detroit Trust Co., 1930-32; the Detroit RFC, 1933-41, (manager 1938-41); and President of Graham Paige Motors Corp., 1942-45. He will direct the bank's mortgage department.

Lt. Comm. John Moorhead, with his release from naval duty, has rejoined the executive staff of Northwestern National Bank of Minneapolis, with promotion to Assistant Vice-President, J. F. Ringland, President, announced on Nov. 16, the Minneapolis "Journal" reports. The item in the paper indicated further said:

"Former Assistant Secretary of the bank, he will serve as loan officer. He has been employed by the bank since 1930 following graduation from University of Minnesota."

Major J. Carroll Walker has returned, after more than three years in the Armed Forces, to his former position as Vice-President

of the Mercantile-Commerce Bank and Trust Company, St. Louis. Entering the Armed forces in July, 1942, Major Walker was assigned to the Flying Training Command as Squadron Commander. In January, 1944, he joined the Air Technical Service Command at Wright Field, Dayton, Ohio. Prior to receiving his discharge, Major Walker served as Army Air Force Contracting Officer at three aircraft manufacturing plants, his last assignment being Contracting Officer at Bell Aircraft Corporation, Marietta, Ga. Mr. Walker has resumed his former duties with the Correspondent Bank Division of Mercantile-Commerce and will represent the bank in his previous territory of the Southern and Southeastern states.

The stockholders of the Anglo-California National Bank, San Francisco will vote on Dec. 14 on the proposal to issue 250,000 shares of common stock to provide funds to retire the banks \$15 million preferred stock, which is owned almost entirely by the RFC, it was stated in the Wall Street "Journal," from which we also quote:

"W. H. Thomson, President of the bank, stated he would recommend an increase in the annual dividend on the common stock to \$1.50 a share after the financing has been completed. The current rate is \$1 a share.

"The plan contemplates giving stockholders the right to purchase one new share of common stock at \$30 a share for each two shares now held.

"Consummation of the plan will give the bank \$15 million of capital, \$5 million of surplus and about \$4 million of undivided profits and unallocated reserves.

Election of Eric A. Johnston and Marshal Hale, Jr., to the board of directors of the Bank of America, of San Francisco, is announced by A. J. Gock, Chairman of the Board. Mr. Johnston, now completing his fourth year as President of the United States Chamber of Commerce and recently appointed President of the Motion Pictures Producers and Distributors, Inc., of Washington and Hollywood, is now in Washington participating in President Truman's labor-management conference.

Mr. Hale, is another of the Pacific Coast's successful and progressive young business men. Born in San Francisco in 1902, he began his career as a stock boy in the San Francisco store of Hale Bros., Storcs, Inc., in 1926. He became general manager of Hale Bros., Inc., in 1938. Five years later he was elected President of the concern, which position he holds today. In taking his place on the Bank of America board he fills the seat occupied by his father, Marshall Hale, Sr., many years until his death ten days ago.

Thomas J. Flynn, recently returned from military leave, has been elected Assistant Vice-President of Bank of America and appointed to an administrative post with the business extension department, Los Angeles headquarters, the Los Angeles "Times" stated on Nov. 6.

On Nov. 24, Citizens National Trust & Savings Bank of Los Angeles, Cal., will inaugurate its 34th office serving the greater Los Angeles area with the opening of its newly constructed Morningside Park Branch. H. D. Ivey, President of Citizens National, in commenting on the new branch office, said: "For many years, citizens of Morningside Park area have wanted a convenient banking facility. We are pleased that we have, at last, been able to erect a modern bank in the area to fill this need, and our resources will be used to promote the development of this community."

Edward Pope, for 12 years man-

Fletcher Named V.-P. By Cleveland Reserve

The board of directors of the Federal Reserve Bank of Cleveland today elected William H. Fletcher First Vice-President, effective Dec. 1,

1945, it was announced by Ray M. Gidney, President of the bank.

Mr. Fletcher succeeds Reuben B. Hays, resigned to become executive Vice-President of the First National Bank of Cincinnati.

As Vice-President, Mr. Fletcher has been in charge of the Bank Examination, Bank Relations, and the Credits, Loans and Discounts departments of the Reserve Bank. His work has brought him into personal contact with a very large number of bank officers and directors throughout the Fourth Federal Reserve District and he has a wide acquaintance among bankers and business men. He had an important part in handling the banking problems of the bank holiday period.

Mr. Fletcher was born in Athens, Ohio, and was graduated from Ohio University in 1907 at the age of 19. After three years as assistant manager of an Athens business concern he became an assistant National Bank examiner in 1910. He was a National Bank examiner in February, 1918, when he joined the Federal Reserve Bank as manager of its accounting department.

A short time later he became chief examiner for the Reserve bank and, upon his return from the Army in 1919, Mr. Fletcher organized and operated the bank's Bank Examination department. For seven months during 1920-21 he was assigned to assist in an examination of the Philippine National Bank at Manila, P. I., as part of a survey conducted by the U. S. Bureau of Insular Affairs. He was assistant Federal Reserve agent from 1923 to November 1934, and acting Federal Reserve agent from that date to the time of his election as Vice-President on Aug. 1, 1936.

Since Mr. Fletcher became Vice-President the number of state member banks in the Fourth District has been increased from 105 to a record high of 229 at present, and is showing a continual increase. Including national banks, member banks in the District now total 720.

China to Get U. S. Credit

China is to receive from the United States a post-Lend Lease credit of approximately \$50,000,000, with "no munitions included," the Associated Press reported it had been informed by a Government official in Washington, Nov. 13, who stated that the transaction was designed to allow China to procure goods ordered under Lend-Lease but not delivered by V-J Day. Most of the items are said to be machinery, machine tools, textiles and some trucks and raw materials.

ager of the Bank of Montreal's main office in London, England, has been appointed as Assistant General Manager at the head office of the bank in Montreal. Mr. Pope has been connected with the bank for more than 20 years, serving in Canada, England and France. His duties in London will be taken over by the Assistant Manager, Allan D. Harper.



William H. Fletcher