

# The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4444

New York, N. Y. Thursday, December 6, 1945

Price 60 Cents a Copy

## The Financial Situation

The President rather shrewdly (politically speaking) "offsets" the "failure" of the labor-management conference with a sweeping statement that "reconversion" is "ahead of schedule." It is most earnestly to be hoped that the rank and file of the American people are thinking rather more realistically about the course of current affairs than all this folderol would appear to give them credit for. Of course, there never was any reason at all to expect the labor-management conference to succeed in doing what its originators apparently would have had the public believe it could do. Not only that, but in some essential respects we may count ourselves fortunate that conditions prerequisite to that success did not and do not exist in this country.

For our part, we hope the day will never come when a small group of business and labor leaders can lawfully and effectively decide what wage rates, prices, production and the rest are to be in this country. It may be that not quite so much was expected of this conference which has now come to a fruitless end, but what was demanded of it went much too far in this direction to be consonant with American free enterprise and individual initiative. Of course, those who had been hoping for so much of the conference must have known that those in attendance could not speak for those not there. It was obvious, too, from the first that even those employers who were there could as a rule reach no very basic agreement on such matters as were before the conference for the simple reason that they were competitors subject to the anti-trust laws. All this is as it should be.

### Labor Leaders and the Rank and File

No such restrictions rest upon labor leaders, and it is probably true that had they been able to agree among themselves they could have theoretically at least come very much

(Continued on page 2796)

## From Washington Ahead of the News

By CARLISLE BARGERON

The sensation caused by Pat Hurley's resignation as ambassador to China points up one of the most serious situations ever to exist in our Government. It is doubtful if anything just like it has ever been permitted to long exist in any other Government. It is that since shortly after the New Deal came in there has been little or no discipline among the subordinates. Their chiefs may issue orders and formulate policy. The subordinates apply them as suits their discretion.

There is not the slightest doubt that Hurley was carrying out the President's orders in supporting Chiang Kai-shek in China. We have an investment of several thousand American lives and billions of dollars in him. Apropos of the current Pearl Harbor investigation, for example, it would not be amiss to point out that we were long at war with Japan before she struck at Pearl Harbor. We were furnishing China with planes and pilots (the Flying Tigers) and



Carlisle Bargeron

giving Chiang Kai-shek the money to pay for them. All during this period, however, a running fight was kept up by persons inside the State Department and outside, that we were backing the wrong horse. This agitation, from within and without, kept up after we had openly gone to war with Japan. It has now become intensified as the domestic Com-mies openly agitate for us to withdraw and leave China to Russia, which came into the war after Japan had thrown up the sponge. Hurley has been the victim of this agitation and there is not the slightest doubt that he is telling the truth when he says his work in China was undermined by State Department subordinates.

At this time, the question of whether we are backing the right or wrong horse, should not be in question. It is a pretty late date to be changing. The main point is that support of Chiang Kai-shek has long been the Government's

(Continued on page 2802)

## Observations

By A. WILFRED MAY

The logical conclusion to the "interpretations" verbally delivered by that British "quasi-official," Professor Laski, to a New York audience Monday, really is that in lieu of lending any money to his own country, we should send it all to the Soviet Union. For after the Chairman of the British Labor Party finished pronouncing that "free enterprise and the market economy mean war; socialism and planned economy mean peace," and that business constitutes the "threat of starvation" to the economic society; he reported his finding that "it is significant that only in the new world of Russia has the business man ceased to count."

Our permanent difficulty in retaining capable men in government service is again highlighted by the departure to private activities of Under-Secretary of the Treasury Bell, Robert Nathan of OWMR, Oscar Cox of FEA, Samuel Rosenman, and Lauchlin Currie. Although the present wholesale exodus from Washington is no doubt accentuated by the demise of Mr. Roosevelt and by V-J Day, the traditional utilization of the government job as a springboard to a place in private industry or to a judgeship, continues as a strongly compelling motive.

This elicits the inclusive question of why we cannot build a permanent guild of professional, high-grade public servants, similar to the British civil service. One answer is found in our political spoils system. Another factor is the injury to the morale of "middle-level" officials entailed in the rapid turnover of their immediate top-ranking superiors. Then there is the discouraging public cynicism about the motives of those in government employ, in contrast to the high esteem in which a government career is held in Great Britain. An atmosphere of professional self-respect and prestige, even though accompanied by an inadequately competing salary

(Continued on page 2799)

## GENERAL CONTENTS

<b>Editorial</b>	Page
Financial Situation.....	2795
<b>Regular Features</b>	
From Washington Ahead of the News.....	2793
Moody's Bond Prices and Yields.....	2804
Items About Banks and Trust Cos.....	2806
Trading on New York Exchanges.....	2805
NYSE Odd-Lot Trading.....	2805
<b>State of Trade</b>	
General Review.....	2792
Commodity Prices, Domestic Index.....	2805
Weekly Carloadings.....	2807
Weekly Engineering Construction.....	2805
Paperboard Industry Statistics.....	2807
Weekly Lumber Movement.....	2807
Fertilizer Association Price Index.....	2807
Weekly Coal and Coke Output.....	2805
Weekly Steel Review.....	2803
Moody's Daily Commodity Index.....	2801
Weekly Crude Oil Production.....	2803
Non-Ferrous Metals Markets.....	2804
Weekly Electric Output.....	2803
Industrial Activity Down in Oct.....	2793

## Truman Asks Congress to Enact Strike Curb Measure

Sends Message Recommending Enactment of a Waiting Period for Fact Finding and Arbitration, Similar to the Railroad Adjustment Act. Says Labor Strife and Failure of Labor-Management Conference to Agree on Settlement Procedure is Hampering Reconversion. Asks General Motors Workers to Return to Work Pending Efforts to Adjust Their Wage Demands.

President Harry S. Truman on Dec. 3 sent a special message to Congress in which he told of the failure of the National Labor-Management Conference to reach an agreement under which strikes could be prevented, and recommending the enactment of a law which would outlaw strikes in essential industries—a law similar in all respects to the existing Railroad Labor Act which was enacted



President Truman

1926. The text of the President's message follows:

To the Congress of the United States:

All who think seriously about the problem of reconversion—of changing our economy from war to peace—realize that the transition is a difficult and dangerous

task. There are some who would have the Government, during the reconversion period, continue telling our citizens what to do, as was so often necessary when the very life of our nation was at stake during the period of world conflict.

That, however, is not the policy of the Government. The policy is to remove wartime controls as rapidly as possible, and to return the free management of business to those concerned with it.

It was the expressed purpose of getting away as soon as possible from some of the wartime powers and controls that the recent national labor-management conference was called in Washington. Instead of retaining in the Federal Government the power over wages and labor agreements and industrial relations, which a global war had made necessary, the top leaders of management and labor were invited to recommend a program under which la-

(Continued on page 2800)

## Labor-Management Parley Ends Without Decision

After Four Weeks of Discussion, Conference Failed to Reach Agreement on Means of Preventing Strikes or Assuring Industrial Peace. Stumbling Blocks Found in Questions Relating to Wage Rise Policy, Scope of Collective Bargaining and Labor's Responsibilities and Labor's Rights in Management. Some Results Said to Be Achieved and Way Left Open for a Renewal of Discussions.

On Nov. 30, after a final general session that lasted several hours, the Labor-Management Conference called by President Truman to meet on Nov. 5, adjourned finally

after failure to reach unanimous agreement upon issues which would set a formula for assuring industrial peace and preventing strikes. Three out of six committees, which were to draw up regulations acceptable both to labor and management, failed to reach agreement. These committees were: (1) on collective bargaining, (2) on management's right to manage, and (3) on representation and jurisdictional questions. The general conference voted down the CIO resolution, sponsored by Philip Murray, to put the Conference on record as favoring a general wage increase. About the only agreements arrived at by the delegates were the proposals for facilitating and improving machinery for conciliation and arbitration in labor disputes.

### Management's Demand For Labor Responsibility

In a separate report made by members of the management group, the broad principles of col-

lective bargaining were agreed to, but a demand was made for guarantees in the fulfillment and enforcement of the contract provisions. In this respect, the management delegates report:

Management and unions must require that their respective officials refrain from encouraging or engaging in contract violation. The parties must establish and enforce such regulations as may be necessary within their respective jurisdictions to insure absolute unqualified adherence to the contract commitments made.

It is of fundamental importance that contract commitments made be observed without qualification by employers, employees and labor organizations. Both parties to the agreement must impress upon their associates and members and officers the need for careful observance of both the letter and the spirit of collective bargaining agreements. Employers, employees and unions should not provoke one another into any

(Continued on page 2800)

## Not Doing Well

"What we went to war to prevent Germany and Japan from achieving, we are now permitting to become a Russian triumph. By our liberation of the tragic peoples of Europe and Asia we have delivered them from the hands of one cruel and inhuman dictator into the bloody and tyrannical hands of another.

"The only reason why, to this moment \* \* \* Russia has had a free hand to liquidate all potential opposition, both among organized patriotic resistance groups and among the disorganized, helplessly miserable masses, is because we have been willing not only to shield her and keep the facts from the American people, but also because, by our abject appeasement for the sake of specious 'unity,' we have deliberately played her game for her."—Senator Burton K. Wheeler.

"\* \* \* We have always been a prey to the nations that give lip service to our ideals and principles in

order to obtain our material support. The war that is now in the making is not even intended to defend or establish democratic ideals. Instead of putting our weight behind the Charter of the United Nations we have been definitely supporting the imperialistic bloc. At the same time a considerable section of our State Department is endeavoring to support Communism generally as well as specifically in China.

"Because of the confusion in our own international policy America has been excluded economically from every part of the world controlled by colonial imperialism and Communist imperialism. America's economic strength has been used all over the world to defeat American policies and interests."—Patrick J. Hurley.

It is most earnestly to be hoped that these two heated, if not wholly consistent, indictments of our foreign policies, or want of them, will arouse the American people to a situation which neither of them fully disclose.

The truth of the matter is that our semi-Quixotic role is not going well in a world among nations bent upon their own advancement.

## American Legion Policies Adopted

At the close of the four-day convention in Chicago held by the American Legion, the report of their foreign relations committee was adopted, according to Associated Press advices of Nov. 21, with the Legion reaffirming approval of the United Nations Organization and urging that the American people take a greater interest in foreign affairs and that a definite foreign policy be established by the Government. The report called for maintenance of the highest standards of American justice in the trial of war criminals. It "discouraged" unfair foreign trade practices by United States citizens and recommended that the legion itself establish a competent, independent personnel to keep the legion informed on foreign affairs.

The convention, the Associated Press also reported, adopted a national employment program including a recommendation that the Veterans Employment Service be transferred from the United States Employment Service to the Veterans Administration. The resolution also asserted that the veterans service was not accomplishing the desired results under United States Employment Service because of "hamstringing" by other Government agencies.

The employment program included also recommendations that veterans' employment committees be established in every community; preferential consideration for disabled veterans in re-employment and new employment; preferential consideration of veterans

in private employment with full credit extended for military service and extension and improvement of unemployment coverage and benefits.

Gen. Alexander A. Vandegrift, commandant of the Marine Corps, carried on the debate before the Legion on the proposed Army-Navy merger when in a convention address he called it "a revolutionary scheme, one untried and without precedent." He reiterated the Navy suggestion that the President create a civilian commission to consider the entire question, and report by July 1, 1946.

Lieut.-Gen. James H. Doolittle of the Army Air Forces, carried the oratorical ball right back for the Army, however, when he told the Legionnaires that World War II demonstrated necessity of unity of command in the field, but said "you can't have it in the field without unity of command at home."

He recommended a single department of national defense, with the Army, Navy and Air Forces co-equal and autonomous.

## House Group Would Cancel Funds for Strike Elections

The cancellation of funds for the holding of strike votes by the National Labor Relations Board was recommended by the House Appropriations Committee, when it sent to the House floor on Nov. 26 a \$1,131,452,312 deficiency supply bill, the Associated Press reported from Washington on that date. In approving the bill, which is designed to meet deficiencies in funds previously appropriated for several score Federal Agencies for the fiscal year ending next June 30, the Committee, which estimated at \$2,400,000 the cost of conducting strike elections during the next seven months, urged that further funds for this purpose be withheld and that funds granted heretofore be turned back to the Treasury. From the Associated Press we quote:

"Strike elections have been conducted by the National Labor Relations Board under provisions of the Smith-Connally war-labor disputes act. Separate legislation repealing the strike-vote requirement and imposing stiff curbs on labor unions is pending in the House but will not be acted on until the supply bill approved by the Appropriations Committee is disposed of.

Noting that the strike-vote provision was a war-time proposal, the committee said the need for it has passed. It added that the regular work of the NLRB, which has requested repeal of the strike-vote requirement, is being held up by the elections.

The \$1,131,452,312 recommended for the various agencies supplied by the bill was a reduction of \$576,142,136 from budget estimates, representing one of the biggest percentage slashes ever proposed by the committee.

However, more than half of the reduction was made "without prejudice" to reconsideration later. Among the "without-prejudice" cuts were \$24,500,000 for temporary housing for veterans, \$158,320,000 for hospital and domiciliary facilities for veterans, and \$128,475,000 for river and harbor and flood control projects.

Of money actually approved, \$928,000,000 was for national service life insurance handled by the Veterans Administration. The new money, augmenting \$900,000,000 previously approved by Congress, is necessary, the committee said, because of deaths of members of the armed forces who carried the reduced-rate national service insurance.

## Roland S. Morris Dies

The death was announced on Nov. 23 of Roland Sletor Morris, one-time ambassador to Japan, who was credited during his period of service, 1917 to 1921, with having lessened friction and fostered good-will. A prominent lawyer, interested in international affairs, Mr. Morris held many posts of importance, including that of Professor of International Law at the University of Pennsylvania and trustee of the Carnegie Endowment for International Peace. A Democrat of long standing, Mr. Morris in 1940 split with the party to support Wendell L. Willkie in his candidacy for the Presidency. He died at his residence in Philadelphia.

William Green, President of the American Federation of Labor, told the convention: "It is my hope that no further attempts will be made to align labor and the veterans against each other." He asserted that organized labor "has supported and will continue to give its full backing" to legislation for better employment, education and business opportunities for veterans.

## The State of Trade

The first direct move toward governmental action against work stoppages in industry came on Monday of this week when President Truman in a message to Congress took up the urgent matter of labor problems:

Discussing the task of reconversion and the steps to be taken to accomplish it, the President stated, that there are some who would have the Government, during this period, continue to lay down the rules for the nation's changeover to peacetime pursuits as was so often necessary during the war. That, he stated, is not the policy of the Government since the Government desires to remove war-time controls as rapidly as possible and to return the free management of business to those concerned with it.

To make such a policy effective, the recent labor-management conference was called in Washington with top leaders of management and labor invited to formulate a program under which labor relations would be turned back into the hands of those involved.

Since the conference which has just recently ended failed to agree on machinery that would solve existing strikes which are retarding our reconversion program in some of the major industries, and for the strikes which are threatened, President Truman said that it becomes the duty of the Government to act on its own initiative.

Emphasizing the need at this time for Government intervention to adjust such labor disputes, the President had the following to say, "Industrial strife in some key industries means not only loss of a great amount of wages and purchasing power; but it may have ramifications throughout the country affecting the whole reconversion process. In such industries, when labor and management cannot compose their differences, the public through the Federal Government has a duty to speak and act."

The President recommended that the principles underlying the railroad labor act be adopted for the settlement of industrial disputes in important nationwide industries. Continuing, he added that the general pattern of that act is not applicable to small industries or small local disputes in large industries, but would be effective as well as fair, in such widespread industries as steel, automobile, aviation, mining, oil, utilities and communications. It is not the President's intention to make this list exclusive, nor to include local inconsequential strikes within these industries. The objective, he said, "should be to cover by legislation only such stoppages of work as the Secretary of Labor would certify to the President as vitally affecting the national public interest."

Where collective bargaining has failed in disputes in such industries and the Federal conciliation service has been unable to effect an agreement, and where the Secretary of Labor has been unsuccessful in inducing the parties to voluntarily submit the dispute to arbitration, the President would recommend the following procedure:

Upon certification by the Secretary of Labor to the effect that a dispute continues despite his efforts, and that a stoppage of work in the affected industry would vitally affect the public interest, the President, or his duly authorized agent, should be empowered to appoint, within five days thereafter, a fact-finding board similar to the emergency board provided for under the railway labor act.

A further recommendation of the President, after the Secretary of Labor executed the certificate, would make it unlawful to call a strike or lockout, or to make any change in rates of pay, hours, or working conditions, or in the established practices in effect prior

to the time the dispute arose. In connection with the above proposal the parties concerned would not be legally bound to accept the findings or follow the recommendations of the fact-finding board. Such a procedure would acquaint the general public with all the facts and the result in most cases, the President believes, would be that both parties would accept the recommendations, as has been the case in most railway disputes.

The President to speed the settlement of the most important existing strikes such as the one against the General Motors Corporation and the threatened strike involving the United States Steel Corporation and the United Steel Workers, stated that he was appointing such a fact-finding board and expressed the hope, that the Congress would approve the steps he was taking. Concluding his message, he stated, "This is an immediate program which is fair to both sides. I hope that the Congress, naturally disappointed at the failure of labor and management to agree upon a solution for the prevention of industrial disputes, will not adopt repressive or coercive measures against either side."

A resume of industrial activity last week reveals the diverse trends reported by some industries were against a background of gradual expansion for manufacturing generally. New order volume was voluminous as demand for most materials remained unlimited. Shipments in a few instances improved, but generally they continued slow.

**Steel Industry**—The steel wage controversy the past week assumed a leisurely but cautious and cold-blooded bid by both sides for a pattern which would reveal the course of steel labor trends for some time to come, says "The Iron Age," national metal working paper in its current review of the steel trade.

While the probability of an industry-wide steel strike was even stronger than ever in view of the surprise and right-about move of the OPA in denying the steel industry a past due and promised price adjustment, it was apparent the past week that steel mill shutdowns would not occur before the New Year, the magazine predicted. The union, this trade authority adds, is as aware as management that any losses incurred in December of this year would mean more taxwise, than if the shutdowns occurred in 1946 in view of the recent changes in the tax law.

The steel worker strike vote will involve close to 800 steel and steel processing plants, with a number of elections slated for Dec. 6. With labor stakes high, the policy of Philip Murray, USWA head, in directing the steel union during the current situation is "no illegal strikes" which is expected to preclude any series of wildcat stoppages. The union, this trade authority adds, is as aware as management that any losses incurred in December of this year would mean more taxwise than if the shutdowns occurred in 1946 in view of the recent changes in the tax law.

Past procedure indicates that the union policy committee will meet after the strike votes are counted to decide a "future course." This meeting will probably take place around Dec. 10 to 15.

The bombshell tossed into steel (Continued on page 2802)



Burton K. Wheeler



Patrick J. Hurley

## Hurley Resigns as Ambassador to China; Marshall Appointed to Post

In a statement containing numerous allegations against United States State Department and diplomatic officials, Major-Gen. Patrick J. Hurley resigned as Ambassador to China, on Nov. 27, according to Associated Press Washington advices. Declaring that American policy in Asia, as conveyed by these officials, was tending to "undermine democracy and bolster Imperialism and Communism" in the Far East, General Hurley, however, added that he had always received support from the President and Secretary of State in his endeavors for the establishment of democracy and free enterprise.

Accepting General Hurley's resignation, President Truman appointed retiring Army Chief of Staff, General George C. Marshall, to replace the former as the President's special envoy to China with the rank of Ambassador. Observers in Washington feel that the selection of General Marshall for the post indicates plainly the importance which Mr. Truman attaches to the Chinese situation.

In his statement announcing his resignation, as reported by the Associated Press, Gen. Hurley said in part:

"I am grateful to both the President and the Secretary of State for the support they have given me and for their kind offer in requesting me to return to China as ambassador.

"In one capacity or another I have been on the perimeter of America's influence since the beginning of the war.

"During the war I have served in Java, Australia, New Zealand, and generally in the Southwest Pacific, in Egypt, Palestine, the Lebanon, Syria, Trans-Jordan, Iraq, Saudi Arabia, Iran, Russia, Afghanistan, India, Ceylon, Burma and China.

"Of all of the assignments, China was the most intricate and the most difficult. It is a source of gratification to me that in all my missions I had the support of President Roosevelt, Secretary Hull, Secretary Stettinius, President Truman and Secretary Byrnes.

"In the higher echelon of our policy-making officials American objectives were nearly always clearly defined. The astonishing feature of our foreign policy is the wide discrepancy between our announced policies and our conduct of international relations. For instance, we began the war with the principles of the Atlantic Charter and democracy as our goal.

"Our associates in the war at that time gave eloquent lip service to the principles of democracy. We finished the war in the Far East furnishing lend-lease supplies and using all our reputation to undermine democracy and bolster Imperialism and Communism.

"Inasmuch as I am in agreement with the President and the Secretary of State on our foreign policy. I think I owe it to them as well as to the country to point out the reasons for the failure of the American foreign policy in reaching the objectives for which we said we were fighting the war.

"I will confine my remarks in this statement to Asia, although I wish to assure both the President and the Secretary of State that I shall be at their service in discussing frankly other phases of our international relations.

"I was assigned to China at a time when statesmen were openly predicting the collapse of the National Government of the Republic of China and the disintegration of the Chinese Army.

"I was directed by President Roosevelt to prevent the collapse of the Government and to keep the Chinese Army in the war. From both a strategic and diplomatic viewpoint the foregoing constituted our chief objective. The next in importance was the directive to harmonize the relations between the Chinese and American military establishments and between the American Em-

bassy in Chungking and the Chinese Government.

"It will readily appear that the former objective could not be accomplished without the accomplishment of the secondary objective as a condition precedent. Both of these objectives were accomplished. While these objectives had the support of the President and the Secretary of State it is no secret that the American policy in China did not have the support of all the career men in the State Department.

"The professional foreign service men sided with the Chinese Communist armed party and the imperialist bloc of nations whose policy it was to keep China divided against herself. Our professional diplomats continuously advised the Communists that my efforts in preventing the collapse of the National Government did not represent the policy of the United States. These same professionals openly advised the Communist armed party to decline unification of the Chinese Communist Army with the National Army unless the Chinese Communists were given control.

"Despite these handicaps we did make progress toward unification of the armed forces of China. We did prevent civil war between the rival factions, at least until after I had left China. We did bring the leaders of the rival parties together for peaceful discussions. Throughout this period the chief opposition to the accomplishment of our mission came from the American career diplomats in the embassy at Chungking and in the Chinese and Far Eastern Divisions of the State Department.

"I requested the relief of the career men who were opposing the American policy in the Chinese theatre of war. These professional diplomats were returned to Washington and placed in the Chinese and Far Eastern divisions of the State Department as my supervisors. Some of these same career men whom I relieved have been assigned as advisers to the Supreme Commander in Asia.

"In such positions most of them have continued to side with the Communist armed party and at times with the Imperialist bloc against American policy. This is an outline of one of the reasons why American foreign policy announced by the highest authority is rendered ineffective by another section of diplomatic officials.

"The weakness of American foreign policy has backed us into two world wars. We had no part in shaping the conditions that brought about these two wars. There is a third world war in the making. In diplomacy today we are permitting ourselves to be sucked into a power bloc on the side of colonial imperialism against Communist imperialism.

"I am opposed to both. I still favor democracy and free enterprise.

"A democracy must live on its intelligence and its integrity and its courage. To the people of the democracy should be given all the facts to enable them to form correct opinions. The discrepancy between American foreign policy as announced in the Atlantic Charter and the Iran Declaration and in the President's recent Navy Day address and as carried into effect may be attributed in large measure to the secrecy which has shrouded the actions of the State Department. All too frequently information concerning its conduct leaks out to the public in distorted, garbled, or partial form. The result is that the American people have too little in-

formation to judge the extent to which their State Department correctly interprets and administers the foreign policies of the nation.

"During the war we had to maintain secrecy to prevent giving aid to the enemy. I grant that sometimes during the war we had to be expedient. Now we should endeavor to be right. I raise this issue because I am firmly convinced that at this particular juncture in our history an informed public opinion would do much to give intelligent direction and implementation to our international objectives.

"With special reference to China and the other nations where I have served in the last four years, the blessings of factual publicity would be manifold. Now that the war is over I am willing that all my reports be made public, together with the reports made by those officials in the foreign service who have differed with the promulgated American policy.

"Our true position in China is misunderstood abroad because of this confusion of policy within our own Government. This situation suggests the need for a complete reorganization of our policy-making machinery, beginning at the lower official levels. No international policy can succeed without loyal and intelligent implementation.

"Because of the confusion in our own international policy America has been excluded economically from every part of the world controlled by colonial imperialism and Communist imperialism. America's economic strength has been used all over the world to defeat American policies and interests. This is chargeable to a weak American foreign service.

"I wish to absolve from this general indictment some of our career men. Some of them are very admirable and well equipped public servants who have fought in the State Department and in other countries against overwhelming odds to advance American ideals and interests.

"America's economic and diplomatic policies should be coordinated. America's strength should not be allied with any predatory ideology.

"America should support the amendment or revision of the San Francisco United Nations Charter to make it democratic.

"Our strength should be used to uphold the decisions of the United Nations rather than to support conflicting ideologies or war-making power blocs."

On Dec. 3 the Senate Foreign Relations Committee voted unanimously to open its doors to the public at the hearings scheduled to begin on Dec. 5 when Gen. Hurley will disclose his action in resigning. Gen. Hurley had declined to testify at a closed hearing.

## U. S. Ask Swiss Govt. to Cut Watch Imports

Steps have been taken by the United States Government to reduce the imports of Swiss watches and watch movements during the present period when the watch industry in this country is still re-converting from war production. In advices to this effect from Washington Dec. 3 the New York "Times" reported.

"The State Department said it had sent a note to the Swiss Government asking its cooperation in reducing the shipment of watches which "during recent months have been at an average annual rate considerably above the pre-war volume of domestic sales of both imported and comparable domestically-produced watches and movements."

The Swiss were asked for a prompt reply.

## Navy's Arms Unification Plan

Secretary of the Navy James V. Forrestal disclosed on Nov. 28 a plan for unifying the armed services to which the Navy Department could give approval. Pointing out the differences between this plan and the merger plans proposed by the Army and in legislative measures now under consideration, Mr. Forrestal gave it as his opinion that the Army plan would be tantamount to "a derogation of sea power," in a measure, "absorption of the Navy by the Army." Under the plan which the Navy proposes, he said that all elements of national security would, in effect, be under a "War and Peace Cabinet."

Mr. Forrestal, who, on Nov. 19, according to the Associated Press, in a talk to the Economic Club of Detroit, urged that a Presidential commission under Bernard M. Baruch be appointed to study the entire question of national security, on Nov. 28 told a news conference that the plan put forth by his Department embraced "a really broad foundation for national security." The following is the text of Mr. Forrestal's statement, as reported by the Associated Press:

A statement of the Navy position on national security:

We were victorious in this war, thanks to this democracy's great outpouring of national power. Nonetheless, the Navy Department has recognized the following deficiencies in the national security organization as of the end of the war.

1. Our foreign policy and military policy has not been closely integrated, although progress was being made through the State-War-Navy coordinating committee.

2. Our strategic planning and decisions were excellent, although delays were at times caused in the joint Chiefs of Staff by logistic and other complications, especially where Allied cooperation was involved.

3. Although unified command in the field was usually established, the Pacific command was split, particularly inside the Army, by separation of the Strategic Air Forces not only from the other Army air forces but also from the theatre commands.

4. There were gaps in the planning of material requirements, particularly inside the military departments.

5. There were duplications in procurement both between the ground forces and the air forces inside the War Department as well as inside the Navy Department and between the Army and the Navy. Many duplications have, however, been eliminated and progress is still being made.

6. No permanent organization had been evolved to plan for the mobilization of our material resources, productive capacity and technical skills in the event of war.

7. The coordination of the military and other war budgets in the Bureau of the Budget was not as thorough and detailed as it might have been.

For the future, and particularly in view of discoveries in the field of atomic energy, the Navy believes that an over-all, rather than a piecemeal, national security plan should be evolved to remedy not only the past deficiencies, but also to provide for the foreseeable future, with particular emphasis on:

- (a) The integration of all elements of national security.
- (b) A central research and development agency.
- (c) A central intelligence service.

Consequently, the Navy Department advocates that a really broad foundation for national security be established, as follows:

(1) A permanent National Security Council with a permanent secretariat should be established as an integral part of our Government. It should consist of the military departments, and the chairman of the National Resources Board. The Security Council will coordinate all for-

eign and military policies and in time of war will advise the President as Commander in Chief. This council will also review and determine the security program and budget for submission to Congress.

(2) There should be provided a permanent joint Chiefs of Staff to consist of the Chief of Staff to the President, the Chief of Staff of the Army, the commanding general of the Army Air Forces, and two officers of the Navy, one to be a naval aviator.

Such joint Chiefs of Staff will establish unified commands in peace and war and will originate the strategic military program. The subordinate agencies of the joint Chiefs of Staff should be strengthened and established on a permanent, full-time basis.

(3) The National Security Council should be assisted by (A) a central research agency, and (B) a central intelligence agency, both to serve all departments of the Government.

(4) A permanent National Resources Board should be established to make policy decisions with respect to the mobilization of material resources, productive capacity and manpower.

A permanent military munitions board (a joint agency), reporting to the National Resources Board, will be responsible for the elimination of duplications in procurement and supply.

(5) The Army Air Forces, with particular reference to their strategic functions, should be autonomous. Whether that can be accomplished only by splitting the War Department and establishing a separate department is a matter for Congress to decide.

A single military department should not be forced upon the country to establish autonomy for the Army Air Forces.

(6) The Navy must be continued as an integrated service not only with its own air forces (including such shore-based elements as are required for design, training, reconnaissance at sea and anti-submarine warfare), but also with its Marine Corps and related amphibious components.

This requires that the Navy Department continue to be represented in the Cabinet by a civilian secretary with direct access to the President.

This program deals with the basic elements of national security. It also preserves the integrity of each of the armed service and provides for the—

- (A) Unified strategical direction of the services, both in Washington and in the field.
- (B) Effective coordination of procurement, and
- (C) For integration of budgets for national security.

## Mail Shipments to Guam

Postmaster Albert Goldman announced on Nov. 27 that information has been received from the Post Office Department at Washington that all restrictions regarding overseas shipments by mail are removed, in so far as concerns mails for civilian addresses in Guam. The advices also state:

Articles of mail matter, including parcel post, for transmission by surface means to Guam will, therefore, be accepted for mailing up to a weight limit of 70 pounds, 100 inches in length and girth combined without restrictions as to the number of packages mailed in any one week by or on behalf of the same person or concern to or for the same addressee.

Air mail for Guam is still subject to a weight limit of two ounces.

## The Financial Situation

(Continued from first page)

more nearly speaking for those whom they represented than could management. The fact is, however, that not only could they not agree among themselves, but they have again and again shown themselves unable to make their theoretical power effective. Local leaders are continually defying those above them, and in many, many instances the rank and file of the men defy local leaders. Viewed superficially this is a regrettable situation, and in some of its aspects it really is deeply to be regretted. It is particularly so when the unions are unable to persuade or oblige rank and file membership to observe contracts which have been entered into in their name with their approval. At the same time, the fact that no small, or for that matter no large, group of labor leaders can make decisions for the rank and file or herd them like sheep into the fold is really not an unmitigated evil by any means. Imagine what this country would be like if the wage earners were ruled by a triumvirate of Petrillo's!

The failure of the labor-management conference leaves the situation much where it was when the conferences began, and it requires that the country squarely face the fundamentals of that situation. It should suggest strongly that these labor disputes, and for that matter, questions which have to do with pricing, either will be settled man to man, or group to group, in the business world or they will not be settled at all—or at the very least will not be settled wisely. It is, of course, deeply to be regretted that unionism has been permitted—nay, encouraged—to develop into groups so large and so powerful that competition has been completely eliminated and even the law of the land effectively flouted, but that is the situation by which we are today confronted. Legislation, carefully designed legislation, is needed to undo this mischief, but it is not likely to help us much in the present impasse.

Of course, government, if it would, could enforce the law of the land—and it goes without saying, first, that it should do so, and second, that such a course on its part would do more than all its "conferences" and other semi-political moves combined. But when it has attended to this chore—which it has been most sedulously neglecting for years past—the less it injects itself directly into labor disputes the better for all concerned. It is being currently said that only President Truman can bring the General Motors strike to a

speedy end. But how? And with what consequences? Possibly he could let it be known what rates of wages he wishes paid—as if it were any of his business. If both sides were willing to proceed on such a basis, they doubtless would agree to do so. - But if there is such a common ground, why do the disputants not proceed without the assistance of the President? If one or the other of the parties to the dispute are not willing to accept the President's suggestion, what then? To be sure, no one supposes that we should be wise to continue the plant seizure technique now that the war is over.

### Other Handicaps

But the President would be under other handicaps. During the war any employer who was selling predominantly to the government could count upon the Treasury to pay the costs of extra labor expense imposed upon him. But no such situation exists today. Should the President undertake now to oblige General Motors to incur substantial increase in its labor cost burdens, the question of price must inevitably arise—and it is the Federal Government in Washington which is undertaking to determine the prices at which the public will be asked to buy the products of employers of labor—and is more or less committed to prevent those prices from rising. It is, of course, inevitable that grants of wage increases of the order of magnitude of those demanded by Mr. Reuther would very appreciably increase the cost of production, and without question necessitate a price for the products of labor higher than otherwise would be necessary. Is the President ready to accept responsibility for such an increase?

It is considerations such as this, or at least akin to this, which make a mockery of the President's optimistic reconversion report to the nation. It may or may not be a fact that good progress has been made in converting plants. Such progress without doubt has been excellent in some lines if not so marked in others, but that is only a part of the story. Retail trade is doing well, indicating that demand from the general public for many types of goods is strong and insistent. But can we be sure that this demand can make itself effective? The answer usually offered by those who glibly follow the "line" prepared in Washington is to point to the "liquid assets" now in the hands of both individuals and business. But that is not the point. The question is not whether there is sufficient "purchasing power" for the

## Ford Demands Union Penalty in Strikes

The Ford Motor Company made a formal proposal to the United Automobile Workers (CIO) on Nov. 28 that the union reimburse the company at the rate of \$5 per day for each man involved in future unauthorized work stoppages at Ford plants, the Associated Press reported from Detroit.

The Ford proposal, in support of the company's demands for the assumption of responsibility by the union, evoked widespread interest in the automotive industry, the Associated Press continued, and drew from Richard T. Leonard, director of the UAW's Ford division, the comment, "such a proposal is unrealistic and would not guarantee an end of unauthorized strikes." The Associated Press added:

The company suggested that it be empowered by the UAW to collect the penalties from "any amount collected by the company for the union under the check-off provisions" of its contract with the union.

A Ford spokesman said, "the company's position is that the union can control its membership in the matter of unauthorized stoppages, slowdowns and controlled production, but has failed to do so during the life of the present contract."

### Mtge. Loans During Oct.

Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations, announced on Nov. 23 that the 243 savings and loan associations in New York State set an all-time high record in mortgage lending activities for the month of October.

From reports submitted to the League, Mr. Woodard estimated that a total of \$12,873,640 loans were granted during October, which represents an increase of 59%, or \$4,800,700, over October, 1944, and an increase of 21%, or \$2,206,586, over September, 1945. This brings total loans granted by the associations for the first 10 months of 1945 up to \$98,357,151. Purchase loans constituted 80%, or \$10,256,200, of the \$12,873,640 loans recorded during October, 1945, the remaining 20% representing construction, refinancing, repair and other loans. It is added that savings increased during October by a net figure of \$7,712,480, equivalent to a rise of 1.3%. New share investments totaled \$21,508,000 while withdrawals amounted to \$13,795,520. On the basis of these figures, Mr. Woodard estimated that on Oct. 31 the total resources of all New York savings and loan associations had reached the amount of \$698,554,910.

purposes in hand, or even whether the rank and file are willing to exercise that power.

### Wages and Prices

A serious difficulty which is making itself evident even now from day to day is found in the fact that this demand often can legally impinge upon the manufacturer only in terms of prices which leave the latter without profit. That kind of demand is not likely to be effective. The whole question of postwar wage rates and prices remains with us—and will do so until the Government is willing to step down, and most of all to quit putting unruly elements in the population up to mischief.

## Industrial Activity Declined in October, Federal Reserve Board Reports

"Industrial output declined somewhat further in October, but in the early part of November production in important basic industries increased," according to the summary of general business and financial conditions in the United States, based upon statistics for October and the first half of November, made available on Nov. 26 by the Board of Governors of the Federal Reserve System. "Value of retail sales continued to advance considerably in October and early November, reflecting in part small increases in prices," said the board, which further reported:

### Industrial Production

Output at factories and mines continued to decline in October, reflecting a further curtailment in munitions activity and reduced production as a result of industrial disputes in some industries. The board's seasonally adjusted index decreased 4% in October and at 164% of the 1935-39 average the index was at the same level as in the middle of 1941. In the first half of November output in such basic industries as coal, coke, petroleum, iron and steel and automobiles was above the October level.

Activity in the machinery and transportation equipment industries showed only small declines in October in contrast to the sharp reductions in recent months when most of the war production in these lines had been terminated. Activity at automobile factories rose substantially in October and there were also important increases in output of civilian products in other reconverted factories.

Steel production was reduced in October as a result of a temporary curtailment in coal supplies, but since the end of October steel mill operations have increased considerably. Wage-rate disputes in the West Coast lumber region resulted in a reduction of 18% in total lumber output in October.

Output of non-durable goods as a group was maintained in October. Further reductions in output of explosives and aviation gasoline and other products used for war purposes were offset by increases in output of many peacetime products.

Output of coal and crude petroleum decreased sharply in the early part of October as a result of industrial disputes. Since the last week of October production of these minerals has increased considerably; in the early part of November bituminous coal production was at the highest rate since the spring of 1944.

### Employment

Employment in munitions industries and in Federal war agencies declined further in October, while in most establishments engaged in civilian activities employment increased. Employment at automobile factories gained about 10% in October and there were important increases in some other manufacturing lines, in construction, and in the trade and service industries. Employment at coal mines dropped temporarily as a result of work stoppages.

### Distribution

Distribution of commodities to consumers continued to increase in October and the first half of November. Sales at retail stores selling both durable and non-durable goods were about 15% higher than a year ago. At department stores sales advanced 8% from September to October, according to the board's seasonally adjusted index and, on the basis of the rate of sales during the first half of November, a new peak is indicated this month.

Railroad shipments of revenue freight have increased since the early part of October, although they usually decline during this season and in the middle of November they were almost as large as in the same period a year ago. The increased number of carloadings has reflected a sharp rise in

coal shipments since the miners have gone back to work as well as a steady expansion in shipments of merchandise for civilian use.

### Commodity Prices

Wholesale prices of farm products and foods continue to advance from the middle of October to the middle of November and reached the previous peak levels prevailing in June. Prices of cotton, grains and various other products were above the June levels, while prices of fresh fruits and vegetables were below the earlier seasonal peaks. Butter prices rose to the new maximum level after the subsidy was discontinued in October; the subsidy on flour was increased for the month of November.

Maximum prices for cotton goods, building materials and various other industrial products were raised somewhat further, while in certain other cases, like nylon hosiery, reduction in maximum prices were announced. The prices announced for new passenger cars were close to 1942 levels, which were substantially above 1939 prices.

### Bank Credit

Since the end of hostilities the rate of monetary expansion has slackened, reflecting reduced Government expenditures. Government war loan accounts at member banks in leading cities were reduced \$5.1 billion between Aug. 15 and Nov. 14, compared with a decline of \$7.8 billion in the same period last year. Adjusted demand deposits at these banks increased \$2.1 billion in the three months, compared with \$4.5 billion last year. The growth in time deposits was only slightly less than in the same period a year ago. Currency in circulation has also grown at a much slower rate; during the past three months the increase was less than half that of the same period last year.

With reduced expansion in member bank required reserves and in currency, Reserve Bank credit has increased more slowly than in previous interdrive periods. A part of the increase has been in advances to member banks. Member bank excess reserves have increased somewhat and at \$1.2 billion are larger than usual at this stage of war loan drives.

Commercial loans at reporting banks, both those in New York City and outside, have increased somewhat more than the usual seasonal amount. Since the beginning of September these loans have grown \$650,000,000 compared with \$340,000,000 during the same period of 1944. Loans for purchasing and carrying U. S. Government securities, though contracting as usual in periods between war loan drives, continued well above previous interdrive levels. By mid-November such loans, both to brokers and dealers and to other customers, were already starting to expand in connection with the current drive.

## Wachsman Heads Smith Memorial Fund Div. Unit

Alvin L. Wachsman, cotton broker, has been appointed Chairman of the Cotton Exchange Division of the Alfred E. Smith Memorial fund campaign, it was announced on Nov. 29. The memorial will be a \$3,000,000, 16-story addition to St. Vincent's Hospital bearing Gov. Smith's name, built by public contributions.

## To Study Consumer Credit Collection System

Banks of the nation will provide a collection service in the consumer credit field superior to anything yet developed, according to Walter B. French, Deputy Manager of the American Bankers Association, in charge of its Consumer Credit Department. Speaking on Nov. 26 before the Virginia Bankers Association, Mr. French said the Consumer Credit Department had recently sent a questionnaire to member banks, asking them what phases of consumer credit their bank would engage in and whether or not their bank would be interested in participating in a nation-wide collection arrangement on a reciprocal fee basis.

"As of the present date," Mr. French said, "almost 8,000 questionnaires have been returned, and preliminary results indicate that more than 90% of all banks will engage in some phase of consumer installment credit. Almost 6,000 banks have expressed their willingness to engage in the nation-wide consumer credit collection system." He added:

"The American Bankers Association plans to issue a consumer credit directory which, among other important features, will provide banks with the following information: 1. The name and location of each bank making consumer installment loans; 2. Types of consumer loans handled by each bank; 3. The extent to which each bank will accept items for collection; 4. Specific data which should be included in transmitting a claim from one bank to another, and 5. Statement of policy or understanding under which claims are referred to another bank."

Mr. French said the volume of installment loans in the United States is definitely on the up-trend, current outstandings from commercial banks aggregating approximately \$625,000,000. This does not include industrial banks which will add another \$180,000,000. "I think it will be some time, maybe a year or more, before consumer credit paper becomes avail-

able in quantity," Mr. French said. "Here are some factors that I believe will have a bearing on the availability of this type of loan:

"1. Strikes and labor unrest will delay production. They will also have an influence on purchases. People do not as a rule spend money or commit themselves to debt unless they feel fairly sure about the future.

"2. Price and credit controls will have some influence. Up to now Regulation W has had very little influence on the contraction of consumer credit outstanding. As an anti-inflationary instrument we shall now have a chance to see what it can do. Informed people tell us that we are already inflated 36% in this country in cost of commodities. Those of us who pay our bills can confirm the findings of the learned gentlemen. Regulation W advocates answer this by saying that if it were not for this regulation and other controls we would be inflated more. This is not a very satisfactory answer but probably true. The Association is on record as believing that Regulation W should be abandoned as soon as the supply of durable goods somewhere nearly equals the demand.

"3. The extent to which money now in circulation—\$28 billions—will be used for the purchase of consumer goods or services will discourage the use of loans.

"4. The extent to which savings accounts at over \$40 billions and individual government bond holdings of \$84 billions will be converted into consumer durable goods will have an effect on consumer credit volume."

Mr. French said that many banks over the country will engage in a plan of financing as soon as consumer paper is available. Two groups of banks have been formed to handle this type of paper, one on the West Coast, which will cover 11 states, and another with headquarters either in New York or Chicago, which will attempt to cover the rest of the country.

## Employment at New Low in September

Employment in 25 manufacturing industries surveyed each month by the National Industrial Conference Board slumped 12.1% in September, the greatest decline ever recorded since such statistics have been collected. The Conference Board reported on November 30. The Board's index of employment dropped to the lowest level since September, 1940, and was 31.8% below the peak of October-November, 1943.

Despite recent declines, the number of employed production workers in the 25 industries as a whole the close of September still showed an increase of 22.9% over the August, 1939 figure. The Conference Board said, but seven individual industries reported employment in September as lower than in the month before the start of the European war. These industries were: boot and shoe, furniture, hosiery and knit goods, leather tanning and finishing, lumber and millwork, silk and rayon, and wool. Declines below the August, 1939 level ranged from 1.6% in furniture to 31.5% in hosiery and knit goods.

The announcement continued: "September payrolls in the 25 industries dropped 15.3% below the August figure and were 30.3% less than in September last year. The decline between August and September this year was the largest decrease recorded since the early part of 1921, and sent The Conference Board index of payrolls to the lowest level since December, 1941. The index, however, was still 107.1% higher than that of August, 1939.

"The average work week of 42.4

hours in September was a decline of one hour or 2.3% below the August average. Since January this year, the peak month, the average work week has recorded a decline of 3.8 hours or 8.2%. The September figure was the lowest since February, 1942, but was 11.9% longer than in August, 1939.

"Total man hours worked during September in the 25 manufacturing industries according to The Conference Board, were lower than the 1923 average for the first time since April, 1941. The September index was 14% below the August level and 30.4% lower than in September, 1944.

"Average hourly earnings of production and related workers were \$1.089 in September, a decline of 1.3% from August and 2% below the peak level established in June this year. The September average, however, held 0.8% above the corresponding month last year and was 51.3% higher than in August, 1939, the month before the outbreak of the war in Europe.

"Weekly earnings, averaging \$45.99 in September, were 3.5% less than in August and smaller than the average for any month since May, 1943. Only five industries showed higher earnings in September than in August: lumber and millwork, meat packing, paper and pulp, and the two printing industries.

"The Conference Board's calculations of average 'real' weekly earnings in September—the amount of goods and services that could be purchased with the dollar earnings—dropped 3.3% below the August level. 'Real' earnings, however, were still 33.3% higher than in August, 1939."

## Lt. Underhill Named by Morris Plan Bankers

Election of Lt. Gary M. Underhill, USNR, as Executive Director of the Morris Plan Bankers Association has been announced at the Association's headquarters in Washington, D. C., by Joseph E. Birnie, President of that organization. Mr. Birnie is President of the Morris Plan Bank of Georgia. Prior to his being commissioned in the Naval Reserve, Lt. Underhill was Assistant Vice-President of The Morris Plan Bank of Virginia at Richmond. He has been on duty in Washington at the Navy Department, in the Office of the Assistant Secretary, Material Division, for the past year and a half, and has just been released from active duty.

At the same time, election of Calvin C. Vane as Treasurer of the Association was announced by Lt. Underhill. Mr. Vane recently returned from overseas as a staff sergeant in the Army, and has likewise just been released from the service. Prior to entering the Army in 1942, Mr. Vane was Assistant Treasurer of the Association, with which he has been connected for the past 7½ years. Lt. Underhill takes over the duties relinquished by Richard H. Stout, who resigned recently as President of the Association to become Vice President of the Industrial Bank & Trust Company of St. Louis in charge of consumer credit activities.

Lt. Underhill first entered Morris Plan banking circles in 1928 as secretary to Thomas C. Boushall, President of The Morris Plan Bank of Virginia. He subsequently attended the University of Richmond; then the University of Virginia, from which he was graduated in 1932, and returned to the bank as statistical and research assistant to the President. He later was elected an Assistant Cashier, then Assistant Vice-President in charge of public relations.

Prior to entering the Navy, Lt. Underhill was active in national, state and local banking and civic affairs. He was a member of the national Public Relations Committee of the American Institute of Banking, nominating committee of the Financial Advertisers Association, Banking Education and Public Relations Committee of the Virginia Bankers Association, board of directors of the Virginia State Junior Chamber of Commerce, public city committee of the Richmond Chamber of Commerce, and the board of directors of the Richmond chapter of the American Red Cross.

## Ramspeck Leaving Cong. for Air Transport Post

Announcement was made on Nov. 26 of the election of Representative Robert Ramspeck (D.Ga.) to be executive vice president of the Air Transport Association of America. Mr. Ramspeck, who is resigning from Congress, is expected to take over his new post Jan. 1, at a salary reported to be about \$25,000 a year, according to a special dispatch from Washington to the New York "Times." The "Times" states that the association is a trade group representing a large part of the United States airline industry.

Mr. Ramspeck, Democratic whip of the House, and during the last Presidential campaign, chairman of the Speakers' Committee, is reported by the "Times" to have introduced or inspired more legislation of benefit to Federal employes than any other member of Congress in history, during his Chairmanship of the Civil Service Committee. The new head of this committee is to be Representative Jennings Randolph (D.-W. Va.), according to the "Times."

## French Hamper Allied Control, Eisenhower Says

In a report released at Frankfurt, Germany, Nov. 29, General Dwight D. Eisenhower, summarizing the situation in Germany in October, before he left there to become Chief of Staff of the United States Army, accused the French Government of hampering the Allied Control Council and urged early establishment of central German administrative machinery.

While praising the British delegation for going along in council matters for the sake of humanity, General Eisenhower declared, according to Associated Press reports:

"There was no similar solution of the deadlock which prevents establishment of the central German administrative machinery provided for by the Potsdam Agreement as necessary for the treatment of a Germany as a single economic unit. French authorities in October maintained their opposition to this principle. Only in November were there indications of progress.

"On a number of other important matters, moreover, little progress was made during the month. A proposed law to authorize and encourage a federation of German trade unions on a national basis could not be adopted on account of French opposition."

Stating that the United States had no intention of "taking any active steps to raise Germany above the economic level required by humanitarianism," the Associated Press continued, General Eisenhower declared that German industry must be raised above the 5 to 7% of capacity at which it is now operating, and that food must be imported without thought of payment.

Displaced persons remaining in Germany are becoming restless also, the report said, and terrorist gangs have "caused considerable difficulty in certain areas."

The Associated Press added: General Eisenhower said that the United States still was providing refuge in Germany for more than 80,000 Estonians, Lithuanians and Latvians despite Russian demands that they be turned over as Soviet citizens. Another headache are Ukrainians of doubtful citizenship. The individuals themselves claim not to be Soviet citizens and therefore not subject to repatriation under the United States-Soviet agreements," he said.

Denazification is proceeding vigorously, the General reported. In the American zone 5,042 German Government and Nazi-owned properties valued at \$114,900,000 have been seized.

Under Law No. 8, barring all former members of the Nazi party from employment other than manual labor, General Eisenhower said, 80% of the denazification of all industrial plants in the United States zone had been completed by the end of October.

"It is important to note that the revival of German agriculture, industry and trade which is being encouraged by the Military Government and the organization of German administrative machinery to take responsibility for the program," he said, "are necessary to avoid expense to the American Treasury."

While restlessness has been noticed, General Eisenhower said that "there is no indication of any organized resistance and the number of crimes of violence is, in the aggregate, very small." He warned, however, that the influx of refugees and returning prisoners of war was boosting the population of the American zone to close to 20,000,000 and "carries with it potential dangers of unrest and disease."

"The former complete docility of the German people is being replaced by conditions more normal to an occupied country," Eisen-

hower said. "Irritation among certain parts of the population because of fraternization, general pessimism about current conditions and future prospects, and the knowledge of prospective difficulties and hardships in the winter ahead have led to some restlessness."

Many Nazis attempted to get around the law by turning their businesses over to relatives and taking temporary leaves of absence, or cutting their pay to pose as manual laborers, he said, but military government officers are "taking steps to control such activities."

The German people, General Eisenhower said, still are "politically apathetic" in the face of approaching elections, with the Communists and Social Democrats "supplying the main drive."

"Wide sections of the population," he said, "consider that the parties and leaders which present themselves today are, to a large extent, the same as those which were unable to solve the problems of the Weimar Republic or to prevent the coming of Hitler and that these leaders now seem to be able to put forward very little that looks new or constructive."

## Would Scrap Teen Age Military Bill

A proposed plan to scrap the teen-age military training bill and to act instead upon his resolution to outlaw compulsory military training by international agreement, was submitted to Congress on Dec. 2 by Representative Joseph W. Martin, Jr., House Republican leader. His request, it is learned from United Press accounts from Washington, was contained in a letter to Chairman Andrew J. May, (D.-Ky.), of the House Military Affairs Committee, which for more than a month has been considering an Administration bill to require a year's training for youths of 18 to 20.

The United Press advices from Washington Dec. 2 as given in the New York "Herald-Tribune" went on to say:

"Congressional sources, meanwhile, voice belief that the War Department has abandoned hope of getting the bill passed. They expect the committee to approve instead a measure calling for a shorter training period, as proposed by the American Legion and the Veterans of Foreign Wars.

"Representative Martin's resolution provides that before any program is adopted the United States should 'work unceasingly for an immediate international agreement whereby compulsory military service shall be wholly eliminated from the policies and practices of all nations.'

"He wrote Chairman May that the United States, Britain and Russia could bring about 'this reform' through the existing machinery of the United Nations.

"I firmly believe this effort should be made before we fasten compulsory military service in peace time upon the young men of the United States," he added. "This agreement would be a stimulant for world peace and at the same time lift from the backs of our people some of the heavy burdens of taxes.

"Certainly the great rewards which would result from the agreement are worth the effort. There would be more money available to build better homes; more money to increase the living standard; more money to make life a little more comfortable for the undernourished and unfortunate people of our land."

"He said that such an agreement also would 'eliminate the need for the regimentation of the youth of America and that the control of young men during an important period of character development would remain in the family rather than the state.'

## Pearl Harbor Inquiry In Congress— Testimony of Hull, Grew and Richardson

Hearings before the joint House-Senate Committee investigating the Pearl Harbor disaster continue daily with a persistence which spares no one who may have any light to shed on one of the most crucial moments in the nation's history. On Nov. 19 Admiral James O. Richardson, special assistant to the Secretary of the Navy, told the Committee of a remark made to him by the late President Roosevelt 14 months before Pearl Harbor to the effect that sooner or later the Japanese would make a "mistake" and the United States would enter the war. At that time Admiral Richardson, the Associated Press pointed out in its report from Washington, was Commander in Chief of the fleet.

Testimony by former Secretary of State Cordell Hull and former Ambassador Joseph C. Grew have also figured in the hearings.

The transcript of Admiral Richardson's testimony on the conversation with President Roosevelt on the occasion mentioned, Oct. 8, 1940, as reported in the Associated Press account from Washington Nov. 19 follows:

I took up the question of returning to the Pacific coast all of the fleet except the Hawaiian detachment. The President stated that the fleet was retained in the Hawaiian area in order to exercise a restraining influence on the actions of Japan.

I stated that in my opinion the presence of the fleet in Hawaii might influence a civilian political Government, but that Japan had a military Government which knew that the fleet was undermanned, unprepared for war and had no train of auxiliary ships without which it could not undertake active operations, therefore the presence of the fleet in Hawaii could not exercise a restraining influence on Japanese action.

I further stated we were more likely to make the Japanese feel that we meant business if a train were assembled, and the fleet returned to Pacific Coast, the compartments filled, the ships docked, and fully supplied with ammunition, provisions, stores and fuel and then stripped for war operations.

The President said in effect, "Despite what you believe, I know that the presence of the fleet in the Hawaiian area has had, and is now having, a restraining influence on the actions of Japan."

I said, "Mr. President, I still do not believe it and I know that our fleet is disadvantageously disposed for preparing for or initiating war operations."

The President said, "I can be convinced of the desirability of returning the battleships to the West Coast if I can be given a good statement which will convince the American people and the Japanese Government that in bringing the battleships to the West Coast we are not stepping backwards."

Later I asked the President if we were going to enter the war. He replied that if the Japanese attacked Thailand, or the Kra Peninsula, or the Dutch East Indies we would not enter the war; that if they even attacked the Philippines he doubted whether we would enter the war, but that they could not always avoid making mistakes and that as the war continued and the area of operations expanded sooner or later they would make a mistake and we would enter the war.

When Admiral Richardson took the stand, Nov. 19, an exchange of correspondence between him and Admiral Stark during 1940, when Admiral Stark was chief of naval operations, was entered in evidence. The general tenor of the correspondence, according to the Associated Press, was that Admiral Richardson did not like keeping the fleet based at Pearl Harbor. It had gone there in April during annual maneuvers with the expectation of returning to the Pacific Coast early in May. Instead it was ordered to remain there. When Admiral Richardson asked an ex-

planation, he was informed by Admiral Stark that the purpose was to exercise a "deterrent" influence on Japanese actions.

The following day, Nov. 20, Admiral Richardson again took the stand and, according to the Associated Press, asserted that President Roosevelt had been "rather loath" to increase the man power of the Pacific fleet in midsummer, 1940. Said the Admiral, "The President was rather loath to increase the number of men because he felt, as he expressed it to me, that men in mechanical trade in civilian life could be quickly inducted and made into adequate sailormen if their services became necessary."

Admiral Richardson also recounted for the Committee a series of conferences he held with others besides the President, including Cordell Hull, then Secretary of State, shortly after the fall of France. The Admiral declared that after these conferences he left Washington "with the distinct impression that there was an opinion in Washington that Japan could be bluffed." He added, "Mr. Hull very completely and comprehensively presented his views on the relations between the United States and Japan. He felt that we should take a very strong position, and that retention of the fleet in Hawaii was a reflection of that strong attitude." Admiral Richardson pointed out that he himself had urged that the fleet should not be massed at Pearl Harbor.

It was after this that Admiral Richardson was relieved as Commander of the fleet, he told the investigating committee on Nov. 21, according to the Associated Press. And on March 24, 1941, after he had been succeeded by Admiral Husband E. Kimmel, the late Secretary of the Navy Knox told Admiral Richardson the reason was that he had "hurt the feelings" of President Roosevelt by his difference of opinion.

Former Secretary of State Hull testified before the Joint Investigating Committee on Nov. 23 at which time he declared, according to the Associated Press, that far from having handed Japan an ultimatum, he and President Roosevelt played desperately for time before the Pearl Harbor attack. From the Associated Press accounts Nov. 23 we also quote:

Because of Mr. Hull's ill health, the committee permitted a committee counsel, Gerhard Gessell, to read the former Secretary's memorandum. Hull, himself, was excused from the morning's session after putting in an early appearance.

In a day-by-day account of diplomatic negotiations that preceded this country's entry into war, Mr. Hull made these points:

1. He gave the Cabinet repeated warnings before December 7, 1941, that Japan could be expected to attack "anywhere, anytime," since there appeared to be no hope of successful diplomatic negotiations.

2. Mr. Hull said that only by the United States' yielding "fundamental principles" could the Pearl Harbor attack have been prevented, with the prospect that it would have come after Japan "consolidated the gains she would have made without fighting."

3. He asserted that the cornerstone of his and President Roosevelt's efforts were to "avoid a showdown" with Japan while this country strengthened its defenses, adding that he "concurring completely in the view that no ultimatum should be delivered to Japan."

4. He revealed that most of the information this Government received indicated the Japanese would concentrate attacks on the Kra Peninsula, Siam, Malay Peninsula and the Dutch East Indies.

5. He disclosed that at the Atlantic Conference President Roosevelt had agreed with Prime Minister Churchill to take "parallel action" in informing Japan that in the event of further aggression they would be forced to move defensively.

Mr. Hull said in his statement that the original Japanese move into Southern Indo-China was the "overt act" that so changed the Far Eastern situation that it became a question no longer of this country's avoiding the risk of war but of making "a definite and clear move in self-defense."

That act, he said, brought about the July 26, 1941, order of President Roosevelt to freeze Japanese assets in this country.

Mr. Hull noted that at the Atlantic Conference of the President and Prime Minister Churchill in August, "Mr. Churchill had informed President Roosevelt that the British Government needed more time to prepare for resistance against a possible Japanese attack on the Far East."

"This was true also of our defense preparations," Mr. Hull said.

"Furthermore," he went on, "President Roosevelt and Mr. Churchill had agreed that the American and British Governments should take parallel action in informing Japan that, in the event the Japanese Government should take further steps of aggression against neighboring countries, each of them would be compelled to take all necessary measures to safeguard the legitimate rights and interests of its country and nationals and to insure its country's safety and security."

President Roosevelt gave the Japanese Ambassador this warning on Aug. 17 but agreed at the same time to continue negotiations. He and the President knew that the Japanese were "unreliable and treacherous," Mr. Hull said, adding that while "our Government desired peace, it could not brush away the realities of the situation."

Accordingly, they continued to talk with the Japanese in the hope that, at least, "the conversations would give our Army and Navy time to prepare."

Mr. Hull said Generalissimo Chiang Kai-shek reported early in November that the Japanese appeared to be preparing to attack Kunming. He asked for American air units and for a warning against Japan.

At Mr. Hull's suggestion, the Army and Navy studied this appeal but recommended against any armed intervention in China beyond the "Flying Tigers" volunteers. They urged additional material aid to China but wanted "no ultimatum delivered to Japan."

"I concurred completely in the view that no ultimatum should be delivered to Japan," Mr. Hull said. "I had been striving for months to avoid a showdown with Japan and to explore every possible avenue for averting or delaying war between the United States and Japan."

The former Secretary said that as early as Nov. 7, 1941, he told the Cabinet that "relations were extremely critical and we should be on the lookout for a military attack anywhere by Japan at any time."

He added that Ambassador Joseph C. Grew cabled warnings Nov. 3 and 17 "of the possibility of sudden Japanese attacks which might make inevitable war with the United States."

He said Saburo Kurusu, Japanese "peace" ambassador, suggested that a temporary agreement might be reached, but that on Nov. 20 the Japanese envoy

presented a new proposal "which on its face was extreme."

Mr. Hull said he told Kurusu this formula offered nothing helpful. The same day, the witness continued, word was received from the Dutch that a Japanese force had arrived near Palao, nearest point in the mandated islands to the heart of the Indies. "The whole issue presented," he said, "was whether Japan would yield in her avowed movement of conquest or whether we would yield the fundamental principles for which we stood in the Pacific and all over the world. . . . They were armed to the teeth and we knew they would attack whenever and wherever they pleased."

Regarding the situation as "critical and virtually hopeless" he said he nevertheless went ahead with effort to draft a temporary agreement.

On Nov. 25, he said he told the war council, consisting of the President, Secretaries of State, War and Navy, the Army Chief of Staff and the chief of naval operations that "the Japanese military were already poised for attack."

The temporary agreement never was presented to the Japanese. Instead, Hull restated to them on Nov. 26 the principles of peaceful co-operation and non-aggression on which he said the United States stood. This, he went on, was what Japanese propagandists later called his "ultimatum."

At a Nov. 28 meeting of the war council, Mr. Hull said he pointed out that there was "practically no possibility of an agreement being achieved with Japan." He reiterated, he declared, that it was up to the Army and Navy to safeguard national security.

Mr. Hull recounted various reports received of Japanese military activities, including a reported plan for them to attack the Kra Peninsula on Dec. 1 and the landing of additional troops in southern Indo-China.

"On Nov. 30," he said, "I was informed by the British Ambassador that the British Government had important indications that Japan was about to attack Siam and that this attack would include a seaborne expedition to seize strategic points in the Kra Isthmus."

Mr. Hull telephoned Roosevelt Nov. 30 to come back from Warm Springs.

Then on Dec. 6, Hull said the Government received reports that a Japanese fleet of 35 transports, eight cruisers and 20 destroyers was moving from Indo-China toward the Kra Peninsula.

"This was confirmation that the long threatened Japanese movement of expansion by force to the south was under way," he said.

He noted the President's telegraphic appeal that day to the Emperor of Japan to avert the "tragic possibilities."

"On Dec. 7, the Japanese struck Pearl Harbor," he concluded at this point.

In further testifying before the Senate-House Investigating Committee on Nov. 27, former Secretary Hull branded as "an infamous charge" the implication in an Army inquiry board's report that the note he handed Japanese "peace" ambassadors on Nov. 26, 1941, touched the button that started the Pacific War.

Mr. Hull in his testimony assailed in vigorous language the interpretations made by the Army Board, said the Associated Press, which went on to say in part:

"I sat under that infamous charge for months when every reasonable minded person knew that the Japanese were attempting at that time to get complete control of the Pacific," he declared. "Somebody who knows little about what was going on and who cares less, says 'Why didn't the United States make concessions and keep us out of war?' Any reasonable person

knows that the Japanese were bent on attack and knows that we could not have stopped them unless we had laid down like cowards."

Mr. Grew has challenged the interpretation.

The former Secretary said in response to a question by Senator Lucas that he had not been called to testify before the Army Board, but had furnished it with some documents. He said he had been "gratuitously brought into the report, apparently on the theory that Tojo and the military element moving absolutely with Hitler on world conquest were not doing so and were not guilty, and that this peaceful Government, with no two-ocean Navy, forced peace-minded Tojo and Hitler, that bunch of saboteurs, into war."

Under questioning by Senator Lucas, Hull said the presence of the United States fleet at Pearl Harbor must have had some restraining influence on the Japanese and the Germans.

Mr. Hull also testified, in response to questioning, that he did his best to keep the War and Navy Departments advised of the crisis as Dec. 7 approached.

Senator George (D.-Ga.) also drew from Hull affirmation of these statements:

1. That Mr. Hull told fellow Cabinet members on Nov. 7 that an attack anywhere by Japan, "at any time," was threatened.

2. That on Nov. 25 he told a war council meeting that the Japanese were "already poised for attack" and the safety of the country rested with the Army and Navy.

3. That on Nov. 28 he reiterated the statement to another war council meeting, stressing the element of possible surprise.

Telling of his last meeting with the Japanese peace envoys on Dec. 7, 1941, Mr. Hull said that the White House called him about noon that day with report that the Japanese had attacked Pearl Harbor, but his informant was not able to confirm it immediately.

The question arose, Mr. Hull said, whether he should receive the Japanese at all or whether he should leave open the one chance in ten that the reported attack had not taken place. Hull said he went into the meeting to find that the Japanese delegates were talking "peace, peace, peace."

Because of the report he had received, Mr. Hull said he "felt like taking liberties in talking with them about their Government that would have been a little undiplomatic in ordinary times."

Representative Cooper (D.-Tenn.) asked Hull for his estimate of Saburo Kurusu and Kichisaburo Nomura.

The former Secretary said it was his belief that both envoys knew during the negotiations that "they were here primarily to prevail on us to abandon our doctrines and policies and yield entire control of the Pacific west of Hawaii, including India and the trade routes, to Japan."

Mr. Hull said he didn't know whether Nomura and Kurusu knew definitely that Pearl Harbor was to be attacked. He added, however, that intercepted messages showed the Japanese envoys were instructed by Tokyo as early as Nov. 27, 1941, to "continue talking with us as though they were in earnest, though they were not."

Mr. Hull was applauded by the audience as he left the witness stand and made his way slowly to the door.

Mr. Grew, resuming his testimony, was questioned by Senator Ferguson (R.-Mich.) about correspondence the former Ambassador had with the late President Roosevelt in December, 1940. Senator Ferguson recalled that Mr. Grew wrote Mr. Roosevelt that the question "is not whether we call

a halt to the Japanese program, but when?"

Mr. Grew read from his records that Roosevelt replied that he was in "decided agreement with your conclusions," but that the whole problem was a global one for which "hard and fast plans" could not be laid down.

Mr. Ferguson asked whether Mr. Grew's letter meant that he saw "in the near future a war between the United States and Japan."

The witness replied that he was doing all he could to prevent war.

In testifying on Nov. 26 before the Committee, former Ambassador Joseph C. Grew told Congressional investigators that the State Department, in its efforts to maintain peace in 1941, offered the Japanese "everything they ostensibly were fighting for."

"I don't say everything they were fighting for but everything they ostensibly were fighting for," he emphasized. In part the Associated Press also stated:

Mr. Grew depicted Japan of late 1941 as under control of a military government which had prepared it militarily and psychologically for war and was unwilling to listen to reason.

It was much the same view the Pearl Harbor Committee had received earlier from former Secretary of State Hull who summed up by saying "the trouble" was that Japan was "hell-bent" on conquest.

Mr. Grew took a stand alongside Mr. Hull, too, in contending that the American proposals of Nov. 26, 1941, which the Japanese later called an "ultimatum" were nothing of the kind.

Furthermore, he denied that he had ever said, as an army inquiry board quoted him, that the Nov. 26 note "touched the button that started the war."

Japan's leaders, with their controlled press and easily molded public opinion, could have accepted the American position, Mr. Grew declared, and turned it into a "great diplomatic victory" for home consumption—if they had wanted peace.

Both Messrs Grew and Hull gave it as their opinions that:

1. Keeping the fleet in Pearl Harbor in 1941 was a deterrent to Japanese aggression elsewhere in the Pacific. Grew said Japanese officials had even suggested to him that the fleet be removed to the Atlantic.

2. If a modus vivendi—a temporary sort of agreement—had been presented to Japan in an effort to keep peace conversations going it likely would have had no actual effect on the developments.

Mr. Grew related that Japanese officials held up for 10 hours the delivery to him of President Roosevelt's last-minute peace appeal to Emperor Hirohito. He did not know, he said, whether the Emperor ever actually saw it.

He also declared that the American note which Nipponese leaders later described as an "ultimatum" was kept secret from the Japanese people.

In an hour in the witness chair, the aged and ailing Hull upheld in pungent language the course and actions he and President Roosevelt took in the critical months before the sneak raid Dec. 7, 1941, plunged this country into war.

With irritation in his voice, he declared that this 10-point note of Nov. 26, presenting counter-proposals to Japan's demands, was not an "ultimatum" and had been subjected to "misrepresentation" and "ignorant interpretation."

"There was nothing in there that any peaceful nation would not have been delighted to accept," he declared.

"The only trouble was that the Japanese were bent—if I did not see ladies present, Mr. Chairman, I would say hell bent—on their military policy. They had their guns drawn."

Frequently, Mr. Hull admon-

ished the Committee members to recall the situation in the world and in this country at the time of events about which he was asked.

He recalled for them that objections had been raised when the State Department protested Japanese killing and injury to Americans in China and the bombing of the Panay.

There were people who asked, "what are you trying to do, get us into war?" he said, adding that "one of them lectured all over the country. His slogan was 'get the Hell out of China.'"

He related that he had had the Japanese peace Ambassadors to his apartment "35 or 40" times for conversations as he explored every possibility for peace in the Pacific.

At no time, he said, would they even talk of Japan's dropping its alliance with Germany which was "aimed primarily at us." Then in their Nov. 20 demands, Mr. Hull declared:

"They said you must give us all the oil we need now or we may have trouble in attacking you."

Also read into the records of the Congressional Committee, on Nov. 24, according to the Associated Press, was a message from Winston Churchill to President Roosevelt a week before the Pearl Harbor attack. Labeled "Personal and secret for the President from former naval person" ("former naval person" was identity concealing name chosen for Mr. Churchill because he had formerly been First Lord of the British Admiralty), and transmitted by United States Ambassador Winant, the message said:

It seems to me that one important method remains unused in averting war between Japan and our two countries, namely a plain declaration, secret or public as may be thought best, that any further act of aggression by Japan will lead immediately to the gravest consequences.

I realize your constitutional difficulties but it would be tragic if Japan drifted into war by encroachment without having before her fairly and squarely the dire character of a further aggressive step. I beg you to consider whether, at the moment which you judge right, which may be very near, you should not say that that any further Japanese aggression would compel you to place the gravest issues before Congress or words to that effect.

We would, of course, make a similar declaration or share in a joint declaration, and in any case arrangements are being made to synchronize our action with yours. Forgive me, my dear friend, for presuming to press such a course upon you, but I am convinced that it might make all the difference and prevent a melancholy extension of the war.

### Eisenhower's Merger Testimony Termed "Pure Fantasy"

Part of the testimony of Dwight D. Eisenhower, General of the Army, dealing with the Army-Navy merger proposal, was described as "pure fantasy" on Nov. 29 by Assistant Secretary of the Navy H. Struve Hensel, it was reported by the United Press in advices from Washington, which as given in the New York "World-Telegram" went on to say:

Mr. Hensel appeared before the Senate Military Affairs Committee. He attacked merger testimony of Gen. Eisenhower and former Assistant Secretary of War John J. McCloy.

Mr. Hensel said: "Gen. Eisenhower ventured a flash guess that we could be militarily stronger with an expenditure of only 75% of the money if we had one department instead of three departments—which to a large extent we had during the war.

## Observations

(Continued from first page) scale, would go far in preventing the loss of able men.

It is now generally realized that one of the chief reasons for the abortive results of the President's National Labor-Management Conference was its failure to deal in any manner with the present wage-price controversy. As was pointed out in this column before the Conference's opening, the exclusion from the agenda of the acute current situation by the long-term problems, was wholly illogical. This served to represent the official view as holding that the present wage-price fight was too hot to elicit any agreement.

The Conference also might have been greatly helped by including delegates representing the public, making the proceedings tri-partisan instead of bi-partisan. Although labor leaders justify the barring of public representatives on the ground that they would have been sitting without power, that they were without contact with a "constituency" and that there should be no split decisions; nevertheless impartial backing of any constructive conclusions would have been of great service in moulding public opinion.

A hot tip on the identity of our next President: a prominent left-wing labor leader, whose vote has hitherto never strayed from the Democratic ticket, tells this columnist that he would be delighted to bolt to Eisenhower in 1948.

It is understood that although War Finance Committee workers in the current Bond Drive are maintaining their enthusiasm to the full, the public's apathy is increasing markedly. Despite even such amazing feats as the auctioning of the Brooklyn Bridge by Mayor LaGuardia last Sunday, the distribution of E Bonds is lagging far behind the previous drives, and the number of individual buyers has declined even more. The main trouble seems to be found in the cessation of the public's wartime psychology. Slogans following the line of "Bring the Boys Back Home," or "Finish the Job," are inclined to fall flat on a public that is convinced that those worthy ends will be fiscally taken care of in any event.

This post-war apathy has serious long-term implications because of the Treasury's plans for continuing the payroll-savings campaign permanently. A new motivation and sales theme will have to be developed to maintain and increase this anti-inflationary bond distribution.

A showdown is sure to occur between the newly-constituted Ontario securities commission and the SEC. The new Canadian Commissioner, C. P. McTague, is complaining bitterly that despite the SEC's pleas for reciprocity, it want it entirely a one-way affair. As we do not accept the Canadian qualifications, they will pay no attention to our cease-and-desist orders—particularly as we make no differentiation between their mining and industrial issues.

"To support Gen. Eisenhower's flash-guess would have required proof of savings of some \$66,000,000,000.

"To have saved billions of dollars, and particularly some \$66,000,000,000 above the savings effected (through excess profits tax and renegotiation of contracts) is to enter the realm of pure fantasy."

Mr. Hensel said he did not "mean to imply that there is no room for improvement in procurement—I merely wish to turn the discussion from the astronomical realms in which it was pitched and return it to earth and reality."

## U. S. Chamber to Study Finance Problems

Urgent financial problems of the postwar period are to receive early attention by two committees of the Chamber of Commerce of the United States. The two committees are the Committee on Federal Finance, of which Ellsworth C. Alvord of Washington, D. C. is Chairman, and the Finance Department Committee, of which Robert M. Hanes of Winston-Salem, N. C., is Chairman. The two groups are associated with the work of the Chamber's Finance Department, of which John J. O'Connor is manager.

Three subjects of major importance are scheduled for consideration and action by the Committee on Federal Finance. These are:

"1. Amendments to tax laws for presentation to Congressional committees in connection with the general revision of the internal revenue code in prospect early in 1946. The Committee already has dealt with proposals for inclusion in the emergency tax-reduction measure which is to be made effective on January 1, 1946.

"2. Policies to govern the management and retirement of the public debt. The committee has been engaged in a study of this problem through a subcommittee for the past year and the formulation of a specific program is nearing completion. The Finance Department recently issued a factual analysis of the public debt problem.

"3. Possible reductions in federal expenditures with a view to maximum economy and attainment of a balanced budget. The committee is pressing a program for control of expenditures which was set forth in a pamphlet issued in 1944.

The Committee on Federal Finance also is active with various questions which have a bearing on fiscal policies, including the termination of war contracts and the renegotiation of war contracts. The Finance Department is preparing to explore a number of

subjects within its jurisdiction and on which legislation or administrative action is possible during the coming year. These include:

"1. Additional credit facilities for business. Several proposals for legislation to broaden the scope of governmental credit agencies, particularly with a view to assistance to small business, are pending in Congress. The desirability of action in this direction as well as trends with respect to existing credit agencies of the government will be appraised by the committee.

"2. Banking and monetary legislation. War developments have created new conditions affecting the banking system and monetary laws which will call for study with a view to possible legislative action. The committee includes in its membership a considerable number of bankers who are well equipped to deal with these subjects.

"3. Revision of Securities Laws. The committee proposes to devote attention to changes in the various laws, which are administered by the Securities and Exchange Commission, in the light of the experience of the past decade. Consideration of this matter by Congressional committees was interrupted upon our entrance into the war.

"4. International Finance. The committee will keep abreast of developments in connection with world currencies and credits to other nations. In 1944 and 1945 the committee issued factual studies and recommendations during the formulation of and action upon the Bretton Woods proposals for an International Monetary Fund and an International Bank for Reconstruction and Development."

The two committees submitted referendum proposals to the Board of Directors and the membership of the Chamber during the past year and expect to offer further policy declarations for action during coming months.

## Appropriation Asked For Flood Control

While the House Appropriations Committee on Nov. 26 disregarded President Truman's request for \$128,475,000 to put flood control and navigation work back on a peacetime basis in omitting the sum from a deficiency appropriation bill for expenditures from now until June 30, the House on Nov. 30 overruled its Appropriations Committee to add \$122,275,000 for navigation and flood control to the bill. The action coincided with President Truman's request for the money to put war-halted water programs back on a peacetime basis, as suggested by the Army engineers.

By a standing vote of 137 to 83, said the Associated Press, the House approved the fund, providing for scores of projects throughout the country. The Associated Press advices also stated:

The Committee, led by its Chairman, Representative Cannon (D.-Mo.), wanted the appropriation shelved until the engineers submitted their estimates for the new fiscal year beginning next July. But the fund was added to a deficiency bill carrying \$1,131,452,312 in appropriations. The bill was passed by the House on Nov. 30, following which it was sent to the Senate.

The Committee action on Nov. 26, according to Washington Associated Press advices, slashed budget estimates for reclamation, the President's request for \$80,600,000 being cut to \$63,200,000. Ruling against use of the fund for transmission lines to serve prospective purchasers, the Committee said that the reclamation fund would be ample for important projects in the West.

## Oct. Gas Sales Lower

October sales of the gas utility industry amounted to approximately 1,869,856,000 therms, according to the American Gas Association. This was a decrease of 2.4% when compared with sales totaling 1,915,755,000 therms in October 1944. The Association's new index number of utility gas sales was 163.5 for October (1935-39=100.0).

In the 12 months period ended Oct. 31, 1945 sales totaled approximately 25,283,803,500 therms, an increase of 2.2% over the same period ended October 1944.

Manufactured and mixed gas sales in October were estimated at 217,305,700 therms, or a decrease of 0.6% from sales in October 1944. The corresponding October index number of manufactured and mixed gas sales was 130.2% of the 1935-39 average.

Sales of the manufactured branch of the industry increased 3.4% in the 12-month period ending Oct. 31, 1945, rising from approximately 2,855,915,000 therms in the period ending a year ago to 2,953,412,500 therms in the current year.

Natural gas sales were estimated to have decreased 2.6% in October 1945, falling from 1,697,177,000 therms last year to 1,652,550,000 therms. The Association's new natural gas sales index number stood at 168.6 for October.

It was estimated that natural gas sales were 22,330,391,000 therms in the 12 months ending Oct. 31, 1945 as compared with 21,875,846,000 therms in the same period ending 1944, corresponding to a 2.1% increase.

[A therm is a unit of measurement of gas supply which takes into account variations in heating value. One therm is roughly equivalent on the average to 17 cubic feet of manufactured and mixed gas or to 100 cubic feet of natural gas.]

# Truman Asks Congress to Enact Strike Curb Measure

(Continued from first page)

labor relations would be turned back into the hands of those involved.

## Government an Observer

It was decided that full responsibility for reaching agreement on such a program would be left with the representatives of labor and management. Accordingly, the conference was made up of leaders of labor and management only. Government representatives participated only as observers without vote. The agenda and the entire program were worked out by the leaders themselves.

In opening the conference I said:

"I want to make it clear that this is your conference—a management-labor conference—and not a Government conference. You have not been chosen by me or by any Government official. You have been selected by the leading labor and industrial organizations in the United States. There has been no interference by Government in that selection.

"The time has come for labor and management to handle their own affairs in the traditional American, democratic way. I hope that I can give up the President's wartime powers as soon as possible so that management and labor can again have the full and undivided responsibility for providing the production that we must have to safeguard our domestic economy and our leadership in international affairs."

I am sure that it was the hope of the American people that out of this conference would come some recommendation for insuring industrial peace where collective bargaining and conciliation have broken down.

## No Accord

The conference is now closed. The very fact that the top leaders of labor and management have met and worked together for more than three weeks is itself some progress.

Some agreements on a few general principles were also reached. For example, agreement on the principles of collective bargaining and recommendations on the detailed procedure to be used, agreement on strengthening and enlarging Governmental conciliation services, recognition of the necessity of eliminating discrimination in employment, agreement on settling by voluntary arbitration grievances under labor contracts and disputes concerning their interpretation—these are all valuable.

But on the all-important questions of how to avoid work stoppages when these expedients have failed, the conference arrived at no accord. Failing in that, the conference was unable to attain the objective most necessary to successful reconversion.

## Peril to Reconversion

If industrial strife continues, the quick reconversion which has been planned, and which is now proceeding on schedule or even ahead of schedule on many fronts, will fail. In that event, we shall face a period of low production, low consumption, and widespread unemployment—instead of the high production, high employment, good markets and good wages that are within our grasp.

The history of labor relations has proved that nearly all labor disputes can and should be settled by sincere and honest collective bargaining. The vast majority of those disputes which are not adjusted by collective bargaining are settled through Government conciliation. For example, during the month of October, last, 354

strikes were settled by the Conciliation Service, and 1,282 labor controversies were adjusted before any work stoppages occurred.

The American people commend the many instances where management and labor have settled their problems peacefully. Many of these were in critical industries where work stoppages would have gained great prominence in the newspapers and over our radios. But when industrial disputes were settled, little notice was taken of them by press or radio.

We know, however, that there are always some disputes that cannot be settled this way.

Industrial strife in some key industries means not only loss of a great amount of wages and purchasing power, but it may have ramifications throughout the country affecting the whole reconversion process. In such industries, when labor and management cannot compose their differences, the public through the Federal Government has a duty to speak and to act. In the last analysis, labor, management and the public have the same interest.

The reconversion effort is now going well. The people have a right to expect it to succeed. Specific obstacles that stand in its way must not be allowed to defeat that expectation.

Good labor relations are just as important now as they were during the war. They should be based on justice, and not on tests of strength. Any industrial dispute which depends for settlement upon the respective strength of the parties results in loss to everyone; it causes the loss of wages to the worker and his family, loss of dividends to the stockholders and owners of the industry, loss of goods to the public.

## More Strife Threatens

I regret that labor and management have not been able to agree on machinery that would provide a solution for existing strikes in some of the major industries and for the strikes which are threatened. Strikes already in effect may possibly cripple our reconversion program. Negotiations have broken down in other industries, and stoppages are threatened.

The American people have been patient. They have waited long in the hope that those leaders in labor and management whose business it was to handle this problem would be able to do so in agreement. The Federal Government declined time and again to make any suggestion to the conference as to proper machinery. All that the Government did was to point out the objective which the American people expected it to attain.

## Government Must Act

Now that the conference has adjourned without any recommendation on the subject, it becomes the duty of the Government to act on its own initiative. Therefore, I now suggest to the Congress that well-reasoned and workable legislation be passed at the earliest possible moment to provide adequate means for settling industrial disputes and avoiding industrial strife.

I recommend that for the settlement of industrial disputes in important nation-wide industries there be adopted the principles underlying the Railway Labor Act. The general pattern of that act is not applicable to small industries or to small local disputes in large industries. But it would be effective, as well as fair, in such widespread industries, for example, as steel, automobile, aviation, mining, oil, utilities and communica-

tions. I do not intend to make this list exclusive. Nor do I think that local inconsequential strikes even within these industries should be included. The objective should be to cover by legislation only such stoppages of work as the Secretary of Labor would certify to the President as vitally affecting the national public interest.

In industrial disputes in such industries, where collective bargaining has broken down and where the conciliation service of the Federal Government has been unable to bring the parties to agreement and where the Secretary of Labor has been unable to induce the parties voluntarily to submit the controversy to arbitration, I recommend the following procedure:

Upon certification by the Secretary of Labor to the effect that a dispute continues despite his efforts and that a stoppage of work in the affected industry would vitally affect the public interest, the President or his duly authorized agent should be empowered to appoint within five days thereafter a fact-finding board similar to the emergency board provided for under the Railway Labor Act.

## Maintain Status Quo

I recommend that during these five days after the Secretary of Labor has made the above certificate it be unlawful to call a strike or lockout or to make any change in rates of pay, hours or working conditions or in the established practices in effect prior to the time the dispute arose.

The board should be composed of three or more outstanding citizens and should be directed to make a thorough investigation of all the facts which it deems relevant in the controversy. In its investigation it should have full power to subpoena individuals and records and should be authorized to call upon any Government agency for information or assistance. It should make its report within 20 days unless the date is extended by agreement of the parties with the approval of the President. The report should include a finding of the facts and such recommendations as the board deems appropriate.

While the fact-finding board is deliberating and for five days thereafter it should be made unlawful to call a strike or lockout, or to make any changes in rates of pay, hours, working conditions or established practices, except by agreement.

## Let Public Judge

The parties would not be legally bound to accept the findings or follow the recommendations of the fact-finding board, but the general public would know all the facts. The result, I am sure, would be that in most cases, both sides would accept the recommendations, as they have in most of the railway labor disputes.

I believe that the procedure should be used sparingly, and only when the national public interest requires it.

The legislation should pay particular attention to the needs of seasonal industries, so that the so-called "cooling-off periods" can be arranged in those industries in a manner which will not subject labor to an undue disadvantage.

There are other subjects which were on the agenda of the labor-management conference, on which no agreement was reached. The most immediate, the most pressing, however, is this one of machinery. I hope that the Congress will act upon this matter as quickly as possible—and certainly before its Christmas recess.

## The General Motors Strike

In order to avoid any delay in the settlement of the most important existing strikes, I am appointing such a fact-finding board for the present stoppage in the dispute between General Motors

Corporation and the United Automobile Workers. While this board will not have the statutory powers which I hope the Congress will soon authorize, I am sure that the American people will expect the employer and the employee to cooperate with the board as fully as if appropriate legislation had already been passed.

In the meantime I am asking both parties to the dispute to display the same kind of patriotism as they displayed during the war. I am asking all the workers to return to work immediately and I am asking the employers to proceed energetically with full production. I make this appeal on behalf of the American people to their fellow-citizens who are now responsible for this major obstacle holding up our reconversion program.

In connection with the threatened strike involving the United States Steel Corporation and the United Steel Workers I am appointing a similar board. The public will expect full cooperation with the board by both sides. I am making the same appeal to the United Steel Workers to remain at work pending the report

of the board's findings and recommendations.

## Urges Action by Congress

I hope that the Congress will approve the steps which I am now taking. They are being taken in the interest of accelerating our production, promoting our reconversion program and pushing forward to a higher standard of living.

This is an immediate program which is fair to both sides. I hope that the Congress, naturally disappointed at the failure of labor and management to agree upon a solution for the prevention of industrial disputes, will not adopt repressive or coercive measures against either side. A free American labor and a free American private enterprise are essential to our free democratic system. Legislation which would stifle full freedom of collective bargaining on either side would be a backward step which the American people would not tolerate.

I am sure that the Congress will give its calm and careful consideration to this matter so essential to the progress of American life.

# Labor-Management Parley Ends Without Decision

(Continued from first page)

action in violation of the labor agreement.

In order to provide effective measures to carry out the letter and the spirit of the labor agreement, it is recommended that each agreement or contract provide for appropriate guarantees to insure complete and effective compliance with provisions of the agreement prohibiting strikes, lockouts or boycotts.

For years, in the public interest, legislation and governmental regulations have controlled the activities and defined the responsibilities of employers. Likewise in the public interest, the activities of labor organizations should be controlled and their responsibilities appropriately defined to assure equality of status before the law. Equity requires that both parties to a labor agreement be equally answerable as entities in judicial proceedings for conduct in violation of contracts or legal requirements.

An item of contention, in which the management group differed with labor was that of "union security" or enforced membership of employees. Regarding this, the management report states:

Management attempted earnestly to secure labor's endorsement of the principle, that just as selection of representatives for bargaining is based on free choice protected by law, so, too, must the bargaining process be conducted in an atmosphere free from compulsion or force. No agreement could be reached, however, on the statement that collective bargaining in the interest of management, labor and the public must be practiced with full regard for protection of individuals and property against unlawful acts.

Consistently present in each draft submitted by labor was a declaration that "union security, protected by the collective bargaining agreement, strengthens the process of collective bargaining."

A reasonable measure of security is a condition legitimately sought by all individuals and organizations. It is a fundamental principle in a democracy. But "union security" protected by a labor agreement means one thing only—inclusion in labor agreements of provisions which require employees to join the union or once having joined, to forego any freedom to relinquish membership if for good and sufficient reason they conclude that such is the proper course. Union secur-

ity means closed shop, union shop or maintenance of membership. Union security accomplished by enforced membership is contrary to the principle of full freedom to choose or not to choose representatives for collective bargaining purposes. Union security in any lasting sense cannot be induced by managerial acquiescence in restrictive measures which may deprive individuals of freedom of choice. Union security, as well as security for any individual or group in a democracy, must be earned. It must flow from a ready willingness of individuals to limit their freedom of choice by acceptance of the interest of the group.

Union security cannot be guaranteed by imposition by management of requirements upon individuals. In fact, enforced membership in labor unions or enforced measures of any character are liable to generate resentments which in turn may lead to instability and unrest. Sound leadership coupled with enduring service, which regards the interest of individuals as interwoven with the interest of the enterprise of which they are a part, is a formula for continuity and security.

Union security, security of business enterprises, security of the family group and security of the American way of life must result, if it is to be real and lasting security, from the free, unhampered choice of individuals within the limitations of sound and just law designed to preserve, protect and further the interests of all people.

## Jurisdictional Controversies

In the matter of representatives in collective bargaining and jurisdictional disputes, separate reports were made by the management and labor groups. The management members' report on this question is in part as follows:

Management members of the committee on representation and jurisdictional questions submit the following principles and procedures to minimize interruptions in production and service caused by representation and jurisdictional disputes.

These recommendations are based on the fundamental principle that where adequate machinery exists for the peaceful settlement of such disputes there can be little, if any, justification for the continued use of economic force or coercion in their solution.

**A. Determination of Collective Bargaining Representatives**

**B. Jurisdictional Disputes**

1. Whenever a question arises as to which, if any, representative has been selected by a majority of employees in an appropriate bargaining unit for purposes of collective bargaining, every effort should be made by the employers and the representative or representatives involved to reach a voluntary non-collusive determination of the question, consistent with the principles established by the National Labor Relations Act.

2. In the event that efforts at such voluntary determination are unsuccessful, prompt resort should be made to State or Federal agencies empowered to determine (a) whether a majority of employees in an appropriate bargaining unit choose to be represented by a collective bargaining representative, and (b) which, if any, such representative has been so selected.

3. Unless substantial questions relating to the representation issue or the agencies' determination thereof are involved, employers and labor organizations should expedite determinations by such agencies by agreeing to consent elections and by accepting the representation determinations of such agencies as final.

4. Pending the determination of representation questions, either by voluntary agreement of the parties or by the procedures provided in connection with determination by such agencies, there should be no strikes, boycotts, or other interference with operations by employees or labor organizations, and no lockouts or unfair labor practices, as defined by law, by employers. Following such determination by a State or Federal agency, both the employer and the certified collective bargaining representative should be protected by such agency, in the negotiation and orderly administration, of a labor agreement, against interference by any other person or organization. Such interference should be made an unfair labor practice, to be dealt with by such agency in accordance with its established procedures.

5. To the end that the National Labor Relations Board may be enabled best to perform its functions in the prompt and impartial determination of representation questions, the Board should remain as an independent agency and should be provided with adequate appropriations.

6. If, at the time for giving notice of revision or renewal prior to the expiration date of a labor agreement, there is a substantial doubt that a majority of the employees covered by the labor agreement desire that the existing bargaining representative continue to represent them, the employer should be entitled to give prompt written notice thereof to the existing bargaining representative and to the State or Federal agency authorized to determine representation disputes. If the State or Federal agency finds that a substantial doubt does in fact exist, it should, upon request of either party, proceed promptly to a redetermination of the question of representation through a consent election, provided that the existing bargaining representative desires to continue as such. Where two or more contending labor organizations are involved, the State or Federal agency should conduct an election upon the request of either labor organization or the employer.

7. A State or Federal agency having jurisdiction should not establish as appropriate a collective unit exceeding a single establishment (such as a plant or store) unless mutually agreed to by the employer or employers and the labor organization or organizations involved, or unless otherwise established by the prior collective bargaining practice of such employer or employers.

1. Jurisdictional disputes here under consideration are disputes between labor or organizations over questions as to which labor organization should perform given types of work.

2. The public interest requires that interruptions to the production of goods and performance of services by strikes, boycotts, or other interference with operations arising out of jurisdictional disputes should be eliminated.

3. To this end, labor organizations should develop, publish and file with the National Labor Relations Board definite procedures under which such jurisdictional disputes can be finally resolved. Such procedures should assure:

A. That no strike, boycott or other interference with operations arising out of a jurisdictional dispute will occur.

B. That all jurisdictional disputes, whether arising between unions affiliated with the same organization, or between unions affiliated with different organizations, or between affiliated and non-affiliated unions, be determined under such procedures.

C. That pending settlement of a jurisdictional dispute, the work will proceed on the same basis on which it was being performed at the time the dispute arose, or if the work had not been commenced, it will be started as determined by the employer.

D. That the determination of a jurisdictional dispute will not require the violation of the terms of an existing valid labor agreement.

3. That in the determination of any jurisdictional dispute, the employer will not be required to employ more employees on any operation than are necessary properly to perform the operation, and that the determination will not unduly increase the cost of production or performance of services nor impair or restrict the responsibility of management to direct the working forces and conduct a successful business.

A determination of a jurisdictional dispute made in full accordance with these standards should be accepted and effectuated by the employer, employees and labor organizations involved.

4. In the event the procedures set forth in Paragraph 3 above for the settlement of jurisdictional disputes without interference with operations are found to be inadequate to attain this objective, procedures incorporating these standards should be established by legislation to accomplish this objective.

5. Employers, in assigning work, should give due consideration to established jurisdictional practices with respect to given types of work, to the end of avoiding conditions which might lead to such jurisdictional disputes.

**Explanation of Labor Group**

To the propositions offered above regarding representation and jurisdictional disputes the labor representatives reported as follows:

The issue presented to this committee is a simple one, namely, whether industrial disputes can be minimized by the willingness of management and workers to utilize the machinery of the National Labor Relations Act and any existing State labor relations acts for prompt determination of the questions consistent with the principles established by the National Labor Relations Board.

The answer is clear. Such practices by labor and management will definitely minimize industrial disputes. The expression of labor's representatives is directed towards this objective.

On the contrary, the proposals of management's representatives would extend industrial strife rather than minimize it. Paragraph 4 of management's report is a clear proposal to amend the National Labor Relations Act.

Under that law it is specifically stated that nothing therein shall

be construed in any way to impede or interfere with outstanding rights of labor to strike or take other concerted action or mutual aid. Management proposes to repeal that provision. The result thus sought by management is to impose industrial slavery on American workers.

Management further proposes that it be given the right upon the termination of any collective bargaining agreement to question the majority status of the union with which it has a contract, and thereupon compel such union to proceed before the National Labor Relations Board or an appropriate State agency to obtain a renewal of its certification as the representative of the majority of the employees involved.

It should be clear and self-evident that any such proposal could be subjected to abominable abuse by employers who still yearn to destroy labor unions. No labor organization could be safe if upon the termination of its agreement it could be denied recognition by the employer until a new certification by the national board or a State board were to be obtained.

Further, it should be recognized that this proposal is a violent revision of outstanding rules of the National Labor Relations Board. Labor does not consider that this conference was called either to accomplish drastic revision of the Wagner Act or a drastic revision of outstanding rules of the National Labor Relations Board.

This is normally done to equalize the economic bargaining power of management and labor. This approach does tend to minimize industrial disputes. Management's proposal, in effect, would compel a labor union to bargain on a plant basis where, admittedly, the plant management would have absolutely no authority to consummate an agreement with the labor union.

The essence of management's proposal is that they seek, first, to cripple existing legislation enacted to protect labor, and to obtain further legislation which will even more drastically weaken labor unions and possibly accomplish their ultimate destruction.

To the contrary, labor's proposals are designed to establish a basis for cooperation between labor and management, which is of the essence in any bona fide attempt to minimize and reduce industrial strife.

**Managerial Rights**

On the controversy regarding managerial rights, the management group set down the following conditions which constitute the functions of management:

It should be an obligation on the part of unions to recognize, and not encroach upon, the functions and responsibilities of management. Failure to accept this obligation has increased labor disputes. Even today, efforts are continuing on the part of certain unions to extend the scope of collective bargaining to include matters and functions which are clearly the responsibility of management. The functions of management must be preserved if American business is to continue progressive and efficient, create more good jobs and further raise the general standard of living. Management must always exercise its functions with due regard of its social responsibility.

In order to clarify this problem, the committee has discussed many of the important functions of management involved in operating a business. The management members have classified some of them for the purpose of avoiding misunderstandings and minimizing industrial disputes. We have placed them in two classifications: The first comprises those matters which are clearly the functions and responsibility of management and are not subject to collective bargaining;

The second comprises matters in respect to which it is the func-

tion and responsibility of management to make prompt initial decisions in order to insure the effective operation of the enterprise, but where the consequences of such actions or decisions are properly subject to review when they involve issues of alleged discrimination, affect wages, hours, working conditions, or agreed-upon management-labor practices. Such matters should be handled promptly under grievance procedures mutually agreed to as being appropriate for each specific item. Illustrative of items which we believe belong in the first classification and which are not subject to collective bargaining are:

The determination of products to be manufactured or services to be rendered to customers by the enterprise; and the location of the business, including the establishment of new units and the relocation or closing of old units. (When it becomes necessary to relocate a unit or close an old unit or transfer major operations between plants, management should give careful consideration to the impact of such moves on the employees involved, and discuss with them or their accredited representatives possible solutions for the resulting problems.)

The determination of the layout and equipment to be used in the business; the processes, techniques, methods and means of manufacture and distribution; the materials to be used (subject to proper health and safety measures where dangerous materials are utilized) and the size and character of inventories.

The determination of financial policies; general accounting procedures—particularly the internal accounting necessary to make reports to the owners of the business and to Government bodies requiring financial reports; prices of goods sold or services rendered to customers; and customer relations.

The determination of the management organization of each producing or distributing unit; and the election of employees for promotion to supervisory and other managerial positions.

The determination of job content (this refers to establishing the duties required in the performance of any given job and not to wages); the determination of the size of the work force; the allocation and assignment of work to workers; determination of policies affecting the selection of employees; establishment of quality standards and judgment of workmanship required; and the maintenance of discipline and control and use of the plant property, the scheduling of operations and the number of shifts.

The determination of safety, health and property protection measures, where legal responsibility of the employer is involved.

The second classification comprises matters in respect to which it is the function and responsibility of management to make prompt initial decisions in order to insure the effective operation of the enterprise, but where the consequences of such actions or decisions are properly subject to review by grievance procedures mutually agreed to as being appropriate for each specific item. Among items illustrative of this classification are:

Discharge of employees for cause; the application of seniority provisions of contracts; penalties imposed as the result of disciplinary action, and such other matters as may be mutually agreed upon.

**Unionization of Foremen**

The management members of the committee recognize that various crafts, such as the building and printing trades, among others, have established practices over a long period of years which permit inclusion of foremen in collective bargaining units in accordance with union constitutions, and the

following recommendations are not designed to alter such longstanding practices:

However, in any report on management functions, the term "management" must be defined to include all levels of managerial and supervisory personnel and not confined to top ranking executive and administrative officials. Executive management cannot properly function and discharge its responsibilities without adequate assistance. It is therefore fundamental that there be no unionization of any part of management.

As a practical matter, supervisors organized for collective bargaining purposes would of necessity be faced with the problem of whether a particular decision or action would be serving the objectives of the union or carrying out the policies of management. The supervisors cannot properly function in a position of dual obligation.

To the foreman is delegated the ultimate responsibility of directing the workmen at the point where they are actually engaged in production. Since the foreman exercises managerial authority, he must be solely and exclusively responsible to higher management.

Furthermore, under collective bargaining agreements, the foreman usually makes the first management disposition of all grievances. With union foremen having supervision of union workmen, the foremen could not receive and act on grievances for the management, since it would mean the unions had taken over both sides of the bargaining table.

In requiring that employers bargain with foremen's unions whose members are the direct representatives and an integral part of management, either the National Labor Relations Board is misinterpreting the Wagner Act or the act itself is inconsistent and contradictory.

**Labor's Position on Management**

The labor group's propositions of limits of management is expressed in the following:

It would be extremely unwise to build a fence around the rights and responsibilities of management on the one hand and the unions on the other. The experience of many years shows that with the growth of mutual understanding the responsibilities of one of the parties today may well become the joint responsibility of both parties tomorrow.

We cannot have one sharply delimited area designated as management prerogatives and another equally sharply defined area of union prerogatives without either side constantly attempting to invade the forbidden territory, thus creating much unnecessary strife.

The labor members of the committee believe there is need for a more widespread realization and thorough understanding of the significance and importance of the management function in modern industry. In the main this will follow, rather than precede, the development of sound industrial relationships.

In our American political democracy the tradition is well established that Government operates best when it enjoys the confidence and consent of the governed. In the same American tradition both labor and management must come to a realization that both can function most effectively when each enjoys the confidence and has the consent of the other.

The labor members of the committee believe that as acceptance of the role of labor organizations in our economic society progresses so will come both clearer understanding and recognition of the importance of the management function together with a greater appreciation on the part of union members, investors-owners and the whole managerial and supervisory organizations of the large responsibilities that go along with

## From Washington Ahead of the News

(Continued from first page)

policy and it has never been able to get the loyalty of subordinate employes. That would seem to be an utterly intolerable situation at any time, anywhere, in any sort of organization.

This disloyalty, however, is not confined to this department. It is rampant throughout the Government. Discipline broke down with the advent of the New Deal. Within a few months, subordinates felt free to go out and spill confidential matters to gossip columnists whenever a particular action taken was not the action the subordinate sought. The gossip columnists have thrived on the situation. In traveling about the country we have been frequently asked how such and such a columnist managed to get all of the low-down he reported. The answer is simple. To a large extent the gossip columnists have come to be vehicles for malcontents. The leaks, or the blabbing to columnists, have even extended to the Cabinet.

The policy makers, the chiefs of the departments, are kept continuously in hot water. When they make a decision they do so in dread of seeing a full display of the preliminary discussions that led to the decision in a gossip column within a few days. They are afraid to think out loud.

It is doubtful, as a result, whether at any time in our history the lower rung of Government employes have ever had so much influence over the destinies of people. Early in the New Deal, it will be recalled, sensational charges about what was going on in the Government were made by a Gary, Ind., school superintendent. He told of a dinner he had attended where the "plotting" was openly going on. He was hoisted out of court when it developed that it was a gathering of subordinates. The facts are, of course, that all of the plotting which he heard came to pass, and we have long since gotten over the habit of laughing at the wild plans of subordinates simply because they are subordinates.

With the possible exception of Harold Ickes, it is doubtful if there is an administrator in town who can trust all of those under him. That nothing is ever done about it, even Mr. Roosevelt used to permit it, attests to the general breakdown that has come in the character of our executives and this has spread out over the country's morality. Employers generally are afraid to tell their employees what to do. Employers in the Government are just as afraid to exact any discipline from their workers. It may be what is meant when "pure democracy" is referred to. If this is true it is going to be found that this so-called "pure democracy" or more appropriate, mobocracy, simply will not work.

Throughout the most crucial years of the war, and events leading up to it, it was notorious that Cordell Hull and his undersecretary, Sumner Welles, were at odds. Yet Hull had all sorts of difficulty in getting Welles out of the Department. You would think he could have dismissed him forthwith.

Jimmy Byrnes now says that he had promised Hurley to get rid of those who were undermining him. Why didn't he do it? You would think he would have been more indignant than Hurley. Instead, the men complained of, are still at work in influential positions. They are busily plying the Washington newspapermen with smears on Hurley. They are planting stories which have been repeated by Leftists radio commentators, that Hurley was in the employ of oil companies, that his wife received expensive gifts from the Chinese officials. We doubt that money could influence the Hur-

leys, certainly not expensive gifts. He has been a multimillionaire for a long time. But the fact that even as this is written, State Department employes are passing out this sort of stuff to newspapermen, is in point. Hurley was either carrying out the policy of our Government or he was not. Byrnes said he was. He and Truman wanted him to go back. The American people, it would seem, are entitled to a housecleaning of the ideologists, the underminers in their Government. They can vote for or against on Truman's or Byrnes' policy. They are helpless against the termites. The late Roosevelt has left a mob on the hands of the American people, and his successor in office and his high appointees obviously do not know how to deal with it.

Undoubtedly, these appointees are influenced by Mr. Truman's own wishy washiness. He has been told by that great analyst and citizen, Bob Hannegan, who probably picked it up from Toots Sharr, that he can't win in 1948, without the labor vote. So he keeps making little silly gestures which please neither labor nor business. They are just irritating, as, for example, is his proposition that Industry open its books to fact-finders. Congress won't pass any such legislation, because the point of it is profit-sharing. Truman knows Congress won't. But he thinks he has made his gesture. Truman is not the type of man that can pull in any bloc vote as did Roosevelt. He hasn't the personality. He ought to realize this and just try being a good President and depend upon the Republicans to be silly, a good bet.

### Treasury Ctf. Offering For Maturing Issues

Secretary of the Treasury Vinson announced on Nov. 18 the offering, through the Federal Reserve Banks, of an 11-month Treasury Certificate of Indebtedness of Series J-1946, in exchange for three maturing series of Treas. securities,  $\frac{7}{8}$ % Treas. Certificates of Indebtedness of Series H-1945, maturing Dec. 1, 1945, and  $\frac{3}{4}$ % Treasury Notes of Series B-1945 and  $2\frac{1}{2}$ % Treasury Bonds of 1945, both maturing Dec. 15, 1945. Exchanges will be made par for par in the case of the maturing certificates, at par with an adjustment of interest as of Dec. 1, 1945, in the case of the maturing notes, and at par with an adjustment of interest as of Dec. 15, 1945, in the case of the maturing bonds. Cash subscriptions will not be received. There are now outstanding \$4,395,400,000 of the Series H-1945 certificates, \$530,837,200 of the Series B-1945 notes and \$540,843,550 of the Treasury Bonds of 1945. The announcement also said:

The certificates now offered will be dated Dec. 1, 1945, and will bear interest from that date at the rate of  $\frac{7}{8}$  of 1% per annum, payable on a semiannual basis on May 1 and Nov. 1, 1946. They will mature Nov. 1, 1946. They will be issued in bearer form only, in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000.

Although the maturing notes and bonds are outstanding in denominations as low as \$100 in the case of the notes and \$50 in the case of the bonds, exchanges may be made only in amounts or multiples of \$1,000 in the aggregate, since this is the lowest denomination in which the new certificates will be available.

The subscription books were closed at the close of business on Nov. 21, except for the receipt of subscriptions from holders of \$100,000 or less of the maturing securities eligible for exchange. The subscription books closed for the receipt of subscriptions of the

## Export-Import Bank Loans to Chile Group

The signing by the Export-Import Bank at Washington of two loan agreements for a total of \$33,000,000 with the Chilean Government's Fomento Corporation (Production Development Corporation) was made known at Washington on Nov. 27. According to the Associated Press accounts the first is for \$28,000,000 to finance purchase of United States equipment, materials and services for an iron and steel plant near Concepcion, Chile, by a corporation to be known as the Compania de Acero del Pacifico. The second line of credit, \$5,000,000, is an extension of an \$8,000,000 loan in Dec., 1944.

The Associated Press also stated the credit is guaranteed by the Republic of Chile. The \$28,000,000 is to be available until Dec. 31, 1948. Advances are repayable in forty semi-annual installments, the first of which will be due on June 15, 1949. They will bear interest at the rate of 4 per cent on the unpaid principal balance.

The Fomento Corporation has undertaken to raise from Chilean sources the funds needed for all expenditures in Chile in connection with the construction and operation of the plant and for any expenditure in the United States in excess of the \$28,000,000 provided by the Export-Import Bank for the new metals plant. It is estimated that the Chilean investment in the project will be about \$25,000,000. The plant will produce pig iron, heavy and light structurals, steel rail, galvanized sheets, wire, pipe and other iron and steel products.

"Of the second line of credit, \$2,000,000 will be used to finance the acquisition of such facilities as may be necessary to furnish electric power to the new iron and steel plant.

The \$5,000,000 credit is payable within five years in approximately equal semi-annual installments, the first to become due six months from the date of the advance, at 4%.

### First Day Sale in N. Y. of Alfred E. Smith Stamp Broke All Records

Appropriate ceremonies were held in the Main Lobby of the General Post Office, 33rd Street and 8th Avenue, New York, at 11:30 a. m., Nov. 26, in connection with the First Day Sale of the 3c commemorative postage stamp honoring Alfred E. Smith, former Governor of New York State. On Nov. 27 Postmaster Albert Goldman announced that the first day sale of the stamp broke all records. He stated:

"5,180,959 of the 3-cent Alfred E. Smith Commemorative Stamps were sold at the main office and stations, covering the Boroughs of Manhattan and the Bronx.

"The highest previous recorded First Day Sale was also held at New York, N. Y., when the commemorative stamp honoring the United States Coast Guard was placed on sale Nov. 10, 1945, on which date, 1,991,858 stamps were sold. The highest sale previous to that was on April 30, 1939, when the First Day Sale of the World's Fair Stamp took place and 1,964,743 stamps were sold. In addition to the record breaking sale of the Alfred E. Smith Stamp, there were processed 424,950 First Day Covers."

At first day's ceremonies the New York Post Office band rendered musical selections and Miss Nadine Connor, Metropolitan Opera House star, sang the National Anthem. Postmaster Goldman presided. Postmaster General Robert E. Hannegan, Archbishop Spellman of New York, and Robert Moses, Commissioner of Parks, were the principal speakers.

latter class at the close of business Saturday, Nov. 24.

## The State of Trade

(Continued from page 2794)

price-wage controversy by the OPA has now become a definite part of the whole problem. Steel industry leaders have gone on record to the effect that there would be no further wage negotiations until APA granted what the industry has claimed to be necessary price adjustments covering past wage and material costs. The statement by OPA that steel earnings would be reviewed after fourth-quarter reports have been completed, only confuses the issue more, since, such reports will probably not be in final shape until mid-February 1946.

The offer of OPA to do something for the small nonintegrated mills carries no weight in the steel industry because it runs counter to steel selling practices. If the smaller mills were to have higher prices than the larger mills, steel consumers would bypass them and place their orders with the larger units.

Practically without exception steel users have been receiving supplies for their immediate needs and are without inventory to allow them to continue manufacturing in case of a strike. Most manufacturers, it is expected, would have to shut down two or three days from the beginning of a steel walkout, states "The Iron Age." Few orders have been received from the automobile industry to stop delivery of steel previously ordered. Automotive steel is presently being shipped to warehouses near producing centers to be on hand when the automotive wage issue is settled.

As a result of OPA's failure to adjust steel prices it will be necessary for many steel companies to step up production on items for which the return is greater and reduce output on those upon which the company claims money is being lost. Items such as structural steels, reinforcing bars, rails and railroad track accessories may find themselves in the category where production has been forcibly curtailed.

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 82.8% of capacity for the week beginning Dec. 3, compared with 83.5% one week ago, 77.0% one month ago and 96.0% one year ago. This represents a decrease of 0.7 point or 0.8% from that of the previous week.

This week's operating rate is equivalent to 1,516,600 tons of steel ingots and castings, and compares with 1,529,400 tons one week ago, 1,410,400 tons one month ago and 1,727,000 tons one year ago.

**Railroad Freight Loading**—Carloadings of revenue freight for the week ended Nov. 24, 1945, total 716,494 cars, the Association of American Railroads announced. This was a decrease of 83,867 cars, or 10.5% below the preceding week this year, due to the Thanksgiving holiday, but 51,844 cars, or 6.7%, below the corresponding week of 1944. Compared with the similar period of 1943, a decrease of 103,338 cars, or 12.6% is shown.

**Electric Production**—The Edison Electric Institute reports that the output of electricity decreased to approximately 3,841,350,000 kwh. in the week ended Nov. 24, 1945, from 3,984,608,000 kwh. in the preceding week. Output for the week ended Nov. 24, 1945, however, was 12.1% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 173,800,000 kwh. in the week ended Nov. 25, 1945, comparing with 175,600,000 kwh. for the corresponding week of 1944, or a decrease of 1.0%.

Local distribution of electricity amounted to 173,200,000 kwh. compared with 170,400,000 kwh. for the corresponding week of last year, an increase of 1.6%.

**Tight Paper Situation Seen Until Spring**—Little important easing of the current tight paper supply situation is in prospect, before next spring, says the "United Business Service" in a special survey of the industry made public on Monday of the current week.

There are some encouraging developments in the paper picture. Output in recent weeks has been running at the highest levels since 1941, and production and imports of wood pulp have been maintained above 1944 rates. Pulp inventories are about 10% above year-ago levels.

However, serious bottlenecks still hamper restoration of normal balances between supply and demand. As in other industries, prices and labor supply constitute the most important retarding influences both at paper mills and in pulp and import divisions. Receipts of foreign pulp are not matching earlier expectations because ceiling prices are below buying prices in outside markets.

Because of these difficulties, current output is making small headway in cutting down the backlog of unfilled orders. What is more, expansion that has occurred has failed to meet the rise in demand for various grades. The call for fine, book, and magazine stock has increased sharply, and some large printing concerns have bought mills for their exclusive use. Output of some grades of paper shows little recovery as yet from wartime lows, and a considerable amount of substitution will continue to be necessary in the weeks ahead.

**Paper and Paperboard Production**—Paper production in the United States for the week ending Nov. 24, was 91.4% of mill capacity, against 96.4% in the preceding week and 87.2% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 91%, compared with 95% in the preceding week and 91% in the like 1944 week.

**Business Failures Increase**—In the week ending Nov. 29, commercial and industrial failures doubled the number in the previous week, reports Dun & Bradstreet, Inc. Fifteen concerns failed during the week as compared with seven last week and 26 in the corresponding week of 1944.

Large failures with liabilities of \$5,000 or more were three times as numerous as small failures. A sharp rise occurred in the large failures, with 11 concerns failing this week against only three a week ago. However, there were 26 failures involving liabilities of \$5,000 or more last year. Four small concerns failed with liabilities of less than \$5,000, the same number as in the previous week.

The week's failures were about evenly divided between manufacturing, wholesaling, and retailing. Only two failures occurred in commercial service and none at all in construction. Wholesale trade showed the largest increase from a week ago, rising from only one failure to four this week. In fact, wholesaling was the only trade or industry group in which concerns failing this week outnumbered those in the same week of 1944.

Canadian failures numbered three, against two last week and one in the corresponding week year ago.

**Wholesale Commodity Price Index**—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., remained quite steady last week, the index closing at 181.88 on Nov. 27. The

compared with 181.62 in Nov. 20, and with 172.54 on the corresponding date a year ago.

Grain markets on the whole maintained a firm tone although trading activity declined, partly due to holiday influences and partly to lessened speculative demand. Cash wheat held strongly at ceilings, reflecting shortage of box cars to move the grain from country points. Increased new crop corn receipts failed to satisfy the demand for that cereal and prices continued at maximum ceiling levels. Rye and oats developed irregularity after reaching new seasonal highs early in the period. Reflecting inability to secure sufficient cash wheat, foreign demands for flour have been stepped up considerably and mills have enough orders on hand to operate at capacity for months to come. Domestic demand for flour remained very light.

Receipts of hogs at principal Western markets last week continued to expand with total marketings comparing favorably with those of last year. Active demand held prices steady at ceilings. Output of lard and pork fat showed some increase but stocks remained limited.

Cotton price movements were narrow and mixed as volume of trading dropped below that of recent weeks. This in part reflected holiday influences and to some extent, cautiousness among traders resulting from uncertainty concerning the parity price legislation now pending in Congress. Spot markets were seasonally active with mill buying moderate. Farmers' offering remained in good volume and little cotton was reported entering the Government Loan and Purchase Programs due to current high market values. Cotton consumed during October, as reported by the Census Bureau, was considerably larger than the trade had anticipated—759,806 bales.

Hide and skin markets were quiet last week as trading on the new permits did not become effective until Nov. 26. Cattle slaughter during October set an all-time high monthly record of 1,583,697 head. The shortage in all types of leather remained acute with no immediate improvement in sight.

Business in domestic wools in the Boston market remained extremely quiet as dealers awaited announcement of new price schedules for domestic stockpile wools by the CCC. Foreign wools of fine and medium grades were in good spot demand. Buying in Australia, New Zealand, and Argentina was reported fairly active. In wool piece goods lines, deliveries of men's wear worsened fabrics were behind schedule but some improvement was said to have taken place due to a gradual upturn in labor forces in wool mill areas.

**Wholesale Food Price Index Reaches New 25-Year Peak**—Continuing its gradual upturn of the past few months, the wholesale food price index, compiled by Dun & Bradstreet, Inc., rose one cent to stand at \$4.16 on Nov. 27. This represented a new high level since Oct. 14, 1920 when it stood at \$4.17, and marked a gain of 2.2% over the 1944 comparative of \$4.07. Changes for the week brought advances for oats, potatoes, sheep and lambs. Rye showed the only decline. The index represents the sum total of the price per pound of 31 foods in general use.

**Wholesale and Retail Trade**—Cold snaps and the approaching Christmas holiday helped to maintain the volume of retail trade this week moderately above the preceding week with volume exceeding the very high level of the corresponding week of 1944, states Dun & Bradstreet, Inc., in its weekly review of trade. In strike areas incomplete reports indicated

that volume was not perceptibly unfavorably affected. The tendency toward buying of higher priced items continued. Food offerings were reported to be more plentiful; holiday food items moved in good volume.

Men's clothes continued in pressing demand, though the supply of some furnishings remained very limited. Cold weather fostered an increased call for topcoats, fur hats, muffs, and bags. Demand for sportswear for children and adults was strong. The Christmas rush was noteworthy for jewelry, gloves, handbags, neckwear, bedroom slippers, hosiery, and handkerchiefs.

The promotion of piece goods depended upon stocks on hand. Woolen goods were particularly scarce. Customers eager to make hand-sewn Christmas gifts, bought fabrics in quantity whenever they were offered.

Toys were more available and in better variety this year than in the past two years, though quality and price have risen. Metal items such as roller skates and electric trains were scarce. Household goods, especially dishes and cooking utensils, sold in increasing volume. Demand for furniture continued heavy. However, stocks of dining room and bedroom sets were low.

Despite a slight drop in foodstuffs last week below the previous week, volume was estimated at 10% above the comparable 1944 week. The end of meat rationing resulted in quick sales of choice cuts. Some food supplies were reported scarce, including butter, fresh eggs, milk, soap, and pork products.

Retail volume for the country was estimated to be from 6 to 10% above a year ago. Regional percentage increases were: New England 3 to 7, East 7 to 12, Middle West 1 to 4, Northwest 6 to 11, South 12 to 15, and Southwest and Pacific Coast 5 to 9.

Wholesale volume last week was maintained at the level of the previous week; it was estimated at from 6 to 10% above a year ago. Total sales continued close to record highs in most fields with stocks reported spotty. A very large volume of retailers' new orders continued to reach wholesalers and manufacturers of both soft and hard goods. Shipments in many lines are being received in even smaller quantities than heretofore.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Nov. 24, 1945, increased by 9% above the same period of last year. This compared with a like increase of 9% in the preceding week. For the four weeks ended Nov. 24, 1945, sales increased by 10% and for the year to date showed an increase of 11%.

In keeping with the pace for most of the country and notwithstanding a spell of bad weather, retail trade here in New York the past week moved sharply upward with the close approach of Christmas. In the wholesale field no change of consequence was noted in the existing poor supply situation of textiles, wearing apparel and accessories. A slowdown took place for the week in wholesale food volume following the holiday demand, but sales nevertheless were above the figure for a year ago. As regards retail food volume, further increases were shown.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Nov. 24, 1945, increased 15% above the same period of last year. This compared with an increase of 13% in the preceding week. For the four weeks ended Nov. 24, 1945, sales rose by 13% and for the year to date increased by 13%.

## Military and Non-Military Expenditures of Govt. Abroad in Past Five Years

Secretary of Commerce Henry A. Wallace released on Nov. 26 a summary of the latest available figures on the foreign finance and supply transactions of the United States Government from July 1, 1940 through June 30, 1945. From the summary we quote:

**Cash Transactions Abroad**—U. S. Government agencies spent \$13,045,000,000 abroad from July 1, 1940 through June 30, 1945 on the basis of reasonably complete reports; \$3,765,000,000 of this total was spent in the year ending June 30, 1945. Dollar receipts over the five year period were \$4,060,000,000. Net dollar disbursements were thus \$8,985,000,000.

**Military Agencies**—The \$6,544,000,000 of dollar disbursements reported by the War and Navy Departments was mainly for overseas pay to troops, supplies and materials, and installations. Another \$1,610 million was spent in "special" currencies obtained at no dollar cost to the U. S. It is estimated that around \$5,000,000,000 has been put in the pockets of U. S. personnel overseas, not including the large amount of pay and allowances allotted directly to families, War Bond accounts, etc., at home which do not represent payments abroad. Remittances home over the past year, however, have equalled about two-thirds of all current pay to troops overseas, and represent the major reported receipt abroad.

The "special" currency (sometimes termed "invasion" and "occupation" currency) disbursements by the War and Navy Departments are in addition to regular dollar disbursements. They reflect arrangements under which the United States armed forces obtained foreign currencies for use in certain liberated countries and in Germany, Japan, and Italy without concurrent payment of U. S. dollars. Except in occupied areas such as Germany and Japan, the U. S. has agreed to pay dollars to the foreign governments for the net amount of such currency used to pay U. S. troops abroad (roughly the amount paid to troops overseas, less the amounts remitted home); the foreign governments agreed to provide free to the U. S. the currency used in procuring needed army supplies abroad. The U. S. Government has already paid \$159,000,000 to European countries for special currency used as net troop pay.

**Nonmilitary Agencies**—The \$6,501,000,000 spent by nonmilitary agencies represented primarily procurement of food and materials abroad and loan disbursements. Over two-thirds of the total was obtained in the western hemisphere. The major commodities procured were scarce metals, sugar, rubber, and fibers. A large portion of these commodities procured abroad have been resold to private buyers in the U. S. thereby recouping the Government's outlays. Uncompleted U. S. contracts to purchase further supplies, totaled \$786,000,000 on June 30, 1945.

From Secretary Wallace's summary we also quote:

1. Over the five years, the Government spent abroad \$13,045,000,000 of which \$4-\$5 billion was to purchase vitally needed food and materials and a similar amount to pay U. S. troops overseas. Receipts abroad totalled \$4,060,000,000, comprising mainly remittances home by U. S. troops and payments for goods sold to other countries.

2. Over two-thirds of the \$4,400,000,000 of food and materials procured abroad since July 1, 1940 by nonmilitary Government agencies came from Canada and the American Republics (especially Cuba and Chile). Metals and minerals comprised nearly half of all reported procurement abroad, and

In most cases, the supplies so obtained by the U. S. are considered reverse lend-lease.

sugar, rubber and fibers another quarter of the total. On June 30 Government agencies reported \$786,000,000 of commitments to buy additional commodities abroad.

### Resulting U. S. Assets Abroad

3. On June 30, 1945, Government agencies had loans and advances outstanding to foreign governments and concerns totalling \$639,000,000. Another \$433,000,000 had been extended to foreign nations (primarily China) as special financial assistance, on which settlement terms remained to be established. Outstanding commitments for further credits totalled \$494,000,000 on June 30.

4. Over 3,000 installations acquired at a cost of \$2,413,000,000, were reported held abroad by Government agencies on June 30, 1945. Military installations (mainly airbases and port facilities) accounted for over 95% of the total expended, with largest costs reported in the Pacific, in Canada, and on the Atlantic-Caribbean defense bases. The value of installations received under reverse lend-lease (especially in the British Commonwealth and France) is not included in the reported costs.

5. On June 30, 1945, inventories of supplies and materials held abroad by nonmilitary agencies totalled \$167,000,000. Scarce metals, minerals and fibers comprised the bulk of these stockpiles, which are being brought to the U. S. as shipping becomes available, or sold abroad.

### U. S. Supplies Shipped Abroad

6. Lend-lease aid furnished totalled \$42,021,000,000 on June 30, 1945. Over \$29,000,000,000 of the total went to British Commonwealth, and \$10,000,000,000 to the U. S. S. R. Data on lend-lease through mid-1945 have previously been released by FEA.

7. In addition, civilian relief

supplies shipped for use abroad (mainly food and clothing) exceeded \$800,000,000 on June 30, 1945, when shipments were rising rapidly. Over three-fourths of these supplies were shipped by the War Department to prevent civilian disease and unrest in liberated and occupied areas and were billed to recipient governments. Most of the remainder was furnished through UNRRA and the American Red Cross. European countries received most of the total. These figures do not include supplies furnished under Lend-Lease.

### Reverse Lend-Lease Received

8. Reverse Lend-Lease aid received through June 30, 1945, is estimated at \$6,250,000,000, mainly from British Commonwealth countries. Detailed reports are available only on the \$5,600,000,000 reported through March 31, 1945.

These figures mirror the wide diversity of the Government's war period foreign transactions. Effective prosecution of the war depended not only on strictly military operations but also on a great variety of supply and financial transactions. The United States contributed to the combined allied military strength by lend-leasing great quantities of guns, planes and other material as well as a variety of needed services. In turn, the United States was helped by reverse lend-lease supplies and services. Essential food and materials were procured abroad. Credits were extended abroad to facilitate procurement and to assist our allies. Civilian supplies were distributed, primarily by our armed forces, in liberated or occupied areas to avoid disease and unrest which would have impeded military operations. Furthermore, this Government acquired abroad numerous installations and inventories of supplies.

In view of the widely differing basic character of the transactions and asset-holdings reported, it was emphasized that addition of the figures to obtain one over-all summary figure for each country, or for all countries combined, would involve major inconsistencies in logic and serious double counting.

## Electric Output for Week Ended Dec. 1, 1945 10.6% 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 Dec. 1, 1945, was approximately 4,042,915,000 kwh., which compares with 4,524,257,000 kwh. in the corresponding week a year ago, and 3,841,350,000 kwh. in the week ended Nov. 24, 1945. The output for the week ended Dec. 1, 1945 was 10.6% below that of the same week in 1944.

Major Geographical Divisions—	PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR			
	Dec. 1	Nov. 24	Nov. 17	Nov. 10
New England.....	4.0	7.1	6.4	4.9
Middle Atlantic.....	3.7	5.7	4.4	4.8
Central Industrial.....	12.8	12.9	12.3	12.3
West Central.....	1.4	4.4	1.8	1.6
Southern States.....	15.7	16.5	14.8	14.2
Rocky Mountain.....	0.8	5.8	0.5	0.8
Pacific Coast.....	13.0	15.0	12.3	11.2
Total United States.....	10.6	12.1	10.5	10.2

Week Ended—	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)				
	1945	1944	% Change over 1944	1943	1932
Aug. 4.....	4,432,304	4,399,433	+ 0.7	4,240,638	1,415,122
Aug. 11.....	4,395,337	4,415,368	- 0.5	4,287,827	1,431,910
Aug. 18.....	3,939,195	4,451,076	-11.5	4,264,824	1,436,440
Aug. 25.....	4,116,049	4,418,298	- 6.8	4,322,195	1,464,700
Sept. 1.....	4,137,313	4,414,735	- 6.3	4,350,511	1,423,977
Sept. 8.....	3,909,408	4,227,900	- 7.5	4,229,262	1,476,442
Sept. 15.....	4,106,187	4,394,839	- 6.6	4,358,512	1,490,863
Sept. 22.....	4,018,913	4,377,339	- 8.2	4,359,610	1,499,459
Sept. 29.....	4,038,542	4,365,907	- 7.5	4,359,003	1,505,216
Oct. 6.....	4,028,286	4,375,079	- 7.9	4,341,754	1,507,503
Oct. 13.....	3,934,394	4,354,575	- 9.6	4,322,268	1,528,145
Oct. 20.....	3,914,738	4,345,352	- 9.9	4,416,405	1,533,028
Oct. 27.....	3,937,420	4,358,293	- 9.7	4,452,592	1,525,410
Nov. 3.....	3,899,293	4,354,939	-10.5	4,413,863	1,520,730
Nov. 10.....	3,948,024	4,396,595	-10.2	4,482,665	1,531,584
Nov. 17.....	3,984,608	4,450,047	-10.5	4,513,299	1,563,268
Nov. 24.....	3,841,350	4,368,519	-12.1	4,403,342	1,510,337
Dec. 1.....	4,524,257	4,254,915	-10.6	4,560,158	1,518,922
Dec. 8.....	4,538,012	4,538,012	0.0	4,566,995	1,563,384
Dec. 15.....	4,563,079	4,563,079	0.0	4,612,994	1,564,473
Dec. 22.....	4,616,975	4,616,975	0.0	4,295,010	1,414,710
Dec. 29.....	4,225,814	4,225,814	0.0	4,337,287	1,619,265

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES (Based on Average Yields)

Table with columns for Date, U.S. Govt. Bonds, Ave. Corporate Rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.), and Bond Price. Includes rows for 1945-1946 and 1944-1945.

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

Table with columns for Date, U.S. Govt. Bonds, Ave. Corporate Rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.), and Bond Yield. Includes rows for 1945-1946 and 1944-1945.

National Fertilizer Association Commodity Price Index Drops Sharply

The weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on Dec. 3 dropped sharply for the week ended Dec. 1, 1945, to 141.2 from the highest point of the index, 142.0, which it had held for three consecutive weeks.

The sharp decline during the week reflected the declines registered in the farm products, foods, and fuels groups; the advances in the textiles and the chemicals and drugs groups did little to offset the declines.

During the week 8 price series in the index declined and 5 advanced; in the preceding week 1 declined and 4 advanced; in the second preceding week 5 declined and 4 advanced.

WEEKLY WHOLESALE COMMODITY PRICE INDEX Compiled by The National Fertilizer Association 1935-1939=100\*

Table showing Weekly Wholesale Commodity Price Index by Group (Food, Fats and Oils, Cottonseed Oil, Farm Products, etc.) with columns for Latest Preceding Week, Month Ago, and Year Ago.

\*Indexes on 1926-1928 base were: Dec. 1, 1945, 110.0; Nov. 24, 1945, 110.6; and Dec. 2, 1944, 108.6.

Non-Ferrous Metals — Demand for Major Metals Continues at High Level—Quicksilver Firmer

"E. & M. J. Metal and Mineral Markets, in its issue of Nov. 29, states: "Producers of major non-ferrous metals so far have received few requests for postponement of deliveries as a result of labor difficulties at consuming plants.

The measure has been approved by the Military Affairs Committee in virtually the same form as submitted a week ago by the subcommittee.

Copper The industry is awaiting word in reference to the Government's program for purchasing foreign copper.

Output of brass-mill products in the third quarter of 1945 was 534,720,000 lb., which compares with 1,259,218,000 lb. in the second quarter this year and 1,155,168,000 lb. in the third quarter last year.

Mine production of copper in the United States in September, in terms of recoverable metal, was 57,536 tons, which compares with 60,710 tons in August, the

again, it is thought, but not at the same rate as in recent months.

The Bureau of Mines estimated, consumption of slab zinc in September at 53,533 tons against 59,054 tons in August.

Cadmium

A specific inventory limitation of 45 days was imposed on cadmium, owing to the tight supply situation in this metal.

Tungsten

Prices are being fully maintained on tungsten ore containing no objectionable impurities. Business has been transacted in domestic ore on the basis of \$24 per short ton unit of WO3.

Tin

Exports of tin concentrates from Bolivia in October contained 2,786 metric tons of tin, which compares with 4,625 tons in September.

The tin situation here remains unchanged. Quotations continued on the basis of 52c per pound, with forward prices nominally as follows:

Table showing Tin prices for Dec. 22, 23, 24, 26, 27, and 28, with columns for Dec., Jan., and Feb.

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

Quicksilver

Buying interest in quicksilver was moderate, but prices showed no change at \$107-\$110 per flask. Representatives of foreign producers regard the market here as too low to talk business.

Lead

Slightly less than 24,000 tons of foreign lead were allocated for December shipment. Some consumers would like to obtain more metal, but the authorities in Washington are not disposed to release additional tonnages.

Silver

The recent advance in foreign silver to the basis of 71.11c per ounce troy has prompted Mexican miners to demand a 40% increase in pay at properties producing silver.

The New York official price of foreign silver continued at 70 3/4c. The London market was quiet and unchanged at 44d.

Moody's Daily Commodity Index table showing prices for Tuesday, Nov. 27, 1945, and subsequent days for various commodities.

\*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.

NOTE—The list used in compiling the averages was given in the Nov. 22, 1945 issue of the "Chronicle" on page 2508.

### Trading on New York Exchanges

The Securities and Exchange Commission made public on Nov. 28 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Nov. 10, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Nov. 10 (in round-lot transactions) totaled 2,764,192 shares, which amount was 13.76% of the total transactions on the Exchange of 10,041,780 shares. This compares with member trading during the week ended Nov. 3 of 3,075,565 shares, or 14.24% of the total trading of 10,798,800 shares. On the New York Curb Exchange, member trading during the week ended Nov. 10 amounted to 1,211,660 shares of 11.39% of the total volume on that Exchange of 5,319,240 shares. During the week ended Nov. 3 trading for the account of Curb members of 946,065 shares was 10.16% of the total trading of 4,657,695 shares.

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

WEEK ENDED NOV. 10, 1945		
<b>A. Total Round-Lot Sales:</b>		
Short sales	287,720	1%
Other sales	9,754,060	
<b>Total sales</b>	<b>10,041,780</b>	
<b>B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	831,030	
Short sales	190,160	
Other sales	631,780	
<b>Total sales</b>	<b>821,940</b>	<b>8.23</b>
2. Other transactions initiated on the floor—		
Total purchases	203,820	
Short sales	13,100	
Other sales	156,860	
<b>Total sales</b>	<b>169,960</b>	<b>1.86</b>
3. Other transactions initiated off the floor—		
Total purchases	308,190	
Short sales	48,800	
Other sales	380,452	
<b>Total sales</b>	<b>429,252</b>	<b>3.67</b>
<b>4. Total—</b>		
Total purchases	1,343,040	
Short sales	252,060	
Other sales	1,169,092	
<b>Total sales</b>	<b>1,421,152</b>	<b>13.76</b>

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

WEEK ENDED NOV. 10, 1945		
<b>A. Total Round-Lot Sales:</b>		
Short sales	55,285	1%
Other sales	5,263,955	
<b>Total sales</b>	<b>5,319,240</b>	
<b>B. Round-Lot Transactions for Account of Members:</b>		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	326,265	
Short sales	30,115	
Other sales	240,530	
<b>Total sales</b>	<b>270,645</b>	<b>5.61</b>
2. Other transactions initiated on the floor—		
Total purchases	101,880	
Short sales	5,700	
Other sales	131,505	
<b>Total sales</b>	<b>137,205</b>	<b>2.25</b>
3. Other transactions initiated off the floor—		
Total purchases	73,350	
Short sales	11,950	
Other sales	296,365	
<b>Total sales</b>	<b>302,315</b>	<b>3.53</b>
<b>4. Total—</b>		
Total purchases	501,495	
Short sales	47,765	
Other sales	662,400	
<b>Total sales</b>	<b>710,165</b>	<b>11.39</b>
<b>C. Odd-Lot Transactions for Account of Specialists—</b>		
Customers' short sales	0	
Customers' other sales	123,526	
<b>Total purchases</b>	<b>123,526</b>	
<b>Total sales</b>	<b>123,526</b>	

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

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

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

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

### Wholesale Prices Rose 0.4% in Week Ended Nov. 4, 1945, Labor Dept. Reports

Reaching the highest level in nearly 25 years, the index of commodity prices in primary markets prepared by the Bureau of Labor Statistics, U. S. Department of Labor rose 0.4% during the week ended Nov. 24, 1945, said the advices from the Bureau on Nov. 29, which added that "the rise was due to continued advances in prices of agricultural commodities. At 106.7% of the 1926 average the index was 0.9% higher than four weeks ago and 2.5% above late November, 1944," said the Department, which continued:

"Farm Products and Foods—Continuing the uninterrupted advance of the last ten weeks, average market prices of farm products rose 1.4% during the week chiefly because of increases for fresh fruits and vegetables. Apples were up nearly 5% and potatoes and onions also were higher on holiday buying. Prices of citrus fruits moved up sharply with the removal of ceilings. Quotations for eggs and cotton rose fractionally. Grain prices declined on the average with lower prices for oats, reflecting ample supplies. Rye quotat-

tions advanced because of the short crop while corn remained steady at ceilings and wheat was fractionally lower. Livestock and poultry prices also averaged lower. Quotations for cows declined with good supplies while lambs were higher. Live poultry advances reflected the Thanksgiving holiday. The group index for farm products was 3.4% higher than in late October 1945, and 6.4% above a year ago.

"The increases for fresh fruits and vegetables led the advance of 1.4% in the group index for foods. Prices of butter continued to rise to the higher ceilings permitted following removal of subsidies. Oatmeal and rye flour increased while wheat flour was fractionally lower. Higher ceilings resulted in a 10% rise for grapejuice. Average prices of foods have increased 2.5% during the last four weeks to a level 3.5% above the corresponding week of 1944.

"Other Commodities—There were few price changes for other commodities during the week. Building materials rose 0.1% as a group because of price increases for common brick, turpentine and yellow pine. Some Oklahoma refineries reduced gasoline prices below ceiling. The group index for all commodities other than farm products and foods remained unchanged at 100.3% of the 1926 average—the level of the previous week; 0.2% above a month ago and 1.4% above the corresponding week of 1944."

The Labor Department included the following notation in its report:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. 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. 27, 1945 and Nov. 25, 1944 and (2) percentage changes in sub-group indexes from Nov. 7, 1945 to Nov. 24, 1945.

#### WHOLESALE PRICES FOR WEEK ENDED NOV. 24, 1945

Commodity Groups—	1945			1944			Percentage changes to Nov. 24, 1945 from—		
	11-24	11-17	11-10	10-27	11-25	11-17	10-27	11-25	
All commodities	106.7	106.3	106.1	105.7	104.1	+0.4	+0.9	+2.5	
Farm products	132.1	130.3	129.5	127.7	124.1	+1.4	+3.4	+6.4	
Foods	108.7	107.2	107.0	106.0	105.0	+1.4	+2.5	+3.5	
Hides and leather products	119.1	119.1	119.1	116.7	0	0	0	+2.1	
Textile products	100.5	100.5	100.5	99.9	99.9	0	+0.6	+1.6	
Fuel and lighting materials	84.3	84.6	84.5	84.7	83.6	0	-0.1	+1.2	
Metals and metal products	105.3	105.3	105.3	105.2	103.9	0	+0.1	+1.3	
Building materials	118.7	118.6	118.6	118.1	116.4	+0.1	+0.5	+2.0	
Chemicals and allied products	95.6	95.6	95.5	95.5	94.8	0	+0.1	+0.8	
Housefurnishing goods	106.4	106.4	106.4	106.3	106.1	0	+0.1	+0.3	
Miscellaneous commodities	94.6	94.6	94.6	94.6	93.5	0	0	+1.2	
Raw materials	120.2	119.1	118.6	117.4	114.1	+0.9	+2.4	+5.3	
Semimanufactured articles	96.8	96.8	96.8	96.7	94.7	0	+0.1	+2.2	
Manufactured products	102.3	102.2	102.2	101.9	101.2	+0.1	+0.4	+1.1	
All commodities other than farm products	101.1	101.1	101.0	100.8	99.7	0	+0.3	+1.4	
All commodities other than farm products and foods	100.3	100.3	100.2	100.1	98.9	0	+0.2	+1.4	

#### PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM NOV. 17, 1945 TO NOV. 24, 1945

Commodity Groups—	Increases		Decreases
	Nov. 17-24	Nov. 10-17	
Fruits and vegetables	8.5	Dairy products	0.4
Other farm products	2.8	Cereal products	0.2
Brick and tile	1.1	Other foods	0.1
Grains	0.4	Livestock and poultry	0.2

### Civil Engineering Construction Totals \$59,622,000

Civil engineering construction volume in continental United States totals \$59,622,000 for the week ending Nov. 29, 1945, as reported to Engineering News-Record. This volume is 29% above last week's volume and 66% above that of the 1944 week. This week's total is 0.7% below the previous four-week moving average. The report issued on Nov. 29 went on to say:

Private construction continued to climb this week. Its total for the week is 39% greater than last week and 313% greater than the corresponding week of 1944. Public construction is 5% greater than last week but is down 43% compared with the week last year. State and municipal construction dropped 15% below last week but is 87% greater than the 1944 week. Federal construction, while 35% greater than last week's total, is 66% less than the week last year.

The current week's construction brings the 1945 cumulative total to \$2,051,399,000 for the 48-week period, a 25% gain over the like period of 1944. Cumulative volume for private construction is 179% greater than last year. State and municipal construction is 52% greater than last year. The public construction cumulative total for the 48-week period is down 52% from last year due mainly to the 31% drop in Federal work.

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

	Nov. 29, 1945	Nov. 22, 1945	Nov. 30, 1944
Total U. S. construction	\$59,622,000	\$46,143,000	\$35,953,000
Private construction	45,444,000	32,662,000	11,014,000
Public construction	14,178,000	13,481,000	24,939,000
State and municipal	6,893,000	8,096,000	3,694,000
Federal	7,285,000	5,385,000	21,245,000

In the classified construction groups five of the nine classes registered gains over last week as follows: sewerage, earthwork and irrigation, industrial buildings, commercial buildings and unclassified. Industrial and commercial buildings showed strong gains over the week last year, smaller gains were made by waterworks, earthwork and irrigation and unclassified.

New capital for construction purposes this week totals \$12,490,000 and is made up of \$6,509,000 in State and municipal bonds and \$5,981,000 in corporate security issues. The week's financing brings the 1945 cumulative volume to \$1,752,837,000, a 4% gain over the \$1,684,869,000 reported for the 48-week period of 1944.

### Result of Treasury Bill Offering

The Secretary of the Treasury announced on Dec. 3 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Dec. 6, and to mature Mar. 7, 1946, which were offered on Nov. 30, were opened at the Federal Reserve Bank on Dec. 3.

The details of this issue are as follows:

Total applied for \$2,163,314,000. Total accepted, \$1,303,377,000 (includes \$48,699,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

(55% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 6 in the amount of \$1,306,133,000.

### Re-Elected Directors of Minneapolis Reserve

Advices from W. C. Coffey, Chairman of the board of the Federal Reserve Bank of Minneapolis, Nov. 20 stated that in the election which closed that day the following were reelected as directors of the Reserve Bank to serve for the three-year term beginning Jan. 1, 1946:

F. D. McCartney, Executive Vice-President, First National Bank, Oakes, N. D., to serve as class A director—reelected by member banks in Group 3 (those banks having combined capital and surplus of \$75,000 and less).

Ray C. Lange, President, Chippewa Canning Co., Chippewa Falls, Wis., to serve as class B director—reelected by member banks in Group 2 (those banks having combined capital and surplus not exceeding \$250,000 but in excess of \$75,000).

### NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 28 a summary for the week ended Nov. 17 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. 17, 1945	
Odd-Lot Sales by Dealers—	Total
(Customers' purchases)	34,060
Number of orders	1,040,830
Number of shares	\$41,333,549
Dollar value	
Odd-Lot Purchases by Dealers—	
(Customers' sales)	
Number of Orders:	202
Customers' short sales	30,938
Customers' other sales	
Customers' total sales	31,140
Number of Shares:	
Customers' short sales	6,738
Customers' other sales	858,308
Customers' total sales	865,046
Dollar value	\$33,201,166
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	130
Other sales	174,330
Total sales	174,460
Round-Lot Purchases by Dealers—	
Number of shares	335,820
Sales marked "short exempt" are reported with "other sales."	
Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."	

Daily Average Crude Oil Production for Week Ended Nov. 24, 1945 Fell Off 5,200 Bbls.

After showing increases each week for six consecutive weeks, the nation's daily average gross crude oil production for the seven days ended Nov. 24, 1945 dropped 5,200 barrels below that of the preceding week and amounted to 4,469,300 barrels. This was also a decrease of 266,700 barrels per day when compared with the corresponding week of last year and was 130,700 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. 24, 1945 averaged 4,428,300 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,648,000 barrels of crude oil daily and produced 15,681,000 barrels of gasoline; 1,825,000 barrels of kerosine; 4,802,000 barrels of distillate fuel, and 8,800,000 barrels of residual fuel oil during the week ended Nov. 24, 1945; and had in storage at the end of the week 57,536,000 barrels of civilian grade gasoline; 25,648,000 barrels of military and other gasoline; 13,023,000 barrels of kerosine; 45,258,000 barrels of distillate fuel, and 46,474,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

Table with columns for State, B. of M. Calculated Requirements, Allowables, Actual Production, Change from Previous Week, 4 Weeks Ended, and Week Ended. Rows include Oklahoma, Kansas, Nebraska, Panhandle Texas, North Texas, West Texas, East Central Texas, East Texas, Southwest Texas, Coastal Texas, Total Texas, North Louisiana, Coastal Louisiana, Total Louisiana, Arkansas, Mississippi, Alabama, Florida, Illinois, Indiana, Eastern (Not incl. Ill., Ind., Ky.), Kentucky, Michigan, Wyoming, Montana, Colorado, New Mexico, Total East of Calif., California, and Total United States.

\*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 or 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. 21, 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. 24, 1945

(Figures in thousands of barrels of 42 gallons each)

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

Table with columns for District, % Daily Crude Runs Refining to Stills, % Capacity, % Operating, % Output, % Production, % Stocks, % Gasoline Stocks, % Mill-Civilian, % Grade. Rows include East Coast, Appalachian, District No. 1, District No. 2, Ind., Ill., Ky., Okla., Kan., Mo., Indiana, Texas Gulf Coast, Louisiana Gulf Coast, No. La. & Arkansas, Rocky Mountain, District No. 3, District No. 4, California, Total U. S. B. of M. basis Nov. 24, 1945, Total U. S. B. of M. basis Nov. 17, 1945, U. S. B. of M. basis Nov. 25, 1944.

\*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 8,027,000 barrels unfinished gasoline this week, compared with 12,284,000 barrels a year ago. These figures do not include any gasoline on which title has already passed, or which the military forces may actually have in custody in their own or leased storage.

†Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,825,000 barrels of kerosine, 4,802,000 barrels of gas oil and distillate fuel oil and 8,800,000 barrels of residual fuel oil produced during the week ended Nov. 24, 1945, which compares with 1,811,000 barrels, 4,586,000 barrels and 8,514,000 barrels, respectively, in the preceding week and 1,474,000 barrels, 4,491,000 barrels and 9,200,000 barrels, respectively, in the week ended Nov. 25, 1944.

Note—Stocks of kerosine at Nov. 24, 1945 amounted to 13,023,000 barrels, as against 13,181,000 barrels a week earlier and 13,601,000 barrels a year before.

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Nov. 24, 1945, as estimated by the United States Bureau of Mines, was 10,240,000 net tons, a decrease of 1,260,000 tons from the preceding week and 1,196,000 tons less than in the corresponding week of 1944. The Thanksgiving holiday was universally observed in the soft coal fields. For the period from Jan. 1 to Nov. 24, 1945, output amounted to 517,000,000 net tons, a decrease of 8.6% when compared with the 565,900,000 tons produced during the period from Jan. 1 to Nov. 25, 1944.

Production of Pennsylvania anthracite for the week ended Nov. 24, 1945, as estimated by the Bureau of Mines, was 949,000 tons, a decrease of 92,000 tons (8.8%) from the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 173,000 tons, or 15.4%. The calendar year to date shows a decrease of 14.9% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of beehive coke for the week ended Nov. 24, 1945 showed a decrease of 1,300 tons when compared with the output for the week ended Nov. 17, 1945; and was 31,100 tons less than for the corresponding week of 1944.

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

Table with columns for Week Ended (Nov. 24, 1945, Nov. 17, 1945, Nov. 25, 1944) and Jan. 1 to Date (Nov. 24, 1945, Nov. 25, 1944). Rows include Bituminous coal & lignite, Total, incl. mine fuel, Daily average.

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

Table with columns for Week Ended (Nov. 24, 1945, Nov. 17, 1945, Nov. 25, 1944) and Calendar Year to Date (Nov. 24, 1945, Nov. 25, 1944). Rows include Penn. Anthracite, Total, incl. coll. fuel, Commercial produc., Beehive coke.

\*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.)

Table with columns for Week Ended (Nov. 17, 1945, Nov. 10, 1945, Nov. 18, 1944) and State. Rows include Alabama, Alaska, Arkansas and Oklahoma, Colorado, Georgia and North Carolina, Illinois, Indiana, Iowa, Kansas and Missouri, Kentucky—Eastern, Kentucky—Western, Maryland, Michigan, Montana (bitum. & lignite), New Mexico, North & South Dakota (lignite), Ohio, Pennsylvania (bituminous), Tennessee, Texas (bituminous & lignite), Utah, Virginia, Washington, West Virginia—Southern, West Virginia—Northern, Wyoming, Other Western States.

Total bituminous & lignite... 11,500,000, 12,480,000, 12,310,000. †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.

Steel Output Slightly Lower—Strike Threat Causes Uncertainty—Order Levels Still High

While President Truman's suggestion for curing the nation's strikes and wage controversies may bear some fruit on a long-term basis, it has satisfied neither industry nor labor for the immediate or near future, says "The Iron Age," national metalworking paper, in its issue of today (Dec. 6), which further adds: "Management will be dissatisfied because its idea of legislation encompassed putting the unions on the same plane as industry so far as legality of operations and acts are concerned. The union on the other hand has consistently shied clear of any legislation because it has felt that the only weapon it had for obtaining its demands was the right to strike."

"Furthermore, with the war over and with reconversion on its way both management and labor have felt that now is the time to test each other's strength so that in the future the road will not be so rough. For these reasons it is probable that the steel strike threat is just as great this week as it was last week—probably more so in view of the resounding vote of confidence which the steel workers gave their union in supporting a strike vote on the basis of four to one."

"There had been no doubt that the union would win the strike vote election, but there were many in the industry who had felt that the vote would be somewhat closer than it was. To believe that the steel workers union with such a vote behind it would retreat

els this week have filled many mill schedules as far into the future as steel companies wish to go. It is now probable that orders for many products will soon be accepted only on an if-and-when basis, which was the case during the confused period after V-J Day.

"General Motors this week suspended deliveries of steel orders that were placed with various steel firms. Contrary to expectations the strike at G.M. plants has not permitted the carrying out of the original plan to stock the steel."

"The immediate extension of a few pipelines in this country and considerable pipeline fabrication for foreign countries notably Arabia and Russia was disclosed this week when a large welded pipe fabricator asked for approximately 500,000 tons of plates to be delivered over the next 12 months. While none of this business is considered new orders, the request for the entire production of one specific plate mill over the next 12-month period indicates that the company wishes to be sure of its source of supply."

The American Iron and Steel Institute on Dec. 3 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 82.8% of capacity for the week beginning Dec. 3, compared with 83.5% one week ago, 77.0% one month ago and 96.0% one year ago. This represents a decrease of 0.7 point or 0.8% from the preceding week. The operating rate for the week beginning Dec. 3 is equivalent to 1,516,600 tons of steel ingots and castings, compared to 1,529,400 tons one month ago, and 1,727,000 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 3 stated in part as follows:

"While suspension of shipments of automotive tonnage may develop soon on a far wider scale than witnessed to date there is sufficient pressure for steel to fill in the gaps in most rolling schedules for some time to come."

"Strikes at General Motors plants are reflected not only in choking off work for this company at plants of some suppliers where storage facilities have become overtaxed but in slowing in production of parts and accessories for other automobile builders as well. Should this trend become far more wide-spread soon, as seems likely, there is such diversified demand for sheets, bars, wire and other leading products that producers are little concerned at present over possibility of not being able to maintain production in face of increasing cuts in automotive tonnage."

"Primary concern of steelmakers is in meeting requirements with efficient and adequate labor supply. With a strike voted by steelworkers, there is prospect of general shutdown, perhaps by the end of the year, and this is the most disturbing consideration at the moment. A lowering of morale among workers, manifested by slowdowns, absenteeism and general lack of disposition on the part of many workers to hold normal standards of efficiency is disconcerting to producers, in addition to inability to obtain sufficient help for many operations, a trend existing since the end of the war. Inability of producers to obtain price relief appears at present to have removed the major prop from the possibility of an early solution of the present wage dispute."

"This also results in greater selectivity by mills in acceptance of tonnage, with production diverted as much as possible to the more profitable items. Nonintegrated producers dependent on others for skelp, wire rods, billets, slabs and other types of semi-finished steel are feeling the effects of this policy with increasing severity."

"Continued high steel order lev-

## Revenue Freight Car Loadings During the Week Ended Nov. 24, 1945 Decreased 83,867 Cars

Loading of revenue freight for the week ended Nov. 24, 1945, totaled 716,494 cars, the Association of American Railroads, announced on Nov. 29. This was a decrease below the corresponding week of 1944 of 51,844 cars, or 6.7% and a decrease below the same week in 1943 of 103,338 cars or 12.6%.

Loading of revenue freight for the week of Nov. 24 decreased 33,867 cars, or 10.5% below the preceding week, due to Thanksgiving holiday.

Miscellaneous freight loading totaled 324,441 cars, a decrease of 29,982 cars below the preceding week, and a decrease of 46,848 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 106,213 cars, a decrease of 9,711 cars below the preceding week, but an increase of 7,702 cars above the corresponding week in 1944.

Coal loading amounted to 151,285 cars, a decrease of 20,768 cars below the preceding week, and a decrease of 10,650 cars below the corresponding week in 1944.

Grain and grain products loading totaled 50,773 cars, a decrease of 5,116 cars below the preceding week, but an increase of 5,195 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Nov. 24 totaled 34,054 cars, a decrease of 2,556 cars below the preceding week, but an increase of 3,555 cars above the corresponding week in 1944.

Livestock loading amounted to 21,386 cars, a decrease of 3,319 cars below the preceding week, but an increase of 291 cars above the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of Nov. 24 totaled 16,772 cars, a decrease of 3,313 cars below the preceding week, but an increase of 193 cars above the corresponding week in 1944.

Forest products loading totaled 27,867 cars, a decrease of 3,581 cars below the preceding week and a decrease of 9,811 cars below the corresponding week in 1944.

Ore loading amounted to 21,852 cars, a decrease of 10,935 cars below the preceding week, but an increase of 2,981 cars above the corresponding week in 1944.

Coke loading amounted to 12,677 cars, a decrease of 155 cars below the preceding week, and a decrease of 704 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944 except the Northwestern, and all reported decreases compared with 1943.

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
4 Weeks of March	4,018,627	3,916,337	3,845,547
4 Weeks of April	3,374,438	3,276,846	3,152,979
4 Weeks of May	3,452,977	3,441,618	3,263,196
4 Weeks of June	4,364,662	4,338,886	4,003,393
4 Weeks of July	3,378,266	3,459,830	3,455,328
4 Weeks of August	3,240,175	3,576,269	3,554,694
4 Weeks of September	4,116,728	4,424,765	4,456,466
4 Weeks of October	3,150,712	3,998,245	3,607,851
Week of November 3	851,962	893,069	754,739
Week of November 10	838,218	839,504	847,972
Week of November 24	716,494	768,338	819,832
<b>Total</b>	<b>38,354,861</b>	<b>39,709,213</b>	<b>38,710,546</b>

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 24, 1945. During this period only 41 roads reported gains over the week ended Nov. 25, 1944.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED NOV. 24

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
<b>Eastern District—</b>					
Ann Arbor	269	272	226	1,355	1,428
Bangor & Aroostook	2,294	1,838	2,359	329	336
Boston & Maine	6,133	6,245	5,970	12,368	14,237
Chicago, Indianapolis & Louisville	1,091	1,223	1,468	1,843	1,974
Central Indiana	17	31	31	33	3
Central Vermont	862	966	861	2,211	2,200
Delaware & Hudson	4,123	4,805	5,614	10,500	12,021
Delaware, Lackawanna & Western	6,442	6,907	7,306	8,346	10,547
Detroit & Mackinac	365	251	205	122	105
Detroit, Toledo & Ironton	1,577	1,616	2,286	983	1,269
Detroit & Toledo Shore Line	332	305	276	2,500	2,684
Erie	10,677	12,189	12,726	13,950	15,567
Grand Trunk Western	3,223	3,302	3,385	7,876	8,476
Lehigh & Hudson River	141	123	174	1,123	1,975
Lehigh & New England	1,543	1,758	1,691	1,197	1,542
Lehigh Valley	7,579	7,134	8,592	8,024	13,404
Maine Central	2,124	2,196	1,822	3,911	3,768
Monongahela	4,945	5,722	6,013	332	296
Montour	2,252	2,322	2,437	28	11
New York Central Lines	39,994	43,941	49,218	45,361	54,234
N. Y., N. H. & Hartford	9,307	8,469	9,098	13,991	17,115
New York, Ontario & Western	849	893	1,054	2,251	3,354
New York, Chicago & St. Louis	5,314	6,114	6,100	12,049	15,083
N. Y., Susquehanna & Western	381	413	500	1,964	1,819
Pittsburgh & Lake Erie	6,707	7,631	7,531	6,345	7,075
Pere Marquette	4,727	5,082	4,984	6,110	7,502
Pittsburgh & Shawmut	700	769	859	49	15
Pittsburgh, Shawmut & North	220	318	342	208	235
Pittsburgh & West Virginia	797	856	1,023	1,793	1,892
Rutland	351	312	252	1,034	1,099
Wabash	5,338	5,697	5,974	8,818	11,893
Wheeling & Lake Erie	3,970	5,249	4,276	3,444	3,963
<b>Total</b>	<b>134,660</b>	<b>144,945</b>	<b>154,663</b>	<b>182,435</b>	<b>217,902</b>
<b>Allegheny District—</b>					
Akron, Canton & Youngstown	544	705	727	1,079	1,336
Baltimore & Ohio	37,696	40,541	42,141	23,478	27,752
Bessemer & Lake Erie	2,927	3,568	5,282	1,937	3,442
Buffalo Creek & Gauley	†	†	396	†	†
Cambria & Indiana	1,173	1,510	1,797	7	4
Central R. R. of New Jersey	5,381	6,305	6,855	14,819	13,437
Cornwall	380	439	577	55	51
Cumberland & Pennsylvania	229	162	213	7	11
Edgemoor Valley	36	89	155	5	40
Long Island	1,368	1,441	1,166	4,216	4,776
Penn.-Reading Seashore Lines	1,567	1,661	1,697	1,774	2,430
Pennsylvania System	69,853	75,077	81,248	56,833	63,654
Reading Co.	12,846	13,950	14,525	23,343	29,716
Union (Pittsburgh)	17,471	19,408	20,067	4,311	5,433
Western Maryland	3,917	3,613	4,224	10,096	12,798
<b>Total</b>	<b>154,792</b>	<b>168,469</b>	<b>181,070</b>	<b>141,960</b>	<b>168,825</b>
<b>Poconos District—</b>					
Chesapeake & Ohio	24,989	27,673	30,449	12,713	12,188
Fork & Western	17,693	20,529	22,798	6,631	7,801
Virginian	3,997	4,646	4,828	1,662	2,602
<b>Total</b>	<b>46,679</b>	<b>52,848</b>	<b>58,075</b>	<b>21,006</b>	<b>22,591</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
<b>Southern District—</b>					
Alabama, Tennessee & Northern	407	327	277	190	396
Atl. & W. P.—W. R. of Ala.	723	684	700	1,927	2,789
Atlanta, Birmingham & Coast	752	660	713	1,384	1,489
Central of Georgia	12,217	12,689	12,672	8,855	11,687
Charleston & Western Carolina	3,453	3,274	3,688	4,470	4,865
Clinchfield	385	384	389	1,350	1,872
Columbus & Greenville	1,287	1,659	1,738	2,845	3,086
Durham & Southern	364	474	273	244	330
Florida East Coast	83	122	100	669	902
Gainesville Midland	2,469	2,498	2,550	1,347	1,491
Georgia	57	33	44	110	116
Georgia & Florida	1,025	1,044	1,201	2,074	2,501
Gulf, Mobile & Ohio	375	476	360	790	745
Illinois Central System	4,097	4,356	4,254	3,840	4,439
Lebanon & Nashville	24,242	26,258	27,196	13,853	17,751
Macon, Dublin & Savannah	22,453	24,534	24,648	9,428	11,586
Mississippi Central	221	177	209	934	812
Nashville, Chattanooga & St. L.	257	416	300	377	431
Norfolk Southern	3,008	3,332	3,429	3,965	4,603
Piedmont Northern	1,029	921	1,026	1,367	2,033
Richmond, Fred. & Potomac	341	366	412	1,432	1,356
Seaboard Air Line	10,464	9,887	10,546	8,336	10,455
Southern System	23,174	23,168	21,641	8,203	9,869
Tennessee Central	489	635	475	22,755	25,925
Winston-Salem Southbound	127	179	115	705	808
<b>Total</b>	<b>113,829</b>	<b>118,789</b>	<b>119,332</b>	<b>102,345</b>	<b>122,543</b>
<b>Northwestern District—</b>					
Chicago & North Western	15,466	15,421	15,286	12,531	13,318
Chicago Great Western	2,621	2,294	2,341	2,983	3,315
Chicago, Milw., St. P. & Pac.	18,663	19,863	20,148	8,989	9,894
Chicago, St. Paul, Minn. & Omaha	3,609	2,795	3,271	3,655	3,844
Duluth, Missabe & Iron Range	2,610	796	19,343	230	141
Duluth, South Shore & Atlantic	369	447	507	443	518
Elgin, Joliet & Eastern	7,329	8,643	8,922	9,084	11,517
Ft. Dodge, Des Moines & South	390	310	370	94	94
Great Northern	14,757	11,926	17,120	4,920	6,362
Green Bay & Western	590	424	437	602	787
Lake Superior & Ishpeming	727	795	613	50	114
Minneapolis & St. Louis	2,062	1,924	1,854	2,106	2,538
Minn., St. Paul & S. S. M.	5,493	4,335	5,780	3,130	2,898
Northern Pacific	10,357	10,516	11,014	4,495	5,634
Spokane International	113	218	140	346	511
Spokane, Portland & Seattle	1,788	2,282	2,323	2,281	3,603
<b>Total</b>	<b>87,149</b>	<b>83,114</b>	<b>109,469</b>	<b>55,909</b>	<b>65,074</b>
<b>Central Western District—</b>					
Ach., Top. & Santa Fe System	21,241	23,243	21,761	10,163	15,332
Aiton	2,665	3,547	3,267	3,122	4,046
Bingham & Garfield	183	379	611	52	82
Chicago, Burlington & Quincy	19,478	20,004	19,431	10,429	13,580
Chicago & Illinois Midland	2,619	2,795	3,222	747	830
Chicago, Rock Island & Pacific	12,272	11,970	11,250	11,324	13,310
Chicago & Eastern Illinois	2,473	2,649	2,536	2,984	6,007
Colorado & Southern	1,023	911	843	1,795	2,555
Denver & Rio Grande Western	3,953	4,747	4,252	4,735	6,241
Denver & Salt Lake	703	855	525	46	24
Fort Worth & Denver City	1,017	855	861	1,509	1,782
Illinois Terminal	1,617	2,106	2,030	1,307	1,985
Missouri-Illinois	1,103	1,247	1,173	1,307	1,985
Nevada Northern	1,319	1,783	1,916	145	132
North Western Pacific	568	743	822	629	884
Peoria & Pekin Union	9	0	27	0	0
Southern Pacific (Pacific)	25,494	27,982	28,161	9,630	14,926
Toledo, Peoria & Western	0	348	322	0	1,933
Union Pacific System	18,709	19,998	17,023	13,130	16,830
Utah	769	485	641	5	4
Western Pacific	1,996	1,876	2,115	2,952	4,463
<b>Total</b>	<b>119,221</b>	<b>128,212</b>	<b>122,789</b>	<b>75,159</b>	<b>105,442</b>
<b>Southwestern District—</b>					
Burlington-Rock Island	259	317	292	336	534
Gulf Coast Lines	4,275	5,844	7,366	2,082	2,525
International-Great Northern	1,786	2,531	2,203	3,507	3,375
Kansas, Oklahoma & Gulf	†	†	241	†	†
Kansas City Southern	2,515	5,027	5,845	2,728	2,926
Louisiana & Arkansas	2,278	3,340	3,251	2,633	2,354
Litchfield & Madison	309	277	342	1,243	1,254
Midland Valley	1,240	902	649	1,727	1,536
Missouri & Arkansas	196	182	162	395	462
Missouri-Kansas-Texas Lines	5,298	6,083	5,776	5,446	4,767
Missouri Pacific	15,932	17,123	17,317	14,270	17,982
Quannah Acme & Pacific	133	64	84</		

## Items About Banks, Trust Companies

At a meeting of the Executive Committee of Bankers Trust Co. of New York on Nov. 29, Roger F. Murray was elected an Assistant Vice-President. He will be associated with the bank's Credit Investment Department. In 1943, Mr. Murray joined the Army Air Force as a private and has been recently released with the rank of Captain. He graduated from Yale in 1932, and took a position with the Bankers Trust Co. shortly after leaving college.

John B. Bierwirth, President of the New York Trust Co., announced on Dec. 3 the appointment of three officers who are returning to the banking department of the company after leaves of absence to enter the armed services of the United States. Lieut.-Comdr. John F. Hallett, U. S. N. R.; Capt. Donald E. Coyle, U. S. M. C. R., and Lieut. William F. Sanford, U. S. N. R., were appointed Assistant Treasurers.

Maj. Walter M. Hawkins has returned to the Chemical Bank & Trust Co. after 3½ years' service with the U. S. Army and resumed his position as Assistant Manager of the Broadway at 44th Street Office on Dec. 1.

J. Luther Cleveland, President of Guaranty Trust Co. of New York announced on Nov. 30 the appointment of R. T. Tupper Barrett as Joint Manager of the company's Paris office, in which capacity he had previously served before the German occupation of France. Returning to New York in 1941, he served a year at the main office as Second Vice-President, entered military service in October, 1942, and has served three years with the rank of Colonel in the European theater with the Army's General Staff Corps. He returned to his bank duties two months ago following his discharge from the Army. Colonel Barrett has been awarded the Bronze Star Medal and the French Croix de Guerre with Gold Star. The former decoration was received when, as chief of the financial branch, G-5 section, with supervision over military government financial matters and property control, he personally supervised the packing, shipment and redeposit of recovered enemy gold bullion valued at several hundred million dollars.

Thomas J. Shanahan, President of the Federation Bank and Trust Co. of New York, announced on Dec. 5 that the recent offering to stockholders of the bank of 25,000 shares of stock at \$20 per share had been fully subscribed. This brings the bank's capital to \$1,500,000 and surplus to \$1,300,000 with undivided profits as of Nov. 30, 1945, of \$558,000, or total capital funds in excess of \$3,350,000.

Directors of the Irving Trust Co. of New York on Nov. 29 declared a quarterly dividend of 15 cents and an extra dividend of 20 cents (total 35 cents) per share on the capital stock of this company, par \$10, payable Jan. 2, 1946, to stockholders of record at the close of business Dec. 10, 1945. The extra dividend a year ago was 10 cents, as compared with the present 20 cents now declared.

In recognition of his services during the war as Executive Officer for the Corps of Engineers, Lt.-Col. H. C. Kilpatrick has been awarded the Legion of Merit. The presentation was made by Lt.-Gen. E. Reybold, Chief of Engineers, U. S. A., Retired, at a brief ceremony at the main office of

Manufacturers Trust Co., New York, on Nov. 16. Colonel Kilpatrick recently returned to his position as Vice-President in charge of the bank's Real Estate Department.

Two types of no-minimum balance special checking accounts (Chexcel and Checkmaster) are being offered by the Bayside National Bank, Bayside, L. I., N. Y., as an extra accommodation to its customers. The Chexcel service makes no charge for deposits and there is no monthly service fee. A book of 20 checks is available for 10 cents per check. The Checkmaster plan offers checks free but makes a charge of five cents for each check drawn and each item deposited, plus a small monthly service charge of only 25 cents. The advices in the matter state:

"Depending upon the amount of activity that a customer contemplates in his checking account, it is possible to select one or the other on a fee basis to obtain maximum service at minimum cost. Thus, the Chexcel plan with its no-monthly service charge and no deposit charge is the most economical for the more inactive accounts. Checkmaster proves the cheaper for active accounts."

A merger of the American Bank of Lackawanna, N. Y., with the Manufacturers & Traders Trust Co. of Buffalo has been approved by directors of the two institutions, President Lewis G. Harriman of the Manufacturers & Traders, and President Walter J. Lohr of the Lackawanna Bank announced on Nov. 23. The Buffalo "Evening News," from which this is learned, states that stockholders of both banks will meet shortly to vote upon the proposal. The paper quoted also said:

"The American Bank of Lackawanna would be the third suburban bank to be absorbed by the M & T in the last few months. The other banks are the Citizens National Bank of Lancaster and the First National Bank of Kenmore. Consolidation of the American Bank with the M & T will be effected through an exchange of stock on the basis of seven shares of the M & T stock for each share of American Bank stock. In addition, the American Bank, out of its own funds, will return \$61,000 to certain stockholders who advanced this amount to the bank in 1932 to support its capital structure.

"The American Bank will become a branch of the M & T. It will raise to 21 the number of offices operated by the M & T, including the main office. Present directors of the American Bank will continue to serve as an advisory board for the Lackawanna area. Alfonso L. Pulkowski, now Cashier of the American Bank, will become an Assistant Secretary of the M & T and will be Manager of the Lackawanna office. The present working staff of the American Bank will continue unchanged."

It was announced on Nov. 26 that at a meeting of the Board of Directors of the State Street Trust Co. of Boston, Moses Williams of Minot, Williams and Bangs, Inc., was reelected a director. Mr. Williams, who was a director prior to entering the service on Oct. 1, 1942, saw extensive service in the Pacific as a Major in the 5th Fighter Command of the Army Air Force and is now en route home.

Norman S. Kenny, a partner in the Boston real estate firm of

C. W. Whittier & Bro., was appointed a director of The National Shawmut Bank of Boston at the regular meeting of the board on Nov. 15, according to the Boston "Herald."

Election of Brig.-Gen. Harold R. Barker, 43rd Division artillery commander, as Vice-President of the Industrial Trust Co. of Providence R. I., was announced on Nov. 27 by the bank's board of directors, it was stated in the Providence "Journal" of Nov. 28, which also said:

General Barker, who returned recently after nearly five years of service, has been identified with Rhode Island industry since 1911, excepting the years he served in the army during World War I and World War II."

Louis L. Hemingway, Chairman of the Board of Directors of the Second National Bank of New Haven, Conn., announces that the last step has been completed for the installation of an employee retirement pension plan, the stockholders of the bank having voted overwhelmingly in favor of its adoption. The plan, as adopted, will go into effect immediately and will provide substantial annuity payments to each employee who has been in the employ of the institution and reached the retirement age of 65. It will also provide benefits for the employee's family or dependents if he dies before retirement age. While the age at which an employee must retire is fixed at 65, nevertheless, he may discontinue working as much as 10 years prior to that age and receive an annuity of a lesser amount.

Mr. Hemingway emphasized that in adopting this plan the benefits accruing to the bank would be as great as those received by the employees. It should provide conditions more attractive to outstanding personnel and offer the possibility of more rapid promotion which will logically result in better service to the public and, consequently, more business for the bank. Mr. Hemingway said that the payment of retirement pensions to employees is not a new venture for the bank. It has been going on since the institution was founded in 1855. The only change is that by the adoption of the formal plan the policy which has obtained for so many years is reduced to a definite agreement and the annuity payments will be made to the employees from a third party, an insurance company.

The First National Bank of Jersey City, N. J., has called a special meeting of stockholders for Dec. 11 to act on a recommendation of the Board of Directors for the issuance of an additional 7,750 shares of capital stock of \$100 par. It is proposed that the additional shares will be offered to stockholders of record Dec. 11 for subscription on the basis of 35/100 shares of the new stock for each share held. The directors have recommended that the new stock be offered at the price of \$120 per share. Explaining the purpose of the proposed new stock in a letter to stockholders, Kelley Graham, President of the bank, said:

"It is believed desirable for the bank and its shareholders to increase capital funds at this time, both because of the substantially increased deposits, and also because of the possibility of attracting additional business as a result of increased lending ability."

Mr. Graham pointed out that bank's deposits increased from \$52,276,414 as of Dec. 31, 1935, to \$111,804,835 at Dec. 31, 1944, and that capital, surplus and undivided profits in the same period increased from \$3,339,950 to \$4,700,000. Net operating earnings in 1944 were \$439,557, equal to \$19.75 per share compared with \$333,421, or \$14.98 per share in 1943. For many years dividends

have been paid at the rate of 4% annually. "In addition to operating earnings," said Mr. Graham's letter, "there have been profits on securities and also some recoveries which for the most part have been used to write down the cost of securities owned, or transferred to reserves. These profits have not been included in the operating earnings as reported above. The bank has accumulated sizable unallocated reserves."

Albert H. Hedden, Vice-President in charge of real estate of the Franklin Savings Institution of Newark, N. J., died on Nov. 28. Mr. Hedden, who according to the Newark "Evening News," was former State Director of the Emergency Relief Administration, was 50 years of age. He was also formerly in the real estate business in Newark and later headed the Hedden Building Co. in that city.

Directors of the Tradesmens National Bank and Trust Co. of Philadelphia, at their meeting on Nov. 30, recommended to shareholders that the capital stock of the bank be increased by the declaration of a stock dividend of 10% and called for a special meeting of shareholders on Dec. 12 to act upon the recommendation.

Charles S. Cheston has been elected a director of The Philadelphia National Bank of Philadelphia Pa., to fill the vacancy caused by the death of William H. Kingsley.

According to the Pittsburgh "Post Gazette" of Nov. 30, A. Douglas Hannah, now chief of the forgings and castings branch of the steel division, Civilian Production Administration, has been elected Assistant Vice-President of the Colonial Trust Co. of Pittsburgh. Mr. Hannah, it is stated, will begin his work in the field of customer relations for the bank on Dec. 15.

At a meeting of the Board of Directors of the Baltimore National Bank of Baltimore, Md., on Nov. 23, Nicholas F. Mueller, Jr., was elected an Assistant Cashier and Miss Mary Howard was made an Assistant trust officer, according to the Baltimore "Sun."

Plans to increase the capital of the National City Bank of Cleveland from \$9,000,000 to \$10,000,000 will be acted upon by the stockholders at their annual meeting on Jan. 8. It is proposed to issue 62,500 shares which are to be distributed among holders of the present 562,000 shares, according to advices in the Cleveland "Plain Dealer" of Nov. 18 by Guy T. Rockwell, its financial editor, in which Mr. Rockwell also stated that a stock dividend which will give present stockholders of the bank one new share of capital stock for each nine shares held has been recommended by directors.

From the "Plain Dealer" we also quote:

"The National City is acquiring control of the First National Bank of Rocky River, which is the first step in a new policy of the bank to establish a number of strategically-located branches in Greater Cleveland.

"Sidney B. Congdon, President, said that to effect this increase in capital and stock dividend \$1,000,000 would be transferred from surplus to capital. This would give the bank capital of \$10,000,000 and surplus of \$10,000,000. Undivided profits, which approximate \$2,000,000, and unallocated reserves, which are now about \$3,000,000, would not be affected by the transaction.

"National City has paid dividends of \$1.40 a share for several years (35 cents quarterly), and it is the present intention of the board to maintain the current rate on the increased capital."

Reference to the acquisition of

the First National Bank of Rocky River, also by the National City Bank of Cleveland, was made in our issue of Nov. 22, page 2512.

The officers and directors of the Second National Bank and Trust Co. of Saginaw, Mich., announce with regret the death of Richard A. Packard, Vice-President and director, on Nov. 19.

The directors of the Mutual Bank and Trust Co. of St. Louis have elected Byron Moser Chairman of the board and E. A. Schmid President, succeeding Mr. Moser in that post. Mr. Schmid had heretofore been Vice-President and Cashier.

The directors also, the St. Louis "Globe Democrat" of Nov. 29 reported, recommended the bank's capital be increased to \$1,000,000 by the sale of 8,000 shares of stock at \$37.50 a share. The plan is to be approved at the annual stockholders' meeting to be held Jan. 31, 1946.

Mr. Moser and associates opened the Mutual Bank in 1934, shortly after the banking holiday in 1933. Deposits, it is stated, have grown from \$250,000 on opening day to over \$27,000,000, over \$4,000,000 of which is savings deposits.

It is announced that Howard C. Kellett, President of the First National Bank of West Plains, Mo., has been elected a member of the board of United Bank and Trust Co. of St. Louis, according to the St. Louis "Globe Democrat" of Nov. 21.

Total assets of the Dominion Bank of Canada, Toronto, Ont., set a new record on Oct. 31 at more than \$306,000,000 compared with \$275,341,417 a year earlier, the bank's 75th annual statement disclosed today. Deposits at the close of the bank's fiscal year ended Oct. 31 totaled \$274,702,000, a rise of more than \$26,000,000 since the end of October, 1944. Holdings of Dominion and Provincial Government bonds and other high-grade securities amounted to \$163,677,000, a gain of about \$20,000,000 for the year. After providing for all taxation, including Dominion Government levies of \$842,970, net profit for the past year was \$1,080,383 against \$775,975 in the 1944 fiscal period. After dividend deductions and provisions of \$234,000 for the officers' pension fund and \$193,142 for bank premises writeoffs, there was added to the profit-and-loss account \$93,241. Commercial loans and discounts in Canada were virtually unchanged at \$65,421,000. Cash assets exceeding \$56,000,000 represent approximately 20% of public liabilities and immediately available assets of \$227,000,000, it is stated, are over 80% of liabilities to the public.

An interim dividend of 3%, subject to tax, was declared in November by the Imperial Bank of Iran, payable on and after Dec. 19.

### Halsey to Get Five Stars

Admiral William F. Halsey, Jr., was nominated by President Truman on Nov. 28 for promotion to the five-star rank of Admiral of the Fleet, the Associated Press reported from Washington. The Admiral, who recently relinquished command of the Third Fleet, saying that he planned to retire, has reported to the Navy Department for temporary duty, pending retirement.

The law establishing the five-star rank authorized appointment of four officers as Admirals of the Fleet. Only three were named. Admiral Ernest J. King, Chief of Naval Operations, who will soon retire; Admiral Chester W. Nimitz, former commander of the Pacific Fleet, who will succeed Admiral King, and Admiral William D. Leahy, Chief of Staff to President Truman.