

# The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4446

New York, N. Y., Thursday, December 13, 1945

Price 60 Cents a Copy

## The Financial Situation

Subject to ratification in due course, the Governments of the United Kingdom and the United States have reached an agreement to the effect that the latter will extend to the former a very large "line of credit" in addition to other accommodations of a financial nature. The terms and conditions contain a number of provisions governing international trade and financial relations in the post-war world, some of which, indeed most of them so far as they are known at the present time, are in and of themselves altogether desirable and economically healthful. Apparently a good many reasoners would stop there, and hail the arrangements thus tentatively completed as a masterpiece of post-war statesmanship. Unfortunately, to take such a course would be to ignore many of the essentials, one of which concerns the question as to whether there is any reasonable ground to hope to obtain the results enumerated by the means designated.

Since there is no reason to suppose that this is the last of these post-war "loans," either bilaterally arranged or made through the machinery of the Bretton Woods or some other similar arrangement, it would be well if the American people without further delay strip this whole question of post-war loans or "credits" to foreign countries of much of the buncombe beneath which it lies largely concealed. We should in doing so save ourselves—and perhaps some of our friends abroad—serious disillusionment and perhaps bitterness in the years to come.

### May Be a Gift

First of all, let us candidly and calmly accept the fact that this "loan" may quite possibly turn out to be a "credit" at all, but a gift. We have—or rather our Government has—apparently faced the fact that the billions sent on Lend-Lease to the United Kingdom is water over the dam. We (Continued on page 2924)

## American Occupation Policies in Germany

By JOHN J. McCLOY\*

Former Assistant Secretary of War

Assistant Secretary of War McCloy Denies Army Laxity in Eradicating Nazi Influence from Germany. Asserts That Our Policy Has Been More Severe Than Our Allies. He Points Out the Great Difficulties in Governing Conquered Areas, and Criticizes the French for Opposing a Central Administration.

I shall discuss the problems of our occupation in Germany and make some observations on the operations of our administration there rather than to elaborate policy. After all, our policies have been pretty well stated. The directives to Gen. Eisenhower have been published. The Potsdam Declaration has been promulgated and at least our general objectives have been well advertised. Moreover, as a representative of the Army it is not my province to discuss our state policy. General Eisenhower is correct when he says that he and the Army are the instruments and not the makers of policy.

The Army is in Germany to achieve the objectives which are given to it and, in talking briefly of the problems the Army is facing and how it is coping with them, I know that I can be more informative than if I attempt to expound our policy or discuss its merits. Moreover, I feel better qualified to speak, for I have just returned from a trip which has taken me around the world, during which it was my chief task to observe on the ground something of the operations of our occupational administration in Germany, Austria and Japan.

Again, I know you will forgive me if I only give you my firsthand impressions. They are bound



John J. McCloy

\*Address before the Academy of Political Science, New York City, Nov. 8, 1945. Mr. McCloy resigned as Assistant Secretary of War on Nov. 24, 1945.

(Continued on page 2928)

## Observations

By A. WILFRED MAY

The newly-negotiated financial arrangements with the United Kingdom accentuate the inflationary lift to our domestic economy which is contained in our European lending. Provision for credits to be extended over the next five years by various agencies may be approximated as follows:

	Billions
Export-Import Bank	23.5
World Bank	9.
Int'l Monetary Fund (short-term)	3.
Private companies	3.
Direct private investment	2.
Companies' 30-90 day credits	3.
Pending United Kingdom Loan	3.7
<b>Total</b>	<b>\$27.2</b>

The dollars thus provided, together with other billions of potential loans and subsidies, will largely come back to this market in the form of purchasing power. Maybe we'll need it!

It would be harmful should the public be complacent and overconfident about the prospects for world-wide free trade. The present commercial agreement involves no treaty; the British merely having agreed to support the United States proposals at an international conference to be held next year. And the trade proposals, some of whose principles are surely unacceptable to the Congress, will not be considered legislatively until after ratification of the pact. In the words of a participating American Treasury official on the trade phases, "we are a long way toward ultimate agreement."

In any event, if and when the new International Trade Organization (ITO) does come into being, it will be weak, mainly because of the ever-plaguing national sovereignty factor. Like the United Nations' Food and Agriculture Organization, it will function as a fact-finding body—without power of enforcement. Thus it will not possess sanctions as are exercised (Continued on page 2927)

## GENERAL CONTENTS

	Page
<b>Editorial</b>	
Financial Situation	2924
<b>Regular Features</b>	
From Washington Ahead of the News	2927
Observations	2921
Moody's Bond Prices and Yields	2932
Items About Banks and Trust Cos.	2931
Trading on New York Exchanges	2933
NYSE Odd-Lot Trading	2933
<b>State of Trade</b>	
General Review	2922
Commodity Prices, Domestic Index	2937
Weekly Carloadings	2935
Weekly Engineering Construction	2933
November Totals	2931
Paperboard Industry Statistics	2937
Weekly Lumber Movement	2935
Fertilizer Association Price Index	2933
Coal and Coke Output	2934
Weekly Steel Review	2931
Moody's Daily Commodity Index	2932
Weekly Crude Oil Production	2934
Non-Ferrous Metals Markets	2934
Weekly Electric Output	2931
Commercial Paper Outstanding at Oct. 31	2933
Crop Report as of Nov. 1	2864
Cottonseed Receipts to Oct. 31	2865
Cotton Ginnings Prior to Nov. 14	2865

\*These items appeared in our issue of Dec. 10, on pages indicated.

## Truman-Attlee Views on U.S-U.K. Economic and Financial Aims

Joint Pronouncement Issued in Washington and London Emphasizes the Common Interest in Establishing an Inclusive International Trading and Monetary System. States that "The Discussions Have Been Successful," and Predicts That the Pending Arrangements Will Prevent an Economically Divided World, Will Expand Employment, Production and Consumption, and Initiate an Equitable Code of Conduct for Worldwide Trade.

Below is text of the joint U. S.-British statement relative to the recently concluded discussions between officials of the two countries on mutual economic and financial problems:

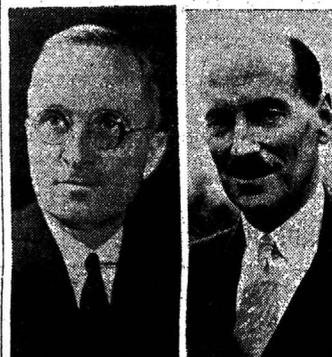
The economic and financial discussions between officials of the United States and United Kingdom Governments meeting in Washington have now been completed.

These discussions have been concerned with the major problems affecting the basic economic and financial relations between

the Mutual-Aid Agreement between their governments signed February 23, 1942.

They have covered the questions of financial assistance from the United States to the United Kingdom, the demobilization of wartime trade and monetary restrictions, the settlement of lend-lease, the disposal of surplus war property in the United Kingdom owned by the United States and, finally, long-range commercial policies in the broad sense, embracing the fields of trade barriers and discriminations, policies in respect of commodities in world surplus, cartels, an international trade organization, and international aspects of domestic measures to maintain employment.

The purpose of the discussions has been to arrive at mutually advantageous solutions of these problems which the two govern- (Continued on page 2929)



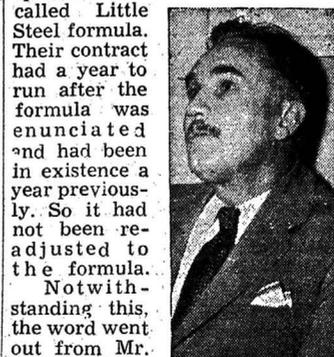
President Truman Clement Attlee

the two countries, in the light of the provisions of Article VII of

## From Washington Ahead of the News

By CARLISLE BARGERON

A commentary on the present incumbent of the White House is that a few years ago when he was riding high as Chairman of the so-called Senate Truman Committee, he thought it would be a lot of fun and get plenty of newspaper headlines, to call John L. Lewis on the subject of his threatened strike of the coal miners. It so happened at the time that these fellows were entitled to an increase in



Carlisle Bargeron

spite of the so-called Little Steel formula. Their contract had a year to run after the formula was enunciated and had been in existence a year previously. So it had not been re-adjusted to the formula. Notwithstanding this, the word went out from Mr. Roosevelt to "get" Lewis. The merits of the controversy were not considered, the denial of some 400,000 miners of their just dues was a matter of small moment on the part of a President whom we were given to understand was solely concerned with winning the war,

so much concerned, indeed, that he came to make the "sacrifice" of running two additional terms for President, over the ordinary two terms which through all history had sufficed for men's ambitions.

The smear campaign put Lewis in the light of not caring about the sacrifices of our boys, of a man who for selfish greed would throw our country to the enemies.

We have never understood just why Truman and his colleagues thought it incumbent upon them to get into this controversy. Their authority from the Senate called broadly for an investigation into the conduct of the war. They excitedly worked it out, among themselves that Lewis' demand for a wage increase was inflationary and inflation had to do with the conduct of the war.

So in high glee they told newspapermen of a late afternoon that they had called Lewis before the (Continued on page 2930)

## Senate Group Hears Recommendations On Atom Bomb Control

The special Senate committee which is studying possible ways of controlling the uses of atomic energy was told on Nov. 28 by the Army officer who directed development of the atomic bomb, Major General L. R. Groves, that lack of control over development and use of atomic energy would mean "national suicide," according to Washington advices to the Associated Press. General Groves urgently recommended that the manufacture of the bombs be continued until we have "sufficient" of them on hand and a decision has been reached on control of the weapon. He proposed that the bomb plants in Tennessee, Washington and New Mexico be continued in operation for at least a couple of years to build up the nation's stockpile of bombs.

Asking Congress not to hold him to his snap judgment of the annual operations cost in peacetime, made in response to a question from Senator Arthur H. Vandenberg (R.-Mich.), General Groves estimated that this would probably be something under \$500,000,000 a year.

Approving "essentially" the principle of control announced Nov. 15 by President Truman, Prime Minister Attlee and Prime Minister Mackenzie King, General Groves recommended that a special commission independent of any other Government agency be given complete authority over all activities in the atomic field, subject only to approval of Congress and the President. The plan of Messrs. Truman, Attlee and Mackenzie King, it was noted by the Associated Press, calls for creation of a commission to recommend control principles to the United Nations; pending the development of effective safeguards against destructive use of atomic energy, they would not disclose specialized information regarding its practical application. The press advices added:

"Reliance on an international inspection system to prevent the manufacture of atomic weapons would be 'hopeless' and 'impossible unless you could go into every factory or home without notice or warrant. I would not want any part of it.'"

The General sketched an imaginary view of the City of Washington after the dropping of one atomic bomb in the "Federal Triangle" of Government buildings.

There would be nothing left in an area two miles in diameter, he said. The completely ruined section would extend from the Capitol on the east, past the White House, to the national cathedral on the west. Windows would be blown out of the Pentagon Building across the Potomac in Virginia, he said, and the downtown area would be covered with rubble two feet deep. A few walls might be left standing but the buildings would be unfit for any use.

The Senate group heard another witness, Alexander Sachs of New York, who described himself as an economic adviser and consultant, tell, on Nov. 27, of having carried to President Roosevelt in 1939 word of the latest developments in uranium experiments. Dr. Sachs said that the late President had been much impressed with the potentialities of atomic energy and had given the orders which initiated the Government's development of the atomic bomb, according to the Associated Press.

On Nov. 29, Prof. Harold Urey of the University of Chicago, famous chemist and Nobel Prize winner, testifying before the Senate committee, urged that steps be taken to outlaw the atomic bomb throughout the world. Giving a frightful picture of what atomic warfare would mean, the scientist told the Senators, according to the Associated Press: "Atomic bombs must not be made in any country and they must not be stored any place in the world if we are to have any feeling of security in this or any other country on this all too small planet."

"We are making bombs and storing them and are thus a threat to other countries and are guilty of beginning the atomic armament race. If continued it will lead to dire disaster."

This was his remedy: "I believe that we should attempt to establish a control over atomic energy under the United Nations Organization which would be so effective that no person or group of persons in any nation could manufacture atomic bombs without detection and without being brought to trial and punishment."

"This means a sacrifice of some of the national sovereignty of this and other countries. . . . Of course the control must cover all countries of the world."

The Chairman of the Senate Committee on Atomic Control, Senator McMahon (D.-Conn.), stated, on Nov. 27, according to the Associated Press, that the Committee intends to proceed slowly in an effort to insure "that atomic energy becomes a blessing to mankind and not a scourge."

The same day the State Department announced that Russia had acknowledged receipt of the American-British-Canadian declaration on the atomic bomb, but without expressing any views on it.

On Nov. 30, another scientist, Dr. Irving Langmuir, associate research director of the General Electric Company, went before the Senate Committee to assert, according to an Associated Press report from Washington, that unless an atomic armament race is avoided it was his opinion that Russia would not only have its first atomic bomb within three years, but would probably outdo the United States in accumulating them. He gave the following as his estimate of the advantages the Russians would have:

1. A larger population and it can be regimented.
2. They have a remarkable system of incentives which is rapidly increasing the efficiency of their industrial production.
3. No unemployment.
4. No strikes.
5. They have a deep appreciation of pure and applied science.
6. They have already planned a far more extensive program in science than any contemplated by us.

We must consider also that the Russians have continued the training of scientists during the war to a far greater extent than we have, the chemist said. Furthermore, they have available in any atomic energy program the knowledge and technical skill of German scientists and technicians. Russia certainly has ample resources in uranium.

Far from advocating that the United States and Russia indulge in an atomic armament race, Dr. Langmuir proposed, the Associated Press stated, that the Governments of Great Britain, Canada and this nation seek immediate contact with the Soviet Government to secure a tentative agreement based on the Truman-Attlee-Mackenzie King formula of Nov. 15, 1945.

This called for an immediate start toward outlawing the atomic bomb as a war weapon. Detailed information concerning the practical industrial application of atomic energy would be withheld from other countries until effective safeguards are devised.

Meantime in London, Dec. 1, Foreign Secretary Ernest Bevin, according to a report reaching the New York "Times," pointed out in an address that the United Na-

tions Assembly opening in January would be "the most momentous conference ever held," because of the task which lay before it to devise controls so that atomic energy might never be used against humans. He is reported to have told the Amalgamated Engineering Union that he believed the right solution would be found.

In America, the American Physical Society, ending a two-day conference at St. Louis on Dec. 1, adopted a resolution proposing a special international conference of the United Nations to regulate the future military use of the atomic bomb. Dr. Alexander S. Langsdorf, Jr., of the University of Chicago, author of the resolution, according to the Associated Press, stated that it would be presented to Congress as representing the conference's views but not necessarily those of the entire society and its 5,000 members.

War must be declared at once on any nation which makes atomic bombs in violation of any world agreement banning them, Dr. J. R. Oppenheimer, who headed the laboratory where the first atomic bombs were made, said on Dec. 5 at the Committee hearing, according to the Associated Press, which also stated:

"If a nation violates such an agreement, we'd have no recourse but to declare an emergency—war—he told the Senate Atomic Energy Committee. He added that there were not now "and there will be no specific countermeasures to atomic weapons."

At the hearing on Dec. 6 it was revealed that the Germans were not even in an atomic bomb race with the United States and believed such fantastic weapons were "50 to 100 years away." A statement to this effect was made by S. A. Goudsmit, head of an American Intelligence Mission to Germany, it is learned from Associated Press advices Dec. 6, which also had the following to say:

He astounded members of the Senate Atomic Energy Committee by exploding the belief that Germany was on the threshold of producing atomic weapons when the war ended. This was one of the chief reasons for this country's haste in developing the destructive device.

"I speak with complete confidence that Germany had nothing," Mr. Goudsmit declared. He added that German scientists, instead of working toward a bomb, were trying to build a "uranium machine" for power purposes.

Asked by Senator Edwin C. Johnson, Democrat, of Colorado, if he had seen what was in Russian-occupied Germany, he said that this was "classified information (secret)." The theme was not developed further.

### Living Costs Show Slight Upturn in October

Living costs for the average family of wage earners and lower-salaried clerical workers in the United States recorded an increase of 0.1% in October, the National Industrial Conference Board reported on Dec. 3. The Conference Board's cost of living index stood at 106.3 (1923=100) in October, compared with 106.2 in September. The index was 1.2% higher than in October, 1944. The Board's also reported:

"An increase of 0.3% in the cost of clothing, with women's clothing up 0.6%, and a rise of 0.1% in sundries were responsible for the general increase in October living costs.

"Food costs showed a decline of 0.1% during the month, while the costs of housing and fuel and light held unchanged from the September levels."

## The State of Trade

Little change was noted in the level of industrial production from that obtaining in the previous week. Small gains were reported by a few industries while, for the greater number, losses were general or previous levels sustained.

The continued dearth of materials and skilled labor worked to keep production down in many lines. Existing strikes, and others threatened, have served to retard

the looked-for upswing in industrial output that will provide jobs for the 4,000,000 or more veterans who have been released from the armed services since V-J Day.

A survey of the situation the past week revealed that order volume continued to run high with larger-order backlogs common, confirming the opinion of business and industry that once management and labor are able to resolve their differences, the job of getting the country back to a more normal basis will be greatly simplified.

One of the bright spots in the present gloomy picture is that of construction. Contract awards in this field continue to reflect substantial gains. Output for both steel and coal show good results, the latter being 20% above the previous level of production. Retail trade, notwithstanding the scarcity of merchandise, continues to move along at a lively pace, indicating that consumers are not too seriously concerned over inflation. Reports state that cash U. S. Government bonds and deposits in the people's hands will have risen from an estimated \$50,000,000,000 at the end of 1939 to \$170,000,000,000 by Jan. 1.

In an analysis of the loss in production caused by work stoppages, "Business Week," in its current weekly "Outlook," reports that the "best measure of production lost due to strikes is the number of idle man-days chargeable to walk-outs. This figure has risen rapidly since final victory. President Truman told the press last week that only 3% of 1% of the available man-days had been lost since the end of the war. Some commentators took solace in this statement. Others, well enough informed so they should know better, expressed mystification as to where the President could have found such a figure.

"There is neither comfort nor mystery in it. Average the man-days lost through strikes in August, September and October and you come out with 3% of the total man-days available. But the catch in this is obvious. Total man-days lost in August were only 1,350,000, in September 3,650,000, and in October 7,800,000.

"The rate of increase, not the 3% loss, is the alarming thing. November undoubtedly topped October, and the figure for December, if the General Motors strike lasts the month, will possibly reach 12,000,000.

"The strikes that closed General Motors and concerns supplying parts to many other auto plants showed car output in the last week of November back down to where it was the middle of October. At 13,140 (Ward's estimate), it is down 60% from mid-November.

"Yet preliminary figures indicate that Ford had the best week since reconversion started. And Nash had picked up speed rapidly since turning out its first models in the last half of November."

**Steel Industry**—On a long-term basis, President Truman's proposal for curing the nation's strikes and wage controversies may bear some fruit, however, it has satisfied neither industry nor labor for the immediate or near future, says "The Iron Age," national metal-working paper, in its review of the steel trade the past week. Management's idea arises from the proposal that legislation be enacted placing the unions on the same plane as industry so far as legality of operations and acts are

concerned. The union, on the other hand, is opposed to the suggestion because it has felt that the only weapon it had for obtaining its demands was the right to strike.

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.

No doubt was entertained that the union would win the strike vote election, but many in the industry felt the vote would be somewhat closer than it was. To believe that the steel workers' union with such a vote behind it would retreat from its militant demand for a \$2-a-day increase is not to know the history of this organization, the magazine observes.

On the other hand, the delay over the steel price negotiations for the past several months, which resulted in a denial of higher prices, has put steel management in no frame of mind to go along with the Fact Finding Board. As far as the steel industry is concerned, states the above trade authority, the OPA "has been fact-finding" it since the war started, resulting in so few price advances that most companies are claiming a 70% loss on the steel products produced.

Notwithstanding the President's intervention into the labor crisis, there is no reason to believe that the steel-wage controversy will not be a serious, decisive and long-drawn-out affair, "The Iron Age" states. A strike could be serious for the workers in loss of pay but, on the other hand, the pressure from steel consumers who are attempting to get back to normal would be terrific upon the various steel companies.

As for the condition of the steel trade the past week, continued high steel order levels have filled many mill schedules as far into the future as steel companies wish to go, with the probability 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 last 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 a week ago 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, states the magazine, 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 course of supply.

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 82.9% of capacity for the week beginning Dec. 10, compared with 82.8% one week ago, 80.4% one month ago and 96.9% one year ago. This represents an

(Continued on page 2930)

## Hearings on Compulsory Military Training

Speaking before the House Military Affairs Committee on Nov. 26, Secretary of the Navy, James V. Forrestal, declared himself to be in favor of President Truman's plan for one year of compulsory peacetime military training, saying that the United States must be prepared "to fight any international ruffian who attempts to impose his will on the world by force." Expressing it as his belief that the

men who fought in the recent war for the United States "would be preponderantly in favor of universal military training" in order to save themselves and their children from the devastation of another war, Mr. Forrestal added that the training program would not conflict with the United Nations Organization but would, on the contrary, demonstrate this country's willingness "to accept her responsibilities in underwriting the peace."

"The world now must know," he said, "that much as we hate war, we are ready to wage swift and effective war against any nation which tries to overthrow rule by law and justice, replacing it with rule by force," Mr. Forrestal declared, according to the Associated Press report from Washington that if the United States returns "to the comfortable complacency which for twenty years practically extended an invitation to Mussolini, Hitler and the Japanese war lords to run the world if they chose to," he added, "we scarcely deserve to survive as a nation."

The proposal for universal military training had other supporters before the House committee in William S. Knudsen, formerly President of General Motors Corporation and director of the Army's war production program, and the United States Chamber of Commerce whose National Defense Committee Chairman, Dunlap C. Clark, expressed the Chamber's full support.

Mr. Knudsen told the committee, according to a dispatch from Washington to the New York "Times," on Nov. 27, that he thought that a year of training for youth would "make them more democratic. They will all be together. They will learn each other's ways. They will be more patriotic."

Col. Clark of the United States Chamber of Commerce discussed the pending bill in considerable detail, suggesting several minor changes and clarifications which would, in the Chamber's opinion, make it more effective. With regard to the need for legislation of this kind, he said:

"It is the studied opinion of the Chamber of Commerce that there are but two alternatives for the protection of our country in the post-war period—either the maintenance of a professional army and navy of considerably greater size than this country has ever known in peacetime, or the development of a backlog of civilians thoroughly grounded in basic military principles who can be integrated with a relatively smaller standing army into a potent striking force within a reasonably short time.

"It seems questionable whether in the post-war period a professional army and navy could be recruited voluntarily in size sufficient for adequate protection, lacking universal military training. If not, this would lead to conscription in peacetime, which the Chamber would strongly oppose as un-American—and, moreover, would entail tremendous expense. Universal military training seems the only solution, assuming the premise that we are not again to let our guard down."

The cost of universal military training, the witness continued, cannot be predicted until Congress determines the rate of pay for trainees, whether they will receive dependency allowances, and other factors. But it would obviously be less than the cost of maintaining a very large professional army and navy, or of a war which might be averted by maintaining our defense effectively. Whatever the expense, it should be regarded as comparable

to fire insurance and other monetary safeguards against unpredictable hazards.

The War Department on Dec. 3 officially denied published reports, attributed to an unnamed Army officer, to the effect that the Department was willing to compromise on a four-months training program in place of the full year it has recommended. The Department, the statement said, "has been and still remains squarely behind" President Truman's recommendations to Congress. Special advice from Washington Dec. 3 to the New York "Times" reporting this, also said in part.

Meanwhile, Dr. Ralph McDonald, Executive Secretary of the Department of Higher Education of the National Education Association, told the House Military Affairs Committee that the best way to prepare the United States to meet military manpower needs in any possible future war was not universal military training but keeping youth in schools and colleges, learning the new techniques which will be necessary in any such war.

Dr. McDonald maintained that compulsory military training "has always brought an end to every nation which seriously practiced it. If we adopt it as a peacetime policy, with all that must of necessity go with that policy, war is only a matter of time."

The witness held that those supporting the training plan were "twenty years behind the times" because they were thinking in terms of how the present war was won, while atomic bombs, radar, and many other devices of warfare changed the entire pattern of which any future war would be fought.

Dr. McDonald said it was "significant" that in the four weeks of hearings on the bill "not a single authorized spokesman of any national labor, religious, agricultural or educational organization had appeared to support it," and that all such spokesmen who have appeared have opposed it.

Polls like those of Dr. Gallup, showing popular support of the idea, he asserted, were based largely on general lack of interest in the subject or misunderstanding of what the program involved.

## Dean Gildersleeve In Favor of Military Training

In indicating it as her belief that universal military training is necessary "if the views of the United States are to have influence in the world at present," Virginia Gildersleeve, Dean of Barnard College, told the House Military Affairs Committee on Nov. 30 that:

"I have reluctantly arrived at the conclusion that for some years to come, in order that the United States may play an influential part in the United Nations and the right kind of peace may prevail in the world, we should provide potential military strength through a system of universal military training. I feel this strongly." Dean Gildersleeve's views before the Committee, were given in the Washington "Post" of Dec. 1, which in addition to the paragraph above, presented her statement as follows:

"I am appearing to support the general principle of House Bill 515 concerning universal military training.

"For the last 27 years I have been working actively for international understanding and inter-

national cooperation in the prevention of war. I should not therefore be supporting universal military training if I did not think it necessary at present for international cooperation and the establishment of world order.

"I believe the United Nations Organization, to which this country now belongs, provides a good foundation on which to build a peaceful world. When it has become firmly established it can promote disarmament, and probably universal military training will become unnecessary.

"But for the present I feel sure it is essential that our country remain strongly armed. In the world of today our opinions will not carry weight unless they are backed by strong military force. This opinion of mine grows out of my experience in international discussions. I am sorry that the backing of military force is necessary, but I have become convinced that it is necessary if the views of the United States are to have influence in the world at present.

"I believe therefore that we should continue to have a strong Army and a strong Navy. Just how strong I do not pretend to be able to say. In order to have a strong Army we must apparently have either a large professional standing Army, or a pool of trained men provided by universal military training, on which Congress could quickly draw in time of need. The second plan seems to me the more democratic.

"As for the atomic bomb, I do not think it has yet been proved that this invention has done away with the need for rather large numbers of military personnel.

"I have been speaking so far from my experience in international affairs. But I am also a member of the teaching profession, and so I am deeply interested in having the period of military training made of the greatest possible value educationally, for the good of the country as a whole and for the good of the individual young men who are called up for training. The best that the country can give should be put into this program. I hope that a civilian advisory commission will be formed to cooperate with the ablest military personnel we possess in making this year of training develop our boys into better all around men and better Americans."

The "Post" added:

Asked by Representative Johnson (R., Calif.) if she did not believe universal service might lead other nations to believe the United States lacks confidence in the United Nations Organization or has "some ulterior motive," Dean Gildersleeve said "there is some danger" of such a result. She said it is "often true" that other nations misinterpret actions of the United States.

"But I believe," she said, "that other nations will understand we are merely providing for the next few years. It is quite possible for us to participate in the UNO sincerely and at the same time provide for our own security. I don't believe universal training will be interpreted as indicating imperialistic aims on our part."

Dean Gildersleeve said she believed disarmament efforts after World War I failed because "there was no alternative" to heavy armaments. She pointed out that there was no strong organization to enforce peace.

She was asked by Mr. Johnson if she thought a commission should be established to study the need for universal training "after it has gone into effect."

"Isn't that the function of this committee of the House?" she replied.

Dean Gildersleeve was a United States delegate who participated in the drafting of the charter of the United Nations Organization.

## U. S. Urges Allies Withdraw Troops From Iran—Russia Declines

The State Department at Washington announced on Nov. 26 that the United States has informed the British and Russian Governments that all American troops will be withdrawn from Iran by Jan. 1, 1946, and proposed that the other two nations take the same step with regard to their armed forces now stationed there. The proposal, according to Associated Press Washington advices, was contained in a note delivered by

United States Ambassador W. Averell Harriman to the Russian Government in Moscow on Nov. 24 and information contained in the note was delivered simultaneously to the British Government.

On Dec. 3 it was made known by the State Department that Russia has rejected the request of the United States that allied troops be withdrawn from Iran by Jan. 1, the Russians stating that they do not find it possible to accede to the request.

This development came, the Associated Press reported from Washington, Dec. 3, after dispatches from Teheran told how the Iranian Government was petitioning Moscow for permission to transport Iranian troops into Azerbaijan Province, where armed rebel groups were reported to have seized police and Government officials. The Press advices added.

Previously the Russians had turned down a Teheran request that troops be allowed to enter the province and had warned that the presence of more Iranian troops there might increase fighting and bloodshed.

The United States has been especially anxious to find out whether in Russian activities there has been denial of the rights of the Iranian Government to exercise sovereign authority over its own territory, to maintain law and order and to send troops wherever necessary within its own borders.

It is presumed, the Associated Press stated, that the withdrawal date for both British and Russian troops still stands at March 2, but President Truman is said to be intent upon the United States' withdrawal of all its troops by Jan. 1.

The text of the State Department announcement on the note delivered to the Soviet Government in connection with Iran, as contained in Associated Press advices from Washington, said in part:

The American Ambassador in Moscow, acting under instructions from the Secretary of State, delivered a note to the Soviet Government on Nov. 24 concerning the situation in Iran. The proposal concerning withdrawal of all foreign troops from Iran contained in this note has also been made simultaneously to the British Government.

The note to the Soviet Government reads taxtually as follows:

The Government of Iran has informed the Government of the United States that armed uprisings have taken place in areas of northern Iran where Soviet troops are stationed; that the Iranian Government has directed certain of its armed forces to enter those areas for the purpose of re-establishing internal security and its own authority; that Soviet military commanders have refused to permit these forces to proceed; and that consequently the Iranian Government has not been able to carry out its responsibility for the maintenance of peace and order in Iranian territory.

It will be recalled that on Dec. 1, 1943, Marshal Stalin, Prime Minister Churchill and President Roosevelt signed in Teheran a declaration in which they stated that their Governments were "as one with the Government of Iran in their desire for the maintenance of the independence, sovereignty and territorial integrity of Iran." This Government has entire confidence that the Governments of the Soviet Union and Great Britain are just as zealous as the Gov-

ernment of the United States meticulously to abide by the assurances contained in this declaration.

The Government of the United States has already reduced its forces in Iran during the present year from a maximum strength of approximately 28,000 to less than 6,000.

There are no American combat troops in Iran. Those who remain are engaged in activities exclusively of a service nature connected with the liquidation and disposal of military supplies and the operation of certain important communications connected with demobilization. While the immediate withdrawal of these troops will cause considerable inconvenience to this Government, nevertheless instructions are being issued to the American military authorities in Iran to take immediate steps to effect the complete withdrawal of all American forces from Iran by Jan. 1, 1946. This Government proposes that the British and Soviet Governments issue similar instructions to their commanders and that arrangements be made immediately for the complete withdrawal of all foreign troops from Iran by Jan. 1, 1946.

Nations such as Iran were encouraged at the United Nations Conference at San Francisco to place full trust in the friendly intentions and goodwill of the permanent members of the Security Council. The Government of the United States is confident that the Soviet Union and Great Britain are no less anxious than the United States, in dealing with nations such as Iran, to follow a line of action which will make it clear that the trust of these nations in the permanent members of The Security Council has not been misplaced.

Similar proposals are being made to the British Government.

## Austrian Currency Stabilization Sought

It was reported from Vienna on Dec. 1 that a law had been passed by the Austrian Government for the purpose of putting the country back on a schilling basis, with the "entire Austrian national wealth" backing the new currency after Dec. 12; the Associated Press reported, adding:

Between Dec. 13 and 20 Austrians will be obliged to return to banks all German mark notes of 10 marks or more and all Allied military currency of 10 schillings and more.

Austrians are to be allowed to collect only 150 schillings per person of the new money to be issued by the Austrian National Bank at the time of exchange and are to be limited to withdrawals of 150 schillings a month thereafter. These limitations are designed to cut down the tremendous amount of money in circulation.

German reichsmarks and Allied occupation currency in denominations of 10 marks or schillings and above will no longer be legal tender after Dec. 20.

Only smaller denominations and German coins not in circulation and schillings to be issued by the national bank are to be accepted.

The schilling quoted currently at the equivalent of 10 cents although on the Black Market it is quoted at 3½ cents.

The new law does not apply to Allied military personnel.

## The Financial Situation

(Continued from first page)

have either been repaid by virtue of the victory over our enemies, or we shall never be. Britain could not if she would repay any very substantial part of such a sum. The late President Roosevelt was wont to boast that the Lend-Lease arrangement had "taken the dollar sign off" our aid to our Allies in this war. He was right, of course, although a more prosaic way to say the same thing would have been to assert simply that we were giving these things away. At any rate, we have apparently decided not to add these astronomical sums to those which are owed us as a result of World War I and long in default, principal and interest.

We should, however, be rather rash to assume that we are not now adding some \$4,400,000,000 to the billions Britain already owes us—with about the same prospects of being repaid. What we have in mind in making such a statement has nothing to do with what is ordinarily known as willingness to pay. It goes much deeper than that. Performance under the contract now proposed requires, first of all, a much more rigorous economy than Britain has had for many a year. It likewise is dependent upon a willingness to sacrifice through a good many years in order to meet such payments—since under any reasonably foreseeable circumstances the drain of such payments will be great. To go one step further, and in perfect candor, it requires that the British people take great pains not to do what Mr. Churchill the other day said that the Labor Government was doing—crippling the economy, or at the least impeding it seriously, by efforts to carry into effect the social theories of a number of "advanced thinkers" in that country. Such a course on the part of the British as Mr. Churchill fears would almost certainly result in our financing the socialist movement in Great Britain in the post-war years to come.

### Past Accumulations

Britain for decades on end, prior even to World War I, had been living in very substantial part upon accumulations of the past invested in other parts of the Empire and in foreign lands. Many, many years have elapsed since the people of the United Kingdom have maintained themselves by their own exertions at home. Loss of foreign investments and the curtailment of income therefrom in the post-war years may well have been exaggerated by Britishers intent upon driving a good bargain with the United States, but the loss is substantial, and the war dam-

ages at home have patently been tremendous. A country in the position in which Britain now finds herself—to put the truth bluntly—is not ordinarily considered a particularly good credit risk in any event. This simple fact at times appears not to have dawned upon the consciousness of the Britisher, who selects and approves a Government whose program is scarcely designed to encourage the productivity and social thrift essential to meet such obligations as those now apparently about to be assumed.

But in a number of other ways the policies both of Britain and the United States are not such as to improve the probability that this debtor of ours will be able to meet her obligations. About one-third of the foreign trade of the United Kingdom before World War II was with the other countries of Europe, practically altogether with the continent of Europe excluding Russia. The proportion would be much larger if "invisible items" were included. Notwithstanding all the loose talk about markets and other "opportunities" elsewhere, the fact is that it is difficult to conceive of even a moderately prosperous Britain with the continent of Europe on its back. The fact is that Britain can ill afford the destruction of industrial Germany or the Balkanization of central Europe. Yet some such result appears to be the conscious policy of the United States, the creditor, and of the United Kingdom, the debtor.

### Inflation!

Another aspect of such loans—now wholly neglected—cries for consideration. There are large accumulated deficiencies of many types of goods in this country. Over against this fact stands a huge back-log of what is popularly known as "liquid savings" in the hands of individuals. We have almost incredibly enlarged the supply of money in the hands of the public. Every day some Government functionary, Mr. Bowles or some other, loudly warns about this situation, and usually adds that with this over-supply of money and under-supply of goods, "inflation" is about to reach out and swallow us all. Yet at the same moment we are told by others in Washington that it is good business for us to supply foreign peoples with almost incredible amounts of further American money in order that they may come into our markets for goods—and thus further enrich us! There is evidently something wrong in this picture.

All this, needless to say, is

## House Votes to Extend War Powers

By unanimous voice vote on Dec. 3 the House passed legislation to extend most of the provisions of the Second War Powers Act until June 30, 1946, according to Associated Press Washington advices. The powers thus extended, including rationing and priorities over scarce materials, would otherwise have expired the end of this year. The measure, which has been sent on for Senate consideration, seeks to end immediately the Government's power to seize real estate before starting condemnation proceedings. The powers which the bill would extend for six months are, according to the Associated Press:

"Emergency powers of the Interstate Commerce Commission over coastal water carriers and motor vehicles.

"Priorities powers, including rationing (now limited to sugar); allocation and conservation of scarce materials, and commitments to supply foreign nations with materials.

"Authorization of the Federal Reserve banks to buy up to \$5,000,000,000 of Government obligations.

"Waiver of navigation and inspection laws.

"Exemption of part-time Government employes from provisions of the Hatch Act, which prohibits Federal employes from engaging in political activity.

"Acceptance of gifts made directly to the Government for furtherance of the war effort, with an amendment confirming the acceptances to gifts made for the benefit of members of the armed forces.

"The collection and exchange of various statistical information among various branches of the Government."

### Air-Mail to Dutch Indies

Postmaster Albert Goldman announced on Dec. 8 information has been received from the Post Office Department at Washington that air-mail service, limited to letters not exceeding 1 ounce and post cards, is authorized to the Netherlands Indies. The postage rate is 70 cents per half-ounce or fraction. The advices added:

Service by the ordinary means is not yet available. Articles may not be registered or sent special delivery.

The Netherlands Indies include Bali, Banka, Billiton, Netherlands Borneo, Celebes, Java, Little Soenda (Sunda), Madura, Moluccas (Molokues), Rhio (Riouw), Sumatra, Netherlands Timor, and Netherlands New Guinea.

without reference to the humanitarian aspect of the post-war situation. Large sections of the earth and many peoples through no fault of their own have suffered far beyond anything previously known to living persons. They are urgently in need of assistance. It is difficult to see how some of them can again within the foreseeable future care for themselves even reasonably well no matter what the effort without some aid in getting started again. The degree in which with reasonable assistance they are likely to be able to repay their benefactors naturally varies widely. There are elements in this situation which must be judged by other than purely business considerations, but "mixing charity with business" is as bad in international affairs as it is in private life.

## "Freezing" Controls Relaxed by Treasury Dept.

Secretary of Treasury Vinson Announces That Blocked Funds of Principal Countries, Except Portugal, Sweden, Spain, Germany, and Japan, Will Be Released. Permits Resumption of Normal Financial and Commercial Relations, and the Financing of Transactions in the United States.

A sweeping relaxation of the freezing control was announced on Dec. 6 by Secretary Vinson. Under General License No. 94, which goes into effect Dec. 7, all countries except Portugal, Spain, Sweden, Switzerland, Liechtenstein, Tangier and, of course, Germany and Japan, will hereafter be treated in practically all respects as non-blocked countries under the freezing Order. All controls are removed over current transactions.

with the countries covered by the new general license. Americans may hereafter engage in financial and commercial transactions with persons in these countries as freely as with persons in Great Britain, Canada, or other countries of the Western Hemisphere. However, existing blocked accounts of persons within the licensed countries are not freed by this license.

The Treasury action did not change the status under the freezing order of Portugal, Spain, Switzerland, Sweden and Liechtenstein. These countries cannot be accorded the privileges being made available to other countries until they have taken effective action to search out, immobilize, and control all enemy assets within their jurisdiction, and until a satisfactory solution has been reached concerning the disposition of these enemy assets.

Treasury officials explained that controls over existing blocked accounts of persons within the licensed countries remain in effect for the time being in order to ensure that camouflaged enemy assets are not released. General licenses have already been issued to France and Belgium which provide for the certification by French and Belgian authorities of blocked property after their investigation has shown that the property is actually French or Belgian owned.

Property so certified is no longer regarded as blocked property. Negotiations similar to those which preceded the issuance of the general licenses to France and Belgium are under way with other liberated countries. It is expected that licenses will shortly be issued to provide for the certification and release of their property. Blocked Italian, Bulgarian, Hungarian and Rumanian property is in a separate category because of the declaration of war by the United States against those countries.

The Secretary emphasized that this general license permits the immediate resumption of normal financial and commercial relations with the licensed countries so far as the freezing regulation are concerned. United States banking facilities may be used to finance all transactions between the licensed countries and between these countries and any non-blocked countries. Financial instruments and documents, currency and securities, and instructions relating to property interests may be sent to the licensed countries. Persons in those countries may buy and sell dollar exchange and exchange of the countries may be freely dealt in by persons in the United States. No limitations remain on the amount of money that may be remitted to the licensed countries nor on the purpose or method of the remittances.

In addition to having the unrestricted use of all dollar assets hereafter accruing, persons in the licensed countries may also use their presently blocked accounts for any purposes authorized under outstanding Treasury licenses without having to effect such transactions in any prescribed manner.

Most of the restrictions imposed on securities by the freezing order are removed with respect to the licensed countries and their nationals. Securities are no longer subject to freezing con-

controls merely because they bear the stamp of any of the licensed countries. Securities accounts of financial institutions within the licensed countries are no longer subject to General Ruling No. 17. However, securities imported from most foreign countries are still subject to General Ruling No. 5.

Tangier is not for the present one of the licensed countries, since the provisional international regime in Tangier has only recently been established and is currently investigating problems relating to the control and disposition of enemy interests.

The effective date of General License No. 94, it is pointed out, is Dec. 7, 1945, except that for France and Belgium it is, respectively, Oct. 5 and Nov. 20, the dates on which the French and Belgian defrosting licenses were issued.

## San Francisco Chamber Elects B. Wilbur Pres.

Brayton Wilbur, President of Wilbur-Ellis Company, was elected on Dec. 4 as president of the San Francisco Chamber of Commerce; he will take office Jan. 1. Mr. Wilbur, who was the Chamber's First Vice President, succeeds Henry F. Grady, who was the 1945 President. Carl J. Eastman, Vice President, N. W. Ayer & Son, Inc., was elected First Vice President of the Chamber.

John E. Pickett, editor, Pacific Rural Press, was elected Second Vice President. George G. Montgomery, Vice President, Castle & Cooke, Ltd., was elected third Vice President. Louis B. Lundborg, general manager of the Chamber, was re-elected Fourth Vice President.

J. Frank Barrett, partner, Barrett & Hilb, was elected Treasurer, and Belford Brown, recent President, San Francisco Junior Chamber of Commerce, Assistant Treasurer, and M. A. Hogan, Secretary.

## Occupying Forces in Korea to Unify

It was reported on Dec. 1 that the United States and Russia were negotiating for the elimination of the artificial barriers existing between their occupying forces in Korea in control of the areas each is responsible for. The Russians occupy all of Korea north of the 38th degree of latitude, while the Americans are in charge of the southern sector. The American 24th Corps Commander, Lieut. Gen. John R. Hodge, stated, according to Associated Press advices from Seoul, that the "problems to be negotiated include the opening of communications, unification of the economic life of Korea and the exchange of goods and freedom of travel between the two zones." Gen. Hodge said that earlier authorized negotiations with Russian commanders in northern Korea had not been successful, probably because the Russian commanders were not given broad enough powers, and he added that he hoped the present negotiations would bring results to alleviate as soon as possible the distress and inconvenience which Korean people are suffering from the artificial division of their country.

## Six Pressing Economic Problems Posed by NAM

Maximum Production, A Proper Distribution of Its Benefits, and Equality of Economic and Political Power Must Be Achieved, Board of Directors States.

Six great economic problems which must be solved as a "background for social action" were stated by the Board of Directors of the National Association of Manufacturers and first presented on Dec. 6 at its Golden Anniversary Congress of American Industry.

The statement was presented to the Congress of American Industry by Cloud Wampler, President, Carrier Corp. and Vice-Chairman of NAM's Public Relations Policy Committee.

The problems are:

"How can we, as a nation, achieve maximum production of what the public wants at prices which will assure that production will be continued on a steady upward trend, and not on a roller-coaster pattern?"

"How can we, as a nation, make certain that the upward trend of production of goods and services will be sufficient to provide jobs for all who want to work?"

"How can we, as a nation, assure that the benefits of increasing production will be properly shared among workers, consumers, and investors?"

"How can we, as a nation, prevent suffering among those of our people who, through no fault of their own, are unable to take care of themselves?"

"How can we, as a nation, preserve the opportunity for the individual to progress and prosper in keeping with his ability and effort?"

"How can we, as a nation, make sure that no one group gains economic or political power to the detriment of the people as a whole?"

The NAM statement does not profess to "know how all these are to be solved," but it declares, "they must be solved in wholehearted cooperation with the other groups of the nation." The statement continued:

"In the field of industry where NAM has special responsibility, its answers make "increased productivity" and "free competition" the tests of all its relations with labor, with Government and with the public.

As NAM expresses it in the statement:

"Free competition is democracy's way of regulating an economic system without tyranny. Under free competition men offer their goods and services in the market place, and the buyer and seller arrive at a fair price in the light of their own ideas of value. Under free competition, and only under free competition, is the public able to reward that enterprise which serves it best, and, through refusing to buy, discipline those who do not meet its desires. No government can so well decide as the people themselves what and when to buy and sell, how much and at what price.

"The only system of economic organization that has conclusively demonstrated its ability to provide a continually rising standard of material well-being in an environment of political freedom is a system of free, competitive enterprise, such as that developed in the United States, within the political framework of a representative democracy.

"The National Association of Manufacturers on behalf of the management of American industry reaffirms its faith in this system and proclaims its determination to see that in the years ahead this system renders still greater service to our country and to all its people."

### Parcels for Philippines

In view of the large number of parcel post packages for the Philippine Islands which are being presented at the post office for mailing as insured parcels, Postmaster Albert Goldman desires to remind patrons that fourth-class or parcel post mail addressed for delivery in the Philippine Islands cannot be insured.

## Priority to Veterans In Housing Shortage Urged by R. E. Boards

Approval of a program to give veterans and their families priority in obtaining living quarters during the present housing shortage was registered on Nov. 30 by the National Association of Real Estate Boards at their annual convention at French Lick, Ind.

The three-point plan presented by Herbert U. Nelson, Executive Vice President of the association, according to Lee Cooper, in special advices from French Lick to the New York "Times," would permit landlords to evict present tenants on 30 days' notice upon expiration of leases to make way for a veteran as the new occupant of an apartment or home, would give ex-service men the right to immediate recovery of use of housing which they had rented to others during their absence on military duty, and would give the veteran a 30-day priority on purchase of new homes.

From the account to the "Times" we also quote in part:

The 30-day eviction plan, according to an estimate presented by Mr. Nelson, might affect tenancy in about 700,000 rented dwelling units in the country.

Taking the stand that residential rent control had disorganized our real-estate economy, smothered the building industry and discouraged the creation of new housing, the Association of Real Estate Boards went on record as favoring the elimination of control as rapidly as possible and the removal of all restrictions on new residential construction.

In a new statement of policy adopted at the closing business session of its annual convention, the association expressed the view that present limitations on rents were contributing substantially "to the inflation of prices by artificially exaggerating the existing shortages" and thus resulting in high premium payments for any space that might be immediately available.

The realty men also called for decentralization of rent regulation to give area directors greater discretion in recognizing local conditions and suggested that higher rentals be permitted to cover deferred maintenance and increase labor and material costs.

They adopted a resolution in opposition to the Patman bill and other proposals to put a ceiling on real-estate sales prices as a check on inflation, contending that the threat of price restrictions was contributing to the housing shortage by holding up building plans.

"The home construction industry is so complex that any attempt to establish price controls would be entirely unworkable and would result only in greater impediments to the efforts of builders," the resolution said.

The association again voiced its opposition to the Wagner-Ellender-Taft Housing Bill on the ground that it was essentially a public housing measure and would be "harmful to our private economy."

It asked the Federal Government to help bring housing costs down by "putting a stop to restrictive practices by labor unions and others."

"Monopolistic practices exist not only in the labor unions, but often, through collusion, in the manufacturing and distribution fields as well, and also are embodied in some building codes," it was stated in a resolution approved by the convention. These practices, the resolution added, were "clearly against the spirit, if not the letter of our anti-trust laws."

On Nov. 29 the advices to the "Times" from French Lick said in part: Government policies affecting real estate and builders, particularly rent control as administered by the Office of Price

## ABA Agricultural Commission Program

Initiating its program for service to country banking in 1946 the Agricultural Commission of the American Bankers Association held its annual fall meeting in Omaha, Neb., Nov. 15-17. It had as its guests members of the A. B. A. Legislative Subcommittee on Agricultural Credit and officers and members of the committees on agriculture of six neighboring states, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, and South Dakota. Completing its three days' deliberations, it set up machinery to enlarge its services to country banks and to carry out its program through eight working committees. Altogether more than 50 country bankers and association representatives were present from 19 states. The functions of the Agricultural Commission have been described as those having to do with the services of banks on the outside of the counter as distinguished from the operations of the banks on the inside of the counter, which are the special interest of the A. B. A. Commission on Country Bank Operations. And the program of the Agricultural Commission followed generally the pattern indicated by this definition.

The three days' gathering was devoted to informal round table discussion of such topics as the importance of soil conservation and improvement to the community and nation, and ways in which bankers and bank credit can be used to help farmers put necessary measures into practice more efficient farm lending methods, better merchandising of farm credit services, ways in which more effective use can be made of the county key banker organization, expansion of the 1,000 Point Rating Program, developing the work among 4-H Clubs and Future Farmers of America, ways in which to get across the story of country bank service trends in farm land prices and their significance to banks, farm credit legislation, etc.

Out of these discussions grew the eight committees appointed to carry out the commission's program. These committees are: Soil Conservation, W. W. Campbell, President, National Bank of Eastern Arkansas, Forrest City, Ark., Chairman; Farm Land Price Situation, Jesse W. Tapp, Vice-President, Bank of America N. T. & S. A., San Francisco, Calif., Chairman; 1,000 Point Rating Program, Robert N. Downie, President, Fidelity State Bank, Garden City, Kans., Chairman; County Key Bankers, Charles T. O'Neill, Vice-President and trust officer, National Bank and Trust Company, Charlottesville, Va., Chairman; Youth Activities, Warren Garst, Cashier, Home State Bank, Jefferson, Iowa, Chairman; Efficient Farm Lending Methods and Merchandising Farm Credit Services, Otis A. Thompson, President, National Bank and Trust Company, Norwich, N. Y., Chairman, and Dr. Van B. Hart, Extension Professor in Farm Management, New York State College of Agriculture, Cornell University, Ithaca, N. Y., Adviser. The seventh committee, Outside Farm Programs and In-

Administration were criticized today by leaders of the National Association of Real Estate Boards at the annual convention.

Van Holt Garrett of Denver, retiring president, called on the members to get more actively into politics "to see that Senators and Congressmen are elected who are truly representative of all the people and of property owners."

"We no longer have representative government in this country but one dominated by a few labor leaders, notably CIO," Mr. Garrett declared at the conclusion of his annual report. He denounced the present system as being unfair to real estate.

vidual Bank Activities, will be co-chairmanned by four members of the Commission. They are: E. L. Boston, President, First National Bank, Angleton, Texas; Oluf Gandrud, President, Swift County Bank, Benson, Minn.; William C. Christensen, President, Commercial National Bank, Hillsboro, Ore., and J. P. Culpepper, Vice-President and Cashier, Bank of Alapaha, Alapaha, Ga. A Committee on Commodity Credit Corporation Loans will be co-chairmanned by Frank R. McGeoy, Jr., President, Bank of Greenwood, Greenwood, Miss., and John H. Crocker, Vice-President, Citizens National Bank, Decatur, Ill. The chairmen of these eight committees will select their members to work with them.

## Cotton Crop Report As of December 1

A 1945 cotton crop for the United States of 9,195,000 bales of 500 pounds gross weight is estimated by the Crop Reporting Board, based upon information as of Dec. 1. This is a decrease of 173,000 bales from the Nov. 1 forecast, and compares with 12,230,000 bales produced in 1944 and the 10-year (1934-43) average of 12,293,000 bales. The lint yield per acre for the United States, computed at 249.6 pounds, is 43.9 pounds less than the record yield of 1944, but 18.6 pounds above the 10-year average.

Cotton in cultivation on July 1, estimated at 18,157,000 acres, is 11 percent less than a year earlier, 31 percent below the 10-year (1934-43) average, and 61 percent below the 1925 record of 45,968,000 acres. Abandonment was heavy this year in Oklahoma and above average in Texas and the States bordering the Mississippi River, where spring rains and floods delayed planting. Abandonment of 2.6% left only 17,688,000 acres for harvest—the smallest since 1884.

Frequent and prolonged rainy periods during the growing season produced excessive plant growth, greatly increased weevil damage, and slowed maturity of bolls. Extremely late planted cotton was further handicapped, and production prospects now show a decline of 939,000 bales from indications on Aug. 1. Rains and unopen bolls generally held up picking through early October, and the rate of ginning was exceedingly slow up to that time. From mid-October through November, however, the weather was favorable for picking and ginnings were greatly accelerated. Despite this belated activity, only 82% of the crop had been ginned to Dec. 1, compared with the 10-year average of 93%.

The crop is especially late in Arkansas, Missouri, and Tennessee, where less than two-thirds of the crop had been ginned by Dec. 1. Late fall weather was very favorable in South Carolina and Georgia, and in those States prospective production showed some increases from a month ago. These gains, however, did not offset moderate reductions in Texas, Arkansas, and Missouri, where the lateness of the crop and incomplete picking caused further losses. Slight reductions were also indicated in the far Western States.

Ginnings from the 1945 crop prior to Dec. 1 totaled 7,384,351 bales, according to the Bureau of the Census, compared with 10,272,672 in 1944 and 10,560,109 bales in 1943.

Cottonseed production from the 1945 crop, placed at 3,703,000 tons, is 24% less than produced in 1944, and 28% below the 10-year average. Reports from cotton ginners indicated 62.7 pounds of cottonseed for each 37.3 pounds of lint, compared with 62.5 pounds of cottonseed to 37.5 pounds of lint for the previous year.

# Financial Agreement Between United States and United Kingdom

Agreement Would Establish a Line of Credit of \$3,750,000,000, Available to Be Drawn on Until Dec. 31, 1951. Interest at 2% Is to Start in Five Years, and It, Together With Principal, Is to Be Repaid in 50 Annual Installments Thereafter. Waiver of Interest Payments Under Specified Conditions Is Provided. Great Britain Agrees to Terminate the Sterling Area Dollar Pool Within a Year. The Two Nations Will Refrain From Discriminating Against Imports From Each Other.

Following is text of agreement under which the United States will establish a credit of \$3,750,000,000 for the United Kingdom:

It is hereby agreed between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland as follows:

**1. Effective date of the Agreement.** The effective date of this Agreement shall be the date at which the Government of the United States notifies the Government of the United Kingdom that the Congress of the United States has made available the funds necessary to extend to the Government of the United Kingdom the line of credit in accordance with the provisions of this Agreement.

**2. Line of Credit.** The Government of the United States will extend to the Government of the United Kingdom a line of credit of \$3,750,000,000 which may be drawn upon at any time between the effective date of this Agreement and Dec. 31, 1951, inclusive.

**3. Purpose of the line of credit.** The purpose of the line of credit is to facilitate purchases by the United Kingdom of goods and services in the United States, to assist the United Kingdom to meet transitional post-war deficits in its current balance of payments, to help the United Kingdom to maintain adequate reserves of gold and dollars, and to assist the Government of the United Kingdom to assume the obligations of multilateral trade, as defined in this and other agreements.

**4. Amortization and interest.** (i) The amount of the line of credit drawn by Dec. 31, 1951, shall be repaid in 50 annual installments beginning on Dec. 31, 1951, with interest at the rate of 2% per annum. Interest for the year 1951 shall be computed on the amount outstanding on Dec. 31, 1951, and for each year thereafter, interest shall be computed on the amount outstanding on Jan. 1 of each such year.

Forty-nine annual installments of principal repayments and interest shall be equal, calculated at the rate of \$31,823,000 for each \$1,000,000,000 of the line of credit drawn by Dec. 31, 1951, and the fiftieth annual installment shall be at the rate of \$31,840,736.65 for each such \$1,000,000,000. Each installment shall consist of the full amount of the interest due and the remainder of the installment shall be the principal to be repaid in that year. Payments required by this section are subject to the provisions of section 5.

(ii) The Government of the United Kingdom may accelerate repayment of the amount drawn under this line of credit.

**5. Waiver of interest payments.** In any year in which the Government of the United Kingdom requests the Government of the United States to waive the amount of the interest due in the installment of that year, the Government of the United States will grant the waiver if:

(a) the Government of the United Kingdom finds that a waiver is necessary in view of the present and prospective conditions of international exchange and the level of its gold and foreign exchange reserves and

(b) the International Monetary Fund certifies that the income of the United Kingdom from home-produced exports plus its net income from invisible current transactions in its balance of payments was on the average over the five preceding calendar years less than

the average annual amount of United Kingdom imports during 1936-8, fixed at £866 million, as such figure may be adjusted for changes in the price level of these imports. Any amount in excess of £43,750,000 released or paid in any year on account of sterling balances accumulated to the credit of overseas governments, monetary authorities and banks before the effective date of this Agreement shall be regarded as a capital transaction and therefore shall not be included in the above calculation of the net income from invisible current transactions for that year. If waiver is requested for an interest payment prior to that due in 1955, the average income shall be computed for the calendar years from 1950 through the year preceding that in which the request is made.

**6. Relation of this line of credit to other obligations.**

(i) It is understood that any amounts required to discharge obligations of the United Kingdom to third countries outstanding on the effective date of this Agreement will be found from resources other than this line of credit.

(ii) The Government of the United Kingdom will not arrange any long-term loans from governments within the British Commonwealth after Dec. 6, 1945, and before the end of 1951 on terms more favorable to the lender than the terms of this line of credit.

(iii) Waiver of interest will not be requested or allowed under section 5 in any year unless the aggregate of the releases or payments in that year of sterling balances accumulated to the credit of overseas governments, monetary authorities and banks (except in the case of colonial dependencies) before the effective date of this Agreement is reduced proportionately, and unless interest payments due in that year on loans referred to in (ii) above are waived. The proportionate reduction of the releases or payments of sterling balances shall be calculated in relation to the aggregate released and paid in the most recent year in which waiver of interest was not requested.

(iv) The application of the principles set forth in this section shall be the subject of full consultation between the two governments as occasion may arise.

**7. Sterling area exchange arrangements.**

The Government of the United Kingdom will complete arrangements as early as practicable and in any case not later than one year after the effective date of this Agreement, unless in exceptional cases a later date is agreed upon after consultation, under which immediately after the completion of such arrangements the sterling receipts from current transactions of all sterling area countries (apart from any receipts arising out of military expenditure by the Government of the United Kingdom prior to Dec. 31, 1948, to the extent to which they are treated by agreement with the countries concerned on the same basis as the balances accumulated during the war) will be freely available for current transactions

in any currency area without discrimination; with the result that any discrimination arising from the so-called sterling area dollar pool will be entirely removed and that each member of the sterling area will have its current sterling and dollar receipts at its free disposition for current transactions anywhere.

**8. Other exchange arrangements.**

(i) The Government of the United Kingdom agrees that after the effective date of this Agreement it will not apply exchange controls in such a manner as to restrict (a) payments or transfers in respect of products of the United States permitted to be imported into the United Kingdom or other current transactions between the two countries or (b) the use of sterling balances to the credit of residents of the United States arising out of current transactions. Nothing in this paragraph (i) shall affect the provisions of Article VII of the Articles of Agreement of the International Monetary Fund when those Articles have come into force.

(ii) The Governments of the United States and the United Kingdom agree that not later than one year after the effective date of this Agreement, unless in exceptional cases a later date is agreed upon after consultation, they will impose no restrictions on payments and transfers for current transactions. The obligations of this paragraph (ii) shall not apply:

(a) to balances of third countries and their nationals accumulated before this paragraph (ii) becomes effective; or

(b) to restrictions imposed in conformity with the Articles of Agreement of the International Monetary Fund, provided that the Governments of the United Kingdom and the United States will not continue to invoke the provisions of Article XIV, Section 2 of those Articles after this paragraph (ii) becomes effective, unless in exceptional cases after consultation they agree otherwise; or

(c) to restrictions imposed in connection with measures designed to uncover and dispose of assets of Germany and Japan.

(iii) This section and section 9, which are in anticipation of more comprehensive arrangements by multilateral agreement, shall operate until Dec. 31, 1951.

**9. Import arrangements.** If either the Government of the United States or the Government of the United Kingdom imposes or maintains quantitative import restrictions, such restrictions shall be administered on a basis which does not discriminate against imports from the other country in respect of any product; provided that this undertaking shall not apply in cases in which (a) its application would have the effect of preventing the country imposing such restrictions from utilizing, for the purchase of needed imports, inconvertible currencies accumulated up to Dec. 31, 1946, or (b) there may be special necessity for the country imposing such restrictions to assist, by measures not involving a substantial departure from the general rule of non-discrimination, a country whose economy has been disrupted by war, or (c) either government imposes quantitative restrictions having equivalent effect to an exchange restriction which that government is authorized to impose in conformity with Article VII of the Articles of Agreement of the International Monetary Fund. The provisions of this section shall become effective as soon as practicable but not later than Dec. 31, 1946.

**10. Accumulated sterling balances**

(i) The Government of the United Kingdom intends to make agreements with the countries concerned, varying according to the circumstances of each case, for an early settlement covering the sterling balances accumulated by

sterling area and other countries prior to such settlement (together with any future receipts arising out of military expenditure by the Government of the United Kingdom to the extent to which they are treated on the same basis by agreement with the countries concerned). The settlements with the sterling area countries will be on the basis of dividing these accumulated balances into three categories (a) balances to be released at once and convertible into any currency for current transactions, (b) balances to be similarly released by installments over a period of years beginning in 1951, and (c) balances to be adjusted as a contribution to the settlement of war and post-war indebtedness and in recognition of the benefits which the countries concerned might be expected to gain from such a settlement. The Government of the United Kingdom will make every endeavor to secure the early completion of these arrangements.

(ii) In consideration of the fact that an important purpose of the present line of credit is to promote the development of multilateral trade and facilitate its early resumption on a non-discriminatory basis, the Government of the United Kingdom agrees that any sterling balances released or otherwise available for current payments will, not later than one year after the effective date of this Agreement, unless in special cases a later date is agreed upon after consultation, be freely available for current transactions in any currency area without discrimination.

**11. Definitions.**

For the purposes of this Agreement:

(i) The term "current transactions" shall have the meaning prescribed in Article XIX (i) of

the Articles of Agreement of the International Monetary Fund.

(ii) The term "sterling area" means the United Kingdom and the other territories declared by the Defense (Finance) (Definition of Sterling Area) (No. 2) Order, 1944, to be included in the sterling area, namely "the following territories excluding Canada and Newfoundland, that is to say—

- (a) any Dominion,
- (b) any other part of His Majesty's dominions,
- (c) any territory in respect of which a mandate on behalf of the League of Nations has been accepted by His Majesty and is being exercised by His Majesty's Government in the United Kingdom or in any Dominion,
- (d) any British protectorate or protected State,
- (e) Egypt, the Anglo-Egyptian Sudan and Iraq,
- (f) Iceland and the Faroe Islands.

**12. Consultation on Agreement.**

Either government shall be entitled to approach the other for a reconsideration of any of the provisions of this Agreement, if in its opinion the prevailing conditions of international exchange justify such reconsideration, with a view to agreeing upon modifications for presentation to their respective legislatures.

Signed in duplicate at Washington, District of Columbia, this 6th day of December, 1945.

For the Government of the United States of America,

Secretary of the Treasury,

(s) FRED M. VINSON,

For the Government of the United Kingdom of Great Britain and Northern Ireland

(s) HALIFAX

His Majesty's Ambassador Extraordinary and Plenipotentiary at Washington.

## Joint Statement by U.S. and United Kingdom on Commercial Policy

The Two Governments Agree to Call an International Conference on Trade and Employment, at Which They Will Further Definitive Measures for the Relaxation of Trade Barriers of All Kinds.

The Secretary of State of the United States made public on Dec. 6 a document setting forth certain "Proposals for Consideration by an International Conference on Trade and Employment." These proposals have the endorsement of the Executive branch of the Government of the United States and have been submitted to other governments as a basis for discussion preliminary to the holding of such a conference.

Equally, the Government of the United Kingdom is in full agreement on all important points in these proposals and accepts them as a basis for international discussion; and it will, in common with the United States Government, use its best endeavors to bring such discussions to a successful conclusion, in the light of the views expressed by other countries.

The two Governments have also agreed upon the procedures for the international negotiation and implementation of these proposals. To this end they have undertaken to begin preliminary negotiations at an early date between themselves and with other countries for the purpose of developing concrete arrangements to carry out these proposals, including definitive measures for the relaxation of trade barriers of all kinds.

These negotiations will relate to tariffs and preferences, quantitative restrictions, subsidies, State trading, cartels, and other types of trade barriers treated in the document published by the United States and referred to above. The negotiations will proceed in accordance with the principles laid down in that document.

## Porter Heads AIB Debate Committee

Stephen O. Porter of The Riggs National Bank, Washington, D. C., has been appointed chairman of the National Debate and Public Speaking Committee of the American Institute of Banking, educational section of the American Bankers Association, it was announced on Dec. 5 by A. I. B. President David T. Scott. Mr. Porter succeeds Lewis G. Corder of the Corn Exchange National Bank and Trust Company, Philadelphia, Pa., who resigned as Chairman of the National Committee because of illness in his family. Mr. Porter won the National Public Speaking Contest for the A. P. Giannini Educational Endowment Prizes at the annual meeting of the A. I. B. Executive Council in Cleveland, Ohio, last June. As Chairman of the National Debate and Public Speaking Committee he will arrange locations and select chairmen for the eight district public speaking contests to be held between April 20 and May 4, next. Winners from these eight contests will compete in the National Public Speaking Contest, which will be held in Cincinnati, Ohio, June 11, at the Institute's national convention, according to President Scott, who is with The First National Bank of Boston.

### Catholic Bishops Deplore World Conditions

At the conclusion of the annual meeting of the administrative board of the National Catholic Welfare Conference in Washington, on Nov. 17 the Catholic Bishops of the United States issued a statement accusing the Soviet Union of disregarding the Atlantic Charter and of imposing its sovereignty in the Balkans; the statement criticized the United Nations Organization charter for failing to provide "for a sound, institutional organization of the international society." However, the Bishops conceded, "our country acted wisely in deciding to participate in this world organization. It is better than world chaos." The statement went on to say:

From the provision in the charter for calling a constituent assembly in the future, there comes the hope that in time the defects may be eliminated and we may have a sound, institutional organization of the international community, which will develop not through mere voluntary concessions of the nations but from the recognition of the rights and duties of international society.

The statement, which bore the title "Between War and Peace," also, had the following to say:

A first step toward effective negotiation for peace is to have a plan. A good plan states principles in terms of all the specific questions at issue. Instead, so far we have compromised and sought to make mere piecemeal settlements. Instead of honest, promising discussion even on diverging plans, we are witnessing a return of the tragedy of power politics and the danger of balance of power arrangements which, with the substitution of mere expediency for justice, have begotten

war after war. We must indeed aim at collaborating with all of our allies in the making of a good peace. There are, however, concessions which we dare not make because they are immoral and destructive of genuine peace.

Declaring that "ours is a grave responsibility," the hierarchical group asserted in conclusion, according to the Associated Press report from Washington, Nov. 17:

"The heart and hand of America are called upon in a way that is unique, not only in the history of our country but even in the annals of mankind. We know that democracy is as capable of solving the admittedly difficult problems of peace as it has shown itself in war. We must be true to ourselves. We must hold fast to our own free institutions. We must resolutely oppose the few among us who are trying to sabotage them. We may well pity those who in their half-veiled sympathy for totalitarianism are playing with the thought that perhaps in this great emergency its day is at hand. On bended knees let us ask God in His blessed Providence to help us to be the vigorous champion of democratic freedom and the generous friend of the needy and oppressed throughout the world."

### Senate Passes UNRRA Aid Measure

An appropriation bill to provide \$550,000,000 for the United Nations Relief and Rehabilitation Administration was passed by the Senate, Dec. 5, and, according to the Associated Press in reporting the action from Washington, the measure did not carry the "free press" rider which had been added in the House. However, the rider's sponsor, Representative Clarence J. Brown (R.-Ohio), said that he would try to attach it to another UNRRA measure which the House has since (Dec. 6) passed, a bill authorizing \$1,350,000,000 for the agency in its next fiscal year. Consideration of this measure was started, with a plea from Chairman Sol Bloom (D.-N.Y.), of the Foreign Affairs Committee, according to the Associated Press on Dec. 5 which reported him as follows:

"The nations of the world are hanging upon our action. We must show that we mean to help bind up their wounds and that we will do so without imposing political conditions or extorting concessions as the price of our humanity."

On the other hand, Representative Charles A. Eaton, Republican, of New Jersey, of the committee, declared that "our people are entitled to know where their money goes. We have had only one instrumentality in getting that information—the public press."

Representative Brown's amendment would prohibit use of the funds in countries which deny American reporters free access to news of UNRRA activities there. The House attached it originally to a bill appropriating \$550,000,000 for UNRRA use this fiscal year.

A Senate committee struck the restriction from the \$550,000,000 appropriation, however, and it was this bill that the Senate passed today by voice vote. It now goes back to the House; that chamber may agree to the Senate action or request a conference. Representative Brown told a reporter he did not know that any

effort would be made to re-insert the amendment in that bill.

The \$550,000,000 appropriation is the remainder of the first \$1,350,000,000 authorized by the United States as its 72% share of the relief agency's operating funds. The apportionment was made on the basis of each of the forty-six participating nations contributing 1% of its 1943 income.

As to the House action on Dec. 6 the Associated Press stated:

The House today approved another \$1,350,000,000 for UNRRA with a provision that President Truman try to get American news men admitted freely to countries receiving aid.

Rep. Christian A. Herter (R.-Mass.) said he sponsored the amendment because White Russia and the Ukraine soon would be receiving aid from UNRRA and whether American reporters will be permitted there presents a "serious problem."

Supporting the proposal, Rep. James W. Wadsworth (R.-N.Y.) said it does "not offend." "It does not carry an implied threat," Mr. Wadsworth said, "but lets the world know how we feel about freedom of the press."

Rep. Herter, who recently served as an American representative on the UNRRA council in Europe, emphasized that his amendment took the form of a request and was not mandatory.

It was accepted by Chairman Sol Bloom (D.-N.Y.), of the Foreign Affairs Committee, who had strongly opposed Mr. Brown's proposal.

Rep. Bloom likewise accepted another amendment by Rep. Herter, requesting further concessions from UNRRA-aided countries, and the house adopted it. It directed the U. S. delegate on UNRRA to ask:

"That all countries receiving aid make available to UNRRA any secret trade and barter agreements with other nations;

That each country give UNRRA personnel full freedom to travel and inspect conditions; and

That UNRRA be permitted to keep title to all of its motor transport, equipment and supplies.

### Wagner-Ellender Bill Will Not Answer Present Housing Crisis

The building industry can and will proceed with the most active construction program this nation has even known if it isn't burdened with more Government control and, above all, more Government competition, L. E. Mahan, St. Louis, immediate past President of the Mortgage Bankers Association of America, told members of the Senate Banking and Currency Committee at Washington Dec. 5 testifying in opposition to the revised Wagner-Ellender general housing bill of 1945 (S. 1592). The only thing that will relieve the housing shortage is more houses, Mr. Mahan said, and called on OPA, with the assistance of FHA, to develop a formula of rent restrictions which would encourage active building at once. "I believe that if private enterprise and Government can hold firm at the lending level and all restrictions are lifted on rents for new construction, the present housing shortage should soon be relieved," he said.

In his testimony, Mr. Mahan presented a long detailed statement giving the position of the Mortgage Bankers Association on each individual provision of the involved and complicated legislation. As to the motives stated by the sponsors in the preamble, Mr. Mahan said the Association heartily concurred but that many of the features are unworkable, others are not necessary and the whole legislation deserves further study. He said that according to best estimates the Mortgage Bankers Association represented more than 70% of the available mortgage lending funds in the country exclusive of those of individual lenders.

He expressed unalterable opposition to permanent continuation of the wartime National Housing Agency and said that U. S. financial and insuring agencies ought to be under a top financial agency. He said there is no need to set up a big new research housing agency since the facilities for conducting this work are already established in Washington. Over-lending on real estate, it is true, he continued, is manifesting itself in every area and through many types of lenders because of the pressure to get investment funds working, he continued, but the solution lies at the lending level and not at the price level. He described the provision that contractors be required to furnish a warranty against defects in materials and workmanship as ill-advised. As to the provision calling for 95% FHA mortgages running for 32 years with interest not exceeding 4% Mr. Mahan said he was convinced that 90% should be the top with a maturity not exceeding 25 years at the most; and, further, that the interest must be "sufficient to induce investment funds."

Commenting on those sections devoted to rural housing, Mr. Mahan said that government agencies ought to be required to come to Congress for appropriations rather than have blanket authority to borrow from the RFC, as the legislation appears to empower the Secretary of Agriculture to do, for certain types of farm loans. As to the section empowering local housing authorities to build rental housing projects in rural areas, Mr. Mahan said he thought the bill missed the point entirely. The most critical rural housing problem, he said, was in the field of tenant-operated farms.

The legislation is not the solution to our immediate housing problem, Mr. Mahan concluded, and "attempts to inject into our economy an entirely new phase of thinking with respect to the responsibility of government in housing needs. The provisions, if

### Observations

(Continued from first page) able by the Bretton Woods Organizations through their power to withhold money.

Dispatches from London disclose that the British Government is emphasizing the fact that the agreements carry no specific commitments either for the ending of Imperial Preference or for the scaling down of the United Kingdom's indebtedness to other parts of the sterling area. Hence even England's specified conformation to the professed aims for unrestricted international trade policy must await future negotiation—as well as the exigencies of domestic politics.

Although the Loan Agreement presumably will be ratified, some hard sledding may be encountered in Parliament as well as in our Congress. In England considerable opposition is being stirred up by the "Anti-Gold M.P.s" and others, for reasons such as these:

- (1) It is argued that Britain is called on to abandon her sterling area and dollar pool defenses merely in return for an indefinite prospect of bringing about future world trade conditions that will render these measures unnecessary.
- (2) The necessity of concurrently accepting Bretton Woods "with the gold standard."
- (3) The elimination of Imperial Preference.
- (4) The precipitancy in the demand for Parliamentary approval within a week.
- (5) General sentiment against "tying the British Empire to the tail of the American kite."

These arguments seem to be made completely in vacuo; since when is a hard-pressed debtor (getting a quasi-gift) not dependent on his creditor?

Likewise opposition will no doubt be encountered from sections of our Congress, on grounds such as the following:

- (1) Fear of thus opening a bottomless financial pit for England, as well as for other countries. It may set a precedent for other nations, as Russia, France, Belgium, Holland, Norway, et al., also to present a "unique case."
- (2) Worry over the Loan's safety, particularly in view of the cancellation of Lend-Lease obligations.
- (3) Fear that production will be hindered, and that inability to repay will be accentuated generally by socialistic policies of the Labor Government.
- (4) The low interest rate—1.62%, more or less, but in any event below our Treasury's average borrowing rate of 1.92% on its own obligations.
- (5) The feeling that, pursuant to the thoughts of Mr. Baruch, we should not determine our foreign-subsidy policy until we first made a thorough inventory of our total assets and already-incurred liabilities.

It does not seem to be generally realized that the waiving of interest payments, under certain conditions, is to be determined unilaterally. Interest - postponement will be automatic whenever the International Monetary Fund (under the Bretton Woods agreements) certifies that British exports, plus her invisible income, plus her reserves, do not suffice to bring her imports to the pre-war level of £866 million. It must be realized, in anticipating England's future position, that respecting the invisible items she will have lost revenue from bank-

enacted into law, would create such confusion that new housing would be retarded rather than encouraged."

### Chairmen of Banks And Business Groups Of Hospital Fund

Appointment of committee chairmen for the commercial banks, savings banks, and general business groups of the Beekman-Downtown Hospital Building Fund was announced on Dec. 9 at campaign headquarters, 155 John Street, New York. Frank K. Houston, president of the Chemical National Bank & Trust Co., has accepted chairmanship of the Commercial Banks Committee whose members include Henry C. Brunie, President of the Empire Trust Co.; William Steele Gray, Jr., President of the Central Hanover Bank & Trust Co.; Carl J. Schmidlapp, Vice President of the Chase National Bank, and George Whitney, President of J. P. Morgan & Co., Inc.

John T. Madden, President of the Emigrant Industrial Savings Bank, will head the Savings Banks, Finance, Credit, and Loan Companies Committee along with Edwin A. Berkery, Vice President of the Emigrant Industrial, as Vice Chairman. The General Business and Industry group will be under the chairmanship of Ernest Stauffen, Jr., Chairman of the Trust Committee of the Manufacturers Trust Co.

The Beekman-Downtown Hospital Building Fund campaign seeks to raise \$2,750,000 for a new hospital to be built at William, Beekman and Spruce Streets to replace the present Beekman Hospital, Beekman and Water Streets, and the Downtown Hospital, 127 Broad Street. It will serve lower Manhattan south of Canal Street with a working population of more than 700,000 persons and a resident population of approximately 45,000. Commenting on the formation of the three committees, William C. Langley, campaign Chairman, expressed gratification at the progress of the drive.

### Cost of World War II

According to a survey by Researcher James H. Brady at Washington, the cost to the world of World War II was about \$1,154,000,000,000 for armament and war materials and about \$230,000,000,000 in property damage. The United Press in advices from Washington from which this is learned, further said:

"That doesn't include cost of armaments and property damage in China, for which figures were not available.

"The survey placed U. S. expenditures for war material at \$317,600,000,000. Russia spent \$192,000,000,000, and the United Kingdom \$120,000,000,000.

"The war cost the Axis powers about \$466,939,000,000, with Germany spending \$272,900,000,000, Italy \$94,000,000,000 and Japan \$56,000,000,000."

ing and insurance commissions, and from shipping; and that she has \$14 billion in sterling balances which she will either: (1) unblock, (2) fund into long-term loans, with regularly scheduled or "ad lib" payments, and/or (3) try to adjust by negotiation.

The basic principle resulting in the Lend-Lease settlement is that goods which have actually been shot off, or used otherwise against the enemy, are written off; and only the goods that remain are taken into further account for repayment. The published document actually represents a definitive settlement, and does not require Congressional approval. In any event, the procedure has eliminated the possibility of future trouble along the lines of the War Debt controversy.

# American Occupation Policies in Germany

(Continued from first page)

to be sketchy and I fear incomplete. I returned to this country only a few days ago after an absence of a little over a month from my desk. Since I landed from my plane there have been people to see and things to do in such quantity that I have not had an opportunity to prepare a thoughtful and balanced analysis of the problems of occupation. However, I will attempt to give you a sort of running account of the things that come to my mind, as a result not only of my observations on this trip but of a rather sustained and continuous association with the problems of German occupation from the invasion of Germany to the present.

I can pass quickly over the period of the fighting when it was the duty of the military government to keep the lines of communication open, to keep the civilian population out of the way of the armies; in short, to relieve the combat forces of concern for the enemy population behind the lines. This in itself was an enormous task and men had to be trained for it, and they were trained for it. The training commenced before our initial landing in Africa and it continued throughout the period of the hostilities. Men were selected in and out of the Army who had knowledge and experience in administration of cities, towns and states; sanitary engineers, city managers, public officials, lawyers, financiers, economists, administrators, of every sort. We recruited the leaders of the country, men who had records of capacity and who were induced through patriotic appeal to give up their jobs and take on the rigors and inconvenience of army life. These men were given courses in the form of government of the countries we might be called on to occupy, and training in dealing with the problems they would be called upon to meet. The courses were well instructed or as well instructed as the facilities of the country could supply.

We had no large corps of civilian administrators such as the British Empire could call on from their colonial administration, but we recruited an excellent body of highly experienced professional and business men, government officials and representatives of labor. They were men of devoted spirit, and it is these men who constitute in the main the men who are now carrying on our occupational job in Germany. They did their job well during the period of combat—we had no disturbances behind the lines; the troops moved ahead freely, and the rear was organized by teams of these men as the armies moved ahead. The test of their efficiency was the repose which everywhere followed the progress of the combat troops. Refugees were cared for, food was distributed, sewers were repaired, dead were buried—all of the enormous problems of reorganization and stabilization which follow the wake of battle were dealt with, and they were dealt with well.

Then came the victory—a victory almost unparalleled in history—a Russian, a British, a French, and an American Army bore in on Germany. They met in the center of Germany—a once highly organized country, centralized and articulated. The forces and the conflict surged right up to the very desk of the Fuehrer in the Chancellery in Berlin—some of the heaviest fighting took place in the portico of his office.

The result was the most complete economic and political collapse, at least of modern times. There was no government, there was no economy left, and the American Army had on hand a group of men and officers whose

duty it was to take over the administration of Germany. But the American Army was not the only army which had conquered Germany. There were three other armies and all four were faced with plans for the government of Germany contained in Allied decisions, made long before, which necessitated joint control of a nation of 70,000,000 people.

It is a novel situation in history—four nations have assumed and exercised supreme governmental authority over an area which was once the most vigorous political and economic unit in Europe. The objective agreed to by the four powers is the complete demilitarization of that area, the drastic reorganization of the political, economic and ideological life of these people and their ultimate re-education and re-development as a self-governing democratic body.

The peoples of these four governing nations are themselves widely scattered over the world. Their histories are diverse. The four nations differ radically in their prior experience, methods and objectives in the government of other areas and peoples. Their fears and hopes and interests with respect to the future of the people in the territory to be governed were and are different and to some extent widely apart. There is the tremendous barrier of three different languages which impedes communication and accurate understanding among the governing groups. There is the further barrier of the fourth language of those who are governed.

It would be idle to expect any simple and entirely satisfactory results from any such novel and complex undertaking. With the victory, additional specialists were recruited to supplement those already in the Army or connected with it. New staffs were organized—a council of the four nations was set up—each nation had contributed to the victory, each had an obvious and a deep interest in the area to be occupied. But the negotiations and agreements effecting central control take time to evolve and pending the achievement of these agreements the Commander-in-Chief of each of the armies was given the authority to exercise complete governmental functions in the area his army occupied until common agreement could be reached.

I think it is safe to say that no zone commander was faced with as many diverse and heavy problems as was General Eisenhower. It is difficult for anyone who has not observed conditions in Germany during the last stages of the war and after the defeat to begin to appreciate the complexity of the task of reconstituting the functions of government in the conquered area. Not only did he and General Clay have the task of handling the great military forces involved in the reshuffling of the armies, the movement of their supplies as they settled themselves, the quartering of the troops, but immediately they were plunged deeply in the problem of redeployment for the Pacific war, and, shortly thereafter, in the even more greatly complicated process of demobilization.

The varied functions of government had to be set up in accordance with the drastic denazification directives, which General Eisenhower received. Communications, transportation and practically all productive facilities were either shattered or paralyzed, and on top of it all came the monumental influx of the refugees. The millions of persons cast loose by the Nazi collapse, former prisoners, and the so-called displaced persons drawn from every nation in Europe and

many from Africa and Asia, flooded the American zone seeking refuge. In numbers they exceeded the greatest European migrations of history and they were more disorganized. They had to be sorted out, transhipped, de-loused, fed, tended to, relocated. People of every condition, age, and health—men, women, children. The conditions were literally indescribable, yet the Army set about the task, checked disease, supplied clothes, organized camps, fed, and moved these people by the millions. There are hard cases yet to be dealt with—those who do not want to move or cannot move or those for whom no arrangements can be made for their reception in other countries—but the great bulk of the displaced persons have been cared for and transferred to the lands of their choice.

No one has yet adequately appraised the size and complexity of this task. Yet while it was going on the process of reorganizing the German communities was also proceeding. Take the city of Nuremberg—many of you are familiar with it—you would not recognize it now. All of the old city—the city enclosed by the old wall—is virtually a rubble heap (and Nuremberg is not unique), most of the wall is torn down and the entire city is a great wreck. It was a center of Nazi activity and consequently there were many Nazis in office. They were either apprehended or discharged from their administrative posts which they held. Although they were the skilled, energetic people, under our rules they had to be replaced. Water had to be made available and centers of food distribution set up, sewers repaired, streets made passable, power reinstalled. This was not done to rebuild our former enemy but to make it barely possible for people to live and function on anything other than an animal basis. The military government people tackled the job and something resembling livable conditions have been restored.

Our short range policy included the demilitarization and denazification of our zone. Today there is no German army, there is no Gestapo and there is no Nazi administration left in the country.

From some of the reporting which we have had in this country one would get the impression that the Army had been very lax in its execution of the denazification policy. On the contrary, it is demonstrable that we have been drastic. Indeed, in our zone our policy has been more severe than has been the case in any other zone. The English, for better or worse, have not gone half so far. Nazi specialists discharged by us have been re-employed by the French, and even the Russians are not so strict in rooting out these former German leaders. We have not been able to obtain Russian or English concurrence to our denazification policy, for both of these governments feel that it does not allow sufficient leeway to utilize the services of those Germans who have special aptitudes or experience. To date we have about 87,000 former Gestapo, SS troops, Nazi leaders, military officers, and industrialists, in detention. We have removed more than 100,000 from office. I doubt whether the record of the armies of the other powers is as consistent or far-reaching. At least, if it is, we have no knowledge of it.

As I have indicated, we have carried out our immediate demilitarization plans completely. The German army no longer exists. The general staff is dissolved and many of its former members are in jail or awaiting trial. German war materials have been taken into our custody. Much of their war-making industrial plant was destroyed during the war or is awaiting removal pursuant to the Potsdam reparations policy. We have taken complete control of all of the I. G. Farben combine

which lies within our power and at American instigation a four-party agency has been set up to deal with its dissolution.

Criticism there has been. Where it is founded on fact the Army welcomes it. In a task so complex, so farflung, it is inconceivable that we should not make mistakes. When they are discovered, every effort is made to correct them promptly.

I want to say a further word about the men who are doing this job, for they are a group of which this country can be proud. Most of them are older men, former leaders in their communities. Perhaps the majority of them are "retreads"—officers or veterans of the last world war, who came forward to serve their country again in this war. They have given up established homes and livelihoods to undertake the unglamorous tasks of cleaning up after the battle and the shouting have passed. They have to live in the most depressing of surroundings and deal every day with the headaches of a destroyed and dislocated society. It is their task to furnish the follow-through while the nation demands and obtains the quick demobilization of its forces. There is nowhere in this country a comparable group of such devoted, experienced and skilled men as the Army has called upon to perform this task. Those who have taken the pains to examine with any reasonable care the work they are performing, and who are objective in their observations, recognize and appreciate the work of these public-spirited men and officers. Some of the irresponsible and outrageous attacks which have been made on the competence of these officers, and in some cases, even on their motives, are hard to understand or condone. The views of the attackers, safe in their remoteness from the problem, should be properly discounted.

Many of these men are classed by the Army as essential and in spite of the fact that they may have served in Africa, up through Italy and then in France, they still have to remain on the job in Germany. Very few sought the job, the job sought them and they forever deserve well of their country.

Without the follow-through the objectives for which the battle was fought and won may be dissipated. Today we have Germany and Japan stricken and conquered. It is our aim to create the conditions which will make them peaceful and law-abiding members of the world community. It is a long process requiring the use of sustained force and enlightened administration. The future destiny of our country is closely related to the manner in which we cope with the problems of administration in the conquered areas. The work of the men who are charged with the task, for your own sake and interest, should be intelligently followed and upheld no less than was the case of the combat troops without whose efforts we should never have had the opportunity to concentrate on the achievement of our peace objectives. I urge all of you who do have an interest in this great problem to read the excellent monthly reports which General Eisenhower is making to the Secretary of War on the administration of the occupation. No other nation publishes so full and frank reports.

I have given you some of the short range objectives which either have been achieved or which are well on the way to being achieved in Germany. Our objectives, however, cannot all be negative ones. If Germany is not to be a burden on the American taxpayer, constructive steps have to be taken to enable the German people to work out their own political and economic reconstruction.

The situation in Germany today as the Army finds it is not a pleasant one. Industry and com-

merce is at so low a scale as practically to be non-existent—clothing, food, transportation are scanty, with the result that every city is full of long queues of people waiting to obtain the simplest necessities of life. There will be no coal except for some meager heating of such institutions as hospitals, and the supply of food processing plants. There is a fiscal and currency situation which hovers on the brink of complete collapse. In short, on every side there is the evidence of complete demoralization. Every town of any size, main or provincial, with almost no exception, has been heavily bombed. On this stage we must erect a new society—a peaceful society and a democratic, liberty loving one.

The Army has not yet been able to reconstruct in anything like adequate measure such services as the postal system and the general communication and transportation systems, to make it possible for people to exchange things and distribute the limited quantities of goods which are available. If there is famine and freezing on top of the other depressing conditions which are to be found in middle Europe, there will be a very scanty soil in which political wisdom or liberal political thinking can be nurtured. By February 1 a determination will have been made as to the amount of industry which can safely be left in Germany; give her a standard of living not exceeding that of her surrounding countries, and prevent her from becoming a public charge. The rest will presumably be destroyed as a war menace or transferred as reparations to those countries who wish to receive it. The reports show that 25% of the industrial plants of Germany have been destroyed by bombing or war damage, with, I do not know how much already removed from the Russian and French areas. Vast removals of industrial plants are still to take place under the reparations program. General Eisenhower reports that less than 5% of industry in the Western Zone is operating, and we know that Germany normally has a large food deficit. On these facts, you cannot envy the Army its task of achieving one of the objectives given it by the Berlin Protocol, namely, to permit Germany to sustain a peace economy without external assistance.

Germany is not primarily an agricultural country; in fact it is far from it, and with the resources it possesses and the needs which the world demands, I personally do not believe it can ever be turned into an exclusively agricultural or pastoral society. I have seen reports which show how relatively little of the existing German industrial plant has been destroyed, but in all conscience there would appear to any visitor to Germany to be enough destroyed to give a terrific setback to German industry when it is compared to that of her neighbors among the Allies. Particularly is this true when one has in mind the removals already effected on the Russian side and those still contemplated throughout Germany. But even if not destroyed in large, or even substantial, part, the plant is idle. Plants do not operate of themselves. They are merely part of a great nexus of communication and transportation facilities, of trade and raw materials.

I do not believe that it is in our interest, or possible while we have any responsibility in the matter, to permit famine and disease, or even malnutrition, to ravage our occupation area. The Germans may deserve such treatment for the much worse which they have visited upon the other peoples of Europe. Yet we know that the American people will not long tolerate such conditions and the directives to the Army and the Berlin agreements do not contemplate that they shall exist. We must be prepared to provide for the time being such basic food

supplies as may be deemed essential and the Berlin agreements themselves state that measures shall be taken promptly to repair transport, to enlarge coal production, to increase agricultural output and to effect emergency repair of utilities and housing. These are the essential, immediate prerequisites of restoring the possibility of any economic life in Germany. Without these immediate steps the Germans cannot assume the responsibility of operating the little German industry, which immediately can be restored, to pay for food which must be imported. Without this minimum degree of rehabilitation there will be no portion of the peaceful domestic industry which the Berlin agreements permit the Germans to develop. In the next months it will be a struggle to get some economic life going and, with the almost total absence of coal, there will be little enough. Certainly for a long time to come there is no justifiable fear that Germany's war potential is being rebuilt.

The immediate task is the avoidance of epidemics, famine and unrest and the restoration of stable conditions in which a political rebirth of Germany can take place. It is time that the American people realized that this short range task is now the important issue and not whether there is still some Nazi in the town of Obersdorf or Nuremberg whom the Army has overlooked. I am convinced that the danger from Germany at the present time is not in any tendency toward loose control and quick or even ultimate revival. It lies rather in the immediate prostration which can readily produce a state of permanent desolation likely to defeat our objectives even if it does not turn the stomachs of our own and other peoples. It may lead later to a too great relaxation of controls and perhaps at the same time to a degree of civil disturbances and strife which will make the task of our military government officials even more difficult than it is at the moment.

Even those most determined to defeat Germany completely and see that Germany shall not again become a menace to the world, if they are thoughtful, must realize that we cannot now draw back from taking at least the immediate sensible and constructive steps which are necessary, to use the words of the Potsdam declaration, to enable the German people to subsist without external assistance.

In accordance with a policy which, because of its military implications, the Army and the War Department are in complete agreement, the highly centralized and subsidized economic controls of old Germany are being destroyed. The same is true of Germany's excess industrial plant, but what that excess is should be determined by the most objective scientific appraisal which the experts of this country and our allies can furnish. It cannot be settled by passion or ideology nor by impugning the motives of those who differ. When that decision is made the Army will carry it out, but in the meantime there is the immediate necessity of keeping body and soul together. We must understand that the Army's job in Germany cannot be successfully accomplished unless there ultimately emerges in that area a people or peoples who are conditioned and prepared to take a useful place in the society of nations. It is the duty of our government and of the Allied governments to see that the Army commanders who are now controlling the situation receive directives which make this possible.

The Army is, of course, hampered in its effort to decentralize industry and at the same time achieve a self-sustaining Germany by the existence of the separate

zones. It is only by operating the zones as an overall unit with a balanced distribution of supplies between them that such an objective becomes feasible. The greatest credit is due to General Eisenhower and General Clay for their persistent and untiring efforts to obtain agreement in the Council for the central administration of the fundamental services of the country, such as transportation and communication. In spite of many trials and tribulations, real cooperation was achieved in the first meetings of the Council, and the difficulty we are now encountering in our attempt to achieve a central machinery for the nationwide services, contrary to the general conception, does not emanate from the Soviets, but from France, one of the Western democracies. The French have been reluctant to permit any form of central administration which would include all areas in the west. They are afraid, I assume, that if they do, a pattern will be set for the west as the turning of the administration of the area east of the Oder to the Poles and the Russians is likely to set the permanent pattern in the East. At the bottom of this is, of course, the desire of the French for the separation, if not the annexation, of the Ruhr and the Rhineland. I think that but for this difficulty there would have been a very substantial measure of four-party agreement in the Council. Whatever the cause, matters of the utmost consequence have been held in abeyance—banking, currency, taxation, for example, and until such problems are dealt with there can be very little progress made in treating Germany as a unit—which is the agreement of the four powers. Of no less significance is the question of the public debt on which is built the whole structure of savings banks, life insurance, social insurance and bank deposits. Exports and imports should also be treated centrally if Germany is to be regarded as a unit, but all these vitally important matters seem to be held up by France pending the settlement of Germany's western frontier.

The Army has about accomplished the short range objectives of our occupational policy in Germany though there is still considerable work in the way of basic reconstruction to be done under that short range program. I venture to give the assurance that nothing has been done by the Army or will be done by it which will in any way prejudice the long range objectives of the country in relation to Germany. How much industry will eventually be left to Germany can later be determined unprejudiced by any steps the Army may now be taking to keep things barely afloat in the areas of Germany over which it exercises jurisdiction.

There is one more thought I should like to leave with you before I close and that is that if we seek security there is only one way to achieve it. It is as it always has been, by eternal vigilance. There is no high short-road to the permanent pacification of either Germany or Japan. It cannot be accomplished by a single once and for all blow of destruction. I have no illusions about the repentant character of either the German or the Japanese people. In my judgment there will be a prolonged period before we can hope that the roots of free-living, free-thinking and peaceful conduct are seated in German soil. This means that this country must not only have the will, but the continued capacity to step forward and check, as it appears, any recrudescence of aggression in Germany. It is mainly in our own strength and steadfastness of purpose that the future peace of the world lies and we must never forget it.

## U.S.-United Kingdom Statement On Lend Lease Settlement

**Agreement Marks Complete and Final Determination of Our Lend-Lease Account. \$650 Million is the Net Sum Due Us. This Settlement Is Based on Charging Off to the Mutual Victory Our Aid Which Has Been Actually Used in War Purposes. U. S. Reserves Right to Recapture. Lend-Lease Military Articles Which Are Still Usable.**

Following is the text of the joint statement of the United States and the United Kingdom announcing procedure for final settlement of claims incident to Lend-Lease and reciprocal aid programs:

1. The Governments of the United States and the United Kingdom have reached an understanding for the settlement of Lend-Lease and Reciprocal Aid, for the acquisition of United States Army and Navy surplus property, and the United States interest in installations, located in the United Kingdom,

and for the final settlement of the financial claims of each government against the other arising out of the conduct of the war. Specific agreements necessary to implement these understandings, setting forth the terms in detail, and consistent herewith, are in the course of preparation and will shortly be completed.

2. This settlement for Lend-Lease and Reciprocal Aid will be complete and final. In arriving at this settlement both Governments have taken full cognizance of the benefits already received by them in the defeat of their common enemies. They have also taken full cognizance of the general obligations assumed by them in Article VII of the Mutual Aid Agreement of February 23, 1942, and the understandings agreed upon this day with regard to commercial policy. Pursuant to this settlement, both Governments will continue to discuss arrangements for agreed action for the attainment of the economic objectives referred to in Article VII of the Mutual Aid Agreement. The Governments expect in these discussions to reach specific conclusions at an early date with respect to urgent problems such as those in the field of telecommunications and civil aviation. In the light of all the foregoing, both Governments agree that no further benefits will be sought as consideration for Lend-Lease and Reciprocal Aid.

3. The net sum due from the United Kingdom to the United States for the settlement of Lend-Lease and Reciprocal Aid, for the acquisition of surplus property, and the United States interest in installations, located in the United Kingdom, and for the settlement of claims shall be \$650,000,000, subject to the account adjustment referred to below. This amount consists of (a) a net sum of \$118,000,000 representing the difference between the amount of the services and supplies furnished or to be furnished by each Government to the other Government after V-J Day through Lend-Lease and Reciprocal Aid channels, less the net sum due to the United Kingdom under the claims settlement, and (b) a net sum of \$532,000,000 for all other Lend-Lease and Reciprocal Aid items, and for surplus property and the United States interest in installations located in the United Kingdom and owned by the United States Government. The actual amounts due to the respective Governments for items included in (a) above other than claims will, however, be ascertained by accounting in due course, and the total sum of \$650,000,000 will be adjusted for any difference between the sum of \$118,000,000 mentioned above, and the actual sum found to be due. All new transactions between the two Governments after Dec. 31, 1945, will be settled by cash payment.

4. The total liability found to be due to the Government of the United States will be discharged on the same terms as those specified in the Financial Agreement concluded this day for the discharge of the credit provided therein.

5. In addition to the financial payments referred to above, the

two Governments have agreed upon the following:

(a) Appropriate non-discriminatory treatment will be extended to United States nationals in the use and disposition of installations in which there is a United States interest;

(b) Appropriate settlements for Lend-Lease interest in installations other than in the United Kingdom and the Colonial Dependencies will be made on disposal of the installations;

(c) The United States reserves its right of recapture of any Lend-Lease articles held by United Kingdom Armed Forces, but the United States has indicated that it does not intend to exercise generally this right of recapture;

(d) Disposals for military use to forces other than the United Kingdom Armed Forces of Lend-Lease articles held by the United Kingdom Armed Forces at V-J Day, and disposals for civilian use other than in the United Kingdom and the Colonial Dependencies of such Lend-Lease articles, will be made only with the consent of the United States Government and any net proceeds will be paid to the United States Government. The United Kingdom Government agrees that except to a very limited extent it will not release for civilian use in, or export from, the United Kingdom and the Colonial Dependencies Lend-Lease articles held by the United Kingdom Armed Forces.

(e) The Government of the United Kingdom will use its best endeavors to prevent the export to the United States of any surplus property transferred in accordance with this understanding.

6. The Government of the United Kingdom agrees that, when requested by the Government of the United States from time to time prior to Dec. 31, 1951, it will transfer, in cash, pounds sterling to an aggregate dollar value not in excess of \$50,000,000, at the exchange rates prevailing at the times of transfer; to be credited against the dollar payments due to the Government of the United States as principal under this settlement. The Government of the United States will use these pounds sterling exclusively to acquire land or to acquire or construct buildings in the United Kingdom and the Colonial Dependencies for the use of the Government of the United States, and for carrying out educational programs in accordance with agreements to be concluded between the two Governments.

7. The arrangements set out in this statement are without prejudice to any settlements concerning Lend-Lease and Reciprocal Aid which may be negotiated between the Government of the United States and the Governments of Australia, New Zealand, the Union of South Africa, and India.

### Redeem Farm Loan Bonds

It was announced on Dec. 7 by W. E. Rhea, Land Bank Commissioner, that the 12 Federal Land Banks are completing arrangements for the redemption as of Jan. 1, 1946, of all outstanding

## Truman-Attlee Views

(Continued from first page)

ments would commend to the peoples and legislatures of the two countries and to the world as a whole.

Both sides have been fully conscious of the significance to other countries, as well as their own, of the outcome of these discussions, and they have from the beginning had continuously in view the common interest of their governments in establishing a world trading and monetary system from which the trade of all countries can benefit and within which the trade of all countries can be conducted on a multilateral, non-discriminatory basis.

The discussions have been successful.

Agreement has been reached, subject to the approval of the legislatures of both countries, for the extension by the United States to the United Kingdom of a line of credit of \$3,750,000,000 on the terms stated in the financial agreement signed this day, for the following purposes: to facilitate purchases by the United Kingdom of goods and services from the United States, to assist the United Kingdom to meet transitional postwar deficits in its current balance of payments, to help the United Kingdom to maintain adequate reserves of gold and dollars, and to assist the United Kingdom to assume the obligations of multilateral trade. This credit would make it possible for the United Kingdom to relax import and exchange controls, including exchange arrangements affecting the sterling area, and generally to move forward with the United States and other countries toward the common objective of expanded multilateral trade.

Agreement has been reached for the final settlement of lend-lease and reciprocal aid, the disposal of surplus war property in the United Kingdom owned by the United States and the final settlement of the claims of each government against the other arising out of the conduct of the war.

Agreement has been reached on the broad principles of commercial policy for which the two governments will seek general international support.

These arrangements, if carried out, will put an end to the fear of an economically divided world; will make possible throughout the world the expansion of employment and of the production, exchange and consumption of goods; and will bring into being for the first time, a common code of equitable rules for the conduct of international trade policies and relations.

The realization of these proposals will depend upon the support given them by the peoples and legislatures of the United States and the United Kingdom; and where they envisage measures requiring broad international collaboration, the support of other countries.

The following documents resulting from these discussions are being issued by the two governments:

Financial agreement.

Joint statement regarding the understanding reached on commercial policy.

Joint statement regarding settlement for lend-lease and reciprocal aid, surplus war property, and claims.

consolidated Federal Farm Loan 3% bonds of Jan. 1, 1946-56. Mr. Rhea stated that funds for this purpose are to be obtained chiefly from the proceeds of a public offering of consolidated Federal Farm Loan bonds. Details of this offering will be announced at a later date.

## The State of Trade

(Continued from page 2922)

increase of 0.1 point or 0.1% from that of the previous week.

This week's operating rate is equivalent to 1,518,400 tons of steel ingots and castings, and compares with 1,516,600 tons one week ago, 1,472,600 tons one month ago and 1,743,200 tons one year ago.

**Railroad Freight Loadings**—Carloadings of revenue freight for the week ended Dec. 1, 1945, total 803,770 cars, the Association of American Railroads announced. This was an increase of 87,276 cars or 12.2% above the preceding week, but 4,066 cars, or 0.5%, below the corresponding week of 1944. Compared with the similar period of 1943, a decrease of 58,963 cars, or 6.8%, is shown.

**Railroad Earnings in October**—Class I railroads of the United States in October, 1945, had an estimated net income, after interest and rentals of \$21,000,000, compared with \$59,821,849 in October, 1944, according to the Association of American Railroads. In the first 10 months of 1945, estimated net income of the carriers, after interest and rentals, amounted to \$474,000,000, compared with \$562,837,263 in the corresponding period of 1944.

Net railway operating income for October, 1945, before interest and rentals, totaled \$54,438,933, as against \$97,815,539 in October, 1944. For the first 10 months of this year net railway operating income, before interest and rentals, amounted to \$821,351,024, compared with \$941,754,226 in the same period of 1944.

In the 12 months ended Oct. 31, 1945, the rate of return on property investment averaged 3.52%, compared with a rate of return of 4% for the 12 months ended Oct. 31, 1944.

Total operating revenues in the first 10 months of 1945 totaled \$7,627,386,401, compared with \$7,898,825,073 in the same period of 1944, or a decrease of 3.4%. Operating expenses for the same period of 1945 amounted to \$5,539,872,020, compared with \$5,201,547,093 in the corresponding period of 1944, or an increase of 6.5%.

Taxes accrued in the first 10 months of 1945 totaled \$1,116,083,915, compared with \$1,587,279,088 in the same period in 1944.

Nineteen class I railroads failed to earn interest and rentals in the first 10 months of 1945, of which nine were in the Eastern district, one in the Southern region, and nine in the Western district.

**Electric Production**—The Edison Electric Institute reports that the output of electricity increased to approximately 4,042,915,000 kwh. in the week ended Dec. 1, 1945, from 3,841,350,000 kwh. in the preceding week. Output for the week ended Dec. 1, 1945, however, was 10.6% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports System output of 190,300,000 kwh. in the week ended Dec. 2, 1945, comparing with 188,900,000 kwh. for the corresponding week of 1944, or an increase of 0.7%. Local distribution of electricity amounted to 189,200,000 kwh., compared with 183,800,000 kwh. for the corresponding week of last year, an increase of 3.0%.

**Paper and Paperboard Production**—Paper production in the United States for the week ending Dec. 1 was 97.5% of mill capacity, against 91.4% in the preceding week and 91.0% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 96%, compared with 91% in the preceding week and 94% in the like 1944 week.

**Business Failures at Low Level**—Little change occurred in commercial and industrial failures in the week ending Dec. 6, reports Dun & Bradstreet, Inc. Fourteen

concerns failed, one less than in the previous week (but exceeding the 10 in the comparable week of last year. This marked the 12th week this year in which failures were more numerous than in the corresponding week of 1944.

All except two of the week's failures involved liabilities of \$5,000 or more. At 12, these large failures rose above the 11 occurring a week ago and outnumbered the 8 occurring in the same week of last year. On the other hand, small failures with losses under \$5,000 dipped from 4 last week to 2 in the week just ended—the same number as a year ago.

Manufacturing accounted for almost half of the concerns which failed during the week. In fact, there were two times as many manufacturers failing as in 1944's comparable week. Retail trade, with 4 concerns failing, was the only other line in which failures exceeded 2. Except for wholesale trade, in which no failures were reported this week, every industry or trade group showed more failures than in the comparable week a year ago.

One Canadian failure was reported as compared with 3 in the previous week and 4 in the corresponding week of 1944.

**Wholesale Commodity Price Index**—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., trended slightly downward last week largely reflecting weakness in livestock markets. The index finished at 181.55 on Dec. 4, as against 181.88 a week earlier, and 173.17 at this time a year ago.

With the exception of rye, principal grain markets continued to show strength. Rye developed weakness following the OPA ruling bringing old as well as new crop rye under the ceiling next June 1. Cash wheat continued at ceilings, aided by small marketings and heavy flour export requirements. Cash corn was in somewhat better supply and prices held at ceilings. Many flour mills were said to be withdrawn from the market owing to heavy Government buying for export and expanded domestic bookings. Hog prices fell 60 to 85 cents under the ceiling last week, marking the first break since last January. Receipts at western markets expanded sharply during the period and for the first time in almost a year supplies were in excess of demand.

Cotton markets developed marked firmness in contrast to the hesitation noted in the previous two weeks. Nearby deliveries touched new seasonal peaks. The average of spot prices in 10 Southern markets reached a further new 20-year high of 24.39 cents per pound at the close. As a result of current high values, cotton is moving into Government stocks only in comparatively small volume. Factors in this week's upturn included a shortage of good quality cotton, and the general belief that export trade would increase sharply later in the season. In addition, expectations are that the Government's next official forecast, to be issued on Dec. 8, will show a further reduction in this year's total cotton production. Trading in the carded gray cloth markets was cautious and irregular with transactions totalling a fair volume for the week.

Inquiries for domestic wools in the Boston market received considerable stimulus following the action of the Commodity Credit Corporation in reducing prices on its stockpile wools an average of 7 cents per pound, grease basis. Interest was shown in numerous types of domestics, but while sales increased, volume of transactions was not great. Consumption of foreign wools continued on a large scale and there was no letup in the demand for such wools. Spot

supplies, however, were tight and the outlook for nearby arrivals from Australia was not encouraging.

**Food Price Index Declines**—Marking the first decline during the past eight weeks, the wholesale food price index, compiled by Dun & Bradstreet, Inc., for Dec. 4 dropped 1 cent to \$4.15, from the 25-year peak reached a week earlier. The current figure reflects a gain of 2.0% over the comparative 1944 level of \$4.07. Only barley advanced during the week. Declines were shown for rye, oats, potatoes, hogs and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

**Wholesale and Retail Trade**—The volume of retail trade mounted last week as the Christmas season drew closer, while dollar volume continued to exceed the high levels reached in the comparable 1944 week, states Dun & Bradstreet, Inc., in its weekly review of trade. Customers were restricted in their buying by the limitation of goods offered. Luxury items were selling well again this year.

Returning service men have helped to deplete the stocks of men's clothes. Underwear and shirts for men continued particularly difficult to find, though sportswear was plentiful. Men's ties, mufflers, gloves, and socks sold well as gifts. All seasonal apparel was in good demand! Women's ski clothes were very popular. Accessories sold very well, particularly lingerie, gloves, hosiery, gay Christmas aprons, blouses, sweaters, scarfs, and handbags. Piece goods continued to sell fast.

The demand for hardware supplies steadily increased with the volume up in a few sections of the country. Furniture, especially of the gift and novelty variety, was eagerly sought for. Volume of home furnishings, including draperies, rugs, china, and glassware, increased. There was a continued shortage of leather goods. A good selection of wooden toys was reported; metal ones were not easily available. Christmas tree lights, too, were extremely difficult to find. Books, pipes, and tobacco pouches were popular as gift items.

Food volume last week did not change appreciably from the previous week. Volume was moderately above the corresponding week in 1944. No change was noted in the limited supply of butter and eggs. A few sections reported an easing in the supply of pork products with poultry plentiful. There was an ample quantity of fresh vegetables with produce varied and of good quality. Apples were scarce. An increasing demand obtained for gift candy and confection.

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 5, East 9 to 13, Middle West 4 to 8, Northwest 5 to 9, South 2 to 6, Southwest 4 to 8, and Pacific Coast 8 to 12.

Wholesale volume last week was about even with the previous week and slightly over a year ago. Stocks remained irregular but were large enough to maintain a high volume of sales. Trading in many markets lessened.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Dec. 1, 1945, increased by 7% above the same period of last year. This compared with an increase of 9% in the preceding week. For the four weeks ended Dec. 1, 1945, sales increased by 10% and for the year to date showed an increase of 11%.

Further impetus was given to trade here in New York last week as Christmas shopping got under way in earnest. Notwithstanding the bad weather sales volume was above that of a similar week one year ago. The demand for luxury

items lifted specialty shop sales to further high levels.

In the grocery department, both wholesale and retail, volume continued above that of last year with the shortage of butter creating a problem for retailers. Scant supplies obtained during the week in general merchandise markets and present indications point to low retail inventories at the year-end, presaging record buyers' arrivals here early in January. A strong drop in postal receipts occurred in the week due to the decrease in shipments to the Armed Forces abroad.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Dec. 1, 1945, increased 13% above the same period of last year. This compared with an increase of 15% in the preceding week. For the four weeks ended Dec. 1, 1945, sales rose by 14% and for the year to date increased by 13%.

## From Washington Ahead of The News

(Continued from first page)

committee. They did not seek to disguise their enthusiasm about what a show it would be. Lewis, at the time, was in New York engaged in wage negotiations. He wired back that he would be glad to appear as soon as he was through. Truman told Lewis that he would either appear as ordered or be subpoenaed. It must be kept in mind that Congressional investigating committees are based on the grounds that the legislative body has to have information with a view to passing legislation. A lot of them are not based on any such thing, but that is their only constitutional standing.

We were present when Truman was grinningly telling the avid reporters about his threat to Lewis. We have never before seen him feel so important.

Well, Lewis appeared, and before the still and movie cameras, made a fool of the whole committee. It is a characteristic of politicians as of actors, that they never know or appear to know they are being made fools of. They are utterly insensitive, otherwise they would not presumably be in their respective rackets. One explanation is that they never hear what the other fellow says.

Whether it was a matter of strategy on the part of opponents of Truman's recent labor proposal—an examination of industry's books and a cooling off period for labor—to call Lewis as the first witness before the House Labor committee, considering the proposal,—we don't know. They could have done no better. Bill Green of the A. F. of L. would have sounded a lot of utterly meaningless phrases, and Phil Murray of CIO would have done the same, as they were later to do. But Lewis' session turned into a seminar on labor problems, the Socialist government of Britain, the CIO strategy in the General Motors Strike and the like. The committee members, for the most part, were entranced.

Lewis had a delightful time describing the proposal as a measure of relief for indigent professors. He pointed out that these fellows, constituting the fact finding committees, would get \$50 or so a day, and one could rest assured they'd never make any findings under the prescribed 20 days. He pointed out, too, that the chairman of the Democratic National Committee would have a delightful time selecting these professors. The plain facts are, of course, that it would take an investigating group a good year to find out the facts about any large industry, and even then they would probably be warped.

Although pointing his shafts at this particular proposal, Lewis was really delivering a delightful satire on all of those in our midst

who for some reason or another, do not have to work for a living, and have all sorts of time to "work out our problems." It applied splendidly to those intellectuals who, having seen our country get into three wars in the memory of a 50-year-old man, not to mention the military excursions into Mexico and Nicaragua, blandly preach that if we just set up a committee and bring about an understanding among nations, there won't be any more of this. Listening to Lewis, although he was talking only about labor disputes, you could see a fellow like Stassen shrinking. There is a fellow with a "positive" program. Quit always being against the New Deal, say their propagandists. Give us a "positive" program. So Stassen does it. Having participated in a committee to maintain the peace, he has now another idea for a committee to handle our domestic affairs. He's a bright young fellow, we hear a lot of people saying; looks as if he is the next Republican Presidential candidate. He's a man with a "positive" program. He's a bright young fellow all right. Bright enough, at least, to keep from doing any manual labor.

## Loan Pact Between France, Export-Import Bank

The French Government has signed a loan agreement with the Export-Import Bank for the extension of credits amounting to 550 million dollars.

These credits are being extended to finance procurement of materials which had been approved for transfer to the French Government under lend lease but for which contracts had not yet been signed on V-J Day when lend lease terminated. The present loan carries an interest rate of 2% and is repayable over a period of 30 years, the interest rates and maturity being identical with that provided under the French lend lease agreement of February 28, 1945.

Announcing the signing of the agreement, signed by Henri Bonnet, Ambassador of France to the United States, and Wayne C. Taylor, President of the Bank, Ambassador Bonnet expressed the deep gratitude of the French people for this loan, which, he said, would be used primarily for purchase of the American transportation equipment, machinery, and raw materials so urgently needed by France as the first step in rehabilitation. Advices Dec. 6 from the French Press and Information Service in New York, from which we quote, added:

"France, said Mr. Bonnet, was heavily hit by the war, both as a result of direct damage and because of the fact that during the period of German occupation French factories were poorly maintained and worn-out machinery was not replaced. While this loan will cover only a small part of the country's total rehabilitation and reconstruction requirements, it is especially helpful at this time and is, moreover, an encouragement to France in her present vigorous efforts to restore her economy.

"Mr. Bonnet also pointed out that the loan agreement must be submitted to the French Assembly for ratification. This, he declared, will be done promptly, so that credits provided for in the loan can be put to work immediately."

The Associated Press reports that the contract stipulates that France's loan must be spent entirely in the United States for American products. The same advices state that the credit will be available until Dec. 31, 1946, except in certain instances where it may be provided later than that date.

## Electric Output for Week Ended Dec. 8, 1945 9.7% 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. 8, 1945, was approximately 4,096,954,000 kwh., which compares with 4,538,012,000 kwh. in the corresponding week a year ago, and 4,042,915,000 kwh. in the week ended Dec. 1, 1945. The output for the week ended Dec. 8, 1945 was 9.7% below that of the same week in 1944.

Major Geographical Divisions—	Dec. 8	Dec. 1	Nov. 24	Nov. 17
New England	2.0	4.0	7.1	6.4
Middle Atlantic	2.2	3.7	5.7	4.4
Central Industrial	12.7	12.8	12.9	12.3
West Central	1.6	1.4	4.4	1.3
Southern States	13.6	15.7	16.5	14.8
Rocky Mountain	1.3	1.0	5.8	0.5
Pacific Coast	12.5	13.0	15.0	12.3
Total United States	9.7	10.6	12.1	10.5

Week Ended—	1945	1944	% Change over 1944	1943	1932	1929
Aug. 4	4,432,304	4,399,433	+ 0.7	4,240,638	1,415,122	1,729,667
Aug. 11	4,395,337	4,415,368	- 0.5	4,287,827	1,431,910	1,733,110
Aug. 18	3,939,195	4,451,076	- 11.5	4,264,824	1,436,440	1,750,056
Aug. 25	4,116,049	4,418,298	- 6.8	4,322,195	1,464,700	1,761,594
Sept. 1	4,137,313	4,414,735	- 6.3	4,350,511	1,423,977	1,674,588
Sept. 8	3,909,408	4,227,900	- 7.5	4,229,262	1,476,442	1,806,259
Sept. 15	4,106,187	4,394,839	- 6.6	4,358,512	1,490,863	1,792,131
Sept. 22	4,018,913	4,377,339	- 8.2	4,359,610	1,499,459	1,777,854
Sept. 29	4,038,542	4,365,907	- 7.5	4,359,003	1,505,216	1,819,276
Oct. 6	4,028,286	4,375,079	- 7.9	4,341,754	1,507,503	1,806,403
Oct. 13	3,934,394	4,354,575	- 9.6	4,382,268	1,528,145	1,798,633
Oct. 20	3,914,738	4,345,352	- 9.9	4,415,405	1,533,028	1,824,160
Oct. 27	3,937,420	4,358,293	- 9.7	4,452,592	1,525,410	1,815,749
Nov. 3	3,899,293	4,354,939	- 10.5	4,413,863	1,520,730	1,798,164
Nov. 10	3,948,024	4,396,595	- 10.2	4,482,665	1,531,584	1,793,584
Nov. 17	3,984,608	4,450,407	- 10.5	4,513,299	1,475,268	1,818,169
Nov. 24	3,841,350	4,368,519	- 12.1	4,403,342	1,510,337	1,718,002
Dec. 1	4,042,915	4,524,257	- 10.6	4,560,158	1,519,922	1,806,225
Dec. 8	4,096,954	4,538,012	- 9.7	4,566,905	1,563,384	1,840,863
Dec. 15	4,043,079	4,543,079	- 11.2	4,612,994	1,554,473	1,860,021
Dec. 22	4,016,975	4,516,975	- 11.1	4,295,010	1,414,710	1,637,683
Dec. 29	4,225,814	4,225,814	0	4,337,287	1,619,265	1,542,000

## Steel Output Holds—Strike Set for Jan. 14— Consumers Operating on Hand-to-Mouth Basis

"With an industry-wide steel strike set for mid-January [Jan. 14], there is no longer any speculation as to the seriousness of the impasse between steel management and steel labor," says "The Iron Age," in its issue of today (Dec. 13), which further adds: "It is true, between now and the time the strike is to be called developments from Washington might forestall such a paralyzing tieup, but hope of averting a strike was exceedingly slim this week."

"Steel management is more adamant than ever that no successful negotiations to settle the wage questions can be consummated until the OPA grants steel price relief. On the other hand with steel union's complete disavowal of President Truman's labor proposals, there was no indication that the USWA would retreat from its militant stand. "A longer-term view of the steel wage situation indicates that the pattern to be followed in the settlement of the automobile workers' strike will probably set the course in the settlement of the steel wage controversy. Regardless of conciliation in the bitter steel labor-management impasse, it is expected that the union, following past practices, will choose to indicate its strength by calling a strike even though it be of short duration. "With the steel wage controversy rolling towards a serious climax, the impact upon the country's reconversion program from a steel strike is only now becoming clearly revealed. Practically all steel consumers are without inventories and most of them are operating on a hand-to-mouth basis utilizing shipments as soon as they are received at their plants. A shutdown of steel shipments from the mills would almost immediately be reflected in the majority of manufacturing plants in the country. "As if the steel industry was not already troubled enough with its price and wage problems it may soon receive another bombshell in the form of enforced allocation of from 4,000,000 to 5,000,000 tons of steel products for export. Some sources believe that if this plan, which was to have been discussed this week in Washington between the Civilian Production Administration and Steel Industry Advisory Committee, goes through it may have a drastic effect upon reconversion in this country.

"According to some sources the enforced exportation of steel products over and above regular exports is said to be predicated upon the fallacious idea that American steel companies have not been exporting steel to foreign countries since the war ended. Foreign customers are being given the same treatment as domestic steel users as far as possible without wrecking the slow reconversion in this country. Steel sources assert that the exportation of steel should be handled in the same way that domestic users are being serviced—shipments to be based upon the pattern which existed in the years 1935-39. "There is no indication anywhere in the steel industry that European countries should not receive steel. However, the opinion is that foreign loans should not constitute a lien on American production. "Temporarily preoccupied with labor and price problems, steel producers are making strenuous efforts to achieve smooth functioning of rationing systems set up informally by individual producers. Allotment of tonnage is complicated by lack of coordination among companies and each is keeping a sharp watch on competitors' activities to be sure that no price customers are being weaned away by special treatment. Steel users, conversely, are attempting to play one producer against another, although this is meeting with little success except by a few extremely large consumers. Particularly missed by the steel companies is any provision against placing of duplicate orders."

The American Iron and Steel Institute on Dec. 10 announced that telegraphic reports which it had received indicate that the operating rate of steel companies having 94% of the steel capacity of the industry will be 82.9%

ing Dec. 10, compared with 82.8% one week ago, 80.4% one month ago and 96.9% one year ago. This represents an increase of 0.1 point or 0.1% over the preceding week. The operating rate for the week beginning Dec. 10 is equivalent to 1,518,400 tons of steel ingots and castings, compared to 1,516,600 tons one week ago, 1,472,600 tons one month ago, and 1,743,200 tons one year ago. "Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 10 stated in part as follows:

Substitution of steel and iron grades in the effort to obtain better deliveries is being practiced by many steel consumers, shifting specifications to material under less delivery pressure. This is a new feature of the market, resulting from greatly delayed deliveries on many grades of steel, offering some degree of relief and aiding manufacturers in production of their regular lines.

Pressure for steel shipment to general manufacturers shows no easing and producers are filled for months ahead, many adhering to some sort of quota system to spread production to regular customers in proportion to normal consumption.

Steel users who expected that a result of the automotive strike would be to release steel for other uses during the period of idleness have been disappointed and relatively little tonnage has been suspended. On the contrary, shipments are going forward steadily, material being stored for later use when car production is resumed. Some is being shipped to public warehouses for storage in cases where it can not be taken into automobile plants. Until storage facilities are exhausted there appears little likelihood of heavy suspensions.

Raw material supply still hampers steel production, pig iron and scrap both being tight. With the foundry labor situation somewhat better, more pig iron is required but producers are unable to increase output materially and are forced to make the best distribution possible of their output. So evenly balanced have been production and consumption that no inventories have been accumulated at furnaces and most melters have not been able to build stocks to the 30-day limit allowed. This paints a dull picture for winter.

With lake navigation practically closed Dec. 1, except for two or three cargoes last week, Lake Superior iron ore shipments of the season totaled 75,643,715 gross tons, 5,526,823 tons, 6.81%, less than was moved in the season of 1944. Canadian mines contributed 956,659 tons, 604,626 tons shipped from Michipicoten and Port Arthur, and 352,033 tons from docks at Superior, Wis., before the Port Arthur docks were completed.

### Living Costs Rise in 29 of 63 Industrial Cities

Living costs of wage earners and lower-salaried clerical workers increased during October in 29 of 63 industrial cities surveyed each month by the National Industrial Conference Board. Lower living costs were found in 26 cities, while no change was recorded in eight cities.

The Board's report, issued Dec. 10, also said:

The largest increase, 0.8%, was registered in Milwaukee, Wisconsin, and in Newark, New Jersey; Muskegon, Michigan, and Sacramento, California, both showed increases of 0.5% for second great rises.

Among the cities recording lower living costs, Spokane, Washington; Portland, Oregon, and Philadelphia, Pennsylvania led, with declines of 0.5% each.

## Assembly Nationalizes French Banks

The Bank of France and four major deposit banks, are to be nationalized under action taken by the Constituent Assembly on Dec. 2, according to reports from Paris to the Associated Press on that date. The effect of the action, which was taken by a vote of 521 to 35, is to place more than 80% of France's bank deposits under State control. In addition to the Bank of France the four large deposit banks, viz, Credit Lyonnais, Societe Generale, Comptoir National d'Escompte de Paris, and Banque Nationale pour le Commerce et l'Industrie will be transferred to State control on January 1, 1945. Until that date, they will be under the supervision of government commissioners.

Advices from the French Press and Information Service in New York City on Dec. 6 said:

"After Jan. 1, 1946, bank shares will be transferred to the State which will hold all funds in trust for the nation. Bank shares are distributed among 47,000 holders and 60% of the capital is represented by small holders of less than ten shares. Shareholders will receive negotiable bonds to replace their shares. The basis of indemnification, given in bonds, will equal the liquidation value of the shares, determined, in conformity with agreements between the government and the bank, by a committee guaranteed for its impartial judgment. The bonds will be amortized over a maximum 50 year period, and their characteristics will be determined by decree of the Ministry of Finance. They will carry a maximum interest of 3%.

"The four large deposit banks, with branches throughout France, possess a total capitalization of 2,375 million francs; their deposits, as of Aug. 31, 1945, amount to 207 billion francs, representing 55% of all bank deposits in France. "Local or regional banks are not subject to nationalization, nor are commercial banks whose chief function is foreign operations.

"Nationalization does not mean officialization; present personnel will be retained. Members of parliament and civil servants will not be permitted to sit on governing boards. In addition to industrial, business, and agricultural representatives appointed by the Minister of National Economy and administrators chosen by the Minister of Finance on the basis of their banking experience, the board will include persons designated by large workers' organizations and public credit organizations.

"While commercial banks will

## Result of Treasury Bill Offering

The Secretary of the Treasury announced on Dec. 10 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Dec. 13, and to mature Mar. 14, 1946, which were offered on Dec. 7, were opened at the Federal Reserve Bank on Dec. 10. The details of this issue are as follows:

Total applied for \$2,085,361,000. Total accepted, \$1,301,797,000 (includes \$55,641,000 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.

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

There was a maturity of a similar issue of bills on Dec. 13 in the amount of \$1,301,967,000.

not be nationalized, they are brought under certain rules and controls. They cannot accept public depositors; they are to become solely establishments which permit individuals to group their efforts and capital to create or develop business enterprises. Control over these banks will be exercised by a Government Commissioner appointed to each large bank and its legally constituted affiliations. The Commissioner will be empowered to veto governing board decisions which might operate contrary to national interests.

"For overall direction and control of credit, the Government plans to establish a National Council responsible for formulating credit policy and adapting it to the economic evolution of the nation. The council will comprise three committees: short term credit to finance current operations; medium and long term credit to study investment problems; and foreign trade questions which will help the resumption of former commercial relations."

The Associated Press accounts from Paris, Dec. 2, said in part: "General de Gaulle personally appeared before the Assembly and asked that the Government's measure be passed without any profound changes. Two large business banks were not included in the nationalization at his request.

"The bill provides for the nationalizing before Jan. 1, 1946, of the Bank of France, with 47,000 stockholders, and the four deposit banks, all having a total capitalization of \$53,500,000. The four deposit banks have a total of 400,000 stockholders.

"The nationalized banks will be directed by twelve-member commissions named by the Government.

"The Government will take over the shares of these banks, and assume their management with Government appointed officials. The law provides also for narrow control of business banks, through naming of a Government commissioner to each one.

"The measure also created a National Credit Council, which could recommend nationalization of still other bank establishments.

"Shareholders of the Bank of France will be reimbursed with dividends not higher than those of 1944, and the rate of interest on the amortized sinking fund bonds is restricted to not more than 2%. "Shareholders of deposit banks will have their stock purchased over a 50-year-period, beginning in 1947, and will be reimbursed with dividends on an average stock value of the past year.

"de Gaulle, in asking that business banks be left outside the nationalization program, supported the contention that to include these banks would be harmful to France's chances for reviving her export trade, since the reserve in those banks was vital in that respect."

## Bell to Quit Treasury to Head Washington Bank

The resignation of Daniel W. Bell, Under Secretary of the Treasury, to enter private business was announced on Nov. 29 by Treasury Secretary Fred M. Vinson. In Associated Press advices from Washington Nov. 29 it was stated:

"Mr. Vinson told a news conference Mr. Bell's resignation will be effective Jan. 1. The post carries a \$10,000 salary. He is to assume the Presidency of American Security & Trust Co. of Washington.

"I know Mr. Bell loves government work," said Mr. Vinson, "but we can't hope to compete with private enterprise unless government salaries or other inducements permit the officials and their families to live comfortably."

As President of the American Security & Trust Co., Mr. Bell will succeed Corcoran Thom, who, it is stated, will retire.

Wholesale Prices Rose 0.1% in Week Ended Dec. 1, 1945 Labor Department Reports

Primary market prices, which in recent weeks have been at the highest level in nearly 25 years, continued to advance slowly in the week ended Dec. 1, 1945 because of increases for industrial commodities, according to the Bureau of Labor Statistics, U. S. Department of Labor, which on Dec. 6 added: Prices of agricultural commodities declined slightly. The index of commodity prices prepared by the Bureau of Labor Statistics, rose 0.1% during the week to reach 106.8% of the 1926 average, 0.8% above a month ago and 2.5% higher than the corresponding week of 1944. The Department's advices continued:

Farm Products and Foods—The decrease of 0.1% in average market prices of farm products—the first decline since mid-September—was due to lower prices for fresh fruits and vegetables. Citrus fruits declined from the high prices of the previous week, and potatoes were lower in some cities. Prices of sweet potatoes and onions were up seasonally. Quotations for sheep increased as farmers held back supplies pending the Dec. 1 subsidy increase. Grain quotations were fractionally higher. Wheat was up because of strong demand and light offerings but rye quotations reacted from their high level, reflecting nervousness over the announcement of price control for the 1946 crop. The group index for farm products was 2.2% higher than 4 weeks ago and 5.9% above the first week in December 1944.

The decline for fresh fruits and vegetables more than offset slight increases for dairy products and cereal products to cause a decrease of 0.2% in average prices of foods. Prices of powdered milk increased because of seasonally short supplies of fluid milk. Wheat flour was higher, reflecting heavy export demand and light supplies of wheat. As a group, prices of foods have advanced 1.8% during the last four weeks to a level 3.2% above last year.

Other Commodities—Average prices of all commodities other than farm products and foods rose 0.1% during the week to a level 0.3% above the first week in November and 1.4% higher than the first week in December 1944. Fuel and lighting materials increased 0.6% because of a greater than seasonal advance in realized prices for electricity following post-war shifts in industrial power requirements. There were further price decreases for Oklahoma gasoline reflecting spotty oversupply in the mid-continent area. Higher prices for glycerine and upward ceiling adjustments for alcohol caused an advance of 0.5% for chemicals and allied products. Prices of women's black kid oxfords, muslin and nainsook were higher as the result of ceiling increases. 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 Nov. 3, 1945 and Dec. 2, 1944 and (2) percentage changes in subgroup indexes from Nov. 24, 1945 to Dec. 1, 1945.

WHOLESALE PRICES FOR WEEK ENDED DECEMBER 1, 1945 (1926=100)

Table with columns for Commodity Groups, 1945 Daily Averages, and percentage changes from Dec. 1, 1945 from previous weeks. Includes categories like Farm products, Foods, Hides and leather products, etc.

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM NOVEMBER 24, 1945, TO DECEMBER 1, 1945

Table showing percentage changes in subgroup indexes for various commodity groups like Drugs and pharmaceuticals, Chemicals, Shoes, Livestock and poultry, etc.

National Fertilizer Association Commodity Price Index Advances

The weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on Dec. 10 advanced moderately to 141.8 for the week ended Dec. 8, 1945, recovering most of the points that it declined in the previous week when it dropped to 141.2. A month ago the index stood at 142.0, the highest point of the index, and a year ago at 139.6, all based on the 1935-1939 average at 10. The Association's report went on to say:

Two of the composite groups of the index advanced during the latest week and one declined. The farm products group advanced substantially and recovered most of the losses incurred in the previous week. The cotton index advanced again; this index, now 11.9% higher than it was at the beginning of the year, has reached another new high point and has risen nine of the past ten weeks; in the other week it remained unchanged. The grains subgroup declined fractionally because of lower rye prices. The livestock subgroup reversed its sharp drop of last week with higher quotations for cattle and hogs and a slight decline in lambs bringing the index

back almost to its high point of two weeks ago. Hay prices at New York declined somewhat. The textiles index advanced to a new high point; broadcloth prices advanced because of higher OPA ceilings. The foods index declined fractionally reflecting lower potato prices. All other groups of the index remained unchanged.

During the week 6 price series of the index advanced and 4 declined; in the preceding week 5 advanced and 8 declined; in the second preceding week 4 advanced and 1 declined.

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

Table showing Weekly Wholesale Commodity Price Index with columns for % Each Group Bears to the Total Index, Group, Latest Preceding Week, Dec. 8, 1945, Dec. 1, 1945, Month Ago, Nov. 10, 1945, and Year Ago, Dec. 9, 1944.

\*Indexes on 1926-1928 base were: Dec. 8, 1945, 110.5; Dec. 1, 1945, 110.0; and Dec. 9, 1944, 108.7.

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 of Moody's Bond Prices showing U.S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R.R., P.U., Indus.) for various dates from Dec. 11, 1944 to Dec. 11, 1943.

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

Table of Moody's Bond Yield Averages showing U.S. Govt. Bonds, Corporate by Ratings, and Corporate by Groups for various dates from Dec. 11, 1944 to Dec. 11, 1943.

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

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

King Named Pres. of Am. Finance Group At Annual Meeting

Maxwell C. King, head of the Pacific Finance Corp., Los Angeles, Cal., was named President of the American Finance Conference for the coming year to succeed E. M. Morris, South Bend, Ind., as more than 500 delegates to the AFC's 12th annual convention wound up a three-day meeting in Chicago on Nov. 28. Named as Vice Presidents were J. I. Edson, President of the National Discount Corp., South Bend, Ind., and Harry McCool, President of the Chattanooga Discount Corp., Chattanooga, Tenn. Re-elected as Secretary-Treasurer and as Executive Vice President of the AFC were J. W. R. Tennant of Chicago, and Thomas W. Rogers, also of Chicago.

Clarence L. Landen, President of the Securities Acceptance Corp., Omaha, Neb., was elected Chairman of the Executive Committee, while Mr. Edson and J. B. Roulston, Vice-President and Secretary of the Maryland Credit Finance Corp. of Easton, Md., were newly named members of the Executive Committee. Holdovers in that group included Geo. A. Bigley, President of the Contract Purchase Corp., Detroit; Victor L. Brown, President of the Motors Acceptance Co., Milwaukee; T. E. Courtney, President of the Northern Illinois Corp., De Kalb, Ill., Messrs. Edson and King; Ralph R. Kreisler, President of the A. & A. Credit System, Inc., St. Paul, Minn.; Mr. McCool; H. G. Snodgrass, President of the Mercantile Acceptance Corp., San Francisco, Calif.; and H. L. Solomon, President of the Colonial Finance Company, Lima, Ohio.

Three new directors-at-large were named. They are A. K. Simpson, President of the Union Finance Co., Inc., Kansas City, Mo.; F. Reed Willis, President of the General Phoenix Corp., New York; and James Liston Nau, of the Mercantile Discount Corp., Chicago.

New district directors named were Pierce Webster, of the Knowx Finance Co., Galesburg, Ill.; Earl F. Ganschew, President of the Saginaw Financing Corp., Saginaw, Mich.; Hugh Gallagher, manager of the O'Dea Finance Co., Des Moines, Ia.; and Harry Gilchrist, general manager of the Essex County Acceptance Corp., Salem, Mass.

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of Oct. 31, 1945, and show that the money in circulation at that date (including of course, that held in bank vaults of member banks of the Federal Reserve System) was \$28,049,136,408, as against \$27,825,530,737 on Sept. 30, 1945, and \$24,425,292,971 on Oct. 31, 1944, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, the total was \$3,459,434,174.

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index for various dates from Tuesday, Dec. 4, 1945, to Low, Jan. 24, 1946.

## Civil Engineering Construction Totals \$80,341,000 for Week

Civil engineering construction volume in continental United States totals \$80,341,000 for the week ending December 6, 1945, as reported to "Engineering News-Record." This is 35% above last week's volume and 343% above that of the 1944 week. This week's total is 22% above the previous four-week moving average. The report issued on Dec. 6, continued as follows:

Private construction continued to climb this week. Its total for the week is 21% above last week and soars 3,494% over the corresponding week of 1944. Public construction is 80% greater than last week and 54% greater than the week last year. State and municipal construction recorded strong increases of 213% over last week and 420% over the week of 1944. Federal work continued to decline and records a 46% drop below last week and a 68% drop below the week last year.

The current week's construction brings the 1945 cumulative total to \$2,131,740,000, for the 49-week period, a 29% increase over the total for the like period of 1944. The cumulative total for private construction is 194% greater than last year. State and municipal construction total to date is 58% over last year. The public construction total is down 15% from last year due mainly to the 31% drop in federal work.

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

	Dec. 6, 1945	Nov. 11, 1945	Dec. 7, 1944
Total U. S. Construction	\$80,341,000	\$59,322,000	\$18,125,000
Private Construction	54,844,000	45,444,000	1,526,000
Public Construction	25,497,000	14,178,000	16,599,000
State & Municipal	21,554,000	6,893,000	4,148,000
Federal	3,943,000	7,285,000	12,451,000

In the classified construction groups six of the nine classes registered gains over last week as follows: waterworks, bridges, highways, public buildings, industrial buildings, and commercial buildings. Industrial and commercial buildings recorded strong gains over the week last year, lesser gains were recorded by waterworks, sewerage, bridges, highways and earthwork and drainage.

New capital for construction purposes this week totals \$10,824,000 and is made up of \$5,824,000 in state and municipal bonds and \$5,000,000 in corporate security issues. The week's financing brings the 1945 cumulative volume to \$1,763,661,000, a 4.5% gain over the \$1,386,362,000 reported for the 49-week period of 1944.

## November Engineering Construction Highest Since April 1943

Civil engineering construction volume climbed to \$315,709,000 in November, with an average of \$63,140,000 for each of the five weeks of the month. November volume is the highest since April 1943, according to "Engineering News-Record". Private construction continued to climb and reached a fifteen year high of \$232,067,000. The November weekly average is 5% greater than last month and 143% greater than November 1944. The report issued on Dec. 6 added in part:

Private construction, on the weekly average basis, tops last month by 4% and last year by 575%, due to greatly increased activity in commercial and industrial building. Public construction volume for the month is 37% greater than last month, but is 12% below the month last year. State and municipal is 14% over last month and 205% over November 1944. Federal work, while 88% greater than last month, is 56% below the corresponding month of 1944.

Civil engineering construction volume totals for the current month, last month and the corresponding 1944 month are:

	Nov. 1945 (five weeks)	Oct. 1945 (four weeks)	Nov. 1944 (five weeks)
Total U. S. Construction	\$315,709,000	\$239,436,000	\$129,740,000
Private Construction	232,067,000	178,183,000	34,372,000
Public Construction	83,642,000	61,253,000	95,368,000
State & Municipal	48,786,000	42,694,000	15,978,000
Federal	34,856,000	18,559,000	79,390,000

The November construction total brings the 1945 cumulative figure for the eleven months to \$2,051,399,000, a 25% increase over the \$1,636,496,000 reported for the eleven-month period of 1944. Private construction cumulative volume is now \$972,014,000, a 179% increase over the \$348,221,000 total for the same period last year. State and municipal construction total for eleven months is \$350,062,000 or 52% greater than the period last year. Public and federal construction totals are 16% and 31%, respectively, below the totals for the same period of 1944.

"Engineering News-Record" Reported Construction Volume—By Class of Work:

	1945—11 months	1944—11 months	% change '44 to '45
Waterworks	\$ 53,962,000	\$ 30,298,000	+78
Sewerage	31,874,000	30,306,000	+5
Bridges	36,026,000	15,075,000	+139
Highways	206,475,000	184,756,000	+12
Earthwork & Drainage	54,088,000	32,588,000	-14
Public Buildings	448,483,000	614,493,000	-27
Commercial Buildings	312,401,000	134,270,000	+133
Industrial Buildings	545,746,000	166,126,000	+229
Unclassified	358,365,000	398,584,000	-10

### New Capital

New capital for construction purposes for November totals \$38,338,000, a three percent decrease from the November 1944 total. Of the month's total, \$15,815,000 is in corporate security issues and \$22,523,000 in state and municipal bond sales.

The current month's new financing brings the 1945 total to \$1,752,837,000, a volume 4% greater than the \$1,684,869,000 reported for the eleven-month period of 1944. Private investment, \$539,339,000 is up 95% compared with last year. Federal funds for non-federal work, \$164,600,000, top a year ago by 14%, but federal appropriations for federal work, \$1,049,898,000, are 17% below 1944.

## Trading on New York Exchanges

The Securities and Exchange Commission made public on Dec. 5 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. 17, 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. 17 (in round-lot transactions) totaled 3,058,883 shares, which amount was 14.18% of the total transactions on the Exchange of 10,786,980 shares. This compares with member trading during the week ended Nov. 10 of 2,764,192 shares, or 13.76% of the total trading of 10,041,781 shares. On the New York Curb Exchange, member trading during the week ended Nov. 17 amounted to 1,565,940 shares or 12.14% of the total volume on that Exchange of 6,449,760 shares. During the week ended Nov. 10 trading for the account of Curb members of 1,211,660 shares was 11.39% of the total trading of 5,319,240 shares.

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

WEEK ENDED NOVEMBER 17, 1945		
	Total for Week	%
<b>1. Total Round-Lot Sales:</b>		
Short sales	305,280	
Other sales	10,481,720	
<b>Total sales</b>	<b>10,786,980</b>	
<b>2. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>		
<b>1. Transactions of specialists in stocks in which they are registered—</b>		
Total purchases	856,620	
Short sales	153,980	
Other sales	674,220	
<b>Total sales</b>	<b>828,200</b>	<b>7.81</b>
<b>2. Other transactions initiated on the floor—</b>		
Total purchases	210,410	
Short sales	32,400	
Other sales	234,390	
<b>Total sales</b>	<b>266,790</b>	<b>2.21</b>
<b>3. Other transactions initiated off the floor—</b>		
Total purchases	423,169	
Short sales	69,150	
Other sales	404,544	
<b>Total sales</b>	<b>473,694</b>	<b>4.16</b>
<b>4. Total—</b>		
Total purchases	1,490,199	
Short sales	255,530	
Other sales	1,313,154	
<b>Total sales</b>	<b>1,568,684</b>	<b>14.18</b>

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

WEEK ENDED NOVEMBER 17, 1945		
	Total for Week	%
<b>1. Total Round-Lot Sales:</b>		
Short sales	76,760	
Other sales	6,373,000	
<b>Total sales</b>	<b>6,449,760</b>	
<b>2. Round-Lot Transactions for Account of Members:</b>		
<b>1. Transactions of specialists in stocks in which they are registered—</b>		
Total purchases	364,560	
Short sales	41,885	
Other sales	333,025	
<b>Total sales</b>	<b>374,910</b>	<b>5.73</b>
<b>2. Other transactions initiated on the floor—</b>		
Total purchases	163,425	
Short sales	11,450	
Other sales	133,595	
<b>Total sales</b>	<b>145,045</b>	<b>2.39</b>
<b>3. Other transactions initiated off the floor—</b>		
Total purchases	86,770	
Short sales	8,200	
Other sales	423,030	
<b>Total sales</b>	<b>431,230</b>	<b>6.02</b>
<b>4. Total—</b>		
Total purchases	614,755	
Short sales	61,535	
Other sales	889,650	
<b>Total sales</b>	<b>951,185</b>	<b>12.14</b>
<b>3. Odd-Lot Transactions for Account of Specialists—</b>		
Customers' short sales	0	
Customers' other sales	123,890	
<b>Total purchases</b>	<b>123,890</b>	
<b>Total sales</b>	<b>123,890</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."

## Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of \$127,100,000 of open market paper outstanding on Oct. 31, 1945, compared with \$111,100,000 on Sept. 28, 1945, and \$141,700,000 on Oct. 31, 1944, the bank announced on Nov. 19.

Following are the totals for the last two years:

1945—		1944—	
	\$		\$
Oct 31	127,100,000	Oct 31	141,700,000
Sep 28	111,100,000	Sep 29	140,800,000
Aug 31	110,200,000	Aug 31	140,900,000
July 31	108,800,000	July 31	142,900,000
Jun 29	100,800,000	Jun 30	136,500,000
May 31	102,800,000	May 31	150,700,000
Apr 30	118,600,000	Apr 29	171,500,000
Mar 30	146,700,000	Mar 31	194,800,000
Feb 28	157,300,000	Feb 29	213,700,000
Jan 31	162,400,000	Jan 31	208,900,000
1944—		1943—	
Dec 30	166,000,000	Dec 31	202,000,000
Nov 30	166,900,000	Nov 30	203,300,000

## Dunkerley Head of ABA Savings Division

J. R. Dunkerley, who has served as Secretary of the Savings Division of the American Bankers Association, has been promoted to Deputy Manager in charge of the Division, it is announced by Harold Stonier, A. B. A. executive manager. In this post he succeeds Dr. Ernest M. Fisher, who has become a member of the faculty of Columbia University, effective Dec. 1. Mr. Dunkerley joined the A. B. A. staff in 1927 as Secretary to the Executive Manager. Subsequently, he became Assistant to the Executive Manager. In 1938 he was appointed Secretary of the Public Relations Council, Assistant Secretary of the Savings Division, and Assistant Secretary of the Membership Committee. He was advanced to Secretary of the Division in January 1943, and Secretary of the Membership Committee, whose name was changed at that time to the Organization Committee. He continues in the post of Secretary of the Organization Committee.

At the time Mr. Dunkerley became identified with the membership work the Association membership included 68% of all the banks in the country. The membership has grown since to a point where it now represents 96% of all eligible banks which in turn represent more than 99% of the banking resources of the country.

## Exchange of Letters With Displaced Persons in the American Zones of Austria and Germany

Postmaster Albert Goldman announced on Dec. 5 that information has been received from the Post Office Department, Washington 25, D. C., that the exchange of letters and post cards with displaced persons in the American Zones of Austria and Germany is limited to those of a nontransactional nature and the transmission of currency, money orders, checks, drafts and similar instruments for transmitting funds is prohibited. The same prohibition, it is announced, applies to the exchange of letters with displaced persons in the British Zone of Germany.

## NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 5 a summary for the week ended Nov. 24 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. 24, 1945	
Odd-Lot Sales by Dealers— (Customers' purchases)	Total For Week
Number of orders	33,005
Number of shares	975,366
Dollar value	37,768,545
<b>Odd-Lot Purchases by Dealers— (Customers' sales)</b>	
Number of Orders:	
Customers' short sales	149
Customers' other sales	29,265
Customers' total sales	29,414
Number of Shares:	
Customers' short sales	5,521
Customers' other sales	815,881
Customers' total sales	821,402
Dollar value	32,384,158
<b>Round-Lot Sales by Dealers—</b>	
Number of Shares:	
Short sales	120
Other sales	154,510
<b>Total sales</b>	<b>154,630</b>
<b>Round-Lot Purchases by Dealers—</b>	
Number of shares	296,210
*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 Dec. 1, 1945 Decreased 21,150 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 1, 1945 was 4,448,150 barrels, a decrease of 21,150 barrels when compared with the week ended Nov. 24, 1945, and 264,750 barrels per day less than for the week ended Dec. 2, 1944. The current figure was also 151,850 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 Dec. 1, 1945 averaged 4,460,800 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 4,690,000 barrels of crude oil daily and produced 15,220,000 barrels of gasoline; 1,762,000 barrels of kerosine; 4,771,000 barrels of distillate fuel, and 8,760,000 barrels of residual fuel oil during the week ended Dec. 1, 1945; and had in storage at the end of the week 59,484,000 barrels of civilian grade gasoline; 26,492,000 barrels of military and other gasoline; 12,509,000 barrels of kerosine; 44,274,000 barrels of distillate fuel, and 46,534,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

State	*B. of M. Calculated Requirements	State Allowables	Actual Production		4 Weeks Ended	Week Ended
			Week Ended	Change from Previous Week		
Oklahoma	390,000	390,000	385,800	+ 2,200	387,050	359,950
Kansas	270,000	249,000	241,500	-18,700	253,200	265,250
Nebraska	800		750		750	1,050
Panhandle Texas			81,000		81,000	94,150
North Texas			147,100		147,100	151,200
West Texas			457,750		457,750	473,950
East Central Texas			128,000		128,000	144,600
East Texas			316,000		316,000	367,900
Southwest Texas			300,100		300,100	347,100
Coastal Texas			464,250		464,250	553,400
<b>Total Texas</b>	<b>1,990,000</b>	<b>2,016,198</b>	<b>1,894,200</b>		<b>1,894,200</b>	<b>2,132,300</b>
North Louisiana			75,600	+ 950	74,800	72,300
Coastal Louisiana			293,650		293,650	291,300
<b>Total Louisiana</b>	<b>365,000</b>	<b>398,000</b>	<b>369,250</b>	+ 950	<b>368,450</b>	<b>363,600</b>
Arkansas	78,000	77,311	76,000	- 300	76,100	80,100
Mississippi	48,000		52,250	+ 900	53,250	48,850
Alabama	300		700	+ 150	600	650
Florida			100		100	50
Illinois	215,000		205,700	-1,600	206,750	194,350
Indiana	13,500		13,450	+ 50	13,550	13,050
Eastern (Not incl. Ill., Ind., Ky.)	65,200		63,400	+ 5,100	61,700	68,200
Kentucky	28,000		29,150	+ 400	29,000	31,700
Michigan	47,000		43,800	- 2,500	45,800	47,700
Wyoming	92,000		98,700	+ 1,450	97,200	94,500
Montana	23,200		19,550	+ 50	19,550	21,300
Colorado	12,000		20,750	+ 550	21,300	8,150
New Mexico	102,000	104,000	94,200	- 50	94,200	104,850
<b>Total East of Calif.</b>	<b>3,740,000</b>		<b>3,609,250</b>	-14,250	<b>3,622,750</b>	<b>3,835,200</b>
California	860,000	\$824,000	838,900	- 6,900	836,050	877,700
<b>Total United States</b>	<b>4,600,000</b>		<b>4,448,150</b>	-21,150	<b>4,460,800</b>	<b>4,712,900</b>

\*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. 28, 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 DEC. 1, 1945

(Figures in thousands of barrels of 42 gallons each)

District	% Daily Refining Capacity	Crude Runs to Still	% Operating Age	% Crude Cracked	Gasoline Production	Stocks of Gasoline at Ref.	Stocks of Gas Oil & Dist.	Stocks of Residual Fuel Oil	Stocks of Gasoline & Residual Fuel Oil			
<b>East Coast</b>	99.5	828	104.7	1,743	15,593	9,008	5,680	12,882				
Appalachian												
District No. 1	76.8	102	69.9	396	634	219	812	1,863				
District No. 2	81.2	60	120.0	162	134	207	73	1,779				
Ind., Ill., Ky.	87.2	740	86.3	2,680	6,352	3,141	3,652	13,527				
Okl., Kan., Mo.	78.3	362	77.2	1,046	2,808	1,108	1,082	6,544				
Inland Texas	59.8	219	66.4	1,044	435	950	1,027	1,854				
Texas Gulf Coast	89.3	1,065	86.1	3,887	5,993	4,834	5,286	9,703				
Louisiana Gulf Coast	96.8	324	124.6	887	1,990	1,589	1,083	2,827				
No. La. & Arkansas	55.9	58	46.0	164	525	339	8	1,718				
Rocky Mountain												
District No. 3	17.1	13	100.0	38	19	31	15	91				
District No. 4	72.1	114	71.7	381	512	723	279	1,348				
California	86.5	805	83.2	2,431	9,279	25,385	7,511	6,348				
<b>Total U. S. B. of M. basis Dec. 1, 1945</b>	<b>85.7</b>	<b>4,690</b>	<b>86.8</b>	<b>15,220</b>	<b>44,274</b>	<b>46,534</b>	<b>26,492</b>	<b>59,484</b>				
<b>Total U. S. B. of M. basis Nov. 24, 1945</b>	<b>85.7</b>	<b>4,648</b>	<b>86.0</b>	<b>15,681</b>	<b>45,258</b>	<b>46,474</b>	<b>25,648</b>	<b>57,536</b>				
<b>U. S. B. of M. basis Dec. 2, 1944</b>	<b>4.725</b>			<b>14,851</b>	<b>45,385</b>	<b>61,944</b>	<b>39,222</b>	<b>41,467</b>				

\*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 8,120,000 barrels unfinished gasoline this week, compared with 12,504,000 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 1,762,000 barrels of kerosine, 4,771,000 barrels of gas oil and distillate fuel oil and 8,760,000 barrels of residual fuel oil produced during the week ended Dec. 1, 1945, which compares with 1,825,000 barrels, 4,802,000 barrels and 8,800,000 barrels, respectively, in the preceding week and 1,638,000 barrels, 4,133,000 barrels and 9,219,000 barrels, respectively, in the week ended Dec. 2, 1944.

§Note—Stocks of kerosine at Dec. 1, 1945 amounted to 12,509,000 barrels, as against 13,023,000 barrels a week earlier and 13,800,000 barrels a year before.

## Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended Dec. 1, 1945, as estimated by the United States Bureau of Mines, amounted to 12,350,000 net tons, an increase of 2,040,000 tons over the preceding week in which the Thanksgiving holiday was observed. Production in the week ended Dec. 2, 1944 amounted to 12,025,000 tons. For the period from Jan. 1 to Dec. 1, 1945, output totaled 529,420,000 net tons, a decrease of 8.4% when compared with the 577,925,000 tons produced during the period from Jan. 1 to Dec. 2, 1944.

Production of Pennsylvania anthracite for the week ended Dec. 1, 1945, as estimated by the Bureau of Mines, was 1,131,000 tons, an increase of 182,000 tons (19.2%) over the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 48,000 tons, or 4.1%. The calendar year to date shows a decrease of 14.6% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of beehive coke for the week ended Dec. 1, 1945 showed an increase of 14,300 tons when compared with the output for the week ended Nov. 24, 1945; but was 20,000 tons less than for the corresponding week of 1944.

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

	Week Ended		Dec. 2, 1944	Jan. 1 to Date	
	Dec. 1, 1945	Nov. 24, 1945		Dec. 1, 1945	Dec. 2, 1944
Bituminous coal & lignite:	12,350,000	10,310,000	12,025,000	529,420,000	577,925,000
Total, incl. mine fuel	2,058,000	2,062,000	2,038,000	1,881,000	2,025,000

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

	Week Ended			Calendar Year to Date		
	Dec. 1, 1945	Nov. 24, 1945	Dec. 2, 1944	Dec. 1, 1945	Dec. 2, 1944	Dec. 4, 1937
Penn. Anthracite:	1,131,000	949,000	1,179,000	50,813,000	59,529,000	47,555,000
*Total incl. coll. fuel	1,086,000	911,000	1,132,000	48,783,000	57,148,000	45,177,000

†Beehive coke—United States total 89,300 tons, 75,000 tons, 109,300 tons, 4,849,700 tons, 6,583,900 tons, 3,052,400 tons. \*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. §Revised.

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

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

State	Week Ended			Nov. 25, 1944
	Nov. 24, 1945	Nov. 17, 1945	Nov. 25, 1944	
Alabama	320,000	339,000	368,000	368,000
Alaska	5,000	5,000	7,000	7,000
Arkansas and Oklahoma	105,000	102,000	90,000	90,000
Colorado	119,000	127,000	143,000	143,000
Georgia and North Carolina		1,000	1,000	1,000
Illinois	1,280,000	1,267,000	1,350,000	1,350,000
Indiana	439,000	467,000	502,000	502,000
Iowa	34,000	35,000	51,000	51,000
Kansas and Missouri	118,000	126,000	136,000	136,000
Kentucky—Eastern	645,000	1,041,000	1,041,000	1,041,000
Kentucky—Western	336,000	388,000	300,000	300,000
Maryland	32,000	36,000	29,000	29,000
Michigan	3,000	3,000	3,000	3,000
Montana (bitum. & lignite)	93,000	99,000	92,000	92,000
New Mexico	27,000	25,000	31,000	31,000
North & South Dakota (lignite)	80,000	73,000	60,000	60,000
Ohio	583,000	737,000	601,000	601,000
Pennsylvania (bituminous)	2,453,000	2,610,000	2,704,000	2,704,000
Tennessee	125,000	141,000	136,000	136,000
Texas (bituminous & lignite)	1,000	2,000	2,000	2,000
Utah	134,000	133,000	137,000	137,000
Virginia	323,000	386,000	400,000	400,000
Washington	28,000	32,000	30,000	30,000
West Virginia—Southern	1,746,000	2,110,000	2,086,000	2,086,000
West Virginia—Northern	880,000	990,000	857,000	857,000
Wyoming	201,000	223,000	202,000	202,000
Other Western States		1,000		
<b>Total bituminous &amp; lignite</b>	<b>10,310,000</b>	<b>11,500,000</b>	<b>11,436,000</b>	<b>11,436,000</b>

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

## Non-Ferrous Metals—Buying Interest in Lead Remains Brisk—Strikes Close Zinc Smelters

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 6, states: "Both producers and consumers of lead are concerned over the possibility that total supplies of the metal available after the turn of the year will shrink, owing largely to reduced offerings from foreign sources. Demand for lead in the world market is increasing and foreign buyers have been bidding up prices. Strikes have closed four zinc plants, reducing production of grades now in demand. The United States Government has been considering a \$600,000,000 deal for tin with the Netherlands, according to reports from Washington. Tin experts in New York did not take this news seriously. Quicksilver advanced \$1 per flask." The publication further went on to say in part:

**Lead**  
The Advisory Committee of the lead industry was scheduled to meet with officials in Washington on Dec. 6 to review the supply situation that threatens to become tighter in the event that metal from foreign sources now moving into this country should find a more profitable market elsewhere. Foreign buyers have actually bid for Mexican and Canadian lead at prices above the domestic basis. Though the price ceiling on lead is generally regarded as too low to bring out additional supplies, Washington authorities so far have opposed an upward revision of the selling basis. In the event that the supply of lead shrinks, it is thought likely that limitations on use will be strengthened. A strike at Mexican properties, now threatening, might bring quick action on restricting consumption. Demand for lead was active throughout the week, and sales for the period involved 6,728 tons.

**Copper**  
There were no new developments in connection with the expected resumption of buying of foreign copper by the Government. Strike complications and other matters have temporarily sidetracked the proceedings, the industry believes. Domestic demand for copper remains active, and some producers will ship more metal to fabricators during December than in the preceding month. The price situation in both domestic and foreign copper was unchanged. Canada produced 17,511 tons of copper in September, against 19,740 tons in August and 21,553 tons in September last year, the Dominion Bureau of Statistics reports.

**Zinc**  
Four plants of the American Zinc, Lead & Smelting Co. were shut down during the last week by the Mine, Mill & Smelter Workers Union because of wage demands that could not be granted. The industry was concerned over this development, lest workers at other plants may make similar demands. The market situation in zinc remains unchanged. As for some time past, Special High Grade and Prime Western are moving rather freely, but the other grades remain inactive. Some export inquiry was around, which was taken care of through offerings of bonded metal. Stocks of slab zinc in the hands of consumers in this country at the end of September totaled 81,239 tons, against 88,667 tons a month previous, the Bureau of Mines reports. A total of 53,533 tons were consumed during September. Exports of slab zinc by Canada dropped from 24,697,400 lb. in August to 12,983,800 lb. in September, the Dominion Bureau of Statistics reports. Exports of zinc ore in September totaled 10,757,400 lb., against 14,301,900 lb. in August.

**Tin**  
Political disturbances in the Netherlands East Indies, and continued uncertainty over the situation in Malaya, have combined to make consumers less optimistic in reference to obtaining additional supplies of tin in the near future. During the last week the Civilian Production Administration announced that controls over imports of tin and tin alloys under General Import Order M-63 have been restored. The action was taken because tin-lead alloys have recently been offered here by foreign sellers at above-ceiling levels. The market for tin remains fixed on the basis of 52c. a pound for Grade A or Straits quality metal. Forward quotations were nominally as follows:

	Dec. 29	Dec. 30	Jan. 1	Feb. 1
52.000	52.000	52.000	52.000	52.000
52.000	52.000	52.000	52.000	52.000
52.000	52.000	52.000	52.000	52.000
52.000	52.000	52.000	52.000	52.000
52.000	52.000	52.000	52.000	52.000

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

## Revenue Freight Car Loadings During the Week Ended Dec. 1, 1945 Increased 87,276 Cars

Loading of revenue freight for the week ended Dec. 1, 1945, totaled 803,770 cars, the Association of American Railroads announced on Dec. 6. This was a decrease below the corresponding week of 1944 of 4,063 cars, or 0.5%, and a decrease below the same week in 1943 of 58,963 cars or 6.8%.

Loading of revenue freight for the week of Dec. 1, increased 87,276 cars, or 12.2% above the preceding week.

Miscellaneous freight loading totaled 361,943 cars an increase of 37,502 cars above the preceding week, but a decrease of 34,608 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 116,897 cars, an increase of 10,684 cars above the preceding week and an increase of 10,864 cars above the corresponding week in 1944.

Coal loading amounted to 179,764 cars, an increase of 28,479 cars above the preceding week, and an increase of 10,533 cars above the corresponding week in 1944.

Grain and grain products loading totaled 58,810 cars an increase of 8,037 cars above the preceding week and an increase of 11,116 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Dec. 1 totaled 40,953 cars, an increase of 6,899 cars above the preceding week and an increase of 8,760 cars above the corresponding week in 1944.

Livestock loading amounted to 25,064 cars an increase of 3,678 cars above the preceding week and an increase of 2,434 cars above the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of Dec. 1 totaled 19,111 cars, an increase of 2,339 cars above the preceding week, and an increase of 1,650 cars above the corresponding week in 1944.

Forest products loading totaled 33,021 cars an increase of 5,154 cars above the preceding week but a decrease of 5,706 cars below the corresponding week in 1944.

Ore loading amounted to 14,767 cars a decrease of 7,085 cars below the preceding week but an increase of 1,178 cars above the corresponding week in 1944.

Coke loading amounted to 13,504 cars an increase of 827 cars above the preceding week, and an increase of 123 cars above the corresponding week in 1944.

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

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
4 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
4 Weeks of June	4,364,662	4,338,888	4,003,393
4 Weeks of July	3,378,266	3,459,830	3,455,328
4 Weeks of August	3,240,175	3,576,269	3,554,694
4 Weeks of September	4,116,728	4,424,765	4,456,468
4 Weeks of October	3,150,712	3,598,245	3,607,851
4 Weeks of November	3,207,035	3,364,903	3,304,830
Week of December 1	803,770	807,836	862,773
<b>Total</b>	<b>39,158,631</b>	<b>40,517,049</b>	<b>39,573,279</b>

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 1, 1945. During this period 70 roads reported gains over the week ended Dec. 2, 1944.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED DEC. 1

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
<b>Eastern District—</b>						
Ann Arbor	367	341	266	1,345	1,482	481
Bangor & Aroostook	2,842	2,202	2,527	264	481	1,670
Boston & Maine	6,691	6,632	7,040	12,210	13,531	13,531
Chicago, Indianapolis & Louisville	1,189	1,205	1,464	1,932	1,754	1,754
Central Indiana	30	26	35	42	39	39
Central Vermont	1,171	1,065	1,081	2,280	2,233	2,233
Delaware & Hudson	4,670	4,803	5,870	10,598	11,748	11,748
Delaware & Potomac	7,183	7,592	8,151	8,313	10,670	10,670
Detroit & Mackinac	400	293	233	152	114	114
Detroit, Toledo & Ironton	1,727	1,778	2,138	1,086	1,122	1,122
Detroit & Toledo Shore Line	343	354	322	2,477	15,680	15,680
Erie	11,541	12,843	12,713	13,397	7,142	8,541
Grand Trunk Western	3,032	3,884	3,820	7,124	2,300	2,300
Lehigh & Hudson River	177	140	176	1,287	1,558	1,558
Lehigh & New England	2,016	8,149	9,447	7,394	12,919	12,919
Lehigh Valley	8,405	8,149	2,328	3,941	3,932	3,932
Maine Central	2,338	5,919	5,802	2,74	305	305
Monongahela	2,881	2,659	2,613	20	23	23
Montour	45,181	48,272	50,882	46,949	53,951	53,951
New York Central Lines	9,969	9,892	10,549	13,300	16,677	16,677
N. Y., N. H. & Hartford	826	1,077	1,131	2,164	3,147	3,147
New York, Ontario & Western	6,301	7,157	6,822	19,556	14,874	14,874
New York, Chicago & St. Louis	436	426	629	1,974	2,119	2,119
N. Y., Susquehanna & Western	7,571	8,083	7,714	7,061	7,022	7,022
Pittsburgh & Lake Erie	5,227	5,313	5,030	6,348	7,928	7,928
Pere Marquette	775	561	809	13	12	12
Pittsburgh & Shawmut	150	238	287	203	216	216
Pittsburgh, Shawmut & North	976	894	1,142	1,738	2,344	2,344
Pittsburgh & West Virginia	385	319	414	875	1,032	1,032
Rutland	6,008	5,846	6,475	10,248	12,142	12,142
Wabash	4,860	5,228	5,045	3,226	4,088	4,088
Wheeling & Lake Erie						
<b>Total</b>	<b>151,598</b>	<b>157,061</b>	<b>165,129</b>	<b>189,932</b>	<b>217,972</b>	<b>217,972</b>
<b>Allegheny District—</b>						
Akron, Canton & Youngstown	560	758	812	1,141	1,242	1,242
Baltimore & Ohio	42,579	42,303	43,321	22,209	26,927	26,927
Bessemer & Lake Erie	2,405	2,329	4,511	1,395	1,670	1,670
Buffalo Creek & Gauley						
Cambria & Indiana	1,434	1,403	1,678	9	13	13
Central R. of New Jersey	6,162	6,362	7,641	14,008	19,321	19,321
Cornwall	512	401	612	48	63	63
Cumberland & Pennsylvania	275	180	253	6	9	9
Ligonier Valley	35	111	175	1	61	61
Long Island	1,676	1,744	1,346	3,689	4,042	4,042
Penn-Reading Seashore Lines	1,832	1,846	1,776	1,742	2,274	2,274
Pennsylvania System	74,434	80,908	82,415	54,761	61,442	61,442
Reading Co.	14,237	15,178	15,179	22,263	27,840	27,840
Union (Pittsburgh)	18,222	19,632	19,994	2,783	3,179	3,179
Western Maryland	3,818	4,175	4,392	10,434	11,940	11,940
<b>Total</b>	<b>168,181</b>	<b>177,328</b>	<b>184,475</b>	<b>124,489</b>	<b>160,023</b>	<b>160,023</b>
<b>Peachontas District—</b>						
Chesapeake & Ohio	29,600	27,838	29,921	12,159	11,751	11,751
Norfolk & Western	21,617	20,514	23,980	6,368	7,445	7,445
Virginian	5,109	4,111	5,028	1,618	2,495	2,495
<b>Total</b>	<b>56,326</b>	<b>52,463</b>	<b>58,929</b>	<b>20,143</b>	<b>21,691</b>	<b>21,691</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
<b>Southern District—</b>						
Alabama, Tennessee & Northern	426	307	287	159	353	353
Atl. & W. P.—W. R. R. of Ala.	854	627	816	1,925	2,571	2,571
Atlanta, Birmingham & Coast	862	801	737	1,341	1,513	1,513
Atlantic Coast Line	14,028	12,469	13,520	8,931	11,280	11,280
Central of Georgia	4,012	3,359	3,802	4,652	4,633	4,633
Charleston & Western Carolina	426	379	390	1,463	1,631	1,631
Cincinnati	1,556	1,551	1,704	2,787	3,171	3,171
Columbus & Greenville	421	336	274	256	252	252
Durham & Southern	93	180	117	756	853	853
Florida East Coast	2,557	2,665	2,482	1,402	1,210	1,210
Gainesville Midland	64	34	46	143	110	110
Georgia	1,105	1,087	1,291	1,948	2,158	2,158
Georgia & Florida	454	428	461	700	667	667
Gulf, Mobile & Ohio	4,992	4,743	4,398	3,788	4,034	4,034
Illinois Central System	27,760	28,263	29,300	14,697	17,161	17,161
Louisville & Nashville	26,429	24,929	25,767	9,526	10,788	10,788
Macon, Dublin & Savannah	242	173	196	936	828	828
Mississippi Central	280	295	361	379	479	479
Nashville, Chattanooga & St. L.	2,992	2,956	3,635	3,908	4,208	4,208
Norfolk Southern	1,150	797	1,088	1,362	1,938	1,938
Piedmont Northern	439	474	450	1,208	1,341	1,341
Richmond, Fred. & Potomac	460	357	434	874	9,518	9,518
Seaboard Air Line	11,546	9,215	11,172	7,860	7,855	7,855
Southern System	24,675	23,429	23,843	22,453	25,310	25,310
Tennessee Central	497	638	521	806	771	771
Winston-Salem Southbound	79	166	159	1,004	1,032	1,032
<b>Total</b>	<b>128,399</b>	<b>120,660</b>	<b>127,251</b>	<b>103,106</b>	<b>115,665</b>	<b>115,665</b>
<b>Northwestern District—</b>						
Chicago & North Western	17,564	15,561	16,073	12,314	12,881	12,881
Chicago Great Western	2,972	2,615	2,765	3,116	3,062	3,062
Chicago, Milw., St. P. & Pac.	21,775	22,006	22,394	9,054	9,918	9,918
Chicago, St. Paul, Minn. & Omaha	4,048	3,906	3,947	3,971	3,966	3,966
Duluth, Missabe & Iron Range	1,687	913	18,426	234	143	143
Duluth, South Shore & Atlantic	520	508	715	393	635	635
Elgin, Joliet & Eastern	8,479	8,432	8,241	9,349	11,988	11,988
Fr. Dodge, Des Moines & South	457	396	390	111	90	90
Great Northern	14,873	12,622	16,431	4,163	5,615	5,615
Green Bay & Western	187	456	560	871	719	719
Lake Superior & Ishpeming	530	301	773	68	72	72
Minneapolis & St. Louis	2,370	2,123	2,168	2,155	2,378	2,378
Minn., St. Paul & S. M.	5,970	5,040	6,135	3,090	2,693	2,693
Northern Pacific	11,179	11,596	12,023	4,746	5,629	5,629
Spokane International	111	242	117	486	495	495
Spokane, Portland & Seattle	1,878	2,692	2,390	2,233	3,774	3,774
<b>Total</b>	<b>94,544</b>	<b>89,409</b>	<b>113,538</b>	<b>56,202</b>	<b>64,210</b>	<b>64,210</b>
<b>Central Western District—</b>						
Atch., Top. & Santa Fe System	26,244	25,288	24,416	9,418	15,053	15,053
Alton	3,105	3,610	3,254	2,970	3,723	3,723
Bingham & Garfield	306	456	550	47	84	84
Chicago, Burlington & Quincy	22,560	20,616	21,220	11,106	12,961	12,961
Chicago & Illinois Midland	3,185	2,805	2,757	720	868	868
Chicago, Rock Island & Pacific	14,681	12,798	12,521	11,859	13,347	13,347
Chicago & Eastern Illinois	2,789	3,131	2,944	3,086	5,233	5,233
Colorado & Southern	1,045	1,093	1,192	1,834	2,236	2,236
Denver & Rio Grande Western	4,075	4,824	4,425	4,269	6,496	6,496
Denver & Salt Lake	850	669	776	42	22	22
Fort Worth & Denver City	1,025	918	880	1,474	1,418	1,418
Illinois Terminal	1,825	1,879	2,059	1,400	1,914	1,914
Missouri-Illinois	1,057	1,248	1,168	410	546	546
Nevada Northern	1,324	1,651	1,774	153	197	197
North Western Pacific	630	756	930	622	1,094	1,094
Peoria & Pekin Union	11	23	14	0	0	0
Southern Pacific (Pacific)	27,498	31,033	30,989	9,966	15,2	

## Items About Banks, Trust Companies

At a regular meeting of the Board of Directors of J. P. Morgan & Co. Incorporated, held on Dec. 5, the following appointments were made:

Francis K. Gibbons, Auditor; Thomas Rodd, III, Assistant Comptroller; Edward E. Norris, Assistant Secretary, and John M. Compton, Assistant Treasurer.

The National City Bank of New York reopened its Shanghai branch on Dec. 10. This unit of the international organization will be in charge of J. T. S. Reed, Assistant Vice-President, who was Manager when it was closed at the outbreak of World War II. The National City has been authorized by the Government to act as depository for the U. S. Armed Forces in Shanghai. This branch was in operation for more than 40 years before its temporary cessation of business.

Lieut. Reginald H. Johnson, Jr., has returned to the Chemical Bank & Trust Co. of New York after two years' service with the U. S. Naval Reserves and resumed his position as Assistant Secretary on Dec. 10.

The annual dinner and meeting of the Twenty-Five-Year Club of Manufacturers Trust Co. was held at the Hotel New Yorker on Wednesday evening, Dec. 5. Forty-seven new members were inducted into the club and appropriate emblems were presented to them by Harvey D. Gibson, President of Manufacturers Trust Co. Total membership in the club is now 265. The meeting was in the form of an old-fashioned get-together with community singing and other forms of informal entertainment. The following officers were elected for the ensuing year: Henry W. Becker, President; Joseph C. McNally, Vice-President, and John J. Hayes, Secretary-Treasurer.

E. Chester Gersten, President of The Public National Bank and Trust Co. of New York, announces the appointment of Elmer H. Worthington as Assistant Vice-President in the Bank Correspondent Division of the New Business Department. Mr. Worthington served in the capacity of Treasurer in the New Milford Savings Bank, New Milford, Conn., with which institution he had been identified for 15 years, and for the past two years was an official of The Belknap Manufacturing Co. at Bridgeport, Conn.

Stockholders of The Public National Bank and Trust Co. of New York at a special meeting on Dec. 10 authorized the issuance of 110,000 additional shares of capital stock of \$17.50 par value. The new stock is offered to stockholders of record Dec. 10, 1945, for subscription at \$45 per share on the basis of one share for each four shares held. Subscription rights will terminate on Dec. 26. The bank has entered into an agreement with The First Boston Corp. and associates for the underwriting of the offering.

It is contemplated, according to the management, that the annual dividend rate for next year on the stock of the bank will be increased to \$1.65 per share from the present \$1.50 per share annual rate. Authorization of the new shares was recommended by the directors of the bank to increase capital funds to a level commensurate with its large increase in deposits in the last 10 years. In a recent letter to the stockholders, E. Chester Gersten, President, pointed out that since Dec. 31, 1935, the bank's total deposits have

multiplied 3½ times, or from \$138,312,940 to \$482,384,176 as of Sept. 30, 1945. Mr. Gersten said that while capital funds, as represented by capital stock, surplus and undivided profits, also have increased substantially the rate of increase was not as great as in deposits.

Arthur Bogert Westervelt, retired President and Chairman of the board of the Harlem Savings Bank of New York at Lexington Avenue and 125th Street, died on Dec. 4 at the age of 77. Mr. Westervelt began his banking career as a clerk with the American Exchange National Bank here. He became affiliated with Harvey Fisk & Sons and later became Vice-President of the American Trust Co., in charge of its bond department, said the New York "Times" of Dec. 5, which also stated:

"After serving as a director of the Harlem Savings Bank he was elected its President, and on retirement as President became Chairman of the board.

"At the turn of the century, Mr. Westervelt helped found the Pallasades Trust and Guaranty Co. of Englewood, N. J., of which he was a director until 1942, when he retired from all his banking posts."

At the regular meeting of the Board of Directors of The National City Bank of New York, on Dec. 11, James S. Rockefeller was reelected a Vice-President. He served in the Army as a Lieutenant-Colonel and will return to the Bank Jan. 1. Ralph W. Dey of National City's Brooklyn organization was appointed an assistant Vice-President.

At a special meeting of stockholders of The First National Bank of Jersey City on Dec. 11, an increase of 7,750 shares of common capital stock, par value \$100, was authorized. Following this action directors of the bank, subject to the approval of the Comptroller of the Currency, authorized the offering to shareholders of the 7,750 additional shares for subscription at \$120 per share. Shareholders have the right to subscribe for the additional stock on the basis of 35/100ths share for each share held of record at the close of business Dec. 11, 1945. The bank has entered into an underwriting agreement with Van Alstyne, Noel & Company and Bailey, Dwyer & Company under which the underwriters will purchase at \$120 per share all of the additional shares not subscribed for by the stockholders.

Land Title Bank and Trust Co. of Philadelphia announces that it has retired the outstanding \$2,500,000 balance of an original issue of \$7,500,000 of its preferred stock from the proceeds of the recent sale of 75,000 shares of common stock to its stockholders at \$35 a share. This refinancing leaves the bank with a capital of \$3,750,000; surplus, \$3,750,000 and undivided profits of approximately \$1,000,000. In its letter to its stockholders it was announced that after completion of the refinancing the Board of Directors expected to resume payment of dividends on the common stock at the annual rate of \$1.60 per share, payable quarterly.

The Board of Directors of the Capital Bank & Trust Co. of Harrisburg, Pa., at their regular meeting Dec. 6, declared the usual dividend of 30 cents per share, plus an extra dividend of 10 cents per

share, payable Dec. 21, to stockholders of record Dec. 10.

Directors of the Riggs National Bank of Washington have recommended a plan to increase the capital from \$3,000,000 to \$5,000,000 and surplus from \$5,750,000 to \$7,000,000, President Robert V. Fleming announced on Dec. 8. The "Washington Post," in advices by S. Oliver Goodman, to this effect, also said in part:

"The proposed recapitalization, he (President Fleming) explained, provides for the payment of a stock dividend of \$1,000,000 to shareholders of record Jan. 8, 1946, and the sale of 10,000 additional shares at \$300 a share to stockholders of record on the same date. Such holders will be given the right to purchase one share for each three shares held on that date, prior to declaration of the stock dividend. The rights will expire on 2 p.m. Feb. 27, 1946.

"Based on yesterday's bid price of \$435 a share for Riggs stock on the Washington Stock Exchange, the rights are worth about \$135 each.

"Of the \$3,000,000 proceeds, \$1,000,000 will be allocated to capital and \$2,000,000 to surplus, he said.

"If approved by stockholders, the new capital structure will become effective on March 1, 1946, when the bank will have capital of \$5,000,000 represented by 50,000 shares of \$100 par value, surplus of \$7,000,000 with estimated undivided profits and reserves of \$2,752,374. Total capital funds would be \$14,752,374."

When shareholders of Manufacturers National Bank of Detroit, Mich., hold their annual meeting Jan. 8, they will vote on a resolution to increase the common stock of the bank from \$3,000,000 to \$4,000,000. The increase would be accomplished by the declaration of a stock dividend of \$1,000,000. If shareholders approve the resolution and a certificate of approval is received from the Comptroller of the Currency, the bank will issue 20,000 new shares of stock with par value of \$50 a share. The new shares will be divided among holders of the present 60,000 shares at the ratio of one new share to three present shares. Bank directors have authorized presentation of the resolution to shareholders, according to letters mailed by Manufacturers National to the stockholders.

The election of J. M. Downers of Minneapolis and George S. Henry of Ironwood, Mich., as Assistant Cashiers of First National Bank of Minneapolis was announced on Dec. 7 by H. E. Atwood, President, following a meeting of the board, according to the Minneapolis "Journal," which stated that Mr. Downers assumes his new position immediately and Mr. Henry will arrive about Dec. 15.

Mercantile-Commerce Bank and Trust Co. of St. Louis, Mo., announced on Dec. 3 that Thomas L. Ray, formerly in the investment business with Barcus-Kindred & Co., Chicago, has joined the Bond Department of the St. Louis Bank. Mr. Ray recently returned from 3½ years' service as a Lieutenant in the U. S. Navy.

The Board of Directors of the Mercantile-Commerce Bank and Trust Co., St. Louis, Mo., recently declared a dividend of \$2.00 per share on the outstanding shares of capital stock, payable Jan. 2, 1946, to stockholders of record Dec. 20, 1945.

The bank paid quarterly dividends of \$1.75 per share on Jan. 1, April 1, July 1 and Oct. 1, 1945. In addition, a 25% stock distribution was made on June 9, 1945.

R. L. Thornton, President of the Mercantile National Bank of Dallas, Texas, announced on Dec. 4 that the Board of Directors, at a

meeting that day, approved a plan to be submitted to the stockholders at the annual meeting on Jan. 8, to increase the capital of the bank from \$3,500,000 to \$5,000,000 and the surplus from \$3,500,000 to \$5,000,000. This increase will be effected by offering the bank's stockholders 75,000 shares of new stock on a pro-rata basis, at \$45 a share, it was reported in the Dallas "Times Herald," from which the following is also taken:

"When this action is approved by the shareholders at the annual meeting, and the capital of the bank has been adjusted and approved by the Comptroller of Currency, the capital structure of the Mercantile Bank will be as follows: Capital, \$5,000,000; surplus \$5,000,000, and undivided profits over \$1,000,000."

Controlling interest in the First National Bank of Eugene, Ore., largest bank in Oregon outside of Portland, was purchased on Dec. 5 by the Transamerica Corp. of San Francisco. The "Oregonian" of Dec. 6 said:

"Under the new setup it was announced that the Eugene Bank would continue as an independent institution with its own officers and directors and would operate as an affiliate of the First National Bank of Portland.

"Announcement of the sale was made by Richard Shore Smith, retiring President of the Eugene Bank. E. B. MacNaughton, President of the First National of Portland, represented Transamerica in the transaction.

"A special meeting of the Board of Directors of the Eugene Bank held Wednesday (Dec. 5) afternoon elected Oluf A. Hougum Chairman of the board under the new setup. He had been a Vice-President. Lyn S. McCready, also a former Vice-President, was named President. Mr. McCready is at present serving as President of the Oregon Bankers' Association.

"The Board of Directors of the Eugene Bank also elected Rogers W. Kimberling, Cashier, as Cashier and Trust Officer, and Walter H. Banks and Loy W. Rowling as Vice-Presidents."

The distribution of certificates representing 21,185 shares of Bank of America, San Francisco, common capital stock was being made on Dec. 1 to employees of the bank under the institution's profit-sharing bonus plan. This is learned from the Los Angeles "Times," which further said:

"Current distribution represents the release from trust of the bonus allocations made between Dec. 1, 1939, and Nov. 30, 1945. Their present market value approximates \$995,695.

"Since the plan's inception, 253,028 shares of stock, with a present market value approximating \$11,292,316, have been acquired with the bonus funds for the benefit of employees. Distribution now totals 55,879 shares."

Victor H. Rossetti, President of the Farmers & Merchants National Bank of Los Angeles, announced on Dec. 4, according to the Los Angeles "Times," that the Comptroller of the Currency has approved the 100% stock dividend to stockholders on the basis of one share for each share now held, effective Dec. 4.

According to the San Francisco "Chronicle" of Dec. 1, the Bank of California N. A. will take action at the annual meeting Jan. 8 to increase the common stock of the bank from \$6,800,000 to \$8,500,000, to be accomplished by transfer of \$1,700,000 from surplus to capital and by increasing the par value per share of common stock from \$80 to \$100.

The 75th anniversary of the Crocker First National Bank of San Francisco was signalized on Nov. 30, the bank having opened its doors on that date in 1870. In

the "Daily Commercial News" of Nov. 30 it was stated that:

"Recognizing an opportunity under a new Act of Congress, James Phelan and James Moffitt, chartered this institution as the First National Gold Bank of San Francisco. There were 27 banks in San Francisco at the time, but this was the first and only national bank—and the first financial institution in California to be chartered under Federal law.

"It started business with deposits of less than \$100,000.

"In the next 10 years business and population of the Bay area practically doubled while deposits in the Gold Bank increased 16 times.

"In June, 1883, a light express wagon drew up before the Dividend Building at Pine and Leidesdorff Streets in San Francisco and several men emerged to unload its contents—\$500,000 in gold. This simple event marked the birth of Crocker, Woolworth & Co., a private banking concern whose influence still endures both in the name and principles of this institution.

"In 1926 the present Crocker First National Bank of San Francisco was created through the merger of the old neighbors, the First National and the Crocker National, establishing one of the major banks of the country with deposits of \$97,000,000.

"Both James K. Moffitt, Chairman of the Board of Directors, and Wm. W. Crocker, President, are direct descendants of the founders of the parent institutions of Crocker First National Bank. Mr. Moffitt is the son of James Moffitt, and Wm. W. Crocker, who succeeded his father, Wm. H. Crocker, as President of the bank in 1926, is the grandson of Charles Crocker.

"Since the merger in 1926 the bank has shown a steady growth and today deposits total \$320,000,000."

### Atkeson and Allen Named To Internal Rev. Bureau

Joseph D. Nunan, Jr., Commissioner of Internal Revenue, announced on Dec. 7 the appointment of Dr. T. C. Atkeson as Assistant to the Commissioner and of C. B. Allen as Deputy Commissioner of the Income Tax Unit of the Bureau of Internal Revenue. Dr. Atkeson, who formerly was head of the Clearing Division, will be in charge of research and statistical activities of the Bureau. Dr. Atkeson succeeds Paul A. Hankins who recently became Assistant Commissioner. Dr. Atkeson attended the University of Alabama, and received the degree of Doctor of Philosophy in 1931 from Georgetown University for his studies in economics and statistics.

Mr. Allen formerly was Assistant Deputy Commissioner of the Income Tax Unit. He succeeds Norman D. Cann, who resigned to enter private business. Mr. Cann, who had been with the Bureau since 1924, had been Deputy Commissioner of the Income Tax Unit for the past two years, and formerly held the positions of Assistant Commissioner and Head of the Los Angeles Division of the Technical Staff. Mr. Allen has been in Government service since 1907 and has occupied various important positions in the Bureau of Internal Revenue continuously since 1917. For 16 years, he was Internal Revenue Agent-in-charge of the Upper New York Division. Edward I. McLarny, formerly Head of the Field Procedure Division of the Income Tax Unit, will be Acting Assistant Deputy Commissioner in place of Mr. Allen. P. H. Sherwood, formerly Head of Audit Review Division C, has been reassigned as Head of the Clearing Division. James W. Warner, formerly Assistant Head of Audit Review Division B, will be Head of Audit Review Division C.