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The Financial Situation

Our reconversion misconceptions and blunders are beginning to bear fruit. What is more disturbing is the fact that there are many with loud voices (often the very gentlemen who taught the errors and committed the blunders) who are now shouting for large and still larger applications of the hair of the dog that did the biting. The situation is evidently approaching a critical stage.

The strike situation, both actually existing and immediately threatening, is, of course, most conspicuous in the public eye at the moment. It is commonly supposed to be one of the results of a lack of a strong public policy on the part of government, and to call for drastic legislation not so much undoing the mischief that existing laws have done and are doing, as to broaden and strengthen the responsibility and the authority of central government over sections of the business community, including, this time apparently, labor unions. Such a view of the current impasse is superficial, so superficial that it is rather likely to do very substantial harm even if prompted by disgust with the high-handedness of some of labor organizations of the country. The roots of present difficulties are deeply imbedded in "modern idealogies" epidemic in this country, perhaps pandemic, and in the political chicanery of the past dozen or more years, and the impasse now reached in the motor industry and threatening in a number of other industries is also a product, a natural if not inevitable product, of official notions and official policies concerning reconversion and the like.

Paying the Fiddler

No one who has cut his eye teeth supposed for a moment that we should escape prolonged and troublesome labor strife once the war was over, and the psychological pressures

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From Washington Ahead of the News

By CARLISLE BARGERON

This writer is one of those who had a deep personal affection for Calvin Coolidge. We travelled with him a lot. He was not a man with whom you could attain any intimacy, even on the most intimate occasions such as we had with him. He occasionally took a group of us on parties on the Presidential yacht Mayflower. There would be everything for your comfort and good time. Even on trips around the country he was most meticulous about the arrangements that were made for us. Yet if you were to approach him on any of these occasions to say only so much that it was a very pleasant day, he was likely to cut you short.


Carlisle Bargeron

We recall on one particular trip on the Mayflower when a group of us were his guests. As we moved down the Potomac some of us were on deck viewing the countryside in the sunset. A few feet away stood Mr. Coolidge doing the same thing, all alone. We counselled among ourselves and decided that inasmuch as we were his guests we owed it to him to go over and talk with him. We were not seeking any news, simply trying to be courteous to our host. When we walked up with an inane greeting, he suggested that there was some stationery aboard bearing the Presidential imprimatur and perhaps we should like to write to our loved ones and friends on this stationery. With that he walked off brusquely.

He would throw us into stitches when he did these things. This writer laughs even yet when he thinks of him. He had a deadpan and we are still under the impression that he thought the world a very funny thing. In his deadpan way he was always laughing at it. The fact is, of course, that our greatest problem in those days was the number of people who were killing or maiming themselves by slipping in bathtubs.

Now, we have another President who doesn't like the word "normalcy" for political reasons

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U. S. Economic Policy Toward Germany

Secretary of State Byrnes Issues Statement on Economic Policy of Allies Toward Germany, Accompanied by a Formal Declaration of State Department on Reparations Settlements and German Peace Time Economy. Aims to Determine Capital and Industries Essential to Civilian Population, and to Require, as Reparations, Destruction and Disposal of Plants and Industries Which May Serve as War Potentials. Will Distribute Part of Chemical and Machinery Industries. Expects German Living Standards and a Balanced Economy to Become Stabilized by 1948 and Sees Need of Financial Assistance in Enabling Germany to Have Essential Imports. German Geographical Limits Considered as Same as Pre-War, Less Territory East of Oder-Neisse Line.

On Dec. 11, just prior to his departure for Moscow to attend the Three Power Conference, Secretary James F. Byrnes released a statement on the U. S. Policy with reference to Germany's future economic status. This statement was accompanied by a formal declaration of principles and proposals of the State Department covering the same problem. The full text of Mr. Byrnes' statement and the State Departments' announcement follows:


James F. Byrnes

The Department of State has formulated a statement of its economic policy toward Germany for the guidance of the United States occupying authorities and has transmitted that statement to the War Department and to the Governments of the other occupying powers. The fundamental policy was, of course, laid down at Potsdam. The purpose of this statement is to make clear the American conception of the meaning of the Potsdam Declaration as it bears on present and impending economic issues in Germany.

The position of Germany in the present world picture must be looked at broadly against the whole background of recent history. For six years Germany has ruthlessly imposed war and destruction on Europe and the world. The Nazis who ruled there for more than a decade are now defeated, discredited and have been or are being rooted from positions of power. The final stages of war caused vast movements of Germans within their own country; and peace has permitted the return to their homes of millions of foreign laborers who had been enslaved in German mines and factories. The insistence of the Nazis on continuing the war to the bitter end caused enormous destruction to German cities, transport facilities and other capital of the country. These are the basic reasons for the present position of Germany, a position for which the Germans themselves are primarily responsible. German industrial production will for some time be low and her people ill fed even if there were no occupation and no reparations program.

The Postdam Declaration involves three stages in the return of Germany to normal economic conditions. The first covers the German economy from the surrender of the armed forces, last May, to at least the end of the present winter. In this interval our broad purposes are to ensure that our policy in Germany makes the maximum possible contribution to recovery in areas recently liberated from Germany and, positively, to set up a structure that will provide for the future recovery of Germany in conformity with the principles agreed at Potsdam.

Four Objectives

Within these broad objectives four principal immediate aims are these:

First, to increase to the greatest possible extent the export of coal from Germany to liberated areas. The rate of economic recovery in Europe depends upon the coal

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GENERAL CONTENTS

*This item appeared in our issue of Dec. 17, on page indicated.

Observations . . . .

By A. WILFRED MAY

The United Automobile Workers' request to Prime Minister Attlee that the British Government intervene on behalf of American labor in the General Motors dispute focuses attention on the important long-term question of adequate stockholder representation—although differing entirely from Mr. Thomas' concept of the problem.

This particular incident *per se* is not particularly important. The British Government in 1940 became a General Motors stockholder merely as the mechanical means for acquiring badly needed dollars from the RFC (despite the recent London dispatches stating that the real ownership rests with private British citizens, and that they receive the dividends) and it is inconceivable that the sought-for international interference with the management will be forthcoming.

President Thomas of the union complains that "the management of General Motors speaks only in the name of the du Pont family, and does not accurately reflect either the wishes or interests of its stockholders." The important point of continuing interest is that the British Government (possessing but 1% of the outstanding shares) together with the "wicked" du Pont *Company* owns but 25% of the company, typically leaving the 75% of ordinary scattered stockholders unrepresented. Contrary to the representations of Mr. Thomas, were these stockholders afforded vocality, they undoubtedly would express *gratitude* to the management for being willing (despite its lack of substantial ownership) to assume the responsibility of zealously guarding their property rights. It will be recalled that railroad directorates have been accused often of forsaking their obligations to the property owners, in too easily giving in to labor demands.

It would seem that stockholder representation in general can best be made effective by electing non-managing and non-controlling directors specifically to represent the general run of shareholders; or through the services of a professional director. In cases of specific controversial issues, as on labor, the reactions of the owning-shareholders could be registered by means of a referendum, per-

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Both Freedom and Slavery . . . .

"There is a pressing need now, not of more labor-management conferences, but of a real post-war economic conference."

* * *

"Such a conference should directly come to grips with our current basic and difficult economic problems and work out specific bipartisan, united recommendations. It should fit together into a co-ordinated recommended program a number of items including the average amount of wage increases that ought now be made, with an indication of the variation between different industries, and the amount of increase of unemployment compensation, and of other security programs.

Harold E. Stassen

* * *

"The real cause of the wave of strikes in the country is the lack of accepted national policy on these intricate and inter-related economic problems, wages, prices and production. Government in a democracy should not decree such a policy. But it should take a leadership in the formulation of the policy. This is particularly true when the scarcity of supply makes it necessary that there be temporary Government price control in place of competitive price control.

* * *

"The loss by labor of the right to strike would also lead in time to the loss of the right of private capital. It would mean that government would take over and soon neither labor nor capital would be free.

"If you pull down the house of labor, you will pull down the house of America. And on the other hand, to those who attack profits as an evil, I say with equal emphasis, if you will wipe out good profits, you will wipe out good jobs and real freedom."
—Harold E. Stassen.

How long will it be before some aspiring politician will solemnly proclaim that we must have both monopoly and competition, both democracy and totalitarianism, both abundance and scarcity, both freedom and slavery and both socialism and laissez-faire—all to "save" free enterprise? Some of them come very near it now.

Military Training Called "Brainchild" of "Pentagon Boy Scouts" and "Brass Hats"

The Congressional hearing on universal military training was enlivened on Dec. 13 by an Army Private, George L. Mark of Cleveland, who let loose his blast at the high command with a scathing attack on "brass hats" and "Pentagon boy scouts," said the Associated Press, after assurances from Representative R. Ewing Thomason, Democrat, of Texas, acting chairman of Military Affairs Committee, that he would be protected from any possible punishment as a result.

At least six Generals, several Admirals and more than a dozen Colonels sat by and listened while the G. I. witness was testifying, according to the Associated Press, which further reported:

Private Mark, 37-year-old father of three children, was a surprise witness before the committee. He was called out of turn, and four Major Generals already on the stand were invited to take a back seat so that he could finish in time to catch a train for Camp Atterbury, Ind., where he is to be discharged tomorrow. He recently testified on demobilization before a Senate committee.

After briefly cutting his military record—he was drafted ten months ago and was stationed at Camp Kilmer, N. J., he launched into his prepared speech and told the Committee why he didn't think Congress should adopt universal military training.

But first he threw the Committee and the spectators, including the generals and admirals, into an uproar by pointing to his glistening bald head and telling that he had been a hair tonic salesman before he was drafted.

Universal military training, he asserted, was the brain-child of "the Pentagon boy scouts," the "bemedaled four-flushers," the "brass hats" and the "aristocratic phoneys of the Pentagon castle." The "brass hats," he said, want universal training because "they want a large army to retain the officers."

"These brass hats don't like work," he asserted. "If they did, they wouldn't be in the army. They're in the army as officers because they cannot make a fight in the competitive game."

Then he accused them of attempting to make life miserable for enlisted men so they won't re-enlist, and of "undermining voluntary enlistments and forcing the Congress to pass a compulsory military training program."

The "aristocratic phoneys of the Pentagon castle," he continued, "have practically atomized the members of Congress from individual thinking," and "be-medaled four-flushers who pass out decorations with one hand and doctored reports on demobilization with the other hand still exist."

Private Mark, the only G.I. who has testified, said he did not believe compulsory military training is democratic. He asserted it would undermine the morals of the nation's youth, eventually bring about militaristic control of the government, and finally lead the country into war.

Voluntary enlistments, if properly handled, he claimed, would provide sufficient man power for the peace-time army.

He challenged assertions of previous witnesses, including Secretary of War Patterson, that enlisted men generally are in favor of universal military training. His own personal opinion, based on polls of his fellow G.I.'s and letters from men overseas, he said, is that most of the non-officers in uniform are opposed to it.

Private Mark told reporters he testified at his own request, and had sought the hearing in letters to committee members.

Smith Elected Pres. of Life Ins. Ass'n

George Willard Smith, President of the New England Mutual Life Insurance Co. of Boston, was elected President of the Life Insurance Association of America at its annual meeting at the Waldorf-Astoria Hotel in New York on Dec. 14, succeeding James A. Fulton, President of the Home Life Insurance Co. of New York.

At the same meeting the following were elected to the Board of Directors of the Association: Paul F. Clark, President, John Hancock Mutual Life Insurance Co. of Boston; James A. Fulton, President, Home Life Insurance Co. of New York; A. J. McAndless, President, Lincoln National Life Insurance Co., Fort Wayne, Ind.; Francis W. Cole, Vice-President, Travelers Insurance Co., Hartford, Conn.; Arthur M. Collens, President, Phoenix Mutual Life Insurance Co., Hartford, Conn.; Asa V. Call, President, Pacific Mutual Life Insurance Co., Los Angeles, Calif. The first four are new members taking office for a three-year term. Mr. Call was reelected for a three-year term and Mr. Collens was named to fill a one-year unexpired term left vacant by the resignation of Morgan B. Brainard, President of the Aetna Life Insurance Co.

Mr. Smith, who was born in Woburn, Mass., in 1884, entered New England Mutual's employ at the age of 20 as a clerk in the Actuarial Department where he progressed in the study of actuarial science. In 1909 he accepted appointment, after examination, as Assistant Actuary, later becoming Actuary, of the Massachusetts Insurance Department, where he remained until 1918.

His nationwide experience with life insurance executives began when he accepted the position of Actuary of the Association of Life Insurance Presidents in 1918. He filled this position for four years. In 1922 the New England Mutual asked him to return as Vice-President, and in 1929 he became the fifth President of this century-old organization. During his 16 years of leadership, insurance in force in the company has increased nearly 70%, and assets have more than tripled.

Senate Committee Drops Hurley Charges

After examining behind closed doors secret State Department documents on Iran and China which Major General Patrick J. Hurley had said would prove his charges against United States diplomats in China, the Senate Foreign Relations Committee on Dec. 11 decided to drop its investigation into Gen. Hurley's charges and declared the matter closed, the United Press reported from Washington. Through its action the Committee decided not to make any recommendations or conclusions.

The State of Trade

No significant change in manufacturing activity was noted last week, industrial output being sustained at the previous week's level. While production is about 28 to 30% below a year ago, it nevertheless is approximately 30 to 35% above output prior to the outbreak of war. Some steadiness has come to manufacturers' deliveries and most of the labor shortage reported is confined to skilled operators.

Cheering was the news the current week in this period of widespread labor stress, to learn of the settlement of the long drawn-out wage dispute between the Sinclair Oil Company and the Oil Workers International Union.

On Monday evening last, the Sinclair properties were turned back to their owners by the Navy which had been operating them. The terms of the agreement, which runs to May 31, 1946, provides for an 18% wage increase and a 44-hour week. It was reported that the President's insistence on an early settlement of the oil industry dispute was largely responsible for the final steps taken that brought the dispute to an end.

The effect of this settlement had greater significance than it would appear to warrant, since it brought fresh hope to the President, the Department of Labor and Union officials that it might not only result in an early termination of the remaining oil industry disputes, but might very well have the desired effect in the General Motors Corporation strike and in other sections of the automobile industry as well as the rubber, steel, electrical machinery and shipbuilding industries.

Meanwhile, the cause of the United Automobile Workers, CIO, appeared to be losing ground with the President's sudden intervention to bring to an end present and pending automotive strikes. The progress of the General Motors dispute reached the point this week where the management on Tuesday, last, submitted to the automotive workers' union, 11 demands making up the provisions of the company's new contract. Included among them were continuance of the open shop, elimination of maintenance of union membership, company security withdrawal of objection to incentive plans, an "anti-vilification clause" as protection for the company and a specific guarantee of the prerogatives of management. The union took the company's demands under advisement and stated that it would issue a list of counter-proposals within a week, leaving the situation no nearer a solution than before the company's demands were submitted.

* * *

The relationship of the average businessman to consumers' incomes and to their spending or saving was aptly demonstrated by "Business Week," in its current comment on the relatively small sale of E bonds in the Victory Loan Drive. The magazine observed that it points up a basic change in people's spending habits since the end of the war.

Elaborating on the conclusion drawn from the reduction in the purchase of E bonds, it stated as follows:

"There is more urge now to spend, less to save, even though it is just as hard as ever to find things to buy. Saving will be even less when consumers' goods are available in quantity which is somewhere near the level of demand.

"Savings of individuals—almost $40 billion in 1944—have fallen off sharply in the second half of 1945, may amount to no more than $35 billion for the full year. And the decline will be steep in 1946 as well.

"Saving in the war years represented, in very important part, inability to spend. Now, with people wanting to spend, their aggregate incomes in 1946 could theoretically go down by the full amount of 1945 saving without a cut in spending (although, as a practical matter, many people would continue to save).

"Concretely, if consumers' spendable incomes (after personal taxes) are $136 billion in 1945 and savings $35 billion, then $101 billion in goods and services will have been bought and paid for. Obviously, spendable incomes can drop a major part of $35 billion before spending has to dip.

"And this is without taking into account the $170 billion in liquid assets people own and can draw upon as they wish.

"Income of consumers (wages, dividends, etc.) is among the many things that haven't fallen off as badly as expected. Department of Commerce estimates had indicated a fall of nearly 10% from the first half of 1945 to the second; the decline began in late August and continued in September—but there was a rise in October."

Steel Industry—With an industrywide steel strike set for mid-January, there is no longer any speculation as to the seriousness of the impasse between steel management and steel labor. Developments from Washington might forestall such a paralyzing tieup, but hope of averting a strike was exceedingly slim this week, states "The Iron Age," national metalworking paper, in its current review of the steel trade.

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. Then, too, the steel union's complete disavowal of the President's labor proposals indicates that the USWA would not retreat from its militant stand.

A longer-term view of the steel wage situation suggests 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.

The effects of the steel wage controversy now entering the serious stage 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.

Troubled as it is at present with its price and wage problems, the steel industry 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. Should this plan be adopted, it may have a drastic effect upon reconversion in this country.

The enforced exportation of steel products over and above regular exports, some sources hold, arises from the fallacious belief that American steel companies have not been exporting steel to foreign countries since the war ended. Foreign customers are being

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Reports Severe Housing Shortage

John W. Snyder, War Mobilization Director, Tells President Solution Will Take Years. Calls Upon Construction Industry, Both Management and Labor, to Cooperate in Providing Low Priced Homes. Recommends Restoration of Materials Priorities and Preference to Veterans, and Urges Ceiling Prices on Old and New Housing. President Acts on Recommendations and Appoints a Housing Expediter in Office of War Mobilization and Reconversion.

In a report submitted to President Truman on Dec. 8, John W. Snyder, Director of War Mobilization and Reconversion pointed out the severe housing shortage in the nation, which he said would continue for several years despite all remedial efforts, and stressed the need for low cost homes, particularly for returning veterans. In line with his recommendations, President Truman has placed new priorities on all building materials, restricted their use mainly for low priced homes, and has appointed Wilson Wyatt, former Mayor of Louisville, Ky. as Housing Expediter in the Office of War Mobilization and Reconversion.

John W. Snyder

The full text of Mr. Snyder's report to the President follows:

Office of War Mobilization and Reconversion Report on Housing

Memorandum for the President.

This is a report on the housing problem of the Nation.

The Problem and the Causes

More than a million families are living "doubled up" with other families because of the acute housing shortage. Many more will have to double up next year. Hundreds of thousands of these will be veterans, married during or after the war, who have never had a chance to set up homes for themselves. Immediate demand for new housing is far in excess of our capacity to produce next year. As a result, the threat of inflation is greater in this field than in any other. It is very serious.

The housing shortage we have today has been building up over a period of years. The country entered the war with a housing deficit. During the war, because we needed all available materials and manpower to supply our fighting men, we were able to build only for workers who migrated to war plants. At the same time, marriages increased at far more than the normal rate. With the return of millions of veterans, and the additional marriages which will follow, we are now feeling the full force of this shortage.

Nothing less than several years of peak production will really solve the housing problem. It will take some time to get the construction industry into full operation and we will do well if more than 500 thousand housing units are built in 1946. The Government is applying its powers to the stimulation of housing production and to meeting the emergency situations of the months ahead. But the Federal Government cannot solve the problem alone. States and local communities must also stimulate production and help the returning veterans find homes for their families or, if necessary, find emergency shelter. Of course veterans receive preference now for vacancies in all Federal housing units.

The best efforts of the construction industry also are needed and it is the definite responsibility of the industry — management and labor—to cooperate in every way possible to increase production of reasonably priced homes.

What is Being Done

The Administration is using all its powers to stimulate production of materials and housing. The Office of War Mobilization and Reconversion has taken energetic action under its six-point program. The six objectives of that program are:

(1) To increase the supply of building materials;

(2) To strengthen inventory controls to prevent hoarding;

(3) To strengthen price controls over building materials;

(4) To discourage unsound lending practices and speculation;

(5) To enlist industry support in increasing production and fighting inflation;

(6) To provide information and advisory service on home values to the public.

Under this program the executive agencies have combined their powers to meet emergency situations. Price increases, special manpower recruiting by the United States Employment Service, priorities and allocations of machinery and materials have been employed in cases where more production was needed such as cast-iron pipe, bricks and gypsum lath. As a result, production of critically short cast-iron soil pipe and fittings increased from 12 thousand tons in June to 22 thousand tons in November; bricks increased from 131 million in February, to 265 million in November; gypsum lath is expected to increase more than 28% in the next 60 days. Lumber production has been low for a variety of reasons including strikes and other shutdowns. A price increase has been granted; the strikes are being settled.

All these will help but some materials still will remain scarce for months to come. Communities can help by amending obsolete building codes to permit reasonable use of substitute material.

Inventories are being watched closely to prevent hoarding and thus assure the prompt distribution of scarce materials and supplies. Widening of these controls is being studied.

A sharp increase in residential building already has occurred. Running contrary to seasonal trends, home building activity rose from 56 million dollars in June—normally a peak month—to an estimated 116 millions in November, and 125 millions in December. But the level is still extremely low in relation to our needs.

The number of on-site workers in residential building construction, private and public, increased from 144 thousand in June to 216 thousand in October. We will need more than double this number of workers if we are to reach 500 thousand units of housing in 1946.

The first of a series of meetings with industry and community groups under the six-point program of the OWMR will be held in Washington Dec. 17 and 18. Representatives of labor and management organizations have been invited to the first meeting, and will discuss with the Administration methods of stimulating home construction at reasonable prices. Further meetings of representatives of home-financing institutions, and of public interest and consumer groups, are also on the list. The National Housing Ad-

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Byrnes Challenges Hurley's Statements

Appearing on Dec. 7 before the Senate Foreign Relations Committee which had heard the allegations made by Major-General Patrick J. Hurley about foreign service diplomats, Secretary of State James F. Byrnes challenged Gen. Hurley's statements and asserted that he had failed to sustain his charges. Mr. Byrnes specificilly upheld, according to the Associated Press Washington report of the testimony, the two career men, George Atcheson, Jr., and John Service, whom Gen. Hurley had accused of seeking to sabotage his efforts to bring about a unified China. Gen. Hurley had denounced their conduct as disloyalty. The Secretary of State told the committee: "Ambassador Hurley has not furnished me, nor do I understand that he has furnished the Committee, any specific evidence to prove that any employe was guilty of such conduct."

Mr. Byrnes went on to say, according to the Associated Press:

"In my opinion, based upon the information which has thus far been presented to me, there is nothing" in documents written by Mr. Atcheson and Mr. Service while in China "to support the charge that either Mr. Atcheson or Mr. Service was guilty of the slightest disloyalty to his superior officers." While every American Foreign Service officer must administer the declared policy of his Government, he should "not hesitate to express his views" when he believes changed conditions require it, Mr. Byrnes declared.

Gen. Hurley had assailed the recent assignment of Messrs. Atcheson and Service as political advisers to General MacArthur at Tokyo, but Mr. Byrnes said "Men who have rendered loyal service to the Government cannot be dismissed and their reputations ought not to be destroyed on the basis of suspicions by any individual."

The documents which Mr. Byrnes referred to in the cases of these two men were a telegram to the State Department from Mr. Atcheson on Feb. 28, 1945, and a memorandum from Mr. Service on Oct. 10, 1944. Secretary Byrnes said that Gen. Hurley relied most strongly on these two messages for support of his charges against Mr. Atcheson and Mr. Service. Mr. Byrnes entirely defended the propriety of both communications.

Mr. Byrnes began his testimony before the committee, the Associated Press reported, by reiterating American support for the Government of Generalissimo Chiang Kai-shek, but he added: "We also believe that it must be broadened to include the well-organized groups who are now without any voice in the Government of China." He said that in trying to bring together the Central Government and the Communists, American influence should be used to encourage concessions by both sides. The Associated Press added:

Mr. Byrnes also reiterated his recent assertions that American purpose of helping with the surrender of the Japanese troops there. He said that because of the way in which the United States had supported the Central Government of China to date "it is difficult to understand Ambassador Hurley's intimating that his failure to achieve a satisfactory settlement of China's internal division resulted from the absence of a public expression of our policy."

Hurley Testifies Before Senate Group

Major-General Patrick J. Hurley appeared before the Senate Foreign Relations Committee on Dec. 5 and 6 to substantiate at an open hearing the allegations made in connection with his resignation, Nov. 27, as Ambassador to China. On the first day, according to the Associated Press account from Washington, General Hurley accused two of Gen. Douglas MacArthur's present political advisers in Tokyo of having gone contrary to him, that is, Gen. Hurley, when he was in China. The men named were George Atcheson, Jr. and John S. Service, described by the Associated Press as career men in the State Department, both of whom saw service in China during Mr. Hurley's tenure as Ambassador.

According to the testimony, Mr. Atcheson was said to have advocated furnishing lend-lease arms to the Chinese Communists, and Mr. Service was stated to have once proposed, in October, 1944, that the government of Generalissimo Chiang Kai-shek be allowed to collapse.

When asked by Senator Connally (D.-Tex.), committee chairman, the reasons Mr. Atcheson had given for his request, Gen. Hurley, according to the Associated Press, asserted loudly: "His reasons were that he wanted to destroy the Nationalist Government of China, the Government I had been sent there with instructions to support." However, he said that no arms had been given to the Communists, and Mr. Atcheson was subsequently recalled to the United States.

In his testimony referring to John S. Service, Gen. Hurley said, according to the Associated Press, that Mr. Service was under Gen. Stilwell, at that time commander of American forces in China, when he made the proposal about allowing the Chungking government to collapse. When Gen. Stilwell was removed from China, Mr. Service was transferred to Gen. Hurley's embassy staff where he ranked as second secretary until he was sent home.

Gen. Hurley declared, according to the Associated Press, that the central issue was what he called the "defeat" of American policy in China by career diplomats of the State Department. But, at another point, he said American policy actually was not entirely defeated but only "to some extent." He declared that in line with that policy he had succeeded in sustaining China as an ally, sustaining the government of Chiang Kai-shek, keeping the Chinese Army in the war and maintaining harmonious Chinese-American relations.

During the course of his testimony on Dec. 5, Gen. Hurley admitted that he would not have resigned as Ambassador to China if Secretary of State Byrnes had made earlier the pronouncement which was released on Dec. 4 of United States policy in the Far East. This statement was made by Mr. Byrnes in a letter to Representative Jack Z. Anderson (R.-Cal.), and according to the Associated Press, its text is as follows:

Nov. 30, 1945

My dear Mr. Anderson:

I have received your letter of Nov. 17, 1945, requesting information in regard to our policy toward China.

In response to your inquiry, I should like to offer the following brief comment on this subject:

We favor the creation of a strong, united and democratic China which will contribute to peace and stability in the Far East and which will enable China effectively to support the United Nations Organization.

In line with this policy we deem it desirable and essential that China solve her internal problems. While we recognize that this is a task which China must carry out largely through her own efforts, we seek by all appropriate and practicable means to pursue such policies and action as will best facilitate China's achievement of internal unity and stability.

Among the means toward this end we propose, with due regard for the realities of the internal situation in China, to assist China to rehabilitate her devastated economy and to develop a higher standard of living for her masses.

We have to enhance China's international status, as evidenced by the recognition accorded to China in connection with the San Francisco Conference. We feel that collaboration among China, the United States, Great Britain and the Soviet Union, is essential to the maintenance of peace and security in the Far East, and that such collaboration among these and other peace-loving nations should extend to all legitimate fields of economic and other endeavor on the basis of equality of opportunity and respect for national sovereignty. We hope that China, for her part, will further such collaboration by instituting and carrying out reasonable policies that lie before her.

During the course of the war it was our policy to assist our Chinese allies to the greatest possible extent in the joint prosecution of hostilities against Japan. Such assistance took the form of credits, the grant of civilian and military lend-lease supplies, the training and equipping of a limited number of Chinese military units, the utilization in China of our air forces, and other related activities. Since the capitulation of Japan we have been assisting our Chinese allies in effecting the surrender, disarmament and repatriation of the very substantial Japanese armed forces who are now in China.

I trust that the foregoing brief comment will indicate to you the broad lines of our policy, with respect to China and will enable you to reply to inquiries which you may have received from your constituents.

Thank you for your courtesy in writing.

Sincerely yours,
JAMES F. BYRNES,
Secretary of State.

Before the adjournment of the second day's session Gen. Hurley read a summary of his testimony before the committee in a prepared statement, the beginning of which was a reiteration of some details of his charges against so-called career men in the State Department.

The report of Gen. Hurley's resignation on Nov. 27, with accompanying remarks was given in the "Chronicle" Dec. 6, p. 2795.

Amsterdam Stock Exchange to Reopen

The Amsterdam Stock Exchange will open early in 1946, probably on Jan. 2, according to an announcement from the official Netherlands Economic Information Service. Indicating this on Dec. 14 the Netherlands Information Bureau on Dec. 14 said:

"The government, however, will continue to exercise a certain measure of control over stock transactions, the announcement stated. These transactions will temporarily be effected by book notations in frozen accounts rather than through cash transfers.

"The Stock Exchange will at first only be open for dealing in mortgage and other bonds; those who wish to trade in such bonds must supply the serial numbers of the securities to the "Vereeniging voor den Effectenhandel" (Association for the Securities Trade). When licenses are finally issued, sales thus made can be effected in cash."

The Financial Situation

(Continued from first page)

possible by reason of its presence gone with the wind. To be perfectly candid, it may well be doubted whether very considerable difficulty of this sort could have been avoided no matter what government had done during the war. It is a regular concomitant of a return to peace after such a turmoil as we have experienced during recent years. That it would be exceptionally difficult and costly this time was more or less to be taken for granted in light of the pampering that wage earners have had for a decade or two, the political power that they have found out how to wield, the supineness of law enforcement authorities in the face of the most brazen, continued, and violent contempt for the law of the land, and the degree of suppression of natural forces which the Government was able to effect while the war continued.

But many of the aspects of the current situation and the acuteness of others are to be traced immediately and directly to positive action of the Federal Government since the close of hostilities. For one thing, the President has himself gone so far—and it is going far—as to place the influence and prestige of his great office behind the current drive for very substantially higher wages. He has permitted, if not encouraged, a multitude of Government officials and "economists" to make "estimates"—which inevitably carry the weight of official documents with the rank and file—of wages, industry, yes, at time even specified industries, "can pay" without raising prices, and to do about what they please, perhaps what the President pleases, to see that the people catch the inference that these industries should forthwith grant such increases.

A Hair of the Dog

This is going far enough in all conscience. Of course, no one in Washington, least of all certain of the war-made economists now claiming the gift of prophecy, is in any position to say what any given industry or industry as a whole can pay in wages without raising prices. It is a hazardous guess that management must make for itself—and act upon at its own responsibility and risk. It is doubly difficult at this time in view of all the disruptions which have occurred in industry in general and the impossibility of knowing in advance how well or how quickly work can be resumed. But such venturesome and altogether harmful guessing on the part of the powers that be are only a part of the story. The regulatory authorities likewise are well convinced of the unerring accuracy of their own guesses and the soundness of their own judgment. They rush in where wiser men would hesitate, to say the least, and are constantly announcing "ceiling prices" on a million and one articles of commerce. These prices are so often below present cost of production and so far below any cost level reasonably to be expected within the foreseeable future, that, first, production is being seriously limited at many points, and, second, business men find themselves in a position in which they dare not grant wage increases of the order of magnitude commonly demanded and commonly defended in Washington—dare not for fear of the bankruptcy courts. The net result is inevitably the confusion, uncertainty, and disappointment of the day.

Some encouragement, indeed much encouragement, could be found in all this if there were evidence that it is teaching the Washington planner anything of value. The fact is, however, that no such evidence is to be seen. To the contrary, events appear to be convincing, at least to some of these perpetual meddlers, that they must continue their meddling. At least it seems to be supplying them with an excuse to act in this way. This is the really discouraging aspect of the situation. It is most ardently to be hoped that the rank and file can be made to understand that our troubles about which these control-mad dreamers complain, are for the most part either created or made worse by these very tactics they now want to fasten on us for a longer period, perhaps more or less permanently—as a cure for the ills that they have already produced and are producing.

We Must Choose

The time has arrived when we must choose. We may now elect to throw off the shackles and get our post-war business operations upon a solid footing at the earliest possible moment—at whatever cost (if such it may be termed) in recognizing the forces set up during the war and the New Deal which preceded it; we may thus proceed sensibly and constructively toward the more abundant life or we may turn back toward the controls, the meddling, the quackery, and delusions of the war and the New Deal—and pay a price too great to contemplate for a moment. If the situation as it has now developed, and almost certainly will develop within the next few months, does not convince us that we must get rid of the would-be planners and managers in the national capital—then we are all but certain to doom ourselves to a long and costly experience which can in the end but lead either to our economic destruction or to our economic education at prohibitive expense.

One of the first things we need to learn is the simple fact that there is no way by which we can ultimately escape the operations of natural economic forces created by war and political tinkering with our economic system. So long as the crafty politician is able to deceive the public with promises of relief from the necessity of paying the piper, just so long shall we remain in danger.

President Defends Action in FEPC

In a letter accepting the resignation of Charles H. Houston from the Fair Employment Practices Committee, President Truman pointed out that the reasons for which Mr. Houston, a Negro, had quit the Board were groundless. Mr. Houston's action was in protest against the President's order to the FEPC to hold up a directive to the Capital Transit Company in Washington to cease discriminatory policies in the employment of negroes. Mr. Truman explained that it would have contravened an act of Congress to have issued an order forcing the transit company to hire negro operators for its street cars and buses. The President's letter, as given by the Associated Press in its Washington dispatch of Dec. 7, follows:

"Dear Mr. Houston:

"Your letter of Dec. 3, has been received.

"When it was found necessary under the wartime powers conferred upon the President by the Congress, to seize the Capital Transit property, the conditions under which the property was to be operated were the same as those of any other property so seized. The law requires that when the Government seizes a property under such circumstances, it 'shall be operated under the terms and conditions of employment which were in effect at the time possession of such plant, mine or facility was so taken.'

"In view of this apparent contradiction between the law and the order which the Fair Employment Practices Committee proposed to issue, it was thought best to suggest that the order be temporarily postponed. The property was not seized for the purpose of enforcing the aims of the Fair Employment Practices Committee, laudable as these aims are, but to guarantee transportation for the citizens of Washington and vicinity.

"As anxious as I am for Congress to pass legislation for a permanent Fair Employment Practices Committee, I cannot contravene an act of Congress in order to carry out the present Committee's aims. Under the circumstances it was felt the issuance of the proposed order would prove injurious to the accomplishments desired by all of us who are honestly interested in promoting the welfare of minority groups.

"I regret that you were unwilling to approach the problem from this viewpoint. As suggested in your letter, your resignation is accepted, to be effective immediately.

"Very sincerely yours,
"HARRY S. TRUMAN."

U. S. and Italy Formulate Accord

The State Department announced on Dec. 6 an exchange of notes between United States Secretary of State Byrnes and the Italian Ambassador, Alberto Tarchiani, designed by their accord to indicate the underlying principles which will guide the governments of the two nations to reach agreement intended to promote mutually advantageous economic relations between them, as well as improvement of world-wide economic relations in general. The keynote of the correspondence is the willingness of both governments to cooperate in formulating a program of agreed action, which will be open to participation by all other nations with similar intent. The expressed aim of such a program would be to provide for appropriate national and international measures to expand production, employment, and the exchange and consumption of goods; to eliminate all forms of discriminatory treatment in international commerce; to reduce tariffs and other trade barriers; and generally to attain the economic objectives of the Atlantic Charter. The exchange of notes provides for the early commencement of conversations between the two governments with a view to determining the best means for attaining this aim.

The text of the note from Secretary of State Byrnes to the Italian Ambassador follows:

Excellency:

I have the honor to make the following statement of my understanding of the agreement reached in recent conversations which have taken place between representatives of the Government of the United States of America and the Government of Italy with regard to the resumption of normal commercial relations between our two countries.

These conversations have disclosed a desire on the part of the two Governments to promote reciprocally advantageous economic relations between them and the improvement of worldwide economic relations. To that end the Governments of the United States of America and of Italy propose to cooperate in formulating a program of agreed action, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on Aug. 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

At the earliest practicable date conversations shall be begun between our two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives.

Accept, Excellencey, the renewed assurances of my highest consideration.

JAMES F. BYRNES.

The following is the Ambassador's reply to Mr. Byrnes:

Sir:

I have the honor to refer to your note of Dec. 6 setting forth your understanding of the agreement reached in recent conversations which have taken place between representatives of the Government of Italy and the Government of the United States with regard to the resumption of normal commercial relations between our two countries.

These conversations have disclosed a desire on the part of the two Governments to promote reciprocally advantageous economic relations between them and the improvement of worldwide economic relations. To that end the Governments of Italy and of the United States of America propose to cooperate in formulating a program of agreed action, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all people; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on Aug. 14, 1941 by the President of the United States of America and the Prime Minister of the United Kingdom.

At the earliest practicable date conversations shall be begun between our two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives.

In informing you that the Italian Government is in agreement with the contents of the above Note, I beg you to accept, Sir, the renewed assurance of my highest consideration.

ALBERTO TARCHIANI.

Reserve and Treasury Seek Power Extension

The Senate Judiciary Committee on Dec. 10 heard spokesmen for the Federal Reserve System and Treasury Department present reasons for the advisability of extending for one year the authority to the Federal Reserve to purchase up to $5,000,000,000 in Government obligations of the Treasury without going into the open market. It was stated, according to the Associated Press in its Washington advices Dec. 10, that this authority could be used to greatly reduce financing costs, especially for short-term operations. One of these, it is noted, is temporary deficiencies in estimates of income tax revenues.

From Washington advices Dec. 10 published in the Chicago "Journal of Commerce" we take the following:

The recommendation was made before the Senate Judiciary Committee opening hearings on a bill to extend the Second War Power Act. The bill was passed by the House last Monday (Dec. 3.).

Ronald Ransom, Vice-President of the Board of Governors, spoke for the Federal Reserve System and Thomas J. Lynch, Assistant General Counsel, for the Treasury Department.

Mr. Ransom explained that the authority affords the Treasury a method of short-term financing and saves commissions otherwise paid to bond dealers.

The witnesses said extension of the authority for one year would allow ample time for consideration of permanent legislation. The power existed from 1914 until 1935 and was renewed in the Second War Powers Act of 1942.

The House Judiciary Committee recently recommended that appropriate Congressional Committees consider permanent legislation as sought by Federal Reserve and the Treasury.

While permanent extension of the authority was asked, extension for at least one year was advocated by the Treasury, it is stated, in a letter to the House.

General Motors Presents Demands on Unions

Lays Down Principles on Which It Is Willing to Base a New Collective Bargaining Agreement. Asks for Penalties Against Workers Engaged in Unauthorized Strikes and a Guarantee Against Villification and Personal Attacks in Union Publications. Objects to Union Maintenance Provisions and the Closed Shop.

On Dec. 17, the General Motors Corporation addressed a letter to the United Automobile Workers in which it outlined the basic terms under which it would be willing to negotiate a new contract with the union. The full text of the letter is as follows:

On Dec. 10, 1945, you were notified that General Motors Corporation elected to terminate, and did terminate, effective on that date, the agreement between General Motors and the International Union, United Automobile, Aircraft and Agricultural Implement Workers of America, CIO, dated April 16, 1945.

This is to notify you that we are prepared to negotiate an agreement covering wages, hours and conditions of employment of the production and maintenance employes for whom the union acts as the certified bargaining agent. This agreement shall contain only such provisions as are collectively bargained and mutually agreed to by the parties.

It is further proposed that the pattern of past contractual relationships, namely a national agreement covering appropriate matters common to similar or related bargaining units and supplemental local agreements authorized by such national agreement, be followed in negotiations between the parties.

We are prepared to review the bargaining units which were covered by the canceled national agreement to ascertain whether all such bargaining units should be included in the new national agreement.

It is further proposed that such provisions of the national agreement previously in effect as are mutually satisfactory to the parties form a basis for the negotiation of the new collective bargaining agreement.

In addition to appropriate provisions and definitions deemed necessary by the parties to formalize a collective bargaining agreement, General Motors demands that the agreement provide, among other things:

1. That wages, hours of employment and other conditions of employment are the only matters which are subject to collective bargaining.

2. That the union and the corporation shall recognize the rights of employes and applicants for employment to elect or refuse membership in any union, to maintain or resign from such membership to enjoy freedom from restraint and discrimination, coercion with respect to work, employment, union membership and union activity. Solicitation for union membership and collection of dues shall not take place during working hours on company time or at company expense.

3. That the products to be manufactured, the location of plants, the schedules of production, the methods, processes and means of manufacturing, the right to hire, promote, transfer, discharge or discipline for cause, and to maintain discipline and efficiency of employes, are the sole responsibility of the corporation.

4. That the union be properly represented in each bargaining unit subject to appropriate conditions to reasonably regulate such representation, to eliminate abuses, to provide that the wages to be paid to union committeemen for time spent off their jobs in handling grievances or negotiating with the management be paid one-half by the union and one-half by General Motors, and to provide for employment of committeemen on jobs other than their own only to the extent necessary to accomplish proper representation of the union.

5. That grievances of employes, which are to be defined as alleged specific violations of a provision or provisions of the national agreement or local agreements authorized and executed as supplements to the national agreement, be handled in accordance with a grievance procedure patterned after that provided for in prior collective bargaining agreements, with such modifications as are necessary to simplify and expedite the disposition of grievances and to eliminate the abuses which developed under the grievance procedures of prior collective bargaining agreements.

6. That, subject to appropriate rules, regulations, definitions and procedures with respect to transfer, loss of seniority and lay-off and rehiring, employes, other than veterans of World War II, shall acquire seniority after a probationary period of twelve consecutive months during which they shall acquire no rights with respect to re-employment if laid off or discharged during such period.

7. That there be appropriate penalties, including loss of seniority, against any employe taking part in any strike or work stoppage in violation of the agreement.

8. That there be an adequate guarantee that the union will make good on its pledge to eliminate personal attacks, false accusations and villification of management through official union publications, handbills, literature and releases; and that the international union, as bargaining agent, shall accept full responsibility for all items pertaining to management in such publications and releases published by the international union, local unions or their representatives.

9. That there be a leave of absence procedure which eliminates the abuses which existed under the prior agreements.

10. That the international union will withdraw objection to the local unions negotiating and agreeing to pay-plans which provide for rewarding individuals for increased productive effort.

11. That there be equal employment opportunity for World War II veterans as compared to civilians hired during the war, irrespective of seniority.

While the Wage-Hour Law provides for a minimum rate of 40 cents per hour, General Motors proposes that the minimum hiring wage rate for male and female employes in any General Motors plant be increased to 80 cents per hour if the minimum rate is not already that high. New employes hired at this minimum rate will be advanced to a job rate of 90 cents per hour in not more than six months' time in accordance with procedures to be negotiated locally.

With respect to provisions incorporated in prior collective bargaining agreements pursuant to directive orders of Governmental agencies, and not as a result of collective bargaining, your attention is directed to the position of General Motors Corporation outlined in a letter sent to the National War Labor Board by Mr. C. E. Wilson, President of General Motors, dated Oct. 2, 1942, from which we quote the following:

"Compliance with these orders (directive orders of the National War Labor Board) requiring their incorporation in signed contracts with the unions as directed by the board, under these circumstances does not mean that General Motors has come into a mutually satisfactory understanding with the unions regarding the specific provisions of the board's orders. There has been no meeting of minds between the corporation and the unions as to the soundness or desirability of certain of these provisions and thus the resulting documents cannot be regarded as collective bargaining agreements in so far as the orders of the board are concerned, but rather will represent a contract between the parties to abide by and carry out these orders of the board."

"Specifically, regarding Section 1 applying to union security, the corporation remains convinced that the orders of the board are unreasonable and unnecessary, and infringe the rights of employes and the corporation. We believe the laws of our country provide for free choice unionism, and we continue to maintain that it is improper for the corporation to be forced to establish as a condition of employment that union members must remain in the union to continue to hold their jobs."

U. S., Canada, Britain Retain Food Board

The United States, Canada and Great Britain announced on Dec. 10 that their Combined Food Board would be continued in order to retain control over allocations of scarce foodstuffs, but that their Combined Production and Resources Board and the Combined Raw Materials Board would go out of existence as of Dec. 31. It was further agreed, according to the joint statement of President Truman, Prime Minister Attlee of Great Britain and Prime Minister Mackenzie King of Canada, reported from Washington by the Associated Press, that:

"The coal committees in outgoing boards which are concerned with cotton textiles, tin, rubber, hides and leather will be continued as long as a shortage of supply remains, and

"The coal committees in Washington and London now under the boards will continue in their present form, although there exists, in the case of coal, a European organization."

The announcement stated that dissolution of the Combined Food Board was anticipated by June 30, 1946. "However," the statement added, "a few of the commodity committees may have to be retained beyond that date to recommended allocations of products which continue to be in serious short supply. Arrangements were made last summer to associate other major exporting and importing countries with the work of the commodity committees. These committees will continue to operate on this principle."

The Associated Press added:

Continued shortages of sugar, food fats and oils and meats undoubtedly prompted the three Powers to continue the food board.

The Board has recommendatory powers on the division of foods among themselves and other nations so as to assure all minimum needs. Without the Board they undoubtedly would be competing against one another for available supplies, with the one having the most money getting the lion's share. Thus, in the case of sugar, all world supplies available to the three nations are pooled and apportioned among themselves, liberated nations and neutral countries.

The Board was established early in the war to help co-ordinate food production and distribution policies and programs of the three nations. Under the board, purchasing operations of the three nations were united so as to eliminate competition which might have forced prices much higher than they were.

Truman Names GM Fact-Finding Board

President Truman appointed his first fact-finding board in labor disputes on Dec. 12 by naming Judge Walter P. Stacy to head such a board in the General Motors dispute, with Lloyd K. Garrison, Chairman of the War Labor Board, and Milton Eisenhower, President of Kansas State College, serving with him. Judge Stacy, Chief Justice of the Supreme Court of North Carolina, was recently, according to the Associated Press account from Washington of the appointments, Chairman of the labor-management conference.

President Truman, giving indication that the policy of appointing such fact-finding boards in an effort to curb the strikes which may seriously retard reconversion will be continued as instances arise, told his news conference, the Associated Press stated, that he did not take seriously some claims by organized labor that the fact-finding procedure might result in long delays on union pleas for increases.

The President, the Associated Press continued, said that it was specifically stated in his recent proposals to end strikes that the period of fact-finding itself would be limited to 20 days. Five days prior to the board's inquiry and five days after its conclusion, strikes would be prohibited under legislation the President has asked Congress to enact.

Mr. Garrison later issued a statement that he and the other two Board members had arranged to meet in Washington Dec. 19 and 20 to organize the board and plan its work.

"We understand from the President that the appointment of our Board is not intended to interfere in any way with the parities' collective bargaining which is now in process, and that it is greatly to be hoped that the parties will settle their differences by agreement," Mr. Garrison added.

As soon as the General Motors fact-finding board had been named, the CIO's United Automobile Workers Union, in Detroit, promptly pledged its cooperation with the group, according to the Associated Press, which quoted as follows from a joint statement by R. J. Thomas, UAW President, and Walter P. Ruether, Vice-President:

"The President's fact-finding committee may be assured of the union's cooperation in getting all the facts in the dispute. We will place before the committee all of the facts and figures in our possession relating to the corporation's ability to pay a 30% wage increase."

Would Have Government Control Over Residential Construction

President Truman has indicated that he favors some form of control of real estate prices in a program designed to defeat inflation. The President also expressed the belief that it was necessary to re-institute the priorities-control system on building materials to guarantee continuance of new low-cost residential construction. Although plans have not yet been completed for putting the controls into operation, Mr. Truman pointed out the tendencies which proved their need in a recent report of the Bureau of Labor Statistics. The Labor Department report showed, according to Associated Press advices from Washington, Dec. 8, that a surge of city building got underway in October, the month when building controls were lifted, but that new dwellings accounted for little more than a third of the total new construction. The report added:

"Since there are no longer any restrictions on home construction, more houses are being built in the higher price brackets."

The President stated that it is planned that building materials will be channeled principally for residential construction.

Other government officials have stated, the Associated Press continued, that most materials and building labor are going into factory and commercial construction. They suggested the priority plan might apply only to low and moderately priced houses — perhaps those costing less than $8,000, the wartime ceiling. Other types of construction would get what was left over the Associated Press added.

The Labor Bureau's report showed that $262,000,000 worth of building construction was begun in October. The $70,000,000 increase over September was the biggest monthly gain since mid-1942, when war plant construction was at its height. This upturn ran counter to the usual building slump when fall weather sets in.

Work was begun on 19,480 new family dwellings, an increase of less than 5,000 over September when the construction controls were in force. The increase in residential permit values, however, was 50.1%, partly because of the higher value per house.

Factory, store, commercial and other non-residential building climbed 40.1% to an October total of $108,000,000. Work on repairs alterations and additions increased 16.5% to a total of $62,000,000.

Meanwhile, on Dec. 9, Senator Mead (D-N.Y.) issued a statement in which he called on city, State and Federal housing authorities to "combine all their efforts and work on the same team," in providing housing for returning veterans and their families. Senator Mead, who is the author of legislation to empower the National Housing Authority to house veterans immediately under a specific program, wants Congress to take action on his proposed legislation before Christmas.

The three-point program, estimated to cost $196,627,000, is, as outlined by the Associated Press in its Washington account:

1. Move approximately 75,000 Government-owned, family type houses, origianlly set up for war workers, to areas of acute housing shortage.

2. Convert surplus Army and Navy barracks and other dormitory-type facilities into family homes.

3. Authorize States, communities and schools to provide and manage housing sites and utilities after the Federal Government has paid for dismantling, transporting and reerecting the dwellings.

The Senator said he did not see "how anyone could object" to President Truman's proposal for restoration of priority controls by the Government over home building materials.

Federal Farm Loan Bonds Called for Redemption

W. E. Rhea, Land Bank Commissioner, is notifying holders of the 3% consolidated Federal Farm Loan Bonds of Jan. 1, 1946-56 that the 12 Federal Land Banks have called all outstanding bonds for redemption on Jan. 1, 1946. Interest on the bonds will cease on Jan. 1, 1946, and the bonds will be payable at par on and after that date. The 12 Federal Land Banks have designated the Federal Reserve Banks and branches and the Treasury Department, Washington, D. C., as agencies for the payment of the aforementioned bonds. The proposed redemption of the bonds was noted in our Dec. 13 issue, page 2929.

President Gibson of Manufacturers Trust Company Proposes Pension Plan

Harvey D. Gibson, President of Manufacturers Trust Company of New York, announced on Dec. 12 that its Board of Directors had voted to recommend to the company's stockholders a Pension Plan which will apply to approximately 2,300 eligible employees of the company. The plan will be voted on at the coming annual stockholders' meeting in January. Pensions will be paid under a Group Annuity Contract to be entered into with the Equitable Life Assurance Society of the United States. Employes who entered the armed forces of the United States during the war period and who return to the company within ninety days after discharge will have the same status under the Plan as if they had continued in the employ of the company during the period of military service. The Pension Plan is designed to supplement retirement benefits under the Social Security Act, and has been drawn so as to qualify under the applicable provisions of the Internal Revenue Code.

Harvey D. Gibson

The Trust Company will bear the entire cost of the Pension Plan, and Mr. Gibson, President of the Trust Company, at his own request, will not participate in the Pension Plan or otherwise receive any pension benefits.

Mr. Gibson in his advices to the stockholders regarding the proposed pension plan says in part:

"It has heretofore been the practice of the Company to grant retirement allowances to employes based on the circumstances of each case, and under this practice 43 employes are now receiving such allowances. Many Corporations, including some of the other large New York banks, have adopted employe pension plans and the Board of Directors has decided that it would be in the best interests of this Company to adopt a formal plan providing for the payment of pensions to employes upon retirement. It is intended that the retirement allowances of the 43 employes above mentioned will be continued on their present basis. As to present employes over age of 65 who do not qualify for pensions under the Plan, it will be the policy of the Bank, upon their retirement from active service, to grant them pensions on the same basis as though they had been included in the plan.

"The principal features of the plan recommended by the Board of Directors are as follows:

The effective date of the Plan is Jan. 1, 1946. All present and future employes, except those on a temporary or hourly basis and the officers referred to below, who have completed one year of service with the Company and who are between the ages of 25 and 65 will become members under the Plan. Normal retirement age is 65. The Plan permits earlier retirement at a reduced pension, and in cases of hardship or disability the Company may in its discretion retire a Member on the full pension accrued to date of his retirement, provided he has completed ten years of credited service under the Plan and has attained age 55. There is a provision for vesting of pension rights at age of 50, provided the Member has completed 10 years of credited service. Any employe who entered the armed forces of the United States during the current war emergency and who returns to the Company's employ within 90 days after his discharge, will have the same status under the Plan as if he had continued in the employ of the Company during his period of military service.

"The amount of pension will be determined by the employe's salary and length of service, and is designed to supplement the retirement benefits of the Federal Social Security Act. The formula for computing pension benefits is as follows:

"(1) As to service after the effective date, 1% of the first $3,000 of the Member's salary, plus 2% of the remainder of such salary, for each year of service while a Member of the Plan; plus

"(2) as to service prior to the effective date—

"(a) 3/5ths of 1% of the first $3,000 of the Member's salary on the effective date, plus ¾ths of 1% of the remainder of such salary, for each year of such service between ages 35 and 45, and

"(b) 1-1/5th% of the first $3,000 of the Member's salary on the effective date, plus 1-½% of the remainder of such salary, for each year of such service after age 45.

"Members in the salary brackets of $3,000 per annum and under will, upon retirement at age 65 after 30 years of service, receive a pension (including the Federal Social Security pension) of approximately 50% of salary. Members in the higher salary brackets having the same length of service will receive a pension (including the Federal Social Security pension) varying from slightly under 50% to an average of about 40%. The maximum pension payable to any employe under the Plan is limited to $18,000 per year.

"Pensions due under the Plan will be paid by The Equitable Life Assurance Society of the United States pursuant to a group annuity contract, the entire cost of which will be borne by the Company. The net cost, after taxes, of the Company's contribution under the Plan for the first year of operation is estimated at approximately $465,000. This figure represents a gross expenditure of approximately $782,000 less taxes of 40.79%. On the basis of present payroll and tax rates, simliar amounts will be disbursed during the ensuing 10 years of the Plan; thereafter the current annual disbursement would amount to approximately $482,000 before taxes. It is intended that the Plan will qualify under Section 165 of the United States Internal Revenue Code and accordingly the Company's annual contribution towards the cost of the Plan will be deductible in computing its Federal and New York income taxes."

Chase Nat'l Bank to Pay Special Compensation

The Chase National Bank of New York will pay special compensation amounting to 5% of the basic annual salaries to all members of its organization whose salaries are not more than $6,000 a year. This special compensation, which will be paid before Christmas, was authorized by the Board on Directors on Dec. 12.

In addition, the higher-cost-of-living compensation which has been paid quarterly during the wartime period to persons receiving not more than $6,000 a year, will be paid by the bank for the final quarter of 1945, at the rate of 6% on the first $1,800 of basic annual salary and 4% on the next $1,200. Commencing Jan. 1, 1946, this cost-of-living compensation will be added to basic annual salaries up to the $6,000 maximum.

Nov. Rayon Shipments Show 2% Decrease

Total November rayon shipments at 66,900,000 pounds declined 2% from the October level, says the "Rayon Organon," published by the Textile Economics Bureau Inc. This drop occurred because of the fewer working days in November. The total November deliveries are divided 51,900,000 pounds of filament yarn (37,700,000 pounds of viscose + cupra and 14,200,000 pounds of acetate) and 15,000,000 pounds of staple fiber (11,300,000 pounds of viscose and 3,400,000 pounds of acetate).

Stocks remain essentially unchanged at a total of 11,100,000 pounds, said the "Organon" issued on Dec. 11, which also stated:

"World rayon production in 1944 totaled 2,156,540,000 pounds, of which 1,039,630,000 pounds were filament yarn and 1,116,910,000 pounds were staple fiber.

"A marked upward trend in rayon production occurred during the early war period with output reaching a peak of 2,759,105,000 pounds in 1941. During this period Germany, Italy and dominated European countries strove feverishly to minimize their dependency on imported cotton, wool and other natural fibers by expanding the production of rayon, especially rayon staple fiber. However, from 1942 to 1944 world rayon output decline as the result of growing raw material and manpower shortages as well as allied bombings and sabotage of the Axis plants.

"Although Japanese rayon production reached a record level in 1937, output thereafter declined and by 1944 Japanese rayon production was down to less than one-quarter of the peak 1937 output. The development of critical raw material shortages and wholesale destruction of Japanese shipping during the war years were the chief factors contributing to this decline.

"As contrasted with rayon's war record in Japan and Europe, rayon producing countries in North and South America durnig these years materially expanded their production above peacetime levels. Increased consumer demand, large military requirements, replacement of silk and nylon by rayon for civilian uses in the United States and decreased supplies of rayon yarn and fabric available for export to South American countries were the principal reasons for these increases in rayon production. Although the increased production in the Western Hemisphere was large, it was not enough to offset the decline in rayon production in the rest of the world.

"In 1944 the United States was the world's largest rayon filament producer, making 53% of the world output, as well as the second largest rayon staple fiber producer, with 15% of the total.

"As a result of the decline in 1944 world rayon output, cotton's relative position improved from 71% to 73% of the world production of cotton, wool, rayon, and silk, while rayon dropped from 15% to 13% of the total. Wool remained at 14% and silk production was nominal. World output of the four fibers declined 6% from 17,933,000,000 pounds in 1943 to 16,836,000,000 pounds in 1944."

House Votes Larger Navy

A bill which would more than double the previous peacetime Navy and Marine Corps personnel was approved by the House on Dec. 4, according to Associated Press Washington advices. The measure, which would provide more than 550,000 officers and men for the Navy, and 108,000 for the Marine Corps, has been sent to the Senate.

Stevens Research Foundation Will Serve Industry by Investigating Fundamental Problems

Plans for the Stevens Research Foundation, a non-profit corporation that will serve industry by carrying out research of a more fundamental nature than is customary in most company laboratories, were announced on Nov. 16 at the meeting of the Board of Trustees of Stevens Institute of Technology by President Harvey N. Davis. Scientific and industrial research will be undertaken in cooperation with the college. The Foundation will be managed by Dr. Edwin G. Schneider as Executive Vice-President. He has been working during the war in the Radiation Laboratory of the Massachusetts Institute of Technology and has been an export consultant on radar to the Office of the Secretary of War. Dr. Schneider, who will also have the Stevens title, Assistant to the President for Research, taught in Stevens' Physics Department from 1938 to 1941. According to Mr. Davis "the Foundation will operate with the aid of an Advisory Committee of industrial engineers and men outstanding as consultants in technical fields." He added:

"The laboratory staff will consist of several key men who will direct projects in various fields, and a much larger number of research fellows. Thus far, $55,000 has been donated to the Foundation's 'Venture Fund,' of which $10,000 was received within the last two weeks. This fund was established to permit preliminary investigations in fields of possible later interest to industry. We hope that the fund will be brought up to $100,000 in the near future."

At the Trustees meeting at Hoxie House on the Stevens campus, John B. Hawkes and Edwin G. Schneider were promoted from Associate Professors to full Professors of Physics. Nichol H. Memory, formerly Assistant to the President, was made Assistant to the President for Administration.

Since the Foundation, established in 1943, is still in the intial stages of organization, no research projects have been started. Dr. Davis mentioned several fields which have been suggested and which give an indication of the type of work that might be undertaken. "One project might be the investigation of the use of radioactive atoms as an industrial tool," Dr. Davis said. "For example, with a very small amount of radio active zinc mixed with the ordinary zinc in a brass sample, a measure of the radioactivity might conceivably be used as a continuous check on the concentration of zinc in the melt so that a casting could be guaranteed to have the correct proportion without running a chemical analysis. This is only one example of possible industrial uses of tracer atoms. The health hazard, as well as the method, would have to be investigated." Another possible research project is in the field of sound. Dr. Davis pointed out that thorough work on the control of sound in the theatre has led to the knowledge and techniques that form the basis on which music has been able to accomplish predetermined results in industry and in therapy. Other projects might include a research program on the fundamental properties of liquids, the chemical reactions of combustion or, in the field of economics, the study of distribution.

Palestine Inquiry Board Named

President Truman announced on Dec. 10 the names of those who will comprise the 12-member Anglo-American Committee on Inquiry which is to make recommendations for handling Jewish immigration into Palestine, in accordance with the plan already made public Nov. 13 in Washington and London. According to the President's statement the committee will operate under a rotative Chairmanship, whose American member appointed by Mr. Truman, will be Judge Joseph C. Hutcheson of Texas, with Sir John E. Singleton, London judge in the High Court of Justice, as British Chairman. The other American members, as given by the Associated Press in its report from Washington of the President's announcement, are:

Frank Aydelotte, former President of Swarthmore College and now director of the Institute for Advanced Study at Princeton; Frank W. Buxton, editor of "The Boston Herald"; O. Max Gardner, former North Carolina Governor; James G. McDonald, a former member of the editorial staff of the New York "Times," and William Phillips, former Under Secretary of State, Ambassador to Italy and personal representative of the President at New Delhi, India.

The British members of the Committee, besides Sir John E. Singleton, whose names are given in the President's statement, according to the Associated Press, are:

Wilfred P. Crick, economic adviser to the Midland Bank, London; Richard H. S. Crossman, M.P., Assistant Editor of "New Statesman and Nation"; Sir Frederick Leggett, until recently Deputy Secretary of the Ministry of Labor and National Services; Major Reginald E. Manningham-Buller, M.P., a barrister; and Lord Robert Creigmyle Morrison, M.P.

It was stated in President Truman's announcement that the terms of reference of the Committee will be in accordance with the formulated plan of Nov. 13, as follows:

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

"2. To examine the position of the Jews in those countries in Europe where they have been the victims of Nazi and Fascist persecution, and the practical measures taken or contemplated to be taken in those countries to enable them to live free from discrimination and oppression and to make estimates of those who wish or will be impelled by their conditions to migrate to Palestine or other countries outside Europe.

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

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

President Truman urged the Committee to make its report within 120 days after it begins its inquiry.

Navy Offers National Security Plan

In an elaborate brochure the Navy Department on Dec. 12 presented to the Senate Military Affairs Committee its "plan for national security," which, in comparing it to the Army plan for merging the armed forces under a single civilian Cabinet member in an accompanying statement by Read Admiral Thomas H. Robbins, Jr., the Navy asserted that it "could save dollars where, comparatively, the Army Plan might save pennies." In the introductory part of the Navy Plan, according to special Washington advices to the New York "Times," it was emphasized that any plan designed to eliminate past faults in the national military set-up and to implement combating new dangers must establish the following:

(1) Organized means for the integration of foreign and military policy.

(2) Organizations in being for directing industrial mobilization and for reconciling industrial mobilization with national resources.

(3) A more efficient organization for the translation of strategic requirements for materiel and personnel.

(4) Provision for the coordination of military and other war budgets.

(5) Adequate means for the elimination of waste and duplication in and between the military departments.

(6) An efficient coordinated intelligence organization serving all Government departments and agencies.

(7) An organizational means for fostering scientific research and development within the military departments and among civilian organizations.

(8) Full opportunity of each branch of the military services to develop for its specialized task.

The introduction went on to state that the Navy Plan, as proposed, met all of these requirements.

The Navy Department's statement concluded its proposals with the following summary, according to the New York "Times":

We have said, and we repeat, that any plan which neglects these requirements of the future is misconceived, and that any plan which fails fully to meet these requirements must be judged inadequate.

Though only a part of the broad problem, the question of the specific organizational form of our military departments is an important part of this whole subject.

The Navy Plan proposes the continuation of separate military departments. The Navy sponsors this proposal for two reasons: first, as the above comparison has demonstrated, unification of the military services is neither necessary nor helpful to the solution of the major problems facing us; second, unification of the military departments would be detrimental to the accomplishment of several important objectives.

One of the most cherished principles of our democracy is that civilian authority shall control military authority. The continuance of separate departments as proposed by the Navy maintains civilian control, by providing each service with a civilian head of Cabinet rank, and by coordinating over-all policy-making through new civilian organizations. Our democratic Government is built upon a system of checks and balances. The balance of national security must not be jeopardized by the elimination of a Cabinet officer.

A cardinal element in our future security is the full development of each branch of our military service. The Navy Plan provides for separate departments of War and of the Navy, and recommends autonomy for a strategic air force. The existence of separate departments insures that every vital element of our national security will be given the consideration which is required for the security of our country, and it encourages the energetic and imaginative development of the potentialities of each branch of our military service.

The sponsors of the Army Plan have urged that the merger of the military departments will eliminate waste and duplication and thereby effect economy.

War is wasteful. The greatest economy is in preventing war. The best insurance against war is national preparedness and an effective coordination of our foreign and our military policy. The Navy Plan provides for this coordination—and, therefore, for the greatest potential economy. The Army Plan does not.

The assertion that waste and duplication are derived from the existence of two military departments and would be eliminated by a merger of those departments also ignores the primary cause of the waste. It is necessary only to recall the frantic effort with which the military departments were obliged to calculate their requirements when this war began, and to recall the rapid succession of temporary agencies devised for hasty mobilization of our industrial resources, to realize that waste in the war was primarily attributable to lack of advance planning and to hasty calculations. Waste, to a much lesser degree, resulted from duplications in purchasing.

To correct the first and greater of these two defects we must provide a permanent and continuing means for coordination of (a) strategic policy, (b) essential civilian needs and (c) our material resources. Hastily improvised organizations unable to provide this three-way coordination effectively will produce continual disruptions of the national economy, waste of critical resources, loss of man-hours — in short, large expenditures without commensurate accomplishments.

The Navy Plan provides for this necessary coordination through the creation of the National Security Resources Board, which would correlate military requirements, civilian needs and material resources. Links of coordination between the civilian economy and the military are also provided in the Navy Plan through the Joint Chiefs of Staff and the Military Munitions Board. The Army Plan offers no means for this over-all coordination—and, therefore, no way to plug up this great source of waste.

Probably the smallest source of waste in war is actual duplication in procurement. The Army says that unification of the two departments will automatically prevent this waste. All able administrators know that problems of coordination and of administrative control increase rapidly with the expansion of organizational size. It is vain and wishful to assume that by merging two great departments into one still larger department we will achieve more effective and more economic administration.

Both Army and Navy experience during the war shows the need for decentralizing—not conglomerating — procurement. The Army was a "single command" in this war, yet duplicating procurement occurred within the Army, showing that "single command" is no solution per se. The Army Air Forces found it necessary to split their procurement off from the Army Services Forces. The Navy had to distribute among its several bureaus procurement authority formerly centralized.

Certainly, "single command" should not be swallowed as the cure-all for duplications in procurement. Under the Navy Plan the Military Munitions Board is given full authority under the direction of a civilian chairman to unify where advisable procurement of the military services and to eliminate duplications in this field. This can be accomplished without the creation of an additional purchasing organization as proposed by the Army.

Elect Officers of Ins. Section of N. Y. Board of Trade

At the Sixth Annual Meeting of the Insurance Section of the New York Board of Trade held Dec. 12, the following officers and members of the Executive Committee were elected:

Chairman, G. W. Crist, Jr., Fidelity & Deposit Co. of Maryland; Vice-Chairman, Charles S. Ashley, Maryland Casualty Co.; Representative on Directorate, H. W. Schaefer, H. W. Schaefer Co.; Secretary-Treasurer, G. A. Buckingham, New York Board of Trade.

Walter F. Beyer, The Home Insurance Co.; Albert N. Butler, Corroon & Reynolds, Inc.; Ray S. Choate, American Associated Insurance Cos.; Clancy D. Connell, Provident Mutual Life Insurance Co.; Floyd N. Dull, Continental Casualty Co.; Wallace J. Falvey, Massachusetts Bonding & Insurance Co.; James P. Fordyce, Manhattan Life Insurance Co.; James R. Garrett, National Casualty Co.; Richard V. Goodwin, Fireman's Fund Indemnity Co.; T. L. Haff, European General Reinsurance Co.; J. E. Lewis, Aetna Life & Affiliated Cos.; J. J. Magrath, Chubb and Son; Edward McLoughlin, North British and Mercantile Insurance Co.; Gustave R. Michelsen, Hall and Henshaw; Edward L. Mulvehill, American Reserve Insurance Co.; Arthur Snydre, Alfred M. Best Co.; Mortimer E. Sprague, The Home Insurance Co.; Owen C. Torrey, Marine Office of America; Arthur A. Quaranta, Marsh and McLennan, Inc.

After the meeting, the Sixth Annual Reception tendered by the Executive Committee of the Insurance Section to members and their guests, took place. Walter F. Beyer, retiring Chairman of the Section was given a vote of thanks for his untiring efforts on behalf of the Section during the past year, and the new Chairman, G. W. Crist, was welcomed into office.

Export-Import Bank Cotton Credit to Finland

The Export-Import Bank announced on Dec. 12 the signing of an agreement with the Government of Finland and the Bank of Finland, providing for a credit of $5,000,000 to finance the export to Finland of approximately 46,000 bales of U. S. cotton. Walter Grasbeck, Chairman of the Trade Delegation of Finland to the United States, signed the agreement on behalf of the Government of Finland. The advices from the Export-Import Bank state:

"This credit to Finland is the first allocation to be made from the general credit of $100,000,000 established by the Export-Import Bank in October to finance the shipment of cotton to European countries.

"Purchases to be financed under the credit will be made by private Finnish importers directly from American shippers. To be eligible under the agreement, contracts must be entered into not later than six months from Dec. 12. Shipments financed under the credit must be made not later than one year from Dec. 12.

"The term of the cotton credit to Finland will be 15 months, the maximum period allowable under the general credit arrangements for financing cotton exports. The rate of interest will be 2½% per annum. United States shippers and their respective United States banks will participate in the financing."

Reports Severe Housing Shortage

(Continued from page 3051)

ministrator has requested the mayors of all communities which have a severe problem to set up emergency housing committees.

In addition to the foregoing program which was laid down three months ago, the following three additional steps are being undertaken or recommended at this time.

1. The first step is a program for speeding up release of surplus housing units and building materials, held by the Government. It is ready to operate.

This program makes immediately available to the States and local communities surplus government property suitable for housing, including Army and Navy barracks and dormitories. Wherever possible these facilities, many of which are near crowded cities, will be utilized on their present sites to house veterans and their families. In other instances it will be necessary to move them to new sites and remodel them. The Federal government will lend these housing units to the communities for the duration of the housing emergency.

Some temporary housing built for war workers and vacated as it is no longer needed on the present sites can be readily dismantled and moved where it is needed. Removal of a few thousand units of this kind already has been undertaken by some colleges and communities to provide for veterans. It is estimated that 100 thousand units will become available in the next few months.

Appropriations have been asked of the Congress to finance removals of this kind; and it is important that such legislation be passed as soon as possible in order that this shelter be available this winter.

Release of building materials will be expedited by special teams which will locate surpluses and sell them on the spot. Arrangements are being made to see that at least 70% goes into housing, with preference for veterans.

The Director of War Mobilization and Reconversion has requested the War and Navy Departments to suspend all construction that is not immediately necessary, so as to eliminate this drain on supplies.

2. The second step is a regulation which is now being prepared and which should be released before the middle of the month, establishing priorities on building materials.

In general terms, this regulation will establish such priorities for single or multiple dwelling housing units costing $10,000 or less per unit. This will mean that about 50% of all building materials will be channeled into this type of building. The balance will be available for commercial, industrial, higher-priced dwelling, and all other construction—public and private. The regulation will also provide preferences for veterans in the purchase or rental of such housing, so that they can buy or rent them before anyone else.

The regulation will be issued under the Second War Powers Act. This is one reason that it is necessary to extend this Act for a full year, after Dec. 31, 1945. Six months' extension, as provided in the House bill, is too short a time to meet this emergency need.

Diversion of materials from less urgent commercial and industrial construction and from high-cost housing through such a priority system is one of the few ways in which we can immediately increase the supply of home building materials.

3. The third step relates to ceiling prices on old and new housing. Sharp increases in the price of housing already have occurred. The threat of inflation in this field is the most menacing in our economy, and we are using all the powers that have been granted the Administration to combat it. Credit agencies of the Government are working out ways to curb unsound lending practices.

The Office of Price Administration is now placing local dollar-and-cents ceiling on the construction materials themselves and many services. This ceiling varies in different parts of the country depending on local conditions.

Rent controls have been very successful and their coverage of some 14 million family units constitutes one of our strongest safeguards against housing inflation.

Legislation has been introduced and is now pending before the House Banking and Currency Committee which would provide for ceiling prices on the sale of old and new housing. Such authority is essential if we are to avert further sky-rocketing of home prices, and the price control features of the pending legislation appear workable and satisfactory.

The foregoing program is not an easy one. It involves many industries, many agencies of the Government and countless communities; and it must be modified from time to time to meet changed conditions. I strongly urge that a housing expediter be appointed who shall have responsibility for coordinating and expediting the housing program, and for recommending new steps that may be needed to meet new problems.

All the steps I have outlined are designed to cope with the current emergency. Solution of the long-range problem of providing the people with an adequate supply of moderately priced housing is being studied by the Congress and I am looking forward to constructive action through legislation.

We are making progress in our efforts to cope with the housing problem, but it is a difficult one requiring full cooperation of communities, local and Federal governments and of all sections of the industry. As I said earlier nothing less than several years of peak production will really solve the housing problem.

JOHN W. SNYDER
Director of War Mobilization and Reconversion

Dec. 8, 1945

Presdent Appoints Housing Expediter

The President after receiving the above memorandum on housing from John W. Snyder, Director of War Mobilization and Reconversion approved the same, and in conformity with Mr. Snyder's recommendation announced the appointment in the OWMR of Wilson Wyatt, former Mayor of Louisville, as Housing Expediter as per the attached letter.

Dec. 12, 1945

Dear Mr. Wyatt:

This country is faced by an acute shortage of housing. Veterans are returning to homeless communities. Former war workers have come back to their home towns, and have found no place in which to live.

It is urgent that every available temporary living quarter be used in over-crowded communities, that the production of building materials be expedited, that the production of homes be hurried, that the cost of housing be protected from further inflation.

I am asking you to assume the role of housing expediter in the Office of War Mobilization and Reconversion. I am asking you to search out all bottlenecks at whatever level of industry or of government—local, state or national—you may find them; to try to break those bottlenecks; and to make the machinery of housing production run as smoothly and speedily as possible, so that we may be able to make the peace production of homes equal to the task of housing our veterans and other civilians.

Very sincerely,
HARRY S. TRUMAN

U. S. Economic Policy Toward Germany

(Continued from first page)

supplies available over this winter; and it is our intention to maintain the policy of hastening the recovery of liberated areas, even at the cost of delaying recovery in Germany.

Second, to use the months before spring to set up and to set into motion, in conjunction with our allies, the machinery necessary to execute the reparations and disarmament programs laid down and agreed at Potsdam. A considerable part of the statement just issued is directed to making clear the technical basis on which we believe the reparations calculation should be made. This calculation, which requires definition of the initial post-war German economy, must be completed before Feb. 2, 1946.

Third, to set up German administrative agencies which would operate under close policy control of the occupying authorities in the fields of finance, transport, communications, foreign trade and industry. Such agencies, explicitly required by the terms of the Potsdam agreement, must operate if Germany is to be treated as an economic unit and if we are to move forward to German recovery and to the eventual termination of military occupation.

Fourth, to prevent mass starvation in Germany. Throughout Europe there are many areas where the level of diet is at or close to starvation. In terms of world supply and of food shipments from the United States, liberated areas must enjoy a higher priority than Germany throughout this first post-war winter. The United States policy, in collaboration with its allies, is to see that sufficient food is available in Germany to avoid mass starvation. At the moment the calory level for the normal German consumer has been established at 1,550 per day. This requires substantial imports of foodstuffs into Germany, especially of wheat; and for its own zones of Germany and Berlin the United States is now importing wheat to achieve this level. A large portion of the German population has been eating more than 1,550 calories daily, either because they can supplement the ration from foodstuffs available in the countryside, or because their work justifies a ration level higher than that of the normal consumer, as in the case of coal miners. In the major cities, and especially Berlin, however, a food problem exists and is particularly severe during the winter months. Fifteen hundred and fifty calories is not sufficient to sustain in health a population over a long period of time, but as a basic level for the normal consumer it should prevent mass starvation in Germany this winter. If a higher level for the normal consumer is judged to be required and if it is justified by food standards in liberated areas, the ration level in Germany may be raised by agreement among the four occupying powers.

In short, this will be an exceedingly hard winter for Germany, although only slightly more difficult than for certain of the liberated areas. A softening of American policy toward the feeding of German civilians and toward the allocation of coal exports from Germany, while it would ease the difficult task of the four occupying authorities, could largely be at the expense of the liberated areas. We are, however, constructively preparing for the second stage in German economic policy, which should begin some time next spring.

Proposals for Gradual Recovery

In this second stage, it is envisaged that Germany will gradually recover. Simultaneously with the removal of plants under reparation, plants will be earmarked for retention; and as fuel and raw materials become available, German industry which is permitted to remain will be gradually reactivated and the broken transport system revived. Although coal exports from Germany will continue the probable expansion in coal output should permit larger allocations in coal to the German economy after the end of the winter. German industrial production will then increase and German exports should begin to approach a level where they can finance necessary imports, and gradually to repay the occupying powers for their outlays in the present emergency period.

The third stage of economic development will follow after the period of reparation removals, which under the terms of the Potsdam Declaration must be completed by Feb. 2, 1948. The resources left to Germany at that time wil be available to promote improvement of the German standard of living to a level equal to that of the rest of Continental Europe other than the Soviet Union and the United Kingdom. Housing and transport will recover more rapidly than in the previous stages of economic development. In general, the German people will during this period recover control over their economy subject to such residual limitations as the occupying powers decide to impose. These limitations, which will be determined by agreement among the occupying powers, should, in the opinion of this Government, be designed primarily to prevent German rearmament and not to restrict or reduce the German standard of living.

In all these stages it must be borne in mind that the present occupying powers, as well as many other nations, have suffered severely from German aggression, have played a large role in the German defeat and have an enduring interest in the post-war settlement of Germany. The settlement agreed at Potsdam requires the shifting of boundaries in the East and the movement of several million Germans from other countries. That settlement also requires, in the interests of European rehabilitation and security, the removal from Germany of a large part of the industrial war-making capacity which never served the German civilian, but which, from 1933 on, served to prepare for war and to make war. In the words of the Potsdam Declaration:

"It is not the intention of the Allies to destroy or enslave the German people. It is the intention of the Allies that the German people be given the opportunity to prepare for the eventual reconstruction of their life on a democratic and peaceful basis. If their own efforts are steadily directed to this end, it will be possible for them in due course to take their place among the free and peaceful peoples of the world."

Statement by the Department of State on the Reparation Settlement and the Peacetime Economy of Germany

(1) The determination of the amount and character of industrial capital equipment unnecessary for the German peacetime economy which is to be made by the Allied Control Council prior to Feb. 2, 1946, has the limited purposes of eliminating the existing German war potential and deciding the volume of available reparations from the three western zones of occupation.

(a) The task of the Allied Control Council is to eliminate German industrial capacity to produce finished arms, ammunition, implements of war, aircraft and sea-going ships, either by removing such capacity as reparation or by destroying it, and to effectuate a drastic reduction in the capacities of the metallurgical, machinery and chemical* industries. The present determination, however, is not designed to impose permanent limitations on the Germany economy. The volume of permitted industrial production of a peacetime character will be subject to constant review after Feb. 2, 1946; and final Allied decisions regarding restrictions to be maintained on German industrial capacity and production will not be made until the framing of the peace settlement with Germany

(b) While reparation removals will undoubtedly retard Germany's economic recovery, the United States intends, ultimately, in cooperation with its allies, to permit the German people under a peaceful democratic government of its own choice to develop their own resources and to work toward a higher standard of living subject only to such restrictions designed to prevent production of armaments as may be laid down in the peace settlement.

Reparations to Be Imposed

(2) It is in the interest of the United States to abide strictly by the terms of the Berlin Declaration which imposes a severe reparation obligation on Germany in order to:

(a) Weaken effectively the economic base from which war industry could be derived until a peaceful democratic Government is firmly established in Germany;

(b) Provide material assistance to United Nations countries which have suffered from Nazi aggression and which now face tasks of rehabilitation and reconstruction from the damage of war;

(c) Ensure that in the recovery from economic chaos left by war in Europe, the aggressor nation, Germany, shall not reconstitute a peacetime standard of living at an earlier date than the countries ravaged by German arms.

No Wanton Destruction

(3) The security interest of the United States and its Allies requires the destruction in Germany of such industrial capital equipment as cannot be removed as reparation and as can only be used for the production of armaments or metallurgical, machinery or chemical products in excess of the peacetime needs of the German economy. It is not, however, the intention of the United States wantonly to destroy German structures and installations which can readily be used for permitted peacetime industrial activities or for temporary shelter. It will evidently be necessary to destroy specialized installations and structures used in shipbuilding, aircraft, armaments, explosives and certain chemicals which cannot be removed as reparation. Non-specialized installations and structures in the same fields may have to be destroyed in substantial part, if not desired as reparation, in cases of integrated industrial complexes the layout of which is such as substantially to facilitate reconversion from peacetime to war purposes at some later date. Finally, in removing equipment from plants declared available for reparation, no consideration should be given to withholding portions of the equipment desired by a reparation recipient in order to retain remaining installations and structures in more effective condition for peacetime uses. Within these limits, however, the reparation and security policies of the United States are not designed to result in punitive destruction of capital equipment of value to the German peacetime economy.

German Geographical Limits

(4) For the purpose of determining the industrial capacity of the peacetime German economy, thus eliminating its war potential—the real basis on which the amount and character of reparation removals are to be calculated —it should be assumed that the geographical limits of Germany are those in conformity with provisions of the Berlin Declaration, i. e., those of the Altreich less the territory east of the Oder-Neisse line.

(5) The Berlin Declaration furnishes as a guide to removals of industrial equipment as reparation the concept of a balanced peacetime German economy capable of providing the German people with a standard of living not in excess of the European average (excluding the United Kingdom and the Union of Soviet Socialist Republics). In the view of the Department of State, the Berlin Declaration is not intended to force a reduction in German living standards except as such reduction is required to enable Germany to meet her reparation payments. In effect, the Berlin Declaration merely provides that Germany's obligation to make reparation for the war damage which her aggression caused to other countries should not be reduced in order to enable Germany to maintain a standard of living above the European average. The Department of State further interprets the standard-of-living criterion to refer to the year immediately following the two-year period of reparation removals. For the purpose of meeting this requirement, German industrial capacity after reparation removals should be physically capable of producing a standard of living equivalent to the European average in, say, 1948. Given the difficult problems of administration and economic organization which the German peacetime economy will still face in 1948, it may be doubted that industrial equipment remaining in Germany at that time will in fact produce at full capacity, so that the standard of living realized in Germany is likely for some time to fall short of the European average.

Proposed Adjustments in Peace Time Economy

(6) It may be assumed that the European standard of living in 1948 would approximate the average standard of living over the period 1930-38. If this assumption be adopted, the German standard of living chosen as a basis for estimating industrial capital equipment to remain in Germany could be arrived at by use of German consumption data in a year in which the German standard of living, as measured by national income indices, most closely approximated the 1930-38 average in Europe. The German consumption standard in the year selected should be subjected to adjustments upwards or downwards to compensate for any over-all difference between the German standard in the year selected and the European average. Past consumption records defined as suggested above are meant only as a general guide. They would require the following further adjustments:

(a) Provision for change in population between year selected and 1948.

(b) Adjustment to allow for notable deviations in pattern of German consumption in selected year from normal pattern.

(c) Allowance to enable the German people to make good, at reasonable rates of reconstruction, the widespread damage to buildings in Germany, and to the transport system as scaled down to meet the requirements of the German peacetime economy. It is suggested that sufficient additional resources beyond those required to provide the adjusted output of the selected year should be left to overcome the building shortage in 20 years and to effect repairs to structures on rail and road transport systems over five years.

(d) Sufficient resources should be left to Germany to enable that country, after completion of industrial removals and reactivation of remaining resources to exist without external assistance. This topic is more fully treated below.

Wants Germany Economy Balanced by an Export Capacity

(7) In planning the peacetime German economy, the interests of the United States are confined to the industrial disarmament of Germany and to the provision of a balanced economic position at the standard of living indicated. The United States does not seek to eliminate or weaken German industries of a peaceful character, in which Germany has produced effectively for world markets, for the purpose of protecting American markets from German goods, aiding American exports, or for any other selfish advantage. Similarly the United States is opposed to the attempt of any other country to use the industrial disarmament plan of the Berlin Declaration to its own commercial ends at the expense of a peacetime German economy. It is our desire to see Germany's economy geared to a world system and not an autarchial system.

Limits to Reparations

(8) In determining the volume of removals for reparation purposes, the United States should not approve removals on such a scale that Germany would be unable, owing to a shortage of capital equipment, to export goods in sufficient quantities to pay for essential imports. Thus capacity should be left to enable Germany to produce for export goods which yield enough foreign exchange to pay for the imports required for a standard of living equal to the average in Europe, excluding the United Kingdom and the Union of Soviet Socialist Republics. In this connection, the following points should be stressed:

(a) In determining the amount of capital equipment to be retained in Germany, provision need be made for capacity to produce exports sufficient to pay for estimated current imports. No allowance should be made in German export industry to provide capacity to pay for externally incurred occupation costs, including imports of goods consumed by forces of occupation, and troop pay not expended in Germany.

(b) The provision in the Berlin Declaration which stipulates that in organizing the German economy "primary emphasis shall be given to the development of agricultural and peaceful domestic industries" requires that maximum possible provision be made for exports from sources other than the metal, machinery and chemical industries.

Part of Chemical and Machine Industries to Go to Other Countries

(c) It is implicitly recognized in the Berlin Declaration that the policy of industrial capital equipment removals and the restriction of exports in the fields of metals, machinery and chemicals will require countries which have previously depended on Germany as a

*The phrases "machine industry" and "machine manufacturing industry" in the Berlin Declaration should be interpreted broadly. The parallel language from J.C.S. 1,067 covers machine-tool, automotive and radio and electrical industries. It is suggested that the phrases should be interpreted to cover "metal-working industry," or, in British terminology, heavy and light engineering. The words "chemical industry" should be interpreted to include particularly that part of the industry which is devoted, or can be readily converted, to war production, and to exclude the potash and salt industries which should be included with extractive industries.

source of these products to obtain them elsewhere. Since capacity in the metal, machinery and chemical industries in excess of German peacetime needs is to be transferred to countries entitled to receive reparation from Germany, it is expected that the industrial capacity lost in Germany will after an interval be recovered in large part elsewhere in the world, and for the most part in Europe. But it should be borne in mind that the industry removed from Germany will in the main replace industry destroyed by the Germans and will not be sufficient to meet the pre-war demand. It should be emphasized, however, that any effort toward industrial recovery in Germany must not be permitted to retard reconstruction in European countries which have suffered from German aggression.

(d) In determining the amount of capacity required to strike an export-import balance, the United States and other occupying powers cannot in fact guarantee that the export-import balance will be achieved. Their responsibility is only to provide reasonable opportunity for the attainment of balance at the agreed minimum level of standard of living. In fixing the amount of industrial capacity necessary for export, the provision of margins of safety is unnecessary if Germany's export potential is estimated on a reasonable basis. It should be noted that if resources are left to enable Germany to make good her war damage and the depreciation in housing and transport over certain numbers of years as suggested in paragraph 5.d., extension of the period in which such deficits are liquidated would in case of need make some additional capacity available for production of export goods.

Financial Aid Essential

(9) The necessity which devolves upon the United States and other occupying powers to finance imports into Germany and possibly to pay for such imports in the next few years does not arise in the first instance from the policy of reparation removals agreed upon at Potsdam. The German economy was brought virtually to a standstill by Germany's defeat which produced an almost complete breakdown of transport, economic organization, administration and direction. If no removals of industrial capital equipment were attempted, Germany would still require United Nations' aid in financing and possibly in paying for minimum imports necessary to prevent disease and unrest. Even after substantial capital removals have been completed, it is doubtful that the German economy can operate for some time up to the limits of remaining industrial capacity, due to the limited availability of fuel, food, raw materials, and the slow progress which can be made in filling the gap left by the Nazis in the economic and political organization of Germany. It is possible, and even likely, that the physical transport of reparation removals will limit transport capacity available for recovery of the German economy and for the expansion of exports. It is in this respect only, however, that the reparation policy laid down in the Berlin Declaration may require the United Nations to finance German imports for a longer period, or to pay for them in greater degree, than if no provision for reparation from Germany had been made.

Minimum Imports Must Be Financed

(10) During the next two years, the United States and other occupying powers must finance minimum essential imports into Germany to the extent that exports from stocks and current production do not suffice to cover the cost of such imports. Since the Berlin Declaration makes no provision with respect to the German standard of living in the period of occupation, the occupying powers are not obliged to provide imports sufficient for the attainment in Germany of a standard of living equal to the European average. The present standard of supply in Germany, so far as the United States is concerned, is still governed by the "disease and unrest" formula. Under the conditions set forth in paragraph 9, it will prove desirable to extend the type and volume of imports into Germany not only because of our interest in avoiding disease and unrest endangering our occupying forces, but also because of our interest in reactivating selected German export industries which would yield a volume of foreign exchange and as far as possible to repay the past outlays of the occupying powers on imports. If, when the time comes for the conclusion of a peace treaty with Germany, there remains a backlog of unpaid imports, the occupying powers will have to decide whether or not to impose on Germany an obligation to pay off the accumulated deficit.

Immediate Problems

(11) For the immediate future, and certainly until next spring, military government authorities should concentrate on the repair of transport, emergency repair of housing and essential utilities and the maximization of coal and agricultural production. Some coal will of course be required in Germany to effect the minimum repairs of transport, housing and utilities called for in existing directives. As long as coal and raw materials remain in short supply in Europe, however, it is United States policy to make them available in maximum quantities for the revival of industrial output in liberated areas. The maximization of coal exports in accordance with existing directives will make it impossible to allocate within Germany coal sufficient to attain a significant volume of industrial production and over the coming winter it will limit activity even in fields directly related to repair of transport, housing and utilities, and to agriculture. If and when the coal crisis in Europe is surmounted—perhaps by next spring —it will be possible to review the situation and ascertain whether larger amounts of German coal can be allocated for essential industrial production in Germany, and in particular, for the selective reactivation of German export industries. The possibilities in this direction will depend not only on the satisfaction of coal requirements in liberated areas, but also on the success orf military government authorities in raising German coal output and restoring the German transport system. Meanwhile military government authorities should survey the fuel and raw material requirements of German industries capable of supplying essential civilian goods and of manufacturing for export so that as soon as coal and raw materials can be made available, a program for selective reactivation of remaining industrial capacity in Germany can get under way. In formulating this program, attempt must be made to give priority to industries, which, in relation to expenditures of fuel and raw materials, will contribute most toward striking an ultimate export-import balance in Germany, as well as to the satisfaction of the most pressing internal requirements of the German economy.

Responsibility for Revival Placed on Germans

(12) The role of the occupying authorities in the process of German revival should, in general, be that of providing and setting the conditions within which the Germans themselves assume responsibility for the performance of the German economy. To this end, the occupying authorities should devote primary attention in planning revival to the development of German administrative machinery, not only in the fields of intrazonal production and trade, but in inter-zonal and international trade, and in the application of common policies in transport, agriculture, banking, currency, taxation, et cetera. As one aspect of this process, denazification should be satisfactorily completed during the present period. For the rest, great importance attaches to the conclusion within the Allied Control Council of agreements governing policies to be followed in various aspects of the German economy enumerated, and devising inter-zonal German machinery for their application.

Carnegie Peace Group Work Is Hailed

President Truman sent a special message to the Carnegie Endowment for International Peace on the occasion of its 35th anniversary, Dec. 9. The President's message, which was read at a commemorative dinner at the home of the organization's retiring President, Dr. Nicholas Murray Butler, praised the Carnegie Endowment for its continuous efforts in behalf of peace since its founding in 1910 by Andrew Carnegie, declared that "the people of the United States, who are now wholeheartedly committed to international cooperation for the building of a better and more peaceful world, owe a debt of gratitude" to the Carnegie Foundation, and added that "we must all, with unflagging efforts, carry forward the high purpose for which the endowment stands."

Numerous world leaders sent messages to Dr. Butler and the Endowment, according to the New York "Times," among them Prime Minister Attlee of Great Britain, who credited the organization with having helped through special peace studies "those men now taking part in the establishment of the United Nations Organization." Hr. Attlee also predicted that in the future the field of international co-operation would be so wide that the claims on the Endowments might well be even greater than before. Messages were received from Dr. Herbert V. Evatt, Foreign Minister of Australia, Prime Minister W. L. Mackenzie King of Canada, and Field Marshall Jan Smuts, Prime Minister of the Union of South Africa, as well as Cordell Hull and other prominent Americans.

Lincoln Elected Chairman of Board Of Life Institute

Leroy A. Lincoln, President of the Metropolitan Life Insurance Company, was elected Chairman of the board of the Institute of Life Insurance, succeeding Claris Adams, President of the Ohio State Life Insurance Company, at the annual meeting of the Institute's board on Dec. 12 at the Waldorf-Astoria Hotel in New York. O. J. Arnold, President of the Northwestern National Life Insurance Co., was re-elected a member of the board and the following new members were elected: Lewis W. Douglas, President of the Mutual Life Insurance Co. of New York; Edwin W. Craig, President of the Nat'l Life & Accident Insurance Co., Nashville, Tenn.; Harry W. Manning, Vice-President and Managing Director of the Great-West Life Assurance Co., Winnipeg, Canada; George A. White, President of the State Mutual Life Assurance Co., Worcester, Mass.

Retiring members of the board were: George L. Harrison, President of the New York Life Insurance Co.; C. A. Craig, Chairman of the Executive Committee of the National Life & Accident Insurance Co.; Arthur B. Wood, President of the Sun Life Assurance Co., Montreal, Canada; M. Albert Linton, President of the Provident Mutual Life Insurance Co., Philadelphia.

Army Describes Proposed Training Program

Four Major Generals appeared before the House Military Affairs Committee on Dec. 11 and described in detail how the Army intended to carry through a program of military training for 18 to 20-year-olds if Congress passed the legislation for such a plan as proposed by President Truman. The witnesses, Major Generals George J. Richards, War Department budget officer; Ray E. Porter, director of the special planning division; Willard S. Paul, Assistant Chief of staff for personnel; and I. H. Edwards, Assistant Chief of staff for training, gave the following, according to the Associated Press in its Washington report, as the proposed plan of operation:

Who would be trained? Young men of 18 through 20; the training normally would begin when a youth is 18, unless he hadn't finished high school, in which case he could wait until he graduated; a youth finishing high school at 17 could start then, with his parents' consent.

How many would be trained? After allowing for rejections for physical and other disabilities, the Army would train 700,000 and the Navy about 260,000 annually, leaving between 140,000 and 240,000 rejected yearly.

How would they be selected? By local civilian agencies similar to draft boards; each youth would register by mail when he becomes 18; his local board would tell him when his training would start, with his convenience considered as much as possible. Appeals from local board rulings would be handled by special civilian appeal boards.

When would a youth's first actual contact with the military occur? At a receiving station to which he would be sent by his local board. There he would be given a special oath and examinations and offered a choice of services. He would be assigned to the service requested, if possible. The physical standards for acceptance would be lower than those which prevailed during the war.

What kind of training would a youth receive? An initial recruit training period of about eight eight weeks on the fundamentals of life as a soldier, by a period of technical training, the length of which would vary, depending on the assignment; then would be unit training, and finally combined training to teach the recruits how to act as an integral part of an army; the combined training under combat conditions would last about eight weeks.

Who would do the training? An organization of National Guard officers, Reserve officers and enlisted men on temporary active duty.

Would the one year be devoted entirely to military training? Generally, yes, but there would be holiday furloughs and short vacation periods as well as educational and recreational facilities, but the emphasis would be on training men to go to war in a hurry if necessary.

Would the trainees be paid? Yes, about $30 a month (Army regulars get $50 monthly but are subject to military duty, while a universal trainee could be assigned to actual Army duty only by special act of Congress). The trainees also would have dependency benefits and Army clothing, equipment and rations and a distinctive insignia. The cost of the program is estimated at $1,720,000,000 annually. Provision would be made for disability compensation and hospitalization.

What would happen to a youth when his year of training ended? He would go into a reserve for six years, unless he displayed leadership ability and desired to follow a military career, in which case he could become an officer. While in reserve status he could not be called to active duty except by act of Congress and then, normally, through the regular draft procedure.

Underlying the entire program, Gen. Porter told the committee, is this basic idea:

"Strength in being! Immediate availability!"

Quarter Century Club Of Corn Exchange Bank Of Philadelphia Meets

The Quarter Century Club of the Corn Exchange National Bank and Trust Co., Philadelphia, held its fourth annual dinner meeting on Dec. 11, admitted 9 regular members and elected the following club officers for the 1945-1946 term:

President, Russell J. Bauer, Vice-President of the Bank; Vice-President, Paul Shaerer, Main Office Teller; Secretary, Miss Faye Atkinson, editor of the "Cornstalk," bank employees publication; Treasurer, Andrew J. Humburg, who is in charge of the Bank's wire transfer service.

David E. Williams, President of the Corn Exchange and C. Alison Scully, Executive Vice-President, were initiated as honorary members. Admitted as regular members were Allen G. Martin, time sales department; James M. Vernon, Assistant Vice-President and Manager of the Bank's Oxford Office; C. Lee Johnston, Manager, Bridesburg Office; Miss Irene S. Dedaker, filing department; Mrs. Mary H. Martin, collection department; Joseph J. Jesberger, teller Oxford Office; Brewer G. Walton, Assistant Cashier, Main Office; Myers F. Hamilton, teller, Arch Street Office, and Joseph S. Domzalski, Manager, Orthodox Office. Albert N. Hogg, bank Vice-President and retiring President of the club presided at the meeting. The club now has 69 members who have served the Bank for 25 years or more.

Balderson Veterans Placement Officer

The Treasury Department announced on Dec. 11 the appointment of Wilmer H. Balderson to fill the position of Veterans' Placement officer in the Department's Division of Personnel. Mr. Balderson, a native of the District, received his discharge from the Army Air Corps on Oct. 5. As a sergeant in the Tenth Air Force, he served overseas in the China-Burma-India Theater of operations for 27 months. The position of Veterans' Placement officer, created at the request of Secretary Fred M. Vinson, is in furtherance of the policy of the Treasury Department to provide adequate counsel for returning veterans.

Mr. Balderson's duties will include the placement of former employees returned from military service, and establishment of the employment rights of other veterans under the Veterans' Preference Act of 1944. He will discuss with veterans their interests, aptitudes, skills and experience, both civilian and military, for the purpose of determining future employment opportunities or reinstatement rights in the Treasury Department. Other functions of the new office will include that of maintaining a complete information service on the GI Bill of Rights, arranging interviews with operating officials and the Civil Service Commission, maintaining liasion with the Veterans' Administration, seeking employment for the physically handicapped, and advising veterans' widows on their rights as potential Federal employees.

The State of Trade

(Continued from page 3050)

treated much the same as domestic steel users as far as it is possible to do so 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 announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 83.0% of capacity for the week beginning Dec. 17, compared with 82.9% one week ago, 82.4% one month ago and 96.3% one year ago. This represents an increase of 0.1 point or 0.1% from that of the previous week.

This week's operating rate is equivalent to 1,520,300 tons of steel ingots and castings, and compares with 1,518,400 tons one week ago, 1,509,300 tons one month ago and 1,732,400 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Dec. 8, 1945, total 776,375 cars, the Association for American railroads announced. This was a decrease of 27,395 cars (or 3.4%) below the preceding week and 16,781 cars, or 2.1% below the corresponding week of 1944. Compared with the similar period of 1943, a decrease of 46,936 cars, or 5.7%, is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,096,954,000 kwh. in the week ended Dec. 8, 1945, from 4,042,915,000 kwh. in the preceding week. Output for the week ended Dec. 8, 1945, however, was 9.7% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports System output of 194,400,000 kwh. in the week ended Dec. 9, 1945, comparing with 188,100,000 kwh. for the corresponding week of 1944, or an increase of 3.4%. Local distribution of electricity amounted to 190,500,000 kwh., compared with 182,100,000 kwh. for the corresponding week of last year, an increase of 4.6%.

Paper and Paperboard Production—Paper production in the United States for the week ending Dec. 8 was 99% of mill capacity, against 97.5% in the preceding week and 93.7% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 97%, compared with 96% in the preceding week and 95% in the like 1944 week.

Business Failures Decline—In the week ending Dec. 13, commercial and industrial failures took a slight downturn, reports Dun & Bradstreet, Inc. Only 10 concerns failed as compared with 14 in the previous week and 33 in the corresponding week of 1945. For every three concerns failing a year ago, there was only one concern failing this year.

Nine of the 10 failures occurring this week involved liabilities of $5,000 or more. Down slightly from the 12 last week, these large failures were less than half the 23 in the comparable week of last year. Small failures at one were also far short of the 10 occurring a year ago.

Manufacturing accounted for three-fifths of the week's failures. Even in this group, failures were only half as numerous as last year. In retail trade, three concerns failed—about one-fourth the number in 1944. No failures were reported in either construction or commercial service whereas a year ago at least one failure occurred in each trade and industry group.

Canadian failures numbered five, as compared with one in the previous week and none in the corresponding week a year ago.

Wholesale Commodity Price Index—Following a slight recession in the previous period, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., turned upward the past week, reaching a new post-war peak of 182.26 on Dec. 11. This contrasted with 181.55 on Dec. 4 and with 173.99 at this time last year.

Grain markets were generally steady with little or no speculative interest in wheat and corn due to the strength in the cash position of those grains. Active demand for wheat from millers, feed manufacturers and distillers met with only limited offerings.

Following early weakness, oats prices moved upward in active trading. After wide fluctuations and declines in the early part of the period, rye recovered considerable of its loss aided by talk of possible postponement of the effective date of ceiling prices scheduled for next June 1.

A heavy export and domestic demand for flour continued, but mills showed extreme caution in making commitments. Hogs were in good demand and prices turned upward following last week's slump. Some improvement in the production of lard was noted due to the recent increase in the run of hogs.

Cotton markets were steady and firm with most future contracts establishing new high marks for the season. Considerable strength was derived from the belief that consumption of cotton will register an increase after the turn of the year and from the improved outlook for export trade in coming months. Talk of increased cotton plantings next year tended to hold advances in check. The movement of cotton into Government stocks continued in small volume, reflecting current high staple market values. Demand for cotton textiles continued strong. Production for the final quarter of 1945 is expected to reach a low ebb for the year. Sales of carded gray cotton goods remained at a low level, while business in finished goods showed a little improvement.

Transactions in domestic wools in the Boston market was disappointing last week as volume tapered off following the initial spurt under the new prices promulgated by the Commodity Credit Corporation. Demand for fine spot foreign wools continued unabated with little change noted in the tight supply situation. There was a notable slackening of United States demand in South American markets following the recent lowering of prices for domestic grown wools. Relatively small increases in working personnel are said to be retarding the change-over from military to civilian production of woolen and worsted goods.

Wholesale Food Price Index Higher—Following the one-cent dip registered in the previous period, the Dun & Bradstreet wholesale food price index for Dec. 11 climbed back to the 25-year peak of $4.16. This represented a rise of 1.7% over last year's $4.09 and of 3.0% above the $4.04 recorded on the corresponding 1943 date. Advances for the week occurred in rye, oats, peas, potatoes, hogs, sheeps and lambs. There were no declines. The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale and Retail Trade—Retail volume for the country at large during the past week exceeded the high levels reached both in the previous week and in the comparable 1944 period, states Dun & Bradstreet, Inc., in its weekly review of trade. Many retailers were having difficulty replenishing stocks of merchandise which were sold out. Truck strikes were reported slowing deliveries in some sections of the country.

Supplies of men's furnishings of all types continued to be extremely low with no let-up in demand indicated. The combination of resort and Christmas buying maintained volume in women's apparel. Appreciable advances in purchases of furs, better dresses and formal gowns were noted. Petticoats and night gowns sold well in lingerie departments, while shipments of nylons were slowly arriving. Cosmetics and jewelry remained as leading Christmas purchases. Rich fabrics, such as velvet, taffeta, crepe and sheers were most popular in holiday buying of piece goods; the supply of deep alpaca pile goods was limited.

Lumber, electrical appliances and plumbing supplies continued almost unobtainable. Inventories of furniture remained low. Auto accessories were reported in short supply with no easing in deliveries of radios and household appliances noted. Kitchen furnishings and carpets were selling well. Christmas tree decorations, other than lights, were reported readily available.

Food volume for the week exceeded that of last week and the corresponding week in 1944. The supply of foodstuffs was reported at the best levels in a long time with more meat available in most sections. Butter, canned soups and canned beans were items reported in short supply. Numerous orders were being placed at bakeries for holiday cakes and cookies.

Retail volume for the country was estimated to be from 7 to 11% above a year ago. Regional percentage increases were: New England 3 to 5, East 9 to 13, Middle West 0 to 3, Northwest 10 to 14, South 15 to 19, Southwest and Pacific Coast 8 to 12.

The volume of wholesale trade last week equalled that of the previous week, volume being slightly above the corresponding 1944 week. Wherever there were increases in inventories they were very small. The heavy demand for goods continued as retailers eagerly sought to replace stocks.

Few buyers were at the wholesale apparel markets last week, but there were numerous telephone requests to speed up deliveries of holiday goods and to place re-orders and spring orders.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Dec. 8, 1945, increased by 10% above the same period of last year. This compared with an increase of 7% in the preceding week. For the four weeks ended Dec. 8, 1945, sales increased by 9% and for the year to date showed an increase of 11%.

The tempo of retail trade here in New York last week continued to rise in volume. It appeared that the one factor that would serve as a deterrent to consumer spending would be the existing scarcities of merchandise and insufficient selling facilities. A heavy turnover was noted for the week in specialty shops, drug, liquor and variety stores.

Both wholesale and retail food establishments reported increased sales due to the Christmas holidays. Among the items that continued scarce were butter and sugar.

The amount of textile goods likely to be released in the year ahead is now attracting attention in the general merchandise markets. It is felt by the trade that an easing in many lines will develop at that time.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Dec. 8, 1945, increased 16% above the same period last year. This compared with an increase of 14% (revised figure) in the preceding week. For the four weeks ended Dec. 8, 1945, sales rose by 14% and for the year to date increased by 13%.

New Members of Life Insurance Inst.

Eight additional life insurance companies have been admitted to membership in the Institute of Life Insurance, it was announced on Dec. 11 following a meeting of the Executive Committee of the Institute, held as a preliminary to the annual meeting of the Institute which took place on Dec. 12 at the Waldorf-Astoria. These admissions bring to 15 the companies that have been admitted during the past year and establish the total membership of the Institute at 136, including ten Canadian companies which do business in this country. The eight companies which have just joined the Institute are: Aetna Life Insurance Co., Hartford, Conn.; Great Lakes Mutual Life Insurance Co., Detroit, Mich.; John Hancock Mutual Life Insurance Co., Boston, Mass.; New England Mutual Life Insurance Co., Boston, Mass.; Pacific Mutual Life Insurance Co., Los Angeles, Calif.; Southland Life Insurance Co., Dallas, Texas; Travelers Insurance Co., Hartford, Conn.; Western & Southern Life Insurance Co., Cincinnati, Ohio.

From Washington Ahead of the News

(Continued from first page)

but that is exactly what he is trying to return the country to. He is as different from Coolidge as night is from day. There is nothing reticent about him. He won't walk away from you. We newspapermen have been saying recently that we are afraid to have a party for fear he will show up. He has a way of bobbing up at the most unexpected times. It has always been a great stunt on the part of publicity seeking organizations to announce that the President has been invited with the full knowledge that he would graciously decline. You can't go on that basis with Truman. He will show up.

Manifestly, it is a distinct honor to have the President at your party. But it involves an awful lot of work, and certainly a restraint on the part of the guests. Truman has a way of showing up unexpectedly at a time when it is difficult for the guests to pull themselves up. On such occasions, the host and pulled up guests alike are made as nervous as kittens because he insists upon moving right in and being the life of the party. You never know what he is likely to say and you begin sweating over the possibility of his saying the wrong thing.

We didn't have this feeling towards Coolidge. If he put his foot in it we were in high glee. When Truman now opens his mouth at an informal occasion or a formal one, we all hold our breath and pray until he is through.

We have heard the man make some of the frankest utterances ever made by a public official of any type. And notwithstanding our profession, we have held our breath and said "oh, oh, we wish he wouldn't say that."

To his callers every day, and he crowds in as many as conceivably possible, callers from every walk of life, he makes it quite plain that being President was one of the jobs he never sought, never had any ambition for, has no relish for now. Sherman once described war as hell, he says, and then gives his own opinion that the transition between war and peace is ever more hell. He complains that he can't get able administrators to serve under him, explaining that they came to Washington and withstood the Washington gossip columnists during the war, out of patriotic motives. With those motives no longer appealing, he says these administrators understandingly now want to get back home and make money. He has been kidded about his so numerous Missouri appointments. Blandly, he explains, at least those fellows are willing to help him out.

To listen to him you wonder whether he is being tremendously naive or tremendously smart. The commentators are seeking to tear him apart. As he says himself, according to these commentators he is doing nothing right. He recites that one commentator recently said he certainly wished Roosevelt were back. Truman agrees that he does too.

Then after saying all this, he will observe with a twinkle in his eye that he notices the Gallup Poll shows him very popular. The impression is inescapable that in spite of all the expert criticism he is well satisfied with what he is doing; is sort of tickled at the anguished howls of the experts. Here is one example of why he might be justified in his attitude:

Notwithstanding that the complaint against Roosevelt was that he was a one man rule, that he was sapping away the people's ability to govern themselves, there was a tremendous pressure against him, Truman, that he do something in the General Motors strike. Industry thought he should do something, labor thought so; the editors by and large thought so.

Well, he did. He proposed a cooling off period on the part of labor and a fact finding commission to study industry's ability to pay. Labor screamed that he had not consulted them, he had gone off half-cocked; management screamed they hadn't been consulted. We, ourselves, were annoyed. But Truman seems tremendously pleased with himself that both sides are indignant. If they insist upon his intervening, just what do they expect. We get the impression that he is considerably tickled over the reception his plan got and that he believes it may tend to stop the nonsense of people running to the government with their problems. Frankly, he baffles us, but we can truthfully report that the terrible troubles of mankind as dished up by the press day after day, are not worrying him.

Storm Causes Decline in Steel Production—Strike Threat Spurs Pressure for Delivery

If some way out of the steel price impasse is not found before Jan. 14, the date set by the United Steel Workers Union for a strike, the steel labor situation will develop into a serious, bitter and lengthy controversy, says "The Iron Age" in its issue of today (Dec. 20), which adds: The OPA is definitely on the spot because of its refusal to adjust steel prices this year.

Chester Bowles' refusal to increase steel prices generally until fourth quarter earnings are analyzed has caused extreme pressure to be brought to bear on him and his organization because final returns on steel company fourth quarter earnings would not ordinarily be completed until about Jan. 20, six days after the date set for the steel strike.

Because of this pressure some way is expected to be found to expedite completion of fourth quarter steel earnings reports even if some reliable estimates may have to be used for the final month of this year. Steel producers have absolutely refused to carry on negotiations with the union until prices are adjusted, which has thrown the ball to the OPA.

While some sources believe that with pressure on Mr. Murray to postpone his strike date until after OPA acts on steel prices, and with a chance that such action might even be taken before Jan. 14, there is no indication that the strike will not be called in any event. Mr. Murray has set the strike date for the purpose of forcing a wage adjustment equivalent to 30% or some other figure resulting from negotiations. Neither he nor his union have expressed any interest in the steel price situation.

If the OPA should in January grant price advances, such adjustments will be to cover accumulated material and labor costs and will not be related to any present wage demands. When and if the latter are eventually granted the industry is expected to ask for a further price increase to compensate for any wage advances. It may be that the industry will attempt to obtain a guaranteed commitment from the OPA to the effect that wage increases will be followed by compensatory price adjustments.

The more optimistic steel officials believe that with a speeding up of steel price data, coupled with the spot in which the Administration finds itself over the entire labor situation, there may be better reason to look for a speedy settlement early next year on the steel price-labor argument. Others, however, point to the dilly-dallying of the OPA on price matters in the past and have their fingers crossed.

Export demands which the industry feared would be allocated to the extent of 4,000,000 tons have been screened down to 850,000 tons over the next six months. This tonnage, it is understood, is over and above regular steel exports, and is said to be slated to go to some countries which are not normally continuous buyers of American steel products.

An analysis of the initial plan indicates that the products to be allocated among the steel companies for export represent the same ones which are in such tight supply for American steel users. The tonnage tentatively includes 187,500 tons of steel bars, 224,500 tons of sheets, 133,500 tons of structural steel, 211,000 tons of tinplate and 87,500 tons of wire and wire products. Included among the countries to receive this material are: Continental France, China, Ukraine Russia, Denmark, Italy and Australia.

Steel ingot output this week is down two points to 81% of rated capacity, although initial schedules had indicated a rate unchanged from last week. The severe snow storm in the Buffalo area almost entirely accounts for the two point drop, because of a shutdown early this week of many openhearth plants and blast furnaces in that district.

The American Iron and Steel Institute on Dec. 17 had announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry would be 83.0% of capacity for the week beginning Dec. 17, compared with 82.9% one week ago, 82.4% one month ago and 96.3% one year ago. This represents an increase of 0.1 point or 0.1% from the preceding week. The operating rate for the week beginning Dec. 17 is equivalent to 1,520,300 tons of steel ingots and castings, compared to 1,518,400 tons one week ago, 1,509,300 tons one month ago, and 1,732,400 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 17 stated in part as follows:

"Resumption of government allocations, at least on a partial basis, last week was reported under consideration. Confirmation was lacking, but it was said the Civilian Production Administration has under consideration allocation of 4,000,000 to 5,000,000 tons of steel for export to Europe.

"Further, according to gossip, supply pinches in the domestic market in such products as pig iron, semifinished steel, bars, bands, electrical sheets, galvanized sheets and certain sizes of light structurals, have resulted in consideration of at least limited allocation by the government of these products. As talked in the trade, such allocations, if decided upon, would possibly be by the steel companies themselves, under direction of the American Iron & Steel Institute, acting as agent for the government as government personnel has been trimmed to the point it would be impractical for the Civilian Production Administration's Steel Division to handle allocation procedure to any appreciable extent.

"With the steel strike date set for less than a month ahead consumers of steel and pig iron are pressing still more actively for deliveries in an effort to build up inventories before the stoppage. Orders placed now have no chance of being filled by Jan. 14, date for the walkout, and pressure is for tonnage already on order, in many cases overdue.

"Particularly in sheets and in somewhat less degree in bars and some other products sellers generally are behind about a month on commitments, with maintenance of production increasingly difficult because of slowdowns, absenteeism and similar disturbances. Should the strike threat appear increasingly serious it is likely that mills, a week or 10 days before the strike date, will start holding back shipments of scrap, coke and other raw materials to avoid cars being tied up at plants under heavy demurrage. Railroads also may declare embargoes to prevent cars becoming strikebound.

"Scrap and pig iron scarcities persist, though current needs are being met by careful distribution. However no inventories can be accumulated for winter and unless the steel strike eventuates and decreases consumption the winter promises to be a hard period for mills and foundries. Scrap users are paying the limit in springboards and higher freight to obtain scrap from remote areas and premium scrap continues to be bought to replace cheaper grades in open hearths. Pig iron is being rationed by producers since government allocation was abandoned.

"Lake Superior iron ore shipments lapped over in December, 71,035 tons being loaded after the usual Dec. 1 deadline. This brought the season's movement to 75,714,750 gross tons, compared with 81,170,538 tons for the 1944 season. This was the lowest season total since 1940, when 63,712,982 tons were moved."

Farm Loan Bonds Oversubscribed

Charles R. Dunn, Fiscal Agent, announced on Dec. 17 that books have been closed on the $214,000,000 Federal Land Banks Consolidated Federal Farm Loan Bonds due Jan. 1, 1953 offered on that day, and that the issue has been heavily oversubscribed.

The public offering of the bonds was made by the twelve Federal land banks through Mr. R. Dunn, their Fiscal Agent: the bond will be dated Jan. 2, 1946, due Jan. 1, 1953, and callable Jan. 1, 1951. The bonds bear interest at 1½% per annum payable semi-annually, and were offered at 100⅜% and accrued interest. They are being distributed on a Nation-wide basis through a large selling group of recognized dealers in securities.

Net proceeds from the sale, together with cash on hand, will be used to retire approximately $170,800,000 of 3% consolidated Federal Farm Loan bonds of Jan. 1, 1946-56; to retire approximately $35,900,000 of the capital investment of the United States in the Federal Land Banks and $15,000,000 of commercial bank borrowings; and to purchase approximately $5,700,000 of mortgages and real estate sales contracts from the Federal Farm Mortgage Corporation.

The consolidated bonds offered are not Government obligations and are not guaranteed by the Government, but are the joint and several obligations of the twelve Federal Land Banks. The banks are Federally chartered institutions and operate under the supervision of the Farm Credit Administration, which is under the general direction and supervision of the Secretary of Agriculture.

Pan American Union Copyright Conference

An inter-American conference of copyright experts, charged with drafting a permanent agreement to give all intellectual works uniform protection throughout this hemisphere, will meet in Washington beginning June 1, 1946, the Governing Board of the Pan-American Union has decided. The board, at its regular monthly session on Dec. 5, adopted the report of a committee appointed to study this subject. The Committee recommended that a conference of special delegates from all the American republics be called, to exchange views on the present copyright system and draw up a treaty for ratification by their respective governments. The advices from the Pan-American Union also says:

"Legal protection of authors and composers in America is provided at present by several multilateral and numerous bilateral agreements, as well as certain reciprocal arrangements. The basic instrument is the Buenos Aires Convention of 1910, but since only 14 countries ratified this agreement, it does not afford over-all protection.

"More important still, there are no inter-American treaties covering work produced in the newer fields of radio and television. It will be the purpose of the conference to provide protection for such scripts, as well as to harmonize the principles embodied in existing agreements which relate to published works."

Observations

(Continued from first page)

haps compiled by disinterested outsiders of recognized ability and standing.

* * *

Another phase of corporate procedure is highlighted by the Treasury's current listing of the nation's recipients of above-$75,000 remuneration. In addition to revealing the invaluable information that one Frances Gunn is none other than the charming Judy Garland, the publication of salaries again brings to the fore the broad questions involved in fixing corporate compensation. They must be viewed basically in the setting of our corporate system, particularly with respect to the almost complete divorce of management from ownership. Arrival at formulae for determining salaries has remained most difficult for all concerned—even for our public regulatory bodies. Although the SEC has assumed financial regulation of practically every kind, nevertheless on the question of executive compensation it has been forced to leave the investing stockholder's protection to the process of *publicizing* the amounts of compensation. As far as national regulation is concerned, the wages of "sin" is publicity.

The continuing fundamental difficulty in the way of "pricing" an executive lies in finding a market rate, a scientific gauge, or a statistical yardstick. Even to a greater extent than in other fields, statistical evidence can here be made to fit prejudiced conclusions. The use of comparative figures entails the danger that executive titles may be misleading. Even when applied to the aggregate amount paid to all the high executives of a company, judgment about proper total compensation is difficult; for there is a wide variety of both internal and external factors bearing on management performance and on the service actually rendered to the stockholders (including its share of responsibility for both good and bad earnings). And comparisons among different industries are highly dangerous; for example, a sales executive in an office equipment company surely performs a more expert and valuable task in selling and servicing his customers than does one in a food company which spends millions in advertising.

The practice of company statements showing officer salaries after, as well as before, taxes, now is brought to the fore; and its justification is seemingly enhanced by the current insistence of labor in speaking of its pay on a "take-home" basis.

* * *

This year's phenomenally large Christmas business sharply accentuates the impotence of Government Bond sales as a brake on inflation. Retail trade this year will reach about $74 billion, compared with $69 billion last year, and with the 1929 record peacetime total of $48 billion. During the last four years consumers have saved over $100 billion; and after their net purchases of $30 billion of E-Bonds, they have accumulated $70 billion in currency and bank deposits. Consumer holdings of spendable funds, according to Department of Commerce estimates, have almost doubled since the day of our entry into the war.

The distribution of Government Bonds to individual buyers has barely made a dent in this enormous pool of inflationary buying power. Sales of all the issues to individuals through Dec. 19 have aggregated but $6 billion against the previous Drive's total of $8.6 billion. Sales of the Series E issue (with 8 Drive days remaining) aggregate barely one-third of the Seventh Loan total.

Likewise, although total sales to the various categories of "corporate" (that is, non-individual) buyer has been satisfactory, the insurance companies and savings banks, which may be regarded as buying agents for individual savers, purchased less than in the previous Drive.

Thus we are forced to the conclusion that with the Treasury's future distribution of Series E, F and G Bonds remaining "on tap," it must develop some entirely new medium for absorbing the potentially explosive over-supply of inflationary funds, which its policies have created.

Drug, Chemical Men Elect Officers

The Drug, Chemical and Allied Trades Section of the New York Board of Trade, composed of over 600 of the leading firms in these industries, on Dec. 13 elected officers to serve during the next fiscal year. The results of this election which took place at the organization meeting of the new Executive Committee, held at the Drug and Chemical Club, this city, follow: Chairman, Harold M. Altshul, President, Ketchum & Co., Inc.; Vice-Chairman, Dr. Carle M. Bigelow, Director of Pharmaceutical Department, Calco Chemical Division of the American Cyanamid Co.; Treasurer, Robert B. Magnus, Vice-President, Magnus, Mabee & Reynard, Inc. (re-elected); Acting Secretary, Helen L. Booth, New York Board of Trade, Inc. (re-elected). Carl M. Anderson, Assistant to the President, Merck & Co., Inc. was re-appointed Counsel.

The retiring Chairman, Guy L. Marsters, Vice-President of the Norwich Pharmacal Co., was presented with a white Catalin gavel in recognition of his services during the past year. Mr. Marsters automatically becomes a member of the Section's Advisory Council which consists of the ex-chairmen for the past five years.

Offering of Treasury Ctfs.

On Dec. 16, Secretary of the Treasury Vinson announced the offering, through the Federal Reserve Banks, of ⅞% Treasury certificates of indebtedness of series A-1947, open on an exchange basis, par for par, to holders of Treasury notes of series C-1946, maturing Jan. 1, 1946. Cash subscriptions will not be received. There are now outstanding $3,415,821,000 of the series C-1946 notes.

The certificates now offered will be dated Jan. 1, 1946, and will bear interest from that date at the rate of ⅞ of 1% per annum, payable semi-annually on July 1, 1946 and Jan. 1, 1947. They will mature Jan. 1, 1947. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000. The Treasury's announcement adds:

"Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal Tax Acts now or hereafter enacted.

"Subscriptions will be received at the Federal Reserve Banks and branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing notes. Subject to the usual reservations, all subscriptions will be allotted in full.

"The subscription books will close at the close of business Wednesday, Dec. 19, except for the receipt of subscriptions from holders of $100,000 or less of the maturing notes. The subscription books will close for the receipt of subscriptions of the latter class at the close of business Saturday, Dec. 22.

"Subscriptions addressed to a Federal Reserve Bank or branch or to the Treasury Department, and placed in the mail before midnight of the respective closing days, will be considered as having been entered before the close of the subscription books."

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1945— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Dec. 18	124.25	117.20	120.84	119.41	117.00	111.44	113.89	117.20	120.43
17	124.23	117.00	120.84	119.41	117.00	111.25	113.89	117.00	120.28
15	124.17	117.00	120.84	119.41	117.00	111.25	113.89	117.20	120.22
14	124.17	117.00	120.84	119.41	117.20	111.25	113.89	117.20	100.22
13	124.11	117.00	120.84	119.41	117.20	111.25	113.89	117.20	120.22
12	124.06	117.00	120.84	119.41	117.00	111.25	113.89	117.00	120.22
11	124.01	117.00	120.63	119.41	117.00	111.07	113.70	117.20	120.02
10	124.06	117.00	120.63	119.41	117.00	111.07	113.50	117.00	120.22
8	124.06	116.80	120.63	119.41	117.00	110.88	113.50	117.00	120.22
7	124,06	116.80	120.63	119.41	117.00	110.88	113.50	117.00	120.22
6	124.04	116.80	120.63	119.41	116.80	110.88	113.50	117.00	120.22
5	124.01	117.00	120.84	119.41	117.00	110.88	113.50	117.00	120.22
4	123.98	116.80	120.63	119.41	117.00	110.70	113.31	117.00	120.22
3	123.92	116.80	120.84	119.41	117.00	110.88	113.50	117.00	120.22
1	123.83	116.80	120.63	119.41	117.00	110.70	113.31	117.00	120.22
Nov. 30	123.81	116.80	120.63	119.41	117.00	110.70	113.31	117.00	120.22
23	123.70	116.80	120.84	119.41	117.00	110.70	113.50	116.80	120.22
16	123.44	116.80	120.84	119.41	116.80	110.52	113.31	116.80	120.22
9	123.28	116.61	120.63	119.41	116.61	110.34	113.12	116.80	120.02
2	123.05	116.61	120.63	119.41	116.41	110.15	113.12	116.80	120.02
Oct. 26	122.92	116.22	120.63	119.20	116.22	109.60	112.93	116.41	119.82
19	123.08	116.22	120.63	119.20	116.22	109.42	112.75	116.41	119.82
11	122.76	116.22	120.84	119.00	116.22	109.42	112.56	116.22	120.02
5	122.56	116.22	120.84	119.00	116.22	109.24	112.37	116.22	120.02
Sept. 28	122.19	116.02	120.84	118.80	115.82	108.88	112.19	116.02	119.82
21	121.97	115.82	120.43	118.80*	116.02	108.88	112.19	116.02	119.61
14	121.98	116.02	120.84	118.80	116.02	108.70	112.19	116.22	119.61
7	122.09	116.02	120.63	119.20	116.22	108.52	112.37	116.02	119.61
Aug. 31	122.09	116.02	120.84	119.00	116.22	108.52	112.56	116.02	119.41
July 27	122.39	115.82	120.84	119.20	115.82	108.16	112.93	115.63	119.00
June 29	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.43	119.41
May 25	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20
Apr. 27	122.38	115.24	120.84	118.40	115.04	107.09	112.19	114.27	119.20
Mar. 31	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
Feb. 23	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41
Jan. 26	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
High 1945	124.25	117.20	121.04	119.61	117.20	111.44	113.89	117.20	120.43
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20
1 Year Ago									
Dec. 18, 1944	120.30	113.50	119.00	118.00	113.50	104.48	108.70	113.89	118.20
2 Years Ago									
Dec. 18, 1943	119.55	110.52	118.20	115.82	110.70	98.88	103.13	113.12	115.82

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

1945— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Dec. 18	1.45	2.79	2.61	2.68	2.80	3.09	2.76	2.79	2.63
17	1.46	2.80	2.61	2.68	2.80	3.10	2.96	2.80	2.64
15	1.46	2.80	2.61	2.68	2.80	3.10	2.96	2.79	2.64
14	1.46	2.80	2.61	2.68	2.79	3.10	2.96	2.79	2.64
13	1.46	2.80	2.61	2.68	2.79	3.10	2.96	2.79	2.64
12	1.46	2.80	2.61	2.68	2.80	3.10	2.96	2.80	2.64
11	1.47	2.80	2.62	2.68	2.80	3.11	2.97	2.79	2.65
10	1.47	2.80	2.62	2.68	2.80	3.11	2.98	2.80	2.64
8	1.47	2.81	2.62	2.68	2.80	3.12	2.98	2.80	2.64
7	1.47	2.81	2.62	2.68	2.80	3.12	2.98	2.80	2.64
6	1.47	2.81	2.62	2.68	2.81	3.12	2.98	2.80	2.64
5	1.47	2.80	2.61	2.68	2.80	3.12	2.98	2.80	2.64
4	1.47	2.81	2.62	2.68	2.80	3.13	2.99	2.80	2.64
3	1.48	2.81	2.61	2.68	2.80	3.12	2.98	2.80	2.64
1	1.49	2.81	2.62	2.68	2.80	3.13	2.99	2.80	2.64
Nov. 30	1.49	2.81	2.62	2.68	2.80	3.13	2.99	2.80	2.64
23	1.50	2.81	2.61	2.68	2.80	3.13	2.98	2.81	2.64
16	1.52	2.81	2.61	2.68	2.81	3.14	2.99	2.81	2.64
9	1.53	2.82	2.62	2.68	2.82	3.15	3.00	2.81	2.65
2	1.55	2.82	2.62	2.68	2.83	3.16	3.00	2.81	2.65
Oct. 26	1.56	2.84	2.62	2.69	2.84	3.19	3.01	2.83	2.66
19	1.55	2.84	2.62	2.69	2.84	3.20	3.02	2.83	2.66
11	1.57	2.84	2.61	2.70	2.84	3.20	3.03	2.84	2.65
5	1.59	2.84	2.61	2.70	2.84	3.21	3.04	2.84	2.65
Sept. 28	1.63	2.85	2.61	2.71	2.86	3.23	3.05	2.85	2.66
21	1.65	2.86	2.63	2.71	2.85	3.23	3.05	2.85	2.67
14	1.66	2.85	2.61	2.71	2.85	3.24	3.05	2.84	2.67
7	1.65	2.85	2.62	2.69	2.84	3.25	3.04	2.85	2.67
Aug. 31	1.65	2.85	2.61	2.70	2.84	3.25	3.03	2.85	2.68
July 27	1.64	2.86	2.61	2.69	2.86	3.27	3.01	2.87	2.70
June 29	1.60	2.85	2.60	2.69	2.85	3.27	3.01	2.88	2.68
May 25	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69
Apr. 27	1.63	2.89	2.61	2.73	2.90	3.33	3.05	2.94	2.69
Mar. 31	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69
Feb. 23	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68
Jan. 26	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72
High 1945	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
Low 1945	1.45	2.79	2.60	2.67	2.79	3.09	2.96	2.79	2.63
1 Year Ago									
Dec. 18, 1944	1.81	2.98	2.70	2.75	2.98	3.48	3.24	2.96	2.74
2 Years Ago									
Dec. 18, 1943	1.86	3.14	2.74	2.86	3.13	3.82	3.56	3.00	2.86

*These prices are computed from average yields on the basis of one "typical" bond (3¾% 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.

National Fertilizer Association Commodity Price Index Advances to Previous High Point

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Dec. 17, advanced to 142.0 for the week ended Dec. 15, 1945, from 141.8 in the preceding week. The general index is now back to its previous high point which it held for three consecutive weeks in November. A month ago the index stood at the high point of 142.0, and a year ago at 139.5, all based on the 1935-1939 average as 100. The Association's report added:

There were more price fluctuations than usual during the latest week resulting in three of the composite groups in the index advancing and two declining. The foods index advanced fractionally principally due to higher quotations for potatoes. The farm products group showed a pronounced increase during the week and rose to within a small fraction of its previous high point. The cotton index continued to climb. The grains subgroup advanced only fractionally with rye prices slightly higher. The livestock subgroup returned to its previous high level which it had reached Nov. 24. Hog prices are back to their ceiling level, good cattle and poultry prices are higher, but quotations are lower for eggs, choice cattle and lambs.

The miscellaneous commodities group showed a moderate advance because of higher prices for newsprint rolls. The textiles index has advanced almost continuously since Aug. 25 until the latest week when it declined somewhat, a result of lower prices for wool. The fuels index declined because of a decline in gasoline prices. All other groups of the composite index remained unchanged.

During the week 9 price series in the index advanced and 5 declined; in the preceding week 6 advanced and 4 declined; in the second preceding week 5 advanced and 8 declined.

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

% Each Group Bears to the Total Index	Group	Latest Week Dec. 15, 1945	Preceding Week Dec. 8, 1945	Month Ago Nov. 17, 1945	Year Ago Dec. 16, 1944
25.3	Food	144.8	144.6	145.2	144.4
	Fats and Oils	146.6	146.6	146.6	145.3
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	173.2	172.8	173.1	163.4
	Cotton	233.0	231.8	228.3	204.4
	Grains	167.1	167.0	167.2	159.0
	Livestock	166.9	165.5	166.6	158.3
17.3	Fuels	129.0	129.5	129.9	130.4
10.8	Miscellaneous Commodities	133.5	132.8	132.8	133.2
8.2	Textiles	159.3	161.7	160.8	155.2
7.1	Metals	110.2	110.2	109.8	105.8
6.1	Building Materials	154.7	154.7	154.7	154.0
1.3	Chemicals and Drugs	127.5	127.5	126.2	125.1
.3	Fertilizer Materials	118.2	118.2	118.2	118.3
.3	Fertilizers	119.9	119.9	119.9	119.9
.3	Farm Machinery	105.0	105.0	105.0	104.7
100.0	All groups combined	142.0	141.8	142.0	139.5

*Indexes on 1926-1928 base were: Dec. 15, 1945, 110.6; Dec. 8, 1945, 110.5, and Dec. 16, 1944, 108.7.

Electric Output for Week Ended Dec. 15, 1945 9.0% 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. 15, 1945, was approximately 4,154,061,000 kwh., which compares with 4,563,079,000 kwh. in the corresponding week a year ago, and 4,096,-954,000 kwh. in the week ended Dec. 8, 1945. The output for the week ended Dec. 15, 1945 was 9.0% below that of the same week in 1944.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Major Geographical Divisions—	Week Ended— Dec. 15	Dec. 8	Dec. 1	Nov. 24
New England	3.2	2.0	4.0	7.1
Middle Atlantic	2.7	2.2	3.7	5.7
Central Industrial	11.4	12.7	12.8	12.9
West Central	1.7	1.6	1.4	4.4
Southern States	12.3	13.6	15.7	16.5
Rocky Mountain	1.3	1.3	0.8	5.8
Pacific Coast	10.8	12.5	13.0	15.0
Total United States	9.0	9.7	10.6	12.1

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

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	4,450,047	—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	1,518,922	1,806,225
Dec. 8	4,096,954	4,538,012	— 9.7	4,566,905	1,563,384	1,840,863
Dec. 15	4,154,061	4,563,079	— 9.0	4,612,994	1,554,473	1,860,021
Dec. 22		4,616,975		4,295,010	1,414,710	1,637,683
Dec. 29		4,225,814		4,337,287	1,619,265	1,542,000

Big Three Meeting Dec. 15

A conference of the Foreign Ministers of the Big Three among the United Nations—Britain, Russia and the United States—is scheduled to take place at Moscow on Dec. 15, according to a State Department announcement on Dec. 7. The meeting, which is the first since the one in London last September which broke up unsatisfactorily and amid strained relations, is expected to provide opportunity for dealing with the matter of atomic energy and its control as well as other issues of mutual interest, and is looked upon as a likely indication by the major powers of their intention to work together for world peace. Some diplomats in this country to attend sessions of the United Nations preparatory commission, are stated by the Associated Press in its Washington advices of Dec. 8 to have interpreted the forthcoming meeting as a prelude to a joint British - American - Russian pledge to place the control of the atomic bomb in the hands of the United Nations, when that organization is prepared to accept such a high responsibility. The Associated Press added:

It was also pointed out that unless the three foreign ministers were confident of reaching basic agreements on the atomic bomb, and other issues to be discussed, they would not have called the conference at this time.

Most of the delegates to the preparatory commission meetings, a survey revealed, believe there is a growing tendency among all nations to favor placing the control of the atomic bomb in the hands of the United Nations Organization. Representatives of the smaller nations, particularly Belgium, the Netherlands, Yugoslavia and several Latin American countries, feel that this step is necessary if the new peace agency is to succeed.

Some diplomats said a three-power discussion of the atomic bomb was a natural step, following the Washington conference between Britain, Canada and the United States, and preceding what will probably be a general discussion of atomic energy by all the United Nations at the United Nations general assembly next month.

Although the subject of atomic energy is expected to dominate the conference, the foreign ministers also will discuss a number of matters of current concern to the three big Powers.

Secretary of State Byrnes is said to have been prompted in his move for the Dec. 15 meeting by a desire to revive a united effort for the establishment of world peace. The meeting is indicative at least of improved relations among the Big Three.

Moody's Daily Commodity Index

Tuesday, Dec. 11, 1945	264.7
Wednesday, Dec. 12	264.8
Thursday, Dec. 13	264.7
Friday, Dec. 14	264.8
Saturday, Dec. 15	264.9
Monday, Dec. 17	264.7
Tuesday, Dec. 18	264.7
Two weeks ago, Dec. 4	264.5
Month ago, Nov. 17	263.8
Year ago, Dec. 18, 1944	253.1
1944 High, Dec. 31	254.4
Low, Nov. 1	245.7
1945 High, Dec. 15	264.9
Low, Jan. 24	252.1

Gas Revenues Up 0.9% In 3rd Quar. Over 1944

Revenues of the gas utility industry totaled approximately $218,700,000 in the quarter ended Sept. 30, 1945, a gain of about 0.9% over $216,800,000 in the comparable quarter of 1944, the American Gas Association reported on Dec. 18. Revenues from residential sales were $129,300,000, an increase of 4.9% over a year ago. Industrial sales revenues, however, decreased 8.0% to total $64,-900,000 for the quarter.

Manufactured and mixed sales for the quarter totaled $97,500,000 for the quarter, an increase of 3.2% over sales in the comparable quarter in 1944. Total sales in MCF gained 0.9% over last year to total 96,900,000 MCF. Revenues from sales of natural gas in the third quarter totaled $121,-200,000, declining about 0.9% under the like quarter in 1944. Sales in MCF of natural gas were down 4.8% to a total of approximately 437,400,000 MCF.

The gas utility industry was serving more than 19,900,000 customers at the end of the third quarter, an increase of 1.6% over the 1944 quarter. Residential customers totaled 18,800,000, an increase of 1.4%; commercial customers aggregated 1,033,000, an increase of 4.7%, and industrial customers totaled 85,500, an increase of 3.5% over the comparable period in 1944.

For the 12 months ended Sept. 30, 1945, total revenues of the gas utility industry amounted to $1,-146,200,000, an increase of 3.5% over the like period in 1944. Residential revenues for the period amounted to $720,300,000, an increase of 4.3%; commercial revenues totaled $130,760,000, an increase of 7.4%, and industrial revenues for the 12 months were $288,202,000, a gain of 0.6% over a year earlier.

Redeem Bonds of Cuba

Republic of Cuba, through Reinaldo Fernandez Rebull, Consul General of Cuba in New York City, is notifying holders of its External Loan 30-Year Sinking Fund 5½% Gold Bonds issued under loan contract dated Jan. 26, 1923, that $1,283,300 principal amount of the bonds have been drawn by lot for redemption on Jan. 15, 1946, out of moneys in the sinking fund, at 100% of their par value and accrued interest to the redemption date. The bonds drawn for redemption will be paid at the office of the fiscal agents, J. P. Morgan & Co. Incorporated, on or after Jan. 15, 1946, after which date interest on the drawn bonds will cease. On Dec. 11, 1945, $508,300 principal amount of these bonds previously drawn for redemption had not been presented for payment.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Dec. 12 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. 24, 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. 24 (in round-lot transactions) totaled 2,854,786 shares, which amount was 15.99% of the total transactions on the Exchange of 8,926,150 shares. This compares with member trading during the week ended Nov. 17 of 3,058,883 shares, or 14.18% of the total trading of 10,786,980 shares. On the New York Curb Exchange, member trading during the week ended Nov. 24 amounted to 1,106,155 shares or 12.38% of the total volume on that Exchange of 4,468,650 shares. During the week ended Nov. 17 trading for the account of Curb members of 1,565,940 shares was 12.14% of the total trading of 6,449,760 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 24, 1945

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	217,890	
‡Other sales	8,708,260	
Total sales	8,926,150	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	831,180	
Short sales	116,760	
‡Other sales	640,510	
Total sales	757,270	8.90
2. Other transactions initiated on the floor—		
Total purchases	226,540	
Short sales	15,200	
‡Other sales	166,150	
Total sales	181,350	2.23
3. Other transactions initiated off the floor—		
Total purchases	333,102	
Short sales	50,670	
‡Other sales	474,674	
Total sales	525,344	4.81
4. Total—		
Total purchases	1,390,822	
Short sales	182,630	
‡Other sales	1,281,334	
Total sales	1,463,964	15.99

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

WEEK ENDED NOVEMBER 24, 1945

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	45,205	
‡Other sales	4,423,445	
Total sales	4,468,650	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	334,205	
Short sales	22,100	
‡Other sales	259,050	
Total sales	281,150	6.89
2. Other transactions initiated on the floor—		
Total purchases	60,325	
Short sales	6,600	
‡Other sales	57,200	
Total sales	63,800	1.39
3. Other transactions initiated off the floor—		
Total purchases	69,190	
Short sales	8,450	
‡Other sales	289,035	
Total sales	297,485	4.10
4. Total—		
Total purchases	463,720	
Short sales	37,150	
‡Other sales	605,285	
Total sales	642,435	12.38
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	116,116	
Total purchases	116,116	
Total sales	139,764	

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

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

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

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

Wholesale Prices Dropped 0.3% in Week Ended Dec. 8, 1945 Labor Department Reports

"Primary market prices declined from their recent peaks during the week ended December 8, 1945 because of lower prices for agricultural commodities" it was stated on Dec. 13 by the Bureau of Labor Statistics, U. S. Department of Labor which went on to say that "marking the first decrease since mid-September, the index of commodity prices prepared by the Bureau of Labor Statistics, dropped 0.3% during the week to 106.5% of the 1926 average, 0.4% above four weeks ago and 2.2% higher than the corresponding week of 1944."

From the Department advices we also quote:

"Farm Products and Food—Average prices of farm products decreased 1.3% during the week chiefly because of substantial declines for livestock and fresh fruits and vegetables. Hog quotations declined from ceiling for the first time in many months with the beginning of the winter run to market. Prices of steers and cows were lower, reflecting buyers' resistance and increased supplies. Lambs were lower because of the Dec. 1 subsidy increase. Prices of citrus fruits declined sharply and there were decreases for onions because of poor quality. Sweetpotatoes and apples increased seasonally. Rye quotations continued to decrease from their high levels and oats were lower. Prices for domestic wools dropped sharply reflecting the inauguration of a Department of Agriculture subsidy averaging about 7 cents per pound to meet competition of lower price foreign wools, while cotton quotations increased with improved demand. Average prices of farm products were 0.6% higher than a month ago and 4.7% above early December, 1944.

"Decreases for fresh fruits and vegetables were largely responsible for the decline of 0.4% in the group index for foods. Prices for rye flour dropped sharply and oatmeal was lower, reflecting the lower grain prices. On the average, foods were 1.0% higher than early November and 2.6% above early December, 1944.

"Other Commodities—There were few important price changes for other commodities during the week. Anthracite prices rose 0.4% because of upward adjustments of OPA ceilings to cover higher production costs not fully compensated for by earlier adjustments. Prices of farm machinery were fractionally higher, reflecting ceiling adjustments, and there were increases in prices of turpentine and in mill realizations for Ponderosa and Idaho pine. The group index for all commodities other than farm products and foods rose 0.1% during the week to a level of 0.3% above a month ago and 1.5% above the corresponding week of 1944."

The Labor Department included the following notation in its report:

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

The following tables show (1) indexes for the past three weeks, for Nov. 10, 1945 and Dec. 9, 1944 and (2) percentage changes in subgroup indexes from Dec. 1 to Dec. 8, 1945.

WHOLESALE PRICES FOR WEEK ENDED DECEMBER 8, 1945

(1926 = 100)

						Percentage changes to Dec. 8, 1945 from—		
Commodity Groups—	12-8 1945	12-1 1945	11-24 1945	11-10 1945	12-9 1944	12-1 1945	11-10 1945	12-9 1944
All commodities	106.5	106.8	106.7	101.1	104.2	—0.3	+0.4	+2.2
Farm products	130.3	132.0	132.1	129.5	124.4	—1.3	+0.6	+4.7
Foods	108.1	108.5	108.7	107.0	105.4	—0.4	+1.0	+2.6
Hides and leather products	119.4	119.4	119.1	119.1	116.7	0	+0.3	+2.3
Textile products	100.6	100.6	100.5	100.5	98.9	0	+0.1	+1.7
Fuel and lighting materials	85.2	85.1	84.6	84.5	83.7	+0.1	+0.8	+1.8
Metals and metal products	105.3	105.3	105.3	105.3	103.9	0	0	+1.3
Building materials	118.7	118.7	118.7	118.6	116.4	0	+0.1	+2.0
Chemicals and allied products	96.1	96.1	95.6	95.5	94.8	0	+0.6	+1.4
Housefurnishing goods	106.4	106.4	106.4	106.4	106.1	0	0	+0.3
Miscellaneous commodities	94.6	94.6	94.6	94.6	93.9	0	0	+0.7
Raw materials	119.1	120.1	120.2	118.6	114.3	—0.8	+0.4	+4.2
Semimanufactured articles	96.8	96.8	96.8	96.8	94.7	0	0	+2.2
Manufactured products	102.5	102.5	102.3	102.2	101.3	0	+0.3	+1.2
All commodities other than farm products	101.3	101.2	101.1	101.0	99.8	+0.1	+0.3	+1.5
All commodities other than farm products and foods	100.5	100.4	100.3	100.2	99.0	+0.1	+0.3	+1.5

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM DECEMBER 1, 1945, to DECEMBER 8, 1945

Increases

Anthracite	0.4	Agricultural Implements	0.1
Lumber	0.2	Other Foods	0.1

Decreases

Livestock and Poultry	3.3	Other Farm Products	0.5
Fruits and Vegetables	2.3	Grains	0.2
Cereal Products	0.1		

Civil Engineering Construction Totals $67,642,000 for Week

Civil engineering construction volume in continental United States totals $67,642,000 for the week ending Dec. 13, 1945, as reported to "Engineering News-Record." This volume is 16% below the volume for last week; is 113% greater than the volume for the corresponding week last year and is 7% above the previous four-week moving average. The report, issued on Dec. 13, added:

Private construction while dropping 12% below last week's figure continued to gain and this week's figure is 1,124% greater than the week last year. The volume of public construction this week is 25% below last week and 31% below the week last year. State and municipal construction, while 53% below last week, is 446% greater than the 1944 week. Federal construction recorded a 133% increase over last week but was down 65% compared to last year.

The current week's construction brings the 1945 total cumulative figure to $2,199,382,000 for the 50-week period, a 30% increase over the total for a like period of 1944. The cumulative total for private construction is 204% greater than last year. State and municipal 50-week total for 1945 is 61% greater than the total for the same period of 1944. The cumulative total for public construction is down 16% from last year due largely to the recorded Federal drop of 32%.

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

	Dec. 13, '45	Dec. 6, '45	Dec. 14, '44
Total U. S. Construction	$67,642,000	$80,341,000	$31,757,000
Private Construction	48,399,000	54,844,000	3,954,000
Public Construction	19,243,000	25,497,000	27,803,000
State and Municipal	10,053,000	21,554,000	1,841,000
Federal	9,190,000	3,943,000	25,962,000

In the classified construction groups, three of the nine classes recorded gains over last week as follows: Earthwork and drainage, public buildings and industrial buildings. Industrial and commercial buildings recorded strong gains over the week last year; lesser gain was made by waterworks, bridges, highways, and earthwork and drainage.

New capital for construction purposes this week totals $4,270,000 and is made up of $3,970,000 in State and municipal bonds and $300,000 in corporate security issues. The week's financing brings the 1945 cumulative volume to $1,767,931,000, a 3% gain over the $1,713,941,000 reported for the 50-week period of 1944.

U. S. Gold Production Increases Again

Production of gold in the United States during October totaled 101,472 ounces, against 76,699 ounces in September and 81,792 ounces in October last year, according to the American Bureau of Metal Statistics, it was noted in the "Wall Street Journal" of Dec. 8, which further said:

"For the first ten months of the current year production of gold in this country was placed at 749,964 ounces, compared with 837,790 ounces produced in the like period of 1944.

"Gold production from South Africa in October totaled 1,058,000 ounces, against 1,003,000 ounces in September.

"Silver output available to the United States in October aggregated 7,002,000 ounces, against 4,803,000 ounces in September and 5,298,000 ounces in October last year.

"Domestic sources accounted for 2,780,000 ounces of the October output of silver this year, while foreign sources contributed 4,222,000 ounces. In September domestic sources accounted for 2,300,000 ounces and foreign 2,503,000 ounces. In October a year ago the division was 2,889,000 ounces from domestic, and 2,409,000 ounces foreign.

"For the first nine months of the current year silver production totaled 55,653,000 ounces, against 63,931,000 ounces for the like period of 1944. Of the current year's output domestic sources accounted for 24,647,000 ounces and foreign 31,006,000 ounces. Silver output for the like period of 1944 was 31,921,000 ounces domestic and 32,010,000 ounces foreign."

Air Mail to Guam, Hawaii

Postmaster Albert Goldman recently made known the receipt of information from the Post Office Department at Washington that articles not exceeding one pound in weight addressed to Post Offices in Guam and the Hawaiian Islands may now be accepted for airmail dispatch.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 12 a summary for the week ended Dec. 1 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 Dec. 1, 1945

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	40,240
Number of shares	1,210,900
Dollar value	$48,066,580
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	154
*Customers' other sales	32,720
Customers' total sales	32,874
Number of Shares:	
Customers' short sales	4,902
*Customers' other sales	929,916
Customers' total sales	934,818
Dollar value	$36,038,180
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	110
†Other sales	156,040
Total sales	156,150
Round-Lot Purchases by Dealers—	
Number of shares	441,040

*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. 8, 1945 Increased 20,750 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 8, 1945 was 4,468,900 barrels, an increase of 20,750 barrels over the preceding week. It was, however, 235,550 barrels per day less than the output in the corresponding week of 1944, and was 73,100 barrels below the daily average figure of 4,542,000 barrels recommended by the Bureau of Mines for the month of December, 1945. Daily output for the four weeks ended Dec. 8, 1945 averaged 4,465,200 barrels. Further details as reported by the institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,473,000 barrels of crude oil daily and produced 14,908,000 barrels of gasoline; 1,717,000 barrels of kerosene; 4,669,000 barrels of distillate fuel, and 8,545,000 barrels of residual fuel oil during the week ended Dec. 8, 1945; and had in storage at the end of the week 87,004,000 barrels of Finished and Unfinished gasoline; 11,927,000 barrels of kerosene; 42,406,000 barrels of distillate fuel, and 44,743,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements December	State Allowables Begin. Dec. 1	Actual Production Week Ended Dec. 8, 1945	Change from Previous Week	4 Weeks Ended Dec. 8, 1945	Week Ended Dec. 9, 1944
Oklahoma	388,000	388,000	†388,000	+ 2,200	386,500	360,350
Kansas	268,000	249,400	†242,150	+ 650	252,800	267,350
Nebraska	800	----	†750	----	750	1,050
Panhandle Texas			81,000	----	81,000	88,750
North Texas			149,650	+ 2,550	147,750	140,600
West Texas			465,800	+ 8,050	459,750	471,350
East Central Texas			130,300	+ 2,300	128,600	141,450
East Texas			307,000	— 9,000	313,750	371,000
Southwest Texas			314,550	+14,450	303,700	345,450
Coastal Texas			470,600	+ 6,350	465,850	552,950
Total Texas	1,940,000	‡2,029,705	1,918,900	+24,700	1,900,400	2,111,550
North Louisiana			75,500	— 100	75,150	71,150
Coastal Louisiana			295,300	+ 1,650	294,050	289,600
Total Louisiana	365,000	406,000	370,800	+ 1,550	369,200	360,750
Arkansas	78,000	77,311	76,000	——	76,100	80,700
Mississippi	48,000		54,900	+ 2,650	53,600	48,050
Alabama	300		700	----	600	250
Florida	----		50	— 50	100	50
Illinois	213,000		204,700	— 1,000	206,150	202,750
Indiana	13,500		14,100	+ 650	13,600	13,750
Eastern— (Not incl. Ill., Ind., Ky.)	65,200		58,900	— 4,500	61,050	62,800
Kentucky	29,000		29,950	+ 800	29,250	29,950
Michigan	47,000		43,100	— 700	44,750	52,900
Wyoming	92,000		90,250	— 8,450	95,850	96,950
Montana	22,000		20,300	+ 750	19,700	21,300
Colorado	20,000		20,950	+ 200	21,200	8,900
New Mexico	102,000	104,000	97,900	+ 3,700	95,150	104,850
Total East of Calif.	3,692,000		3,632,400	+23,150	3,626,750	3,824,250
California	850,000	§824,000	836,500	— 2,400	838,450	880,200
Total United States	4,542,000		4,468,900	+20,750	4,465,200	4,704,450

*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 December. 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. Dec. 5, 1945.

‡This is the net basic allowable as of Dec. 1 caculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 1 to 10 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 STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED DEC. 8, 1945

(Figures in thousands of barrels of 42 gallons each)

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

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	Gasoline Produc'n at Ref. Inc. Nat. Blended	‡Finish'd and Unfin. Gasoline Stock	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks. of Resid. Fuel Oil
East Coast	99.5	705	89.1	1,753	19,218	4,335	14,770	7,364
Appalachian— District No. 1	76.8	102	69.9	338	2,787	413	664	251
District No. 2	81.2	52	104.0	190	918	34	137	206
Ind., Ill., Ky.	87.2	721	84.1	2,598	17,307	2,251	6,132	2,904
Okla., Kan., Mo.	78.3	365	77.8	1,387	7,729	853	2,641	1,090
Inland Texas	59.8	193	58.5	911	2,796	266	436	890
Texas Gulf Coast	89.3	1,118	90.4	3,841	14,698	1,835	5,892	4,859
Louisiana Gulf Coast	96.8	300	115.4	874	4,068	963	1,859	1,619
No. La. & Arkansas	55.9	61	48.4	179	1,622	396	489	355
Rocky Mountain— District No. 3	17.1	12	92.3	33	102	20	19	29
District No. 4	72.1	101	63.5	380	1,668	99	505	672
California	86.5	743	76.8	2,424	14,091	462	8,862	24,484
Total U. S. B. of M. basis Dec. 8, 1945	85.7	4,473	82.8	14,908	*87,004	11,927	42,406	44,743
Total U. S. B. of M. basis Dec. 1, 1945	85.7	4,690	86.8	15,220	§85,596	12,509	44,274	46,534
U. S. B. of M. basis Dec. 9, 1944		4,595		14,369	†81,136	13,027	43,886	60,486

Unfinished gasoline stocks included are: *8,175,000 barrels. †12,483,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,717,000 barrels of kerosine, 4,669,000 barrels of gas oil and distillate fuel oil and 8,545,000 barrels of residual fuel oil produced during the week ended Dec. 8, 1945, which compares with 1,762,000 barrels, 4,771,000 barrels and 8,760,000 barrels, respectively, in the preceding week and 1,457,000 barrels, 4,067,000 barrels and 9,336,000 barrels, respectively, in the week ended Dec. 9, 1944. ¶New basis affecting Texas Gulf Coast.

NOTE—Separation into Military and Civilian Grade discontinued, because of the increasing difficulty experienced by refiners in attempting to determine the ultimate disposition of these inventories.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended Dec. 8, 1945, as estimated by the United States Bureau of Mines, amounted to 12,045,000 net tons, a decrease of 305,000 tons from the preceding week and 147,000 tons less than in the corresponding week of 1944. For the period from Jan. 1 to Dec. 8, 1945, output totaled 541,465,000 net tons, a decrease of 8.2% when compared with the 589,798,000 tons produced during the period from Jan. 1 to Dec. 9, 1944.

Production of Pennsylvania anthracite for the week ended Dec. 8, 1945, as estimated by the Bureau of Mines, was 1,015,000 tons, a decrease of 116,000 tons (10.3%) from the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 112,000 tons, or 9.9%. 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. 8, 1945 showed a decrease of 1,100 tons when compared with the output for the week ended Dec. 1, 1945; but was 17,500 tons less than for the corresponding week of 1944.

ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE

(In Net Tons)

Bituminous coal & lignite:	Week Ended Dec. 8, 1945	Week Ended Dec. 1, 1945	Week Ended *Dec. 9, 1944	Jan. 1 to Date †Dec. 8, 1945	Jan. 1 to Date *Dec. 9, 1944
Total, incl. mine fuel	12,045,000	12,350,000	12,192,000	541,465,000	589,798,000
Daily average	2,008,000	2,058,000	2,032,000	1,883,000	2,024,000

*Revised to agree with result of annual canvass of mines. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

Penn Anthracite—	Week Ended ‡Dec. 8, 1945	Week Ended §Dec. 1, 1945	Week Ended Dec. 9, 1944	Calendar Year to Date Dec. 8, 1945	Calendar Year to Date Dec. 9, 1944	Calendar Year to Date Dec. 11, 1937
*Total incl. coll. fuel	1,015,000	1,131,000	1,127,000	51,828,000	60,656,000	48,685,000
†Commercial produc.	974,000	1,086,000	1,082,000	49,757,000	58,230,000	46,251,000
Beehive coke— United States total	89,200	90,300	106,700	4,939,900	6,690,600	3,083,600

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

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

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

State—	Week Ended Dec. 1, 1945	Week Ended Nov. 24, 1945	Week Ended Dec. 2, 1944
Alabama	420,000	320,000	369,000
Alaska	6,000	5,000	7,000
Arkansas and Oklahoma	128,000	105,000	90,000
Colorado	163,000	119,000	167,000
Georgia and North Carolina	1,000	*	*
Illinois	1,413,000	1,280,000	1,523,000
Indiana	548,000	439,000	592,000
Iowa	53,000	34,000	56,000
Kansas and Missouri	128,000	118,000	159,000
Kentucky—Eastern	1,072,000	845,000	994,000
Kentucky—Western	442,000	336,000	370,000
Maryland	39,000	32,000	33,000
Michigan	3,000	3,000	3,000
Montana (bitum. & lignite)	100,000	93,000	119,000
New Mexico	30,000	27,000	33,000
North & South Dakota (lignite)	88,000	80,000	65,000
Ohio	727,000	583,000	688,000
Pennsylvania (bituminous)	2,825,000	2,453,000	2,710,000
Tennessee	141,000	125,000	134,000
Texas (bituminous & lignite)	2,000	1,000	2,000
Utah	142,000	134,000	142,000
Virginia	391,000	323,000	400,000
Washington	36,000	28,000	26,000
†West Virginia—Southern	2,160,000	1,746,000	2,114,000
‡West Virginia—Northern	1,065,000	880,000	1,014,000
Wyoming	227,000	201,000	215,000
§Other Western States	*	*	*
Total bituminous & lignite	12,350,000	10,310,000	12,025,000

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

Non-Ferrous Metals—Copper Deliveries Up—Lead Supply in First Quarter to Be Tight

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 13, states: "The November deliveries of copper were even larger than most sellers expected, totaling 119,923 tons. Current demand for the metal remains high and December deliveries promise to be equally as high as those of the preceding month. Demand springs chiefly from the wire and cable division. Authorities in Washington presented a supply picture for lead for early next year that points to a tight situation in the metal. Effective Dec. 31, the $5 per ton payment by RFC to smelters treating Tri-State zinc concentrate will be discontinued. OPA announced that nothing will be done about price ceilings on brass-mill products until the subject is investigated early next year."

The publication further went on to say in part:

Copper

OPA, on Dec. 6, denied that a general increase in ceiling prices for brass-mill products was imminent. However, it was stated that the price situation in these products would be reviewed when financial returns from producers become available after Jan. 1.

The November statistics of the domestic copper industry were highly favorable [see summary of the latest figures of Copper Institute in this publication.—Ed.]

Imports of copper into the United States in August, September, and October, in tons, according to the Bureau of the Census were as follows:

	Aug.	Sept.	Oct.
In ore, matte, etc.	2,579	6,240	2,353
Blister copper	22,761	21,154	24,978
Refined copper	33,713	40,683	48,676
Old and scrap	52	308	415
Totals	59,105	68,385	76,422

Total imports of primary copper in the first ten months of 1945 amounted to 721,584 tons.

Lead

As a result of the meeting in Washington on Dec. 6 to discuss supply developments in lead, authorities propose further to reduce the stockpile during the first quarter of 1946, and to reduce permissive consumption 12% to 15%. The supply for the first quarter was placed at 217,000 tons whereas requirements for the same period were estimated at 277,000 tons, a deficit of 60,000 tons. The stockpile at the end of this year will contain about 75,000 tons of lead. The lead shortage is world-wide, officials said, and for this reason it was not possible to increase imports. Current demand for lead in this country is at the rate of 1,000,000 tons a year, which is far in excess of any prewar year since 1929, those attending the meeting were told.

The question of whether a higher price for lead at this time would stimulate world production was sidetracked at the meeting. Eventually, the industry believes, this problem will have to be faced. January business came through in volume during the last week, sales for the period totaling 7,408 tons.

Zinc

Demand for Special High Grade and Prime Western last week was fairly active, but the call for most of the other grades was more or less indifferent. Export inquiry is resulting in some fair business, though competition is keen and prices on foreign-origin metal that figures on this trade are somewhat unsettled.

Stocks of slab zinc in the hands of producers reporting to the American Zinc Institute amounted to 255,553 tons at the end of November, against 245,665 tons a month previous. The increase in stocks was a little larger than expected. The stocks include substantial tonnages held for account of Metals Reserve. Shipments during November were up slightly from October. Of the 54,449 tons shipped, 51,326 tons was consigned to domestic consumers and 3,123 tons was exported. Production in November was placed at 64,337 tons, as against 65,614 tons in October.

The $5 per ton zinc smelter subsidy involving Tri-State and Wisconsin concentrates will end Dec. 31, 1945, RFC announced last week. The supply situation in zinc is such that the smelting subsidy is no longer necessary, according to a Washington statement. It was paid to maintain production at smelters that could not operate at a profit, owing to rising labor costs and other factors.

Tin

A. D. Hughes, of the Pacific Tin Consolidated Corporation, who served as a member of a British committee of engineers to inspect Malayan mines, informed his organization that restoration of transportation, power, and other peacetime facilities without undue delay would permit mining operations with two of the company's dredges within eight months.

Forward quotations for Straits quality tin, in cents per pound, follow:

Dec. 6	52.000	52.000	52.000
Dec. 7	52.000	52.000	52.000
Dec. 8	52.000	52.000	52.000
Dec. 10	52.000	52.000	52.000
Dec. 11	52.000	52.000	52.000
Dec. 12	52.000	52.000	52.000

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

International control of tin will continue after Dec. 31, even though the Combined Raw Materials Board has been dissolved.

Quicksilver

Demand for quicksilver continued on the quiet side, but prices for spot metal were steady at $108 to $110 per flask. On nearby material this figure could have been shaded.

A dispatch from San Francisco, Dec. 11, quoted the Coast market $104 to $106 per flask and said producers have resumed shipping quicksilver to New York by steamship. Output is estimated at around 1,500 flasks a month.

Silver

Refineries in the United States produced 7,002,000 oz. of silver (domestic and foreign) in October, against 4,803,000 oz. in September.

The New York Official price of foreign silver continued at 70¾c, an ounce troy. The London market was quiet and unchanged at 44d.

Revenue Freight Car Loadings During Week Ended Dec. 8, 1945 Decreased 27,395 Cars

Loading of revenue freight for the week ended Dec. 8, 1945, totaled 776,375 cars, the Association of American Railroads announced on Dec. 13. This was a decrease below the corresponding week in 1944 of 16,781 cars, or 2.1%, and a decrease below the same week in 1943 of 46,936 cars or 5.7%.

Loading of revenue freight for the week of Dec. 8, decreased 27,395 cars, or 3.4% below the preceding week.

Miscellaneous freight loading totaled 349,549 cars a decrease of 12,094 cars below the preceding week, and a decrease of 37,620 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 117,250 cars, an increase of 353 cars above the preceding week and an increase of 10,295 cars above the corresponding week in 1944.

Coal loading amounted to 174,419 cars, a decrease of 5,345 cars below the preceding week, but an increase of 5,219 cars above the corresponding week in 1944.

Grain and grain products loading totaled 58,863 cars, an increase of 53 cars above the preceding week and an increase of 14,688 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Dec. 8 totaled 40,333 cars, a decrease of 620 cars below the preceding week but an increase of 10,703 cars above the corresponding week in 1944.

Livestock loading amounted to 21,040 cars, a decrease of 4,024 cars below the preceding week but an increase of 949 cars above the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of Dec. 8 totaled 16,022 cars, a decrease of 3,089 cars below the preceding week, but an increase of 604 cars above the corresponding week in 1944.

Forest products loading totaled 30,285 cars, a decrease of 2,736 cars below the preceding week and a decrease of 9,433 cars below the corresponding week in 1944.

Ore loading amounted to 11,665 cars a decrease of 3,102 cars below the preceding week and a decrease of 519 cars below the corresponding week in 1944.

Coke loading amounted to 13,004 cars a decrease of 500 cars below the preceding week, and a decrease of 360 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944 except the Pocahontas, Northwestern and Centralwestern. All reported decreases compared with 1943 except the Northwestern 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
5 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
5 weeks of June	4,364,662	4,338,886	4,003,393
4 Weeks of July	3,378,266	3,459,830	3,455,328
4 Weeks of August	3,240,175	3,576,269	3,554,694
5 Weeks of September	4,116,728	4,424,765	4,456,466
4 Weeks of October	3,150,712	3,598,245	3,607,851
4 weeks of November	3,207,035	3,364,903	3,304,830
Week of December 1	803,770	807,836	862,733
Week of December 8	776,375	793,156	823,311
Total	39,935,006	41,310,205	40,396,590

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 8, 1945. During this period 58 roads reported gains over the week ended Dec. 9, 1944.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED DEC. 8

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	406	321	273	1,475	1,491
Bangor & Aroostook	4,032	2,476	2,265	338	392
Boston & Maine	6,971	6,826	6,753	13,774	14,194
Chicago, Indianapolis & Louisville	1,341	1,354	1,472	2,191	2,000
Central Indiana	42	32	42	48	38
Central Vermont	1,148	1,110	1,110	2,676	2,386
Delaware & Hudson	4,252	4,894	6,098	11,099	12,979
Delaware, Lackawanna & Western	7,087	7,800	7,673	8,707	11,252
Detroit & Mackinac	409	247	203	161	118
Detroit, Toledo & Ironton	1,957	1,621	2,081	1,257	1,355
Detroit & Toledo Shore Line	331	381	300	2,821	2,950
Erie	11,315	12,279	12,221	14,753	17,087
Grand Trunk Western	3,144	3,829	3,621	8,464	8,644
Lehigh & Hudson River	154	155	176	2,166	2,781
Lehigh & New England	2,028	1,900	1,829	1,358	1,438
Lehigh Valley	8,047	8,205	8,543	8,264	13,776
Maine Central	2,480	2,394	2,239	4,247	3,686
Monongahela	5,425	5,267	6,294	313	283
Montour	2,933	2,593	2,694	33	17
New York Central Lines	44,514	46,719	49,694	50,067	55,263
N. Y., N. H. & Hartford	10,733	9,780	9,731	14,997	18,469
New York, Ontario & Western	965	860	1,238	1,889	2,987
New York, Chicago & St. Louis	6,090	6,611	6,389	13,601	16,299
N. Y., Susquehanna & Western	408	373	615	2,168	1,905
Pittsburgh & Lake Erie	7,299	7,385	7,625	8,074	7,170
Pere Marquette	5,383	5,239	4,781	6,672	8,361
Pittsburgh & Shawmut	594	734	985	11	18
Pittsburg, Shawmut & North	141	251	322	185	236
Pittsburgh & West Virginia	838	873	1,254	1,681	2,548
Rutland	375	337	374	1,126	991
Wabash	6,126	5,872	5,928	11,749	12,006
Wheeling & Lake Erie	4,487	5,196	4,811	3,630	4,188
Total	150,455	153,923	159,634	199,995	227,308
Allegheny District—					
Akron, Canton & Youngstown	579	682	776	1,207	1,284
Baltimore & Ohio	40,673	41,557	43,103	24,267	27,184
Bessemer & Lake Erie	2,628	2,561	4,565	1,268	1,454
Buffalo Creek & Gauley	*	*	388	*	*
Cambria & Indiana	1,488	1,569	1,836	10	11
Central R. R. of New Jersey	5,860	6,141	7,224	16,125	19,234
Cornwall	477	498	464	53	51
Cumberland & Pennsylvania	239	177	247	8	8
Ligonier Valley	36	94	166	2	53
Long Island	1,558	1,755	1,344	4,462	4,633
Penn-Reading Seashore Lines	1,816	1,952	1,699	1,823	2,443
Pennsylvania System	72,959	77,768	79,652	55,567	60,826
Reading Co.	13,353	14,565	14,743	24,398	29,237
Union (Pittsburgh)	17,444	19,353	21,235	3,779	3,463
Western Maryland	3,285	3,699	4,310	10,407	12,679
Total	162,395	172,371	181,752	143,376	162,560
Pocahontas District—					
Chesapeake & Ohio	28,671	28,009	30,280	11,959	12,008
Norfolk & Western	20,580	21,036	24,175	5,988	7,837
Virginian	4,881	4,652	5,101	1,404	2,698
Total	54,132	53,697	59,556	19,351	22,543
Southern District—					
Alabama, Tennessee & Northern	392	272	355	153	369
Atl. & W. P.—W. R. R. of Ala.	782	681	794	1,883	3,070
Atlanta, Birmingham & Coast	748	756	726	1,283	1,486
Atlantic Coast Line	13,162	13,009	14,262	8,948	12,675
Central of Georgia	3,629	3,448	3,970	4,703	5,694
Charleston & Western Carolina	337	362	428	1,337	1,725
Clinchfield	1,447	1,563	1,626	2,915	3,384
Columbus & Greenville	349	307	315	243	277
Durham & Southern	72	142	94	470	752
Florida East Coast	2,647	2,577	2,815	1,469	1,299
Gainesville Midland	58	60	43	142	107
Georgia	1,021	1,081	1,277	2,058	2,493
Georgia & Florida	404	400	493	698	661
Gulf, Mobile & Ohio	4,379	4,392	4,342	4,523	3,873
Illinois Central System	26,262	27,408	28,064	14,760	17,314
Louisville & Nashville	25,717	25,768	26,376	9,559	11,747
Macon, Dublin & Savannah	214	170	214	973	993
Mississippi Central	256	230	351	410	491
Nashville, Chattanooga & St. L.	2,876	3,078	3,367	3,884	4,374
Norfolk Southern	1,106	869	1,054	1,383	2,059
Piedmont Northern	396	460	484	1,444	1,425
Richmond, Fred. & Potomac	386	461	422	9,040	11,222
Seaboard Air Line	10,771	10,541	11,590	8,404	8,882
Southern System	23,838	23,553	23,839	23,388	25,451
Tennessee Central	442	655	573	780	794
Winston-Salem Southbound	135	180	160	953	1,044
Total	121,826	122,423	128,034	105,803	123,661
Northwestern District—					
Chicago & North Western	16,708	15,020	15,393	13,446	14,281
Chicago Great Western	3,029	2,575	2,708	3,481	3,116
Chicago, Milw., St. P. & Pac.	22,020	22,279	21,977	10,045	10,423
Chicago, St. Paul, Minn. & Omaha	4,139	3,672	4,126	4,073	4,037
Duluth, Missabe & Iron Range	984	914	1,187	296	180
Duluth, South Shore & Atlantic	563	596	728	423	628
Elgin, Joliet & Eastern	8,606	8,641	8,516	10,340	12,814
Ft. Dodge, Des Moines & South	491	379	460	117	86
Great Northern	13,906	13,495	13,462	4,170	6,222
Green Bay & Western	560	478	493	851	973
Lake Superior & Ishpeming	192	201	305	50	76
Minneapolis & St. Louis	2,380	2,015	2,382	2,427	2,618
Minn., St. Paul & S. S. M.	5,884	5,303	5,770	3,438	2,752
Northern Pacific	11,097	11,056	10,881	4,505	6,268
Spokane International	121	164	142	451	528
Spokane, Portland & Seattle	1,875	2,687	2,376	2,130	3,922
Total	92,555	89,475	90,906	60,243	68,924
Central Western District—					
Atch., Top. & Santa Fe System	25,328	23,191	22,699	9,713	13,966
Alton	3,052	3,698	3,159	3,131	4,059
Bingham & Garfield	279	377	461	64	93
Chicago, Burlington & Quincy	21,853	19,279	21,021	11,509	13,316
Chicago & Illinois Midland	3,076	2,939	2,986	875	946
Chicago, Rock Island & Pacific	13,998	11,424	12,108	12,121	12,720
Chicago & Eastern Illinois	2,910	2,908	2,717	3,382	5,234
Colorado & Southern	887	673	714	1,763	2,106
Denver & Rio Grande Western	3,633	4,211	4,240	4,364	6,440
Denver & Salt Lake	823	640	905	51	19
Fort Worth & Denver City	907	687	766	1,463	1,393
Illinois Terminal	1,803	2,282	1,864	1,476	2,062
Missouri-Illinois	1,031	1,151	1,179	460	494
Nevada Northern	1,439	1,633	1,800	160	90
North Western Pacific	455	737	817	567	928
Peoria & Pekin Union	13	29	8	0	0
Southern Pacific (Pacific)	26,253	31,662	29,251	9,871	15,122
Toledo, Peoria & Western	0	360	327	0	1,988
Union Pacific System	19,609	18,464	18,311	13,051	16,591
Utah	833	530	704	6	2
Western Pacific	2,086	2,205	2,152	3,196	4,738
Total	130,268	129,080	128,189	77,223	102,307
Southwestern District—					
Burlington-Rock Island	289	316	463	604	526
Gulf Coast Lines	5,006	6,281	7,097	2,400	2,854
International-Great Northern	1,980	2,442	2,204	3,718	3,235
Kansas, Oklahoma & Gulf	†	†	257	†	†
Kansas City Southern	2,787	4,691	5,049	3,008	2,663
Louisiana & Arkansas	2,502	3,504	3,456	2,647	2,510
Litchfield & Madison	342	343	360	1,358	1,155
Midland Valley	1,336	766	845	1,701	1,492
Missouri & Arkansas	201	140	187	381	418
Missouri-Kansas-Texas Lines	5,654	6,192	5,491	4,181	5,168
Missouri Pacific	17,016	16,916	17,472	14,775	18,236
Quanah Acme & Pacific	133	62	68	149	295
St. Louis-San Francisco	9,935	9,338	8,510	7,934	8,276
St. Louis-Southwestern	2,836	3,626	2,873	4,967	7,006
Texas & New Orleans	9,647	11,939	14,266	5,932	5,872
Texas & Pacific	4,987	5,517	6,556	6,285	7,149
Wichita Falls & Southern	73	86	71	75	55
Weatherford M. W. & N. W.	20	28	15	18	15
Total	64,744	72,187	75,240	60,133	66,655

*Not reporting. †Included in Midland Ry.

NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1945—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
Sept. 1	173.322	159,653	494,699	97	94
Sept. 8	160,857	125,683	527,938	80	93
Sept. 15	150,029	160,303	515,295	96	93
Sept. 22	128,061	151,365	489,702	93	93
Sept. 29	162,065	155,428	492,860	96	93
Oct. 6	193,674	154.147	533,087	95	93
Oct. 13	135,756	160,031	506,935	97	94
Oct. 20	134,324	155,723	489,971	96	94
Oct. 27	140,583	156,551	468,549	98	94
Nov. 3	201,060	156,223	511,022	97	94
Nov. 10	162,023	157,617	509,984	97	94
Nov. 17	123,281	154,122	479,228	95	94
Nov. 24	123,781	147,083	454,926	91	94
Dec. 1	172,297	152,571	472,568	96	94
Dec. 8	173,537	154,235	490,123	97	94

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Sign Land Grant Rate Repeal Bill

President Truman has signed the legislation which repeals the 50% discount in railroad rates now received by the Government on the movement of goods and troops, repeal to become effective Oct. 1, 1946, according to advices from Washington to the Associated Press, Dec. 12. The measure, which had already been passed by the Senate, won House approval by a 159 to 44 standing vote, the Associated Press reported Dec. 1. During the era of railroad development in this country, the Government had made large gifts of lands to the rail groups in consideration for which it received the reduced rates. Those who favored repeal of such rates asserted that the Government had been repaid many times over for the land it had given the roads. The opposition, led by Representative Cochran (D., Mo.), contended, however, that repeal of the rate preference would cost the taxpayers perhaps as much as $400 million a year additional for the movement of Federal personnel and property.

Under the measure, a return to full rates would not be mandatory. New rates would be set by the Interstate Commerce Commission after discussions between the carriers and the Government.

Consideration of the repeal measure by a Senate-House Conference Committee was reported in the "Chronicle," Nov. 15, p. 2383.

Subscriptions, Allotments To 7/8% Treasury Ctfs.

Fred M. Vinson, Secretary of the Treasury, recently announced subscription and allotment figures with respect to the offering of 7/8% Treasury certificates of indebtedness of Series J-1946, offered Nov. 18 in exchange for Treasury certificates of indebtedness of Series H-1945, maturing Dec. 1, Treasury notes of Series B-1945, national defense series, maturing Dec. 15, and Treasury bonds of 1945, also maturing Dec. 15.

Subscriptions and allotments were divided among the several Federal Reserve districts and the Treasury as follows according to Washington advices Nov. 30 to the New York "Times."

District	Certificates Exchanged	Notes Exchanged	Bonds Exchanged
Boston	$73,991,000	$10,066,000	$6,198,000
New York	1,479,044,000	219,318,500	292,859,500
Philadelphia	84,922,000	25,326,000	3,280,000
Cleveland	102,811,000	20,767,000	3,563,000
Richmond	83,664,000	11,442,500	884,500
Atlanta	64,948,000	14,398,500	2,953,500
Chicago	405,446,000	52,228,500	44,706,500
St. Louis	59,852,000	16,234,000	4,894,000
Minneapolis	64,787,000	10,906,500	2,117,500
Kansas City	124,216,000	22,111,500	3,357,500
Dallas	65,989,000	13,058,500	1,339,500
San Francisco	301,795,000	25,639,500	41,601,500
Treasury	13,461,000	500,000	50,000

The totals were $2,924,926,000, $441,997,000 and $407,805,000, respectively.

The offering was referred to in our issue of Dec. 6, page 2802.

Lumber Movement—Week Ended December 8, 1945

According to the National Lumber Manufacturers Association, lumber shipments of 467 mills reporting to the National Lumber Trade Barometer were 8.2% below production for the week ending Dec. 8, 1945. In the same week new orders of these mills were 3.7% below production. Unfilled order files of the reporting mills amounted to 78% of stocks. For reporting softwood mills, unfilled orders are equivalent to 28 days' production at the current rate, and gross stocks are equivalent to 34 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 4.0%; orders by 6.3%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 18.2% less; shipments were 13.6% less; orders were 26.3% less.

Items About Banks, Trust Companies

At a meeting of the Board of Directors of Bankers Trust Company, on Dec. 18, L. S. Brady, formerly Vice-President and Secretary, was elected Vice-President, and Herbert L. Simms, formerly Comptroller, was elected Comptroller and Secretary. A. S. Norton, formerly Investment Officer, was elected Assistant Vice-President, and W. N. Fulkerson, Jr., and F. R. Sherwood, formerly Assistant Treasurers, were elected Assistant Vice-Presidents. K. H. McDowell, formerly Assistant Secretary, was elected Assistant Treasurer. The following were also elected Assistant Treasurers: G. P. Barnett, W. B. Bowden, H. S. Corcoran, E. G. Grimm, Jr., Howard Hoehne, K. O. Rost.

Christmas organ recitals have been given on the main banking floor of The National City Bank of New York, 55 Wall Street, during the noon hour beginning Dec. 17 and ending the day before Christmas. This has become a traditional feature of the Yule season in the financial district.

On Thursday, Dec. 20, at 5:30 p.m., a full half-hour program of Christmas carols will be rendered by the National City choir, and will be rebroadcast by short-wave to the Central and South American Republics, where the Bank maintains 35 branches This portion of the program will be given through the cooperation of the Office of the Co-Ordinator of Inter-American Affairs. Following this the annual Christmas party of the staffs of National City and its trust affiliate, the City Bank Farmers Trust Co., will be held at the Commodore Hotel.

Following a meeting of the Board of Directors of the Bank of the Manhattan Company of New York, F. Abbot Goodhue, President, announced on Dec. 13 the election of Stanley V. Malek as an Assistant Treasurer to be associated with the Bank's New York City Division. Mr. Malek has recently been released from the U. S. Army after 21 months of service, six of them overseas in France, Belgium and Holland.

Frederick E. Hasler, President of The Continental Bank & Trust Co. of New York, announced on Dec. 12 that the Board of Directors had appointed James J. Mead, Jr., an Assistant Vice-President and Charles E. Haydock, Jr., and John W. Marx, Assistant Treasurers. Mr. Mead was formerly an Assistant Treasurer in the municipal bond department. Mr. Haydock returns to the bank after four years' service in the 18th Airborne Division of the Army where he was a Major.

J. Henry Schroder Banking Corp. and Schroder Trust Co. of New York, announce that the following have been promoted to Assistant Vice-Presidents: Peter C. A. Carpenter, R. Canon Clements, B. Alden Cushman, John E. McNamara and John J. Schmid. William G. Kearns has been promoted to Controller.

John E. Bierwirth, President of The New York Trust Co., announced on Dec. 17 the appointment of Stockton Green as an Assistant Secretary in the administrative division of the company. Mr. Green, since his graduation from Yale University in 1929 has been associated during most of his business career with the trust company. His war service covered four years with the U. S. Army, final rank Captain.

R. H. Brownell has been elected President of the Union Square Savings Bank of New York effective Jan. 1, to succeed Irving Van Zandt, who is retiring. The bank was founded April 12, 1848, at 5 Beekman Street, and has been located at the present address, 20 Union Square, since April 1, 1868. As of July 1, 1945, it held $49,992,603 in deposits owned by 39,686 depositors. Mr. Brownell will be the 10th president of the bank and the sixth president in succession to be elevated from the ranks. He joined the bank in February, 1933, as Mortgage Clerk, became Real Estate Officer in 1936, Vice-President and Real Estate Officer, the position he now holds, in 1941. He has been a trustee of the bank since December, 1943.

Mr. Brownell is Vice-President of the Officers Forum of Group IV, Savings Banks Association of the State of New York and a member of the Association's Committee on Mortgages and Real Estate. He is a Governor of the New York Building Congress, a member of the Legislative Committee of the Real Estate Board of New York and one of the founders and a former President of the Savings Banks Mortgage and Real Estate Forum of New York. Mr. Van Zandt retires after serving the bank for 40 years, having started as Assistant Accountant in 1936. He is a former Chairman of Group IV of Savings Bank Association of the State of New York and is widely known in Savings Bank circles. After retirement, he will make his home in Orlando, Fla.

At a meeting of the Board of Trustees of Central Savings Bank of New York on Dec. 10, Charles H. Kreeb was appointed Assistant Vice-President. Mr. Kreeb, who is Manager of the bank's Broadway Depositors Department, had been Assistant Treasurer since 1938. At the same time Charles T. Maurer was appointed Assistant Manager of the Broadway Depositors Department. Mr. Maurer, prior to 2½ years' service in the Army, from which he has just been honorably discharged, was Chief Clerk of this department.

Rufus F. Duff has been appointed investment securities officer of the Excelsior Savings Bank of New York, according to announcement by Reginald Roome, President.

Herman J. Cook, for more than 47 years active in banking circles and since 1931 as Vice-President of The National City Bank of New York, died on Dec. 12. Mr. Cook, who lived in Madison, N. J., was 65 years old. He entered the West Side Bank in New York City as a clerk in 1897, went to the Equitable Trust Company five years later, and in 1923 became a Vice-President. For a short time Mr. Cook was associated with Geo. H. McFadden & Bro., after which he returned to the Equitable Trust Company. In 1928 he was elected President of the Pacific Trust Company in New York City. In 1930 he went to the Manufacturers Trust Company as a Vice-President and one year after that became a Vice-President of The National City Bank of New York. Mr. Cook was a director of the following banks and corporations: First National Bank of Madison, N. J.; Merchants Fire Assurance Corp. of New York; Merchants Indemnity Corp. of New York; Washington Assurance Corp. of New York; North River Insurance Co.; Boorum & Pease, and Savoy-Plaza, Inc. From September, 1917 to June, 1919, Mr. Cook was attached to the American Treasury in Europe as Secretary of Inter-Allied Council of War Purchases and Finance.

Henry Wilson Carlisle, for many years manager of the Publicity and Advertising Department of Guaranty Trust Co. of New York, died on Dec. 14 at his home in New York City.

Born in Indianapolis, Ind., Nov. 17, 1883, Mr. Carlisle attended Manual Training High School in that city. Upon graduation from high school, Mr. Carlisle was appointed Assistant Instructor of Physics on the faculty of the school, which position he held for a year, resigning to come to New York to study at the Art Student's League, where he won two scholarships. He exhibited a portrait in the 1908 winter exhibition of the National Academy of Design. Subsequently he became a writer of special articles and illustrator for magazines, and then joined the staff of the New York "Evening Sun" in the same capacity. Mr. Carlisle was soon covering outstanding news events for that newspaper, including the return of former President Theodore Roosevelt from Africa and the sinking of the Titanic. He also wrote special financial articles. In July, 1917, Mr. Carlisle joined the staff of the Publicity and Advertising Department of the Guaranty Trust Company, becoming Assistant Manager in January, 1919, and Manager in August, 1921. From 1917 until 1919 he edited the bank's house magazine, "The Guaranty News," and in 1921 established the bank's economic publication, "The Guaranty Survey," of which he was editor until his last illness.

The Bank of the Manhattan Co. of New York announced on Dec. 13 the appointment of Charles A. Gorman to its Brooklyn Committee. Mr Gorman is a graduate of Notre Dame University. He is a trustee of the Fulton Savings Bank of Brooklyn and a director of Edward Ehrbar, Inc., and is prominently identified with many civic, fraternal and charitable activities in the Borough of Brooklyn.

A streamlined plan of automobile financing, calling for close cooperation between the bank and the insurance agent, has been adopted by the Lafayette National Bank of Brooklyn, George P. Kennedy, President, announced on Dec. 17. The Lafayette plan, Mr. Kennedy said, has been designed "to give rapid service in approving credits and disbursing funds" and to assist the insurance profession "in writing more automobile insurance while keeping present accounts after an assured buys a new car."

The Board of Directors of The County Trust Co. of White Plains, N. Y., at their monthly meeting on Dec. 12 declared a regular quarterly dividend of 37½ cents per share payable Jan. 1 to stockholders of record Dec. 19. This represents an increase over the previous 25-cent regular quarterly dividend and if continued would put the stock on an annual dividend basis of $1.50 a share.

William M. Short has recently assumed the position of Assistant Trust Officer of the Central Trust Co. of Rochester, N. Y. According to the Rochester "Times Union," Mr. Short, who is a tax expert, was previously connected with the Chase Securities Co. and the Chase National Bank of New York.

The Rochester "Times Union" on Dec. 12 stated that Vincent S. Bennett, a trustee of Monroe County Savings Bank of Rochester, N. Y., recently a director of the Rochester Trust Co. of that city, before its amalgamation with the Lincoln Alliance Bank, has been elected a Vice-President of the Monroe Bank. He recently returned from military duty. He also is President and Treasurer of Stewart & Bennett Inc., contractors.

The directors of the State Street Trust Co. of Boston on Dec. 17 declared a quarterly dividend of 50 cents a share on the new $20 par stock, payable Jan. 2, 1946, to stock of record Dec. 22, 1945. The last previous quarterly dividend was $2.00 a share, paid Oct. 1, 1945, on the $100 par stock outstanding prior to the five-for-one stock split-up.

Daniel P. Miller of Roslindale, Mass., was on Dec. 3 elected Assistant Treasurer of the Middletown Savings Bank of Middletown, Conn., succeeding the late Earl Santangelo, according to the Hartford "Courant," which also said:

"Amending the By-Laws to increase the number of directors, the following were elected to the Board of Directors: Charles B. Bacon, owner of Bacon Bros., plumbing firm; Marshall N. Jarvis, President-Treasurer of the Charles L. Jarvis Co., and John M. Hincks, President of the Middlesex Mutual Assurance Co. Charles L. Wetherbee of Cromwell, a member of the Board of Directors since 1931, resigned as a director, but will remain with the bank as a member of the Board of Trustees."

It was announced on Dec. 10 that H. Marshal Kirkman, President of the Tradesmen's National Bank of New Haven, Conn., for the past 13 years, will retire at the expiration of his present term on Jan. 8. The New Haven "Register," from which this is learned, also said:

"In 1932 he was sent by the Treasury Department to reorganize the Tradesmen's Bank. Upon completion of the task a year later, he was asked to remain, and subsequently became President.

"In addition to his duties as President of the Tradesmen's, Mr. Kirkman is currently serving as Treasurer and Director of the First Federal Savings and Loan Association."

The New Bethlehem Bank of New Bethlehem, Pa., has become a member of the Federal Reserve System, it is announced by Ray M. Gidney, President of the Federal Reserve Bank of Cleveland. Founded in 1905 as the New Bethlehem Trust Co., the trust business was relinquished in 1934 and its name changed to the New Bethlehem Bank. Its present capital is $98,000, surplus $35,500 and assets of $1,590,000. R. R. Anderson is President of the bank; C. M. Lower is Vice-President; W. R. Strong is Cashier, Secretary and Treasurer, and Mary Lou Filetti is Assistant Cashier, Assistant Secretary and Assistant Treasurer. Directors of the bank are: C. W. Anderson, R. R. Anderson, C. V. Hepler, C. M. Lower, H. C. McEwen, Homer A. Sayers, McCurdy Smith, J. M. Williams and George W. Yohe.

Directors of the Baltimore National Bank of Baltimore, Md., on Dec. 3 recommended for consideration by stockholders at the annual meeting Jan. 8 an increase in the $10 par capital stock from 100,000 to 125,000 shares, it was stated by J. S. Armstrong, financial editor of the Baltimore "Sun," of Dec. 4.

It is proposed that the additional 25,000 shares will be offered to stockholders in the ratio of one share for each four held, at $20 a share, said the advices, which added:

"The board also authorized the transfer of $500,000 from undivided profits and reserves to surplus as of Dec. 31, 1945.

"Upon the issuance of the proposed 25,000 additional shares and the transfer of $500,000 to surplus, the bank will have a combined capital and surplus of $4,000,000 and approximately $550,000 undivided profits and reserves, or total capital funds of $4,550,000."

At the annual meeting of the stockholders of the National City Bank of Cleveland on Jan. 8 they will be asked to pass upon a proposal, recommended by the directors, to increase the common stock of the bank from $9,000,000 to $10,000,000 by the issuance of 62,500 additional shares (par $16) and the further proposal that these additional shares be distributed to shareholders as a stock dividend in the ratio of one share to each nine shares outstanding. If the recommendations are approved by the shareholders, $1,000,000 will be transferred from surplus to capital to give effect to this increase and the bank thereupon will have common stock of $10,000,000 and surplus of $10,000,000.

The notice to the stockholders on Dec. 10 also said:

"It is the present expectation of the Board of Directors that dividends at the rate of $1.40 a share per year (35¢ per share payable quarterly on the first day of February, May, August and November), which for several years past have been paid on the common stock of the bank, will be continued on the increased capital.

"If the recommended increase of capital and stock dividends are approved by the shareholders, it is expected that the shares distributed as a stock dividend will be issued on Feb. 4, 1946, to shareholders of record at the close of business on that date. Under those circumstances, shares issued as a stock dividend would not participate in the Feb. 1, 1946, quarterly cash dividend but would participate in dividends payable thereafter.

Holman D. Pettibone, President of the Chicago Title and Trust Co. of Chicago has announced the appointment of Lieut.-Col. Robert E. O'Dea and Paul W. Goodrich as Assistant Vice-Presidents. Colonel O'Dea, now on terminal leave after four years as Finance Officer in the AAF, was Assistant Trust Officer of the company prior to entering military service.

Blair & Co., Inc., on Dec. 18, announced a secondary offering of 10,000 shares of common stock, $10 par value, of First National Bank of Palm Beach, Fla., at $45 per share less a concession to members of the National Association of Securities Dealers, Inc. Earnings of the bank for the 11 months ended Nov. 30, 1945, it is stated, were equal to $7.52 per share. For the 12 months ended Dec. 31, 1944, earnings equalled $5.37 per share. The net worth of First National Bank, which is the only bank in Palm Beach, was $3,793,000, or $37.93 per share, as of Dec. 10, 1945. Deposits as of the same date were more than $49,000,000.

E. B. MacNaughton, President of the First National Bank of Portland, Ore., on Dec. 8 announced the appointment of Clifford C. Clarkson as manager of the First National's Sixth and Morrison branch in Portland, effective Jan. 1, and his election to Vice-President of the State-wide banking system. Mr. Clarkson will transfer from the main office at 5th and Start Street, where he has been an Assistant Vice-President in the loan department.

Stewart J. Moore, who since 1937 has been manager of the 6th and Morrison branch of that bank, will transfer to the head office He has been elected an Assistant Vice-President.