

# The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 162 Number 4450

New York, N. Y., Thursday, December 27, 1945

Price 60 Cents a Copy

## Observations . . . .

By A. WILFRED MAY

Notes of the swan song of the 1945 stock market boom. (a) So great has been the speculation in its low-priced metal shares that the Salt Lake City Stock Exchange is forced to curtail its trading hours for two weeks. (b) American buyers are rampant in cinema, television, and tin shares on the London market, despite the monetary exchange difficulties. (c) The New York market violently fluctuates pursuant to the analyses broadcast by that great financial economist, Mr. Walter Winchell. Last week stock prices were precipitated into a 3½-point break by his pronouncement that "insiders in New York expect a very sharp decline in the stock market before the holidays. Suckers"; while this week's market opened with a sharp rally on his subsequent reassuring prediction that his previously-named "suckers" will make a lot of money after all!

In comparing the bull stock markets of 1945 and 1937, the current point of departure in the effects thereon of labor's as well as government's policy respecting the price level, must be strongly emphasized. It is true that labor in the earlier boom period (with the sit-down strike) was, as now, fiercely battling for higher wages. But labor leaders expressed no real concern for a stable ceiling on prices. Now, in contrast, the full political strength of the C.I.O. is fighting against any price rise.

And the present OPA activities of course mark a complete departure from the earlier period when, excepting for a casual press conference remark of the President in April, terming the copper price excessive, the government followed no continuing policy of sitting on the price level.

The 1937 experience may well warrant the deduction that the fight for price ceilings will, before very long, become superfluous. For as soon as the country's vast productive forces were given a free rein by labor, prices automatically went into a major decline. Perhaps we will soon be seeking price floors instead of ceilings, for general as well as stock prices.

1945 re-incarnation of the 1920 workman's "20 Silk-Shirt Era": a man's toilet article set as advertised by a Fifth Avenue leather shop—price \$2,000.

Secretary Vinson will soon have to make up his mind as to where (Continued on page 3179)

## The Farm Situation

By ROGER W. BABSON

Calling Attention to Generally High Levels of 1945 Crops, Mr. Babson Notes That the Farm Income of Over \$20 Billions May Mark a Peak During the Foreseeable Future. Sees in Situation a Large Market for Agricultural Machinery and Goods in Rural Areas and Warns That Farm Land Boom Will Not Last Forever.

Some weeks ago I commented in this column on the 1945 domestic crop outlook. At that time I predicted another total bumper production. Now the final figures, in most instances, show I was 100% correct. Farmers' barns, bins, and other storage facilities literally are bulging with the harvest. In fact, the total crop out-turn is only a little below the record productions of 1942 and 1944.



Roger W. Babson

### New Highs Chalked Up

Above-average yields were the rule for wheat, oats, rice, barley, sweet potatoes, buckwheat, tobacco, sugarcane, peaches, pears, oranges, grapefruit, almonds, hops, and truck crops. Near-record crops are reported for hay, Irish potatoes, flaxseed, soybeans, peanuts, pecans, walnuts, and grapes. The corn and sorghum grain crops also were lusty.

All is not so rosy, however, as the paragraph above might seem to indicate. Housewives interested in fall and spring housecleaning should take note that the broomcorn crop is the smallest since 1939! Lovers of apples and sour cherries will have to get by with the smallest crops on record! Textile manufacturers seeking (Continued on page 3175)

## GENERAL CONTENTS

Editorial	
The Financial Situation	Page
Regular Features	
Observations	316f
From Washington Ahead of the News	316f
Moody's Common Stock Yields	318c
Moody's Bond Prices and Yields	318c
Items About Banks and Trust Cos.	318c
NYSE Odd-Lot Trading	318c
Trading on New York Exchanges	318c
State of Trade	
General Review	317c
Commodity Prices, Domestic Index	318c
Weekly Carloadings	318c
Weekly Engineering Construction	318c
Paperboard Industry Statistics	318c
Weekly Lumber Movement	318c
Fertilizer Association Price Index	318c
Weekly Coal and Coke Output	318c
Weekly Steel Review	318c
Moody's Daily Commodity Index	318c
Weekly Crude Oil Production	318c
Non-Ferrous Metals Market	318c
Weekly Electric Output	318c
Latest Summary of Copper Statistics	318c
Course of Federal and Local Government Debts	317c

\*These reports not available this week.

## The Financial Situation

The current "fact-finding" farce became one degree more farcical last week when the President solemnly asserted that "it is essential to the fulfillment of its duty that the (fact-finding) board examine the books of the employer. . . . Ability to pay is always relevant to the issue of increasing wages."

"Fact-finding" has long been a term to conjure with in this country. The American people have been consistently deluded (or deluded themselves) with it. Repeatedly, indeed regularly, officials and others upon whom responsibility rested have, when faced by politically troublesome issues involving fundamentals, sought to escape by pretending or convincing themselves that all that was required was a determination of "fact." All too often this "artful dodge" has "worked"—in the sense that the rank and file of the people have been lulled into acceptance of this general notion which for the most part has merely afforded opportunity for escape by the route of least political resistance.

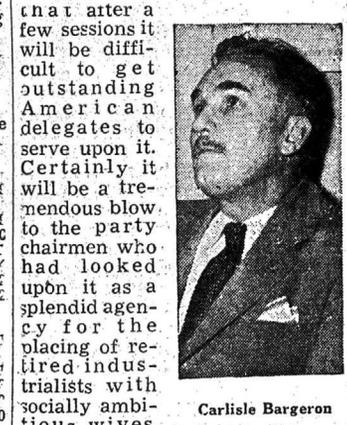
### The Buncombe "Works"

Nowhere has such a scheme "worked" more successfully or over so long a period of time as in the case of the railroads—or at greater expense to the public. How often are we told by politicians, reformers and their fellow travelers that we have "solved" the problem of dealing with labor disputes in the railroad industry? How often have we heard the remark that thanks to the "system" we never have strikes of consequence in that branch of the economy? And, how widely must we all admit that this foolish notion is accepted among the rank and file of the people? Yet the fact is that "the railroad problem," (Continued on page 3172)

## From Washington Ahead of the News

By CARLISLE BARGERON

We Americans have long prided ourselves on our sense of humor and more or less looked down upon other people for lacking it. But the European statesmen must be laughing all over themselves for saddling the headquarters for the UNO on us. Insofar as we are concerned, that is, the American people, it loses all of its mystery, its European aristocracy and therefore its importance. It is our guess



Carlisle Bargeron

that after a few sessions it will be difficult to get outstanding American delegates to serve upon it. Certainly it will be a tremendous blow to the party chairmen who had looked upon it as a splendid agency for the placing of retired industrialists with socially ambitious wives, who would pay handsomely to the party campaign coffers for the privilege of serving. It will come to be simply a haven for political lame ducks such as the Joint Boundary Commission between this country and Canada, whose members, formerly getting \$10,000 a year, had only to meet once or

twice a year and agree that the boundary was still there.

Indeed, it starts out pretty much that way, with such stellar world statesmen as John Townsend, Frank Walker and Mrs. Roosevelt. All of these are political lame ducks, so to speak, though no one of them wants the job for money. They wanted it to maintain a place at the "official" dinner table. They had assumed that the UNO capital would be at some fashionable European place. If it had to be in this country, Washington would have suited them. Ever since Townsend was defeated for the Senate he has hung on to the chairmanship of the Republican Senatorial Campaign Committee. This is the first time that any one other than a sitting Senator has held the post. The explanation was that John still wants an excuse to hang around Washington.

Through his association with a couple of very wealthy families, particularly the duPonts, he could produce campaign funds. But now, the UNO is not to have the im- (Continued on page 3178)

## Management's Responsibility to Itself

By WALTER B. WEISENBURGER\*

Executive Vice-President, National Association of Manufacturers  
Mr. Weisenburger, in Outlining Plans of NAM Policy, Says Its Prime Purpose Is to Help Save Private Enterprise. Advocates a Publicity Campaign, Backed by the Full Strength of Business Manpower, Which Is Based on Public Welfare and Not Class Interest. Says Positive Action Is Required to Combat Attacks on the Profit System and Lays Down Ten Commandments for the Business Manager. Calls for Closer Cooperation With the Government and a Larger Participation of Management in Shaping Legislation. Decries Attitude of Defeatism and Apathy and Urges Crusade for Higher Goals of Human Effort.

My principal difficulty in talking to you each year is that there are too many things I would like to say. That is especially true this year.

I would like to tell you how NAM and the NIIC during the past year have been thoroughly reorganized into a more compact, better staffed, and highly coordinated fighting unit.

I would like to tell you how your Board has changed the whole Association format and has put public relations as a top policy function, headed by



W. B. Weisenburger

outstanding NAM principals like Colby Chester and Cloud Wampler. Our Board has done this in the conviction that it's not just what is said, but what management actually does which is dramatic and publicly satisfying.

I would like to tell you how Holcombe Parkes has come in to head the Public Relations division, and how his first big policy job at the Labor-Management Conference has been a great contribution toward equipping industrialists for the political give-and-take and the public relations

\*An address by Mr. Weisenburger at the Golden Anniversary Congress of American Industry, Waldorf Astoria Hotel, New York City, December 5, 1945.

(Continued on page 3176)

## Truman Favors Fact-Finding Authority to Examine Books

Holds Question of Earnings Is Relevant in Fixing Wages and Expresses Hope That Both Parties to Controversy Will Cooperate. General Motors Counsel Objects on Ground Data Would Be Used "for Hungry Eyes of Its Competitors."

At his press conference on Dec. 20, President Harry S. Truman issued a statement in which he expressed himself in favor of granting

fact-finding commissions in wage disputes, authority to examine the books of both corporations and unions and took the view that net earnings of a business are relevant to the question of determining wage rates. An opposition statement was immediately issued by Walter Gordon Merritt Counsel for General Motors, who contended that to open the books of the company would give figures and estimates to competitors and that General Motors Company "does not propose to lay on the bargaining table with a monopoly union that also, to an important extent, controls the operations of its competitors."



President Truman

### President's Statement

The President's statement, as reported by the Associated Press, was as follows:

In appointing a fact-finding board in an industrial dispute where one of the questions at issue is wages, it is essential to a fulfillment of its duty that the board have the authority, whenever it deems it necessary, to examine the books of the employer. That authority is essential to enable the board to determine the ability of the employer to pay an increase in wages where such ability is in question. Ability to pay is always one of the facts relevant to the issue of an increase in wages.

This does not mean that the Government or its fact-finding board is going to endeavor to fix a rate of return for the employer. It does mean, however, that since wages are paid out of earnings, the question of earnings is relevant.

The detailed information obtained from the books of an employer should not be made public. Such a disclosure would place the employer at a disadvantage with respect to his competitors. But the fact-finding board should unquestionably have the right to examine the employer's books where it deems it necessary in order to make up its own mind as to whether a demand for increase is justified and to make public all findings based on such information that it deems relevant to the controversy.

That is one of the things I meant when I stated in my message of Dec. 3, 1945, to the Congress:

"The board should be . . . directed to make a thorough investigation of all the facts which it deems relevant in the controversy."

This is nothing new. There are many instances where the books of corporations are opened for inspection to representatives of the State and Federal Governments and where the information so obtained is used solely by such officials to carry out their functions.

To confer the right to examine books is one of the main purposes of granting subpoena power to the fact-finding boards. I trust that the Congress, which is the only body authorized to grant such power, will do so quickly.

In view of the public interest involved it would be highly unfortunate if any party to a dispute should refuse to cooperate with a fact-finding board.

### General Motors Statement

The reply made by Walter Gordon Merritt to the President's attitude is reported to have been in the following language:

That leads UAW to this insupportable contention and dilemma. That General Motors should place on the table here for the hungry eyes of its competitors those very figures and estimates which will be the basis of private hearings between management and OPA pursuant to the laws of the United States.

That data must necessarily include forecasts, projections, guesses at the cost of raw materials where future prices are speculative because of strikes actual or potential. These facts—if they be facts—these computations, which involve the gift of prophecy, the General Motors Company does not propose to lay on the bargaining table with a monopoly union that also, to an important extent, controls the operations of its competitors.

Nor does it propose to submit any issue within the jurisdiction of OPA to this fact-finding board.

The people of the United States, acting through their elected representatives, have lodged the responsibility for such questions as profits and prices, and the protection of the rights of the people in respect thereto, with the OPA, and I am aware of no public clamor that this responsibility be transferred to the UAW or the General Motors Corporation, as the self-appointed guardian of the public interests.

If, as claimed by the union, there is ample margin or profit here such as would permit wages to be paid out of line with other wages in this or other industries, the correction, if any is to be furnished by OPA in fixing prices which would permit the benefit to the entire public instead of a small group.

That certainly is the logic of a controlled economy under which we have adopted a price-wage national policy. If the fact-finding board rules otherwise on this vital problem General Motors will withdraw from the proceeding.

There may be those who feel that we should venture into these uncharted seas with labor having a voice in price or profits—there may be those who feel that this is the primrose way; but this corporation believes that such a course is beset with traps and pitfalls and would constitute an impairment of those management functions which made it possible for this country to out-produce its enemies in the war now happily ended.

When the people, through Congress, declare a policy, this company will comply, but it will not voluntarily lead American industry down a trail which it believes should not be followed.

And in this connection we say to this board that in the light of national wage price policy, in the light of our anti-trust policies, which forbid alliances between capital and labor in respect to prices or market controls, we should not be pressed to acquiesce in any other position than we have taken. What this country needs is an understanding of our position, and not a distortion of it.

## Defer Fact-Finding Legislation Until Early Next Year

The fact-finding labor disputes legislation which President Truman urged Congress to pass before the Christmas holidays has been set aside by the Senate Labor Committee which decided on Dec. 14 to postpone further hearings until after the first of the year, according to Associated Press Washington advices. Senator Murray (D.-Mont.), Chairman of the committee, said that when hearings were resumed with the reconvening of Congress after the holidays, they were expected to last at least another month. The Administration's fight for passage of the bill was opened on Dec. 12 by Labor Secretary Schwellenbach who declared, according to the New York "Times" in dispatches from Washington, that "the situation is one in which the national interest calls for legislative action." The press advices added:

"Pointing out that a Fact-Finding Board's recommendations would not be enforceable, Mr. Schwellenbach stated that either party would be free to accept or reject the recommendations but that experience had shown that compulsion is not necessary in order to secure substantial acceptance of the recommendations of boards such as are proposed in this bill."

"The 30-day period, he noted, was identical with that in the War Labor Disputes Act, but he asserted that, while in the latter it was designed solely as a cooling-off period, it would in the pending bill be utilized to secure affirmative action in the nature of hearings, fact-findings and recommendations which will serve as a basis for the settlement of the dispute rather than as a period of preparation for the beginning of a strike."

At the Dec. 14 committee hearings Philip Murray, President of the C.I.O., expressed opposition to the proposed legislation, according to the Associated Press, which quoted him as follows:

"It is not facts that we lack. It is not cooling off that we lack. What is needed is a willingness on the part of the administration to face the facts."

Murray said fact finding boards in labor disputes are unnecessary because the "facts" already are known to various Government agencies. One analysis, by the Office of War Mobilization and Reconversion, he said, "demonstrated that American industry could grant pay increases of 24% and still earn in 1946 profits after taxes more than twice those of prewar years."

Reiterating his contention that "the director of the Office of War Mobilization has attempted to suppress this report" and that various other economic studies by OPA and the Department of Commerce have not been made public, Murray added:

"If it is facts that we seek, why have these governmental agencies attempted to conceal these facts. If it is facts that are needed to solve our current disputes, the Government has only to release the facts already gathered and already in its possession."

Noting that Mr. Truman's plan calls for a "cooling-off" period of 30 days while fact-finding boards are at work, the witness said that before calling a steel strike for January 14, the C. I. O.-United Steel Workers attempted to negotiate for 90 days. And the United Automobile Workers, he added, "thrashed about" for more than 60 days before striking General Motors plants.

"Those workers have cooled off and cooled off until they have been almost frozen out of the picture," Mr. Murray asserted.

## Issues Fact Finding Directions

Following Announcement of President's Decision on "Ability to Pay" Factor in Wage Disputes, the Secretary of Labor Lays Down Rules for Conduct of Hearings and Bases on Which Wage Increases May Be Recommended. Says Panel's Final Findings and Recommendations Should Conform With Action Taken by Stabilization Administrator.

Secretary of Labor, Lewis B. Schwellenbach on Dec. 21, within a day after President Harry S. Truman announced that fact-finding



L. B. Schwellenbach

other governmental agencies.) The personnel and facilities of the Department shall be available to the panel upon request. G. Requests for the production of evidence—The panel does not have the power of subpoena. It may request the parties to produce any evidence it deems relevant to the issues but such evidence must be obtained upon the voluntary compliance of the parties. H. Adjournment of hearing to permit direct negotiation—where, in the opinion of the panel, the parties should make further efforts to settle an issue by collective bargaining or, where the parties agree to do so, the panel may recess the hearing to allow the parties to resume direct negotiations for as long a period as they may mutually agree upon or until a date specified by the panel for reconvening of the hearing. Whenever possible the panel shall, at the times of the recess, notify the parties of the date when the panel will reconvene with the parties. If it is not possible to give such notice at the time of recess the parties shall be given at least five days' advance notice of this date of reconvening, unless the exigencies of the situation require shorter notice. I. Settlement of issue by agreement between parties—If during the proceedings an agreement is reached between the parties with respect to the issues in dispute, they shall be requested to execute a statement in writing to that effect. J. If during the proceedings a question arises as to the extent of the authority of the panel to inquire into the facts, or as to the interpretation of the order of the Secretary setting up the panel, the panel may recess the hearing and consult with the Secretary or his designated agent for the purpose of obtaining clarification. K. Findings of fact and recommendations by the panel—1. After the conclusion of the hearing the panel shall submit to the Secretary an original and six copies of its findings of fact and recommendations, unless the parties in the meantime have settled the dispute or agreed to submit it to arbitration. 2. The time for filing findings of fact and recommendations may not be extended except upon consent of the Secretary.

### I—Rules for the Conduct of the Hearing

A. Hearing to be public—A public hearing shall be conducted on the merits of the dispute, unless the parties agree to present their case in writing. The record made at such hearing shall include all documents, statements, exhibits and briefs, which may be submitted, together with the stenographic record. The parties shall have the right to attend the hearing with such persons as they desire, and the hearing shall be open to any other person who wishes to attend, including representatives of the press and radio. The panel shall have authority to make whatever reasonable rules are necessary for the conduct of an orderly public hearing. The panel may, with the consent of the parties, exclude persons other than the parties at any time when the expeditious settlement of the dispute so requires.

B. Participation by panel in the hearing—The panel may, on its own initiative, at such hearing, call witnesses and introduce documentary or other evidence, and may participate in the examination of witnesses for the purpose of expediting the hearing or eliciting material facts.

C. Participation by parties in hearing—(1) The interested parties or their representatives shall be given reasonable opportunity (a) to be present in person at every stage of the hearing; (b) to be represented adequately; (c) to present orally or otherwise any material evidence relevant to the issues; (d) to ask questions of the opposing party or a witness relating to evidence offered or statements made by the party or witness at the hearing, unless it is clear that such questions have no material bearing on the credibility of that party or witness or on the issues in the case; (e) to present to the panel oral or written argument on the issues.

D. Stenographic records—An official stenographic record of the proceedings shall be made. A copy of such record shall be available for inspection by the parties.

E. Rules of evidence—The hearing may be conducted informally. The receipt of evidence at the hearing need not be governed by the common law rules of evidence.

F. Facilities available to panel—The panel may during the proceedings consult with the office of the Secretary of Labor or his designated agents for the purpose of obtaining information pertaining to any wage or salary issue. (Such information may include information in the possession of

other governmental agencies.) The personnel and facilities of the Department shall be available to the panel upon request.

G. Requests for the production of evidence—The panel does not have the power of subpoena. It may request the parties to produce any evidence it deems relevant to the issues but such evidence must be obtained upon the voluntary compliance of the parties.

H. Adjournment of hearing to permit direct negotiation—where, in the opinion of the panel, the parties should make further efforts to settle an issue by collective bargaining or, where the parties agree to do so, the panel may recess the hearing to allow the parties to resume direct negotiations for as long a period as they may mutually agree upon or until a date specified by the panel for reconvening of the hearing. Whenever possible the panel shall, at the times of the recess, notify the parties of the date when the panel will reconvene with the parties. If it is not possible to give such notice at the time of recess the parties shall be given at least five days' advance notice of this date of reconvening, unless the exigencies of the situation require shorter notice.

I. Settlement of issue by agreement between parties—If during the proceedings an agreement is reached between the parties with respect to the issues in dispute, they shall be requested to execute a statement in writing to that effect.

J. If during the proceedings a question arises as to the extent of the authority of the panel to inquire into the facts, or as to the interpretation of the order of the Secretary setting up the panel, the panel may recess the hearing and consult with the Secretary or his designated agent for the purpose of obtaining clarification.

K. Findings of fact and recommendations by the panel—1. After the conclusion of the hearing the panel shall submit to the Secretary an original and six copies of its findings of fact and recommendations, unless the parties in the meantime have settled the dispute or agreed to submit it to arbitration.

2. The time for filing findings of fact and recommendations may not be extended except upon consent of the Secretary.

### II—Statement of Policy

1. The panel will not limit itself to determining what wage increases, if any, are approvable under the criteria set forth in Executive Order 9651. It will consider also the propriety of wage increases in excess of the criteria under the Executive Order and the wage and salary regulations of the Stabilization Administrator.

2. The panel may recommend a wage increase on either of two bases:

(A) That the wage increase recommended is one which can be paid without any increase in existing price ceilings or in costs to the United States (irrespective as to whether it is approvable in part);

(B) That the wage increase recommended is, in its judgment, approvable under Executive Order 9651 and the wage and salary regulations of the Stabilization Administrator. That is, the increase is of a type which may be used as a basis for an increase in

price ceilings or costs to the United States.

3. Increases under 2(A)—In excess of criteria in executive order

(A) If the panel recommends a wage increase on such a basis it may, without reference to governmental stabilization agencies, recommend that the employer place it into effect immediately. The acceptance of such a recommendation by an employer will amount to a waiver of any right to use the wage increase within a six-month period as a basis for seeking price relief so long as the increase has not been approved by the Wage Stabilization Board. An employer could, however, after putting the wage increase into effect still seek approval from the Wage Stabilization Board. If such approval were given the employer could then use that approval as a basis for seeking price relief.

(B) If the panel recommends such an increase, it must satisfy itself that the employers are in a position to absorb the whole increase without any increase in price ceilings.

For example, if the panel should find that an increase of not more than 10 cents per hour could be absorbed without any increase in price ceilings and that a five-cent increase would be approvable under Executive Order 9651, the panel may only recommend a 10-cent increase. It cannot properly recommend a 15-cent increase.

(C) To the extent necessary to satisfy itself that the employers are in a position to absorb a recommended increase, the panel must necessarily inquire into the issue of the employer's ability to pay. Ability to pay is a limitation on and does not necessarily constitute a measure of the amount of a fair increase.

(D) Evidence to be considered with regard to an employer's ability to pay—if employers do not contend that there is an inability to pay the requested wage increase, it is for the panel, nevertheless, to satisfy itself on the basis of evidence satisfactory to it whether any increase which it recommends is absorbable. The panel is free to draw such inferences as it may choose to draw from the employer's failure to produce evidence on this issue. It may, if it wishes, take the union's evidence and such evidence as the panel itself wishes to secure, or it may rely on the failure of the company to contest this issue as an establishment of the fact of ability to pay.

If the panel finds it necessary, in its judgment, to inquire into the issue of ability to pay wage increases without securing price increases, then it is to inquire into the profits and earnings position of the employer. The panel may also inquire into production and other costs where relevant as well as other data bearing on the issue of ability to pay.

**OPA Standards Not Sole Guide**

In any such inquiry the panel should not be guided solely by the OPA's standards for authorizing price increases as a test of ability to pay. The OPA pricing standards were devised for a different purpose. Such standards may throw light on the question of the employer's ability to pay a wage increase under existing price ceilings, but they should not be used as a controlling test.

For example, the OPA price standards generally measure the need for price increases as a result of increased costs on the basis of whether or not the current earnings of the particular industry have fallen below its peacetime earnings position. If the prewar position was very favorable, the industry may well be able to afford some temporary impairment of that position. If the peacetime earnings position protected by the pricing standards was a relatively unfavorable one, however, it might be unfair to require em-

ployers to absorb wage increases down to the point indicated by the applicable pricing standard.

The panel in recommending an increase in excess of the amount which would be approvable under the executive orders and the rules and regulations of the Stabilization Administrator may consider the fact that an employer is free after six months to seek price relief. It ought not, however, to recommend a wage increase which it believes will require the employer after six months to obtain price relief.

4. Increases under 2(B)—involving price relief—(A) If, during the proceeding, it appears that the question of an increase which may involve price relief is pertinent, the panel in recommending a wage increase on the basis that price relief may or will be necessary is limited to an increase not in excess of the amount approvable for price purposes by the Wage Stabilization Board or other designated wage or salary stabilization agency under the standards laid down in Executive Order 9651 and the wage and salary regulations of the Stabilization Administrator.

Any increase that may be recommended by the panel which is to be used as a basis for seeking price relief must receive the approval of the Wage Stabilization Board. The panel has two alternatives for dealing with this problem. It may secure informal advice through the Secretary's office as to the approvability of a proposed recommendation or the panel may condition its recommendation upon approval of the increase by the Wage Stabilization Board.

(B) If the panel limits its recommendation to a wage increase that is appropriate for price purposes, it may, but is not required to, recommend a wage increase up to the limit approvable under the criteria contained in Executive Order 9651.

(C) If the panel believes, after a consideration of the entire record, that the existing standards for approval of wage or salary increases for price purposes should be broadened, it is free to suggest to the Stabilization Administrator, through the Secretary of Labor, that he consider taking action in accordance with Section 302 (B) of the wage and salary stabilization regulations.

The panel would conform its final findings and recommendations with the action taken by the Stabilization Administrator.

**U. S. Urges Trade Barrier Conference**

The United States has taken the initiative in an effort to remove restricting tariff barriers and promoting an expanded world trade by inviting fourteen nations to a "roundtable" discussion preparatory to the international trade conference scheduled for next spring or summer. Britain, Russia, France, China, Canada, Brazil, Australia, Cuba, New Zealand, Belgium, Holland, Czechoslovakia, South Africa and India are reported, according to a Washington dispatch of Dec. 13 to the Associated Press, to be the countries invited. The press advices added:

"Countries accepting the American invitation will be those prepared to begin detailed negotiations or steps to promote world trade as agreed to by the British and American governments last week in connection with a projected \$4.4 billion credit to England.

"American officials said the proposed roundtable would give the main trading countries a chance to learn each other's attitude more fully before sitting down to the larger international conference."

**NAM Elects Wason President for 1946**

The National Association of Manufacturers on Dec. 7,

elects as its president for 1946 today a man who had worked his way from "biting poverty" and a grocer boy's job to the presidency of a manufacturing company which employs more than 3,000 men.



Robert R. Wason

He is Robert R. Wason, President of Manning, Maxwell and Moore, Inc., New York.

At the same election, the NAM Board named the following roster of 1946 officers:

Chairman of the Board: 1945 NAM President, Ira Mosher, President, Russell Harrington Cutlery Co., Southbridge, Mass.

Chairman of the Executive Committee: 1944 NAM President Robert Gaylord, President, Ingersoll Milling Machine Co., Rockford, Ill.

Chairman of the Finance Committee: 1943 NAM President F. C. Crawford, President, Thompson Products, Inc., Cleveland, Ohio.

Honorary Vice - Presidents: Howard Coonley, Chairman of board, Walworth Co., Inc., New York.

National Vice-Presidents: Ward M. Canaday, Chairman of Board, Willys-Overland Motors, Inc., Toledo, Ohio; Hugh Comer, President & Treasurer, Avondale Mills, Sylacauga, Alabama; C. S. Davis, President, Borg-Warner Corporation, Chicago, Illinois; J. A. Hartley, President, Braun Corporation, Los Angeles, California; B. E. Hutchinson, Chairman of Finance Committee, Chrysler Corporation, Detroit, Mich.; James H. McGraw, Jr., President, McGraw Hill Publishing Company, New York, N. Y.; Clarence Randall Vice-President, Inland Steel Company, Chicago, Illinois; Arthur Walsh, Executive Vice-President, Thomas A. Edison Incorporated, W. Orange, N. J.; Cloud Wampler, President, Carrier Corporation, Syracuse, New York; C. M. Chester, Chairman, Executive Committee, General Foods Corp. New York.

Regional Vice-Presidents: Arthur Batts, President, The Carborundum Company, Niagara Falls, New York; Walter Geist, President, Allis-Chalmers Manufacturing Company, Milwaukee, Wis.; Noah Dietrich, Executive Vice-President, Hughes Tool Company, Houston, Texas; E. H. Lane, President, The Lane Company, Incorporated, Altavista, Virginia; John Holmes, President, Swift and Company, Chicago, Illinois; Paul B. McKee, President, Portland Gas and Coke Company, Portland, Oregon; William M. Rand, President, Monsanto Chemical Company, St. Louis, Missouri; Theodore F. Smith, President, Oliver Iron and Steel Company, Pittsburgh, Pa.; J. P. Spang, Jr., President, Gillette Safety Razor Company, South Boston, Mass.; E. J. Thomas, President, Goodyear Tire and Rubber Company, Akron, Ohio; Lothair Teetor, President, Perfect Circle Company, Hagerstown, Indiana.

Executive Vice-President: Walter B. Weisenburger; Secretary, Noel Sargent; Treasurer, Kenneth R. Miller.

**The State of Trade**

The level of industrial output remained unchanged last week at the high level of previous weeks. In the week consumer durable goods output continued to move upward, though snow storms were added to factors already hindering shipments in the New England and the eastern states.

A fractional increase in steel ingot production was noted with electric kilowatt output higher by 1.4%. Improvement occurred in bituminous coal production, the increase being placed at 2.5%, while crude oil output increased by 1%.

The stalemate existing between management and labor in the General Motors Corporation wage dispute was no nearer a solution at the close of the week. The fact-finding body appointed by President Truman to investigate the automotive strike got under way, but ran into difficulty over the question of procedure on the relationship of prices and profits to the subject of wage increases.

The President's fact-finding board was not accorded wholehearted endorsement by General Motors, since the Company expressed the sentiment that it would refuse to present its case before this body if the subject of prices and profits was made pertinent to the board's consideration of the Union's demand for a 30% increase in wages.

As for the President, he went on record as approving the idea of fact-finding bodies examining corporations' books to ascertain their ability to meet wage increases and stated that "ability to pay" was always relevant "to the issue of an increase in wages".

Contemplated expenditures by American industry in the new year give some indication of the prospects of business in the years ahead.

In a survey of expenditures by American industry in 1945 the Securities and Exchange Commission last week reported \$5,690,000,000 will be spent next year for new plants and equipment, an amount larger than in any year since 1942. In addition, \$600,000,000 will have to be spent on old and unused plants and equipment. These figures add emphasis to the expected boom in business over the next few years.

Steel Industry—Labor and material troubles are giving the steel industry one of its greatest problems since the high wartime peak days, but indications this week point to even greater headaches to come, according to The Iron Age, national metalworking paper in its current review of the steel trade.

Severe winter weather conditions have brought to light the fact that inventories of scrap and coal in the industry are dangerously low. As a direct result of the coal strike in October, steel companies were unable to establish sufficient stockpiles as an insurance against severe winter weather.

The decline in coal stocks with its consequent reduction in the output of coke or blast furnaces has reduced the flow of steel making iron to a point far below requirements.

The lack of hot metal for steel production has caused most companies to scour the country for iron and steel scrap. This emphasis on scrap will make up for the deficiency in pig iron and has caused scrap supplies to be tighter this week than at any time in several years.

The material shortage situation last week forced Carnegie-Illinois Steel Corp. to curtail its operations in the Chicago district by more than 10% below the scheduled grade. While 24-hour shutdowns will be normal this week because of the Christmas holiday the raw material shortages have caused deeper than normal cuts to be made at many steel plants.

Steel ingot output for the country this week is estimated at

67.5%, down 12½ points from last week's revised rate of 80%. A rebound is expected next week but weather conditions and raw material shortages may make it difficult to reach the recent level of 82% capacity.

Customers' fears of a steel strike scheduled for Jan. 14 have caused such a surge of new orders that some mills are literally snowed under. Within the past few days ordering activity has been curtailed because of holiday influences, but previous to that time incoming business depending on the company was running from 10 to 100% ahead of shipments.

It is understood that steel company and union representatives in some districts have met to formulate plans for keeping in operation certain steel mill facilities which, because of their nature, service community utilities. In many steel areas gas from the coke ovens and blast furnaces is furnished to the cities or villages and it is expected that labor-management agreements will be made so as not to interfere with such community services.

The steel industry this year is expected to produce about 80 million tons of steel, a decline of more than 9½ million produced in 1944. Most of this decline was the result of war contract cancellations following VE and VJ-Day, as well as curtailments brought about because of the coal strike.

The recent stand of President Truman that fact-finding boards should consider earnings of companies in wage negotiations has brought out into the open the real reason why management was opposed to his plan. So far, no fact-finding board has been named for the steel industry and it is believed in some quarters that efforts towards a settlement of a steel labor controversy or at least a new move for negotiations may cause a trend away from the imminent long and bitter struggle which will result if both parties are not brought closer together.

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 62.8% of capacity for the week beginning Dec. 24, compared with 83.0% one week ago, one month ago and one year ago. This represents a decrease of 20.2 points or 24.3% from that of the previous week.

This week's operating rate is equivalent to 1,150,000 tons of steel ingots and castings, and compares with 1,520,300 tons one week ago, 1,529,400 tons one month ago and 1,656,900 tons one year ago.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Dec. 15, 1945, total 771,594 cars, the Association of American railroads announced. This was a decrease of 4,731 cars (or 0.6%) below the preceding week and 21,352 cars, or 2.8% above the corresponding week of 1944. Compared with the similar period of 1943, an increase of 12,713 cars or 1.7% is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,154,061,000 kwh. in the week ended Dec. 15, 1945, from 4,096,954,000 kwh. in the preceding week. Output for the week ended Dec. 15, 1945, however, was 9.0% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York

(Continued on page 3180)

## The Financial Situation

(Continued from first page)

which has been one of the really troublesome difficulties of the country for several decades, is for all practical purposes in reality "the railroad labor problem." We have kept the peace in the railroad industry by endlessly appeasing the brotherhoods until the labor cost of railroad transportation is one of the scandals of the times.

But this "fact-finding" buncombe as it is being applied to current disputes in other industries comes at a time, and in circumstances which render it peculiarly farcical. It is turning in large part—thanks to Mr. Reuther—upon the question as to whether fact-finding "boards" shall have the right to "inspect the books" of employers involved in labor disputes. The impression is given—and, so far as Mr. Reuther and his associates are concerned, by no mere coincidence—that surprising, even shocking, facts would come to light in such an inspection. But what nonsense is this? How in heaven's name could these large industrial organizations directly involved in these matters keep any such facts secret in this day and time?

### Dark Charges?

Does Mr. Reuther mean to bring dark charges of incompetency and worse against virtually every element in the business world, except the labor unions, and against the Federal Government itself? Certainly the President can scarcely have any such intention. Yet how can these innuendoes be consistent with any other position, and how else could any need for yet another "inspection of the books" of these employers of labor be established? In the first place, as every one who knows anything at all about the situation is well aware, most of the industrial corporations immediately involved at present have long been issuing outstandingly informative reports of their operations to their shareholders and to the public. These reports have been regularly audited by the best accounting firms in the country. In the second place, for more than 10 years they have been under the necessity of meeting the requirements of the Securities and Exchange Commission under the stringent penalties of the two securities acts.

For even a longer period of time they have been required to file the most exacting reports with the Treasury Department and to pay taxes computed from the data therein. These taxes in recent years have taken much the larger part of the earnings as reported to the Treasury. Now if, as charged both

openly and by innuendo, these corporations have somehow managed to keep much larger profits for themselves than is suspected, then they have been hoodwinking the Treasury. There is no escape from such a conclusion. Yet it would appear unlikely that even Mr. Reuther believes that anything of the sort has been taking place. But the story is not yet even half told. These corporations during the past two or three years have been primarily engaged in producing for the Government of the United States which under its so-called renegotiation arrangements was continuously, and is still engaged in, studying the operating records of these very same corporations with a view to taking back anything in the nature of abnormal profits made during the war.

### Also the OPA

There is also the OPA and Mr. Bowles. Detailed data have been placed in their hands in order that they might prevent producers from demanding too high prices from the public—which despite all official denials is but another way of saying "prevent producers from making 'unwarranted' profits." On the basis of full access to the records, this agency has but recently fixed ceiling prices on most of the products of the motor industry—prices which are supposed to leave but a "reasonable" profit to the producers with wages at the level now obtaining. Evidently, any "scandal" of the type hinted at by the labor unions as regards the profits of these corporations, indeed anything more than or different from what is already known or reasonably to be inferred about their financial situation, must, therefore, of necessity involve the OPA as well as the Treasury and procurement agencies of the armed forces of the nation.

But apart from all this, there are absurdities and dangers in the use of the profits of individual enterprises as a measure of wage rates. Are the unions ready to accept one wage scale for the unprofitable or almost unprofitable employer, another for the moderately profitable, and still others for other employers measured by the "ability to pay" principle? Of course every industry is composed of individual enterprises with widely differing profit margins—and profit margins which in each individual case vary both absolutely and with reference to other enterprises from year to year. Mr. Reuther—and for that matter the others, including the President—might at least inform us precisely what bearing

profit rates should have upon wage rates.

### What Is Demanded

Of course, determination of wage rates for an entire industry on the basis of the earnings of the most profitable enterprises in it would be absurd on its face. It would simply wipe out a very large part of the industry and proportionately curtail production. If what the unions want is a substantial share of those earnings which come to the more profitable enterprises as a result of their superior management or similar causes one must naturally wonder what incentive the grant of the unions' demand would leave to encourage better management.

These are all facts and thoughts to which the American public would do well to direct its attention at this time, but the truth of the matter is that the profits of the past few years afford virtually no indication of what any of these companies can pay in wages during the next few years. We have just emerged, or are even still emerging, from a highly abnormal war economy to a postwar peace period the precise nature of which is difficult to foresee. The business executive who the other day told Mr. Reuther that his company's products were priced "on hope" was telling the precise truth—and certainly never more so than at the present moment. The same, of course, is true of any wage rate which any enterprise undertakes to pay to its employees.

This is no time for more of this "fact-finding" buncombe.

And would the unions be willing to accept lower wages from any enterprise which in the future suffered sharp reductions in its profits?

### SEC Amends Ruling Making Exemptions

The Securities and Exchange Commission recently announced that it has amended Rule X-12A-1 under the Securities Exchange Act of 1934. The Commission states that "the present rule temporarily exempts from registration under the Act securities of banks as to which temporary registration expired on June 30, 1935, securities issued in exchange for or resulting from a modification of any securities of banks exempted from registration by the rule, and common stock issued as a stock dividend on stock of the same class exempted from registration by the rule." "The amendment enlarges the third category of exempt securities," according to the SEC, "by providing that any additional shares of common stock (whether issued as a stock dividend or otherwise) shall be exempt under the rule if the issuer has common stock of the same class so exempted from registration." The Commission in its advice Dec. 5 added:

"The amendment also removes from the rule any reference to securities of bank holding companies since the exemption of such securities under the rule has expired."

## Doughton Sees No Further Tax Cuts Until Budget Is Balanced

Declaring that he can see no justification for further substantial tax cuts, until the National budget is balanced, Representative Doughton (Democrat) of North Carolina, at a news conference Dec. 19, in answer to a question as to when he expected to see a balanced budget, replied that "you can't tell what Congress will do. If Congress just keeps on making appropriations and increasing peace-time expenditures, we just won't have a balanced budget."

Associated Press advices from Washington from which we quote, added:

He said he could not see how the Government can continue indefinitely to market bonds, unless the budget is balanced. However, Mr. Doughton did see a prospect that Congress might put through a bill in 1946 reducing the high wartime excise taxes on such so-called luxuries as furs, liquor, luggage, jewelry and cosmetics. He did not say what date such a cutback might take place, but surmised that it might be in 1947.

According to advices to the New York "Journal of Commerce" from its Washington Bureau on Dec. 19 Representative Doughton said his committee plans to begin work on a new tax bill next March or April, but he warned that the outlook for any substantial tax reductions in the tax burden is anything but promising.

The "Journal of Commerce" advices added:

Questioning of the Committee Chairman elicited the following information:

1. The Committee will undertake as its first order of business consideration of the Social Security program, with a view to put-

ting it upon a sound basis for the next ten years.

2. The Committee's staff of experts has been studying a mass of data on co-operatives and other tax-free organizations to determine whether any action is warranted. Numerous complaints from business men on the alleged advantages enjoyed by these tax-free organizations have reached the committee, Mr. Doughton declared, but how much justification there is to these complaints is yet to be established.

3. Inasmuch as "both corporations" and individuals obtained relief in the recent tax bill, it is improbable that the committee will give any consideration to immediate further income tax cuts. However, the Committee, in line with its set program, will continue to study simplification of both individual and corporate tax laws.

4. Substantial over-all tax cuts will probably not be made until a balanced budget has been achieved. Mr. Doughton declined to hazard a guess when that would be, noting that so long as Congress continues to vote large appropriations the day of the balanced budget is inevitably deferred.

## Labor Dept. Reports on Mrs. and Earns. in Sept.

Gross average hourly earnings for all manufacturing have dropped below \$1 for the first time since December 1943, reflecting a drop of four cents per hour between August and September for workers in the heavy industries, as extra shift and overtime pay disappeared, the Bureau of Labor Statistics of the Department of Labor reported on Nov. 26. Preliminary estimates for October indicate a

further drop in hourly pay for workers in the durable goods industries, but a slight gain in pay for workers in the light industries, said the Labor Department's advices, which added:

"Average weekly earnings for manufacturing as a whole declined further in September—from \$41.75 in August to a level of \$40.38—but increased slightly between September and October, according to a preliminary survey. In September, they were about \$4.50 per week less than in July.

"Workers in the durable goods group earned almost \$2 less per week in September than in August, and \$6.75 less than in July. On the other hand, workers in the nondurable goods industries earned \$1 more than in August, and only 75 cents less than in July. In September, workers in durable goods industries averaged almost \$44 a week; those in the light industries, about \$38.

"Drops in weekly pay between August and September were reported in six of the nine major durable goods groups. The largest cut occurred in the transportation equipment group, where production curtailments are still in progress. Automobiles, furniture, and lumber all reported increases in weekly earnings resulting from longer workweeks. In the automobile group, workers put in on the average of 3 hours more per week in September than in August, when an extended Surrender holiday was observed.

"In the civilian goods industries, weekly pay increased in eight of the 11 groups. In every case, the increase in weekly pay reflected a longer workweek than the very short week in August.

"The average workweek in all manufacturing was 41.4 hours in September—only slightly higher than in August. The observance of Labor Day by most manufacturing industries curbed the increase which was anticipated after the two-day holiday in August. In October, the workweek showed

a further increase to a level of slightly under 42 hours per week. There was no apparent difference in the workweek in the heavy or the light industries; both indicated a scheduled workweek of about 44 hours."

### Nov. Cotton Consumption

The Census Bureau at Washington on Dec. 18 issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles in the month of November.

In the month of November, 1945, cotton consumed amounted to 743,450 bales of lint and 83,680 bales of linters, as compared with 759,806 bales of lint and 85,464 bales of linters in October and 836,438 bales of lint and 123,032 bales of linters in November, 1944.

In the four months ending Nov. 30 cotton consumption was 2,944,067 bales of lint and 330,838 bales of linters, which compares with 3,261,577 bales of lint and 497,948 bales of linters in the corresponding period a year ago.

There were 2,202,498 bales of lint and 257,002 bales of linters on hand in consuming establishments on Nov. 30, 1945, which compares with 1,912,212 bales of lint and 206,420 bales of linters on Oct. 31, 1945, and 2,208,291 bales of lint and 232,471 bales of linters on Nov. 30, 1944.

On hand in public storage and at compresses on Nov. 30, 1945, there were 10,623,198 bales of lint and 43,587 bales of linters, which compares with 9,230,768 bales of lint and 29,238 bales of linters on Oct. 31 and 13,174,894 bales of lint and 24,415 bales of linters on Nov. 30, 1944.

There were 21,695,060 cotton spindles active during November, which compares with 21,721,792 cotton spindles active during October, 1945, and with 22,257,040 active cotton spindles during November, 1944.

## Administration Policy Toward China

A few hours after General George C. Marshall left by plane for his new post as Ambassador to China, President Truman issued on Dec. 15 a statement of United States policy toward that nation in which he reiterated our government's adherence to a principle of non-interference in the internal management of another country but expressed the fervent desire that opposing forces within China come to an early solution of their differences.

On Dec. 16 it was reported from Chungking that President Truman's statement had been welcomed and that the two contending sides felt that negotiation and settlement of the dispute could be accomplished.

The following was reported by the Associated Press from Washington as the text of Mr. Truman's announcement:

The Government of the United States holds that peace and prosperity of the world in this new and unexplored era ahead depend upon the ability of the sovereign nations to combine for collective security in the United Nations Organization.

It is the firm belief of this Government that a strong, united and democratic China is of the utmost importance to the success of this United Nations Organization and for world peace. A China disorganized and divided either by foreign aggression, such as that undertaken by the Japanese, or by violent internal strife, is an undermining influence to world stability and peace, now and in the future.

The United States Government has long subscribed to the principle that the management of internal affairs is the responsibility of the peoples of the sovereign nations. Events of this century, however, would indicate that a breach of peace anywhere in the world threatens the peace of the entire world. It is thus in the most vital interest of the United States and all the United Nations that the people of China overlook no opportunity to adjust their internal differences promptly by methods of peaceful negotiation.

The Government of the United States believes it essential:

1. That a cessation of hostilities be arranged between the armies of the National Government and the Chinese Communists and other dissident Chinese armed forces for the purpose of completing the return of all China to effective Chinese control, including the immediate evacuation of the Japanese forces.

2. That a national conference of representatives of major political elements be arranged to develop an early solution to the present internal strife—a solution which will bring about the unifications of China.

The United States and the other United Nations have recognized the present National Government of the Republic of China as the only legal Government in China. It is the proper instrument to achieve the objective of a unified China.

The United States and the United Kingdom by the Cairo declaration in 1943 and the Union of Soviet Socialist Republics by adhering to the Potsdam Declaration of last July and by the Sino-Soviet Treaty and agreements of August, 1945, are all committed to the liberation of China, including the return of Manchuria to Chinese control. These agreements were made with the National Government of the Republic of China.

In continuation of the constant and close collaboration with the National Government of the Republic of China in the prosecution of this war, in consonance with the Potsdam Declaration, and to remove possibility of Japanese influence remaining in China, the United States has assumed a definite obligation in the disarmament and evacuation of the Japanese troops. Accordingly the United States has been assisting and will continue to assist the National Government of the Republic of China in effecting the disarmament and evacuation of

Japanese troops in the liberated areas. The United States Marines are in North China for that purpose.

The United States recognizes and will continue to recognize the National Government of China and cooperate with it in international affairs and specifically in eliminating Japanese influence from China. The United States is convinced that a prompt arrangement for a cessation of hostilities is essential to the effective achievement of this end. United States support will not extend to United States military intervention to influence the course of any Chinese internal strife.

The United States has already been compelled to pay a great price to restore the peace which was first broken by Japanese aggression in Manchuria. The maintenance of peace in the Pacific may be jeopardized, if not frustrated, unless Japanese influence in China is wholly removed and unless China takes her place as a unified, democratic and peaceful nation. This is the purpose of the maintenance for the time being of United States military and naval forces in China.

The United States is cognizant that the present National Government of China is a "one-party government" and believes that peace, unity and democratic reform in China will be furthered if the basis of this Government is broadened to include other political elements in the country. Hence, the United States strongly advocates that the national conference of representatives of major political elements in the country agree upon arrangements which would give those elements a fair and effective representation in the Chinese National Government. It is recognized that this would require modification of the one-party "political tutelage" established as an interim arrangement in the progress of the nation toward democracy by the father of the Chinese Republic, Dr. Sun Yat-sen.

The existence of autonomous armies such as that of the Communist Army is inconsistent with, and actually makes impossible, political unity in China. With the institution of a broadly representative government, autonomous armies should be eliminated as such and all armed forces in China integrated effectively into the Chinese National Army.

In line with its often expressed views regarding self-determination, the United States Government considers that the detailed steps necessary to the achievement of political unity in China must be worked out by the Chinese themselves and that intervention by any foreign government in these matters would be inappropriate. The United States Government feels, however, that China has a clear responsibility to the other United Nations to eliminate armed conflict within its territory as constituting a threat to world stability and peace—a responsibility which is shared by the National Government and all Chinese political and military groups.

As China moves toward peace and unity along the lines described above, the United States would be prepared to assist the National Government in every reasonable way to rehabilitate the country, improve the agrarian and industrial economy, and establish a military organization capable of discharging China's national and international responsibilities for the maintenance of peace and order.

... furtherance of such assist-

## Big 3 Foreign Ministers Meet

Announcement was made by radio from Moscow that the first formal meeting of the current conference of U. S. Secretary of State Byrnes, British Foreign Secretary Ernest Bevin and Soviet Foreign Commissar Molotov had taken place on Dec. 16, with no details given of the discussions, according to cabled advices from London to the New York "Times." The principal subject of discussions is expected to be control of atomic energy.

Every indication within Moscow, it was reported by the Associated Press on Dec. 15 augured hopefully for the successful outcome of the talks. In their greetings to their foreign visitors the Russians evidenced extreme cordiality, and although the press released from editorial comment of the occasion, the arrival of the Ministers was treated prominently in the newspapers, indicating the Russians' appreciation of the importance of the conference.

An Associated Press report from Moscow on the 16th stated that both Mr. Byrnes and Mr. Bevin were said to be eager for the discussions to begin, and that the opening session had lasted about two and one-half hours.

It was stated in Associated Press advices from Moscow on Dec. 18 that Generalissimo Stalin, rested by a long vacation, was back at his desk that day, as the Foreign Ministers of Soviet Russia, Great Britain and the United States prepared for their third formal session on world problems with a feeling of reserved optimism. The press advices also said in part:

Premier Stalin returned from his sixty-eight-day holiday yesterday, just four days before his sixty-sixth birthday, and plunged immediately into his duties as President of the Council of People's Commissars.

Stalin's return was announced by a brief statement published in all Moscow newspapers, saying:

"Yesterday, Dec. 17, the President of the Council of People's Commissars, U. S. S. R., Comrade Stalin, returned from his vacation to Moscow and entered upon the fulfillment of his duties."

The announcement came as the "Big Three" foreign ministers, meeting there since Sunday, finished their preliminary talks and prepared to get down to discussion of some of the basic issues of world peace and prosperity which were believed to be on their agenda.

## End Father Draft

Orders were issued to local draft boards on Dec. 19 that fathers are no longer to be drafted into the armed forces, a special dispatch to the New York "Times" from Washington reported. Fathers with one or two children will still be accepted as volunteers, but no man with three or more children will be accepted on any basis. Selective Service regulations define a father as follows:

"The term 'children' shall include legitimate or illegitimate children from the date of their conception, children legally adopted, stepchildren, foster children and persons who are supported in good faith by the registrant in a relationship similar to that of parent and children but shall not include persons 18 years of age or over unless they are physically or mentally handicapped."

ance, it would be prepared to give favorable consideration to Chinese requests for credits and loans under reasonable conditions for projects which would contribute toward the development of a healthy economy throughout China and healthy trade relations between China and the United States.

## Irr Named Pres. of U. S. Savs.-Loan League

"The need for homes will be one of the most potent factors for peace in the troubled world of the next ten to fifteen years," declared Henry P. Irr, of Baltimore, Md., upon his election on Nov. 28 at Chicago to the Presidency of the United States Savings and Loan League.



Henry P. Irr

Mr. Irr, President of the Baltimore Federal Savings and Loan Association, is the first Marylander ever to hold the Presidency of the League and he becomes the 53rd President of the organization which comprises some 3700 savings and loan institutions and co-operative banks throughout the country. He succeeds W. M. Brock, Dayton, Ohio, who retired as presiding officer at an installation dinner for Mr. Irr on Nov. 30. The new Second Vice President of the League, is Walter W. McAllister of San Antonio, Texas, President of the San Antonio Building and Loan Association. Mr. Irr, the League's newly elected head is manager of the largest savings and loan institution in Maryland, and Chairman of the Maryland State Planning Commission and of the Maryland Commission on Postwar Reconstruction and Development, by appointments from the Governor. He moved up from the Vice Presidency of the League this past year and has been active in local and regional organization assignments and committee work during the past six or seven years.

Four members of the board of directors of the League were elected for three-year terms:

"Ralph R. Crosby, Providence, R. I., Vice-President of the Old Colony Co-operative Bank, director for District 1 comprising the New England states;

"Dandridge Murrell, Lynchburg, Va., Secretary-Treasurer of the First Federal Savings and Loan Association of Lynchburg, director for District 4, comprising Virginia, North Carolina, South Carolina and District of Columbia;

Walter J. L. Ray, Detroit, Mich., President-Secretary of the Standard Savings and Loan Association, director for District 7, comprising Illinois, Indiana, and Michigan;

"Allain C. Landry, New Orleans, President of the Fidelity Homestead Association, director for District 10, comprising Arkansas, Louisiana, Texas and New Mexico."

Also elected to fill out an unexpired term for District 12 was Harold B. Starkey, San Diego, executive vice president of the First Federal Savings and Loan Association of San Diego, comprising Arizona, California, Nevada and Hawaii.

In discussing the need for homes Mr. Irr in his address with his election to his new post, said in part:

"The civilian economics of every country which was in the war are suffering worse for shelter than any of them have ever experienced in six thousand years of written history. It will take a decade, even with technological improvements in the building process developed out of the war, for them to catch up, and then there will be the backlog of new demand growing up alongside the accumulated demand which is trying to be met. I don't think we have to worry about any nation starting another aggression, or being able to mobilize its people into enthusiasm for war and privations, while this homeless-

ness cries out for all the resources all the nations can muster. Our shortage in this country which is the result of the cessation of the building the past three and a half years and the deplorable difficulties and disputes in getting home construction resumed, is purely a matter of men and materials. The thrift and home financing and other lending institutions in our own United States have, between them, enough money to lend anybody, veterans or home front serviceman, who wants to build or buy a home the money he needs."

## Higher Publishing Costs to Newspapers

The cost to newspaper publishers of publishing their papers will increase approximately \$20,000,000 more next year on the basis of an increase of \$6 a ton just granted on the price of newsprint. Associated Press advices from Washington Dec. 18 reporting this, added:

"The action was taken, government quarters said, to check further decrease in U. S. newsprint production, which has been gradually declining for some years."

"As production has gone down, the price of newsprint has risen steadily. The price of newsprint delivered in New York was \$50 a ton just prior to Pearl Harbor. With the latest increase the new ceiling will be \$67 a ton on the same basis."

"The American Newspaper Publishers Association, which has made no public comment on the newsprint price increase, figures that 140,000 full sized newspaper pages can be produced from a ton of newsprint. This would figure down to 4,663 copies of a 30-page newspaper per ton.

"Government sources estimated that approximately 3,250,000 tons of newsprint are consumed in this country annually."

## War Powers Act Extended Six Months

The Senate voted on Dec. 19 by a vote of 31 to 30 to extend the Second War Powers Act for six months until June 30, 1945, as the House had done previously. As soon as minor differences are adjusted, the legislation will be sent to the White House for signature of the President, who had, however, requested an extension of one year. The broad powers given the President under the bill include authority for rationing and numerous other wartime controls.

The Administration argument for the year's extension had been, the New York "Times" stated in its report of the Senate action from Washington on Dec. 19, that, although the greatly reduced controls now outstanding would be relinquished as promptly as was found to be "safe," it would be almost as hazardous to dispense with the overall powers in six months as it would be today. The "Times" advices added:

In the matter of enforcement, it was contended, there might be a feeling on the part of those still subject to controls that with the law to expire so comparatively soon there would be "a letting down" and the controls would not be taken "too seriously." Further, it was said, there might be a tendency to hoard materials until the controls expired.

However, opponents of the plan to extend the bill for longer than six months pointed out that its expiration date of June 30, 1946, if it should be deemed necessary, another extension can be considered and acted upon.

## President Urges Armed Service Merger

In a special message to Congress on Dec. 19, President Truman added his voice to those who advocate a merger of the armed services into a single Department of National Defense, with the air forces fully equal to the land and sea arms. The President's recommendations for a unification plan followed virtually every detail of the official War Department plan. Following is the text of the President's message as given by the Associated Press in its report from Washington:

To the Congress of the United States:

In my message of Sept. 6, 1945, I stated that I would communicate with the Congress from time to time during the current session with respect to a comprehensive and continuous program of national security. I pointed out the necessity of making timely preparation for the nation's long-range security now—while we are still mindful of what it has cost us in this war to have been unprepared.

On Oct. 23, 1945, as part of that program, there was presented for your consideration a proposal for universal military training. It was based upon the necessities of maintaining a well-trained citizenry which could be quickly mobilized in time of need in support of a small professional military establishment. Long and extensive hearings have now been held by the Congress on this recommendation. I think that the proposal, in principle, has met with the overwhelming approval of the people of the United States.

We are discharging our armed forces now at the rate of 1,500,000 a month. We can with fairness no longer look to the veterans of this war for any future military service. It is essential therefore that universal training be instituted at the earliest possible moment to provide a reserve upon which we can draw if, unhappily, it should become necessary. A grave responsibility will rest upon the Congress if it continues to delay this most important and urgent measure.

Today, again in the interest of national security and world peace, I make this further recommendation to you. I recommend that the Congress adopt legislation combining the War and Navy departments into one single department of national defense. Such unification is another essential step—along with universal training—in the development of a comprehensive and continuous program for our future safety and for the peace and security of the world.

One of the lessons which have most clearly come from the costly and dangerous experience of this war is that there must be unified direction of land, sea and air forces at home as well as in all other parts of the world where our armed forces are serving.

We did not have that kind of direction when we were attacked four years ago—and we certainly paid a high price for not having it.

In 1941 we had two completely independent organizations with no well-established habits of collaboration and co-operation between them. If disputes arose, if there was failure to agree on a question of planning or a question of action, only the President of the United States could make a decision effective on both. Besides, in 1941, the air power of the United States was not organized on a par with the ground and sea forces.

Our expedient for meeting these defects was the creation of the Joint Chiefs of Staff. On this committee sat the President's Chief of Staff and the chiefs of the land forces, the naval forces, and the air forces. Under the joint chiefs were organized a number of committees bringing together personnel of the three services for joint strategic planning and for coordination of operations. This kind of coordination was better than no coordina-

tion at all, but it was in no sense a unified command.

In the theaters of operation, meanwhile, we went further in the direction of unity by establishing unified commands. We came to the conclusion—soon confirmed by experience—that any extended military effort required over-all coordinated control in order to get the most out of the three armed forces. Had we not early in the war adopted this principle of a unified command for operations, our efforts, no matter how heroic, might have failed.

But we never had comparable unified direction or command in Washington. And even in the field our unity of operations was greatly impaired by the differences in training, in doctrine, in communication systems, and in supply and distribution systems, that stemmed from the division of leadership in Washington.

It is true, we were able to win in spite of these handicaps. But it is now time to take stock, to discard obsolete organizational forms and to provide for the future the soundest, the most effective and the most economical kind of structure for our armed forces of which this most powerful nation is capable.

I urge this as the best means of keeping the peace.

No nation now doubts the good will of the United States for the maintenance of a lasting peace in the world. Our purpose is shown by our efforts to establish an effective United Nations Organization. But all nations—and particularly those unfortunate nations which have felt the heel of the Nazis, the Fascists or the Japs—know that desire for peace is futile unless there is also enough strength ready and willing to enforce that desire in any emergency. Among the things that have encouraged aggression and the spread of war in the past have been the unwillingness of the United States realistically to face this fact, and her refusal to fortify her aims of peace before the forces of aggression could gather in strength.

Now that our enemies have surrendered it has again become all too apparent that a portion of the American people are anxious to forget all about the war, and particularly to forget all the unpleasant factors which are required to prevent future wars.

Whether we like it or not, we must all recognize that the victory which we have won has placed upon the American people the continuing burden of responsibility for world leadership. The future peace of the world will depend in large part upon whether or not the United States shows that it is really determined to continue in its role as a leader among nations. It will depend upon whether or not the United States is willing to maintain the physical strength necessary to act as a safeguard against any future aggressor. Together with the other United Nations, we must be willing to make the sacrifices necessary to protect the world from future aggressive warfare. In short, we must be prepared to maintain in constant and immediate readiness sufficient military strength to convince any future potential aggressor that this nation in its determination for a lasting peace means business.

We would be taking a grave risk with the national security if we did not move now to overcome permanently the present imperfections in our defense organization. However great was the need for coordination and unified com-

mand in World War II, it is sure to be greater if there is any future aggression against world peace. Technological developments have made the armed services much more dependent upon each other than ever before. The boundaries that once separated the Army's battlefield from the Navy's battlefield have been virtually erased. If there is ever going to be another global conflict, it is sure to take place simultaneously on land and sea and in the air, with weapons of ever greater speed and range. Our combat forces must work together in one team as they have never been required to work together in the past.

We must assume, further, that another war would strike much more suddenly than the last, and that it would strike directly at the United States. We cannot expect to be given the opportunity again to experiment in organization and in ways of teamwork while the fighting proceeds. True preparedness now means preparedness not alone in armaments and numbers of men, but preparedness in organization also. It means establishing in peacetime the kind of military organization which will be able to meet the test of sudden attack quickly and without having to improvise radical readjustment in structure and habits.

The basic question is what organization will provide the most effective employment of our military resources in time of war and the most effective means for maintaining peace. The manner in which we make this transition in the size, composition, and organization of the armed forces will determine the efficiency and cost of our national defense for many years to come.

Improvements have been made since 1941 by the President in the organization of the War and Navy departments, under the War Powers Act. Unless the Congress acts before these powers lapse, these departments will revert to their prewar organizational status. This would be a grievous mistake.

The Joint Chiefs of Staff are not a unified command. It is a committee which must depend for its success upon the voluntary cooperation of its member agencies. During the war period of extreme national danger there was, of course, a high degree of cooperation. In peacetime the situation will be different. It must not be taken for granted that the Joint Chiefs of Staff as now constituted will be as effective in the apportionment of peacetime resources as they have been in the determination of war plans and in their execution. As national defense appropriations grow tighter, and conflicting interests make themselves felt in major issues of policy and strategy, unanimous agreements will become more difficult to reach.

It was obviously impossible in the midst of conflict to reorganize the armed forces of the United States along the lines here suggested. Now that our enemies have surrendered, I urge the Congress to proceed to bring about a reorganization of the management of the armed forces.

Further studies of the general problem would serve no useful purpose. There is enough evidence now at hand to demonstrate beyond question the need for a unified department. A great many of the reasons for establishing a single department have been brought out already in public discussion and in Congressional committee hearings. To me the most important reasons for combining the two existing departments are these:

1. We should have integrated strategic plans and a unified military program and budget.

With the coming of peace it is clear that we must not only continue, but strengthen, our present facilities for integrated planning. We cannot have the sea, land and air members of our defense team

working at what may turn out to be cross-purposes, planning their programs on different assumptions as to the nature of the military establishment we need, and engaging in an open competition for funds.

Strategy, program and budget are all aspects of the same basic decisions. Using the advice of our scientists and our intelligence officers, we must make the wisest estimate as to the probable nature of any future attack upon us, determine accordingly how to organize and deploy our military forces, and allocate the available manpower, material and financial resources in a manner consistent with the over-all plan.

Up to the present time the makeup and balance of our armed forces have not been planned as a whole. Programs and budget requests from the Army and Navy have been formulated separately, on the basis of independent concepts of mission and function. These separate programs and budgets have not been considered together until after they have passed out of military hands and even out of the hands of the Secretaries of War and the Navy. The whole job of reconciling the divergent claims of the departments has been thrust upon the President and the Congress.

This war has demonstrated completely that the resources of this nation in manpower and in raw materials are not unlimited. To realize this is to comprehend the urgent need for finding a way to allocate these resources intelligently among the competing services. This means designing a balanced military structure reflecting a considered apportionment of responsibility among the services for the performance of a joint mission.

From experience as a member of the Congress I know the great difficulty of appraising properly the over-all security needs of the nation from piecemeal presentations by separate departments appearing before separate Congressional committees at different times. It is only by combining the armed forces into a single department that the Congress can have the advantage of considering a single coordinated and comprehensive security program.

2. We should realize the economies that can be achieved through unified control of supply and service functions.

Instances of duplication among Army and Navy activities and facilities have been brought to the attention of the Congress on many occasions. The degree of unity that was accomplished during the war in strategic planning and in theater command is in striking contrast with the separatism that prevailed in the whole range of supply and service functions.

It will never be possible to achieve absolute coordination of the supply and service functions of all services. Neither the War Department nor the Navy Department has been able to eliminate all duplication even within its own organization. But there is no question that the extent of waste through lack of coordination between the two departments is very much greater than the waste resulting from faulty coordination within each. If we can attain as much coordination among all the services as now exists within each department, we shall realize extensive savings.

Consolidation of the departments will, for example, reduce the volume of supplies that need to be produced. Supply requirements, for example, begin with a calculation of so many items per man to be supplied. But to this basic figure must be added margins of safety, to account for items in storage, transportation lags, breakdowns in delivery, emergency demands, and so forth. In these margins, savings can be made through unified systems of supply. As the volume handled in

any supply system grows, the percentage factor which has to be added for reserves is reduced.

In the same way, both the Army and the Navy must add a margin of safety to their requirements for production plants, depots, hospitals, air training fields, and other types of construction common to both services. When the requirements are pooled, the total amount of margin may be reduced. The same is true of personnel. Each service must add a margin of safety in estimating its requirements for doctors, nurses, skilled mechanics, and other types of specialists. The total margin is greater if the computations are made separately. Another source of economy will be the pooling of facilities and personnel in localities where at present both services have to operate, but where from the nature of the circumstances, facilities and personnel are not fully used.

Other examples of duplication could be cited. Business men have to deal with separate buyers, who may use separate specifications for items which could as well have the same specifications. Separate inspectors are stationed in their plants. During this war, instances occurred where the purchase of all available quantities of certain items by one service resulted in acute shortages in the other service. Parallel transportation and storage systems required extra overhead.

As the war progressed, it is true that increased cooperation reduced the extent of waste and conflict. But voluntary cooperation in such matters can never be expected to be fully effective. A single authority at the top would inevitably achieve a greater degree of economy than would be obtained under divided direction.

3. We should adopt the organizational structure best suited to fostering coordination between the military and the remainder of the Government.

Our military policy and program are only a part of a total national program aimed at achieving our national objectives of security and peace. This total program has many aspects, and many agencies of the Government must participate in its execution.

Our military policy, for example, should be completely consistent with our foreign policy. It should be designed to support and reflect our commitments to the United Nations Organization. It should be adjusted according to the success or lack of success of our diplomacy. It should reflect our fullest knowledge of the capabilities and intentions of other Powers. Likewise, our foreign policy should take into account our military capabilities and the strategic power of our armed forces.

A total security program has still other major aspects. A military program, standing alone, is useless. It must be supported in peacetime by planning for industrial mobilization and for development of industrial and raw material resources where these are insufficient. Programs of scientific research must be developed for military purposes, and their results woven into the defense program. The findings of our intelligence service must be applied to all of these.

Formulation and execution of a comprehensive and consistent national program embracing all these activities are extremely difficult tasks. They are made more difficult the greater the number of departments and agencies whose policies and programs have to be coordinated at the top level of the executive branch. They are simplified as the number of these agencies can be reduced.

The consolidation of the War and Navy departments would greatly facilitate the ease and speed with which the armed forces and the other departments could exchange views and come to agreement on matters of common

concern. It would minimize the extent to which inter-service differences have to be discussed and settled by the civilian leaders whose main concern should be the more fundamental job of building over-all national policy.

4. We should provide the strongest means for civilian control of the military.

Civilian control of the military establishment—one of the most fundamental of our democratic concepts—would be strengthened if the President and the Congress had but one Cabinet member with clear and primary responsibility for the exercise of that control. When the military establishment is divided between two civilian secretaries, each is limited necessarily to a restricted view of the military establishment. Consequently, on many fundamental issues where the civilian point of view should be controlling, the secretaries of the two departments are cast in the role of partisans of their respective services, and real civilian control can be exercised by no one except the President or the Congress.

During and since the war, the need for joint action by the services and for objective recommendations on military matters has led inevitably to increasing the authority of the only joint organization and the most nearly objective organization that exists—the Joint Chiefs of Staff. But the Joint Chiefs of Staff are a strictly military body. Responsibility for civilian control should be clearly fixed in a single full-time civilian below the President. This requires a secretary for the entire military establishment, aided by a strong staff of civilian assistants.

There is no basis for the fear that such an organization would lodge too much power in a single individual—that the concentration of so much military power would lead to militarism. There is no basis for such fear as long as the traditional policy of the United States is followed that a civilian, subject to the President, the Congress and the will of the people, be placed at the head of this department. The safety of the democracy of the United States lies in the solid good sense and unshakable conviction of the American people. They need have no fear that their democratic liberties will be imperiled so long as they continue fulfilling their duties of citizenship.

5. We should organize to provide parity for air power.

Air power has been developed to a point where its responsibilities are equal to those of land and sea power, and its contribution to our strategic planning is as great. In operation, air power receives its separate assignment in the execution of an over-all plan. These facts were finally recognized in this war in the organizational parity which was granted to air power within our principal unified commands.

Parity for air power can be achieved in one department or in three, but not in two. As between one department and three, the former is infinitely to be preferred. The advantages of a single department are indeed much clearer when the alternative is seen to be three departments rather than the present two. The existence of three departments would complicate tremendously every problem of coordination that now exists between the War and Navy departments, and between the services and the rest of the Government.

The Cabinet is not merely a collection of executives administering different governmental functions. It is a body whose combined judgment the President uses to formulate the fundamental policies of the administration. In such a group, which is designed to develop teamwork wisdom on all subjects that affect the political life of the country, it would be inappropriate and unbalanced to have three members representing

three different instruments of national defense.

The President, as Commander in Chief, should not personally have to coordinate the Army and Navy and Air Force. With all the other problems before him, the President cannot be expected to balance either the organization, the training or the practice of the several branches of national defense. He should be able to rely for that coordination upon civilian hands at the Cabinet level.

6. We should establish the most advantageous framework for a unified system of training for combined operations of land, sea and air.

Whatever the form which any future war may take, we know that the men of our separate services will have to work together in many kinds of combinations for many purposes. The Pacific campaign of the recent war is an outstanding example of common and joint effort among land, sea and air forces. Despite its successes, that campaign proved that there is not adequate understanding among the officers and men of any services of the capabilities, the uses, the procedures, and the limitations of the other services.

This understanding is not something that can be created overnight whenever a combined operation is planned and a task force organized. The way men act in combat is determined by the sum total of all their previous training, indoctrination, and experience.

What we seek is a structure which can best produce an integrated training program, carry on merged training activities where that is appropriate, and permit officers to be assigned in such a way that an individual officer will learn first-hand of other services besides the one in which he has specialized. The organizational framework most conducive to this kind of unified training and doctrine is a unified department.

**Allocation for Scientific Research**  
7. He should allocate systematically our limited resources for scientific research.

No aspect of military preparedness is more important than scientific research. Given the limited amount of scientific talent that will be available for military purposes, we must systematically apply that talent to research in the most promising lines and on the weapons with the greatest potentiality, regardless of the service in which these weapons will be used. We cannot afford to waste any of our scientific resources in duplication of effort.

This does not mean that all Army and Navy laboratories would be immediately or even ultimately consolidated. The objectives should be to preserve initiatives and enterprise while eliminating duplication and misdirected effort. This can be accomplished only if we have an organizational structure which will permit fixing responsibility at the top for coordination among the services.

8. We should have unity of command in outlying bases.

All military authority at each of our outlying bases should be placed under a single commander who will have clear responsibility for security, who can be held clearly accountable, and whose orders come from a single authority in Washington. Reconnaissance planes, radar sets, and intelligence and counter-intelligence measures at a United States outpost are not intended to serve separate services for different purposes. Unification of the services offers a far greater guaranty of continued unity in the field than does our present organization.

9. We should have consistent and equitable personnel policies.

There have been differences in personnel policies between the Army and the Navy during the war. They began with competitive recruitment of certain types of

persons, and continued in almost every phase of personnel administration. In rates of promotion, in ways of selecting officers, in the utilization of reserve officers, in awards and decorations, in allowances and in point systems for discharge, the two services have followed different policies.

This inconsistency is highly undesirable. It will be reduced to a minimum under a unified organization.

**Recommendations for Reorganization**

Any bill which is enacted to carry out these recommendations cannot provide immediately the ultimate organization plan to accomplish unification. It can only prescribe the general organization of the authorities at the top levels of the unified department.

I recommend that the reorganization of the armed services be along the following broad lines.

1. There should be a single Department of National Defense. This department should be charged with the full responsibility for armed national security. It should consist of the armed and civilian forces that are now included within the War and Navy departments.

2. The head of this department should be a civilian, a member of the President's Cabinet, to be designated as the Secretary of National Defense. Under him there should be a civilian under-secretary and several assistant secretaries.

3. There should be three coordinated branches of the Department of National Defense: One for the land forces, one for the naval forces, and one for the air forces, each under an assistant secretary. The Navy should, of course, retain its own carrier-, ship-, and water-based aviation. And, of course, the Marine Corps should be continued as an integral part of the Navy.

4. The Under-Secretary and the remaining assistant secretaries should be available for assignment to whatever duties the President and the Secretary may determine from time to time.

5. The President and the Secretary should be provided with ample authority to establish central coordinating and service organizations, military and civilian, where these are found to be necessary. Some of these might be placed under assistant secretaries, some might be organized as central service organizations, and some might be organized in a top military staff to integrate the military leadership of the department. I do not believe that we can specify at this time the exact nature of these organizations. They must be developed over a period of time by the President and the Secretary as a normal part of their executive responsibilities. Sufficient strength in these department-wide elements of the department, as opposed to the separate service elements, will insure that real unification is ultimately obtained. The President and the Secretary should not be limited in their authority to establish department-wide coordinating and service organizations.

**Proposes Chief of Staff of Defense Department**

6. There should be a Chief of Staff of the Department of National Defense. There should also be a commander for each of the three component branches—Army, Navy and Air.

7. The Chief of Staff and the commanders of the three coordinate branches of the department should together constitute an advisory body to the Secretary of National Defense and to the President. There should be nothing to prevent the President, the Secretary and other civilian authorities from communicating with the commanders of any of the components of the department on such vital matters as basic military strategy and policy

and the division of the budget. Furthermore, the key staff positions in the department should be filled with officers drawn from all the services, so that the thinking of the department would not be dominated by any one or two of the services.

As an additional precaution, it would be wise if the post of Chief of Staff were rotated among the several services, whenever practicable and advisable, at least during the period of evolution of the new unified department. The tenure of the individual officer designated to serve as Chief of Staff should be relatively short—two or three years—and should not, except in time of a war emergency declared by the Congress, be extended beyond that period.

Unification of the services must be looked upon as a long-term job. We all recognize that there will be many complications and difficulties. Legislation of the character outlined will provide us with the objective and with the initial means whereby forward-looking leadership in the department, both military and civilian, can bring real unification into being. Unification is much more than a matter of organization. It will require new viewpoints, new doctrine and new habits of thinking throughout the departmental structure. But in the comparative leisure of peacetime, and utilizing the skill and experience of our staff and field commanders who brought us victory, we should start at once to achieve the most efficient instrument of national safety.

Once a unified department has been established, other steps necessary to the formulation of a comprehensive national security program can be taken with greater ease. Much more than a beginning has already been made in achieving consistent political and military policy through the establishment of the State-War-Navy Coordinating Committee. With respect to military research, I have in a previous message to the Congress proposed the establishment of a Federal Research Agency, among whose responsibilities should be the promotion and coordination of fundamental research pertaining to the defense and security of the nation. The development of a coordinated, Government-wide intelligence system is in process. As the advisability of additional action to insure a broad and coordinated program of national security becomes clear, I shall make appropriate recommendations or take the necessary action to that end.

The American people have all been enlightened and gratified by the free discussion which has taken place within the services and before the committees of the Senate and the House of Representatives. The Congress, the people, and the President have benefited from a clarification of the issues that could have been provided in no other way. But however strong the opposition that has been expressed by some of our outstanding senior officers and civilians, I can assure the Congress that once unification has been determined upon as the policy of this nation, there is no officer or civilian in any service who will not contribute his utmost to make the unification a success.

I make these recommendations in the full realization that we are undertaking a task of greatest difficulty. But I am certain that when the task is accomplished, we shall have a military establishment far better adapted to carrying out its share of our national program for achieving peace and security.

HARRY S. TRUMAN.

The White House, Dec. 9, 1945.

**The Farm Situation**

(Continued from first page)

long staple, high quality cotton must make their selection from the skimpiest crop in many years—this in the face of heavy mill requirements. The dried bean crop is short, but larger supplies of meat and poultry should be an offsetting factor. The rye crop is sharply below normal.

**No Cause for Complaint**

Nevertheless, the over-all picture remains definitely favorable. Farmers, in my opinion, have no cause for complaint. In fact, they have fared unusually well during the past few years of large crops and high prices. This is evidenced by the fact that cash receipts from farm marketings rose steadily from \$7,877,000,000 in 1939 to a tentative figure of \$20,400,000,000 in 1945. That is not chicken feed. It may well mark a peak in farm income over the foreseeable future.

I do not mean to imply by this statement that the agricultural outlook over the next year or two is unfavorable. Farmers ought to do very well by themselves at least during 1946 and 1947. In this connection, do not overlook the fact that the government is committed to the support of farm prices at 90% of parity for two years after official declaration of war's end. If Uncle Sam is able to carry out his promise, and crop yields are good, farmers can look forward to at least two more years of prosperity. After that, the going is likely to get tougher.

**Cultivate Farm Markets**

The war years have left a large void of consumer goods in rural, as well as urban, areas. Farmers should prove to be the best customers next year of many distributors. Sellers of general merchandise should do well. The big mail-order houses especially should prosper. To most farm families the mail-order catalogs are second in importance only to the Bible. However, I hope the latter will continue to occupy the place of honor, and support, as only it can do, the sturdy integrity and morality of America's millions of farm homes.

Farm areas offer lush fields also to manufacturers and distributors of farm equipment and supplies. The need is so great that this business should not be hard to get, although the biggest rewards will go to those concerns who get there "the fustest with the mostest." I think the outlook also is favorable for distributors and manufacturers of electrical appliances, provided they are equipped to reach the farm market. Since farm production is likely to continue large next year, fertilizer producers and distributors should enjoy good business. Lumber and other building materials should be in good demand in rural areas in 1946.

**Farm Land Values**

Farm land values have zoomed and may go still higher; but, in my opinion, are reaching vulnerable levels. Farmers, in the flush of their current prosperity, should not over-extend and should stay out of debt as much as possible. Owners of speculative farm land should consider shifting into good urban real estate or other assets such as sound securities. The farm land boom will not last forever.

**Stalin Returns to Moscow—Big Three Talks Continue**

It was reported by the Moscow radio on Dec. 18, according to Associated Press advices from London, that Premier Stalin, having returned to Moscow the preceding day, had already resumed his duties. Varying reports unconfirmed, have circulated concerning Premier Stalin's health ever since the announcement that he had gone to the Black Sea area on vacation, Oct. 9.

## Management's Responsibility to Itself

(Continued from first page)  
showmanship that business leaders have simply got to acquire to hold their own.

And business desperately needs fully-trained leaders and strategists, unafraid and informed, for the economic Armageddon that is upon us. This is no transitory crisis. Business cannot take it lightly. You've got to stand up and fight. Therefore, I think I can best talk to you today about the necessity for (1) a united purpose, (2) a common strategy and (3) the total strength of the business leadership that is needed in this crucial battle for freedom.

### Business Leadership in Troubled World

A troubled world, seeking easy answers, is drifting out of war toward totalitarianism and bondage. The system-changers in the Government Temples are spouting the doom of our days; those who battle on the right are many-tongued and not of one mind.

You all know that enthusiasm is not lacking, and courage is not wanting in the ranks of management, but the army is sometimes mostly generals. Too many businessmen will go to hell for a common program any time—so long as it happens to be going their way. That is not enough. We must stop this detouring of purpose and confusion of talks, and get our plan of battle and our objectives joined. Above all else we must enlist the fullest strength of business leadership.

Actually, of course, we do have a united purpose. Ask any businessman and he will tell you right off the bat what it is; the saving of American private enterprise. And, those are exactly the words that most executives would use in stating the case—"Help us save Private Enterprise." But the public is not interested in helping YOU save private enterprise.

That's a selfish-sounding, unappealing approach that wouldn't sell spring water in the Sahara Desert. Let's dress up our system-selling. Let's get competitive, as we do in our day-to-day pruned-peddling. Only through competition does the customer get a fair break. Put the oomph in it! Make it more attractive, more challenging by saying that the American businessman is not afraid to compete with Communism, Socialism or any other economic system in the world; that he is ready and anxious to prove to the public that the private enterprise system will bring more of the good things of life to more people than any other competing economy on the face of the earth.

That is the only reason in the world why the American people should keep our business system.

We have the same kind of problem on common strategy. In fact, we are even weaker on this than on saying what we're fighting for.

Our competitors talk about ends and purposes that are dear to the hearts of every one—rich and poor, Republican and Democrat, Socialist and Communist, black and white. They make the mouths of humanity water with anticipation of the full life served up on a silver platter with full free trimmings.

Labor leaders, despite their lack of knowledge (or expedient twisting) of some of the basic laws of economics, know a whole lot more about human nature, about the contemporary opinions and desires of the people than business executives. They make their followers believe that they're out to get everything the worker wants now; regardless, I might say, of what happens to the workers in the long run. But the dues-payers don't know that at the time. The labor leaders play upon their dissatisfaction, their desires, their human emotions.

That's powerful stuff, too, for when you stop to think of it, what

is more powerful than emotional appeal, what is more powerful than "love" or "hated"? I am not advocating the use of hatred, as the unioners use it, to create distrust between labor and management, but as an example of the power of emotional selling. Those two great emotions have started a lot of wars, made a lot of business and, in general, have made human history what it is. And yet, you can't weigh or measure or grade in emotion or put the callipers on either. The language of emotion is universal and its appeal unailing.

### Correct Publicity Policy

Business never hesitates to emote in the selling of its own merchandise; half the advertising is based on "keeping up with the Joneses"—the envy emotion; soap is no longer sold to wash your neck, but to get "that school-girl complexion"—the love emotion; when big he-men get afraid of "five-o'clock shadow" they've succumbed to the pride emotion. But when it comes to selling the system, we get as drab as a crutch, as unexciting as a chorus girl in a flannel nightgown.

No sir, higher pressure selling has never come out of the book than the labor big-wigs are using. In the first throes of finding the system under attack, the businessman acted badly, irrationally—violating even his own merchandising and selling technique. He knocked his competitor, which is never done—at least openly or delectably—and he besmirched his competitor's product, which also is never done in polite, positive selling society—at least not so any one can notice.

Business has acquired the bad reputation of being against "security"; of opposing "high wages"; of not wanting full employment. Despite the fact that every one spends his life providing for his security and seeking high wages. But, because the crackpot and agitator sold the right merchandise to be delivered the wrong way, we made the bad error of denouncing the merchandise.

I am not suggesting that you out-give the New Dealers, or out-do the do-gooders. But if management is to gain public acceptance, the people must believe that management is trying to reach the goals held desirable by the public.

Management, always taking responsibility for both its words and its deeds, backs away from irresponsible promises, and in the process not only refuses to make promises of achievement, but as well won't even make promises of intention. Management can quite truthfully portray its desire to reach what the public thinks is the good life, for the very reason of industry is to produce more goods for more people at less cost, upon which the good life is really founded.

It is in full realization of this public psychology that your Public Relations Committee has picked three main objectives for NAM's 1946 Public Relations Program:

(1) That of identifying NAM and its membership with the hopes and aspirations of the people; convincing the public that the system will bring more of the good things of life to more people than any competing economy.

(2) Proving that management has a heart, and that it recognizes and respects human rights.

(3) Demonstrating conclusively that the manufacturing dollar is and will continue to be shared properly and fairly among workers, consumers and owners.

Thus you will see that NAM plans to tie its publicity program more to actions, performances and good intentions. It will not merely talk about high-sounding theories, or big-sounding pasts, or gloomy-sounding collectivists' futures. It's very necessary to have something

definite to sell when you start publicizing. The mere malarky of publicity is not enough to save our economic system. Simply buttering up the public with sweet words won't save our necks. Publicity isn't just a deodorant to be spread around when the smell gets too bad for the public's nostrils. Pretty printed puffs about the principles of private enterprise are like a sinful fellow flashing a copy of the Ten Commandments at the Pearly Gates as a pass into Paradise. You're going to get there—or not—according to how you kept those Commandments, not how you advertised them.

A manufacturer who had a preview of this speech said: "Weisenburger, you tell us what's wrong but not what's right. Tell us what the Ten Commandments of business are."

Well, I am no Moses and I haven't got a mountain, but I do have a decalogue:

### The Ten Commandments of the Business Manager

(1) His prime obligation is to the great American consumer—an obligation to make a better life for more people by making better goods at lower prices.

(2) He should support and encourage research activities which will develop new and better products and processes, both in manufacturing and marketing.

(3) He should make certain that the benefits of increased productive efficiency are fairly distributed among consumers, labor and investors.

(4) In the process of production and selling, he should provide as many jobs—as good wages and as good working conditions—as are consistent with the efficient and successful conduct of his business.

(5) He should recognize that his employees have an equal interest in the successful operation of the company, and should deal with them in a manner which stimulates their pride and loyalty in the business.

(6) He should make full utilization of every means of regularizing employment and take a practical interest in the economic security of those employees who devote their lives to the business.

(7) He should come out of his pine-panelled office and be an earnest and earthy advocate of the business system under which he operates and should cooperate with others in making our competitive enterprise system work better.

(8) If he wants the public to preserve a political atmosphere which recognizes freedom and competition, he should unreservedly accept and practice competition in the conduct of his own business.

(9) As a good citizen he should take a constructive interest in politics, and as a key member of his community he should fully accept his share of responsibility for the welfare and advancement of his fellow citizens.

(10) He should perform according to these principles—more, he should publicize that performance, using every available means to reveal the way his company seeks to satisfy the public interest, joining others in a public relations effort to convince the people of the worthiness of the whole private enterprise system.

Observing all, or at least some of these suggestions, will help you mightily in the contest for popularity in which Federal bureaucracy and union leaders are letting the public believe that they are carrying the ball for humanity against the bold bad business barons.

Maybe the best way to handle the situation is to quit bucking their line. Stop permitting labor and Government to picture you in the role of throwing for a loss the

people's ideas of social progress. For instance, tell the folks of your sympathy for working out better continuity of employment, and the progress that is being made; let them know that higher wages, well earned, will result from the improved productive efficiency which management is stimulating; help them to see that their heart's desire of security can only be obtained in any substantial way through management's production plans. Saying these things often enough to make a public impression is going to take the fullest strength of business leadership.

### Muster Full Strength of Business Manpower

Development of this point brings me to the third one of the actions which I urge upon you men. The first was united purpose; the second was the desirability of a common strategy; and now I want to develop the need of mustering the fullest strength of business manpower.

This last one will not be easy. In fact, it will take a lot of doing. On the left is a beautifully trained chorus, which knows but one theme song and which never misses a chance to sing the praises of Uncle Joe's way of doing things. On the right is a dignified and impressive group of soloists, who have a difficult time singing as a choir and they don't always use the same hymn book.

Besides having enough to do already, the businessman lacks training, he lacks facts, he lacks let's-be-frank-about-it, he lacks a full understanding of the philosophy he would defend.

Our members are not afraid they do not have to be aroused, they are literally pushing for action, but they remain silent because they are not sure they know the answers against the soap-boxers and professional liberals. Their trouble is they have too much information but not enough facts.

"Well," you'll say, "there is no dearth of facts; I get a tub full of 'em from the NAM every morning!"

Nevertheless, the businessman is filled more with indignation than facts, because he hasn't time to read and sift and boil down the arguments with which to knock off the ever present, ever vocal, system-busters.

Now, no one ever won a cause by "throwing the book" at his opponent or tossing the encyclopedia about. So, as a part of its program for this coming year, the NAM is going to try to equip management to defend itself intelligently by supplying regular capsule doses of super-condensed facts, particularly as concerns the current situation and industry. These will come in looseleaf handy pocket size, boiled-to-the-bone material to refute the daily misunderstanding and attacks on business. In this brief-bit form we expect to create in the lingo of the "Com-mies" a "party line." Management can thus get behind an impressive offensive.

Think what a shift would take place overnight if tomorrow morning 15,000 business managers had the facts at their finger tips and the courage in their hearts to step forth and answer the drivels and foomytrot that masquerade as liberal economics.

### Positive Action Required

Why should businessmen sit idly by and allow the Department of Commerce to come out in support of the CIO's pet formula for wage increases—with the worst misuse of statistics, half guesses, assumptions and deductions ever put together? Any one who ever raised a pay roll or passed the "asset-test" would never indulge in such dangerous make-believe.

Don't think that because only a company or two is involved at present that it's safer for you to keep your neck in. They'll get around to you tomorrow.

Too, too often the follies of to-

day's headlines become the economic realities of tomorrow.

We're getting out the facts on this Government-supported raid upon industry. Read it, absorb it, talk it! It will tell you such interesting realism as: "Even if we had distributed all profits for the past 15 years (1930-44) to labor, salaries and wages would have been increased by less than 6%."

It takes no power of prophecy to see that the attacks of the future on the system are going to be directed almost entirely at profits. Clever people. Do you suppose they don't know that you can't have a profit system without profit?

There is a school of something that passes for thought which contends that business can meet 30% wage demands from profits. It's about time that school was given a recess.

One of the early fact-finders will give you the tabloid answers to such things. Did you know, for instance, that in no year since 1929 have corporate profits been as large as the wages and salaries of those on the public payroll?

Do you keep still when the left-wingers mournfully talk about the inability of private enterprise to give full employment? You don't have to. Get armed with some facts like this: "During the first 30 years of this century we dropped below 'full employment' by more than 4% in only one year (1921); during the next 10 years, when Government took over responsibility for providing jobs, we got within 10% of 'full employment' in only one year (1937)."

We're going to aim every facility of our new '46 program to get individual dissemination of the business message. We're stepping up our branch offices over the nation so as to give our membership more direct assistance in telling this message at the local level. We're going to decentralize our publicity releases through these offices so that our officers, directors and members in their own home bailiwicks can speak up with the unassailable facts.

There is no longer safety in business silence, or dignity in being whipped with our mouths shut.

And, gentlemen, you can't cure this condition by spraying DDT on your tormentors or bringing up your blood pressure in private; I know time is fleeting and ulcers abiding, but this is something you've just got to do for yourself. A paid staff can research the facts and mould the bullets. But you, Mr. Businessman, in person, have got to be the gunner, and fire the facts.

Maybe you can cure alcoholism anonymously, but you've got to save private enterprise in person, in the flesh.

### Cooperation with Government

And while we're talking about the jobs you've got to do yourself, let me lay particular emphasis on the job of management working with Government. Because businessmen have often opposed the nonsensical economic tampering by Government, they are often labeled "anti-Government." This won't do. Business has shown an outstanding capacity for cooperating with Government during the war. Sure, it more or less requires a political endurance that usually annoys management. But building on the recognized achievements of hundreds who have illustriously served Government in wartime, we must start a help-Government movement of managerial advisers.

Not a drive on Congress or the agencies, not power demonstrations, not as pressure groups, but as experienced men who know something about the economic legislation that is being considered. Business has made most desirable headway in telling its story to Congressmen; they honestly want to know, if you tell them the facts without oratory. Congressmen are up against the multitudinous problems of legislating on everything, upon which

they can't possibly become experts. You cannot, therefore, expect them to legislate with the wisdom of a Plato and the science of an Aristotle on your affairs if you don't give them a helping hand.

Corporations have legal departments, advertising departments, personnel departments. Why not a cooperation-with-Government department? There is no more important phase of modern management.

Oh, I know most of the large companies have representatives at the Capitol. But their duties are pretty largely restricted to the company's specific problems: the OPA ceiling on toasters, when are they going to get rid of tire rationing, how the reciprocal trade treaty affects their products, etc.

Now, it's all right to take good care of your own business, but larger corporations, at least, should have representatives in the Capitol, or make it a matter of greater importance for those who are there to assist in presenting the business viewpoint on taxes, on labor relations, on a hundred and one other things affecting the whole economy which will make or break all business.

Union leaders are thicker in Washington than Autumn leaves in Valambrosia. Your trade and national associations try valiantly to cover the ground, but it's time for business—at the higher levels of economic legislating—to be represented in force in Washington, supplemented by frequent visits to the Capitol by industrialists from all over the nation.

#### A Bigger Role of Leadership

I find that management is ready and waiting to play this bigger role of guidance and leadership. Every day some of our members inquire, "What are you going to do about the PAC?" And while it's a pass-the-buck answer, I reply, "What are you going to do? Are you willing to go around ringing door bells?" The replies I get at this juncture are in the best business evasive manner.

The fact of the matter is that businessmen don't have to ring door bells or depend on mass movements as substitutes for their individual force and persuasiveness. Every one of you is a special somebody back home. When you talk you're listened to, and your viewpoint is respected. You don't have to be herded in mass appeal to be effective.

If we could get the real job-makers of the nation individually on the firing line at one time, we'd be out of the economic woods in a jiffy, and oh, what a glorious morning that would be for America!

I trust that what I've had to say has aroused your interest, stimulated your determination, for nobler cause never called on man. It was the noted Swedish economist, Gustav Cassel, who stated this challenge of alertness to freedom in these words:

"Humanity should not unconsciously let itself be forced onto a path leading to a complete demolition of old standards and ideals on which it has built up its prosperity and its civilization."

And what a propitious time it is to get your courage up and your chin out. These are not the business dog days of the Thirties. You're favorably held by the public. They know of your marvelous production for war. Your speed in reconversion has broken all predictions, despite the strikes which now hold up production. You are held up to the public's esteem and admiration as the job-makers of peacetime. Isn't it about time you cashed in on such popularity, with a positive leadership for national good, instead of meekly truckling to these economic snake doctors?

You've been accused of being selfish, greedy and robber barons. But gradually the American people are awakening to the fact that there is nothing so unmoral, unsound and anti-social as the Robin Hood economics of those

who think they can make business prosperous and increase the demand for labor by confiscating profits. Only too well is the public getting wise to the fact that this is merely a poor alibi for shortsighted, share-the-wealth and get-the-vote economics.

Times have changed since those prewar days of surrealist political economics. The people want to be for you, if you'll show them what to be for. Don't ever underestimate the loyalty and common sense of the American people. They're reading right, as witnessed in the best seller lists for months; they're turning right—every public poll shows this decidedly; they're thinking conservatively, as witnessed by sobering slow-down on political experimenting with the system.

Then there is another, most favorable thing that should coax businessmen from their shells. Twenty million people who were looking for Government hand-outs in the Thirties have been turned into twenty million property owners by the prosperity of war. Keep them right—for they are the middle class core of the country, they hold the balance of power between "left" and "right."

This nation is desperately calling for dependable leadership instead of the wobbly, cynical, destructive dominance of the "Everything's-wrong Boys."

Here we are, a great and glorious country—shocked by peace and afraid of the future. Great gods and little fishes! Those are indeed new and strange sentiments for rugged, red-blooded Americans.

These economic busybodies of the now old order have shot the people through and through with fearful and fatalistic doctrines. They are always preparing us for the worst. They're about to dish up depression instead of prosperity.

#### Call Halt to Defeatism

Well, gentlemen, there is no earthly sense in standing by and watching this grim retreat from greatness. Let's call a halt to defeatism! Of all the nations in the world, we alone have the pre-eminent chance to keep the torch of freedom and free enterprise burning until the rest of the world recovers its senses.

This is a service beyond self, beyond profit, beyond the "call of duty." For, Mr. American Businessman, it is not important whether you alone will make a profit tomorrow. But, it is important for you to see that the opportunity for all men to take a loss or make a profit out of the fruits of their own free effort remains as an American liberty.

To be callous to this call is unthinkable. To be ignorant of the task is unmoral. To be apathetic to the responsibility would be an unforgivable crime on your part.

That you will not fail is in keeping with your splendid record of the past.

So go forth to your fellowmen with the assurance that the highest goals of human effort have not yet been achieved; that the future still belongs to those who work; that the only hope of living in a better new world lies in earning it; and finally, drive home the fact that it's going to take more bricklayers and fewer architects to build that bright, new world.

#### Hill in U. S. Chamber Post in France

Harry A. Hill, formerly economic advisor to allied military authorities in Greece and now general manager in charge of all the Gallic states for the American Express Company, has been elected to the directorate of the American Chamber of Commerce in France, according to Ralph T. Reed, President of the company.

## Britain's Action in Iran Influenced By Russia's

The State Department made public on Dec. 14 the reply by Great Britain to the United States proposal that all foreign troops be evacuated from Iran by Jan. 1, 1946. The following is the text of the answer, according to a Washington dispatch to the Associated Press:

As the United States Government will recall, His Majesty's Government requested to the Soviet Government at the London meeting of the Foreign Ministers that the Soviet Government and His Majesty's Government should agree to withdraw by the middle of December their respective forces from the whole of Persia, except certain defined zones, leaving only small parties for the disposal of surplus property and installations.

The Soviet Government were unable to accept this proposal; nonetheless, His Majesty's Government proceeded with the arrangements suggested in their proposal to the Soviet Government and, except for small administrative parties, such British troops as now remain in Persia have been withdrawn southward as quickly as possible and are stationed in the extreme southwest of the country.

His Majesty's Government takes the view that the Allied troops were stationed in Persia only for the purposes connected with the war, and that the war being ended, they should withdraw as soon as possible. Therefore, upon the receipt of the United States Government's proposal that all Allied troops should be withdrawn from Persia before the first of January, 1946, His Majesty's Government as a matter of urgency commenced an examination of the practicability of withdrawing their forces by that date.

The Soviet Government, having intimated to the United States Government that they are not prepared to accede to the United States Government's proposal, British military authorities are not continuing their plans to examine the details involved in the arrangements for withdrawal by Jan. 1, 1946.

His Majesty's Government entirely agrees with the view that fulfillment of assurances contained in the Declaration of Teheran of Dec. 1, 1943, requires that the Government of Iran should have full freedom to move its armed forces in such manner as it considers necessary in order to preserve its authority and maintain internal security.

#### Parcels to Czechoslovakia

Postmaster Albert Goldman announced on Dec. 17 that information had been received from the Post Office Department, Washington, that ordinary (unregistered and uninsured) parcel-post service to Czechoslovakia is resumed subject to the same conditions as were in effect prior to the suspension of service. The advice further state:

"However, only one parcel per week may be sent by or on behalf of the same person or concern to or for the same addressee. The weight of each parcel is limited to 11 pounds and the contents are limited to nonperishable items which are not prohibited in the parcel-post mails to Czechoslovakia.

"The export control regulations of the Offices of International Trade Operations, Department of Commerce, Washington 25, D. C. (formerly the Foreign Economic Administration), are applicable to parcels for delivery in Czechoslovakia."

## Agricultural Department Report on Winter Wheat And Rye Acreage Sown for 1946 Crop

The Crop Reporting Board of the United States Department of Agriculture made public on Dec. 20, its report showing the acreage and condition of winter wheat and rye for the crop of 1946 as follows:

**Winter Wheat**—The acreage of winter wheat seeded this fall is estimated at 51,940,000 acres, an increase of 3.6% over the acreage seeded last fall. Winter wheat seeded acreage has been above 52 million acres in only two years, 57.1 million in 1937 and 53.5 million in 1938. The 10-year (1934-43) average is 46,757,000 acres.

The acreage seeded for the 1946 crop is smaller than the acreage last year in the eastern half of the United States, but larger in the western half. In the eastern half the delay in harvesting 1945 crops, rains in late September and wet fields at usual seeding dates interfered with land preparation and seeding. In the Great Plains and other western States, the increase was encouraged by very favorable weather for seeding, good prices, a successful 1945 season and more land available for wheat. The greatest decrease in acreage was in the North Atlantic and East North Central States, most pronounced in New York, Ohio, Indiana and Michigan, where late harvesting of corn and soybeans, and wet fields prevented planting all of the intended acreage. Material increases occurred in the Southern Great Plains States. In Kansas, there was no increase. The greatest increases were in Texas, New Mexico, Colorado, Montana, California and the Pacific Northwest.

The reported condition of winter wheat on Dec. 1 is lower than a year ago, but is above average for the United States. In all of the North Central and Great Plains States condition is lower than a year ago but it is above last year in States west of the Great Plains. In the area where condition is below last year, excessive fall rains in the eastern States and dry top soil in some western areas were the primary causes. These factors resulted in considerable late planting, and retarded germination and plant growth in the dry areas. Prospects are very promising in the Pacific Northwest.

On the basis of the relationship of such factors as Dec. 1 conditions and weather through November with seeded yields, a 1946 winter wheat production of about 751 million bushels is indicated. This is approximately 9% below last year but is 28% above the 10-year (1934-43) average production. The indicated yield of 14.5 bushels per seeded acre is 1.9 bushels per acre lower than last year, but 1.8 bushels per acre above average. The indicated acreage that will not be harvested for grain is 11.4% of the total planted acreage, compared with 6.9% last year, 12.1% in 1944 and the average of 17.3%.

**Rye:** The acreage of rye sown for all purposes in the fall of 1945, at 3,721,000 acres is 17% less than sown a year ago and 41% less than average. The seeded acreage includes that intended for hay and pasture, soil improvement purposes, as well as rye to be harvested for grain, and an allowance for spring seeding in States growing spring rye. The acreage is substantially less than 1944 seedings in all States, except Colorado and Oregon, where it is the same, and North Dakota, Montana, New Mexico, Utah, and California, where increases are recorded. In North Dakota the 52% increase follows three successive years of marked decreases. The distribution of rye acreage has been undergoing important changes during the past three or four years. Based on the average of the crop years 1934-43, the States of North Dakota, South Dakota, Nebraska and Minnesota, in the order named, were the leading rye States, and seeded an acreage which was 49% of the U. S. total. However, in the fall

of 1945 the seeded acreage in these States is only 31% of the national total. The acreage seeded this fall in North Dakota is only 26% of average, in South Dakota 36%, in Nebraska, 63%, and in Minnesota, 29%. The States with the largest acreage seeded this fall, in the order named, are Nebraska, South Dakota, North Dakota and Oklahoma. The principal reasons for acreage decreases in the important rye grain-producing areas are competition with crops more urgently needed, and the unfavorable income per acre of rye in relation to other crops. Additional causes are scarcity of seed in some areas, relatively high priced seed, unfavorable weather at seeding time, and less need for fall pastures in the eastern States this year than a year ago.

The condition of rye on Dec. 1 is reported at 83% of normal, five points below that reported a year ago and seven points above the 10-year average. The condition of the crop is relatively more favorable compared with average in the western States and in North Dakota than in South Dakota, Nebraska and other important rye grain producing areas.

## Would Modify U. S. Sovereignty On Atomic Bomb

In an address on Dec. 11 it was advocated by Senator J. William Fulbright, Democrat, of Arkansas, that America sponsor at the Moscow Big Three meeting of foreign ministers proposals by which national sovereignty would be yielded to the degree necessary to make atomic control possible. In thus reporting the view of Senator Fulbright, the New York "Herald Tribune" of Dec. 12 stated that he spoke at the concluding sessions of the American Pharmaceutical Manufacturers' annual meeting, in the Waldorf-Astoria Hotel, New York. According to the paper indicated, Mr. Fulbright said that "the concept of absolute national sovereignty is utterly inconsistent with the creation of effective international rules of conduct which are enforceable." He added:

"If national sovereignty means anything," he continued, "it means the power to control the destiny of a nation. But we have no such power. The decision to go to war was made in Tokyo and Berlin."

## Cotton Exchange Year Book Published

The 1944 Cotton Year Book of the New York Cotton Exchange is now off the press and available for distribution. This is the 17th Cotton Year Book issued by the Exchange and contains, in addition to such of those series of statistics given in previous editions as are now available, several new tables on subjects of interest to the cotton trade. Included in the new material are a history of Government loan programs, month-end stocks of Government-controlled cotton, and data on total and per capita consumption of cotton and other apparel fibers in the United States.

New York Cotton Exchange Year Books are recognized as a standard reference work on the world cotton trade, and are designed for the use of executives in the cotton industry, economists, businessmen, bankers, and others interested in the staple.

# Shows Growth of Governmental Debts

**Census Bureau Issues Preliminary Statement on Rise in Federal, State and Local Government Debt Since 1902. Indicates Some Decline in Local Government Indebtedness in War Years but Tremendous Increase in Federal Obligations.**

On June 30, 1945, as the second World War was drawing to a close, the U. S. Bureau of the Census reported the combined debt of all the 155 thousand governmental units—Federal, State, and local—stood at \$275 billion, an increase of \$57 billion, or 26%, from June 30, 1944. Compared with the summer of 1940, when American rearmament began, the increase is \$212 billion, or 336%.

Of the 1945 total, Federal debt accounted for nearly \$259 billion, State debt for \$2.4 billion, and local debt for \$14.2 billion.

### Growth of Public Debt

As shown in the table, the total governmental debt of \$275 billion in 1945 was 436% of the \$63 billion debt outstanding for all Federal, State and local governments in 1940.

The growth in national income, although phenomenal during the war, has not been in an amount or at a rate to equal the debt rise. The spread between national income and public debt has been widening at an accelerated rate since 1942, when total debt was but 76% of estimated national income. By 1945, total public debt was 75% larger than the national income of \$157 billion estimated (preliminary) by the Bureau of Foreign and Domestic Commerce.

### Federal Debt and War Expenditure

The financial burden of preparing for, and conducting, a global war fell upon the Federal Government. As a result, the movement of Federal debt dominated the changing pattern of total governmental debt.

While Federal revenue rose from \$5 billion in 1940 to \$46 billion in 1945, expenditure in-

creased from \$9 billion to \$100 billion during the same period. War activities accounted for 50% of total expenditure in 1941 and for 90% in 1945. Revenue paid for 42% of total Federal expenditure from 1941 through 1945, in contrast to about 30% in the first World War. Borrowings paid for 58% of Federal expenditure during the second World War, resulting in the \$216 billion rise in Federal debt since 1940.

### State and Local Debt Decreasing

The movement of State and local governmental debt has been in the opposite direction from that of the Federal Government debt, as disclosed in the accompanying table. This part of the public debt decreased \$3.6 billion, or 18% since 1940. The decrease from 1944 to 1945 was 5%.

During the war all State governments reduced their debts, some by substantial amounts. As shown in the Census Bureau's recent report, "State Debt in 1945," State Finances: 1945. Vol. 2, No. 3, every State government lowered its debt during the past fiscal year. Local governments have also been reducing their debts, but at a lower rate.

Limited opportunity for capital expenditure, resulting from war restrictions, and steadily increasing revenue—especially of the States—in the wake of expanding economic activity and rising national income, account for the substantial and continuous contraction of State and local governmental debt during the war years.

# Freight Cars on Order Dec. 1 Again Off

The Class I railroads on Dec. 1, 1945, had 35,908 new freight cars on order, the Association of American Railroads announced on Dec. 24. This included 12,421 hopper, 4,425 gondola, 971 flat, 13,736 plain box, 3,568 automobile, 737 refrigerator, and 50 miscellaneous cars. New freight cars on order Nov. 1, last, totaled 37,904 and on Dec. 1, 1944 amounted to 28,910.

They also had 484 locomotives on order on Dec. 1, this year, which included 104 steam, four electric, and 376 Diesel locomotives. This compares with 90 steam, two electric and 403 Diesel one year ago.

The Class I railroads put 36,418 new freight cars in service in the first eleven months of this year, which included 8,119 hopper, 5,637 gondola, 765 flat, 239 stock, 1,858 refrigerator, 1,919 automobile and 17,781 plain box freight cars, and 99 miscellaneous cars. Total placed in service in the first eleven months of 1944 was 35,972 cars.

They also put 602 new locomotives in service in the first eleven months of 1945, of which 92 were steam and 510 were Diesel. New locomotives installed in the same period last year totaled 846, which included 305 steam, one electric and 540 Diesel.

# Halsey Acclaimed By New York

Another war hero to be greeted by New Yorkers was Fleet Admiral William F. Halsey, Jr., commander of the Third Fleet, who was given the traditional enthusiastic reception on Dec. 14 in spite of snow and freezing weather. The admiral made a triumphal tour of Queens, Brooklyn and Manhattan, and at City Hall he was awarded the city's medal and citation by Mayor LaGuardia, who lauded him, according to the New York "Times", as "daring, dashing, determined and devastating".

That evening, at a testimonial dinner given by the city at the Waldorf-Astoria Hotel, Admiral Halsey made an address in which he expressed deep disapproval of plans to merge the armed forces. Said the Admiral, "Until the proponents of this measure can give us some real proof that we stand to gain by it, let us keep our victorious Navy. Let us keep it intact and unshackled. Keep it free and it will keep America free."

# Senate Approves Govt. Employees' Pay Rise

After two weeks of intermittent discussion, the Senate on Dec. 18 voted for legislation which would repeal a 16% wage increase given Federal workers last July 1 and substitute increases on a graduated scale for more than 1,000,000 government employees in classified civil service. On the basis of their pay last July 1, under the new plan they would receive a 36% increase on wages up to \$1,200, 18% increase on wages from \$1,200 to \$4,600, and 9% extra on all wages above \$4,600 up to a limit of \$10,000. The vote was 62 to 3 for the bill, according to Associated Press Washington advices, which stated that the bill is now to be acted on by the House.

Another piece of civil service legislation sent to the House by the Senate, after passage, was a bill to allow full credit under the civil service act, for retirement purposes, for the time passed in military service by Federal employees.

# From Washington Ahead of the News

(Continued from first page)

portance of Washington, it is not to be a place to which a delegate can bring his family and give his daughter a debut. It is not to have the importance of a fashionable foreign capital. Apparently, the headquarters are to be located at Philadelphia, Boston or Atlantic City, or some such place. There is nothing particularly distinctive about living in any one of those places, not for those of the ambassadorial mind which the UNO was intended to be a haven for. Imagine the let-down of socially ambitious Americans of wealth who think of bringing their daughters out at the Court of St. James, in Paris, Brussels, to be confronted with the proposition of bringing them out at the Court of Boston, Philadelphia, or Atlantic City.

When the internationalists, or rather the professional internationalists, went for this UNO, they were thinking of trips to the Old World, not to Atlantic City, Boston or Philadelphia. They were thinking of an atmosphere of Barons, Lords, Dukes and Commissars. Around Atlantic City, Boston and Philadelphia there are political bosses, some of them convicted and serving or having served terms in jail.

It is one thing to cooperate with the world, to be world-minded, to realize that the world has shrunk—it is one thing to do this at Geneva, Brussels, one of the famous spas, and an entirely different thing to be so broad-minded in an ordinary American city. One misses, don't you know, the continental foods, the continental habits and particularly what before the war was their reduced rate of exchange which made it so delightful for unsuccessful American writers and American women pensioners.

Our horde, of foreign correspondents who enjoyed the European living, with the difference in exchange, and who were among the first whoopers up for a World Government, completely lose their interest now. Covering the sessions of this great UNO do not involve a flight abroad, simply a trip on a bus or a day coach out of New York or Washington. If this is to be the price for world peace, you can rest assured that this gentry will not want to pay it. By selecting this country for the capital, the whole fascinating, intriguing business of world cooperation becomes as ordinary and as less involved as a murder trial.

Furthermore, pulling this trick, the Europeans could not have had much confidence in the UNO. It may have been a thought with them that if the world capital were given to us, there would be no chance of our losing interest in world affairs; that with the capital in our midst just like U. S. Steel and General Motors, we would take a particular pride in maintaining world cooperation as a going concern.

But they overlooked our commentators, and our gossip columnists and our other forms of journalism. They should have been forewarned by what happened at San Francisco, the coverage of which reached a new low of not only national but international affairs.

Try to envisage the American newspaper and radio coverage of the first sessions of the UNO at Atlantic City, Boston or Philadelphia or any other place in the East. They will be gala affairs, circuses, with a full description of what the wives are wearing, who is entertaining, the idiosyncracies of the foreigners, a complete recital of what is known as gents' room journalism.

To add to the gayety there will be Mrs. Roosevelt, such a diplomat as to make an attack recently on Madame Chiang Kai-shek. The friendly commentators are ex-

plaining that her appointment was logical. Not logical, but inevitable under the circumstances. After a session with her, and her writing about it in a newspaper column, the delegates are apt to conclude that war is preferable.

But all in all, it is this writer's conscientious prediction that after a few sessions of such pageantry as no European capital would be likely to afford (bear in mind, this is our first opportunity at having a world capital), this great episode of America's advance in civilization will be relegated to the obituary page of the newspapers such as now occupied by the SEC, which, because of crowded conditions in the Washington bureaucracy, had to move to Philadelphia.

And by the way, wholly away from this subject, neither Congress nor the executive branch of the Government intends to do anything about the capital gains tax next year.

# UNO Becoming Real World Factor

The United Nations Preparatory Commission on Dec. 18 approved Jan. 10 as the date for the first meeting of the UNO Assembly, Associated Press advices from London State. At that time the Preparatory Commission's selection on Dec. 15 of the United States as the site of the future headquarters of the United Nations Organization will be presented for the Assembly's approval. No specific place within the United States has yet been decided upon for the location.

On Dec. 19 final approval was given by the United States legislature to the measure which makes this country an active force in the UNO. The bill was signed by the President, who also nominated the American representatives and alternates for the first meeting of the General Assembly. Confirmed by the Senate the following day, according to advices to the New York "Times", they are:

**Delegates**—Edward R. Stettinius, Jr., of Virginia; Senators Tom Connally, Democrat, of Texas, and Arthur H. Vandenberg, Republican, of Michigan, and Mrs. Anna Eleanor Roosevelt of New York.

**Alternates**—Representatives Sol Bloom, Democrat, of New York, and Charles A. Eaton, Republican, of New Jersey; Frank C. Walker of Pennsylvania, John Foster Dulles of New York and John G. Townsend, Jr., of Delaware.

All are expected to sail on Dec. 30 for the London meeting.

# President's Thanks To Armed Forces

A "testimonial of appreciation", bearing the Presidential seal, will be given by President Truman to all men and women who have served in the Army, Navy, Marine Corps or Coast Guard after Sept. 16, 1940, and who now have or will receive honorable discharges, it was announced by the Army and Navy on Dec. 17, according to Washington advices of the Associated Press. The testimonial will state:

"To you who have answered the call of your country and served in its armed forces to bring about the total defeat of the enemy, I extend the heartfelt thanks of a grateful nation. As one of the nation's finest, you undertook the most severe task one can be called upon to perform. Because you demonstrated the fortitude, resourcefulness and calm judgment necessary to carry out that task, we now look to you for leadership and example in further exalting our country in peace."

GOVERNMENTAL DEBT IN THE UNITED STATES: 1945  
Federal, State and Local Government Debt: Selected Years 1902 to 1945  
Data for years beginning in 1940 are as of June 30, and they necessarily vary from information for diverse closing dates of fiscal years shown in other Census publications. Earlier data are as of ends of fiscal years.

Year—	Total	*Federal	Total	State and Local
	Gross Debt Outstanding (Amounts in millions)		State	Local
1945	\$275,274	\$259,882	\$16,552	\$2,422
1944	218,429	201,063	17,426	2,788
1943	155,341	136,696	18,645	15,783
1942	92,064	72,422	\$19,642	3,413
1941	69,143	48,961	\$20,182	3,413
1940	63,169	42,968	\$20,201	3,526
1932	39,049	19,487	\$19,562	2,896
1922	33,219	22,963	10,256	1,163
1912	5,692	1,194	4,498	423
1902	3,372	1,778	2,194	270

Year—	Percent Distribution, by Type of Government			
	Total	*Federal	State	Local
1945	100.0	94.0	6.0	5.1
1944	100.0	92.0	8.0	6.7
1943	100.0	88.0	12.0	10.1
1942	100.0	78.7	21.3	17.9
1941	100.0	70.8	29.2	24.3
1940	100.0	68.0	32.0	26.5
1932	100.0	49.9	50.1	42.7
1922	100.0	69.1	30.9	27.4
1912	100.0	21.0	79.0	71.6
1902	100.0	34.9	65.1	57.1

Year—	Index of Change, 1940=100			
	Total	*Federal	State	Local
1945	435.7	602.0	81.9	68.8
1944	345.8	467.5	86.3	87.9
1943	245.9	318.1	92.3	91.1
1942	145.7	168.5	97.2	98.6
1941	109.5	113.9	99.9	100.6
1940	100.0	100.0	100.0	100.0
1932	61.8	45.4	96.8	99.8
1922	52.6	53.4	50.8	54.4
1912	9.0	2.8	22.3	24.4
1902	5.3	2.7	10.9	11.5

Year—	Percent of National Income			
	Total	*Federal	State	Local
1945	175.3	164.8	10.5	9.0
1944	135.9	125.1	10.8	9.1
1943	105.0	92.4	12.6	10.6
1942	75.7	59.6	16.2	13.6
1941	71.4	50.5	20.8	17.4
1940	61.4	55.4	26.0	21.5
1932	97.7	48.7	49.0	41.8
1922	55.6	32.4	17.2	15.2
1912	16.1	3.4	12.7	11.5
1902	16.3	5.7	10.6	9.3

\*Debt of the United States Government; includes general treasury obligations borrowed on behalf of Federal agencies and excludes Federal agency debt incurred outside of general treasury. Insofar as Federal Government utilities and enterprises are financed through general and special accounts, the Federal debt comprises both general purposes and government enterprises.

†Comprises debts both for general purposes and for government enterprises.  
‡Total is less than the sum of State and local public debt in seven years because of the exclusion of State debts for relief to local governments, which duplicate local obligations held by State governments.

## Observations

(Continued from first page)

he will light in an Administration choice of the long-term direction of the interest rate. One Treasury faction, under the leadership of former Under-Secretary Bell, has battled consistently for the maintenance of rates no lower than existing levels. It has contended that a reasonable return is indispensable to the non-inflationary distribution of the government's securities. With Mr. Bell's departure from government service, practically only the Federal Reserve Board now remains to champion that cause.

Another treasury group, centering around Messrs. Haas and Murphy, have been fighting for a reduction in the long-term rate down to 1%. On the Keynesian line their professed purpose is "to prevent over saving." But in stopping saving such a policy would in the foreseeable future dangerously swell the forces of consumer-inflation. This group also wishes to reduce the short-term certificate rate below 3%, in which case corporations surely will not deem it worthwhile to buy them.

The widespread practice of blaming our shortcomings in international affairs on the "low calibre" of our Congressmen has always seemed superficial and "escapist" to this columnist. It overlooks the real question as to the extent to which our democratic system necessitates our pursuing political motivations. This problem is now again brought forward in the executive branch, with the President's vitally important appointment of our delegation to the United Nations Organization. Apart from the necessity of cementing the continuing goodwill of Congress through the bi-partisan appointments of Messrs. Connally, Vandenberg, Bloom, and Eaton at this crisis in the course of civilization, surely pure political expediency dictated the selection of former Democratic National Committee Chairman and Postmaster General Frank C. Walker, and Chairman of the Republican Senatorial Campaign Committee John G. Townsend Jr.

Under all systems of government today it unfortunately seems psychologically necessary for the Chief of State to prove his "leadership" quality by exhibitions of foolish bravery. Candidate Roosevelt's public bath in an open automobile in New York City during the 1944 campaign may have been justified by the dire political necessity of quashing the rumors about his health. But President Truman's extremely hazardous Christmas plane flight through the sleet exemplifies this kind of show as an absurdly needless danger to the national welfare.

On the testimony of C.I.O. Secretary-Treasurer James Carey—recently returned from a trip to the Soviet Union—irrespective of the Russian people's condition in the Czarist days, the great Communist industrial machine still is showing no signs of hitting on all cylinders. For in his speech at the giant Russian Relief meeting in New York's Madison Square Garden last week he reported that under prospective 5-year housing plans, each Leningrad resident will have space measuring only nine feet square, with a family of four living in one room. Although it is hoped in four years to supplement wood-burning stoves with gas, for cooking in Moscow and Leningrad, the general situation regarding not only fuel, but food and clothing, is and will remain dismal. Mr. Carey found that German prisoners could not be used for heavy work, because of the certainty of their collapse on the Russian's average diet.

## Counsel Staff Quits Pearl Harbor Inquiry

In protest over the slow pace at which the inquiry has been proceeding the entire legal staff of the joint Senate-House Committee investigating the Pearl Harbor disaster resigned on Dec. 14, according to Associated Press Washington advices, which added that Senator Alben W. Barkley (D.-Ky.), Committee Chairman on whose motion the group was created, said that he too was thinking of resigning his post in the inquiry.

William D. Mitchell, chief counsel of the Committee, said that he and his staff would help any new counsel the Committee might obtain to become acquainted with the investigation proceedings, but that they could not remain longer themselves than the early part of January. Senator Barkley described the withdrawal of the legal staff as a "tragic" development confessing that he had "no idea" who might be willing to take over its work.

In concluding his 700-word statement requesting release, Mr. Mitchell declared, according to the Associated Press:

"I had hopes to perform a useful public service in aiding to present publicly all the pertinent facts which would permit the Committee, the Congress, and the public to answer the questions in their minds. Our entire staff has worked days, nights and Sundays for two months and a half. We have produced, or prepared for introduction, much pertinent evidence that has never been produced at any previous inquiry about Pearl Harbor. We are all depressed that because of the course of the proceedings we have not been able to present it.

"It is necessary for me to ask the Committee to arrange for other counsel to carry on. If that is done with reasonable promptness there should be no serious break in the hearings. We have already done a large part of the work in digging out and organizing basic material and documents, and arranging for the witnesses.

"I want to make it clear that there has been no restriction placed upon counsel by any member of the committee or by any agency of the Government as far as presenting pertinent evidence is concerned. We have had access to all pertinent records and have received complete co-operation from all Government departments concerned. I feel sure that this same condition will continue. We will make every effort to aid the new counsel in preparing for their work and, during that process, we can, if the Committee desires, continue, for the rest of December and for a short time in January, presenting evidence to the Committee so that the new legal staff can pick up the case and carry on."

In discussing the possibility that he, too, might withdraw from the investigation by resigning as chairman, Senator Barkley informed his colleagues that he expected to reach a final decision in the next few days. Before making it, he said, according to the Associated Press, he would weigh his "relative obligations" to the Committee and to the Senate, where he is majority leader.

## Weekly Electric Output Figures Delayed

It is announced that the report on power output for the week ended Dec. 22, 1945 will not be released by the Edison Electric Institute until tomorrow (Friday)

## Lindbergh Urges Military Backing for World Organization

In his first public address since 1941, Charles A. Lindbergh, at a celebration of the forty-second anniversary of the Wright brothers' flight, urged formation of a world organization backed by military power and guided by the qualities represented in Christian ideals, the Associated Press reported from Washington, Dec. 17. Pointing out that scientific advances have made it "no longer a question of whether or not we should have world organization, but of what form it should take," the pre-war non-interventionist stated that he pleads "for strong military forces only because I believe the alternative is worse."

The world organization, he suggested, according to the Associated Press, will be a compromise between "the nations which have control on the basis of ability" and "the nations which would control on the basis of counting heads." Whatever its form, he concluded, it must hew to a Christian code of "integrity, humility and compassion that are lacking all over this post-war world."

## Period for Exchange of Colombian Bonds Extended

Holders of Republic of Colombia 6% external sinking fund gold bonds, dated July 1, 1927, due Jan. 1, 1961, and those dated April 1, 1928, due Oct. 1, 1961, are being notified that the time within which they may exchange their bonds and appurtenant coupons for Republic of Colombia 3% external sinking fund dollar bonds due Oct. 1, 1970, under an offer dated June 5, 1941, has been extended from Dec. 31, 1945, to Dec. 31, 1946. It is also announced that the period for the exchange of convertible certificates issued under the offer of the Republic has been similarly extended. Holders of Colombian Mortgage Bank bonds, under an offer dated June 25, 1942, also may exchange them for the 3% external sinking fund dollar bonds of the Republic of Colombia. This offer must be accepted by July 1, 1946.

Copies of these offers may be obtained upon application to the National City Bank of New York, Corporate Trust Department, 20 Exchange Place, New York 15, N. Y.

## N. Y. Savings Banks Report Gain in Deposits

November gains of \$65,497,992 in savings deposits of the 131 New York State savings banks was reported recently by Robert M. Catharine, President of the Association, although the net loss in accounts was 1,729. "The loss in accounts is not an actual falling-off of the number of depositors," Mr. Catharine explained, "for during the month abandoned accounts, that is, accounts that have not been used for 15 years, were required to be turned over to the State. Actually, over 87,000 new accounts were opened as compared with approximately 75,000 a year ago." In November, 1944, the gain in dollar deposits was \$80,405,666.

It is indicated that the total number of accounts has now reached 6,647,069 and total deposits, \$8,144,345,435 as of Nov. 30, 1945. This represents an increase of 267,833 accounts since November, 1944, and a deposit increase for the 12-month period of \$1,165,803,585.

morning at 9 a. m. due to the Christmas Day holiday.

The report for the week ended Dec. 15, 1945, with comparisons, will be found in the "Commercial and Financial Chronicle" of Dec. 20, 1945, page 3060.

## Savings Banks Acquire Site and Announce Plans For Housing Development in Brooklyn

Successful bidders for the 74-acre housing site adjacent to the Brooklyn Civic Center were a group of Brooklyn savings banks represented by Philip A. Benson, President of Concord Freeholders, Inc., and President of the Dime Savings Bank of Brooklyn. Fifteen savings banks in Brooklyn united to acquire this site and erect a modern housing development for 1,000 families in the heart of downtown Brooklyn. In making this known the Savings Banks Trust Co. on Dec. 19 said in part:

"The site, surrounded by Jay, Tillary, Adams, Sands and Pearl Streets and the Sands Street Naval Depot, will be redeveloped as a master block with 11 modern apartment houses, and will be known as Concord Village. The land was acquired for \$1,003,065 at the auction held by the city today and according to Mr. Benson, "building will get under way just as fast as we can do it."

From the preliminary plans made public following the auction, Concord Village will contain 3,000 rooms made up into 968 apartments from 1½ to 4½ rooms, each with adequate store facilities to provide shops and markets for the tenants.

"The project, according to the City Planning Commission, is now in the category of any other privately owned development, except that plans for its construction will, by agreement, be submitted to the Commission for its approval. But otherwise, there will be no special control. It is being entirely financed by the savings banks both as to equity interest and mortgage.

"The apartments will provide the utmost in modern improvements. Large rooms and ample closet space are provided in every unit. The three-room apartments, for example, are composed of a foyer, a 20 x 13 living room, a 15 x 12½ bedroom, kitchen and bath, contain five closets and have two exposures. The entire project will be thoroughly fireproof throughout and will have such features as metal-covered doors, metal windows and conveniently located metal stairs to all exits. Laundry facilities, incinerators and electric elevators of the self-operating automatic type are all provided in the buildings, as well as ample parking space for the tenants' automobiles.

"The banks participating in the project are: Brevoort Savings Bank of Brooklyn, Brooklyn Savings Bank, Bushwick Savings Bank, City Savings Bank of Brooklyn, Dime Savings Bank of Brooklyn, East Brooklyn Savings Bank, East New York Savings Bank, Flatbush Savings Bank, Fulton Savings Bank of Kings County, Hamburg Savings Bank, Kings County Savings Bank, Lincoln Savings Bank of Brooklyn, Prudential Savings Bank, Roosevelt Savings Bank and Williamsburgh Savings Bank. Agent for Concord Freeholders, Inc., and the stockholding savings banks in the development of the project is the Savings Banks Trust Company."

## Labor Dept. Price Index\* Up in October

Retail prices of goods and services used by moderate-income city families showed no change on the average between mid-September and mid-October, according to the Bureau of Labor Statistics of the U. S. Department of Labor. Clothing costs increased further by 0.1%, while prices for all other groups of items in the index decreased slightly by 0.1%. The consumers' price index for Oct. 15 and Sept. 15, 1945 was 128.9% of the 1935-39 average.

The Labor Department's announcement issued Nov. 30 also stated:

"Food costs in large cities declined 0.1% during the months, as meats decreased 0.5% and fruits and vegetables showed no change. Sweet potatoes and cabbage prices dropped seasonally by 10 and 6%, while spinach and green beans in-

creased 12% and 8%, respectively. Prices of apples advanced 2.3% following ceiling adjustments in August and September; they are now 13.6 cents per pound as compared with 4.0 cents in October 1939. Effects of the removal of subsidies on butter and peanut butter late in October and any price changes due to the lifting of rationing on meats on Nov. 24 will not be reflected in the index until November and December.

"Clothing costs continued to edge upward between mid-September and mid-October as sustained civilian demands coupled with the purchase of returning service men, further depleted stocks of men's apparel. Higher-priced garments only were available. Increases were reported for topcoats, overcoats, suits, work trousers and overalls, business shirts, underwear, socks, sweaters, and felt hats. In the last month of shoe rationing, prices of men's shoes moved up slightly and shoe-repair costs advanced in a few cities.

"Average retail prices of household furnishings and miscellaneous goods and services decreased 0.1% over the month. Prices of sheets advanced more than 5% due to the adjustment of retailers' margins for increases previously allowed manufacturers.

"The decline of 0.1% for miscellaneous goods and services represents the first decrease that has occurred in this group since June 1940. Reductions in transportation costs to the Atlantic Coast lowered gasoline prices between 3% and 6% in eastern cities. Cigarette prices dropped in a number of cities as retailers resumed their practice of selling cartons and two or more packs at a time. Charges for beauty-shop services increased in four cities.

"Fuel, electricity and ice costs declined 0.1%. Lower gas rates to consumers in Denver resulted from a decrease in wholesale prices growing out of a recent Supreme Court decision.

"Rents are surveyed only during the quarterly months of March, June, September and December."

\*This index, formerly called the cost-of-living index, measures average changes in retail prices of selected goods, rents, and services, weighted by quantities bought by families of wage-earners and moderate-income workers in large cities in 1934-36. The items priced for the index constituted about 70% of the expenditures of city families whose incomes averaged \$1,524 in 1934-36.

The index does not show the full effect of such factors as changes in quality and the availability of goods. During the war the quality of civilian goods has been lowered. The Bureau has attempted to account for the disappearance of low-priced merchandise by pricing the most similar article available. The President's Committee on the Cost of Living has estimated that such factors, together with certain others not fully measured by the index, would add a maximum of 3 to 4 index points to the index for large cities between January 1941 and September 1944. If small cities were included in the national average, another ½ point would be added.

## The State of Trade

(Continued from page 3171)

York reports System output of 195,900,000 kwh. in the week ended Dec. 16, 1945, comparing with 190,800,000 kwh. for the corresponding week of 1944, or an increase of 3.2%. Local distribution of electricity amounted to 184,900,000 kwh., compared with 186,300,000 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. 15 was 99% of mill capacity, against 99% in the preceding week and 89.3% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 98%, compared with 97% in the preceding week and 94% in the like 1944 week.

**Business Failures Remain Low**—Commercial and industrial failures took a slight downturn in the week ending Dec. 20 reports Dun & Bradstreet, Inc. Only 8 concerns failed as compared with 10 in the previous week and 15 in the corresponding week of 1944.

Seven of the 8 failures involved liabilities of \$5,000 or more, and were down slightly from the 9 of last week and the comparable week a year ago. Small failures, 1, remained the same as last week and were much smaller than the 6 occurring a year ago.

Manufacturing accounted for three-fourths of the week's failures. Only 1 occurred in the retail trade as compared with 3 of the previous week and 3 of the same week last year. The wholesale trade which showed 5 failures a year ago reported none this week.

There were no Canadian failures, a sharp decrease from the 5 of last week. One Canadian failure was reported for the previous year.

**Wholesale Commodity Price Index**—Wholesale commodity markets were quite steady last week. The Dun & Bradstreet daily wholesale commodity price index fluctuated mildly during the period, closing at 182.02 on Dec. 18, as against 182.26 a week earlier. At this time a year ago it stood at 174.61.

Activity in grains was considerably less than in the previous week with interest centered largely in oats and rye. Cash wheat and corn continued in tight supply with ceiling prices bid for all offerings. Cash corn has remained at ceiling levels for virtually a year past. The continued scarcity in corn has resulted in a strong demand for oats which rose to ceiling levels on several occasions for the first time this year. Aided by reports of active foreign inquiries, rye moved upward at the close after fluctuating irregularly throughout the week. Government purchases in substantial quantities featured the flour market. Export flour demand and inquiry continued to expand but mill offerings were hesitant due to uncertainty over possible termination of the subsidy program. Ceiling prices ruled for practically all weights of hogs last week as more moderate receipts found ready clearance. Production of lard and pork fats continued on the increase with some accumulation noted at leading packing points.

Cotton continued to show marked firmness as both spot and nearby futures markets reached new high ground for the season and longer. Demand for the staple received some stimulation from mill price fixing in the 1945 crop positions. The more distant months were rather quiet with the tone somewhat easier owing to uncertainties in connection with next year's crop. Other strengthening factors were the outlook for large domestic and foreign demand for cotton in the near future and a cotton production for this year of only 9,195,000 bales, the smallest

in twenty-five years. The upward trend in prices was held in check to some extent by current unsettled labor conditions and prospects of increased cotton plantings next year. Registrations under the cotton export program were in good volume but the movement of the staple into the Government loan and purchase programs remained at a very low level due to present high market values. Carded gray cotton cloth markets were reported generally withdrawn for the remainder of the year. Sales during the week were small and widely scattered.

In the Boston wool market, business in domestic types continued to taper off. Sales were very spotty and mostly in small lots needed to cover immediate requirements. Value of sales during the first week under the lower price schedule amounted to between 10,000,000 and 12,000,000 pounds, according to the U. S. Department of Agriculture. Although spot foreign wools were still scarce, some recent improvement in supplies was noted. Demand for all types of fine foreign wools, both spot and shortly-to-arrive, continued very active. In the woolen and worsted piece goods markets, production was said to be running about 30% greater than six months ago. Fabric deliveries, however, are reported from four to six weeks behind schedule.

**Wholesale Food Price Index Unchanged**—The wholesale food price index, compiled by Dun & Bradstreet, Inc., for Dec. 18, remained unchanged at the 25-year peak level of \$4.16. This was 1.7% higher than a year ago when it stood at \$4.09, and 4.0% above the comparative 1943 index of \$4.00. Up for the week were rye, oats and potatoes, while declines occurred in eggs and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

**Wholesale and Retail Trade**—The upward trend in retail volume was slowed last week by severe storms in various sections of the country, though the pressure of last minute Christmas purchasing somewhat counteracted this factor, reports Dun & Bradstreet, Inc., in its current review of trade. In some storm affected cities, spot reports placed weekly volume slightly below the previous week's level; for the country it was moderately over a year ago.

Christmas buying stimulated activity in many departments especially in children's wear, men's furnishings, lingerie, and neckwear. All accessories sold well with hosiery a much sought for item. Dollar volume of jewelry and cosmetics was higher than in the previous week, while shoe sales were sustained at the high level of a week ago. Fur volume exceeded last year's high totals.

Low-priced lamps have been popular gift items, but stocks were extremely low. Kitchen utensils appeared in more adequate supply than a year ago. Automobiles, radios, and washing machines were available only for display purposes and orders were taken for future delivery. Luggage showed a good demand, but supplies were limited. Florists reported orders flowing in for Christmas delivery. Christmas trees sold quickly last week and volume was over the previous week.

Food volume continued to rise. Peas, beets, celery, and some greens were plentiful, while other vegetables such as peppers, tomatoes, and string beans, affected by the freeze in Florida and Texas, were scarce. Supplies of lamb, veal, and beef were moderate with frankfurters and luncheon meats plentiful. The weather continued to limit fresh fish supplies in the New York area. Bakery sales increased and many orders were placed for Christmas goods.

Retail volume for the country

## Moody's Common Stock Yields

For yields in prior years see the following back issues of the "Chronicle": 1941 yields (also annually from 1929), Jan. 11, 1942, page 22:3; 1942 levels, Jan. 14, 1943, page 20:2; 1943 yields, March 16, 1944, page 11:30; 1944 yields, Feb. 1, 1945, page 5:58.

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
January, 1945	4.4	6.3	5.2	3.3	3.6	4.6
February, 1945	4.2	5.9	5.0	3.3	3.4	4.3
March, 1945	4.4	6.2	5.1	3.6	3.5	4.6
April, 1945	4.1	5.5	4.8	3.4	3.4	4.3
May, 1945	4.1	5.5	4.7	3.4	3.3	4.2
June, 1945	4.1	5.3	4.6	3.3	3.4	4.2
July, 1945	4.1	5.6	4.5	3.4	3.4	4.3
Aug., 1945	3.9	5.7	4.5	3.4	3.4	4.1
Sept., 1945	3.8	5.3	4.3	3.4	3.1	3.9
Oct., 1945	3.7	5.2	4.2	3.1	3.1	3.8
Nov., 1945	3.6	4.8	4.0	3.2	3.2	3.7

was estimated to be from 6 to 10% above a year ago. Regional percentage gains were: New England 4 to 8, East and South 6 to 10, Middle West 5 to 9, Northwest 6 to 9, Southwest 7 to 11, Pacific Coast 7 to 12.

Wholesale volume declined slightly last week but was fractionally over a year ago. Low temperatures and snow adversely affected shipments. Rush re-orders for many types of notions, household wares, and apparel and accessories were placed. Stocks of Winter apparel became even more depleted last week with delivery dates on spring orders further extended.

Department stores sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Dec. 15, 1945, increased by 14% above the same period of last year. This compared with an increase of 10% in the preceding week. For the four weeks ended Dec. 15, 1945, sales increased by 10% and for the year to date showed an increase of 11%.

With Christmas shopping nearing its climax, retail trade here in New York last week showed an estimated increase of 30% over the like week of 1944. This was the largest percentage gain for the holiday season, which in general was marked by heavy spending, demand for higher price and luxury items and shortages of many gift goods. An extremely strong demand for foods obtained during the week with wholesale volume running ahead of last year.

Many wholesale markets were affected by pre-holiday dullness and textile and garment producers continued to be confronted with a lack of goods. In the furniture trade activity was for the most part at a standstill.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Dec. 15, 1945, increased 17% above the same period last year. This compared with an increase of 16% in the preceding week. For the four weeks ended Dec. 15, 1945, sales rose by 15% and for the year to date increased by 15%.

## ABA War Bond Drive Chairman Praises State Associations

Francis M. Knight, Chairman of the ABA War Bond Drives Committee, and Vice President of the Continental Illinois National Bank & Trust Company, Chicago, Ill., in a letter addressed to the secretaries of the State Bankers Associations, expressed "deep appreciation for the splendid help that you have given us during the Victory Loan Drive. All of you have been very cooperative and have lightened considerably the task which the American Bankers Association has given us."

The letter read at the meeting of the State Association Section of the American Bankers Association at St. Louis, Dec. 11, by Frank C. Rathje, President of the Association, further said:

"It is no exaggeration to say that the nation could not have mobilized for total war and com-

plete victory without a healthy and cooperative banking structure. The banking system, gave the Government its full support and you have made an important contribution in building up an effective organization which has been of immeasurable aid to the Treasury in helping it to conduct the greatest money-raising campaign in the world's history. A creditable job has been done and it is one in which we can all take pride.

"The Treasury has expressed to us on innumerable occasions its appreciation of our cooperation. Apart from our own record in the sales of war and savings bonds to our depositors, one of our greatest accomplishments has been the physical task of processing the volume of subscriptions which flowed through our banks to the Federal Reserve banks and the Treasury. Over one billion individual pieces of Series E bonds alone have been sold during the war period, in addition to the millions of pieces of other securities which have been part of the drives, and the quick and efficient manner in which we have handled the flood of subscriptions which poured through our institutions has won the praise and admiration of Treasury officials.

"Most of our 300,000 bank employees have contributed freely of their time and energy not only in caring for this extra volume of work on top of their normal duties but also in actually soliciting subscriptions both at their places of business and in their leisure hours. We owe them a great debt of gratitude. Although acting as volunteers in the sale of billions of dollars of bonds and contributing the services of many of their officials as leaders in the various drives, the banks have spent thousands of dollars of their own money in newspaper, radio, and billboard advertising, and for the publication and distribution of literature in support of the various war loan campaigns and in the interim period between drives. The banking system as a whole was glad to do this as its contribution to the national war effort.

"One of the most significant achievements of the war financing program has been the widespread distribution that has been obtained for the public debt. War and Victory Loan bonds were sold to more than 85,000,000 Americans in every income group. It is important that this distribution of the debt be maintained so that the public may have a direct interest in the manner in which it is handled in the years to come. That is one of the reasons why the American Bankers Association is supporting the Treasury's plan to continue the sale of savings bonds indefinitely in the post-war period.

"It is in our own interest, as well as that of the public, to maintain the stability of the nation's financial structure, and to bring about a balancing of the budget. We, therefore, should take advantage of every opportunity to emphasize the necessity of a close and harmonious working relationship between the banking system and the Treasury, and to indicate our willingness to cooperate in any constructive plan

## Result of Treasury Bill Offering

With respect to the previous issue of \$1,300,000,000 of 91-day Treasury bills dated Dec. 7 and maturing March 27, the Treasury on Dec. 17 disclosed these results:

Total applied for, \$2,038,340,000. Total accepted, \$1,304,366,000 (includes \$39,250,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

Low, 99.95, equivalent rate of discount approximately 0.376% per annum.

(59% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 27 in the amount of \$1,300,610,000.

With respect to the previous issue of \$1,300,000,000 of 91-day Treasury bills dated Dec. 20, and maturing Mar. 21, 1946, the Treasury on Dec. 17 disclosed these results:

The details of this issue are as follows:

Total applied for \$2,030,823,000.

Total accepted, \$1,316,463,000 (includes \$54,353,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

(60% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 20 in the amount of \$1,306,700,000.

## Lumber Movement—Week Ended December 15, 1945

According to the National Lumber Manufacturers Association, lumber shipments of 433 mills reporting to the National Lumber Trade Barometer were 0.3% below production for the week ending Dec. 15, 1945. In the same week new orders of these mills were 7.9% below production. Unfilled order files of the reporting mills amounted to 81% of stocks. For reporting softwood mills, unfilled orders are equivalent to 28 days' production at the current rate, and gross stocks are equivalent to 33 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 3.7%; orders by 5.9%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 11.8% less; shipments were 5.0% less; orders were 28.9% less.

which makes for a sounder economy which means a better and a happier America."

The State Bankers Associations were also highly complimented by Frank C. Rathje, President of the American Bankers Association, in an address opening the meeting of the State Association Section. Mr. Rathje, who is President of the Chicago City Bank and Trust Company of Chicago, stated that "the value of the contributions which banks made to the prevention of inflation by securing broad participation in bond purchases by individuals is an achievement of which they may justly be proud."

### 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	Ave. Corp- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Dec. 25			STOCK EXCHANGE CLOSED						
24			STOCK EXCHANGE CLOSED						
22	124.31	117.20	121.04	119.41	117.20	111.62	114.08	117.40	120.22
21	124.28	117.20	121.04	119.41	117.20	111.44	114.08	117.20	120.22
20	124.28	117.20	121.04	119.41	117.20	111.44	113.89	117.20	120.43
19	124.25	117.20	120.84	119.41	117.20	111.44	113.89	117.20	120.22
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
16	124.17	117.00	120.84	119.41	117.00	111.25	113.89	117.20	120.22
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	117.00	111.25	113.89	117.20	120.22
13	124.11	117.00	120.84	119.41	117.00	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
9	124.06	116.80	120.63	119.41	117.00	110.88	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	117.00	110.88	113.50	117.00	120.22
5	124.01	116.80	120.63	119.41	117.00	110.88	113.50	117.00	120.22
4	123.98	116.80	120.63	119.41	117.00	110.88	113.50	117.00	120.22
3	123.92	116.80	120.63	119.41	117.00	110.88	113.50	117.00	120.22
2	123.83	116.80	120.63	119.41	117.00	110.70	113.31	117.00	120.22
1	123.81	116.80	120.63	119.41	117.00	110.70	113.31	117.00	120.22
Nov. 30	123.70	116.80	120.84	119.41	117.00	110.70	113.50	116.80	120.22
29	123.70	116.80	120.84	119.41	117.00	110.70	113.50	116.80	120.22
28	123.44	116.80	120.84	119.41	116.80	110.52	113.31	116.80	120.22
27	123.28	116.61	120.63	119.41	116.61	110.34	113.12	116.80	120.02
26	123.05	116.61	120.63	119.41	116.61	110.15	113.12	116.80	120.02
25	122.92	116.22	120.63	119.20	116.22	109.60	112.83	116.41	119.82
24	122.92	116.22	120.63	119.20	116.22	109.42	112.75	116.41	119.82
23	122.76	116.22	120.84	119.00	116.22	109.42	112.56	116.22	120.02
22	122.56	116.22	120.84	119.00	116.22	109.24	112.37	116.02	119.82
21	122.19	116.02	120.84	118.80	116.02	108.88	112.19	116.02	119.61
20	121.97	115.82	120.43	118.80	116.02	108.70	112.19	116.22	119.61
19	121.98	116.02	120.84	118.80	116.02	108.88	112.19	116.02	119.61
18	122.09	116.02	120.63	119.20	116.22	108.52	112.37	116.02	119.61
17	122.09	116.02	120.84	119.00	116.22	108.52	112.56	116.02	119.61
16	122.39	115.82	120.84	119.20	115.82	108.16	112.93	115.63	119.00
15	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.43	119.41
14	122.29	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20
13	122.38	115.24	120.84	118.40	115.04	107.09	112.19	114.27	119.20
12	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
11	122.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41
10	122.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
9	124.31	117.20	121.04	116.61	117.20	111.62	114.08	117.40	120.43
8	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20
1 Year Ago									
Dec. 23, 1944	120.55	113.50	119.00	117.80	113.31	104.48	108.70	113.89	118.20
2 Years Ago									
Dec. 24, 1943	119.55	110.70	118.20	116.02	110.88	99.04	103.13	113.12	116.22

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)									
1945— Daily Averages	U. S. Govt. Bonds	Ave. Corp- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Dec. 25			STOCK EXCHANGE CLOSED						
24			STOCK EXCHANGE CLOSED						
22	1.45	2.79	2.60	2.68	2.79	3.08	2.95	2.78	2.64
21	1.45	2.79	2.60	2.68	2.79	3.09	2.95	2.79	2.64
20	1.45	2.79	2.60	2.68	2.79	3.09	2.96	2.79	2.63
19	1.45	2.79	2.61	2.68	2.79	3.09	2.96	2.79	2.64
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
16	1.46	2.80	2.61	2.68	2.80	3.10	2.96	2.79	2.64
15	1.46	2.80	2.61	2.68	2.79	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	2.96	2.80	2.64
10	1.47	2.80	2.62	2.68	2.80	3.11	2.98	2.80	2.64
9	1.47	2.81	2.62	2.68	2.80	3.12	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	2.80	2.62	2.68	2.80	3.12	2.98	2.80	2.64
5	1.47	2.81	2.62	2.68	2.80	3.13	2.99	2.80	2.64
4	1.48	2.81	2.61	2.68	2.80	3.12	2.98	2.80	2.64
3	1.49	2.81	2.62	2.68	2.80	3.13	2.99	2.80	2.64
2	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
29	1.50	2.81	2.61	2.68	2.80	3.13	2.98	2.81	2.64
28	1.52	2.81	2.61	2.68	2.81	3.14	2.99	2.81	2.64
27	1.53	2.82	2.62	2.68	2.82	3.15	3.00	2.81	2.65
26	1.55	2.82	2.62	2.68	2.83	3.16	3.00	2.81	2.65
25	1.56	2.84	2.62	2.69	2.84	3.19	3.01	2.83	2.66
24	1.55	2.84	2.62	2.69	2.84	3.20	3.02	2.83	2.66
23	1.57	2.84	2.61	2.70	2.84	3.20	3.03	2.84	2.65
22	1.59	2.84	2.61	2.70	2.84	3.21	3.04	2.84	2.65
21	1.63	2.85	2.61	2.71	2.86	3.23	3.05	2.85	2.66
20	1.65	2.86	2.63	2.71	2.85	3.23	3.05	2.85	2.67
19	1.66	2.85	2.61	2.71	2.85	3.24	3.05	2.84	2.67
18	1.65	2.85	2.62	2.69	2.84	3.25	3.04	2.85	2.67
17	1.65	2.85	2.61	2.70	2.84	3.25	3.03	2.85	2.68
16	1.64	2.86	2.61	2.69	2.86	3.27	3.01	2.87	2.70
15	1.60	2.85	2.60	2.69	2.85	3.27	3.01	2.88	2.68
14	1.64	2.88	2.62	2.71	2.88	3.31	3.05	2.91	2.69
13	1.63	2.89	2.61	2.73	2.90	3.33	3.05	2.94	2.69
12	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69
11	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68
10	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72
9	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
8	1.45	2.79	2.60	2.67	2.79	3.08	2.95	2.78	2.63
1 Year Ago									
Dec. 23, 1944	1.80	2.98	2.70	2.76	2.99	3.48	3.24	2.96	2.74
2 Years Ago									
Dec. 24, 1943	1.85	3.13	2.74	2.85	3.12	3.81	3.56	3.00	2.84

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

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

### Revenue Freight Car Loadings During Week Ended Dec. 15, 1945 Decreased 4,781 Cars

Loading of revenue freight for the week ended Dec. 15, 1945, totaled 771,594 cars, the Association of American Railroads announced on Dec. 21. This was an increase above the corresponding week in 1944 of 21,352 cars, or 2.8%, and an increase above the same week in 1943 of 12,713 cars or 1.7%.

Loading of revenue freight for the week of Dec. 15, decreased 4,781 cars, or 0.6% below the preceding week.

Miscellaneous freight loading totaled 342,353 cars a decrease of 7,496 cars below the preceding week, and a decrease of 35,406 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled

116,672 cars, a decrease of 578 cars below the preceding week but an increase of 14,443 cars above the corresponding week in 1944.

Coal loading amounted 180,695 cars an increase of 6,276 cars above the preceding week, and an increase of 38,022 cars above the corresponding week in 1944.

Grain and grain products loading totaled 54,513 cars a

### Trading on New York Exchanges

The Securities and Exchange Commission made public on Dec. 19 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 Dec. 1, 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 Dec. 1 (in round-lot transactions) totaled 3,414,509 shares, which amount was 15.92% of the total transactions on the Exchange of 10,727,870 shares. This compares with member trading during the week ended Nov. 24 of 2,854,786 shares, or 15.99% of the total trading of 8,926,150 shares. On the New York Curb Exchange, member trading during the week ended Dec. 1 amounted to 1,350,040 shares or 12.51% of the total volume on that Exchange of 5,397,605 shares. During the week ended Nov. 24 trading for the account of Curb members of 1,106,155 shares was 12.38% of the total trading of 4,468,650 shares.

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

WEEK ENDED DECEMBER 1, 1945		
A. Total Round-Lot Sales:	Total for Week	%
Short sales	270,630	
Other sales	10,457,240	
<b>Total sales</b>	<b>10,727,870</b>	
<b>B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>		
<b>1. Transactions of specialists in stocks in which they are registered—</b>		
Total purchases	972,170	
Short sales	177,430	
Other sales	831,160	
<b>Total sales</b>	<b>1,980,760</b>	<b>18.47</b>
<b>2. Other transactions initiated on the floor—</b>		
Total purchases	1,008,590	9.23
Short sales	214,340	
Other sales	14,600	
<b>Total sales</b>	<b>1,237,530</b>	<b>11.54</b>
<b>3. Other transactions initiated off the floor—</b>		
Total purchases	209,590	1.98
Short sales	397,575	
Other sales	46,628	
<b>Total sales</b>	<b>653,793</b>	<b>6.10</b>
<b>4. Total—</b>		
Total purchases	1,584,085	
Short sales	238,658	
Other sales	1,591,766	
<b>Total sales</b>	<b>3,414,509</b>	<b>31.85</b>

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

WEEK ENDED DECEMBER 1, 1945		
A. Total Round-Lot Sales:	Total for Week	%
Short sales	53,785	
Other sales	5,343,820	
<b>Total sales</b>	<b>5,397,605</b>	
<b>B. Round-Lot Transactions for Account of Members:</b>		
<b>1. Transactions of specialists in stocks in which they are registered—</b>		
Total purchases	403,140	
Short sales	30,845	
Other sales	325,835	
<b>Total sales</b>	<b>759,820</b>	<b>14.09</b>
<b>2. Other transactions initiated on the floor—</b>		
Total purchases	356,680	7.04
Short sales	78,215	
Other sales	3,250	
<b>Total sales</b>	<b>438,145</b>	<b>8.12</b>
<b>3. Other transactions initiated off the floor—</b>		
Total purchases	85,400	1.52
Short sales	80,565	
Other sales	8,925	
<b>Total sales</b>	<b>174,890</b>	<b>3.24</b>
<b>4. Total—</b>		
Total purchases	561,920	
Short sales	43,020	
Other sales	745,100	
<b>Total sales</b>	<b>1,350,040</b>	<b>25.00</b>
<b>C. Odd-Lot Transactions for Account of Specialists—</b>		
Customers' short sales	0	
Customers' other sales	150,610	
<b>Total purchases</b>	<b>150,610</b>	<b>2.81</b>
<b>Total sales</b>	<b>150,610</b>	<b>2.81</b>

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

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

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

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

### Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Dec. 15, 1945, as estimated by the United States Bureau of Mines, amounted to 12,365,000 net tons, an increase of 320,000 tons, or 2.7%, over the preceding week. Output in the week ended Dec. 16, 1944 amounted to 10,217,000 tons. For the period from Jan. 1 to Dec. 15, 1945 production totaled 554,253,000 net tons, a decrease of 7.6% when compared with the 600,015,000 tons produced during the period from Jan. 1 to Dec. 16, 1944.

Production of Pennsylvania anthracite for the week ended Dec. 15, 1945, as estimated by the Bureau of Mines, was 1,066,000 tons, an increase of 51,000 tons (5.0%) over the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 89,000 tons, or 7.7%. The calendar year to date shows a decrease of 14.4% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of beehive coke for the week ended Dec. 15, 1945 showed an increase of 200

tons when compared with the output for the week ended Dec. 8, 1945; but was 2,500 tons less than for the corresponding week of 1944.

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

	Week Ended			Jan. 1 to Date	
	Dec. 15, 1945	Dec. 8, 1945	Dec. 16, 1944	*Dec. 15, 1945	†Dec. 16, 1944
Bituminous coal & lignite:	12,365,000	12,045,000	10,217,000	554,253,000	600,015,000
Total, incl. mine fuel	12,365,000	12,045,000	10,217,000	554,253,000	600,015,000
Daily average	2,061,000	2,008,000	1,703,000	1,888,000	2,018,000

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

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

	Week Ended			Calendar Year to Date	
	Dec. 15, 1945	Dec. 8, 1945	Dec. 16, 1944	Dec. 15, 1945	Dec. 18, 1944
Penn Anthracite—	1,066,000	1,015,000	1,155,000	52,894,000	61,811,000
*Total incl. coll. fuel	1,066,000	1,015,000	1,155,000	52,894,000	61,811,000
†Commercial produc.	1,023,000	974,000	1,109,000	50,760,000	59,339,000
Beehive coke	43,000	41,000	46,000	1,134,000	1,472,000
United States total	84,600	84,400	87,100	5,019,700	6,777,700

\*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

State—	Week Ended			Calendar Year to Date	
	Dec. 8, 1945	Dec. 1, 1945	Dec. 9, 1944	Dec. 15, 1945	Dec. 18, 1944
Alabama	414,000	420,000	355,000	14,770,000	15,000,000
Alaska	6,000	6,000	7,000	24,000	28,000
Arkansas and Oklahoma	101,000	128,000	89,000	3,960,000	4,000,000
Colorado	163,000	163,000	180,000	6,510,000	6,510,000
Georgia and North Carolina	1,000	1,000	1,000	3,000	3,000
Illinois	1,450,000	1,413,000	1,561,000	57,000,000	57,000,000
Indiana	594,000	548,000	594,000	23,760,000	23,760,000
Iowa	46,000	53,000	45,000	1,840,000	1,840,000
Kansas and Missouri	125,000	128,000	158,000	5,000,000	5,000,000
Kentucky—Eastern	987,000	1,072,000	1,067,000	39,000,000	39,000,000
Kentucky—Western	452,000	442,000	378,000	18,080,000	18,080,000
Maryland	33,000	39,000	29,000	1,320,000	1,320,000
Michigan	2,000	3,000	3,000	9,000	9,000
Montana (bitum. & lignite)	104,000	100,000	100,000	4,160,000	4,160,000
New Mexico	31,000	30,000	33,000	1,230,000	1,230,000
North & South Dakota (lignite)	93,000	88,000	61,000	3,720,000	3,720,000
Ohio	731,000	727,000	674,000	28,520,000	28,520,000
Pennsylvania (bituminous)	2,770,000	2,825,000	2,748,000	111,000,000	111,000,000
Tennessee	133,000	141,000	137,000	5,320,000	5,320,000
Texas (bituminous & lignite)	1,000	2,000	2,000	6,000	6,000
Utah	144,000	142,000	153,000	5,760,000	5,760,000
Virginia	353,000	391,000	370,000	14,520,000	14,520,000
Washington	34,000	36,000	30,000	1,360,000	1,360,000
West Virginia—Southern	2,095,000	2,160,000	2,203,000	87,800,000	87,800,000
West Virginia—Northern	958,000	1,065,000	1,011,000	40,680,000	40,680,000
Wyoming	225,000	227,000	212,000	9,080,000	9,080,000
Other Western States	225,000	227,000	212,000	9,080,000	9,080,000
<b>Total bituminous &amp; lignite</b>	<b>12,045,000</b>	<b>12,350,000</b>	<b>12,192,000</b>	<b>554,253,000</b>	<b>600,015,000</b>

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

### Latest Summary of Copper Statistics

The Copper Institute on Dec. 11 released the following statistics pertaining to production, deliveries and stocks of duty-free copper.

### SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE

U. S. Duty Free Copper	Production		Deliveries to Customers		Stocks End of Period	Stock Increase (+) or Decreases (-)	
	*Crude	†Refined	‡Domestic	§Export		¶Blister	‡Refined
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	-130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	-41,417	-16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	-48,671	-67,208
Year 1942	1,152,344	1,135,708	1,635,236	—	65,309	+16,636	-10,255
Year 1943	1,194,699	1,206,871	1,643,677	—	52,121	-12,172	-13,188
Year 1944	1,056,180	1,098,788	1,636,295	—	66,780	-42,608	+14,659
11 mos., 1945	777,051	1,414,328	—	—	74,425	+1,625	+7,645
Jan., 1945	73,754	67,726	145,904	—	59,715	+6,028	+7,065
Feb., 1945	67,496	69,950	172,585	—	57,142	-2,454	-2,573
Mar., 1945	76,537	76,395	218,488	—	51,861	+142	+5,281
Apr., 1945	74,392	75,436	161,111	—	55,453	+1,044	+3,597
May, 1945	74,469	85,319	139,203	—	63,841	-10,850	+8,386
June, 1945	72,271	74,377	94,031	—	70,738	+2,106	+6,829
July, 1945	72,855	72,985	89,661	—	76,168	-140	+4,829
Aug., 1945	68,253	69,127	86,940	—	80,316	+874	+4,150
Sept., 1945	64,091	45,145	83,478	—	69,675	+18,946	-11,641
Oct., 1945	69,322	70,363	104,104	—	73,913	-1,041	+5,237
Nov., 1945	65,236	70,218	119,923	—	74,425	-4,982	+5,121

\*Mine or smelter production or shipments, and custom intake including scrap.

†Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.

§Computed by difference between mine and refined production.

NOTE—Statistics for the month of October, 1945, have been 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	Orders Received Tons	Production Tons	Unfilled Orders		Percent of Activity Current Cumulat
			Remaining Tons	Percent of Activity Current Cumulat	
1945—Week Ended					
Sept. 1	173,322	159,653	494,699	97	94
Sept. 8	160,857	127,683	527,938	96	93
Sept. 15	150,029	160,303	515,295	96	91
Sept. 22	128,061	151,365	489,702	93	93
Sept. 29	126,065	155,428	492,880	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
Dec. 15	150,330	157,792	487,481	98	94

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

### Resolution Sent to Sav's & Loan Assns. On House Financing

The problem of the housing shortage in the country at the present time is so large and complex that action is needed from many governmental agencies as well as by all factors connected with home building and home financing, according to a resolution which was transmitted recently to the 3,653 savings and loan associations and co-operative bank members of the United States Savings and Loan League. It was adopted by the League's Executive Council at its annual meeting early in December in Chicago, said advices from the League on Dec. 15, which stated that the resolution asks four specific steps to be taken simultaneously:

"1. That those governmental agencies with jurisdiction over price levels and rent levels take prompt action to adjust these levels to such an extent as may be necessary to expedite an expanded home building program.

"2. That those governmental agencies which have building materials in their possession or under their control be requested promptly to release them for use in home building.

"3. That

### Daily Average Crude Oil Production for Week Ended Dec. 15, 1945 Increased 45,800 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 15, 1945 was 4,514,700 barrels, a gain of 45,800 barrels per day over the preceding week. It was, however, 180,900 barrels per day less than in the corresponding week of 1944 and was 27,300 barrels below the daily average figure of 4,452,000 barrels recommended by the Bureau of Mines for the month of December, 1945. Daily output for the four weeks ended Dec. 15, 1945 averaged 4,475,250 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, 4,562,000 barrels of crude oil daily and produced 14,644,000 barrels of gasoline; 1,867,000 barrels of kerosine; 4,905,000 barrels of distillate fuel, and 8,107,000 barrels of residual fuel oil during the week ended Dec. 15, 1945; and had in storage at the end of the week 89,043,000 barrels of finished and unfinished gasoline; 11,174,000 barrels of kerosine; 40,968,000 barrels of distillate fuel, and 42,962,000 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. 15, 1945	Change from Previous Week	4 Weeks Ended Dec. 15, 1945	Week Ended Dec. 16, 1944
Oklahoma	388,000	388,000	1,388,500	+ 500	386,500	358,200
Kansas	268,000	249,400	1,254,850	+ 22,700	252,150	267,300
Nebraska	800		750		750	1,050
Panhandle Texas			81,000		81,000	88,750
North Texas			149,650		148,400	140,600
West Texas			465,800		461,750	471,350
East Central Texas			130,300		129,150	141,450
East Texas			307,000		311,500	371,000
Southwest Texas			314,550		307,350	345,450
Coastal Texas			470,600		467,400	552,950
Total Texas	1,940,000	1,940,000	1,918,900		1,906,550	2,111,550
North Louisiana			76,150	+ 650	75,500	71,250
Coastal Louisiana			295,300		294,450	289,600
Total Louisiana	365,000	406,000	371,450	+ 650	369,950	360,850
Arkansas	78,000	77,311	75,900	- 100	76,050	80,900
Mississippi	48,000		53,600	- 1,300	53,450	52,100
Alabama	500		150	- 550	550	250
Florida			50		100	50
Illinois	213,000		211,300	+ 6,600	207,250	195,600
Indiana	13,500		12,750	- 1,350	13,400	11,550
Eastern (Not incl. Ill., Ind., Ky.)	65,200		60,800	+ 1,900	60,350	59,600
Kentucky	21,000		28,900	- 1,050	29,200	29,350
Michigan	47,000		48,900	+ 5,800	45,550	52,650
Wyoming	92,000		93,550	+ 3,300	94,950	95,950
Montana	22,000		20,300		19,900	21,300
Colorado	20,000		20,450	- 500	20,850	8,850
New Mexico	102,000	104,000	97,900		96,650	103,200
Total East of Calif.	3,692,000		3,669,000	+ 36,600	3,633,550	3,810,300
California	850,000	824,000	845,700	+ 9,200	841,700	885,300
Total United States	4,542,000		4,514,700	+ 45,800	4,475,250	4,695,600

\*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. 12, 1945. ‡This is the net basic allowable as of Dec. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 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 STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSENE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED DEC. 15, 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 Refining Capac.	Crude Runs to Still, Daily Av.	Gasoline Produced at Ref. Inc. Nat. Blended	Unfinished Gasoline Stocks	Kerosine	Gas Oil of Dist. Resid. Fuel Oil	% Stocks of Gasoline	% Stocks of Kerosine	% Stocks of Gas Oil	% Stocks of Residual Fuel Oil
East Coast	99.5	766	96.8							
Appalachian										
District No. 1	76.8	97	66.4	320	2,836	290	658	256		
District No. 2	81.2	54	108.0	168	1,026	38	148	211		
Ind., Ill., Ky.	87.2	727	84.8	2,588	17,702	2,115	5,890	2,843		
Okl., Kan., Mo.	78.3	363	77.4	1,307	7,859	755	2,525	1,057		
Inland Texas	59.8	201	60.9	866	2,742	246	413	819		
Texas Gulf Coast	89.3	1,097	88.7	3,780	15,333	1,758	6,130	4,727		
Louisiana Gulf Coast	96.8	298	114.6	836	4,156	965	1,912	1,520		
No. La. & Arkansas	55.9	61	48.4	166	1,793	197	511	335		
Rocky Mountain										
District No. 3	17.1	13	100.0	37	103	20	19	29		
District No. 4	72.1	110	69.2	350	1,725	93	482	670		
California	86.5	775	80.1	2,286	14,480	505	8,257	23,276		
Total U. S. B. of M. basis Dec. 15, 1945	85.7	4,562	84.4	14,644	89,043	11,174	40,968	42,962		
Total U. S. B. of M. basis Dec. 8, 1945	85.7	4,473	82.8	14,908	87,004	11,750	42,406	44,723		
U. S. B. of M. basis Dec. 16, 1944		4,576		13,945	82,996	12,432	41,759	59,118		

\*Includes 7,947,000 barrels of unfinished gasoline stocks. †Includes 12,813,000 barrels of unfinished gasoline stocks. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,867,000 barrels of kerosine, 4,905,000 barrels of gas oil and distillate fuel oil and 8,107,000 barrels of residual fuel oil produced during the week ended Dec. 15, 1945; which compares with 1,717,000 barrels, 4,669,000 barrels and 8,545,000 barrels, respectively, in the preceding week and 1,426,000 barrels, 4,343,000 barrels and 9,158,000 barrels, respectively, in the week ended Dec. 16, 1944. [Revised in North Louisiana-Arkansas due to error by reporting company.]

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.

### Civil Engineering Construction Totals \$63,768,000 for Week

Civil engineering construction volume in continental United States totals \$63,768,000 for the week ending Dec. 20, 1945, as reported to "Engineering News-Record." This volume is 6% below the volume for last week; is 215% greater than the volume for the corresponding week of last year and is 6% below the previous four-week moving average. The report issued on Dec. 20, went on to say:

Private construction registered a 7% gain over the preceding week and a 743% increase over the week last year. The volume for public construction while 37% below last week is 65% above the 1944 week. State and municipal construction recorded a 15% increase over last week and a 57% increase over the week last year. Federal construction down 93% below last week is also down 90% compared with the week last year.

The current week's construction brings the 1945 total cumulative figure to \$2,263,150,000, for the 51-week period, a 33% increase over the total for a like period of 1944. The cumulative total for private construction is 213% greater than last year. State and municipal 51 week total for 1945 is 61% greater than the total for the same period of 1944. Public construction down 16% from last year due mainly to the 33% drop in federal work.

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

	Dec. 20, 1945	Dec. 13, 1945	Dec. 21, 1944
Total U. S. Construction	\$63,768,000	\$67,642,000	\$20,225,000
Private Construction	51,568,000	48,399,000	6,177,000
Public Construction	12,200,000	19,243,000	14,048,000
State and Municipal	11,562,000	10,053,000	7,377,000
Federal	638,000	9,190,000	6,671,000

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

### Non-Ferrous Metals—Stockpile Regulation Extended Three Months—Lead Quotas Reduced

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 20 stated: "Anxiety over pending legislation to replace measures about to expire at the end of the year was eased somewhat when the Surplus Property Administration amended Regulation 17, thereby extending the stockpiling order for three months to April 1. Final action on the Green Act, relating to unpledged Treasury silver for use by industry, remains uncertain."

Nervousness in reference to foreign copper is likely to continue until the Government decides on whether its purchasing program will be continued. Lead quotas for batteries and tetraethyl lead for the first quarter of 1946 were reduced, owing to the tight situation in the metal. Strike action at Mexican silver properties was postponed. The publication further went on to say in part:

**Copper**  
Metals Reserve on Dec. 19 released a good tonnage of foreign copper for January distribution among consumers. Details on the total involved were not available at that time, but members of the industry believe that between 40,000 and 50,000 tons will be shipped.

The copper industry remains in the dark on the Government's intentions in regard to purchases of Latin American copper. Most observers feel that buying will be resumed at an early date.

Mine output of copper in the United States, in terms of recoverable metal, amounted to 60,249 tons in October, according to a preliminary estimate by the Bureau of Mines. Output in September was 57,615 tons.

**Lead**  
The lead conservation order was amended by CPA on Dec. 18, reducing first-quarter quotas for both passenger-car batteries and tetraethyl. This move was expected in trade circles, in view of the rather heavy production schedules in these classifications for next year, and the action taken is not expected to prove a hardship to either producers or consumers. Quotas for industrial-type batteries, cable covering, and collapsible tubes were not disturbed.

The first-quarter quota for passenger-car batteries was reduced to 22% of the amount used during the calendar year 1944, the current rate being 26½%. Approximately 4,200,000 batteries can be produced under the revised quota in the January-March period of 1946, which compares

with 3,200,000 in the same period of 1945. Quotas for tetraethyl lead will drop to 80% of the estimated amount used in the fourth quarter of 1945. Producers have been asked to draw upon their reserves of special high-test gasoline in producing the commercial grades. Sales of lead for the last week amounted to 3,119 tons.

Lead production at domestic mines, in terms of recoverable metal, amounted to 29,816 tons in October, against 29,530 tons in September, preliminary figures of the Bureau of Mines indicate. The daily rate of production for October was 962 tons, which compares with 984 tons in the preceding month.

**Zinc**  
Sellers of Prime Western and Special High Grade were pleased over the volume of business booked in these grades during the last week. The threat of a strike in the steel industry, and the labor disturbances in the automotive field, have not yet changed the mood of either galvanizers or die casters. Adjustments to meet peacetime conditions are still going on at brass mills, which, in some degree, accounts for the continued reluctance on the part of this important zinc-consuming industry to abandon its conservative buying policy. The price situation in zinc remained unchanged.

**Tin**  
News from tin-producing areas of the Far East has been more encouraging. Malayan producers believe that 41 out of 126 dredges will be in operation by next August. Production on the island of Billiton, N. E. I., is expected to resume on a satisfactory scale within six months, according to the Netherlands Information Bureau.

The Civilian Production Administration eased its restrictions on the use of tin, permitting use of the metal on a limited scale to coat kitchen utensils, flatware, etc., and as a filler for automobile bodies. In the last-named classification, only secondary tin may be used. The tin-content of various solders was increased to a moderate extent. Tin oxide may be produced from tin obtained from detinning operations. Many of the uses authorized in the announcement, which was issued Dec. 17, have been previously granted under appeal procedure. The closure and collapsible tube orders have been incorporated in M-43.

Quotations for spot tin were unchanged. Forward quotations, in cents per pound, follow:

	Dec.	Jan.	Feb.
Dec. 13	52.000	52.000	52.000
Dec. 14	52.000	52.000	52.000
Dec. 15	52.000	52.000	52.000
Dec. 17	52.000	52.000	52.000
Dec. 18	52.000	52.000	52.000
Dec. 19	52.000	52.000	52.000

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

**Quicksilver**  
The October statistics of the Bureau of Mines, which showed that stocks in the hands of consumers and dealers increased to 37,800 flasks, caused no excitement in market circles. The statistics at present are badly scrambled, traders claim, containing substantial quantities that eventually will repose in the Government's stockpile. With no pressure to sell noted anywhere, the price situation was viewed as steady. Coast prices were higher, but this development was offset by ability to ship metal to New York at lower cost by boat. Quotations here continued at \$108 to \$110 per flask.

A dispatch from San Francisco, Dec. 18, states sellers quote \$105 to \$106 per flask, against \$104 to \$106 last week.

**Silver**  
Small silver producers operating in Canada are expected to increase output, now that they can obtain the world price for their metal. Production at Canadian refineries, however, depends on the rate of activity in base metals. Under the regulation now in force, refiners have been requested to set aside 50% of their production, largely byproduct silver, for home consumption, to be sold to consumers at the 40¢ ceiling, with the remainder eligible for sale at the price obtaining in the world market.

Interest in silver in the United States centered in the move to extend the Green Act, which provides for release of unpledged Treasury silver to industry. Banking and currency committees of the Senate and the House held hearings on the measure last week.

The New York Official for foreign silver was unchanged at 70¾¢ an ounce. London continued at 44d all week.

Silver production at United States refineries was sharply higher in October, the gain reflecting increased activity in foreign metal after the price ceiling was raised by OPA. Production in October totaled \$7,002,000 ounces, of which 2,780,000 ounces was obtained from domestic sources and 4,222,000 ounces from abroad, the American Bureau of Metal Statistics reports. Production in September was 4,803,000 ounces, of which 2,300,000 ounces was domestic and 2,503,000 ounces foreign.

Output of refineries in the first ten months of 1945 totaled 55,653,000 ounces, against 63,931,000 ounces in the January-October period last year.

**Air Mail to Colombia**  
Postmaster Albert Goldman in New York made known on Dec. 20 the receipt of information from the Post Office Department at Washington that the air mail postage rate to Colombia is reduced to 15 cents per half-ounce or fraction.

## Items About Banks, Trust Companies

At a regular meeting of the Board of Directors of J. P. Morgan & Co. Incorporated, held on Dec. 19, the following appointments were made: Fred C. Billing, Assistant Secretary; Erwin O. Gerhardt, Assistant Treasurer, and Clifford F. Scherer, Assistant Treasurer.

Joseph C. Rovensky will relinquish his post as Vice-President of the foreign department of the Chase National Bank of New York at the end of this year. He will continue to serve in an advisory capacity with the bank, however, and will retain his post as a Vice-President and director of The Chase Bank, affiliate of the Chase National Bank, with branches in Paris and the Far East. He also will become Vice-Chairman of the Morris Plan Corporation of America, serving in an advisory capacity.

Mr. Rovensky has been connected with the foreign department of the Chase National Bank since 1922, except during the three-year period, 1940-43, while he was on leave of absence serving as Assistant Coordinator of Inter-American Affairs on the staff of Nelson Rockefeller at Washington. As an outgrowth of responsibilities assumed in that capacity, he was instrumental in founding the new Council for Inter-American Cooperation, Inc., of which he is President. The Council is engaged in mobilizing the support of business, cultural, labor, and educational leaders for hemispheric cooperation.

Mr. Rovensky has served as President of the Bankers Association for Foreign Trade and is a director of the National Foreign Trade Council. He was a national bank examiner in Chicago and New York before joining the Chase. He is a life trustee of Washington and Jefferson College and is on the panel of arbitrators for the American Arbitration Association.

The Corn Exchange Bank Trust Company of New York, announces the promotion of Harold H. Boswell, Assistant Secretary, to Assistant Vice-President, and Clark G. Sherer, Manager of Grand Central Branch, to Assistant Vice-President.

At the regular meeting of the Board of Directors of The National City Bank of New York held Dec. 18, Harvey S. Gerry and Dana B. Scudder were appointed Assistant Vice-Presidents, and Thomas R. Wilcox was appointed an Assistant Cashier.

Major Kingsbury S. Nickerson, USA, and Lieut. William S. Renchard, USNR, will return to the Chemical Bank & Trust Co. of New York, after more than three years' service with the Armed Forces, and will resume their positions as Assistant Vice-Presidents at the Main Office of the Bank on Jan. 2.

Walter G. Kimball, Chairman of the board of The Commercial National Bank and Trust Co. of New York, announced on Dec. 20 the following official changes and appointments, effective Jan. 7:

Charles E. Wolf, Vice-President and Cashier, to become Vice-President; Edwin R. Westman, Assistant Vice-President, to become Cashier; Cornelius J. Carey, Manager, foreign department, to become Assistant Vice-President, foreign department; Clifford B. Purse, appointed Assistant Vice-President; John F. Cook, Assistant Manager, foreign department, to become Manager, foreign de-

partment; Edwin G. Gallaway, appointed Assistant Cashier; Malcolm C. McMaster, appointed Assistant Trust Officer.

V. Lada-Mocarski, a Vice-President and director of J. Henry Schroder Banking Corp., has rejoined the organization after service in the Army since November, 1941, and has just been elected a director of Schroder Trust Co. Mr. Mocarski, who held the rank of Colonel, saw overseas service in the Middle East, Italy and France, and contributed the article, "The Last Three Days of Mussolini," which appears in the December issue of "The Atlantic Monthly."

The Executive Committee of the Board of Directors of Guaranty Trust Co. of New York has authorized the payment of a special Christmas bonus for the year 1945. This bonus will be payable to all employees (including officers) in offices in the United States whose base earnings during the year 1945 will have been at an average annual rate of \$6,000 or less, as follows: Payment will be made at the rate of 5% of the individual's base earnings during the year 1945 to all such employees (including officers) on the rolls of the company as of the close of business Dec. 13, 1945, with the proviso that no payment to any individual shall be in excess of an amount which, when aggregated with his base earnings for 1945 and the 15% special supplemental compensation as a temporary cost-of-living adjustment (computed on such base earnings) would exceed an average annual rate of \$7,000. Payment was to be made on Thursday, Dec. 20.

The Executive Committee has further authorized the continuation of the special supplemental compensation as a temporary cost-of-living adjustment on the previously prevailing basis of 15% for the quarter ending March 31, 1946. Such special compensation will be paid to all employees, including officers, receiving annual salaries of \$6,000 or less and will be based on the salary of such individuals, including overtime. This latter distribution, as heretofore, will be payable monthly.

The Board of Directors of The Commercial National Bank and Trust Co. of New York at a meeting on Dec. 20 voted to transfer \$1,000,000 from undivided profits to surplus account, lifting that account to \$11,000,000. Capital funds total approximately \$19,200,000. The regular dividend of 40 cents per share, payable Jan. 2, 1946, to stock of record Dec. 26, 1945, also was declared.

Sterling National Bank & Trust Co. of New York announces the creation of a Group Life Insurance Plan for the benefit of officers and employees. Under the plan, members of the staff will receive life insurance policies ranging from \$1,000 to \$10,000, determined on the basis of annual salaries. The bank will make all premium payments, without any charge to officers and employees. The Prudential Insurance Company of America will administer the plan. Sterling National Bank & Trust Co. has also distributed a year-end bonus, consisting of half a month's salary, to all officers and employees who have been with the bank a year or longer, with proportionate payments to the members of the staff who have been with the bank less than a year. This bonus is in addition to the supplemental compensation which

the bank has been paying quarterly, at the rate of 6% a year, to all employees who earn less than \$3,000 per annum.

The Board of Directors of the Lawyers Trust Co. of New York has declared a special dividend of 25 cents a share and a regular quarterly dividend of 25 cents a share, both payable Jan. 2, 1946 to stockholders of record Dec. 22, 1945.

Ogden White was elected a trustee of Brooklyn Trust Co. of Brooklyn, N. Y., at a meeting of the Board of Trustees of the company on Dec. 20. Prior to the war Mr. White was a Vice-President of Stone & Webster, Inc. He resigned early in 1942 to enter Government service and in 1943 was in charge of development and procurement of strategic commodities for the U. S. Government in Argentina, with headquarters in Buenos Aires. In 1944 and 1945 he served as U. S. Executive Officer of the Combined Production and Resources Board in Washington. He resigned from the Government service in October, 1945, and has resumed private business with offices at 30 Rockefeller Plaza, New York City. He is a director of the Heights Company and the Clinton Building Co. Mr. White had been a trustee of Brooklyn Trust Co. for several years prior to entering the Government service in 1942.

The Board of Trustees of Brooklyn Trust Co. on Dec. 20 declared an extra dividend of \$1 a share in addition to the regular semi-annual dividend of \$2 a share on capital stock, both payable Jan. 2, 1946, to stockholders of record Dec. 24, 1945. The board also approved payment of a bonus to all employees, excepting officers, of 5% of salaries received during 1945 up to \$3,000, applicable to the first \$3,000 in the case of employees receiving more than that amount. Supplemental compensation heretofore paid employees in the form of a "cost-of-living allowance" will be made a part of regular salaries after Jan. 1, 1946, it was announced.

The surplus account of the Lafayette National Bank of Brooklyn, N. Y., now stands at \$500,000, representing increases of \$75,000 since June 30 and of \$100,000 since the 1944 year-end, George P. Kennedy, President, announces.

John G. Ermantinger was recently appointed an Assistant Vice-President of the Security Trust Co. of Rochester, N. Y. Bernard F. Finucane, President of the bank, in announcing this on Dec. 17, according to the Rochester "Times-Union," also made known the promotion of John G. White as Assistant Trust Officer.

William B. Coy has been elected a Vice-President of Day Trust Co. of Boston, according to the Boston "News Bureau" of Dec. 11.

According to the Boston "News Bureau" of Dec. 14, at a meeting of directors of New England Trust Co. of Boston, Francis C. Welch was elected a director and Elliott R. Hege was elected a Vice-President. The paper quoted says: "Mr. Welch is a trustee and attorney, having graduated from Harvard University in 1933 and Harvard Law School in 1936. Mr. Hege was formerly Assistant Vice-President until he entered the U. S. Naval Reserve in November, 1942."

Frank H. Frissell, President of the Farmers and Mechanics Savings Bank of Middletown, Conn., since 1934, died on Dec. 10 at the age of 74.

According to the Hartford "Courant" of Dec. 11, Mr. Frissell was also President of the Frissell Fabric Co., which he founded in 1920, and President of Frismar

Inc., which he helped to establish in 1930.

William J. Field, President of Commercial Trust Co. of New Jersey, announces that the Board of Directors of the bank has declared an extra dividend of 2% in addition to the regular dividend of 2% payable on Jan. 2, 1946 to stockholders of record Dec. 22, 1945. This is the 158th consecutive dividend payment by the bank. At the same time Mr. Field stated that all of the bank's employees and officers had been given salary increases and a bonus equal to a full month's salary.

The Sabina Bank of Sabina, Clinton County, Ohio, has become a member of the Federal Reserve System, it was announced on Dec. 21 by President Ray M. Gidney of the Federal Reserve Bank of Cleveland. Organized in 1922 with a paid-in capital of \$50,000, The Sabina Bank serves a trade area with an estimated population of 4,000, according to the Reserve Bank. R. W. Allen is Chairman of the board; George J. Gray, President; Michael Mulvihill; Vice-President; R. W. Cline, Cashier; Mrs. Harriett Holmes and Richard Payve, Assistant Cashiers. Directors are R. W. Allen, R. W. Cline, George J. Gray, Michael Mulvihill, Harry E. Nunn, J. J. Wilson and O. D. Young.

William S. Johnson, Vice-President, has been elected a member of the Board of Directors of the Land Title Bank and Trust Co. of Philadelphia.

An increase in the capital stock of the First National Bank of Chicago to \$60,000,000 from \$50,000,000 through a transfer of \$10,000,000 from the surplus account was approved by stockholders at a special meeting on Dec. 18, Edward E. Brown, Chairman of the Board announced. Advances to this effect were contained in the Chicago "Journal of Commerce" of Dec. 19, which went on to say:

"Stockholders of record Dec. 15 will receive the new stock as a stock dividend upon approval of the Comptroller of the Currency. "On Dec. 27 a transfer of \$10,000,000 from undivided profits to surplus will be made in accordance with action of the directors, Mr. Brown said. As a result, with the stock dividend effective, he said, the capital stock will be \$60,000,000 and the surplus again \$50,000,000."

The directors of the California Bank of Los Angeles on Dec. 11 authorized an increase in the capital stock from 200,000 to 260,000 shares, with the privilege extended to stockholders to subscribe to one additional share at \$40 for each 3/4 shares held.

The Los Angeles "Times," from which this is learned, also said in part:

"This stock was acquired by the bank in winding up proceedings prior to final dissolution of Shareholders Co., formerly California Securities Co., all of the stock of which is owned by the bank.

"Regarding the capital increase, Arch W. Anderson, Chairman of the board, stated that the sale of the additional 60,000 shares of stock will increase the common capital to \$6,500,000 from the present \$5,000,000, and raise surplus from \$5,000,000 to \$5,900,000. With undivided profits of approximately \$2,600,000, capital account of the bank will total \$15,000,000, exclusive of an increase which may come about as a result of earnings for the last half of the year.

At the same meeting, on Dec. 11, the board declared a stock dividend of 8,000 shares of treasury stock, which was paid Dec. 20 at the rate of one share for each 24 shares held on Dec. 16.

Kenneth M. Sedgewick was recently appointed Manager of the Montreal Branch of The Royal

Bank of Canada. He succeeds M. M. Walter, who becomes Assistant General Manager of the institution.

The New York representative of Lloyds Bank Limited (at 34 Wall Street), makes known the receipt of advices from the head office in London announcing that on Dec. 31 the Rt. Hon. Lord Wardington will relinquish the Chairmanship of the Board of Directors, after occupying that position since 1922. Sydney Parkes, C.B.E., will retire from the Chief General Managership of the bank on the same day. Both will remain as members of the Board of Directors. As of Jan. 1, the Rt. Hon. Lord Balfour of Burleigh, D.L., will assume the Chairmanship of the Board of Directors, and E. Whitley-Jones and A. H. Ensor will become Chief General Managers.

## Congress Revises GI Bill of Rights

After weeks of deliberation and controversy, an amended compromise version of the GI Bill of Rights was passed by both Houses of Congress on Dec. 19, according to Associated Press advices from Washington. New features of the bill, adopted by the House by a standing vote of 134 to 23 and later approved by voice vote of the Senate, include:

1. Removal of a requirement that tuition fees, unemployment compensation and defaults on loans be deducted from any future Federal bonus.

2. Increase in subsistence allowance for GI students from \$50 to \$65 monthly to those unmarried and \$75 to \$90 for those married.

3. Expense paid correspondence courses and short technical courses.

4. Removal of a requirement that men over 25 must show their education was interfered with to be eligible for educational benefits.

5. Increase in a maximum Government loan guarantee from \$2,000 to \$4,000 on real estate, thus permitting a maximum \$8,000 loan with the Government guaranteeing half.

6. Real estate loans to be arranged by recognized lending agencies, the veteran and the local appraiser of the Veterans Administration, an agreement of the three to be binding on the administration.

7. Easing up on loans by substituting "reasonable value" of property as the basic consideration instead of "normal reasonable value."

8. Additional purposes for which a loan may be obtained and more time to pay back a real estate loan.

9. Americans who fought for allied governments would come under the bill.

## Action Not Completed on "Full Employment"

Congress adjourned for the Christmas recess without having acted upon the modified version of the so-called "full employment" bill, which the House passed on Dec. 14 and which was sent on Dec. 17 to conference with the Senate. The measure, which the House approved, 254 to 126, is a substitute for the stronger bill advocated by the Administration, and in its present form lays down a Federal policy of maintaining "a high level of employment, production and purchasing power." It also provides, according to Associated Press Washington advices of Dec. 14, for creation of a three-man economic council to make recommendations toward achievement of maintenance of the high standard.