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Observations

By A. WILFRED MAY

"TMG," the latest alphabetical combination to arise in Washington circles, applies to the President's prospective appointments to the Secretariat of the United Nations Organization. Standing for "They Must Go along (for political reasons)," TMG is born of the fear that the American members of the expert Secretariat will be chosen pursuant to the inexcusable political motivation that determined Mr. Truman's choice of Delegates.

It must be remembered that the four delegates chosen from the House and Senate to maintain the good will of Congress, owe their power in Foreign Relations to its seniority rule. Would anyone justify their selection as their country's leaders best equipped to guide the fortunes of the nation or the world, during this unparalleled crisis in civilization? In their kindergarten tests in San Francisco these men, with the exception of Senator Vandenberg, seemed to flunk miserably. Congressman Bloom was utterly inadequate, Tom Connolly burst into a Billy Sunday oration at every opportunity—be it sophisticated press conference, delegation meeting, or diplomatic reception. Congressman Eaton practically snoozed his way through the Conference. While it seems difficult to discuss Mrs. Roosevelt's appointment unemotionally, possibly it is not *lese majeste* to suggest that the discernment of her qualifications as an international expert (as distinguished from a humanitarian), seems a bit difficult. On the handout of this political plum to the two Democratic and Republican party lame-ducks, Messrs. Walker and Townsend the only question is, which is the more unjustifiable—both *per se*, and as it impresses the many foreign leaders who gave their all to the high purposes of San Francisco.

The President can make some amends by reversing this ruinous policy in his future appointments to the Organization's Secretariat!

The persistent complaints by Mr. Stalin, and his American adherents, about the withholding of the atomic bomb "secret" from the Soviet has been based mainly on the alleged undemocratic character of a such a policy. Cooperation with all nations on all matters is indispensable for world progress, so this argument ran. Hence it is difficult to understand how Mr. Stalin can now justify his successful insistence on confining control of the atomic bomb to the UNO's Security Council in lieu of the General Assembly. Surely it is wholly undemocratic to vest control of this all-powerful weapon

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From Washington Ahead of the News

By CARLISLE BARGERON

It is a rather pronounced and significant commentary on the current scene that whenever one runs into a discharged veteran back at work he gets good and courteous service. This writer finds this particularly true at parking lots, filling stations, in stores. There is none of the indolence and insolence which we have become accustomed to. It is refreshing to run into a person eager to give you good service and to thank you when you pay him.

These are the fellows incidentally about whom the psychologists and psychiatrists for pay, have been wringing their hands in anguish, telling us to be careful how we speak to them. To watch out for their reflexes, a breaking of their emotional strain. To our mind, they would render much more service by doing something about those semi human beings who have been taking the places of these boys. Perhaps, some sort of an injection or a gland operation might help.

In our recent talks with indus-



Carlisle Bargeron

trialists, down to Washington for one, thing or another, we have gathered the distinct impression that their main concern is not so much increased wages as to getting men to work after the wages have been increased. In this way, of course, General Motors is benefitting every day the strike is prolonged. Our information is that a lot of the hill-billies and farmers, the misfits who made up a large part of the war-time labor force have already scattered back to their native habitats. When the strike is settled, GM will have a large force of new workers willing to work. Sifting out of the misfits, coupled with a desire to put Walter Reuther definitely in his place, one gathers, is more at stake than wages. Putting Reuther in his place is another way of saying that it is important to kill off the whole CIO philosophy of a labor organization's function which he is enunciating so loudly. GM has had so much difficulty getting its position down in terms

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Steel Industry Strong Factor in Reconversion

Walter S. Tower, President of Iron and Steel Institute Says Industry Has Ample Capacity to Meet Heavy Reconversion Demands Which Are Expected to Lift Output to an All Time Peace Time Level. Sees Disturbing Fact in Declining Earnings and a \$2 per Day Wage Increase Demand.

Walter S. Tower, President of American Iron and Steel Institute in a year-end review, expressed the opinion that the state of affairs in a broad basic industry like iron and steel warrants more than casual public interest at this juncture as the nation strives to get back to a sound peacetime footing.



Walter S. Tower

"The industry's ample steel capacity of close to 95 million tons per year provides the nation with one very reassuring actuality," he stated. "This capacity is more than adequate to meet immediate peacetime demands for steel—demands which are expected to be heavy."

Continuing, he said:

It seems improbable that in the immediate future civilian demands will cause steel production to exceed the all-time record of close to 90 million tons which was made in 1944. But production may very well exceed the previous peacetime peak of 63,206,000 net tons made in 1929. Steel is still the cheapest, most abundant and most versatile of all metals. Its quality and usefulness are constantly be-

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The Financial Situation

It is evident that we have not yet reached even the crest of our early postwar labor difficulties. Indeed it appears more or less certain that we have not yet come to the "end of the beginning," to make use of one of Mr. Churchill's apt war phrases. It will doubtless soon become clear to the few who are still in a fog on the subject that neither "fact-finding boards" nor other organizations will be able to dip into the always brimming hopper of government statistics and come up with any "formula" which will bring an end to current and prospective work stoppages. Government, which is another name for a group of politicians, appears determined to continue to poke its nose into the situation. It may or may not find some way to absolve itself of blame for whatever takes place. It is possible, although not very likely, that it will be able to make a crop of political hay of whatever it does in this troubled situation. What is quite certain is that the business world must find its own new equilibrium—partly by the exercise of good judgment about future (not past) events, and partly by trial and error.

No Magic Formula

The business man who, whether he wishes to do so or not, must form some sort of judgment about the future, and the ordinary citizen who looks anxiously forward to the time when a situation approaching normal may again obtain, would, therefore, find it profitable to make a careful and dispassionate effort to isolate, identify, and, so far as may be, measure the conflicting forces now operating to cause the state of affairs by which we are faced. Of course, there is no magic formula by which the "justice" of demands for a high general level of wages can be determined. Indeed, contrary to popular ideas on the subject, it is questionable

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The State of Trade

Industrial production last week slumped below the level attained in the previous week. The long week-end holiday caused by the shutdown on Monday of many manufacturing plants along with certain raw materials shortages and labor, all worked to hamper output to an important degree.

Demand for merchandise, however, continues strong and is reflected in large backlogs of orders on hand by manufacturers and especially producers of heavy goods. As for retail trade as a barometer of business activity, it may be noted that in the final shopping days before Christmas retail volume was maintained at a very high level, being moderately above that of last year. The closing days of the week of course showed the customary tapering off in business. Shortages characterized trade during the year and in the final week these shortages were still very pronounced and were particularly acute in the textile markets.

In the field of electric appliances the publication, "Electrical Merchandising," in a forecast of 1946 output released at the year-end and based on a reasonable supply of all materials and fairly satisfactory labor conditions, estimated that production of refrigerators will run between 3,200,000 and 4,000,000 units; ranges 800,000 to 900,000; water heaters 250,000 to 500,000; home freezers 500,000; washers 2,000,000 to 3,000,000; ironers 225,000 to 1,000,000; home radios 12,000,000 to 20,000,000 and vacuum cleaners 2,000,000 to 2,500,000 units. The magazine pointed out that the estimates as they stand are conservative in the face of accumulated need and demand indicated by any ordinary expectation.

In retrospect the year 1945 was a period of important events that led directly up to the termination of the struggle in Europe on May 7, when the Germans capitulated to the United Nations and not many months later brought to a climax the war in the Pacific with Japan's surrender on August 14.

The effect of the war's end resulted in immediate war contract cancellations reaching substantial proportions, followed by large-scale layoffs. Despite this fact a dearth of skilled labor and materials still obtained and thus worked to retard our reconversion program. In past months this condition was alleviated to some extent, but there followed widespread wage and pricing difficulties with our return to a peacetime economy with which the country at present finds itself confronted. Hope prevails, however,

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What They Say About Fact-Finding

Fact-Finding Board States It Will Proceed

Says It Must Follow President Truman's Directive, but Denies That "Ability to Pay" Is Only Factor in Dispute Under Consideration. Expects to Report Within Twenty-Day Limit Set by President.

Following the announcement of the General Motors Corporation that it was withdrawing from the hearings of President Truman's Fact-Finding Board, the Board, headed by Lloyd K. Garrison, issued a statement expressing its purpose to continue its hearings and to report, if possible, its findings within the 20-day limit, from Dec. 14, as set by the President. The text of the Board's statement follows:

1. The obligation of the Fact-Finding Board is to develop, to the best of its ability, the facts relevant to the General Motors-UAW dispute, and to submit these facts to the President, with such recommendations as the board may deem appropriate. To do this as thoroughly and reliably as the President and the public have a right to expect, the board needs the wholehearted cooperation of both parties to the dispute.

Without the cooperation of both sides, the board has only two alternatives—either to report to the President that we are unable to proceed, or to do the very best we can on the basis of evidence that is or will be available to us. The responsibility placed upon us by the President is so definite that we must follow the second alternative.

2. The company has given as one of its reasons for withdrawing from these proceedings the fact that the union has made ability to pay the "prime issue." Whether or not this is in fact the union's position, the board has made clear its own position on this point.

In its statement of Dec. 21, 1945, the board said: "Ability to pay will not be regarded as the only or controlling factor in determining the amount of a fair and equitable wage adjustment." This will continue to be the position of the board. The board is not concerned with fixing profits but only with the question of what is a fair wage.

3. In its statement of Dec. 21, 1945, the board further said: "Ability to pay will be regarded as one of the factors relevant to the issue of an increase in wages, to be given such weight along with other factors, as the board may deem appropriate after considering all of the evidence."

This also will continue to be the position of the board. This position is in accordance with the President's statement of Dec. 20, 1945, in which he said that "since wages are paid out of earnings, the question of earnings is relevant."

The same position is implicit in the President's address of Oct. 30, 1945. There is nothing new in this position. In a number of leading War Labor Board cases, evidence was freely admitted and discussed by both sides regarding the earning capacity of employers, regardless of whether or not the employers were pleading inability to pay. This practice with regard to the introduction of evidence has long been followed in arbitration proceedings, and the evidence has been given as much or as little weight, in conjunction with other factors, as the nature of the case warranted.

Finally, the board is obliged by the President's wage-price policy, as announced Oct. 30, 1945, to satisfy itself that any wage adjustment which it may recommend will not, if adopted, have inflationary price consequences. The board cannot exercise its

duty without a reasonably adequate picture of the company's financial situation. In exercising this duty the board had made it clear in its statement of Dec. 21, 1945, that it "will not undertake to assume the functions of OPA or to suggest that the company be precluded from exercising any rights to seek price relief which existing regulations may permit."

4. The union's figure of 30% is derived from calculations relating to loss of take-home pay. The board's first task is to inquire into these calculations. To do this the board, as explained in its statement of Dec. 21, 1945, "will require exact and detailed information" and "will shortly submit to the parties a request for particular information relevant to these matters."

On Dec. 23, 1945, the board made its request for such information regarding wage-rates and hours, which had nothing to do with the question of ability to pay. It is regrettable that the company, in now withdrawing from the proceedings, has stated that even this information will not be submitted to the board.

5. No question of the examination of company books is now at issue. In its statement of Dec. 21, 1945, the board said that it would determine later, as the case developed, whether or not the board would ask to examine particular books or records in accordance with the President's statement of Dec. 20, 1945.

The board could not say whether such an examination would be needed until it had heard all the evidence. If such an examination were requested, the information would be kept confidential in accordance with the President's statement. However, the board has had no intention of considering confidential evidence, unless two conditions prevail: first, that such evidence is indispensable to the findings of the board and, second, that the party other than the one from whom the confidential information is obtained agrees in advance to its confidential use by the board.

6. The board's duty to proceed with the case is clear. It will sift as carefully and objectively as possible the available evidence, including governmental data, the transcript of the extensive negotiations between the parties and the various reply briefs and memoranda presented by the company to the union, and heretofore submitted by the company to this board.

The board expects to conclude the public hearings by Sunday of this week at the latest, in view of the President's request for a report within 20 days (from Dec. 14, 1945) if possible.

General Motors Statement on Fact-Finding Policy

Informing President's Fact-Finding Board It Will Not Participate in Proceedings, if "Ability to Pay" Is Subject of Investigation. Offers as Reasons for Its Stand: (1) It Is Not Pertinent in Present Dispute; (2) It Would Involve Forecasts and Assumptions; (3) It Considers Prices and Profits Rest With OPA Alone; and (4) Information as to Profits, Prices and Ability to Pay, if Kept Confidential Will Not Promote Confidence in the Parties to the Dispute. Statement Holds Further That Union's Attitude Is an Attack on Free Enterprise. Causes Fact-Finding Board to Establish Unwarranted National Policy, Leads to Monopoly, and Is an Encroachment on Management.

In a formal statement made by William Gordon Merritt, General

Motors' Counsel, on Dec. 28, before President Truman's Fact-Finding Board in the General Motors labor dispute, the corporation gave notice that it will not participate in the proceedings because the rules and policies which would govern the board in finding facts and making recommendations will include "ability to pay" as one of the factors relevant to the issue of an increase in wages. The reason for the corporation's stand is set forth in the following full text of the statement:

On Dec. 21st your Fact-Finding Board issued a statement to the parties as to the rules and policies which would govern the Board in finding facts and making recommendations, and declared that "ability to pay will be regarded as one of the factors relevant to the issue of an increase in wages. . . ."

The corporation appears here today for the purpose of publicly stating its position, and the reasons for its position, in respect to this issue of ability to pay. Under the special circumstances of this case, the corporation feels that it should not participate in these fact-finding proceedings, so long as ability to pay is to be treated as a subject of investigation, fact finding and recommendations.

The union has made all too clear the nature of its objectives in making prices and ability to pay its prime issue. The corporation cannot now approach that question as a mere academic or economic theory but with due regard to the radical ideology which the union has expounded in support of its argument on this phase of the case and which it seeks to apply in practice.

Reasons for Corporation's Stand

As the stand now taken by the corporation is important not only to those here present but also to an important part of the American public, I am asking your indulgence while I give some of the reasons which support its conclusion.

1. The company does not and will not plead inability to pay as a reason for rejecting any wage recommendation based on the customary tests applied to determine what is a fair and equitable wage. Or to put it in other words: the company will not put in issue any question of ability to pay a level of wages which is determined without regard to prices, profits or ability to pay. Ability to pay or inability to pay is a defense which employers have often advanced to keep down wage increases and a defense which unions have consistently opposed as not a proper factor for consideration. It is a defense which the War Labor Board in World War I and the War Labor Board in World War II regarded with disfavor. In this case, since there is no such defense, we believe that ability to pay should not be considered.

2. The question of profits and prices for the future, which are the factors by which the union proposes to measure ability to pay, involve forecasts, assumptions, consumer demand both foreign and domestic, and uncertain variables as to material and labor costs, upon which this Fact-Finding Board could not competently pass. It involves judgment by those familiar with the business, and that judgment is in the minds of men and not in books and documents. Facts and figures as to wage rates and earnings, facts and figures as to probable take home pay, facts and figures which deal with the question as to whether wage increases have kept pace with the increased cost of living, facts and figures showing at least equal pay for equal work in this industry and in the areas in which the corporation operates—

all this and equally pertinent information will be made available if we are assured that the scope of the Board's investigation will be so limited. But the corporation is not willing to proceed further if this Board of short duration is to undertake the impossible task of calculating future costs and profits and the effect of the expenditure of hundreds of millions of dollars for expansion.

3. The question of prices and profits which is involved in the Union demand that no applications be made for price relief, must rest alone with OPA.

4. Since it has been ruled that information as to prices, profits and ability to pay must be confidential, we submit that any investigation in this field would lead to the indefensible result that neither party would be made aware of the evidence and calculations upon which the Board predicated its findings—a result not likely to promote confidence in the minds of the parties.

Union Demands an Attack on Free Enterprise

But beyond all of these and other detailed considerations it is well for the Board to remember that this issue as expanded by the Union reflects, not a mere issue of wages, as between the corporation and this union but a broad attack on American industry and free enterprise. The corporation must deal with this fundamental issue as it is portrayed by the Union and not as an abstraction. On this point we turn to a short review of the official record.

People wonder why an agreement has not been reached between General Motors Corporation and the United Automobile Workers. Or why the disagreement cannot be settled by fact-finding, conciliation or arbitration.

The answer is clear. The issue is not one of arithmetic or facts. There is nothing in the books of the corporation to settle it. It is an issue of national policy.

There is no question of good wages, since the average will be \$33.44 for 45.6 hours a week under the company proposal. Nor is there any real issue of reduced take-home, for under the company's forecasts there would be an increase of 10% in take-home. Nor is there any issue as to wages keeping pace with the increased cost of living. Putting aside these and other tests of what is a proper wage, the union demands a 30% increase based solely on claimed ability to pay.

The issue is not primarily one of wages as between General Motors and its employees. It is an issue of ideology and national policy which really belongs to Congress.

The union has issued its ultimatum, both to the company and the Fact-Finding Board, that it will settle on no other basis than its ideology. The union spokesman says:

"The union has stated time after time that this issue is bigger than just an ordinary wage argument, that it is bigger than the corporation or bigger than the union. . . . 'We believe,' says the union, 'that the current issue between the General Motors Corporation and our union is one that transcends the narrow economic interest of labor and management in this particular case and gets to the very heart of the basic economic problem facing this nation. . . .'"

In other words, the real issue is not one of wages between General Motors and its employees. The employees are being made pawns in a larger game.

The UAW, a national union dealing with the entire automotive industry, seeks collectively to bargain as to "WAGES, PROFITS, PRICES."

"That is the economic equation," it says, "that we are talking about. You can't take one figure from that equation. . . ."

One big monopoly union—a million strong—dealing with substantially all production in the industry, asserts as its future policy that it aims to settle the problems of *Wages, Prices and Profits* for the entire industry around the bargaining table.

Such a national policy—and the union says it will settle on no other basis—leads to this inescapable alternative:

- Either our anti-trust laws, which require competition and forbid collusive combinations between labor and management, must fail;
- Or national unionism monopolizing collective bargaining with all competing units must abandon efforts to regulate prices and profits.

The union policy also claims the right to bargain over the calculation of profits and the selection of top management.

It declares that occasion might arise where it might be necessary for it to consider whether the company is "paying the President too much money," whether the directors "who aren't doing anything might be getting too much money," whether "the engineers ought to be sweeping the shop up instead of designing their products," whether "the managerial personnel has gone to seed."

Union Demand an Encroachment on Management

By this demand the union seeks to enter the very heart of management judgment and discretion in private industry and would persuade the Fact-Finding Board to do likewise.

Heretofore such encroachment upon management has been exercised only by such regulatory bodies as the Interstate Commerce and Public Service Commissions when dealing with public utilities. To yield to such a demand would mean the end of free enterprise, with efficient management and since the new arrangements would become industry-wide, legislative regulation would inevitably ensue.

General Motors does not propose voluntarily to blaze a trail in this direction. If our system of free enterprise, of competition under our anti-trust laws, and of rewards for efficiency, productivity, invention and progress, is to be abandoned, it must be by act of Congress and not by act of General Motors Corporation.

Under our competitive system the public receives the benefits of industrial progress. Under the union program, operating on an industry-wide basis, management and labor could jointly parcel out the extent of the benefits to be shared with the public.

Would Lead to Monopoly

Under our present system of free enterprise, unions when acting alone, are exempt from anti-trust laws and as a labor monopoly may bargain the labor standards for an entire industry. Witness the United Mine Workers and the Coal Mining Industry. With labor rates fixed by nation-wide bargaining, individual producers competing on the basis of other factors of cost, strive to market their products. Between the floor of labor rates fixed by collective bargaining and the consumers' price, there is still room for competition to protect the public. If national unions are permitted to bargain with employers on prices or profit margins this area of competition and consumer protection will be removed. Combinations of this character between labor and management which undertake to control wages, profits and prices and marketing prob-

Items on the basis of mutual advantage have been recently condemned by the Supreme Court of the United States.

Union Ultimatum

The union has served notice on the Fact-Finding Board that no action by the Board short of adoption of its position will be accepted. The union says:

"So we say we are fighting this for keeps. This fight is being made for keeps because unless we win this fight to get a proper relationship between wages and prices and profit and ability to pay we can't hope to win the peace."

"The boys walking the streets know the score on this issue. They know that wages and prices are both their problem."

"We will make no compromise: that is it, and we stand on that position."

The union says its demand for a 30% increase subject to ability to pay must stand, even though wages measure up to the increased cost of living and even though there be no reduction in take-home, and it makes no claim that present wages are not fair or, in general, as high as any ever paid to any such large group of workers. The demand is for a 30% increase if it can be supported on prospective prices and profits.

"If the arithmetic shows that we can't get 30% without increasing prices, then we will back down on the 30%. Otherwise it is there and will not be compromised on any other basis."

The problem of fixing a fair return on the investment was sidestepped.

The Test of Fairness and Equity Is Rejected by the Union

The union says the Board "should not weigh the question of equity."

"You have nothing to do with equity," it told the Board.

"We are only saying take our standard. You accept no moral responsibility at all—it is a very convenient arrangement—you accept no moral responsibility, your conscience needn't bother you at all."

HOW THEN CAN FACT-FINDING FUNCTION? The union begins by refusing the request of the President of the United States to resume work pending fact finding—an essential part of the President's fact-finding program—and of any fact-finding program designed to avoid stoppages.

The union now serves notice on the Fact-Finding Board that, come what will, it will accept no compromise of its position. It will tolerate no other result.

The union insists that the Fact-Finding Board, which exists without legislative support, shall write a new charter for industry and the nation which would be both revolutionary and impracticable.

The corporation believes that collective bargaining, mediation, arbitration or fact finding are not geared to handle fundamental questions of national policy.

The union, in no uncertain terms, announces in advance that whatever the Fact-Finding Board does, its position as to the fundamentals of its demand will be unaltered and unalterable. In the face of such an ultimatum, the company can not in good faith proceed with fact finding based on a condition which it can not accept.

It is not a question of facts and figures. It is not a question of examining books and records. All information, necessary to the investigation of the subjects properly under inquiry, should be available to the Board. The issue is far different from all this. We repeat the union states as its ultimatum, that the determination of its wage demands must be based on the determination of prices and profits in a manner heretofore never tried, and in a manner which would inevitably lead to conflict with our anti-trust laws.

No Choice but to Withdraw

With this background and the revolutionary and uncompromising character of the union's proposals in mind, the corporation is unwilling to participate in the proceedings of this Fact-Finding Board so long as its prices, profits and ability to pay—which are not facts but forecasts and estimates for the future—are to be regarded as proper factors in determining wages as applied to an individual business. The company makes no claim of inability to pay any level of wages based on customary standards, but it is unwilling to accept a super-wage above that applicable to its competitors or other employers of like types of labor in the respective areas in which the corporation operates.

For the reasons outlined the General Motors Corporation feels that it has no choice but to withdraw from these proceedings, unless and until the Board, on further consideration, should decide, that under the peculiar circumstances of this case, ability to pay is not a proper factor for its consideration.

Walter P. Reuther States Union's Attitude

Maintains Prices, Wages and Ability to Pay Must Be Tied Together. Accuses General Motors of "Arguing" With President Truman and Denies That Union Is Attempting to "Usurp Managerial Prerogatives." Holds Issue in Dispute Is More "Basic Than Question of Wages" and Urges That Panel Get Under Way With the Procedure Enunciated by the President.

In an address before President Truman's Fact-Finding Board in Washington on Dec. 28, Walter P. Reuther, Vice-President and spokesman of the United Automobile Workers, restated the Union's insistence on the inclusion of "ability to pay" as a factor in the board findings, and took issue with the position maintained by Walter Gordon Merritt, Counsel of General Motors Corporation in his formal statement to the board, in which the company refused to submit its case on the ground that data on finances was not pertinent to the controversy and that consideration of the "ability to pay" principle was an unwarranted assumption by the Board to set up a national policy without legislative authority. In a special dispatch to the "New York Times," Mr. Reuther's address is reported as follows:

Mr. Chairman, speaking for the union I would like to first state that we are prepared and we have been prepared to proceed with the presentation of economic data in support of our contentions, in accordance with the policies and rules of procedure established by this board, based upon the statement of the President issued on Dec. 20.

I would, however, like to comment briefly on the statement of the corporation. The corporation in effect has said that unless this board is prepared to tear up the statement issued by the President on Dec. 20, and modify its rules according to the desires of the corporation, it will not participate in the findings. The corporation has a right to make that decision, but it makes it in the light of the full public responsibility that it has to the people of this nation, because the people of this nation through the President have asked the parties to this dispute to cooperate with the Fact-Finding Board and to make available all pertinent data in order to resolve this issue that now confronts us.

The fact-finding body has asked the parties to proceed, not based upon a set of rules established by the union but based upon a set of rules established by the Fact-Finding Board as directed by the President of these United States. And so the company, in asking

that you tear up the rules and modify them to their liking, is not arguing with the union, they are arguing with the panel and they are arguing with the President of the United States.

It would take us some time to analyze carefully the corporation's position as stated in the document just read. It would like to comment on just one or two of the high points.

The corporation raised the question that the union demands are a broad attack on American industry and free enterprise. I would like to say, Mr. Chairman, that if free enterprise in America is to survive it has got to work; it has got to demonstrate an ability not only to create earnings for the investors but it has got to create an ability and a willingness to give millions of common Americans economic security.

It has got to demonstrate the capacity to meet the challenge of unemployment; it has got to demonstrate a willingness to fit itself into national policies on the basis of acceptance of those policies and not on the basis of obstruction and arrogance and unwillingness to cooperate but on the basis of good-will, so that we can solve the basic problems that face this nation, namely, achieving an economy of full production and full consumption and full employment.

All that we have done in this wage case is say that we are not going to operate as a narrow, economic pressure group which says, "we are going to get ours and the public be damned" or "the consumer be damned." We say that we want to make progress with the community and not at the expense of the community. If that is attacking free enterprise certainly the company is doing a lot of kidding of itself.

We are saying that prices and wages and ability to pay must be tied together if you are going to do this thing in terms of the community's need and the national need. Now we have said those things for the past three months because the President of the United States said them on Aug. 18, he said them on Oct. 30, as clearly as we have been saying them.

All that we have been doing is giving them specific application to the General Motors wage case. The President made it very clear on Dec. 20, and the board made it very clear on Dec. 21, when it wrote the rules of procedure and the policies of procedure.

The company raises the question of maintaining take-home pay on the basis of a 45-48-hour work week. That is in keeping with their proposal to turn the clock back, to abolish the 40-hour week in America and go back to a longer work week; and we say frankly that we will be no party to robbing millions of returning veterans and unemployed war workers of job opportunities in postwar America, and that we are not going to solve our particular economic problem by making the unemployment lines longer in America's cities.

On page four they say—and I quote—"The union has issued its ultimatum, both to the country and the Fact-Finding Board, that it will settle on no other basis than its ideology." Now what they ought to do to be accurate is to say that they will settle on no other basis except on the ideology of President Truman as expressed in the specific GM case by the union, because that is the whole argument here. They are arguing with the President, not with us. We are implementing the President's policy.

On page 6 they talk about our challenging management's prerogatives. That issue is as old as management itself. The Wagner Act challenged management's prerogatives. The right of men to band together in free association

conditions—that challenged free enterprise.

If you go back into history, to the dark history of industrial England, you will find that when the coal miners in the coal pits around Newcastle said that there should be a law in England to abolish the 16-hour day for children and women, it was said that that would destroy free enterprise and that that was an attack upon the prerogatives of management. These are the old slogans that have been thrown in the way of social progress ever since man has organized to advance himself.

We have never said in these negotiations—and I challenge Mr. Merritt or any company spokesman to point to one place in the 1,200 pages of the transcript of our months of negotiations or to any public statement of any officer of this union in this case where we at any time have raised the question of usurping managerial prerogatives or selecting management's personnel. Mr. Merritt knows better than that, and when he puts that on paper for the corporation he knows that he is deliberately misstating the facts because he hopes to gain some propaganda advantage in this country by misstating the facts.

We have not at any time challenged management's right to manage the plants.

We have at no time raised the question of sharing managerial functions.

We have said that wages and prices and ability to pay must have a relationship if we are to achieve a full production, full employment, full consumption economy. We have said that this is more than an ordinary wage argument, that it does transcend the narrow economic interest of the two parties because it gets to the heart of winning the peace.

I would like to say to Mr. Merritt that the GM workers are concerned with winning the peace because their sons go out to die every time there is another war, and the records will show that the du Ponts get more out of war than do the employees who work for du Pont.

That is why we are interested in winning the peace and that is why we will make this a fight for more than the question of another nickel in the pay envelope, because it is much more fundamental and basic. It is a question of whether the biggest corporation in America and the biggest union are going to settle their wage issue in terms of protecting and advancing the community interest, or whether they are going to act as narrow economic pressure groups, each taking care of their problem and their interest, without regard for the nation's needs or the community welfare. And we aren't willing to settle it on that basis, not matter how much propaganda the company puts out.

On the question that this is again another attack on the whole system of free enterprise, free competitive economy, that we are setting up a monopolistic approach to this thing—I repeat our request to Mr. Merritt, representing the General Motors Corporation, that he go over to the Department of Justice and get the Anti-trust Division to investigate the conspiracy that you charge us with, a conspiracy where we are fighting to hold down prices. That is the conspiracy you charge us with.

Get them to check into our conspiracy to hold down prices, because we say we will not take a wage increase geared to a higher price.

That isn't advancing monopolistic controls. That isn't destroying free economy or competitive relationships in industry. That is merely saying that these things have to be based upon standards that reflect the welfare of the community and the needs of the nation.

On page 9, Mr. Merritt says, "it is not a question of examining books and records."

We have made the fight, Mr. Chairman, to get to the company's books and records not because we wanted to indulge in the pleasure of going through their books. I can assure you that that is not the motive. Our case, as we will present it when this hearing gets going, stands on its own arithmetic. We can prove our case beyond challenge.

But the company wouldn't take up the challenge and wouldn't argue the facts, so the only way we could meet that problem is to say, "Open up the books," because we knew that if they did open the books up the figures and the arithmetic in the books would confirm the union's economic conclusions and contentions.

We don't care whether we see the books or not. We raised that question because we had no other way to meet the problem of their unwillingness to talk about arithmetic, and the only reason they haven't opened it up is not because they have become the knight in shining armor or because they are defending free enterprise.

Some of the little companies that they have squeezed out of business wouldn't appreciate that they have been championing a fight against monopoly and to preserve free enterprise and the right of the little boy to get on top of the heap if he works hard enough and has initiative and imagination.

We asked for the books because they would not talk about the arithmetic, and there was no other way for us to get the facts excepting to insist upon the books being opened and being bound by what we found in the books.

Now we are prepared, Mr. Chairman, to proceed. We are unwilling to be a party to and waste the time of your panel or ours, arguing about legal concepts, technical procedural matters. We want to get down to the arithmetic and we are prepared to proceed on that basis in accordance with the policy enunciated by the President of the United States, who is the elected representative of the people of this country.

If General Motors doesn't like his policy they will have an opportunity at the next election to elect someone that they do think reflects their kind of economics. But until that is done they are morally obligated to go along with the procedure enunciated by the President.

We are prepared to do that and we hope that we can get along with the job of finding the facts as quickly as possible.

General Motors and Union Report to Public

Both the General Motors Corporation and the United Automobile Workers Union recently made statements to the public setting forth their positions with respect to the wage dispute. Texts of these reports appear on page 53.

Redeem New South Wales Bonds

Holder of New South Wales, Australia, external 30-year 5% sinking fund gold bonds, due Feb. 1, 1957, are being notified that \$163,500 principal amount of these bonds outstanding have been drawn by lot for redemption at par and accrued interest. Payment will be made at the office of The Chase National Bank of the City of New York, Corporate Trust Department, 11 Broad Street, New York.

The Financial Situation

(Continued from first page)

whether the use of such words as "just" or "justice" in relation to general wage levels is in any way appropriate at any time—whatever may be true of the wages of some group or groups as compared with others. Under a system of effective competition—applying to both employer and employee—wages tend to reach levels which in relation to prices are most productive of economic health. If there were such a thing as a "just wage level" this would be it.

In the circumstances actually existing, competition has been virtually eliminated among wage earners in the larger industrial centers, but, despite exceptions and notwithstanding all the modern theories of "monopolistic competition," employers of labor must still compete—that is, in the market places in which they sell their products—and the absence of it in the labor market, so far as it is absent, is due to the monopolies enjoyed by the labor unions. It is essential to bear these facts carefully and continuously in mind in studying the labor situation by which the nation is confronted at present. The unions, in part by virtue of their privileged status before the law, and in part by their successful defiance of the law, have practically nothing to fear from competition. Indeed they may for the most part count upon indirect, and at times direct, support from other unions from whose ranks in other circumstances some competition might possibly arise.

They Must Earn a Living

But the unions and their membership have not found escape from the ordinary requirements of existence in this modern world of ours. The individual workers and their families must eat and obtain other necessities of life, and the union leaders know, of course, that such is the case and that they can not afford to ask too great sacrifice from their rank and file. It so happens that substantial accumulations of cash are now held by most wage earners. It is likewise a fact that but for pressures, not to say controls brought to bear during the war, most of them could have enlarged their money earnings quite substantially. They have long been itching for an opportunity free of war pressures to demand larger pay. That the economic opportunity for it may in part at least have passed with the war is not conceded by them. They are willing to gamble at least a part of their cash accumulations on the result of efforts to obtain higher wages now.

Here is a situation made to order for the agitators in the ranks of labor who must make their living by seizing opportunities to be on the winning or the popular side of all issues.

There are other elements in the situation, but these are the basic forces behind the union demands of the day. Of course, what is known as "public opinion" is vaguely a factor, in some circumstances a powerful factor. The conditions already enumerated create a strong temptation to the practical politician to come to the aid of the unions—since apparently these unions control large numbers of votes—but public opinion is fickle, and the politicians can be trusted only so long as the unions can keep them convinced that they can obtain more votes by support of labor than that support will cost them. Passions are aroused in these circumstances, too, and become a factor in prolonging strife. By and large, however, the unions are likely to be governed rather largely by their hope for success in obtaining higher wages and the degree in which they and their membership have and are willing to risk funds in fighting for them.

What Employers Can Not Do

Similar factors govern the behavior of employers. They are practical business men. They have no constitutional objection to raising wages. Most of them, doubtless, rather like to see their men get more money. But they are in business, not for their health, but to earn an honest dollar. They must assume large risks in the purchase of materials, in the hire of labor, and in other directions in preparing products which they hope will sell for more than they cost to produce. They have no way of making money, or of paying wages (except for strictly limited periods of time) but from the sale of the products of the labor for which they pay these wages. They can not ignore the fact that competitors may take the market while their plants are idle due to strikes, but neither can they undertake to pay wages which they have good reason to believe they can not earn—that is to pay more for labor than they can get out of it. In ordinary times, the question of the prices that the market will bear, without too much opposition, naturally arises. That consideration is still even now one which the employer can overlook only at his own peril—certainly in a number of branches of industry—but of more immediate concern at the moment are the ceiling prices which the employer must observe. "Ability to

24 New Member Banks Join A.B.A. in Nov.

Twenty-four new member banks were added to the rolls of the American Bankers Association during November, according to a report made recently by R. L. Dominick, Chairman of the Organization Committee, who is also President of the Traders Gate City National Bank, Kansas City, Mo. The largest number of new members were added in Nebraska, where seven banks became members of the Association.

The new list also includes banks from Alabama, Florida, Iowa, Illinois, Massachusetts, Michigan, Missouri, South Dakota, Texas, and Puerto Rico.

Cotton Spinning for Nov.

The Bureau of the Census announced on Dec. 21 that, according to preliminary figures, 23,820,574 cotton spinning spindles were in place in the United States on November 30, 1945, of which 21,605,060 were operated at some time during the month, compared with 21,721,792 in October, 21,911,746 in September, 22,170,180 in August, 22,029,282 in July, and 22,257,040 in November 1944. The aggregate number of active spindle hours reported for the month was 8,672,129,859, an average of 364 per spindle in place, compared with 9,143,000,468 an average of 383 per spindle in place, for last month and 9,706,606,296, an average of 420 per spindle in place, for November 1944. Based on an activity of 80 hours per week, cotton spindles in the United States were operated during November 1945 at 104.6% capacity. The percent, on the same activity basis, was 105.0 for October, 111.8 for September, 100.5 for August, 102.0 for July, and 120.6 for November 1944.

pay" is, in general, not a criterion of wage rates, but it certainly sets an upper limit upon wages in any given instance.

Employers, too, have come out of the war with cash reserves larger in dollar amounts than usual. Whether in view of all the factors to be taken into consideration these sums are extraordinarily large is open to question, but at any rate employers are not in a position which forces them to yield to demands they think beyond the pale of reason. Indeed, it is, of course, an open question whether any corporation ever gains anything by so yielding. It would appear to be hardly other than the act of a desperate man. Put all this in a nutshell, and we have the conclusion that the employer, too, must decide for himself precisely what compromise with the unions, if any, will best serve the interest of his enterprise—and, unfortunately, in the present situation, he must take into consideration not only the market for his goods, but the highly uncertain future action of the political authorities which have control of prices.

Such are the really controlling factors, and final settlements would be reached much sooner and would be more enduring if government would attend to its own knitting—of which neither direct meddling nor attempted control of markets is a part.

The "Big Three" Powers Communique

Foreign Ministers of U. S., Great Britain and Russia Issue Statement of Agreements on Preparation of Peace Treaties With Former Axis Satellites, on Allied Control in Japan, on Status of Korea and China, and Establishment of UNO Commission for Control of Atomic Energy.

Following the adjournment of the conference of the Foreign Ministers of the "Big Three" Powers, comprising Secretary of State Byrnes, British Foreign Minister Bevin and Soviet Foreign Commissar Molotov, in Moscow on Dec. 26, there was issued simultaneously on the following day in Washington, London and Moscow an official communique, outlining the agreements arrived at with respect to peace treaties with the former Axis satellites in Europe, the future control of Japan, the status of Korea and the policy toward a unified China. The communique also recommended the establishment of a commission by the General Assembly of the United Nations Organization for the control of atomic energy.

The full text of the communique, as reported by the United Press, is as follows:

The Foreign Ministers of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America met in Moscow from Dec. 16 to Dec. 26, 1945, in accordance with the decision of the Crimea Conference, confirmed at the Berlin Conference, that there should be periodic consultation between them. At the meeting of the three Foreign Ministers discussions took place on an informal and explanatory basis and agreement was reached on the following questions:

I. Preparation of Peace Treaties With Italy, Rumania, Bulgaria, Hungary and Finland

As announced on the 24th of December, 1945, the Governments of the Soviet Union, the United Kingdom and the United States have agreed to have requested the adherence of the Governments of France and China to the following procedure with respect to the preparation of peace treaties:

1. In the drawing up by the Council of Foreign Ministers of treaties of peace with Italy, Rumania, Bulgaria, Hungary, Finland, only members of the Council who are, or under the terms of the agreement establishing the Council of Foreign Ministers adopted at the Berlin Conference are deemed to be signatory of the surrender terms will participate, unless and until the Council takes further action under the agreement to invite other members of the Council to participate on questions directly concerning them. That is to say:

A. The terms of the peace treaty with Italy will be drafted by the Foreign Ministers of the United Kingdom, the United States, the Soviet Union and France;

B. The terms of the peace treaties with Rumania, Bulgaria and Hungary by the Foreign Ministers of the Soviet Union, the United States and the United Kingdom;

C. The terms of the peace treaty with Finland by the Foreign Ministers of the Soviet Union and the United Kingdom.

The deputies of the Foreign Ministers will immediately resume their work in London on the basis of understandings reached on the questions discussed at the first plenary session of the Council of Foreign Ministers in London.

2. When the preparation of all these drafts has been completed, the Council of Foreign Ministers will convene a conference for the purpose of considering treaties of peace with Italy, Rumania, Bulgaria, Hungary and Finland. The conference will consist of the five members of the Council of Foreign Ministers together with all members of the United Nations which actively waged war with substantial military force against European enemy States, namely:

Union of Soviet Socialist Republics, United Kingdom, United States of America, China, France, Australia, Belgium, Netherlands, Byelo-Russian Soviet Socialist Republic, Brazil, Canada, Czechoslovakia, Ethiopia, Greece, India, New Zealand, Norway, Poland, Union of South Africa, Yugoslavia, Ukrainian Soviet Socialist Republic. The conference will be held not later than May 1, 1946.

3. After the conclusion of the deliberations of the conference and upon consideration of its recommendations, the States signatory to the terms of armistice with Italy, Rumania, Bulgaria, Hungary and Finland—France being regarded as such for the purposes of the peace treaty with Italy—will draw up final texts of peace treaties.

4. The final texts of the respective peace treaties as so drawn up will be signed by representatives of the states represented at the conference which are at war with the enemy states in question. The texts of the respective peace treaties will then be submitted to the other United Nations which are at war with the enemy states in question.

5. The peace treaties will come into force immediately after they have been ratified by the Allied states signatory to the respective armistices, France being regarded as such in the case of the peace with Italy. These treaties are subject to ratification by the enemy states in question.

II. Far Eastern Commission, and Allied Council for Japan

A. Far Eastern Commission

Agreement was reached, with the concurrence of China, for the establishment of a Far Eastern Commission to take the place of the Far Eastern Advisory Commission. The terms of reference for the Far Eastern Commission are as follows:

I. Establishment of the Commission.

A Far Eastern Commission is hereby established composed of the representatives of the Union of Soviet Socialist Republics, United Kingdom, United States, China, France, the Netherlands, Canada, Australia, New Zealand, India and the Philippine Commonwealth.

II. Functions.

A. The functions of the Far Eastern Commission shall be:

1. To formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the terms of surrender may be accomplished.

2. To review, on the request of any member, any directive issued to the Supreme Commander for the Allied Powers or any action taken by the Supreme Commander involving policy decisions within the jurisdiction of the commission.

3. To consider such other matters as may be assigned to it by agreement among the participating Governments reached in accordance with the procedure provided for in Article V, Section 2 hereunder.

(Continued on page 56)

GM's Statement to Public

Following the statement made to the Fact-Finding Board, the General Motors Corporation issued a public statement signed by Alfred P. Sloan, Jr., its Chairman, and C. E. Wilson, its President, explaining its position and pointing out that the acceptance of the "ability-to-pay" principle would mean eventually a regimented economy and the end of private management of business. The text of this statement, made public on Dec. 29 follows:

General Motors Corporation has faced what it believes to be a highly critical issue. It has made its decision. It is important that the public understand the issue, the issue at stake transcends the interests of General Motors. There is involved something far more consequential—a most vital principle.

Is American business in the future as in the past to be conducted as a competitive system? Or is the determination of the essential economic factors such as costs, prices, profits, etc., upon which business success and progress depend, to be made politically by some governmental agency instead of by the management appointed by the owners of the business for that purpose?

America is at the crossroads. It must preserve the freedom of each unit of American business to determine its own destinies. Or it must transfer to some governmental bureaucracy or agency, or to a union, the responsibility of management that has been the very keystone of American business. Shall this responsibility be surrendered? That is the decision the American people face. America must choose!

Means a Regimented Economy

General Motors has made its choice. It refuses to subscribe to what it believes will ultimately become, through the process of evolution, the death of the American system of competitive enterprise. It will not participate voluntarily in what stands out crystal clear as the end of the road—a regimented economy. If this is what the American people want, they must make that choice through their accredited representatives in Congress. General Motors declines for itself to take such a great responsibility.

It may be said that this is an exaggeration. It is not! All business questions are interrelated. Costs, prices, wages, profits, schedules, investments must be the responsibility of management. Political determination of such relationships means regimentation.

The idea of ability to pay, whatever its validity may be, is not applicable to an individual business within an industry as a basis for raising its wages beyond the going rate.

Implications of "Ability to Pay"

Consider the implications of such a principle. Who would risk money to develop or expand a business under such circumstances? Where would be the incentive to do a more efficient job? Would it be intelligent to destroy the incentive for efficiency? Would it not be more intelligent to subscribe to the principle that no one should be forced to pay more than the going rate? Should General Motors, assuming it is more efficient, be required to pay more for materials, for transportation, for services or for wages than its competition? And how much more, determined by a political Government agency?

Do you subscribe to the belief that you should pay for what you buy or the services you use on the basis of your financial resources? It is clear that this is the principle involved.

The President of the United States has appointed a fact-finding board to inquire into the circumstances involved in the demands of the UAW-CIO upon General Motors and to make recommendations related thereto.

Ready to Give Relevant Data

General Motors stood ready to supply the board with all necessary data regarding wage rates,

employees' earnings, hours of employment, and all other relevant information regarding wages and employment.

However, the board has ruled that General Motors' ability to pay will be considered as a factor in determining an increase in wages. This would require an appraisal of costs, prices, prospective volume of business, investment factors, expenses and the entire forward operating program of the business. Thus the board would assume the most vital functions of management.

Reuther's Statement to Public

As a rejoinder to the General Motors statement to the public, issued on Dec. 29, Mr. Reuther immediately made public the following in which he accused the Wall Street interests back of General Motors of opposing national policy and instigating a widespread industrial war:

The President's fact-finding board will shortly report its findings and recommendations in the UAW-CIO-General Motors wage dispute to President Truman. If those findings and recommendations are based upon the arithmetic of the case, and if the President and the American people will insist that the Wall Street managers of General Motors Corporation honestly negotiate an agreement based on the economic facts in the case, General Motors workers and the American people will be spared a winter of industrial war that may spread to all of American industry.

We are encouraged by the fact that the corporation's attempt to dictate the terms of the investigation and its arrogant departure from the hearings have not swerved nor slowed down the work of the President's fact-finding board.

We hope that the board will complete its task next week and that the President may move swiftly to acquaint the American people with the board's findings and recommendations. This strike is costing the corporation little in money but much in public confidence and respect. The corporation is falling further and further behind in the make-ready race for mass production in 1946. Naturally, General Motors workers want the strike ended at the earliest possible date, both because they want to get back to work and because they want the great General Motors productive machine to be turning out goods next year along with the other units in the automobile industry.

But the General Motors workers, who have already sacrificed so much in this strike, will not accept less than the 30% increase in wage rates needed to maintain take-home pay, except and to the extent that the economic facts may show that General Motors cannot pay that increase without increasing prices to the consumers.

Holds Wall Street Officials Control GM

We agree with the spokesmen for the Wall Street officials of General Motors, who are sacrificing the corporation's production-operating policies to their own financial policies, that the determination of this dispute will largely determine the future of the nation's economy. In this wage dispute we are fighting with all the determination and sincerity we possess for the winning of the peace here on the home front. The Wall Street lawyers who have been substituted for the operating management raise the moth-eaten battle flags that the forces of special privilege have carried for the past hundred and fifty years.

General Motors is not contending that it has or has not the ability to pay. It has always paid liberal wages. It has attempted through protracted collective bargaining sessions to determine what is fair and equitable today. It has made a fair and liberal offer to the union.

Notwithstanding the importance of reestablishing employment and resuming production at the earliest possible moment, the above reasons have made it impossible for General Motors to participate in the proceedings of the board under the procedures as now established, and it has therefore withdrawn from the hearings. It takes that position with great regret. But it does so in the sincere belief that this action is in the long-term interest of employees, consumers, investors and of the public as well—and of higher standards for all.

There are the voices and the hopes of the past. America is going forward to a better future, of full employment, full production and full consumption.

We believe that the American people will not be frightened by hysterical screams of "revolution." We are through with blind acceptance of the bad old days of boom and bust, of chronic mass unemployment.

Wants 50% Better Living Standard

General Motors workers are determined not only that they shall not be pushed further down the treadmill by reduced take-home pay, but that the national welfare and their own security and opportunity shall be promoted by maintenance of take-home pay as the first step forward toward the achievement of a standard of living 50% better than we have ever had before.

The workers' demands to maintain take-home pay, keep prices down and thereby maintain and increase purchasing power are geared to the welfare of the whole community, the needs of the whole nation. We refuse to operate as an economic pressure group attempting to make progress at the expense of the community. We want to make progress with the community.

It is this realistic and constructive view of the wage-price-profit relationship which GM spokesmen hysterically call "revolution."

Sees Sacrifice of "Four Freedoms"

If General Motors' rehash today of Walter Gordon Merritt's speech yesterday before the President's fact-finding board represented the thinking of all American business then we would have to say, God help the American people.

War veterans and the common people could write off their wartime sacrifices as bad investments and kiss good-bye to the promises of the Four Freedoms—full employment, full production and full consumption.

Here is expressed again—and undoubtedly will be reproduced in expensive advertising throughout the nation—the socially backward thinking of the Wall Street wing, as opposed to the production wing of General Motors' management. It amounts to another instance of the failure of big business to meet its social responsibilities.

Free enterprise cannot for long remain either free or enterprising under such leadership and such thinking, the kind of reckless, irresponsible, buccannering thinking that led us into the depression of the 30's and World War II.

What Nonsense Is This?

"Upon its (the General Motors strike) outcome hangs the future of America. If we win, we and those from whom we buy our food and clothes and fuel and other necessities and comforts of life will win ground on which to build an America of new economic and political freedom. Should we lose, it would be 1919 and the Twenties all over again."—Walter P. Reuther.

We now turn to the record as found in the "Retrospect of 1919" prepared and published by the "Chronicle" in its "The Financial Review" early in 1920. We quote:

"During the war the labor unions everywhere had acquired the habit of asking for higher wages and for shorter hours of work, and as no interruption of industrial activities could be permitted while the conflict continued (out of a fear of the effect upon the war), labor largely, in fact almost entirely, had its own way. It got a shorter day and it got repeated increases in wages.

"It was supposed that the high wages would belong merely to the period of the war, and that with the close of hostilities wages would, even if only gradually, tend to a lower level again. Indeed, many of the wage increases had been definitely limited to the period of the war. There were skeptics, it must be admitted, who doubted that wages established during the period of the war would easily or quickly come down again. But at least hardly any one imagined that wages would rise still higher—that on top of the increases made during the war and arising out of that emergency there would be further and even more striking increases than those already granted.

"The wage demands of 1919 were as numerous as had been those of 1917 and 1918. Labor would abate not a jot of the advantage it had gained during the war. On the contrary . . . it insisted on pressing its advantage still further. Even early in the year, when conditions appeared to be unfavorable for the assertion of further demands by the laboring classes because of military demobilization, there was a manifestation of the spirit on the part of labor that was to dominate everything else during the year.

"Not only was labor able to retain the high wages of 1918, granted while the country was still engaged in military operations, but to get still further increases. Wage increases followed one another in rapid succession.

"Men who had been getting \$3 or \$3.50 a day could now command \$6 or \$7 or \$8, or even \$10 a day."

Evidently Mr. Reuther is not familiar with the history of "1919 and the Twenties," or else he hopes the public has forgotten it.

Free enterprise is killing itself when it refuses to recognize that the maintenance and increase of purchasing power to keep pace with technological progress is its own life blood.

Free enterprise, to survive, must learn that it has more and greater responsibilities than merely producing a cash return for its investors. It must make its contribution to the welfare of the community as a whole; it must meet and help solve the problem of unemployment and recurrent depressions.

GM Opposes National Policy

In the position it is now taking, GM is out of step with America. Its outdated economic thinking is opposed to the national policy; it is opposed to the wishes and the hopes of the vast majority of the American people, who devoutly and fervently want to see realized the promise of a post-war world of peace, freedom and plenty.

But in the arrogance of its great wealth the financial clique which controls General Motors Corporation is a dangerous force.

The GM strikers walking the picket lines in Detroit and Flint and Janesville, Wis., and all the other cities where GM plants are on strike, are fighting the fight of the majority of Americans in city and farm alike. They are truly fighting the fight for "More and Better Things for More Peo-

ple." They are fighting to give economic substance to ideals for which the war was fought.

Have Support of Organized Labor

GM workers have the support of organized labor, church leaders and of people in all walks of American life; even hundreds of General Motors stockholders support their cause.

General Motors has again turned down an effort at a fair and equitable settlement, just as it had previously turned down fair collective bargaining, Government conciliation, public negotiations and voluntary arbitration. The Wall Street clique still wants to fight the issue out according to the law of the jungle, in a raw struggle of economic power.

If facts and reason fail again, as they failed in our three months' effort to negotiate with General Motors, we are prepared to stay on the picket lines for the duration of this home-front war, however long it may last. This fight is for keeps. Upon its outcome hangs the future of America. If we win, we and those from whom we buy our food and clothes and fuel and other necessities and comforts of life will win ground on which to build an America of new economic and political freedom. Should we lose, it would be 1919 and the '20s all over again. We are right and we will win.

Items About Banks, Trust Companies

More than 40 years of banking service in China was resumed on Dec. 20 with the reopening of the Tientsin branch of The National City Bank of New York under the management of E. W. Torrey. Two of the other Chinese branches, Shanghai and Hongkong, were reopened recently (as we stated in our issue of Dec. 13, page 2936) under the management of J. T. S. Reed, Assistant Vice-President, and S. S. Church, Sub-Manager, respectively. All three branches are conducting banking business in the same premises they occupied before the war.

By action of the Board of Directors at a meeting held on Dec. 26, the Chase National Bank of New York increased the dividend rate on its capital stock from \$1.40 to \$1.60 annually by placing its dividend payments on a quarterly basis and by declaring a dividend of 80 cents per share, 40 cents per share payable on Feb. 1, 1946, to stockholders of record Jan. 11, 1946, and 40 cents per share payable on May 1, 1946, to stockholders of record April 12, 1946. The bank paid a semi-annual dividend of 70 cents per share on Aug. 1, 1945, and has been paying semi-annual dividends at that rate on Feb. 1 and Aug. 1 for the past 10 years.

The Board of Directors also authorized a transfer of \$15,000,000 from the undivided profits to the surplus account of the bank, increasing the surplus from \$124,000,000 to 139,000,000. The capital is \$111,000,000 and the undivided profits were \$66,128,000 on Sept. 29, the most recent date of a published statement of condition.

Election of Gordon D. Brown as a Vice-President of Bankers Trust Co. of New York was announced on Dec. 28 by S. Sloan Colt, President of the bank. Mr. Brown, who has been actively associated with the aviation industry for over 20 years, will head up the bank's service to that industry, in line with a policy of industrial specialization designed to fit banking service to the requirements of the individual industry. For 20 years associated with Douglas Aircraft in production, engineering and sales, Mr. Brown was granted a leave of absence in 1944 to assist in interpreting the aviation industry to financial institutions. During 1944-45, he acted as consultant to Bankers Trust Co. and Mutual Life Insurance Co. of New York, supervising an analytical study of air-transport financing, and also conducted an air-cargo study of perishable commodities, their markets and transport problems, for a group of major airlines. During his connection with Douglas, Mr. Brown, besides serving in various other capacities with it, served as assistant to Donald Douglas, as Director of Market Research and Economic Planning.

Following a meeting of the Board of Directors of the Bank of the Manhattan Co. of New York on Dec. 21, F. Abbot Goodhue, President, announced the following promotions:

George W. Carrington, Harry B. Danmeyer, Frederick J. Freese, Richard T. Giblin, Curtis C. Grove, J. H. L. Janson and Joseph J. Moran, formerly Assistant Vice-Presidents, were appointed Vice-Presidents; W. C. Crittenden, William J. Dolan, Byron L. Harrison, Hermann Henninger, John J. Kelly, Jr., Walter Sievers and Herbert H. Weekes, formerly Assistant Treasurers, were appointed Assistant Vice-Presidents; James E. Rooney was appointed Assistant

Trust Officer; Harry P. Black, John T. DePalma, William E. Draude, Richard S. Heydt, William J. Jantzen, Eugene J. Kerns, Louis P. Pfeiffer, Theodore G. Sneiderker, Herman J. Wacker and George A. Wilson were appointed Assistant Treasurers.

The Guaranty Trust Co. of New York announced on Dec. 27 that the annual meeting of the stockholders will take place on Jan. 16.

In addition to the election of directors and other matters that may come before the meeting, there will be submitted a proposed amendment to the by-laws, providing for indemnification of directors, officers, and certain other persons as authorized by Chapter 869 of the New York Laws of 1945, which became effective April 18, 1945. The announcement adds:

"At the annual meeting held on Jan. 21, 1942, there was adopted a by-law providing for the indemnification of directors which was authorized by the then existing law. The applicable statute has now been amended by the Laws of 1945 to permit the inclusion, in such indemnification, of officers and employees of the company and of any persons who serve or has served at the company's request as a directors, officer or employee of any other corporation. The proposed new by-law, in conformity with this change in the statute, will extend the right of indemnification as authorized."

Dividends aggregating \$4,960,000, or 80 cents per share, have been declared on Dec. 26 and will be paid on Feb. 1, 1946 to shareholders of The National City Bank of New York of record at the close of business Jan. 12, 1946. Of this amount \$4,650,000 will be paid by the bank and \$310,000 by City Bank Farmers Trust Co. This compares with a total of \$4,030,000, or 65 cents per share, paid on Aug. 1, 1945 for the previous six-months period.

It was also announced that \$20,000,000 would be added to the surplus of the bank at the year-end, bringing it up to \$142,500,000. This addition to surplus represents earnings after dividends supplemented by a release of reserves of \$6,500,000. With capital of the bank (unchanged) at \$77,500,000, surplus at \$142,500 and undivided profits estimated at about the same as a year ago, total capital funds of the bank will be about \$249,000,000, and of the bank and trust company together about \$276,000,000.

An underwriting group headed by The First Boston Corp. is offered publicly on Dec. 28, 10,810 shares of The Public National Bank and Trust Co. (New York) capital stock at \$47 per share. The offering represents the unsubscribed portion of 110,000 additional shares authorized by the stockholders of the bank on Dec. 10. Stockholders' rights to subscribe under the bank's offer expired on Dec. 26. The new shares were issued to increase the bank's capital funds to a level commensurate with its large increase in deposits over the last 10 years. The offering circular reveals that on a pro-forma basis to reflect the issuance of the additional shares, the capital funds would be equal to \$52.60 per share as of Sept. 30, 1945.

E. Chester Gersten, President of the bank, reports that deposits had increased from \$138,312,940 at the end of 1935 to \$482,384,176 as of Sept. 30, 1945, and that capital funds, as represented by capi-

Redeem Australian Bonds

Holders of City of Sydney, New South Wales, Australia, The Municipal Council of Sydney 25-year 5½% sinking fund gold bonds, due Feb. 1, 1955 are being notified that redemption of \$72,000 principal amount of these bonds outstanding have been drawn by lot for redemption through the sinking fund on Feb. 1, 1946 at par plus accrued interest. Payment will be made at the principal office of City Bank Farmers Trust Company, successor fiscal agent, 22 William Street, New York City.

tal stock, surplus and undivided profits at Sept. 30, 1945 were \$21,561,007 compared with \$13,702,573 on Dec. 31, 1935. Mr. Gersten also stated that the management contemplates increasing the annual dividend rate of \$1.65 per share from the present \$1.50 per share annual rate. The total of net earnings of the bank over the period from Jan. 1, 1936 to Sept. 30, 1945 was \$12,943,934, of which less than 50% was paid out in cash dividends. During those years, Mr. Gersten disclosed profits on securities and recoveries were, for the most part, used to write down the cost of securities owned, for reserves and for other purposes, and therefore were not included in the bank's earnings figures.

In our issue of Dec. 13, page 2936, reference was made to the approval by the stockholders of the Public National of the issuance of the new stock.

Interests identified with the management of the Colonial Trust Co. of New York have purchased \$500,000 3% capital debentures of the bank, subordinated to the deposits, thereby bringing the capital funds of the institution to approximately \$2,500,000. Arthur S. Kleeman, President of the Trust company, stated on Dec. 27 that the issuance of the capital debentures was arranged because of the rapid development of the bank; that the deposits of the institution had multiplied six times in the last 6½ years. "Our growth," said Mr. Kleeman, "has been in several directions. Important additions to our list of nationally known accounts have been made, and we have greatly broadened our services to our domestic clients. At the same time, we have developed a world-wide foreign banking service, and a steadily growing number of foreign banks keep accounts with us. We have approximately 25,000 customers, a number of whom will benefit by the increased lending power created by the addition of \$500,000 of capital funds."

President Kleeman of the Colonial Trust Co. of New York, announced on Dec. 26 the election of Harry C. Stoddard and Ernest Lamb as Vice-Presidents. Mr. Stoddard is head of the Trust department, and Mr. Lamb is in charge of the Correspondent Bank Department. Mr. Kleeman also announced the following promotions: George J. Meehan, John J. Downs and Matthew T. Ryan, formerly Assistant Treasurers, and Milton S. Henderson, former Credit Manager, to be Assistant Vice-Presidents; Glen Keller, James H. Shaw and Frank C. Rutzen to be Assistant Treasurers.

Lee S. Buckingham, President of Clinton Trust Co. of New York, announced on Dec. 26 that the directors have voted to split its stock, 2½ shares for 1, subject to stockholders' approval. This will increase the number of shares from 14,000 to 35,000. In addition, 5,000 new shares will be offered to the stockholders at \$30 a share in order to provide \$150,000 new capital to meet the Trust company's growing business.

(Continued on page 64)

Industrial Activity in November Increases, Federal Reserve Board Reports

Output at factories and mines increased considerably in November and activity continued to expand in most other lines, according to the summary of general business and financial conditions in the United States, based upon statistics for November and the first half of December made available on Dec. 22 by the Board of Governors of the Federal Reserve System. Value of retail sales reached new record rates in November and early part of December reflecting in part further increases in prices, said the Board which continued:

Industrial Production

Output in most industries showed important gains in November and the Board's index of industrial production advanced about 5%. The index at a level of 171% of the 1935-39 average, was about the same as in September and in the autumn of 1941. Output for civilian use in November, especially of fuels, industrial materials, and producers' equipment, was larger than in those earlier periods. Production for civilians of many finished consumer products, however, like automobiles, radios, clothing, and shoes; while much higher in November than in September, was still greatly reduced from 1941 levels.

Steel production showed a large rise during November and in the first three weeks of December output was scheduled at an average rate of 83% of capacity, which was higher than the November average. Activity at shipyards continued to decline considerably in November but increases occurred in most other metal fabricating industries. Further increases in output were indicated in plants producing electrical products and machinery and in the railroad equipment and automobile parts and assembly industries. Automobile production, however, was curtailed sharply in the last week of November and the first half of December by a strike in the plants of a major producer.

Lumber and glass production were at low levels in November owing partly also to industrial disputes. In the case of lumber, however, output in recent months before the West Coast strikes was below 1939 levels and one-third less than the rate in 1941.

Production of most nondurable manufactures and of fuels increased from October to November reflecting increased supplies of materials and labor and the end of work stoppages in the petroleum and coal industries as well as strong demand generally for these and most other goods for civilian use.

Incomes received by agriculture, business, and consumers appear to have continued to rise in November as a result of the widespread increases in production and employment and further rises in prices and wage rates. Payments to unemployed industrial workers and veterans also increased somewhat in November.

Employment in nonagricultural establishments rose by over 300,000 workers in November, after allowing for seasonal changes, reflecting increases in all major lines except Federal war agencies. A further decline of about 100,000 workers in munitions industries was more than offset by gains in employment in other manufacturing industries, mostly in reconverted metal products plants. Employment in the trades and services, construction, and various other lines showed relatively larger increases than in manufacturing.

Distribution

Department store sales increased sharply in November and the Board's seasonally adjusted index rose to a record level of 228% of the 1935-39 average as compared with 213 in October. November sales were 11% larger than last year and in the first

half of December sales continued to show about the same increase. Sales at some other types of retail stores, especially those selling automotive supplies, men's apparel, furniture, building materials, and hardware, have recently shown much larger increases than department stores, while sales of foods and various other products have shown somewhat smaller increases.

Shipments of most classes of railroad revenue freight showed less decline than is usual in November and the early part of December and were only 4% below last year's high level. Carloadings of agricultural commodities and l. c. l. merchandise were considerably above last year's level.

Commodity Prices

Wholesale prices of most groups of commodities increased from the early part of November to the middle of December. With most farm products at ceiling levels, advances in prices of these products were smaller than in September and October. Ceiling prices were raised for newsprint, textile fabrics, building materials, and various other industrial products, but a general increase in steel prices was turned down.

Bank Credit

Loans and investments at banks in 101 leading cities increased by over \$7 billion during the six weeks ended Dec. 12; this period covered the major part of the Victory Loan Drive. Government security holdings increased by \$3.7 billion—a somewhat smaller rise than had occurred in the three prior drives. Loans for purchasing or carrying Government securities rose by \$2.5 billion, and at their mid-December levels loans both to brokers and dealers and to other bank customers slightly exceeded the high points of the previous drives. Commercial and industrial loans, which had been expanding since early fall, rose by an additional \$800 million during the six-week period. The increase in commercial credit extension has been at a rate substantially greater than at any time in recent years.

As payments for security purchases transferred funds from deposits of businesses and individuals to reserve-exempt war loan accounts, the average level of required reserves at all member banks declined by around \$500 million during the first half of December. Early in the month, excess reserves rose to above \$1.5 billion on a weekly average basis. Subsequently, however, excess reserves declined somewhat, as the amount of War Loan deposits at many banks reached the maximum limits and banks turned over to the Treasury current receipts from sales of Government securities.

Currency outflow has continued at a slackened rate compared with wartime years; money in circulation increased by close to \$350 million during the six weeks ended Dec. 12 compared with over \$750 million in the 1944 period. On a seasonally adjusted basis, currency outflow has recently been at the lowest rate since the early part of 1941.

President Vetoes Bill Rescinding Appropriations Because of Rider Turning USES Over to States

Expressing regret over the need to veto a piece of "excellent legislation,"—a bill wiping \$52,000,000,000 in left-over war appropriations off the books, because it carried a rider providing for the return to the States in 100 days of the United States Employment Service. In his statement the President said:

So far as the basic purpose of this bill rescinding appropriations is concerned, I am in thorough agreement with the action of the Congress. Far from wishing to sacrifice the care and effort which have gone into its development, I shall by executive action preserve the full values of these rescission provisions in the exact terms which the Congress itself has approved. If these provisions stood alone I should gladly approve the bill. I have asked the Director of the Bureau of the Budget to place these rescission amounts in a reserve, non-expendable status, and so to advise the departments and agencies concerned.

In addition to its effect on appropriations, however, the bill contains provisions which require our system to be broken up—within 100 days—and transferred to operation as 51 separate State and territorial systems.

"While I believe such a transfer should be made at the proper time, I am convinced that this bill requires that it be made at the wrong time and in the wrong way. Such a dispersion and transfer at this time would immeasurably retard our re-employment program. And as the basis for Federal-State co-operation, in a fundamental program of national importance, the provisions of the bill dealing with the public employment offices are unsound and unwise from any point of view.

So far as the timing of the transfer is concerned, the period designated by this bill—the next 100 days—is the most disadvantageous that could have been chosen. It will result in a disrupted and inefficient employment service at the very time when efficient operation is most vitally needed by veterans, workers and employers.

"In my reconversion message of Sept. 6 to the Congress, I pointed out our national responsibilities and problems in connection with re-employment during the reconversion period. During this period, displaced war workers and the veterans who are returning to civilian life at the rate of more than a million a month, will need and have a right to expect from their national government an effective job-counseling and placement service. These problems and responsibilities cannot, in a period when millions of veterans and other workers are moving across state lines, be met adequately through fifty-one separate and independent public employment service systems, linked only by the necessarily remote and indirect influence of a Federal agency financing the state systems through grants-in-aid.

For these reasons, I now repeat my recommendation that the transfer of our public employment offices to state operation be postponed until June, 1947. The administration is committed to returning the service to state operation, and that commitment will be carried through. But this is not the time.

The bill provides for the operation of public employment offices by the States under rules and regulations prescribed by the Secretary of Labor to carry out the provisions of the Wagner-Persey act. Operating costs would be met entirely by the Federal government. These provisions of the bill would remain in effect for only a few months—the balance of the current fiscal year.

The bill precludes the granting of funds to any state which is unable, or unwilling, to comply with the provisions of the bill or any requirement of the Secretary of Labor pursuant to the provisions of the bill.

A Federal-state co-operative program for a national system of public employment offices financed entirely by Federal funds must at least provide assurance as to two basic objectives: the Federal government must be sure that the essential services are being provided through the states' employment offices, and it must know that the offices are being operated with reasonable efficiency. Under such a program the Federal government is not interested in prescribing minute or insignificant details concerning the state operation, but it does have a stake in the preservation of reasonable standards.

While I object to the specific measure which this bill proposes to carry out with respect to our employment service, I object even more strongly to the legislative method employed for its enactment. To attach a legislative rider to an appropriation bill restricts the President's exercise of his functions and is contrary to good government.

In view of my past legislative experience, I realize the obligations of the President to the Congress as a co-ordinate branch of the government. At the same time, I must be equally aware of the constitutional responsibility of the President to the people, and of the obligation of the Congress to help him discharge that responsibility.

Under date of Dec. 24 Associated Press advices from Washington said: "The presidential move brought immediate reports from Capitol Hill that new legislation would be introduced to do away with Federal administration of USES.

House Appropriations Committee aides told a reporter that such a measure already has been drafted. Likewise, associates of Senator Lucas (D-Ill.), and Reed (R-Kan.), said one of the two would take the action "right after the holidays."

The Senators, who led the fight for return of USES to the States, were not available for comment, but Senator Reed recently issued a statement declaring: "The USES is not an efficient service under the Federal Government, never has been and so far as any of us can see it never will be. It has never rendered as good service as it did under the States, but its costs have increased 400%. President Roosevelt promised when he took it over that it would be returned after the war. Now the Government is stalling."

New legislation would be required to achieve the goal sought by the Senators, because the pocket veto is not subject to overriding by Congress.

[A pocket veto occurs when the President refuses to sign within the required time legislation on his desk during a congressional recess. If he does not sign a bill during a session it becomes law, unless he returns it to Congress for consideration. In the latter case, two-thirds of both the Senate and House must approve the measure to pass it over his veto.]

Before the President's action had assured Federal operation of the employment service at least for the time being, there had been intense opposition on the part of organized labor to State operation. On Dec. 16, the National Planning Association's labor committee, made up of A. F. of L., C. I. O. and other union leaders, urged, according to Associated Press Washington advices, that the United States Employment Service be permanently operated by the Federal Government in

view of the severe employment problem facing the nation. The committee said of the legislation which would have broken USES up into 52 state and territorial systems:

"This retreat from responsibility means the Federal Government will turn over the operation of the employment service to the states but go right on paying 100% of the cost. With millions of veterans and war workers looking for jobs, there could be no worse time to disrupt the national employment service."

The Associated Press said: Under State control there is danger, the labor planning group said, of using USES to "force down the workers' standard of living by driving labor into cheap jobs."

This, the report argued, could result from provisions in nearly all state unemployment compensation laws under which employers contribute less money to the state compensation fund if they have good records for stable employment, which is measured by the smallness of payments to workers they have laid off.

"It is to the immediate financial advantage of the employer in these states when a laid-off worker, instead of receiving benefits, can be referred to the first job on file in the USES, even though the job is below the worker's skill and just earnings," the committee said.

Publication of the report was authorized by the National Planning Association's board of trustees, which does not necessarily imply agreement of the industry, agriculture or other groups of NPA.

Va. Morris Plan Bank Now Bank of Virginia

Effective Dec. 31, The Morris Plan Bank of Virginia, Richmond, Va., became The Bank of Virginia, changing a name by which the bank has been known in Virginia for nearly 24 years. The change of name involves no change of ownership, policy or operations, and affects customers of the bank in no way, officials declared. Established July 17, 1922, as The Morris Plan Bank of Richmond with total resources of \$375,000, the organization has grown to become a state-wide bank operating in six Virginia cities, with total resources of more than \$52,000,000.

When this bank was originated, banks generally functioned chiefly for commercial firms or corporations and large planters, it is pointed out, the advices stating that the Morris Plan Bank of Virginia set out to become a bank for the individual, in contrast to operations of the typical bank of that day. The advices add:

In recent years, while continuing to specialize in banking for the individual, The Morris Plan Bank of Virginia had gone into the commercial field as well. They had so widely associated the idea of personal banking with The Morris Plan Bank of Virginia name, that they found the name itself a retarding factor in the commercial phase of their dual role of banking both for the individual and for commercial enterprises. So the new name, The Bank of Virginia, was adopted to eliminate the connotation of personal banking only which was attached to the former name.

Thomas C. Boushall, President of The Bank of Virginia, states that the personal installment loans and other banking services for the individual will not be restricted or lessened under the new name. With its main office in Richmond, the bank also operates in Petersburg, Roanoke, Newport News, Portsmouth and Norfolk.

President Eases Immigration of Refugees

In a directive issued Dec. 22, President Truman took steps to ease the way for admission into the United States of displaced persons and refugees from Europe, to the limit permitted by immigration laws. The Secretaries of State and War, as well as the Attorney General and Federal agencies directly concerned, were instructed to facilitate the job "with utmost dispatch."

In a statement accompanying the directive the President commented on the fact that comparatively few persons migrated to the United States from Europe during the war years, and added; according to the Associated Press in a Washington dispatch:

I consider that common decency and the fundamental comradeship of all human beings require us to do what lies within our power to see that our established immigration quotas are used in order to reduce human suffering. I am taking the necessary steps to see that this is done as quickly as possible.

The following is the text of the President's directive, according to the Associated Press:

Dec. 22, 1945.

Memorandum to: Secretary of State, Secretary of War, Attorney General, War Shipping Administrator, Surgeon General of the public Health Service, Director General of UNRRA.

The grave dislocation of populations in Europe resulting from the war has produced human suffering that the people of the United States cannot and will not ignore. This Government should take every possible measure to facilitate full immigration to the United States under existing quota laws.

The war has most seriously disrupted our normal facilities for handling immigration matters in many parts of the world. At the same time the demands upon those facilities have increased manifold.

It is, therefore, necessary that immigration under the quotas be resumed initially in the areas of greatest need. I, therefore, direct the Secretary of State, the Secretary of War, the Attorney General, the Surgeon General of the Public Health Service, the War Shipping Administrator, and other appropriate officials to take the following action:

The Secretary of State is directed to establish with the utmost dispatch consular facilities at or near displaced person and refugee assembly center areas in the American zones of occupation. It shall be the responsibility of these consular officers, in conjunction with the immigrant inspectors, to determine as quickly as possible the eligibility of the applicants for visas and admission to the United States.

For this purpose the Secretary will, if necessary, divert the personnel and funds of his department from other functions in order to insure the most expeditious handling of this operation. In cooperation with the Attorney General he shall appoint as temporary vice consuls, authorized to issue visas, such officers of the Immigration and Naturalization Service as can be made available for this program.

Within the limits of administrative discretion, the officers of the Department of State assigned to this program shall make every effort to simplify and to hasten the process of issuing visas. If necessary, blocs of visa numbers may be assigned to each of the emergency consular establishments. Each such bloc may be used to meet the applications filed at the consular establishment to which the bloc is assigned. It is not intended, however, entirely to exclude the issuance of visas in other parts of the world.

Visas should be distributed fairly among persons of all faiths, creeds and nationalities. I desire that special attention be devoted to orphaned children to whom it

is hoped the majority of visas will be issued.

With respect to the requirement of law that visas may not be issued to applicants likely to become public charges after admission to the United States, the Secretary of State shall cooperate with the Immigration and Naturalization Service in perfecting appropriate arrangements with welfare organizations in the United States which may be prepared to guarantee financial support to successful applicants. This may be accomplished by corporate affidavit or by any means deemed appropriate and practicable.

The Secretary of War, subject to limitation imposed by the Congress on War Department appropriations, will give such help as is practicable in:

(A) Furnishing information to appropriate consular officers and immigrant inspectors to facilitate in the election of applicants for visas; and

(B) Assisting until other facilities suffice in:

(1) Transporting immigrants to a European port;

(2) Feeding, housing and providing medical care to such immigrants until embarked; and

(C) Making available office facilities, billets, messes and transportation for Department of State, Department of Justice and United Nations Relief and Rehabilitation Administration personnel connected with this work, where practicable and requiring no out-of-pocket expenditure by the War Department and when other suitable facilities are not available.

The Attorney General, through the Immigration and Naturalization Service, will assign personnel on duty in the American zones of operation to make the immigration inspections, to assist consular officers of the Department of State in connection with the issuance of visas and to take the necessary steps to settle the cases of those Allies presently interned at Oswego through appropriate statutory and administrative processes.

The Administration of the War Shipping Administration will make the necessary arrangements for water transportation from the port of embarkation in Europe to the United States, subject to the provision that the movement of immigrants will in no way interfere with the scheduled return of service personnel and their spouses and children from the European Theatre.

The Surgeon General of the Public Health Service will assign to duty in the American zones of occupation the necessary personnel to conduct the mental and physical examinations of prospective immigrants prescribed in the immigration laws.

The Director General of the United Nations Relief and Rehabilitation Administration will be requested to provide all possible aid to the United States authorities in preparing these people for transportation to the United States and to assist in their care, particularly in the cases of children in transit and others needing special attention.

In order to insure the effective execution of this program, the Secretary of State, the Secretary of War, the Attorney General, War Shipping Administrator and the Surgeon General of the Public Health Service shall appoint representatives to serve as members of an interdepartmental committee under the chairmanship of the Commissioner of Immigration and Naturalization.

The "Big Three" Powers Communique

(Continued from page 52)

B. The commission shall not make recommendations with regard to the conduct of military operations nor with regard to territorial adjustments.

C. The commission in its activities will proceed from the fact that there has been formed an Allied Council for Japan and will respect existing control machinery in Japan, including the chain of command from the United States Government to the supreme commander's command of occupation forces.

III. Functions of the United States Government.

1. The United States Government shall prepare directives in accordance with policy decisions of the commission and shall transmit them to the supreme commander through the appropriate United States Government agency. The supreme commander shall be charged with the implementation of the directives which express the policy decisions of the commission.

2. If the commission decides that any directive or action reviewed in accordance with Article II-A-2 should be modified, its decision shall be regarded as a policy decision.

3. The United States Government may issue interim directives to the supreme commander pending action by the commission whenever urgent matters arise not covered by policies already formulated by the commission; provided that any directive dealing with fundamental changes in the Japanese constitutional structure or in the regime of control, or dealing with a change in the Japanese Government as a whole, will be issued only following consultation and following the attainment of agreement in the Far Eastern Commission.

4. All directives issued shall be filed with the commission.

IV. Other Methods of Consultation.

The establishment of the commission shall not preclude the use of other methods of consultation on Far Eastern issues by the participating Governments.

V.—Composition.

1. The Far Eastern Commission shall consist of one representative of each of the states party to this agreement. The membership of the commission may be increased by agreement among the participating powers as conditions warrant by the addition of representatives of other United Nations in the Far East or having territories therein. The commission shall provide for full and adequate consultations, as occasion may require, with representatives of the United Nations not members of the commission in regard to matters before the commission which are of particular concern to such nations.

2. The commission may take action by less than unanimous vote provided that action shall have the concurrence of at least a majority of all the representatives including the representatives of the four following powers: United States, United Kingdom, Union of Soviet Socialist Republics and China.

VI. Location and Organization.

1. The Far Eastern Commission shall have its headquarters in Washington. It may meet at other places as occasion requires, including Tokyo, if and when it seems desirable to do so. It may make such arrangements through the chairman as may be practicable for consultation with the Supreme Commander for the Allied powers.

2. Each representative on the commission may be accompanied by an appropriate staff comprising both civilian and military representation.

3. The commission shall organize its secretariat, appoint such committees as may be deemed advisable, and otherwise perfect its organization and procedure.

VII. Termination.

The Far Eastern Commission shall cease to function when a decision to that effect is taken by the concurrence of at least a majority of all the representatives including the representatives of the four following powers: United States, United Kingdom, Union of Soviet Socialist Republics and China. Prior to the termination of its functions, the commission shall transfer to any interim or permanent security organization of which the participating Governments are members those functions which may appropriately be transferred.

It was agreed that the Government of the United States on behalf of the four powers should present the terms of reference to the other Governments specified in Article I and invite them to participate in the commission on the revised basis.

B. Allied Council for Japan

The following agreement was also reached, with the concurrence of China, for the establishment of an Allied Council for Japan:

1. There shall be established an Allied Council with its seat in Tokyo under the chairmanship of the supreme commander for the Allied powers (or his deputy) for the purpose of consulting with and advising the supreme commander in regard to the implementation of the terms of surrender, the occupation and control of Japan, and of directives supplementary thereto; and for the purpose of exercising the control authority herein granted.

2. The membership of the Allied Council shall consist of the supreme commander (or his deputy), who shall be chairman and United States member; a Union of Soviet Socialist Republics member; a Chinese member, and a member representing jointly the United Kingdom, Australia, New Zealand and India.

3. Each member shall be entitled to have an appropriate staff consisting of military and civilian advisers.

4. The Allied Council shall meet not less often than once every two weeks.

5. The supreme commander shall issue all orders for the implementation of the terms of surrender, the occupation and control of Japan, and directives supplementary thereto. In all cases action will be carried out under and through the supreme commander who is the sole executive authority for the Allied powers in Japan. He will consult and advise with the council in advance of the issuance of orders on matters of substance, the exigencies of the situation permitting. His decisions upon these matters shall be controlling.

6. If, regarding the implementation of policy decisions of the Far Eastern Commission on questions concerning a change in the regime of control, fundamental changes in the Japanese constitutional structure, and a change in the Japanese Government as a whole, a member of the council disagrees with the Supreme Commander (or his deputy), the Supreme Commander will withhold the issuance of orders on these questions pending agreement thereon in the Far Eastern Commission.

7. In cases of necessity the Supreme Commander may make decisions concerning the change of individual Ministers of the Japanese Government, or concerning the filling of vacancies created by the resignation of individual Cabinet members, after appropriate

preliminary consultation with the representatives of the other Allied powers on the Allied Council.

III. Korea

1. With a view to the re-establishment of Korea as an independent state, the creation of conditions for developing the country on democratic principles and the earliest possible liquidation of the disastrous results of the protracted Japanese domination in Korea, there shall be set up a provisional Korean democratic government which shall take all the necessary steps for developing the industry, transport and agriculture of Korea and the national culture of the Korean people.

2. In order to assist the formation of a provisional Korean Government and with a view to the preliminary elaboration of the appropriate measures, there shall be established a joint commission consisting of representatives of the United States command in southern Korea and the Soviet command in northern Korea. In preparing their proposals the commission shall consult with the Korean democratic parties and social organizations. The recommendations worked out by the commission shall be presented for the consideration of the Governments of the Union of Soviet Socialist Republics, China, the United Kingdom and the United States prior to final decision by the two Governments represented on the joint commission.

3. It shall be the task of the joint commission, with the participation of the provisional Korean democratic Government and of the Korean democratic organizations, to work out measures also for helping and assisting (trusteeship) the political, economic and social progress of the Korean people, the development of democratic self-government and the establishment of the national independence of Korea.

The proposals of the joint commission shall be submitted, following consultation with the provisional Korean Government, for the joint consideration of the Governments of the United States, Union of Soviet Socialist Republics, United Kingdom and China for the working out of an agreement concerning a four-power trusteeship of Korea for a period up to five years.

4. For the consideration of urgent problems affecting both southern and northern Korea and for the elaboration of measures establishing permanent coordination in administrative-economic matters between the United States command in southern Korea and the Soviet command in northern Korea, a conference of the representatives of the United States and Soviet commands in Korea shall be convened within a period of two weeks.

IV. China

The three Foreign Secretaries exchanged views with regard to the situation in China. They were in agreement as to the need for a unified and democratic China under the National Government, for broad participation by democratic elements in all branches of the National Government, and for a cessation of civil strife. They reaffirmed their adherence to the policy of non-interference in the internal affairs of China.

Mr. Molotoff and Mr. Byrnes had several conversations concerning Soviet and American armed forces in China.

Mr. Molotoff stated that the Soviet forces had disarmed and deported Japanese troops in Manchuria but that withdrawal of Soviet forces had been postponed until Feb. 1 at the request of the Chinese Government.

Mr. Byrnes pointed out that American forces were in North

China at the request of the Chinese Government, and referred also to the primary responsibility of the United States in the implementation of the terms of surrender with respect to the disarming and deportation of Japanese troops. He stated that American forces would be withdrawn just as soon as this responsibility was discharged or the Chinese Government was in a position to discharge the responsibility without the assistance of American forces.

The two Foreign Secretaries were in complete accord as to the desirability of withdrawal of Soviet and American forces from China at the earliest practicable moment consistent with the discharge of their obligations and responsibilities.

V. Rumania

The three Governments are prepared to give King Michael the advice for which he has asked in his letter of Aug. 21, 1945, on the broadening of the Rumanian Government. The King should be advised that one member of the National Peasant party and one member of the Liberal party should be included in the Government. The commission referred to below shall satisfy itself that:

A. They are truly representative members of the groups of the parties not represented in the Government;

B. They are suitable and will work loyally with the Government.

The three Governments take note that the Rumanian Government thus reorganized should declare that free and unfettered elections will be held as soon as possible on the basis of universal and secret ballot. All democratic and anti-fascist parties should have the right to take part in these elections and to put forward candidates. The reorganized Government should give assurances concerning the grant of freedom of the press, speech, religion and association.

A. Y. Vyshinski, Ambassador Averell Harriman and Sir A. Clark Kerr are authorized as a commission to proceed to Bucharest immediately to consult with King Michael and members of the present Government with a view to the execution of the abovementioned tasks.

As soon as these tasks are accomplished and the required assurances have been received, the Government of Rumania, with which the Soviet Government maintains diplomatic relations, will be recognized by the Government of the United States of America and the Government of the United Kingdom.

VI. Bulgaria

It is understood by the three Governments that the Soviet Government takes upon itself the mission of giving friendly advice to the Bulgarian Government with regard to the desirability of the inclusion in the Bulgarian Government of the Fatherland Front, now being formed, of an additional two representatives of other democratic groups, who

A. Are truly representative of the groups of the parties which are not participating in the Government and

B. Are really suitable and will work loyally with the Government.

As soon as the Governments of the United States of America and the United Kingdom are convinced that this friendly advice has been accepted by the Bulgarian Government and the said additional representatives have been included in its body, the Government of the United States and the Government of the United Kingdom will recognize the Bulgarian Government, with which the Government of the Soviet Union already has diplomatic relations.

VII. The Establishment by the United Nations of a Commission for the Control of Atomic Energy

Discussion of the subject of atomic energy related to the question of the establishment of a commission by the General Assembly of the United Nations. The Ministers of Foreign Affairs of the Union of Soviet Socialist Republics, the United States of America and the United Kingdom have agreed to recommend, for the consideration of the General Assembly of the United Nations, the establishment by the United Nations of a commission to consider problems arising from the discovery of atomic energy and related matters. They have agreed to invite the other permanent members of the Security Council, France and China, together with Canada, to join with them in assuming the initiative in sponsoring the following resolution at the first session of the General Assembly of the United Nations in January, 1946:

Resolved by the General Assembly of the United Nations to establish a commission, with the composition and competence set out hereunder, to deal with the problems raised by the discovery of atomic energy and other related matters.

I. Establishment of the Commission.

A commission is hereby established by the General Assembly with the terms of reference set out under Section V below.

II. Relations of the Commission With the Organs of the United Nations.

A. The commission shall submit its reports and recommendations to the Security Council, and such reports and recommendations shall be made public unless the Security Council, in the interests of peace and security, otherwise directs. In the appropriate cases the Security Council should transmit these reports to the General Assembly and the members of the United Nations, as well as to the Economic and Social Council and other organs within the framework of the United Nations.

B. In view of the Security Council's primary responsibility under the Charter of the United Nations for the maintenance of international peace and security, the Security Council shall issue directions to the commission in matters affecting security. On these matters the commission shall be accountable for its work to the Security Council.

III. Composition of the Commission.

The commission shall be composed of one representative from each of those States represented on the Security Council, and Canada, when that State is not a member of the Security Council. Each representative on the commission shall have such assistants as he may desire.

IV. Rules of Procedure.

The commission shall have whatever staff it may deem necessary, and shall make recommendations for its rules of procedure to the Security Council, which shall approve them as a procedural matter.

V. Terms of Reference of the Commission.

The commission shall proceed with the utmost dispatch and inquire into all phases of the problem, and make such recommendations from time to time with respect to them as it finds possible. In particular the commission shall make specific proposals:

A. For extending between all nations the exchange of basic scientific information for peaceful ends;

B. For control of atomic energy to the extent necessary to insure

The State of Trade

(Continued from first page)

that these problems will be solved in the not distant future.

Looking into the year ahead and notwithstanding present conditions, reports indicate that industrial output has made some headway and that general business activity in the new year will begin at about 85% of the war-time peak. Re-employment of workers and returning veterans in peacetime production has likewise made some progress and to quote the words of the National Conference of Business Page Editors in their year-end survey, the United States faces an unprecedented period of prosperity once harmony between management and labor is attained and price ceilings are adjusted to permit a fair profit, adding that full production of consumer goods would be under way by midyear.

Steel Industry—If the steel industry in 1946 does not top its output of about 80,000,000 tons of steel in 1945, it will not be because orders supporting such an operation are not on the books. As the year closed it was estimated that the industry's backlog of unfilled orders ran somewhere between 26 million and 28 million tons of finished products. At the present rate of operations such a backlog would represent close to six months' activity. "The Iron Age," national metalworking paper, reported in its current review of the steel trade.

The entire metalworking industry, the electrical industry and other large consumers of steel and other metals are facing a show down this month with the CIO union in its demand for a 30% pay increase. In only one major industry—steel—has there been a definite indication that a compromise on the 30% increase would be negotiated.

The stumbling block in the steel-wage situation, however, is that the intricate steel price problem is inseparably tied in with the wage demand. As the year closed there was nothing in the picture to indicate that the country would not face an industry-wide steel strike, the effects of which would be felt from within three days to one week by steel consumers.

With deliveries extended far into this year and with consumer inventories near the vanishing point, reconversion in the United States must succeed or fail on the outcome of industrywide labor-management controversies. It is clear that regardless of government intervention labor and management are primed for a last ditch showdown with both sides attempting to win public support.

Steel consumption in 1946 will be limited entirely by the steel industry's ability to produce, since major steel consuming groups—such as the automotive, construction, railroad, container and oil and gas industries—have indicated an intention to use every ton of steel obtainable. They have loaded mill books with orders far

beyond the industry's immediate capacity to produce. Limiting factors upon the steel industry are: Probable strikes, disposal of war-built steelmaking facilities and formal retirement of high-cost and obsolete steelmaking equipment.

While the iron ore industry, basic supplier for raw materials for steelmaking, was handicapped by a manpower shortage in 1945, "The Iron Age" estimates iron ore shipments for that year at 76,947,000 gross tons. Iron ore consumption by U. S. and Canadian furnaces in 1945 totaled 74,650,000 gross tons, a decline of 12,597,000 tons from 1944.

A survey of the nonferrous field indicates that American consumers may expect to pay higher prices for lead if government production subsidies under the premium price plan and the OPA price ceiling is removed June 30. Domestic high-grade ores are close to exhaustion and imports will become a more important factor despite the tariff.

Offsetting this price prospect is the possibility that world zinc prices may recede over the long term. Foreign copper mines, vastly expanded to meet war demands must find a market for peacetime surplus or shut down. United States copper mines, however, are fighting a receding production and the country for the first time in a peace period may become an importer within the next decade.

Once the steel industry's present labor troubles have been settled analyses show that steel demand for various producer and consumer products is heavy enough to support a relatively high operating rate in the industry over the next four years.

The American Iron and Steel Institute announced on Monday of this week the opening rate of steel companies having 94% of the steel capacity of the industry will be 80.6% of capacity for the week beginning Dec. 31, compared with 62.8% one week ago, 82.8% one month ago and 94.3% one year ago. This represents an increase to 17.8 points or 28.3% from that of the previous week.

This week's operating rate is equivalent to 1,476,300 tons of steel ingots and castings, and compares with 1,150,300 tons one week ago, 1,516,600 tons one month ago and 1,728,100 tons one year ago.

Railroad Earnings in November—Based on advance reports from 37 class I railroads, whose revenues represent 80.7% of total operating revenues, the Association of American Railroads today estimated that railroad operating revenues in November, 1945, decreased 15.1% under the same month of 1944. This estimate, it was pointed out, covers only operating revenues and does not touch upon the trends in operating expenses, taxes, or final income results. Estimated freight revenues in November, 1945, were less than in November, 1944, by 20.3%, while estimated passenger revenues increased 2.7%.

Railroad Freight Loadings—Carloadings of revenue freight for the week ended Dec. 22, 1945 total 688,300 cars. The Association of American Railroads announced. This was a decrease of 83,294 cars (or 10.8%) below the preceding week and 74,672 cars, or 9.8% below the corresponding week of 1944. Compared with the similar period of 1943, an increase of 47,264 cars or 7.4% is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,239,376,000 kwh. in the week ended Dec. 22, 1945 from 4,154,061,000 kwh. in the preceding week. Output for the week ended Dec. 22, 1945, however, was 8.2% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 206,300,000 kwh. in the week ended Dec. 23, 1945, comparing with 198,700,000 kwh. for the corresponding week of 1944, or an increase of 3.8%. Local distribution of electricity amounted to 198,900,000 kwh., compared with 188,900,000 kwh. for the corresponding week of last year, an increase of 5.3%.

Paper and Paperboard Production—Paper production in the United States for the week ending Dec. 22 was 93.8% of mill capacity, against 99% in the preceding week and 84.6% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 92%, compared with 98% in the preceding week and 94% in the like 1944 week.

Wholesale Commodity Price Index—The undertone in leading commodity markets was generally firm last week with price movements still holding in a narrow range. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., registered 181.98 on Dec. 22, comparing with 181.96 a week previous, and with 174.61 on the corresponding date last year.

Activity in grain markets fell sharply under the volume for the previous period. There was considerable hesitancy on the part of the buyers as prices for many leading cereals pressed firmly against ceilings. Cash wheat was in strong demand from mills and other sources. The tightness of supplies was aggravated by a shortage of box cars and low temperatures and snow storms over a large part of the country.

Export outlook for wheat continued bright. Visible supplies of wheat showed a further drop and are now the smallest since 1936. Adverse weather conditions have likewise affected the movement of corn from country points. Trading in oats represented more than 50% of the total on the Chicago Board of Trade last week. Cash oats were in plentiful supply and prices trended slightly easier.

The flour market was again featured by good export inquiry but domestic buyers were said to be well bought ahead and demands from this source were inactive. Some curtailment in grindings was reported due to scarcity of cash wheat at terminal markets. Receipts of hogs were somewhat smaller; prices remained at ceilings. Broad demand continued for lard with moderate less-than-carlot shipments reported.

Cotton prices moved in an extremely narrow range during the week and the underlying firmness in the market was maintained. Demand for spot cotton was limited, reflecting the approach of the holiday season. Mills, however, were said to be placing orders for substantial quantities of cotton for delivery in the first quarter of the new year and beyond. The Census Bureau report on consumption of cotton during November showed a total of 743,000 bales and compared with 760,000 in October and with 837,000 in November a year ago. Demand for cotton textiles continues in excess of supplies, with availability of labor still said to be a drawback to increased production.

Trading in the Boston wool market appeared to be on a downscale, reflecting end-of-the-year quietness. Buying of domestic wools was slow and spotty and the strong demand which existed for all types of spot and shortly-to-arrive foreign wools showed signs of easing. The exception was fine Australian wools of which little was offered. Appraisals of domestic wool for purchase by the CCC during the week ended Dec. 14 totaled 4,132,243 pounds, bringing the total ap-

praisals to that date to 311,442,549 pounds, against 349,320,033 last year.

Wholesale Food Price Index in Final 1945 Week Off—The wholesale food price index, compiled by Dun & Bradstreet, Inc., dropped one cent during the latest week, largely because of a seasonal decline in egg quotations. The index stood at \$4.15 on Dec. 25, as compared with \$4.16 a week previous and with \$4.09 on the corresponding date a year ago. Rye and lamb advanced during the period while declines occurred in oats and eggs. The index represents the sum total of the price per pound of 31 foods in general use.

October Hardware Sales Show Good Gains—Both retail and wholesale hardware sales showed good gains, comparing October, 1945, with the same period last year, "Hardware Age" reports in its every-other-Thursday market summary. Sales of independent retail hardware stores averaged 17% higher, in dollar volume, than in October, 1944, and included such lines as paint, builders and shelf hardware, toys, sporting goods, housewares and appliances. Sales also gained 15% over September of this year. Cumulative sales for the first 10 months of the year were 11% greater than in 1944.

A major portion of the hardware wholesalers reported sales gains of 9% over October of last year and 17% above those for September, 1945. Cumulative sales were 2% higher than last year for the first 10 months. Dollar value of stocks on hand Oct. 31 was 11% greater than at the same date last year and 2% over that of Sept. 30, 1945. Collections on accounts receivable were 1% less than a year ago but 1% higher than in September of this year.

Retail and Wholesale Trade—While retail volume for the country at large was sustained at close to peak levels last week, it petered off during the week as Christmas brought heavy holiday purchasing to a close, reports Dun & Bradstreet, Inc., in its weekly review of trade. Dollar volume slightly exceeded that of the high corresponding 1944 week and December ended with the largest dollar volume of buying ever recorded for that month. Reports on inventory levels indicated year-end stocks for most lines equal or slightly smaller than a year ago.

Last minute Christmas shoppers continued to search for men's and women's apparel, lingerie, toiletries and jewelry. Many consumers, spurred by the cold weather, purchased warm clothing and bedding. Hosiery was in heavy demand. Inventories of men's and women's clothing, footwear, blankets and linens were reported very low and below a year ago.

Kitchenware stocks were reported easing with no change noted in the supply of furniture. On the whole, electrical appliances were extremely difficult to find with volume for lamps and fixtures high. Springs and inner-spring mattresses continued scarce.

Food volume was well maintained last week by the large purchases for the week-end and Christmas. Storms did not appreciably delay the shipment of foods wanted for the holidays. Turkeys were reported plentiful; cranberries were in larger supply than at Thanksgiving and a year ago. Fresh vegetables, with the exception of squash, were easily available. Supplies of nuts were sufficiently large, though stocks of candies and cigars were depleted. Package liquor stores enjoyed a high volume of trade, but stocks of bourbon, scotch and aged rye whiskeys were generally low. Several milk companies offered ready-to-use egg-nog.

High-priced flowers and plants were ordered in great quantity.

Retail volume for the country was estimated to be from 7 to 11% above a year ago. Regional percentage gains were: New England 5 to 9, East 10 to 13, Middle West 2 to 5, Northwest 15 to 19, South 13 to 18, Southwest 12 to 16, Pacific Coast 6 to 10.

Wholesale volume declined slightly again last week as most of the markets were closed for the holiday or wholesalers were engaged in the taking of year-end inventories. The few buyers in the markets pressed for early 1946 deliveries. There were urgent wire and telephone calls for shipments of additional goods immediately before Christmas. The stocks of most lines were reported very low.

Department stores sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Dec. 22, 1945, increased by 14% above the same period of last year. This compared with an increase of 15% in the preceding week. For the four weeks ended Dec. 22, 1945, sales increased by 12% and for the year to date showed an increase of 11%.

Retail trade here in New York in the week after Christmas continued active. In a comparison with a year ago, volume reflected broad improvement, but it must be noted that this wide gain was largely due to the fact that the week contained one selling day before Christmas, thus making such a comparison a hardly practical one.

In wholesale and retail food lines business tapered off and merchants continued to show annoyance over shortages of butter and sugar.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Dec. 22, 1945, increased 16% above the same period last year. This compared with an increase of 19% in the preceding week. For the four weeks ended Dec. 22, 1945, sales rose by 16% and for the year to date increased by 13%.

NYSE Short Interest To Dec. 15 Reported

The New York Stock Exchange made public on Dec. 19 the following:

"The short interest as of the close of business on the Dec. 14, 1945 settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 1,465,798 shares, compared with 1,566,015 shares on Nov. 15, 1945, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Dec. 14, 1945 settlement date, the total short interest in all odd-lot dealers' accounts was 44,869 shares, compared with 56,152 shares on Nov. 15, 1945."

The Exchange's report added: "Of the 1,276 individual stock issues listed on the Exchange on Dec. 14, 1945, there were 86 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month."

The following table compiled by us shows the amount of short interest during the past year:

1944—	
Dec. 29	\$1,390,713
1945—	
Jan. 31	1,475,441
Feb. 15	1,582,647
Mar. 15	1,520,384
Apr. 13	1,361,495
May 15	1,486,504
June 15	1,554,069
July 13	1,420,574
Aug. 14	1,305,730
Sept. 14	1,327,109
Oct. 15	1,404,483
Nov. 15	1,566,015
Dec. 15	1,465,798

From Washington Ahead of the News

(Continued from first page)

understandable to the general public that it is surprising it is holding up so well in the Gallup Poll. The poll just a few days ago showed the majority of people interviewed favored only a 15% raise. Many industries are giving this much voluntarily.

Certainly GM's statements that profits or ability to pay were not a factor in wage negotiations, was difficult for the average man to understand. Apparently it was too much for Mr. Truman to understand. Inability to pay is the usual explanation of the boss who doesn't want to give you a raise. It may be that the real reason is he doesn't think you are worth it. The managing editor usually pleads his inability within the limitations of his budget. On the other side, we once knew of a fellow who based his request for an increase on the grounds that he had six children which was, of course, not the management's fault.

Conversely, Reuther's demand that the corporation "open its books" does not seem to have greatly excited the public, in spite of the assertions of Henry Wallace's apostles that the right of the public to examine the profit structure will be the next moving political issue of the country. It certainly hasn't made any appreciable dent on Congress. There seems to have come a realization that this is mostly meaningless harangue, that everybody can find out what a corporation makes, and that Reuther wouldn't know what to do if he were turned loose in a room with the so-called books. There is a lot of disposition in Congress, in fact, to let the two groups fight it out. Reuther's best bet was to get the whole country excited, to tie up the settlement of this dispute with the future welfare of humanity. GM has now belatedly met him on these grounds. If he wants to make it a national issue, they say very well, they'll fight it out on the grounds of regimentation. The relatively simple proposition of the workers getting a reasonable raise, which should be a labor leader's concern, is being lost in the shuffle. The dispute has gone into the sociological stratosphere. Veteran labor leaders are shaking their heads and saying that Reuther may have his worth but not as a labor leader.

Lloyd Garrison, Chairman of the President's fact-finding board, gave Reuther a severe jolt when he asked him if it were not true that if the GM dispute were immediately settled, there is a steel strike coming up which would still hold up automobile production. Reuther, reddening, wouldn't answer. It is a fact, of course.

For that matter, another wage conference is coming up between the coal operators and John L. Lewis. Their contract runs for another year but there are readjustment provisions which will necessitate another "coal crisis" this spring.

Those members of Congress who remained in Washington over the holidays were more amused than anything else over the announcement that Mr. Truman was going to the country with his "program" which Congress has neglected. One item, of course, is the full employment proposal, another increased unemployment compensation. It is a delightful time for him to be discussing either. Both were based on dire predictions by Leftist economists that there would be now be untold millions of unemployed. The fact is that there is a tremendous labor demand, that no one is unemployed who doesn't want to be, barring physical handicaps. Another neglected measure is that for a FEPC. Congress didn't

really have time for his proposal to solve labor disputes. However, it has little or no taste for any of them and it assumes it is reflecting the attitude of the country in this respect. If those fellows kept their ears any closer to the ground they would be frost-bitten.

They aren't holding up any of these measures because of dislike for Mr. Truman. Unlike their attitude towards Roosevelt, there is no one on the hill laying for him, not even the Republicans, frankly. He doesn't consult them, or any of the party leaders before sending up these proposals. Seemingly he gets them out of his hat. And they aren't afraid of his appealing over their head. They know his limitations. After all he was one of them. When it comes to using the big stick he ought to realize that he hasn't got the billions to throw around and buy up political machines which Roosevelt had. There is nothing to make a man look so big as to have the public billions to throw away which FD had.

U. S. Policy Toward Germany Revealed

United States policy toward Germany was disclosed on Dec. 12 in the release by the State Department of the text of a statement prepared at the request of the War Department for guidance of American occupation authorities. The statement, sent also to the governments of Britain, Russia and France, is the first detailed interpretation by any of the Allied Powers, the Associated Press pointed out in reporting the announcement from Washington, of the general policy for Germany which was evolved at the Potsdam conference of the Big Three in August.

Assuming that Germany would retain its present boundaries, including the industrial Ruhr and Rhineland areas, the following four American aims were stated for Germany in a personal statement from Secretary of State Byrnes which accompanied the formal document:

1. To increase to the greatest possible extent the export of coal from Germany to liberated areas of Europe.
2. To organize this winter the machinery necessary to carry out the reparations and disarmament program laid down by the United States, Britain, and Russia at the Potsdam Big Three Conference last summer.
3. To set up national German administrative agencies for finance, transport, communications, foreign trade and industry. Creation of these agencies to date has been blocked by the French.
4. To prevent mass starvation in Germany this winter and during the two-year period of reparations and disarmament but not to give the Germans a higher priority on supplies than the rest of Europe.

The Associated Press added:

Both the Byrnes statement and the declaration of American economic policy toward Germany declared frankly that the German people are now moving into an extremely hard winter.

But, Mr. Byrnes said, it will be in Germany only slightly more difficult than for certain of the liberated areas of Europe.

Secretary Byrnes divided German control by the Allies into three stages: (1) from the surrender last May to the end of the present winter during which the four principal aims are to be carried out as fully as possible; (2) the period of reparations removal running in the main between the end of the winter and February, 1948, and (3) the final period of

German rebuilding and recovery beginning in February, 1948, when the main Allied concern will be to see that Germany develops peacefully and without rearmament.

It is during the two years of reparations removal that the statement on German economy said that the United States and other occupying powers must finance minimum essential imports into Germany to the extent that German exports do not cover the cost of such imports.

The economic statement declared that the need for Allied financing is not due to the reparations program but to the state of disorganization in which the German people find themselves, and to the declared policy of preventing disease and unrest.

For the first time, the economic statement laid down general standards by which American authorities in Germany may be guided in determining what industrial plants they may remove for reparations purposes or destroy. The statement came out against any plan "wantonly to destroy German structures and installations which can readily be used for permitted peacetime industrial activities or for temporary shelter."

It also declared that the United States does not seek punitive destruction of capital equipment of value to the German peacetime economy.

Also, the statement declares, the United States is opposed to any other country—meaning Britain, Russia and France—taking selfish commercial advantage of Germany's predicament.

Barnard to Be Chairman Of ICC in 1946

The Interstate Commerce Commission announced on Dec. 14 the election of Commissioner George M. Barnard as its Chairman for 1946. This was indicated in Washington advices to the New York "Times" which added:

Under the Commission's system of rotating the Chairmanship yearly, Commissioner J. Monroe Johnson, who is also director of the Office of Defense Transportation, would have succeeded to the office next year, but he felt his ODT duties made it impossible for him to take on the additional work.

Commissioner Barnard is from Indiana. President Roosevelt nominated him on May 31, 1944, to be a member of the ICC to complete the unexpired term of the late Joseph B. Eastman, ending on Dec. 31, 1950.

Maj. Wool Joins NRDGA As Vets' Advisor

Because more and more veterans are turning to the National Retail Dry Goods Association for advice in connection with their ambitions to start small businesses or to find employment, the Association has found it necessary to add to its staff a man who will concentrate on the problems of the veterans. For this purpose Major Albert E. Wool has been selected. Major Wool was released on terminal leave Oct. 11, 1945, after four and one-half years in the Judge Advocate General's Department. He served overseas for two and one-half years and went through three major campaigns. Before going into the Army, Major Wool practiced law in New York for eight years. He was educated at Lehigh University and Brooklyn Law School of St. Lawrence University, from which latter school he graduated in 1933. Major Wool assumed his new duties directly after Christmas and is available to counsel ex-service men at all times.

Observations

(Continued from first page)

in the 11 or 12 members of the Council rather than in the 50 member nations of the Organization. It must further be borne in mind that under the Security Council's voting procedure, any one of the Big Five nations can arbitrarily veto any joint action or policy respecting the bomb, including even UNO disapproval in the event of its individual improper use of it.

The Russians inconsistently followed the same undemocratic line at the abortive London Conference, where they battled for, and have at Moscow just won, the writing of the peace treaties on a force basis by only the Big Powers that signed the armistice.

The main domestic difficulty of the British Labor Government is that it is falling between two stools and pleasing neither. It is increasingly finding itself "in the middle" between those who complain that too much nationalization has already taken place, and those many others at home and abroad who are chafing under the delay in the promised "socialization of the British Empire," and Mr. Attlee's alleged pussyfooting as "a sheep in sheep's clothing."

The Socialists and socialist sympathizers who are beefing at Mr. Attlee, may be overestimating the actual long-term wishes of the British electorate itself. In that connection the Australian experience under its labor Government is significant. In the recent election there the electorate showed its disillusionment with the "benefits" of socialization by defeating the proposal to nationalize the central bank; and by opposing general nationalization after the previous experiments therewith by the individual states.

It is difficult to decide whether Mr. Petrillo or Mr. Reuther is the more ambitious usurper of functions belonging to the Federal Government. When the Music Czar bars broadcasts of foreign music, his excuse is that this is merely the counterpart of the Government's quotas on immigration. He assumes the power of taxation when he imposes an excise tax, payable directly into his union treasury, on every record that is manufactured. Similarly the United Automobile Workers are trying to impose their own progressive corporate income tax, through wage bills to individual companies in accordance with their respective so-called ability to pay. The elimination of "starvation wages," or the wage question *per se*, cannot be Mr. Reuther's real concern; for under the GM proposal the average wage would be \$63 for 45 hours work, representing a 10% increase on a take-home basis.

In the assumption of personal dictatorship, without responsibility, Mr. Petrillo of course stands unrivaled. He decides what music the American public may hear; through his boycott power he can ruin any radio station, and force union membership on any musician; and he arbitrarily and contemptuously ignores orders of the War Labor Board along with decisions of the National Labor Relations Board.

The following is not quoted from the "Tory" New York Times or Tribune: "It is because the raising of living standards depends less on wage rates than on increasing the supply of available commodities that the Soviet trade unions place such great stress, as indicated repeatedly in these articles, on increasing production in every field and by every means possible." It actually appears in the CIO NEWS as the conclusion of the report of an inspection trip of the Soviet economy made by CIO officials.

Portents of a "vulnerable" 1946 stock market: . . . College campuses have joined country clubs and barber shops as forums for market gossip . . . a listed department store stock, having already risen from 20 to 50 during the year, tacks on an additional 10-point advance on the announcement of a stock dividend. . . Increasing use as a bull tip, of the stock split-up (which increases the holder's equity not one iota). . . Worry over "what can I do with the money if I take my big profit?" . . . The short interest decreased by 7% (instead of logically growing), and 23 issues lost their short interest entirely, in the Nov. 15-Dec. 15 period, in the face of a concurrent 3-point rise in the Dow-Jones average.

Chief remaining technical bullish sign: . . . the daily market news has not yet encroached on the newspapers' front page. Happy New Year!

Bill to Nationalize Bank of England Passed by Commons

The Labor Government pushed its bill to nationalize the 250-year-old Bank of England through the House of Commons on Dec. 19 and took steps toward nationalizing the coal mining industry and civil air lines, said Associated Press advices from London on that date, which also said:

By 306 to 126, Commons approved and sent to the House of Lords the bill for public ownership of the Bank of England. It had been hailed by Laborites in debate as "a great charter of freedom for the English people," and denounced by opponents as useless and involving an unwise encroachment of authority over other financial institutions.

The Government's bill to "establish public ownership and control of the coal mining industry and certain allied activities" was introduced in Commons during the day by Emanuel Shinwell, Minister of Fuel and Power.

Details of a nationalization program for civil air lines were dis-

closed in a White Paper to be read in Commons tomorrow. The Government would be prepared to subsidize operations until they became self-supporting, it was announced.

An item bearing on changes in the bill to nationalize the Bank of England appeared in our Dec. 20 issue, page 3036.

Crain Quits Navy League

Protesting against activities of the Navy League of the United States opposing a merger of the armed forces, one of its directors, Bennett Crain, has submitted his resignation, according to advices to the United Press from Washington, Dec. 17. "I do not propose to be a party, even by implication," Mr. Crain said in his letter of resignation to the League's President, Ralph A. Bard. "to assertions that a proposal, openly and earnestly advocated by citizens and patriots . . . represents an 'undercover movement', a 'grab for power', an attempt to 'establish rule by a military clique' or a 'military coup by stealth of political interests'." Mr. Crain also withdrew, the United Press added, as head of the League's District of Columbia Council.

Steel Orders on Books Heavy—Ingot Output Rebounds—New Peacetime Records Possible

"If the steel industry in 1946 does not top its output of about 80,000,000 tons of steel in 1945, it will not be because orders supporting such an operation are not on the books," states "The Iron Age," in its issue of today (Jan. 3), which further adds: "As the year closed it is estimated that the industry's backlog of unfilled orders ran somewhere between 26 million and 28 million tons of finished products. At the present rate of operations such a backlog would represent close to six months' activity."

"The entire metalworking industry, the electrical industry and other large consumers of steel and other metals are facing a show-down this month with the CIO union in its demand for a 30% pay increase. In only one major industry—steel—has there been a definite indication that a compromise on the 30% increase would be negotiated."

"The stumbling block in the steel-wage situation, however, is that the intricate steel price problem is inseparably tied in with the wage demand. As the year closed there was nothing in the picture to indicate that the country would not face an industry-wide steel strike, the effects of which would be felt from within three days to one week by steel consumers."

"With deliveries extended far into this year and with consumer inventories near the vanishing point, reconversion in the United States must succeed or fail on the outcome of industry-wide labor-management controversies. It is clear that regardless of Government intervention labor and management are primed for a last ditch showdown with both sides attempting to win public support."

"Steel consumption in 1946 will be limited entirely by the steel industry's ability to produce. Already major steel consuming groups—automotive, construction, railroad, container and oil and gas—have indicated an intention to use every ton of steel obtainable. They have loaded mill books with orders far beyond the industry's immediate capacity to produce. Limiting factors upon the steel industry are: Probable strikes, disposal of war-built steelmaking facilities and formal retirement of high-cost and obsolete steelmaking equipment."

"While the iron ore industry, basic supplier for raw materials for steelmaking, was handicapped by a manpower shortage in 1945, 'The Iron Age' estimates iron ore shipments for that year at 76,947,000 gross tons. Iron ore consumption by U. S. and Canadian furnaces in 1945 totaled 74,650,000 gross tons, a decline of 12,597,000 tons from 1944."

A survey of the nonferrous field indicates that American consumers may expect to pay higher prices for lead if Government production subsidies under the premium price plan and the OPA price ceiling is removed June 30. Domestic high-grade ores are close to exhaustion and imports will become a more important factor despite the tariff."

"Offsetting this price prospect is the possibility that world zinc prices may recede over the long term. Foreign copper mines, vastly expanded to meet war demands, must find a market for peacetime surplus or shut down. United States copper mines, however, are fighting a receding production and the country for the first time in a peace period may become an importer within the next decade."

"Once the steel industry's present labor troubles have been settled analyses show that steel demand for various producer and consumer products is heavy enough to support a relatively high operating rate in the industry over the next four years."

The American Iron and Steel Institute on Dec. 31 announced that telegraphic reports which it had received indicated that the operating rate of steel companies

having 94% of the steel capacity of the industry will be 80.6% of capacity beginning Dec. 31, compared with 62.8% one week ago, 82.8% one month ago and 94.3% one year ago. This represents an increase of 17.8 points or 28.3% over the preceding week. The operating rate for the week beginning Dec. 31 is equivalent to 1,476,300 tons of steel ingots and castings, compared to 1,150,300 tons one week ago, 1,516,600 tons one month ago and 1,728,100 tons one year ago. The industry operated on New Year's Day and this accounted mainly for the sharp increase in the operating schedule for the current week. Operations were suspended on Christmas Day last week.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 31, stated in part as follows:

"Steel production was slowed last week by the holiday and will feel holiday effect this week, but output is expected to recover promptly after New Year's Day."

"The only cloud on the horizon is the threat of a strike by steelworkers Jan. 14. Extended steel strike would threaten economic paralysis, with manufacturers forced to close their plants because of lack of steel. Steel producers are likely to suspend shipments of raw materials, such as pig iron, scrap and coke, if the strike seems certain to occur, to avoid having cars strikebound in their yards."

"The steel trade still is hopeful of a peaceful settlement before the strike date, though there are no definite indications of such. However, reports are circulating in the trade to the effect that the Government was seeking to apply pressure on the union to postpone its strike date at least until the OPA can complete a new study of steel prices. This would be about Feb. 1."

"In case of an early solution of present labor disputes and continuation of harmony, steel production in first half should well exceed all peacetime records. Accumulated civilian demand appears even heavier than at the end of the war, with purchasing power, in spite of important labor interruptions in the past few months, still tremendous. Apparently all that manufacturers need is opportunity to produce, as they have made important strides in plans to meet this accumulated demand. Steel requirements are indicated by the heavy tonnage fabricators have on mill books and the additional tonnage they are seeking to place, especially in light flat-rolled steel."

"With pressure for steel as heavy or perhaps heavier than ever before in the history of the industry the new year promises to equal or break records in tonnage. With mill books filled far into the year, in some cases almost to its end, production should be heavy, as consuming industries complete reconversion and get well under way in output of civilian goods, for which demand is greatest in years."

"Scarcity of raw materials continues over into the new year, both pig iron, scrap and coal are in short supply. Added to the general lack of scrap production and inability of blast furnaces to keep pace with demand weather conditions have had adverse effect on movement of iron and on preparation of scrap in yards."

"Warehouses have had an unusually prosperous year, in some cases tonnage handled in 11 months at least equaling 12 months

of the prior year. Deferred mill shipments have thrown heavy buying on distributors, which they had difficulty meeting because their own supplies were curtailed."

Steel Industry Strong Factor in Reconversion

(Continued from first page)

ing improved. Its industrial applications are wider than ever.

The steel industry will be an important factor in helping to put returning ex-servicemen to work. Over 40% of all factory workers in the nation earn their living by making steel into useful products for American life. The products of the steel industry must play a significant part in helping to end the nation's housing shortage and to provide the consumer goods which are so greatly desired.

In 1945 production of ingots and steel for castings was between 79,000,000 and 80,000,000 net tons, a decline of about 10,000,000 tons or 11% from the 89,641,600 tons which constituted a record in 1944. Steel mills operated at an average of about 83.8% of capacity through 1945, compared with 95.5% of capacity in 1944. After the industry had speedily solved its reconversion problems last autumn, output exceeded expectations both before and after the coal strike."

Production of pig iron and ferroalloys in 1945 is estimated to total about 53,000,000 net tons, against 62,072,683 tons in 1944.

The steel industry's average employment in 1945 in the production and sale of iron and steel products was 548,000 persons, compared with average employment of 571,200 in 1944. In the autumn of 1945 the industry had many jobs which it was anxious to fill, a total estimated at 55,500 vacancies when one spot survey was made by the American Iron and Steel Institute.

Total payrolls of the steel industry in 1945 are estimated at \$1,631,000,000, to persons directly engaged in the production and sale of iron and steel products. That figure compares with \$1,745,019,700 paid in payrolls in 1944. The shrinkage in payrolls in 1945 as compared to 1944 was relatively less than the shrinkage in steel output."

The unfavorable relationship of the steel industry's income and earnings as compared to its costs has been disturbing the industry. Wages and costs of materials have risen sharply in recent years. Meanwhile, ceiling prices for steel products are generally less than the schedules of steel prices in 1937. The current demand of the steel union for a \$2 per day wage increase would total around 225 million dollars annually, more than the entire industry earned in 1944."

Redeem Cuban Bonds

J. P. Morgan & Co., Inc., as fiscal agents, is notifying holders of Republic of Cuba External Debt 5% Gold Bonds of 1914, due Feb. 1, 1949, that \$345,300 principal amount of the bonds have been drawn by lot for redemption on Feb. 1, 1946, by operation of the sinking fund, at 102½% of the principal amount and accrued interest. Interest on the drawn bonds will cease on the redemption date. The Drawn bonds will be payable on and after Feb. 1, 1946 at the office of J. P. Morgan & Co. Inc., New York City, or at the office of Morgan Grenfell & Co., Ltd., in London.

On Dec. 19, 1945, the notice states, \$46,200 principal amount of the bonds previously called for redemption were still unredeemed.

Non-Ferrous Metals—Consumers' Requests for Foreign Copper and Lead for Nov. Delivery Up

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 27 stated: Though actual consumption of major non-ferrous metals may have suffered a little because of strikes, requests for foreign copper and lead to round out total January requirements are heavy. In the case of lead, where the supply situation presents a real problem, the authorities in Washington are expected to cut down on the ton-nages asked for at least 10%. Silver stood out in the week's news in that final action on extending the Green Act has been postponed by the Senate Banking and Currency Committee until Congress convenes in the middle of January. The operating rate of the steel industry for the current week dropped to 62.8% of capacity, owing to the holiday." The publication further went on to say in part:

Copper

Fabricators consumed 100,400 tons of refined copper during November, which compares with 108,048 tons in October. The decline resulted chiefly from labor troubles, and occasioned little comment in market circles. Producers' deliveries during November, it will be recalled, amounted to 119,923 tons. Stocks in the hands of fabricators at the end of November totaled 368,042 tons, against 351,866 tons a month previous."

There was no news from Washington on the expected resumption of purchases of foreign copper."

Metals Reserve's stock of refined copper in this country at the end of November amounted to 458,662 tons, against 451,304 tons a month previous. Import figures for November are not yet available, but in view of the fact that the Government's agency shipped 50,267 tons of copper to consumers during that month and stocks increased, arrivals of copper must have been heavy."

Advices from London report that the United Kingdom consumed 65,244 long tons of copper during the third quarter of 1945."

Lead

Consumers of lead asked for 26,000 tons of foreign metal for January delivery. However, the tight supply situation is expected to bring down the quantity finally released by the Tin, Lead, Zinc Section to not much more than 23,000 tons, the trade believes. Consumers will be asked to take one-third in the common grade and two-thirds in corroding. Most of the stockpile consists of corroding lead."

Domestic producers of lead booked a modest quantity last week, sales for the period totaling 1,777 tons."

Zinc

The situation in zinc was unchanged last week. Demand for Prime Western and Special High Grade continued fairly active, with interest in the other grades lagging. The strike at zinc smelters will be reflected in a reduced rate of production in slab zinc for December."

Production and shipments of zinc concentrate in the Tri-State district declined last week, owing to severe weather conditions. Output totaled 3,249 tons, a drop of 1,622 tons for the week."

Aluminum

The Surplus Property Administration has issued an order restricting the sale of Government-owned aluminum and materials being acquired for recovery of their aluminum content. The regulation provides that no sale shall be made to the Aluminum Company of America or to any of its subsidiaries without the prior written approval of the Surplus Property Administrator. The order was issued to clarify selling policy in connection with the disposal of

surplus aluminum-bearing material for conversion into secondary ingot. In issuing the order, SPA cited the opinion of the Circuit Court, handed down in 1940, in which Alcoa was held to be a monopoly."

Tin

Investigators representing the United States have returned to Washington from the tin-producing areas of the Far East to report on the supply outlook. Their findings are expected to have an important bearing on the program for 1946 limiting the use of tin."

Metals Reserve's stock of pig tin at the end of November amounted to 21,382 long tons, against 21,163 tons a month previous."

The market situation in tin was unchanged. Straits quality tin for shipment, in cents per pound, was as follows:

	Jan.	Feb.	March
Dec. 20	52.000	52.000	52.000
Dec. 21	52.000	52.000	52.000
Dec. 22	52.000	52.000	52.000
Dec. 24	52.000	52.000	52.000
Dec. 25	—Holiday—		
Dec. 26	52.000	52.000	52.000

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

Quicksilver

Sellers again experienced a quiet week in quicksilver. There was no pressure on the market one way or the other, and quotations continued at \$108 to \$110 per flask. Some expansion in consumption is expected early next year, which may revive business."

Silver

The Senate Banking and Currency Committee, on Dec. 20, postponed further consideration of the bill (S. 1508) to extend the Green Act until after the holiday recess, which ends Jan. 14. Existing legislation granting authority to release the Treasury's unpledged silver to industry expires Dec. 31. Delay in presenting the bill to the Senate resulted from a dispute over the price at which metal should be released to industry."

The House passed the bill to extend the measure Dec. 19."

Senator Wagner, Chairman of the committee, said he feels certain a compromise will be reached between proponents of the bill, who want the prevailing ceiling of 71.11¢ retained, and senators from the silver mining states, who have asked that the House version be amended so as to raise the price to \$1.29."

Price Administrator Small told the committee estimates for production of silver from domestic mines in 1946, plus imports, indicate the supply will fail to meet requirements by 30,000,000 oz. The estimates, he added, were based on 71.11¢ silver. Without legislation extending the Green Act, "free" Treasury silver could not be made available to industry unless the market price of silver was in excess of \$1.29."

During the last week the New York Official price was unchanged at 70¾¢, an ounce troy. The London market was quiet and unchanged at 44d."

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	Avg. Corpor- ate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Jan. 1, 1945	Stock Exchange Closed								
Dec. 31, 1945	124.84	117.60	121.25	119.82	117.40	112.00	114.46	117.60	120.63
27	124.76	117.60	121.25	119.82	117.40	112.00	114.46	117.60	120.63
28	124.67	117.40	121.25	119.82	117.40	112.00	114.27	117.60	120.63
27	124.42	117.40	121.25	119.61	117.40	111.81	114.08	117.60	120.63
26	124.37	117.20	121.04	119.61	117.20	111.62	114.03	117.40	120.43
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	113.69	117.20	120.43
19	124.25	117.20	120.84	119.41	117.20	111.44	113.69	117.20	120.22
18	124.25	117.20	120.84	119.41	117.00	111.44	113.63	117.20	120.43
17	124.23	117.00	120.84	119.41	117.00	111.25	113.69	117.00	120.22
16	124.17	117.00	120.84	119.41	117.00	111.25	113.69	117.20	120.22
15	124.17	117.00	120.84	119.41	117.00	111.25	113.69	117.20	120.22
14	124.17	117.00	120.84	119.41	117.00	111.25	113.69	117.20	120.22
13	124.11	117.00	120.84	119.41	117.00	111.25	113.69	117.00	120.22
12	124.09	117.00	120.84	119.41	117.00	111.25	113.69	117.00	120.22
11	124.01	117.00	120.84	119.41	117.00	111.07	113.70	117.20	120.02
10	124.08	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	117.00	120.84	119.41	117.00	110.88	113.50	117.00	120.22
4	123.98	116.80	120.63	119.41	117.00	110.70	113.31	117.00	120.22
3	123.92	116.80	120.84	119.41	117.00	110.88	113.50	117.00	120.22
2	123.83	116.80	120.63	119.41	117.00	110.70	113.31	117.00	120.22
1	123.83	116.80	120.63	119.41	117.00	110.70	113.31	117.00	120.22
Nov. 30	123.70	116.80	120.84	119.41	117.00	110.70	113.50	116.80	120.22
23	123.70	116.80	120.84	119.41	117.00	110.70	113.50	116.80	120.22
16	123.44	116.80	120.84	119.41	116.80	110.52	113.31	116.80	120.22
9	123.23	116.61	120.63	119.41	116.61	110.34	113.12	116.80	120.22
2	123.05	116.61	120.63	119.41	116.41	110.15	113.12	116.80	120.02
Oct. 26	122.92	116.22	120.63	119.20	116.22	109.60	112.63	116.41	119.82
19	123.08	116.22	120.63	119.20	116.22	109.42	112.75	116.41	119.82
11	122.76	116.22	120.63	119.00	116.22	109.42	112.56	116.22	120.02
5	122.56	116.22	120.63	119.00	116.22	109.24	112.37	116.22	120.02
Sept. 28	122.19	116.02	120.64	118.80	115.82	108.68	112.19	116.02	119.82
21	121.97	115.82	120.43	118.80	115.02	108.88	112.19	116.02	119.82
14	121.98	116.02	120.64	118.80	116.02	108.70	112.19	116.22	119.61
7	122.09	116.02	120.63	119.20	116.22	108.52	112.37	116.02	119.61
Aug. 31	122.09	116.02	120.64	119.00	116.22	108.52	112.56	116.02	119.61
July 27	122.39	115.62	120.64	119.20	115.82	108.16	112.93	115.63	119.00
June 29	122.93	116.02	121.04	119.20	116.02	108.16	112.93	115.63	119.41
May 25	122.49	115.43	120.63	118.80	115.43	107.44	112.19	114.85	119.20
Apr. 27	122.35	115.24	120.84	118.40	115.04	107.09	112.19	114.27	119.20
Mar. 31	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
Feb. 23	121.92	114.66	120.82	118.60	114.46	106.04	110.52	114.08	119.41
Jan. 26	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
High 1945	124.84	117.60	121.25	119.82	117.40	112.00	114.46	117.60	120.63
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20
1 Year Ago	120.55	113.50	119.00	117.80	113.31	104.48	106.70	113.70	118.20
2 Years Ago									
Dec. 31, 1943	119.48	110.88	118.40	116.22	110.88	99.20	103.30	113.31	116.22

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)									
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpor- ate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Jan. 1, 1945	Stock Exchange Closed								
Dec. 31, 1945	2.77	2.59	2.66	2.78	3.06	2.93	2.77	2.62	2.82
27	2.77	2.59	2.66	2.78	3.06	2.93	2.77	2.62	2.82
28	2.78	2.59	2.66	2.78	3.06	2.94	2.77	2.62	2.82
27	2.78	2.60	2.67	2.78	3.07	2.95	2.77	2.62	2.82
26	2.79	2.60	2.67	2.79	3.08	2.95	2.78	2.62	2.82
25	Stock Exchange Closed								
24	Stock Exchange Closed								
22	2.45	2.79	2.60	2.68	2.79	3.08	2.25	2.78	2.62
21	2.45	2.79	2.60	2.68	2.79	3.09	2.25	2.79	2.62
20	2.45	2.79	2.60	2.68	2.79	3.09	2.26	2.79	2.62
19	2.45	2.79	2.61	2.68	2.79	3.09	2.26	2.79	2.62
18	2.45	2.79	2.61	2.68	2.80	3.09	2.26	2.79	2.62
17	2.46	2.80	2.61	2.68	2.80	3.10	2.26	2.80	2.64
16	2.46	2.80	2.61	2.68	2.80	3.10	2.26	2.79	2.64
15	2.46	2.80	2.61	2.68	2.79	3.10	2.26	2.79	2.64
14	2.46	2.80	2.61	2.68	2.79	3.10	2.26	2.79	2.64
13	2.46	2.80	2.61	2.68	2.80	3.10	2.26	2.80	2.64
12	2.46	2.80	2.61	2.68	2.80	3.10	2.26	2.80	2.64
11	2.47	2.80	2.62	2.68	2.80	3.11	2.27	2.79	2.65
10	2.47	2.80	2.62	2.68	2.80	3.11	2.28	2.80	2.64
9	2.47	2.81	2.62	2.68	2.80	3.12	2.28	2.80	2.64
8	2.47	2.81	2.62	2.68	2.80	3.12	2.28	2.80	2.64
7	2.47	2.81	2.62	2.68	2.80	3.12	2.28	2.80	2.64
6	2.47	2.81	2.62	2.68	2.80	3.12	2.28	2.80	2.64
5	2.47	2.81	2.62	2.68	2.80	3.12	2.28	2.80	2.64
4	2.47	2.81	2.62	2.68	2.80	3.12	2.28	2.80	2.64
3	2.48	2.81	2.61	2.68	2.80	3.12	2.28	2.80	2.64
2	2.49	2.81	2.62	2.68	2.80	3.13	2.29	2.80	2.64
1	2.49	2.81	2.62	2.68	2.80	3.13	2.29	2.80	2.64
Nov. 30	2.50	2.81	2.61	2.68	2.80	3.13	2.29	2.81	2.64
23	2.50	2.81	2.61	2.68	2.81	3.14	2.29	2.81	2.64
16	2.52	2.81	2.61	2.68	2.81	3.15	2.30	2.81	2.65
9	2.55	2.82	2.62	2.68	2.83	3.16	2.30	2.81	2.65
2	2.55	2.82	2.62	2.68	2.83	3.19	2.30	2.83	2.66
Oct. 28	2.56	2.84	2.62	2.69	2.84	3.20	2.30	2.83	2.66
19	2.55	2.84	2.62	2.69	2.84	3.20	2.30	2.83	2.66
11	2.57	2.84	2.61	2.70	2.84	3.20	2.30	2.84	2.65
5	2.59	2.84	2.61	2.70	2.84	3.21	2.30	2.84	2.65
Sept. 28	2.63	2.85	2.61	2.71	2.86	3.23	2.30	2.85	2.66
21	2.65	2.86	2.63	2.71	2.85	3.23	2.30	2.85	2.67
14	2.66	2.85	2.61	2.71	2.85	3.24	2.30	2.84	2.67
7	2.65	2.85	2.62	2.69	2.84	3.25	2.30	2.85	2.67
Aug. 31	2.65	2.85	2.61	2.70	2.84	3.25	2.30	2.85	2.68
July 27	2.64	2.86	2.61	2.69	2.86	3.27	2.31	2.87	2.70
June 29	2.60	2.85	2.60	2.69	2.85	3.27	2.30	2.88	2.68
May 25	2.64	2.88	2.62	2.71	2.88	3.31	2.30	2.91	2.69
Apr. 27	2.63	2.89	2.61	2.73	2.90	3.33	2.30	2.94	2.69
Mar. 31	2.66	2.91	2.60	2.73	2.91	3.39	2.30	2.94	2.69
Feb. 23	2.69	2.92	2.65	2.72	2.93	3.39	2.31	2.95	2.68
Jan. 26	2.77	2.96	2.68	2.75	2.97	3.44	2.31	2.96	2.72
High 1945	2.80	2.98	2.71	2.76	2.99	3.48	2.32	2.97	2.74
Low 1945	2.41	2.77	2.59	2.66	2.78	3.06	2.23	2.77	2.62
1 Year Ago	2.80	2.98	2.70	2.76	2.99	3.48	2.32	2.97	2.74
2 Years Ago									
Dec. 31, 1943	2.87	3.12	2.73	2.84	3.12	3.80	3.55	2.99	2.84

*These prices are computed from average yields on the basis of one "typical" bond (3 1/2% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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

National Fertilizer Association Commodity Price Index Declines Slightly

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Dec. 26, declined in the week ended Dec. 22, 1945, to 141.8, from 142.0, the high point of the index, in the preceding week. A month ago the index stood at 142.0, and a year ago at 139.9, all based on the 1935-1939 average as 100. The Association's report added:

Two of the composite groups of the index, the farm products and foods groups, declined during the latest week and the remaining groups of the index remained unchanged. The livestock subgroup declined somewhat; lower quotations for good cattle and eggs more than offset higher prices for lambs and sheep. The cotton subgroup advanced fractionally reaching another new high point. The net result of these price movements was a moderate decline in the farm products group. The foods group declined with lower egg quotations more than offsetting higher prices for potatoes.

During the week 2 price

Trading on New York Exchanges

The Securities and Exchange Commission made public on Dec. 28 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Dec. 8, 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. 8 (in round-lot transactions) totaled 4,129,154 shares, which amount was 15.11% of the total transactions on the Exchange of 13,663,120 shares. This compares with member trading during the week ended Dec. 1 of 3,414,509 shares, or 15.92% of the total trading of 10,727,870 shares. On the New York Curb Exchange, member trading during the week ended Dec. 8 amounted to 1,631,535 shares or 14.04% of the total volume on that Exchange of 5,822,030 shares. During the week ended Dec. 1 trading for the account of Curb members of 1,350,040 shares was 12.51% of the total trading of 5,397,605 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 8, 1945		
A. Total Round-Lot Sales:	Total for Week	%
Short sales	365,010	
Other sales	13,298,110	
Total sales	13,663,120	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	1,177,910	
Short sales	222,470	
Other sales	1,017,210	
Total sales	1,239,680	8.85
2. Other transactions initiated on the floor—		
Total purchases	246,680	
Short sales	25,200	
Other sales	281,300	
Total sales	306,500	2.02
3. Other transactions initiated off the floor—		
Total purchases	32,173	
Short sales	67,800	
Other sales	698,411	
Total sales	766,211	4.24
4. Total—		
Total purchases	1,816,763	
Short sales	315,470	
Other sales	1,996,921	
Total sales	2,312,391	15.11

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

WEEK ENDED DECEMBER 8, 1945		
A. Total Round-Lot Sales:	Total for Week	%
Short sales	53,315	
Other sales	5,768,715	
Total sales	5,822,030	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	466,250	
Short sales	24,275	
Other sales	284,275	
Total sales	498,510	7.51
2. Other transactions initiated on the floor—		
Total purchases	70,370	
Short sales	2,800	
Other sales	94,125	
Total sales	96,225	1.44
3. Other transactions initiated off the floor—		
Total purchases	63,465	
Short sales	19,700	
Other sales	495,415	
Total sales	505,115	5.09
4. Total—		
Total purchases	622,925	
Short sales	37,735	
Other sales	973,815	
Total sales	1,011,550	14.04
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
Customers' other sales	193,375	
Total purchases	193,375	
Total sales	219,607	

*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."

Commodity Wholesale Prices Up 0.2% in Week Ended Dec. 15, Labor Dept. Reports

"Higher prices for agricultural commodities caused a rise of 0.2% during the week ended Dec. 15 in the index of commodity prices in primary markets," it was announced on Dec. 20 by the Bureau of Labor Statistics, U. S. Department of Labor, which also said that "at 106.7% of the 1926 average, slightly below the recent peak, the index was 0.4% above mid-November 1945, and 2.2% above the corresponding week of last year."

From the Department advices we also quote:

Farm Products and Foods—Average prices for farm products rose 0.8% during the week, following the sharp decline of the previous week. Quotations for cows, hogs and lambs rose with short supplies caused by transportation difficulties and tendencies of sellers to withhold animals from market. Quotations for oats advanced reflecting the continued shortage of other feed grains. Prices for rye

also were higher while wheat declined. Cotton quotations rose nearly 1% with improved export prospects and a short crop. Prices for citrus fruits rose sharply as transportation difficulties prevented movement of the crop to market, and white potatoes increased seasonally. Prices for onions rose sharply with inadequate supplies. Quotations for sweet potatoes declined. Prices of hops were higher, with improved quality of the new crop. Average prices of farm products were 0.8% above 4 weeks ago and 4.5% above mid-December, 1944.

"Higher prices for fruits and vegetables raised the group index for foods by 0.2% during the week. In addition, quotations for wheat flour were fractionally higher on heavy demand and prices for vinegar advanced under higher ceilings permitted by OPA to cover increased costs. The index for foods was 1.0% above a month ago and 2.5% above the corresponding week of last year.

Other Commodities—Average prices for all commodities other than farm products and foods remained unchanged during the week, although there were scattered increases for individual commodities. Anthracite prices continued to rise under higher ceilings previously granted by OPA. Farm machinery prices rose fractionally and quotations for turpentine advanced. Prices for window glass and for newsprint rose following ceiling adjustments by OPA to cover higher costs."

The Labor Department included the following notation in its report:

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

The following tables show (1) indexes for the past three weeks, for Nov. 17, 1945 and Dec. 16, 1944 and (2) percentage changes in subgroup indexes from Dec. 8, 1945 to Dec. 15, 1945.

WHOLESALE PRICES FOR WEEK ENDED DECEMBER 15, 1945 (1926=100)

Commodity Groups—	1945				1944				Percentage changes to Dec. 15, 1945 from—		
	12-15	12-8	12-1	11-17	12-15	12-8	11-17	12-16	12-15	12-8	11-17
All commodities	106.7	106.5	106.8	106.3	104.4	104.4	104.4	104.4	+0.2	+0.4	+2.2
Farm products	131.3	130.3	132.0	133.3	125.6	125.6	125.6	125.6	+0.8	+0.8	+4.5
Foods	108.3	108.1	108.5	107.2	105.7	105.7	105.7	105.7	+0.2	+1.0	+2.5
Hides and leather products	113.4	119.4	119.4	119.1	116.7	116.7	116.7	116.7	0	+0.3	+2.3
Textile products	100.6	100.6	100.6	100.5	98.9	98.9	98.9	98.9	0	+0.1	+1.7
Fuel and lighting materials	85.2	85.2	85.1	84.6	83.7	83.7	83.7	83.7	0	+0.7	+1.8
Metals and metal products	105.3	105.3	105.3	105.3	103.9	103.9	103.9	103.9	0	0	+1.3
Building materials	118.8	118.7	118.7	118.6	116.4	116.4	116.4	116.4	+0.1	+0.2	+2.1
Chemicals and allied products	95.1	95.1	95.1	95.6	94.8	94.8	94.8	94.8	0	+0.5	+1.4
Housefurnishing goods	106.4	106.4	106.4	106.4	106.1	106.1	106.1	106.1	0	0	+0.4
Miscellaneous commodities	95.0	94.6	94.6	94.6	93.9	93.9	93.9	93.9	+0.4	+0.4	+1.2
Raw materials	111.7	119.1	120.1	119.1	115.1	115.1	115.1	115.1	+0.5	+0.5	+4.0
Semimanufactured articles	96.3	96.8	96.8	96.8	94.7	94.7	94.7	94.7	0	0	+2.2
Manufactured products	102.6	102.5	102.5	102.2	101.3	101.3	101.3	101.3	+0.1	+0.4	+1.3
All commodities other than farm products	101.3	101.3	101.2	101.1	99.8	99.8	99.8	99.8	0	+0.2	+1.5
All commodities other than farm products and foods	100.5	100.5	100.4	100.3	99.0	99.0	99.0	99.0	0	+0.2	+1.5

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM DECEMBER 8, 1945 TO DECEMBER 15, 1945

Livestock and poultry	Increases		
	2.3	Grains	
Paper and pulp	1.8	Dairy products	0.1
Fruits and vegetables	0.8	Other building materials	0.1
Anthracite	0.3	Other farm products	0.1
Erk and tile	0.3	Other foods	0.1
Agricultural implements	0.2	Paint and paint materials	0.1

Civil Engineering Construction Totals \$26,258,000 for a Short (3-Day) Week

Civil engineering construction volume in continental United States totals \$26,258,000 for a three-day week ending Dec. 27, 1945, as reported to "Engineering News-Record." This volume is 59% below the volume for last week, is 13% greater than the volume for the corresponding week of last year and is 56% below the previous four-week moving average. The report issued on Dec. 27, continued as follows:

The short week recorded private construction 66% below the previous week, but 369% greater than the week last year. Public construction volume dropped 29% below last week and 55% below the week last year. State and municipal, 84% below last week is also 52% below the 1944 week. Federal construction soared 982% over last week but recorded a 56% drop compared with the week last year.

The current (52nd) week's construction terminates the total cumulative figure for 1945 at \$2,289,408,000, 32% greater than 1944's cumulative figure of \$1,729,753,000. The cumulative total for private construction is 215% greater than last year. State and municipal 1945 total is 59% greater than the 1944 total. Public construction is down 16% compared with last year, largely as a result of the 33% drop in federal work.

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

	Dec. 27, 1945	Dec. 20, 1945	Dec. 28, 1944
Total U. S. Construction	\$26,258,000	\$63,768,000	\$23,150,000
Private Construction	17,559,000	51,568,000	3,746,000
Public Construction	8,699,000	12,200,000	19,404,000
State and Municipal	1,793,000	11,562,000	3,745,000
Federal	6,906,000	638,000	15,659,000

In the classified construction groups, bridges and earthwork and drainage were the only ones to record a gain over the preceding week. Five of the nine classifications recorded gains over the 1944 week as follows: waterworks, bridges, industrial buildings, commercial buildings and earthwork and drainage.

Subtotals for the short week in the nine classifications are: waterworks, \$171,000; sewerage, \$139,000; bridges, \$6,155,000; highways, \$1,220,000; earthwork and drainage, \$402,000; public buildings, \$217,000; industrial buildings, \$4,466,000; commercial buildings, \$12,330,000; and unclassified, \$1,158,000.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 26 a summary for the week ended Dec. 15 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Dec. 15, 1945	
Odd-Lot Sales by Dealers— (Customers' purchases)	Total For Week
Number of orders	39,992
Number of shares	1,171,556
Dollar value	\$44,533,966
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	152
Customers' other sales	34,844
Customers' total sales	34,996
Number of Shares:	
Customers' short sales	5,855
Customers' other sales	968,957
Customers' total sales	974,812
Dollar value	\$38,452,187

Round-Lot Sales by Dealers—	
Number of Shares:	Total
Short sales	200
Other sales	185,400
Total sales	185,600

Round-Lot Purchases by Dealers—	
Number of shares	Total
	375,770

*Sales marked "short exempt" are reported with "other sales."

†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Nat'l Thrift Week

The National Thrift Committee has announced that the annual observance of National Thrift Week will take place from Jan. 17 to 23.

In making this known the committee said: One of the most effective curbs to inflation will be the family budget. The immediate post-war period will be a time of testing. If the family will review its financial aims and purposes before delving into savings as fast as new goods appear on the market, they will see that no such opportunity for a back-log of financial security may ever be given them again. It has been gained not so much from personal caution as from patriotism and the restricted amount of available goods. But, for whatever reason, the people now have this security in an unprecedented amount. If they will hold to it, for the long-time benefit of the family, and temper their demand for consumers' goods to their current earnings, they will not only get more for their spending dollar, but they will protect every saved dollar against inflationary loss.

Industry, the Committee believes, will not stagnate if people confine their spending to current income in the post-war years. Before the war, and with wages at depression level, Americans were saving around \$5 billion a year. During the war they built this up to more than \$25 billions a year. They still can save at pre-war levels or better and spend enough to keep industry busy—and they may save more. As one economist puts it, industry will look at the statistics of reserve buying power, and expand. But, in expanding, industry creates more buying power than it will be able to satisfy for some years to come—so that the accumulated savings of the people, and their regular savings programs, will remain largely intact and undisturbed. This fact benefits not only the security of the family, but the security of our national economy. For the individual that does not understand this process, and yields to the temptation to trade his security for the gratification of immediate luxury wants, the post-war period may mean an end to all hopes of independence.

Daily Average Crude Oil Production for Week Ended Dec. 22, 1945 Declined 35,050 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 22, 1945 was 4,479,650 barrels, or 35,050 barrels per day less than in the preceding week and 249,450 barrels per day less than produced in the corresponding week of last year. The current figure is also 62,350 barrels below the daily average figure of 4,542,000 barrels recommended by the Bureau of Mines for the month of December, 1945. Daily output for the four weeks ended Dec. 22, 1945 averaged 4,729,100 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 4,611,000 barrels of crude oil daily and produced 14,768,000 barrels of gasoline; 1,927,000 barrels of kerosine; 4,708,000 barrels of distillate fuel, and 8,539,000 barrels of residual fuel oil during the week ended Dec. 22, 1945; and had in storage at the end of the week 91,870,000 barrels of finished and unfinished gasoline; 10,666,000 barrels of kerosine; 38,919,000 barrels of distillate fuel, and 41,479,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

Table with columns: State, *B. of M. Calculated Requirements, State Allowables, Actual Production Week Ended, Change from Previous Week, 4 Weeks Ended, Week Ended. Rows include Oklahoma, Kansas, Nebraska, Panhandle Texas, North Texas, West Texas, East Central Texas, East Texas, Southwest Texas, Coastal Texas, Total Texas, North Louisiana, Coastal Louisiana, Total Louisiana, Arkansas, Mississippi, Alabama, Florida, Illinois, Indiana, Eastern, Kentucky, Michigan, Wyoming, Montana, Colorado, New Mexico, Total East of Calif., California, Total United States.

*These are Bureau of Mines calculations of the requirements of domestic crude oil (after deductions of condensate and natural gas derivatives) based upon certain premises outlined in its detailed forecast for the month of 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. 19, 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, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED DEC. 22, 1945

(Figures in thousands of barrels of 42 gallons each)

Table with columns: District, % Daily Crude Runs, Refining to Still, Gasoline Produced, Stocks of Gasoline, Gas Oil, Fuel Oil, Residual Fuel Oil. Rows include East Coast, Appalachian, District No. 1, District No. 2, Ind., Ill., Ky., Okla., Kan., Mo., Inland Texas, Texas Gulf Coast, Louisiana Gulf Coast, No. La. & Arkansas, Rocky Mountain, District No. 3, District No. 4, California, Total U. S. B. of M., Total U. S. B. of M., U. S. F. of M. basis.

*Includes 7,955,000 barrels of unfinished gasoline stocks. †Includes 12,716,000 barrels of unfinished gasoline stocks. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,927,000 barrels of kerosine, 4,708,000 barrels of gas oil and distillate fuel oil and 8,539,000 barrels of residual fuel oil produced during the week ended Dec. 22, 1945, which compares with 1,867,000 barrels, 4,905,000 barrels and 8,107,000 barrels, respectively, in the preceding week and 1,471,000 barrels, 4,578,000 barrels and 9,254,000 barrels, respectively, in the week ended Dec. 23, 1944.

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

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Dec. 22, 1945, as estimated by the United States Bureau of Mines, amounted to 11,100,000 net tons, a decrease of 1,265,000 tons, or 10.2% from the preceding week. Output in the week ended Dec. 23, 1944 amounted to 11,128,000 tons. For the period from Jan. 1 to Dec. 22, 1945 production totaled 565,353,000 net tons, a decrease of 7.5% when compared with the 611,143,000 tons produced during the period from Jan. 1 to Dec. 23, 1944.

Production of Pennsylvania anthracite for the week ended Dec. 22, 1945, as estimated by the Bureau of Mines, was 927,000 tons, a decrease of 155,000 tons, or 14.3%, from the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 188,000 tons, or 16.9%. 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. 22, 1945 showed a decrease of 200 tons when compared with the output for the week ended Dec. 15, 1945; and was 12,400 tons less than for the corresponding week of 1944.

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

Table with columns: Week Ended, Dec. 22, 1945, Dec. 15, 1945, Dec. 23, 1944, Jan. 1 to Dec. 22, 1945, Jan. 1 to Dec. 23, 1944. Rows include Bituminous coal & lignite, Total incl. mine fuel, Daily average.

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

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

Table with columns: Week Ended, Dec. 22, 1945, Dec. 15, 1945, Dec. 23, 1944, Calendar Year to Date, Dec. 22, 1945, Dec. 23, 1944, Dec. 25, 1944. Rows include Penn Anthracite, Total incl. coll. fuel, Commercial produc., Beehive coke, United States total.

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

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

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

Table with columns: State, Week Ended, Dec. 15, 1945, Dec. 8, 1945, Dec. 16, 1944. Rows include Alabama, Alaska, Arkansas and Oklahoma, Colorado, Georgia and North Carolina, Illinois, Indiana, Iowa, Kansas and Missouri, Kentucky—Eastern, Kentucky—Western, Maryland, Michigan, Montana (bitum. & lignite), New Mexico, North & South Dakota (lignite), Ohio, Pennsylvania (bituminous), Tennessee, Texas (bituminous & lignite), Utah, Virginia, Washington, West Virginia—Southern, West Virginia—Northern, Wyoming, Other Western States, Total bituminous & lignite.

†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.

Christmas Message of President Truman

The National Community Christmas Tree was lighted on the south lawn of the White House by President Truman on Christmas Eve, a short time before he broadcast his Christmas message to the nation, which was carried by all the networks. An hour and a half before the ceremony the White House grounds were to be thrown open to the public, with the usual secret service precautions in force—no cameras, bundles or umbrellas permitted. Early Christmas morning the President left Washington by plane—"The Sacred Cow"—for his home in Independence, Mo., to spend the holiday with his family and his mother at Grandview, Mo. (15 miles distant). His trip was a hazardous one with rain and ice encountered during the flight, as a result of which, he did not reach his home until 7:40 p.m. (Eastern Standard Time) where he expected to remain until Friday, Dec. 28.

In his Christmas Eve message the President stated that "in the stillness of the eve of the Nativity when the hopes of mankind hang on the peace that was offered to the world 19 centuries ago it is natural, while we survey our destiny, that we give thought also to our past—to some of the things that have gone into making our nation."

"It is well in this solemn hour," he said, "that we bow to Washington, Jefferson, Jackson and Lincoln as we face our destiny with its hopes and fears—its bur-

dens and its responsibilities. Out of the past we shall gather wisdom and inspiration to chart our future course."

With our enemies vanquished we must gird ourselves for the work that lies ahead. Peace has its victories no less hard won than success at arms. We must not fail or falter. We must strive without ceasing to make real the prophecy of Isaiah: "They shall beat their swords into plowshares and their spears into pruning hooks; nation shall not lift up sword against nation, neither shall they learn war any more."

In that day, whether it be far or near, the kingdoms of this world shall become indeed the Kingdom of God and He will reign forever and ever, Lord of Lords and King of Kings. With that message I wish my countrymen a Merry Christmas and joyous days in the new year.

This is the Christmas that a war-weary world has prayed for through long and awful years. With peace come joy and gladness. The gloom of the war years fades as once more we light the National Community Christmas Tree. We meet in the spirit of the first Christmas, when the bright choir sang the hymn of "Glorious to God in the Highest, Lord on Earth, Peace, Good Will toward Men."

Let us not forget that the coming of the Saviour brought a time of long peace to the Roman world. It is, therefore, fitting for us to remember that the spirit of

Christmas is the spirit of peace, of love, of charity to all men. From the manger of Bethlehem came a new appeal to the minds and hearts of men: "A new commandment I give unto you, that ye love one another."

In love, which is of the very essence of the message of the Prince of Peace, the world would find a solution for all its ills. I do not believe there is one problem in this country—in the world—today which could not be settled if approached through the teaching of the Sermon on the Mount. The poet dream, the lesson of priest and patriarch and the prophets' vision of a new heaven and a new earth, all are summed up in the message delivered in the Judean hills beside the Sea of Galilee. Would that the world would accept that message in this time of its greatest need!

This is a solemn hour. In the stillness of the eve of the Nativity when the hopes of mankind hang on the peace that was offered to the world 19 centuries ago, it is but natural while we survey our destiny, that we give thought also to our past—to some of the things which have gone into the making of our nation.

You will remember that Saint Paul, the apostle of the gentiles, and his companions, suffering shipwreck, "cast four anchors out of the stern and wished for the day." Happily for us, whenever the American ship of state has been storm-tossed, we have always had an anchor to windward.

We are met on the south lawn of the White House. The setting is a reminder of Saint Paul's four anchors. To one side is the massive pile of the Washington monument—fit symbol of our first anchor. On the opposite end of Potomac Park is the memorial to another of the anchors which we see when we look astern of the ship of state—Abraham Lincoln, who preserved the Union that Washington wrought.

Between them, appropriately too, is the memorial to Thomas Jefferson, the anchor of democracy. On the other side of the White House, in bronze, rides Andrew Jackson, fourth of our anchors—the pedestal of his monument bearing his immortal words: "Our Federal Union—It Must Be Preserved."

It is well in this solemn hour that we bow to Washington, Jefferson, Jackson and Lincoln as we face our destiny with its hopes and fears—its burdens and its responsibilities. Out of the past we shall gather wisdom and inspiration to chart our future course.

With our enemies vanquished we must gird ourselves for the work that lies ahead. Peace has its victories no less hard won than success at arms. We must not fail or falter. We must strive without ceasing to make real the prophecy of Isaiah: "They shall beat their swords into plowshares and their spears into pruning hooks; nation shall not lift up sword against nation, neither shall they learn war any more."

In that day, whether it be far or near, the kingdoms of this world shall become indeed the Kingdom of God and He will reign forever and ever, Lord of Lords and King of Kings. With that message I wish my countrymen a Merry Christmas and joyous days in the new year.

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Let us not forget that the coming of the Saviour brought a time of long peace to the Roman world. It is, therefore, fitting for us to remember that the spirit of

Christmas is the spirit of peace, of love, of charity to all men. From the manger of Bethlehem came a new appeal to the minds and hearts of men: "A new commandment I give unto you, that ye love one another."

In love, which is of the very essence of the message of the Prince of Peace, the world would find a solution for all its ills. I do not believe there is one problem in this country—in the world—today which could not be settled if approached through the teaching of the Sermon on the Mount. The poet dream, the lesson of priest and patriarch and the prophets' vision of a new heaven and a new earth, all are summed up in the message delivered in the Judean hills beside the Sea of Galilee. Would that the world would accept that message in this time of its greatest need!

This is a solemn hour. In the stillness of the eve of the Nativity when the hopes of mankind hang on the peace that was offered to the world 19 centuries ago, it is but natural while we survey our destiny, that we give thought also to our past—to some of the things which have gone into the making of our nation.

You will remember that Saint Paul, the apostle of the gentiles, and his companions, suffering shipwreck, "cast four anchors out of the stern and wished for the day." Happily for us, whenever the American ship of state has been storm-tossed, we have always had an anchor to windward.

We are met on the south lawn of the White House. The setting is a reminder of Saint Paul's four anchors. To one side is the massive pile of the Washington monument—fit symbol of our first anchor. On the opposite end of Potomac Park is the memorial to another of the anchors which we see when we look astern of the ship of state—Abraham Lincoln, who preserved the Union that Washington wrought.

Between them, appropriately too, is the memorial to Thomas Jefferson, the anchor of democracy. On the other side of the White House, in bronze, rides Andrew Jackson, fourth of our anchors—the pedestal of his monument bearing his immortal words: "Our Federal Union—It Must Be Preserved."

Extend Option Period for Brazil on Sterling Loans

N. M. Rothschild & Sons of London have been authorized by the Brazilian Minister of Finance to announce that although the option period expired on Dec. 31, 1945 the British king has decided to grant a supplementary term to June 30, 1946 under Article 4 Paragraph 3 of the Decree to all holders of all sterling loans who present satisfactory proof that reasons beyond their control have hitherto prevented their exercise of the option.

Revenue Freight Car Loadings During Week Ended Dec. 22, 1945 Decreased 83,294 Cars

Loading of revenue freight for the week ended Dec. 22, 1945, totaled 688,300 cars, the Association of American Railroads announced on Dec. 29. This was a decrease below the corresponding week in 1944 of 74,672 cars, or 9.8%, but an increase above the same week in 1943 of 47,264 cars or 7.4%.

Loading of revenue freight for the week of Dec. 22 decreased 83,294 cars, or 10.8% below the preceding week.

Miscellaneous freight loading totaled 308,635 cars, a decrease of 33,718 cars below the preceding week, and a decrease of 67,732 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 105,239 cars, a decrease of 11,433 cars below the preceding week but an increase of 4,410 cars above the corresponding week in 1944.

Coal loading amounted to 157,908 cars, a decrease of 22,787 cars below the preceding week, but an increase of 860 cars above the corresponding week in 1944.

Grain and grain products loading totaled 45,786 cars, a decrease of 8,727 cars below the preceding week and a decrease of 303 cars below the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Dec. 22 totaled 32,152 cars, a decrease of 4,319 cars below the preceding week but an increase of 86 cars above the corresponding week in 1944.

Livestock loading amounted to 17,007 cars, a decrease of 4,082 cars below the preceding week but an increase of 1,668 cars above the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of Dec. 22 totaled 12,683 cars, a decrease of 3,361 cars below the preceding week, but an increase of 1,709 cars above the corresponding week in 1944.

Forest products loading totaled 31,090 cars, a decrease of 1,980 cars below the preceding week and a decrease of 10,455 cars below the corresponding week in 1944.

Ore loading amounted to 9,632 cars, a decrease of 342 cars below the preceding week and a decrease of 2,403 cars below the corresponding week in 1944.

Coke loading amounted to 13,003 cars, a decrease of 225 cars below the preceding week, and a decrease of 717 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944 except the Pocahontas. All reported increases compared with 1943 except the Southwestern.

	1945	1944	1943
4 Weeks of January	3,001,844	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
4 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
4 Weeks of June	4,364,662	4,338,886	4,003,393
4 Weeks of July	3,378,266	4,359,830	3,455,328
4 Weeks of August	3,240,175	3,576,269	3,554,694
4 Weeks of September	4,116,728	4,424,765	4,456,466
4 Weeks of October	3,150,712	3,598,245	3,607,851
4 weeks of November	3,207,035	3,364,903	3,304,830
Week of December 1	803,770	807,836	862,733
Week of December 8	776,375	793,156	823,311
Week of December 15	771,594	750,242	758,881
Week of December 22	688,300	762,972	641,036
Total	41,394,900	42,823,419	41,736,507

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 15, 1945. During this period 72 roads reported gains over the week ended Dec. 16, 1944.

Railroads	REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED DEC. 15			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	404	295	251	1,477	1,495
Bangor & Aroostook	2,321	2,404	1,826	353	572
Boston & Maine	7,357	6,511	6,629	13,066	14,772
Chicago, Indianapolis & Louisville	1,377	1,293	1,314	1,953	1,947
Central Indiana	45	24	33	51	56
Central Vermont	1,178	1,104	1,023	2,391	2,025
Delaware & Hudson	4,475	4,822	5,756	11,576	12,155
Delaware, Lackawanna & Western	7,300	7,213	7,250	8,506	10,029
Detroit & Mackinac	400	191	163	201	90
Detroit, Toledo & Ironton	2,000	1,584	2,033	1,352	1,227
Detroit & Toledo Shore Line	284	366	304	3,132	2,862
Erie	11,714	11,106	11,626	14,493	15,828
Grand Trunk Western	2,553	3,573	3,412	8,257	8,235
Lehigh & Hudson River	134	170	195	2,235	2,641
Lehigh & New England	1,941	1,858	1,400	1,311	1,235
Lehigh Valley	8,199	8,008	8,210	7,659	11,417
Maine Central	2,655	2,349	2,024	3,806	4,793
Monongahela	5,552	4,853	5,814	300	257
Montour	2,901	1,837	2,514	33	19
New York Central Lines	44,373	42,373	43,911	50,406	48,634
N. Y., N. H. & Hartford	10,525	9,867	9,008	13,903	17,966
New York, Ontario & Western	904	1,007	1,102	2,172	3,192
New York, Chicago & St. Louis	5,855	6,153	5,943	13,102	15,988
N. Y., Susquehanna & Western	432	531	607	2,270	2,455
Pittsburgh & Lake Erie	7,236	6,750	6,751	7,589	5,902
Pere Marquette	790	505	863	11	7
Pittsburgh & Shawmut	220	219	308	202	200
Pittsburgh, Shawmut & North	850	678	1,031	1,681	2,444
Pittsburgh & West Virginia	333	367	325	1,253	1,073
Rutland	5,051	5,287	5,673	11,115	11,964
Wabash	4,292	4,158	4,513	3,403	3,995
Wheeling & Lake Erie					
Total	150,198	142,345	146,362	175,765	212,908
Allegheny District—					
Akron, Canton & Youngstown	591	741	770	1,100	1,229
Baltimore & Ohio	41,380	24,587	38,368	23,481	26,661
Bessemer & Lake Erie	2,269	1,740	2,220	1,457	1,407
Buffalo Creek & Gauley			295		
Cambria & Ind. ana	1,613	1,360	1,765	7	1
Central R. R. of New Jersey	6,152	6,602	6,513	16,054	19,842
Cornwall	411	475	311	49	52
Cumberland & Pennsylvania	207	126	210	15	17
Ligonier Valley	23	70	138	5	42
Long Island	1,507	1,606	1,188	4,477	4,834
Penn.-Reading Seashore Lines	1,628	1,865	1,468	1,778	2,375
Pennsylvania System	71,931	70,018	74,282	55,607	57,511
Reading Co.	13,549	14,845	13,125	26,427	27,203
Union (Pittsburgh)	18,037	17,972	19,706	3,214	2,627
Western Maryland	3,754	3,120	4,299	11,055	12,470
Total	163,290	155,123	164,731	144,793	156,331
Pocahontas District—					
Chesapeake & Ohio	20,032	21,155	28,028	11,154	10,845
Norfolk & Western	21,675	18,879	22,619	6,944	7,415
Virginian	4,769	2,435	4,684	1,358	2,107
Total	55,476	39,519	55,311	19,456	20,367

Railroads	Total Revenue Freight Loaded			Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	364	313	298	135	346
Atl. & W. P.—W. R. R. of Ala.	821	716	714	1,980	2,657
Atlanta, Birmingham & Coast	829	745	711	1,358	1,370
Atlantic Coast Line	13,530	13,160	11,595	9,532	12,666
Central of Georgia	3,665	3,364	3,478	4,862	5,763
Charleston & Western Carolina	364	377	345	1,497	1,701
Clinchfield	1,571	1,330	1,708	3,057	3,317
Columbus & Greenville	348	304	257	250	255
Durham & Southern	78	154	107	586	706
Florida East Coast	2,944	2,789	2,404	1,472	1,510
Gainesville Midland	49	45	45	116	126
Georgia	976	960	1,023	2,211	2,116
Georgia & Florida	357	400	297	692	719
Gulf, Mobile & Ohio	4,639	4,401	3,649	4,441	3,799
Illinois Central System	26,529	27,266	26,552	14,938	16,250
Louisville & Nashville	26,289	24,826	24,706	9,916	11,555
Macon, Dublin & Savannah	216	214	139	933	854
Mississippi Central	264	317	324	372	548
Nashville, Chattanooga & St. L.	2,949	2,996	3,246	4,264	4,430
Norfolk Southern	1,055	844	881	1,528	1,889
Piedmont Northern	400	428	394	1,426	1,348
Richmond, Fred. & Potomac	356	411	459	9,342	11,126
Seaboard Air Line	11,573	10,256	9,916	8,201	8,852
Southern System	24,004	23,326	22,119	23,983	25,183
Tennessee Central	551	659	739	803	807
Winston-Salem Southbound	153	179	128	883	912
Total	124,874	120,760	116,235	103,778	121,619
Northwestern District—					
Chicago & North Western	15,985	15,054	14,241	12,755	13,836
Chicago Great Western	2,901	2,474	2,574	3,065	3,239
Chicago, Milw., St. P. & Pac.	21,668	21,978	20,129	9,462	10,558
Chicago, St. Paul, Minn. & Omaha	4,153	3,945	3,939	3,685	3,898
Duluth, Missabe & Iron Range	977	1,083	1,008	184	229
Duluth, South Shore & Atlantic	649	607	737	411	626
Elgin, Joliet & Eastern	8,123	8,496	8,125	9,369	11,903
Ft. Dodge, Des Moines & South	476	378	390	115	140
Great Northern	11,671	12,017	12,280	4,899	6,011
Green Bay & Western	507	474	545	880	902
Lake Superior & Ishpeming	260	267	243	74	56
Minneapolis & St. Louis	2,349	2,047	1,959	2,077	2,607
Minn., St. Paul & S. S. M.	5,451	5,387	5,444	3,529	2,858
Northern Pacific	9,582	10,774	10,560	4,613	6,031
Spokane International	138	183	100	476	569
Spokane, Portland & Seattle	2,099	2,612	2,397	2,445	3,825
Total	86,989	87,759	84,671	58,039	67,188
Central Western District—					
Atch., Top. & Santa Fe System	24,418	24,819	21,490	10,079	13,125
Alton	2,708	3,403	2,744	3,039	3,842
Bingham & Garfield	163	379	584	61	71
Chicago, Burlington & Quincy	21,362	19,243	19,263	11,092	12,855
Chicago & Illinois Midland	3,134	2,842	2,864	839	865
Chicago, Rock Island & Pacific	14,042	12,074	11,427	12,259	13,243
Chicago & Eastern Illinois	2,736	2,674	2,392	3,160	4,811
Colorado & Southern	1,106	658	695	1,654	2,331
Denver & Rio Grande Western	3,372	4,017	4,089	4,523	6,278
Denver & Salt Lake	734	628	867	43	20
Fort Worth & Denver City	821	784	627	1,285	1,589
Illinois Terminal	1,874	2,273	1,777	1,320	1,438
Missouri-Illinois	983	1,018	1,002	415	575
Nevada Northern	1,345	1,613	1,741	150	114
North Western Pacific	803	785	853	744	940
Peoria & Pekin Union	11	11	16	0	0
Southern Pacific (Pacific)	28,062	32,047	27,967	10,992	15,003
Toledo, Peoria & Western	0	341	293	0	1,698
Union Pacific System	17,412	17,492	16,887	12,475	17,464
Utah	829	526	671	8	3
Western Pacific	2,158	2,165	2,026	3,556	4,077
Total	128,091	129,792	120,285	77,694	100,341
Southwestern District—					
Burlington-Rock Island	375	303	367	534	570
Gulf Coast Lines	4,688	6,879	6,212	2,403	2,440
International-Great Northern	1,859	2,748	2,134	3,621	3,528
Kansas, Oklahoma & Gulf	1	1	271	1	1
Kansas City Southern	2,719	4,854	5,001	3,005	2,675
Louisiana & Arkansas	2,436	3,184	3,196	2,767	2,551
Litchfield & Madison	326	340	302	1,140	1,247
Midland Valley	1,472	1,270	778	1,653	1,646
Missouri & Arkansas	199	135	173	302	552
Missouri-Kansas-Texas Lines	5,245	6,352	5,795	3,929	5,666
Missouri Pacific	16,943				

Items About Banks, Trust Companies

(Continued from page 54)

Harris A. Dunn, President of the North River Savings Bank of New York, at 206 West 34th Street, announces that at a recent meeting of the Board of Trustees of the bank, P. Raymond Haulenbeek was elected Executive Vice-President and Henry G. Raab Vice-President in charge of mortgage and real estate matters. Frank H. Chapin was appointed Secretary and George K. Bandel, recently returned from military service, Assistant Treasurer. Other officers: John W. Larsen, Treasurer; Harry A. Myers, Assistant Secretary; Walter R. Dafer, Assistant Treasurer, and Harold W. Holm, Assistant Mortgage Officer, were reappointed. Mr. Dunn reported that the deposits of the bank are now in excess of \$80,000,000, being almost double of what they were at the time of Pearl Harbor.

The Board of Trustees of the Empire City Savings Bank of New York have approved the payment of additional compensation to all employees and officers of 10% of basic salaries up to \$3,000 and 5% on the excess over that amount. This payment was made before Christmas. Charles Diehl, President of the bank, also announced that all employees and their families, including officers, will receive hospitalization, surgical and medical benefits, including doctor's fees for home or office calls. Coverage under this plan is provided through the Associated Hospital Service, Incorporated, and its affiliate, The United Medical Service, Inc. In addition, veterans returning to the bank's staff will have their retirement system benefits reinstated in full. The bank will pay the contribution of veterans, as well as the bank's, for the period of service with the Armed Forces.

Fred Berry has recently been elected President of the North Side Savings Bank of New York, located at 3230 Third Avenue in the Bronx. He succeeds the late John G. Borgstede. Mr. Berry, who assumed his new duties on Jan. 1, resigned his position as Chairman of the board of the the Bronx County Trust Co., in order to join the North Side Bank. He will, however, continue as Director of the Bronx County Bank.

Daniel T. Rowe, President of the Kings Highway Savings Bank of Brooklyn, N. Y., has recently announced the appointment of Edmund G. Flowers as Controller. Mr. Flowers has been connected with the bank since 1926, and according to the Brooklyn "Eagle," he was appointed Auditor in 1938 and Assistant Secretary in 1941.

At the dinner meeting of the Bankers Club of Brooklyn, N. Y., at the Hotel Bossert on Dec. 12, G. P. Kennedy was elected President. Mr. Kennedy, who is President of the Lafayette National Bank of Brooklyn, succeeds J. J. Hickey, Vice-President of the Greater New York Savings Bank, also of Brooklyn. The Brooklyn "Eagle" reports that the other newly elected officers include Christian Mende, Assistant Secretary of the Green Point Savings Bank and former Secretary of the club, Vice-President; Everett M. Clark, Assistant Secretary of the Brooklyn Trust Co. and former Treasurer, Secretary, and William J. Plant, Treasurer. William Swartz was Chairman of the Nominating Committee.

Irene B. Fries, formerly Secretary to the President of the East New York Savings Bank, Brooklyn, N. Y., was elected Secretary of the bank at a recent meeting of the trustees. Brooklyn "Eagle" reporting this, stated that other appointments were:

George R. Single, in charge of the banking department of the home office at Atlantic and Pennsylvania Avenues, and formerly an Assistant Secretary, has been made an Assistant Vice-President.

Roger A. Saxton and George Hardenberg, Managers in charge of the Parkway and Brownsville branches, respectively, have been promoted from Assistant Secretaries to Assistant Vice-Presidents.

Arrangements, it was announced on Dec. 31, have been completed which will result in the merger with The County Trust Co. of White Plains, N. Y., of the Fleetwood Bank of Mt. Vernon, N. Y., and the Ossining Trust Co. of Ossining, N. Y. According to joint statements released by the Presidents of the three institutions, the proposal will be submitted to the stockholders of each bank at annual meetings to be held about the middle of January, and if approved by them and the advisory authorities, the program should be completed by Feb. 1. The County Trust Co., organized in 1903, has its main office in White Plains and now operates offices in five other Westchester communities. The last available figures showed capital funds of \$2,763,098 and total assets in excess of \$51,000,000. The Fleetwood Bank, of which Walter S. McClure is President, in addition to its main office in the Fleetwood section of Mt. Vernon, also operates an office in the Mt. Vernon station of the New York Central Railroad. As of Sept. 30, 1945, capital funds were \$521,965 and total assets were \$10,351,130.

Capital funds of the Ossining Trust Co., as of the same date, were \$358,595 and total assets amounted to \$4,544,342. Harry C. White is President of the bank.

According to the statement of Andrew Wilson, Jr., President of the County Trust Co., "no changes in the personnel of any of the offices are contemplated. Everything will be done to continue the intimate atmosphere of the local institutions, while the County Trust Co., I believe, will be able to offer to the communities affected its broader banking service and the advantages of greater capital funds."

A retirement plan for employees of the County Trust Co. of White Plains, N. Y., was adopted at a special meeting of the stockholders held on Nov. 14, according to an announcement made by Andrew Wilson, Jr. The plan, it was made known on Dec. 27, is to be effective as of Sept. 1, 1945; it provides that employees who elect to participate will receive a monthly life annuity starting between their 65th and 70th birthdays, depending on the age at which they became eligible. Special provision is made by which an employee may receive benefits before the normal retirement date or may continue working on a year-to-year basis after the normal retirement date. In the event of an employee's death, benefits may revert to a beneficiary designated by the employee.

The Trust department of the County Trust Co. will act as trustee under the plan. The advices from the company also state:

"It is understood that the bank has already arranged to pay into the trust fund the full amount necessary to fund the benefits accruing under the plan to officers and employees by reason of past service. Future service benefits will be funded partially by regular contributions from employees and partially by the Trust Co."

Lt. W. Perry Curtiss, Jr., U. S. N. R., has resumed his post with the Union & New Haven Trust Company of New Haven, Conn., as Assistant Treasurer. Mr. Curtiss recently returned to inactive duty by the Navy.

Charles E. Hough, retired President of the City National Bank & Trust Co., of Bridgeport, Conn., died on Dec. 13 at the age of 80. The City National, says the Hartford "Courant," was forerunner of the present banking institution known as the Bridgeport City Trust Company. Mr. Hough had been connected with the City National since 1880 and was elected President in 1920.

Robert G. Cowan, President of the National Newark & Essex Banking Company, of Newark, N. J., announced that at a meeting of the board of directors held on Dec. 27, William C. Schneck, Jr., was elected Assistant Cashier. Mr. Schneck has been connected with the time sales department of the bank since 1940, where he will continue in his capacity of Assistant Manager.

The Philadelphia National Bank of Philadelphia announces the election of five new Vice-Presidents and the appointment of numerous other officers. The new Vice-Presidents are Louis W. Bishop, formerly Assistant Vice-President; Arthur MacNicholl, J. Bickley Jackson and John Y. Bunn, all former Assistant Cashiers, and Morris R. Brownell, Jr. Made, assistant Vice-Presidents were Archibald DeB. Johnson, Gordon S. Smyth, Hampton C. Randolph and Shaler Stidham. Newly appointed Cashiers were Louis F. Gabriel and E. Wallace Miller while Ralph F. Giordano was appointed Assistant Manager of the Foreign Department, John W. Mullikin as Auditor and William F. Watters, Assistant Auditor.

Six officials of the Fidelity-Philadelphia Trust Co., Philadelphia, Pa., have recently announced their intention to retire. They are, according to the Philadelphia "Evening Bulletin" of Dec. 26, which said:

Longest term of service among the six is that of Carl Royer, Assistant Treasurer, with 61 years. T. Ellwood Frame, Vice-President, has 54 years; Vincent R. Tilden, Assistant Secretary, 50 years; Harry C. Haines, Assistant Secretary, 36 years; William H. Roberts, Vice-President, 35 years, and Frank M. Hardt, Vice-President, who has been connected with the bank for 27 years.

Advices from the "Evening Bulletin" further said:

Stanley W. Cousley, who has been in charge of the trust department for many years, becomes Senior Vice-President, and the trust department will be headed by Otto P. Mann and Paul C. Wagner, Vice-Presidents. Other promotions include Paul J. Hess from Trust Officer to Vice-President; John H. Wood and Edwin H. Bainbridge from Assistant Trust Officers to Trust Officers; J. Albert Cairns from Trust Administrator to Assistant Trust Officer and George C. Robinson from Assistant Auditor to Trust Operations Officer.

The election of Theodore H. Oberheim, Jr., as Assistant Secretary, and Irwin G. Ziegler as Assistant Treasurer of the Peoples-Pittsburgh Trust Co., Pittsburgh, Pa., was indicated on Dec. 14 in the Pittsburgh "Post Gazette" which also said:

Mr. Oberheim has been associated with the bank since 1925, most recently in the investment department. Mr. Ziegler, with the bank since 1926, was advanced from control teller.

Members and depositors of the 77-year-old Annapolis Savings Institution, of Annapolis, Md., will decide Jan. 18 whether they will approve the sale of the bank and its building to the County Trust Co. of Maryland, reported Associated Press advices from Annapolis appearing in the Wash-

ington, D. C., "Post," which further said:

The sale of the institution's assets to the highest bidder—the trust form—has been approved by the State Bank Commissioner and the institution's board of directors.

Assets of the bank on Dec. 22 were \$1,551,000, including 7,000 accounts.

Since the savings institution is a mutual bank all profits from the sale will be divided among the depositors according to the amount of their interests if deposits are more than four months old.

The decision to liquidate was made after the death of Board President B. Allein Welch, Vice-President Frank A. Monroe disclosed. He said the board believed the bank might not be able to continue profitable operations and that its sale would benefit members.

An increase in the capital stock of the Lake Shore National Bank, of Chicago, Ill., was approved on Dec. 21 by the stockholders. The increase is accomplished through the declaration of a \$250,000 dividend, thus increasing the capital from \$500,000 to \$750,000. The action is subject to the approval of the Comptroller of the Currency.

Directors of the American National Bank and Trust Company, of Chicago, Ill., on Dec. 12 voted to increase surplus by \$1,000,000 to \$4,000,000 by transferring that amount from undivided profits, it was stated in the Chicago "Journal of Commerce," which further said:

Clarence C. Morgan, Assistant Trust Officer in charge of investments, and Paul C. Raymond, Assistant Cashier and divisional loaning officer, were appointed Assistant Vice-Presidents. Frank C. Cole, recently returned from military service, was named Assistant Cashier; Leslie W. Hunt and Leon J. Gell were also appointed Assistant Cashiers, and the office of Assistant Comptroller was given Walter Armstrong, Ernest W. Stevens and Sybren D. Nydam.

The appointment of Thomas W. Pinney as an Assistant Cashier of the Detroit Bank, of Detroit, Mich., was announced recently by the directors. Mr. Pinney began his banking career in 1934 with the Peninsular State Bank of Detroit.

J. F. Rinland, President of the Northwestern National Bank of Minneapolis, Minn., announced on Dec. 14 that Keith M. Barnett has rejoined the staff of the bank. Mr. Barnett, who has recently been discharged from the Navy, is assigned to the department of banks and banking.

Clifford C. Sommer has been advanced from Assistant Cashier to Assistant Vice-President of the Midland National Bank & Trust Co., of Minneapolis, Minn., it was announced on Dec. 12 by Arnulf Heland, President of the bank. Mr. Sommer, who has recently returned from three years naval duty, was made Assistant Cashier in 1939.

The Boatmen's National Bank of St. Louis reports that its operating profits for 1945, after all expenses, taxes and depreciation exclusive of recoveries on items previously charged off and profits from sale of bonds from investment account, were \$610,750.59 as against \$570,490.76 for 1944. With 125,000 shares outstanding at the end of 1944, profit per share was \$4.88. With 150,000 shares at the end of 1945, profit per share was \$4.07, comparing with \$3.80 if the same number of shares had been outstanding at Dec. 30, 1944. Deposits at Dec. 31, 1945 were \$137,813,014.17 as against \$136,622,058.33 a year ago.

The First Trust and Savings Bank, of Paris, Tenn., became a member of the Federal Reserve System on Dec. 17, it is stated in advices from the Federal Reserve Bank of St. Louis, which said:

The new member was chartered June 1, 1922. It has a capital of \$100,000, surplus of \$75,000 and total resources of \$3,843,528. Its officers are: C. E. Hastings, President; W. E. Gatlin, Vice-President; W. I. Dale, Vice-President, and R. O. Luckey, Cashier; Helen McFadden and Franklin Goldston, Assistant Cashiers.

Directors of Farmers & Merchants National Bank, of Los Angeles Calif., on Dec. 18 declared a quarterly cash dividend of \$2.50 a share on the 60,000 shares of common capital stock outstanding following the declaration recently of a 100% stock dividend of 30,000 shares.

The Los Angeles "Times," from which we quote, added:

The dividend, which is payable Jan. 2 to stock of record Dec. 25, is at the annual rate of \$20 on the stock prior to the stock dividend and compares with the old annual rate of \$18 per share.

The Los Angeles "Times" of Dec. 19 reported that directors of Security-First National Bank, of Los Angeles, Calif., on Dec. 18 elected three new Vice-Presidents, including R. D. Burrows, chief of the appraisal division, and O. L. Bane and A. J. Decker, managers of the El Centro and Santa Maria branches, respectively. Other official appointments included W. D. Conel, J. D. Dever, D. W. Henney and A. H. Medlin, Assistant Vice-Presidents, head office; Roy Bushee and C. F. Shannon, Jr., Assistant Vice-Presidents of the Sixth and Spring St. office and the Westwood Village branch, respectively; Emery P. Bell, H. A. Hardin and W. W. Harper, Assistant Trust Officers, head office, and W. L. Mattis and A. H. Poole, Assistant Cashiers, head office.

Total assets of The Royal Bank of Canada as of Nov. 30, 1945, exceeded the \$2 billion mark, amounting to \$2,007,546,978. This is an increase of \$217,000,000 over last year and represents a new record for the bank and an all-time high in Canadian banking history. The annual statement of the bank shows total deposits aggregating \$1,838,757,074, an increase of \$211,000,000 over the record high achieved in 1944. Public deposits totaled \$1,595,389,294, more than \$195,000,000 over the previous fiscal year. Liquid assets of the bank, including Dominion and Provincial securities, were \$1,558,477,086 and represent over 82% of public liabilities. Net profit after all charges, including Dominion government taxes of \$2,175,000, amounted to \$3,828,143, compared with \$2,932,184 last year. Requirements for bank premises were \$729,295 and dividend requirements totaled \$2,100,000, leaving \$998,847 added to surplus which now amounts to \$5,246,518. Current loans in Canada and abroad are \$383,624,056 as compared with \$351,652,376 for the 1944 fiscal year.

At a meeting of the Board of Directors of Barclays Bank, London (Dominion, Colonial and Overseas), held on Dec. 10, it was decided to recommend the undermentioned dividends for the year ended Sept. 30, 1945:

A final dividend on the cumulative preference stock of 4% actual, making 8% for the year, and a final dividend on the "A" stock and "B" shares of 3½% actual, making 6½% for the year, subject in each case to the deduction of income tax at 8s. 7d. in the £.

Net profits for the year, £467,491, compared with £448,864 for last year.