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Observations

By A. WILFRED MAY

This column wishes it could join in the contemporary satisfaction expressed over the results of the Treasury's recent Bond Drive. But a disservice is done to the country if we follow unwarranted complacency and fail to face the unpleasant fiscal facts. The New York "Times" editorially enthuses over the Victory Loan's receipts as "an outpouring of funds far surpassing anything in previous financial history." Actually, however, total sales were 20% less than in the previous Drive. Furthermore and of far greater significance than such overall sales—in view of the huge inflationary savings and income in private hands—are the sales to individual buyers. Such volume also fell by 20%; Series E Bond figures declining by no less than 44%.

The prevalent satisfaction with War Finance results evidently arises over the misconception that the achievement of quotas in itself is important. Actually quotas represent merely the War Finance Committee leaders' own advance "guess-estimates" of their likely achievements. As these goals in the last Drive were set at very low levels—relative both to previous results and to the contemporary monetary scene—they were achieved. Which proved nothing more than that the previous pessimistic forecasts of results were justified.

* * *

The generous use of inflationary bank credit in War Finance must not be overlooked. In the last Bond Drive the amount of bank credit, including government issues purchased by the Reserve Banks, remained at a very high level, and constituted a larger proportion of the net increase in government debt than during the previous Drives. According to estimates of the National City Bank, during the four years of war financing from 1942 through 1945, about 45% of the funds borrowed by the government was provided by the banking system. Commercial bank holdings of the national debt are estimated at \$88 billion, or 32% of the total, with Reserve Bank holdings at \$24 billion, or 9%.

* * *

"The foundation of our economic structure which will have to serve for generations" (the President's words opening his address to the country)—really will be largely indicated in his forthcoming 1946-47 budget going to the Congress next week. With industrial activity holding up so well, and with Federal revenues declining (Continued on page 177)

The State of Trade

The decline in post-Christmas consumer spending the past week resulted in retail volume dropping far below that of the previous week. As compared with the volume for the corresponding week a year ago, it was higher, though in some cities it fell below the first week in January, 1945. The condition of inventories was unusually low even for this time of year and slow deliveries did not help the situation.

In the industrial field, production which has shown a gradual increase since mid-October, held fairly constant the past week despite the two-day shutdown by many plants on Monday and New Year's day. New orders continued to run heavy for many products, such as leather shoes, wool tops and yarn. The removal of tires from the ration list induced a flood of new orders for replacements of rubber that has long since passed its safety and efficiency point. In the machine tool and contractors' equipment department backlog of orders were especially large.

Small increases in employment and material supplies were reported for the week, but at the same time it was noted that because of parts shortages, a few lay-offs of workers occurred and in some cities strikes cut both production and employment considerably. The overall picture, however, shows little change in total employment and payrolls from the previous week. It is estimated that there are fewer than 3,000,000 unemployed today as contrasted with a figure of 6,000,000, which

seemed much more likely at one time.

Turning to the field of manufacturing, the magazine "Business Week" in its current outlook states that such lines are making the important strides in industry. Continuing, it had this to say:

There are even cases, notably machine tools, in which output is declining and will decline further but still will break peacetime records.

Numbers of locomotives and freight cars on order (484 and 35,908 respectively, on Dec. 1) are not far from the levels of early 1941.

Production of farm machinery was rising toward the year end, should break 1941's peacetime records next year.

Many basic lines—steel, coal, transportation, electric power output—are humming along at the substantial if unspectacular 1941 rate.

Heavy industry's progress depends on the attitude of the unions and on the breaking of a few remaining bottlenecks.

Steel Industry—Consumers of steel, as well as steelmakers, are

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Johnston Retires as Chairman of Chemical Bank & Trust Co.

Relinquishes Position After More Than 26 Years as Head of One of City's Leading Institutions. Began Connection as Vice-President in 1920 at Age of 39, and Remained in Varying Offices During Period of Chemical's Growth and Expansion. Will Assume Chairmanship of Executive Committee and Retain Directorship.

At the annual meeting of the shareholders of the Chemical Bank & Trust Company held Jan. 8, Percy H. Johnston, after more than twenty-six years as head of the bank, announced his retirement as Chairman as of January 10. At the request of the directors, he will take the Chairmanship of the Executive Committee. Mr. Johnston will remain as a director of the bank (in which he and his family have substantial interests) and have an office in the bank building.

Mr. Johnston began his banking career in his native town of Lebanon, Kentucky, as a clerk in the Marion National Bank. At the age of twenty-six, he became a national bank examiner, and when he was thirty years old he was

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The Financial Situation

There appears to be quite general disappointment with the President's much pre-publicized address to the American people late last week, but there is reason to doubt whether most of the critics are as yet fully cognizant of the inherent dangers in what he had to say and to propose. We have no way of knowing what "small groups" of Congressmen or Senators are doing behind closed doors to block or to delay the measures which the President is pressing upon the national legislature, but we have no hesitancy in saying that, in our view, Congress would do the country a service by steadfastly refusing to accept or to enact practically any of the program he so emphatically urged upon it again last week.

The weakness of his claims for "fact-finding boards" with powers of subpoena is fully demonstrated by current experience. The fault is not that these boards can not command the employers to produce their books; in the case of General Motors, of which the President makes a point, the fact is that its past financial history is available in great detail even to the general public in any event, but is worth little or nothing in determining what costs and profits are to be during the next year or two. The trouble—so far as the cause of current unrest is not found in the aftermath of war and the repressions incident thereto—is the determination of monopolistic labor unions to make full use of what they consider to be their current opportunities, including those that come to it as a result of its privileged status with both the police and the legislatures throughout the country.

Price Fixing Harmful

The difficulties of the situation are, of course, greatly increased by the fact that the government still insists upon (Continued on page 172)

From Washington Ahead of the News

By CARLISLE BARGERON

If there was ever any doubt about America's resourcefulness, the initiative of its citizens; any question of whether we had lost the do or die spirit, or whether we still had that fight to survive, one has only to contemplate the struggle which Chester Bowles is putting up to continue his OPA. Our hearts went several months ago to a youngster in the armed forces, doomed to die, who wanted to get home first,

and then to the heroic fight which he made. Words were written about it, millions of them. It was a story which gripped our imagination.

But strangely enough there is little in the public prints, not of the human interest sort, of the struggle which Chester

Carlisle Bargeron

is making to preserve his OPA with its thousands of little bureaucrats under him. There is really something inspiring about it and we think it should be developed in all of its human phases so that it will show the kiddies how a determined man hangs on. It has a bearing, we think, on the doubts which are being expressed by some of our bet-

(Continued on page 180)

ter known commentators, as to whether now that we have won the war, we will have the spirit, the tenacity to hang on to the peace. Contemplate Chester Bowles and his fight to keep from losing his job, and you will readily see that the tenacious American still exist. The foreign countries are watching us, we are told and parenthetically borrowing billions. But this giving of billions to them does not quite reassure them as to our permanency of intentions. If they want to see the stubbornness, the strong will, the determination that is inbred as our national characteristic, they look at Chester Bowles.

It so happens that the Congress of the United States, a foolish sort of thing, but nevertheless something we have always supported as being representative of the American people, their wants, their ambitions, their prejudices, has voted that OPA should go out of existence next June 30. To the ordinary man, if he were fired by such a potent body as this, he

(Continued on page 180)

What Price Gilbert and Sullivan!

"I will shortly call upon every community in the United States that has a housing problem to gird itself for immediate, prompt and effective action. If the housing problem is to be solved—and it must be—it will be solved by the American people themselves. The national government can only furnish the direction and the drive. These it will do. . . .

"I have no illusions about my task as housing expeditor, and I have no promises to make that houses will spring up over night throughout the country. In housing, of all things, no miracles are possible.

"I do promise that, with all the vigor at my command, I will pursue the task of providing adequate houses for our people—especially for our returning veterans—as speedily as it is humanly possible to do. Where there are bottlenecks, they will be broken. Where there is red tape, it will be cut. The country in general and the veterans in particular are entitled to get action on this gravely pressing problem—and they will get action.

"Some of the programs that will be developed may be detrimental to the interest of some groups. In such cases, we will appeal to those groups to make a sacrifice in the national interest. This will be but a meager payment on the debt we owe to the men who have served in our armed forces—the men who fought for and preserved our freedom."

Wilson W. Wyatt.

All this would be rather good Gilbert and Sullivan comedy, were its cost to us all not so frightfully high.

Of course, there will be "effective action" in the housing situation quickly enough just as soon as conditions are permitted to attain a normal status—that is, when natural forces are permitted to operate free of governmental and monopolistic restraints.

Mr. Wyatt and the others, too, would do well not to hope for too much prior to that time.

Creation of Economic Commission Favored to Advise Government on Utilization of Resources

Creation of an Economic Commission to make advisory recommendations to Government for the fullest utilization of the nation's resources within the framework of a free and voluntary society is proposed by a committee of the Chamber of Commerce of the United States, it was announced by the Chamber on Jan. 7.

In putting forward the proposal, the Chamber's Committee on Economic Policy asserts that:

there are no simple or pat preventives or remedies for economic ups and downs, with accompanying fluctuations in employment, "Because our economic system is primarily and fundamentally a voluntary system, under which the consumer and the investor have freedom of action, and because we are deeply concerned with the survival of this freedom," says the Chamber committee, "we cannot expect that the wave-like movement of business activity can be promptly and completely removed."

The Committee does not take the attitude that nothing whatever can be done to check surges and recessions in the movement toward economic progress. It has a number of suggestions designed to assure an adequate supply of constant job opportunities. The proposals of the committee were published Jan. 7 at the direction of the Chamber's board of directors, for the information and consideration of the Chamber membership. Asserting that it sees the problem of economic advancement as not a single problem, but as one having a series of interrelated and highly complicated economic processes and problems, the committee says:

"The issues are so controversial and complicated that we recommend the appointment by the President of the United States by and with the advice and consent of the Senate of a permanent Economic Commission, composed of outstanding experienced citizens of unquestioned ability and integrity. These persons should be drawn from fields disassociated from politics and the interested parties. They should be

mand for products, and maintenance of monetary stability.

"Who is responsible for the adequacy of jobs in a free society?" the Committee asks. "Clearly no one organization or group. Job-making does not function in a vacuum. Since job-making is a voluntary process we must rely on voluntary action and incentives. Wages are paid to induce working; profits are paid to induce production and as a by-product, job-making. There must be a balance between these incentives. A scarcity of workers tends to be corrected by higher wages; a scarcity of job-making talent should be rewarded with an enlarged expectation of profits. Competition in the goods and in the labor market should prevent the exploitation of the worker, the consumer and the investor. Our efforts, whenever unemployment threatens, should be directed to those measures which will encourage the expansion of existing businesses and the increase in the number of business units. Were all our efforts directed at this objective such employment as exists soon would tend to disappear.

"To assure an adequate supply of job-opportunities several conditions must be met:

1. Durable peace and settled international relations;
2. A stable monetary unit and public confidence in the currency;
3. Reasonable taxation and settled tax policy;
4. Adequate expectations of rewards for undertaking the job-making risks;
5. Settled rules of the game to encourage long-term commitments;
6. Settled wage and labor policies;
7. Freedom of entry into the goods and labor markets and the preservation of the competitive motive;
8. Enough people who want to become employers.

President Signs Vets' Housing Bill

Emergency housing will be provided for families of servicemen and veterans under a bill signed by President Truman on Dec. 31, authorized an expenditure of \$160,000,000 for the purpose. Among several measures approved by the President on that day, it was signed on board the Presidential yacht Williamsburg, anchored off Quantico, Va., the Associated Press stated in its Washington advices.

During consideration of the veterans' housing legislation, Senator James M. Mead (D-N.Y.) told the Senate that the \$160,000,000 plus \$35,627 under the Lanham Act, would provide emergency shelter for more than 100,000 returning servicemen.

Tire Rationing Ended

Rationing of automobile tires, which began Jan. 5, 1942, ended at 12:01 a.m. on Jan. 1 this year by order of Price Administrator Chester Bowles, who in announcing the decision on Dec. 20, as reported by the Associated Press from Washington, said that the rationing program could be terminated "because production of tires, particularly passenger tires . . . has increased steadily during the past two months, reaching an output for this quarter of about 11,000,000." He added that it had been agreed between the OPA and the Civilian Production Administration that when production had reached this level, rationing could be discontinued.

Urging motorists and truck drivers to do everything possible to preserve the tires they use, Mr. Bowles emphasized that the end of rationing does not indicate an abundant supply, and he expressed the hope that dealers would not sell complete sets of tires to those who could get along with one or two during the next few months.

U. S. Proposal for Inter-American Defense Pact

A formal proposal has been issued to all American nations except Argentina by the United States for an inter-American military defense treaty, and it is expected to be discussed at the Rio de Janeiro meeting of Western Hemisphere Foreign Ministers scheduled for some time between March 1 and April 15. The State Department instructed United States Ambassadors in all Latin-American capitals, except Buenos Aires, to submit the proposals, the Associated Press reported from Washington, Jan. 2, and copies of the document were made available to Latin-American ambassadors in Washington.

An unofficial outline of the treaty, according to the Associated Press, contains proposals primarily for "consultations and collective measures" to be taken in the event of an act of aggression against any American State.

The United States proposes that the American republics "refrain in international relations from threat or any use of force against the territorial integrity or political independence of any states or in any manner inconsistent with the provisions of the United Nations Charter."

A State Department official disclosed, said the Associated Press, that although the United States had distributed its original draft of proposals for discussion at the Rio conference, there probably would be no official announcement until after the conference had taken place. The Associated Press it is learned from the New York "Times" gave the following as the unofficial outline of the projected United States treaty:

"Proposals for the provisions of the treaty envisaged in Part III in the Act at Chapultepec."

PREAMBLE

"In order to indicate the scope of the treaty, the Preamble should state that the Governments undertaking the treaty are desirous of strengthening the inter-American arrangements for preventing armed conflict involving any American States in order to contribute to the maintenance of individual and collective right of defense against armed attack until the Security Council [of the United Nations Organization] has taken action.

"The Preamble should deal with acts of aggression against any American State, consistent with the principles of the Charter of the United Nations.

"The high contracting parties agree to refrain in international relations from threat or use of force against the territorial integrity or political independence of any State or in any manner inconsistent with the provisions of the Charter of the United Nations Organization.

"The high contracting parties undertake that in event of a dispute between two or more of them they will seek, in accordance with Articles 2, 33 and 52 of the Charter of the United Nations, to settle such dispute by peaceful means in such a manner that international peace, security and justice shall not be endangered.

ARMED ATTACK

"The high contracting parties agree that any armed attack against any State shall be considered as an act of aggression against all parties to the treaty. Each shall undertake to assist in meeting such an attack.

"The high contracting parties agree to undertake in the event of such an attack immediately to consult to examine * * * measures that may have already been taken in agreeing upon collective measures. Such agreement must be by two-thirds of the parties in consultation, with decisions becoming binding on all parties concurring.

"Measures agreed upon shall be taken until the Security Council [of the United Nations] has taken measures to protect international peace and security.

"Invasion of territory by the armed forces of any State shall constitute armed attack unless the use of these forces is in accord-

ance with the Charter of the United Nations Organization.

Threat of Aggression

"Upon threat of aggression, the high contracting parties will consult, on the request of any one of them, to agree upon measures to be taken. Such agreement shall be by vote of not less than two-thirds of the contracting parties.

"These measures may include action described in Articles 41 and 42 of the United Nations Charter.

Procedures and Agencies

"Consultations and measures shall be carried out through agencies already in existence, or as may be hereafter established.

Obligations Under the United Nations Charter

"The Security Council of the United Nations Organization shall at all times be kept informed of measures and actions taken under this treaty.

"This treaty shall not modify the rights and obligations of the high contracting parties under the United Nations Organization.

Formal Articles

"The treaty shall be ratified as soon as possible by high contracting parties, and shall be placed on deposit with the Pan American Union.

"The treaty shall become effective when two-thirds of the signatory States have deposited ratification with the Pan American Union.

"The treaty shall remain in force indefinitely.

"The treaty can be renounced by any signatory in writing, such renunciation becoming effective one year after receipt by the Pan American Union of such denunciation."

UNO Gen. Assembly Delegates Sail

The first meeting of the General Assembly of the United Nations Organization is scheduled to be held in London, Jan. 10, and four of the five United States delegates, and an equal number of alternates, sailed to attend the conference on Dec. 31 aboard the liner Queen Elizabeth. Secretary of State Byrnes, the fifth delegate, and the fifth alternate, Rep. Charles A. Eaton of New Jersey, are to follow at a later date. The delegates were accompanied by 120 advisers, technical experts, clerks, assistants and office help. Mrs. Franklin D. Roosevelt, the only woman delegate, made the remark before sailing that she thought the group was "facing a very grave responsibility."

The American delegates, according to an Associated Press report from Washington, Dec. 29, have been instructed by the State Department to urge a prompt international study aimed at promoting freedom of the press.

After setting up procedure rules for the new world peace agency, the Preparatory Commission of the UNO ended its month-long session in London, on Dec. 23. A report from Ottawa, Dec. 28, stated, according to the Associated Press, that Canada's UNO delegation would consist of Justice Minister Louis S. St. Laurent as Chairman, together with Agriculture Minister James Gardiner, State Secretary P. J. Martin, Vincent Massey, Canadian High Commissioner in London, and H. Hume Wrong, Assistant Under-Secretary of State for External Affairs.

Evatt Hits Big Three's Control Plan for Japan

Strong criticism of the decisions reached at the Moscow Conference of Foreign Ministers on the future control of Japan was expressed by the Australian External Affairs Minister, Dr. Herbert V. Evatt, on his arrival in Sydney on Jan. 7. Dr. Evatt was in London at the invitation of the British Government when the first meeting of the Council of Foreign Ministers was held. Later he went to Washington where he led the Australian delegation at the opening sessions of the Allied Far Eastern Advisory Commission.

Dr. Evatt said that 10 nations which had taken part in the Pacific war were represented on the Advisory Commission. The only absentee was the Soviet Union. He continued: "Unfortunately all good results of this Commission are now threatened by the proposals of the Moscow Conference to give each of the four nations—Great Britain, America, Russia and China—the individual right to veto decisions of the Far Eastern Commission of 11 nations. This proposal is quite out of keeping with the spirit of the Advisory Commission. A veto would mean that each one of the four powers would be entitled to overrule the unanimous views of the remaining 10 nations. The Australian view has always been that the veto proposal is undemocratic and entirely indefensible in relation to the Commission. If this proposal is pressed by Soviet Russia, it will be most prejudicial to the continued success of the Commission."

Summarizing the results of this mission, Dr. Evatt revealed that Australia is to be given full opportunity to participate in both the European and Pacific peace settlements. This was the primary object of his visit to London. While in London Dr. Evatt urged that all Allied nations which had been active belligerents had a just claim to help frame the peace with the big powers. In particular, Australia suggested that all conclusions of the major powers on terms of the peace settlement, should be regarded as provisional only and should be submitted to a peace conference of all the belligerents for full and free discussion, or for review and amendment. These submissions were accepted in principle and were embodied in the proposals of the recent Moscow Conference.

Dr. Evatt said that both British Prime Minister Attlee and President Harry Truman had expressed a lively faith in the future development of Australian power and responsibilities in the Pacific. President Truman had asserted that Australia's future role must be one of full and active partnership with the leading Pacific powers. The British Government also was conscious of the fact that, in relation to the Far East and the Pacific, a special status must be accorded to Australia because it is an area in which the fate of her people will be ultimately determined.

Truman Has Quiet Xmas

President Truman spent Christmas at his home in Missouri, and returned to Washington by plane on Dec. 28, in weather which made flying hazardous. Shortly after his return he sailed with a group of White House advisers for a trip in the Presidential yacht on the Potomac, during which he prepared the speech for broadcasting to the nation in Washington on Jan. 3.



Herbert Vere Evatt

Newspaper Controls Lifted Dec. 31

Newspaper controls, excepting inventory restrictions, were lifted Dec. 31, Civilian Production Administrator John D. Small announced. Mr. Small in his announcement on Dec. 21 regarding the proposed ending of controls at the close of the year, said:

"The decision to eliminate newspaper control through the revocation of the newspaper order has been based on the recent recommendations of the Special Newspaper Committee of the American Newspaper Publishers Association, the Newspaper Industry Advisory Committee and the Boren Congressional Committee on Newsprint, and on the statement issued by the American Newspaper Publishers Association on Nov. 28, 1945." The first two committees, it was pointed out, represent a cross-section of the newspaper publishers and include representatives of both large and small newspapers.

From Mr. Small's announcement we also quote:

"The American Newspaper Publishers Association issued the following statement on Nov. 28, 1945: 'The newspapers of the United States will see that no newspaper suspends publication for lack of newsprint after Government control on consumption ends on Dec. 31, 1945. This was the decision reached today at a conference in New York City of representatives of regional and state newspaper associations from all parts of the country. There was an unanimous expression that the newspapers would meet problems of newspapers faced by suspension because of lack of newsprint through regional and state plans handled on what has been worked out by the New England Daily Newspaper Association.'

The supply of newsprint in 1946 is expected to be 98% of the 1941 supply. While this is not adequate to meet demands, it is considered sufficient to warrant revocation of the order in view of the recommendations of the industry. Newsprint supplies for the first half of 1946 were estimated by Civilian Production Administration officials at approximately 1,935,000 tons, which they said would be equal to 98% of the newsprint used in the same period in 1941. Approximately 1,500,000 tons of the newsprint supply is expected to come from Canada, 335,000 tons from domestic production and 100,000 tons from Newfoundland."

"Wherever materials are scarce," the Civilian Production Administrator said, "the supply must be spread out and inventory controls continue. In most cases of scarce materials there may be enough to take care of minimum needs of all, but not enough to permit some purchasers to buy all they would like. There is an obligation on both buyers and sellers in such cases to be fair."

Mr. Small emphasized that in the event the voluntary plan breaks down and newspapers are threatened with suspension of publication, his agency will act promptly to reinstitute newsprint controls either through a general order or through the use of the priorities power in special cases. His adviser also said: "In order to prevent any unreasonable accumulation of the available supply, inventory control will be continued, it was stated, through an amendment to Priorities Regulation 32 limiting newsprint inventories to 25 days' consumption in

the Eastern and Central States and 45 days in the Western States based on the average daily consumption in the last six months of 1945. Any newspaper will be permitted to maintain an inventory of 60 tons."

"The newsprint control order was issued on Jan. 1, 1943, when it became apparent that the supply would be far below requirements.

"It can be said that the order has been operated with success during the war years, inasmuch as no newspaper was forced to suspend operations for lack of newsprint," Mr. Small said. "The supply was spread out as equitably as possible at all times. Extra-quota grants were allowed in hardship cases to the extent that newsprint was available."

Final Step in Unfreezing of Norse, Finn Assets

Secretary Vinson announced on Dec. 29 that the final step in the unfreezing of Norwegian and Finnish assets through the issuance of General License No. 95. It was pointed out that General License No. 94 issued on Dec. 7 (referred to in our Dec. 13 issue, page 2924) removed the controls over current transactions with these countries but did not lift the restrictions on existing blocked accounts.

The advices from the Treasury Department on Dec. 29 also stated: "Today's license provides for the release of Norwegian and Finnish blocked accounts through a certification procedure similar to that already in effect for French and Belgian accounts. Investigations will be made by the Norwegian and Finnish authorities of the ownership of blocked property to determine that there are no enemy interests in the property and that it is otherwise eligible for certification under the license. Once property has been certified it will no longer be regarded as blocked."

"The new general license has also been made applicable to France and Belgium, since it is broader in some respects than the defrosting licenses already issued for these countries. The old licenses, General Licenses Nos. 92 and 93, were revoked today, but certifications made under them will remain fully effective. All current transactions with France and Belgium are covered by General License No. 94."

"Other liberated countries will be included under the new license as defrosting negotiations with them are completed. Substantial progress has been made in this direction."

"The certifying agents designated by the governments of the four countries presently named in General License No. 95 are: for France, Office des Changes; for Belgium, Institut Belgo-Luxembourgeois du Change; for Norway, Norges Bank; and for Finland, Bank of Finland."

"General License No. 95 was made available to Norway and Finland after exchanges of letters between the Norwegian and Finnish Ministers of Finance and Secretary Vinson similar to those written in connection with the French and Belgian defrosting licenses."

"Both the Norwegian and Finnish Ministers of Finance have advised Secretary Vinson that, with respect to assets in their countries belonging to nationals of the United States, no action will be taken that would be discriminatory in relation to measures applied to assets of nationals of any other country and that no sequestration measures are in effect in their countries on property of United States nationals. Exchange control restrictions of both Norway and Finland will be liberalized to permit transfers from those countries to the United States to the fullest extent consistent with their foreign exchange position."

Price Controls Seen Cause of Butter Shortage

Blaming unreasonable Government price controls for the present butter shortage, the manager of the American Dairy Association, Owen M. Richards, called upon the industry on Jan. 6 to make a demand on President Truman to "bring out the full story of today's nation-wide butter famine," according to special advices from Chicago on that date to the New York "Times" which went on to say:

December production of 66,000,000 pounds of butter was the lowest since 1920, and current production is 27% below the low levels of a year ago.

Receipts are off as much as 50% from the 1940-41 average at the markets; he pointed out. Continuing, he said:

Butter will not return to American tables under present price policies. "The wholesale price ceiling on butter is still 46 cents a pound although the cream used to make it costs 60 to 72 cents. Under this policy, the more butter you make, the more money you lose."

Secretary of Agriculture Anderson has recommended that the butter price ceiling be raised 13 cents a pound, but the change must be made by Chester Bowles, Price Administrator, or John C. Collett, stabilization director, Mr. Richards said and added:

The Government's do-nothing price policy is causing the worst kind of inflationary black market. Black market butter is selling at \$1 to \$1.25 in New York. Present price policies make it inevitable that bootlegging and black marketing should flourish. The acute butter shortage has loosed the very spiral of runaway inflation most feared by the nation."

It was also noted in a Washington dispatch Jan. 6 to the New York "Times" that the statement was made on Jan. 5 by Albert Rich, business manager of the Butter and Egg Merchants Association, Inc., that unless official Washington takes some immediate and positive steps to correct present conditions, civilian butter supplies soon will drop to an all-time low. In part, these advices added:

Butter production, which should be on the upswing after Thanksgiving, is decreasing rather than increasing, he said. In the last week in December, he pointed out, only 14,500,000 pounds of butter were produced by creameries throughout the country, as against normal production of 32,000,000 pounds for the week.

Failure of the Federal Government to take action to head off the growing butter shortage was characterized by Mr. Rich as "a national disgrace." He called upon consumer organizations to make themselves heard if they expected to get even a meager allotment of butter.

In Washington, the Department of Agriculture has allotted 369,000,000 pounds of butter for civilian use for the January-March quarter, a drop of 30,000,000 pounds from the final quarter of 1945. The Washington Food Report points out that this puts American citizens on the shortest butter ration since war shortages developed and means less than one pound a person a month.

Mr. Rich blamed the Department of Agriculture principally for the growing scarcity in butter supplies because of its refusal to approve a ceiling on butter fats.

The Government permitted the price of butter fats to rise from 60 cents to \$1 a pound since the middle of last October, he said. The Government knew eight weeks ago that butter manufacturers cannot pay over 60 cents a pound and produce. The Office of Price Administration wanted a ceiling on butter fats but the Department of Agriculture would not approve it.

During the war there was a restriction on butter fats for the manufacture of ice cream and other dairy products. This was lifted in November. We have made a check of consumers and found that they want butter rather than ice cream and other

Justice Dept. to Help Combat Juvenile Delinquency

Juvenile delinquency in the United States has increased to such proportions that the Attorney General, Tom C. Clark, has initiated a plan to enlist state, county and city governments, as well as public-spirited citizens, in an effort to combat the situation. A volunteer panel or council will be selected to act in an advisory capacity with the Justice Department in handling teen-agers who violate Federal laws. As reported in a special dispatch to the New York "Times" from Washington on Jan. 3, the department and panel will make an intensive survey and review of the entire field of juvenile crime and its services and resources will be made available to every accepted organized agency in the country interested in the problem.

Mr. Clark said that the Justice Department had already received numbers of interesting comments and suggestions for making the program a success, and that scores of nominees had been suggested for the panel, which will be selected this month.

President Truman wrote the Attorney General a letter expressing his concern regarding the delinquency problem, and endorsing Mr. Clark's proposals for meeting it. In Washington advices Jan. 3 to the New York "Times" it was stated:

"Mr. Clark is encouraging United States attorneys to experiment with the deferred prosecution plan for youthful offenders now operating in Eastern New York and popularly known as the Brooklyn Plan.

"Records indicate, he said, that 70% of adult criminals had been delinquent in their youth. Some authorities believe that much of the 'juvenile' legislation has been designed primarily to facilitate proceedings in the prosecution of youthful offenders, thus making the future welfare of such offenders secondary.

"Under the Brooklyn Plan, Mr. Clark explained, prosecution might be delayed, with offenders provisionally released under probationary supervision. Those deemed worthy would thus escape the stigma of a possible conviction if they lead exemplary lives thereafter."

Chase Bank Entering Consumer Credit and Personal Loan Field

To broaden its services to the public, the Chase National Bank of New York announced on Jan. 2 that a consumer credit department is being organized for the bank's head office and 27 branches in New York City and will be in operation within a few weeks. These new lending facilities, it was announced, will make credit available at reasonable rates to individuals to meet various personal requirements and also will accommodate small businesses which prefer to utilize bank credit on an instalment payment basis. It is expected that headquarters for the new department will be established in the midtown district.

dairy products. Butter production is now 50% under prewar levels and dropping, while every other dairy product is up from 25% to 100%.

The Financial Situation

(Continued from first page)

fixing the price of the products of the employers thus embroiled in struggles with their employees. Producers would in any event, we suspect, feel a great reluctance to raise the prices of their goods, knowing that as always a risk of consumer resistance would definitely be present, but with very questionable freedom to adjust their prices as future circumstances direct, employers are naturally most reluctant to permit their costs to rise at all if they can by any means avoid it. Of course, difficulties of this sort are in no way reduced by fact-finding boards or the like.

What was, and still is, needed from the White House is a ringing statement, first of all, to the effect that labor unions and the members thereof must like everyone else in the country obey the law of the land, and that until the unions govern themselves accordingly, they need expect no sympathy, aid or comfort from the Nation's Government. Such a proclamation should likewise make it clear that as soon as suitable ways and means can be determined the labor unions of this country must be required by law to refrain from abusing privileges now theirs, and that the nature of such legislation and the degree of rigor to be incorporated in it must depend upon the willingness and ability shown by such organizations to bring their behavior into conformity with the reasonable requirements of public policy. Legislation of a constructive nature likely to be of much avail in the existing situation is not likely to reach the statute books, or in any event to be of much assistance in the present crisis, but a strong stand by the President at this time might very well be of much assistance to the cooler heads among union leaders.

Other Dangers

But it is in other directions that the President's address gives us much uneasiness. The Chief Executive not only failed to be really constructive in respect of the labor situation, not only again insisted upon remedies which clearly are impotent or worse, but showed strong evidence of yielding to those groups which, under his predecessor, plunged us into a muddled sort of "managed economy" and which would doom the country indefinitely to such controls, such intermeddling by government, and such restrictive policies toward business. Wittingly or not, he is now making use of the infirmities of the existing situation to plead for a continuance of the basic causes of these difficulties.

Turn to the record. We quote:

We are all anxious to eliminate controls just as rapidly as we can do so. The steps that we have already taken show that. But price and rent controls will have to be maintained for many months to come, if we hope to maintain a steady and stable economy. The line must be held. I shall urge the Congress after it reconvenes to renew the act as soon as possible and well in advance of its expiration date, June 30, 1946.

Price control is only one of the war powers which require extension. Another is the Second War Powers Act, recently extended for six months instead of a year as I requested. Since we already know that war-born shortages of certain materials will surely plague us after June 30 of this year, when the extended law will expire, the law should be extended again now. If this is done, all businessmen will know that short materials will continue to be fairly controlled and distributed. Unless we do this now, controls will begin to break down in a short time.

One essential part of our program, designed not only to tide us over the reconversion period but also to carry us to our goal of full production and a higher standard of living, is the adoption of full employment legislation . . .

One of the measures which I have been urging upon the Congress ever since May of last year is that the Federal Government make provision to supplement the unemployment insurance benefits now provided by the different States.

I have also asked that the Congress raise substantially the amount of minimum wages now provided by law. There are still millions of workers whose incomes do not provide a decent standard of living. We cannot have a healthy national economy so long as any large section of our working people receives wages which are below decent standards. Although hearings have been held on this question in the Congress, no action has been taken.

And so it goes with measure after measure now in the Congress. Time is running out. There are also other problems: comprehensive scientific research, universal training, a health and medical care program, an adequate salary scale for Federal employees, the Presidential succession, river valley development and others.

Now as to all this let it be said:

(1) That shortages and all the dangers that go with it, far from being remedied or relieved by controls, are promoted and prolonged by them.

(2) That dangers of inflation are enhanced, not eliminated or reduced, by controls of the sort to which the President refers.

(3) That a stable economy at high levels of production and employment will not be promoted by the measures recommended by the President. Indeed it would not be going too far to say that the President could scarcely find means more likely to interdict the development of the very things he says we must have.

(4) The President has now so far committed himself that

War Sec'y Clarifies MacArthur's Position

Although Secretary of State Byrnes asserted on Dec. 31 that the Allied Control Plan for Japan adopted at the recent Moscow Conference of Foreign Ministers preserves the authority of Gen. Douglas MacArthur as Supreme Allied Commander, it was reported from Tokyo on the same date, according to the Associated Press, that the plan has already caused confusion among the Japanese and may result in a slackening of Japanese efforts to put into effect directives already issued. General MacArthur bluntly stated that he had not been consulted during the Moscow conference, and that on Oct. 31 he had expressed final disagreement of the control plan in a radio message to the Chief of Staff for the Secretary of State; in this message General MacArthur said he advised that the terms "in my opinion are not acceptable."

On Jan. 1 Secretary of War Robert P. Patterson told a press conference at Honolulu that General MacArthur properly had no voice in making foreign relations policies, and that the War Department did not consider it necessary that the General be advised in advance of Big Three occupation policies for Japan, according to Associated Press Washington advices. Mr. Patterson would not estimate how long American troops might have to remain in Japan and Germany, or how many men will be required. Mr. Patterson was also quoted as follows in the Associated Press accounts:

"There still remains the job of disarming the beaten nations," he said, "and carrying out a demilitarization program, along with political and social reforms, to destroy these nations' warlike tendencies. It is not a matter of days or weeks or months, but I can't say how many years."

As for China, Mr. Patterson said American troops will be kept there until China is able to handle her internal problems without American aid.

Appointments in Chicago Reserve and Detroit Branch

It is made known by the Federal Reserve Bank of Chicago that the Board of Governors of the Federal Reserve System announced on Dec. 31 the following appointments and designations:

Federal Reserve Bank of Chicago—Simeon E. Leland, Chairman, Department of Economics and Professor of Government Finance, University of Chicago, Chicago, Ill., redesignated as Chairman and Federal Reserve Agent for the year 1946; W. W. Waymack, Editor and Vice President, The Register and Tribune, Des Moines, Iowa, reappointed a Class C director for a three-year term commencing Jan. 1, 1946, and redesignated as Deputy Chairman for the year 1946.

Detroit Branch—Prentiss M. Brown, Chairman of the Board, The Detroit Edison Company, Detroit, Mich., appointed a director for a two-year term commencing Jan. 1, 1946.

The Board of Directors of the Federal Reserve Bank of Chicago has announced the following appointments:

Member Federal Advisory Council—Edward E. Brown, Chairman, The First National Bank of Chicago, Chicago, Ill., re-appointed for the year 1946.

Director of the Detroit Branch—Charles T. Fisher, Jr., President, National Bank of Detroit, Detroit, Mich., appointment for a two-year term commencing Jan. 1, 1946.

He must be set down irrevocably as a New Dealer through and through. Effective opposition is imperative.

Items About Banks, Trust Companies

The statement of the Chase National Bank of New York for Dec. 31, 1945 made public Jan. 3 shows total resources of the bank at the end of the year were \$6,092,601,000 a figure higher than on any previous reporting date. This figure compares with \$5,160,004,000 on Dec. 30, 1944. Deposits, also at a new high figure for any reporting date, amounted to \$5,742,180,000 compared with \$4,835,219,000 on Dec. 30, 1944. Cash in the bank's vault and on deposit with the Federal Reserve Bank and other banks amounted to \$1,366,233,000, compared with \$900,689,000 a year ago; investments in United States Government securities, \$3,078,-103,000, compared with \$2,899,-834,000; loans and discounts \$1,-271,694,000, compared with \$1,-041,046,000.

On Dec. 31, 1945 the capital of the bank was \$111,000,000, unchanged from a year ago. The surplus on Dec. 31, 1945 was \$139,-000,000 compared with \$124,000,-000 a year ago and reflecting the transfer of \$15,000,000 from undivided profits to surplus on Dec. 26, 1945. Undivided profits, after that transfer of \$15,000,000 and after deducting dividends payable of \$5,920,000, amounted to \$50,-240,000 on Dec. 31, 1945 compared with \$49,800,000 on Dec. 30, 1944. Total capital funds were \$300,240,-000 on Dec. 31, 1945, compared with \$284,800,000 a year ago. Net earnings of the bank for the year 1945 were \$3.59 per share compared with \$3.01 in 1944. Net current operating earnings were \$2.33 per share in 1945, compared with \$2.54 in 1944, and net profits on securities were \$1.23 in 1945, compared with \$.47 per share in 1944.

Statement figures issued Jan. 3 by The National City Bank of New York show new high figures for total resources of \$5,434,372,-600 or an increase of \$964,686,135 over Dec. 31, 1944. Total deposits are \$5,143,422,244 against \$4,205,-072,012 last Dec. 31. In this total, United States War Loan deposits are up \$389,164,239 in the bank's total deposit increase of \$938,350,-232. Holdings of United States Government obligations are reported at \$2,773,488,249 compared with \$2,409,240,200. Cash and due from banks and bankers is \$1,-102,106,681 against \$871,882,874, the increase being due to larger required reserves at the Federal Reserve Bank against increased deposits. Loans and discounts are \$1,233,843,937, an increase of \$332,439,694 during the year. As previously announced \$20,000,000 was added to surplus of the bank at the year-end, bringing it up to \$142,500,000. Undivided profits are \$29,294,238 compared with \$28,-610,465. Capital is unchanged at \$77,500,000.

The City Bank Farmers Trust Company, the stock of which is beneficially owned by the shareholders of the bank, reports total deposits as of Dec. 31 as \$165,235,-022 compared with \$159,973,276 a year ago. Total resources are \$196,968,037 against \$189,490,753. Cash and due from banks amounts to \$29,870,345 compared with \$28,-201,735. Holdings of United States Government obligations are \$154,851,446, an increase over Dec. 31, 1944 of \$7,812,753. Capital and surplus were unchanged at \$10,000,000 each and undivided profits were \$7,221,636 compared with \$6,332,967 the previous year.

The total of deposits for the bank and the trust company together as of Dec. 31, 1945 amounted to \$5,308,357,266 and the total of assets to \$5,631,340,637 as compared with corresponding totals at the end of 1944 of \$4,365,045,288 and \$4,659,177,218 respectively.

The total capital funds of the bank and the trust company together were \$276,515,874 as of Dec. 31, 1945, or \$44.60 per share of the 6,200,000 shares outstanding compared with \$254,943,432 or \$41.12 per share as of Dec. 31, 1944.

Unallocated reserves which are deducted in arriving at the published asset figures together with other reserves, including values of assets in excess of book values (but exclusive of market appreciation on the bond account), total approximately \$40,000,000.

The earnings of The National City Bank of New York and the City Bank Farmers Trust Company combined for the year 1945 and for 1944 are as follows:

	Amount	Per Sh.
Net curr. oper. earn. \$17,592,420	\$2.84	
Net prof. from sales of securities 7,933,533	1.28	
	\$25,525,953	\$4.12
	1944	
Net curr. oper. earn. \$16,443,035	\$2.65	
Net prof. from sales of securities 7,471,339	1.21	
	\$23,914,374	\$3.86

These earnings in both cases do not include recoveries which were transferred to reserves. In the case of the trust company profits from sales of securities were also added to reserves.

The statement of condition of Guaranty Trust Company of New York as of Dec. 31, 1945, shows total resources of \$3,813,507,042, as compared with \$3,826,161,882 on Dec. 31, 1944. Deposits are \$3,-309,452,507, as compared with \$3,-441,036,641 a year ago; U. S. Government obligations total \$2,059,-320,457 as compared with \$2,362,-481,367; and loans and bills purchased total \$960,041,680, as compared with \$826,356,970. Capital and surplus remain unchanged as \$90,000,000 and \$170,000,000, respectively, and undivided profits of \$52,673,255 compare with \$42,-222,571 on Dec. 31, 1944.

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J. P. Morgan & Co., Inc., New York City, reported as of Dec. 31, 1945, total deposits of \$728,989,369 and total assets of \$798,829,269, compared respectively with \$727,-235,954 and \$793,153,927 on Sept. 30, 1945 and \$756,549,777 and \$816,596,609 a year ago. Cash on hand and due from banks is \$1,-102,106,681 against \$871,882,874, the increase being due to larger required reserves at the Federal Reserve Bank against increased deposits. Loans and discounts are \$1,233,843,937, an increase of \$332,439,694 during the year. As previously announced \$20,000,000 was added to surplus of the bank at the year-end, bringing it up to \$142,500,000. Undivided profits are \$29,294,238 compared with \$28,-610,465. Capital is unchanged at \$77,500,000.

The First National Bank of the City of New York, in its report of condition at the close of business on Dec. 31, 1945, shows total resources of \$1,011,960,488 and total deposits of \$800,221,214, compared with \$1,150,059,668 and \$995,069,-291 on Sept. 29, 1945 and \$1,170,-656,363 and \$983,652,217 a year ago; cash and due from Federal Reserve banks and other banks, including exchanges, is listed at \$136,391,825, against \$144,856,700 three months ago and \$140,114,061 on Dec. 31, 1944; holdings of U. S. Government securities are now \$467,984,871 compared with \$499,-822,781 in September and \$535,-055,436 a year ago; loans and bills purchased are shown at \$150,389,-137 against \$112,748,065 three months ago and \$116,959,509 on Dec. 31, 1944. Capital and surplus remained unchanged from last year at \$20,000,000 each, while undivided profits increased to \$6,-378,367 in the current report against \$5,818,923 three months ago and \$4,429,102 a year ago.

The First National Bank of the City of New York, in its report of condition at the close of business on Dec. 31, 1945, shows total resources of \$1,011,960,488 and total deposits of \$800,221,214, compared with \$1,150,059,668 and \$995,069,-291 on Sept. 29, 1945 and \$1,170,-656,363 and \$983,652,217 a year ago; cash and due from Federal Reserve banks and other banks, including exchanges, is listed at \$136,391,825, against \$144,856,700 three months ago and \$140,114,061 on Dec. 31, 1944; holdings of U. S. obligations are shown at \$648,875,-777, compared with \$763,105,970 and \$805,569,801; loans and discounts are now \$124,979,782 as against \$126,183,033 while they

were \$120,203,124 last year; capital and surplus remained unchanged at \$10,000,000 and \$100,000,000 respectively. Undivided profits on Dec. 31, 1945 are given as \$23,378,671 after making provision for the Jan. 2 dividend of \$2,000,000 compared with \$22,046,514 on Sept. 30 after making provision for the Oct. 2 dividend of \$2,000,000 and against \$19,087,153 after providing for the Jan. 2, 1944 dividend of \$2,000,000.

In its statement for Dec. 31, 1945 the Chemical Bank & Trust Co. of New York reported deposits of \$1,524,160,575, compared with \$1,393,753,587 on Dec. 31, 1944, and total assets of \$1,637,503,776, compared with \$1,500,836,755 a year ago. Cash on hand and due from banks amounted to \$258,593,487, compared with \$252,018,057; U. S. Government obligations to \$790,553,298, a gain of \$83,557,275; bankers' acceptances and call loans to \$171,435,856 against \$77,035,291 and loans and discounts to \$275,847,577 against \$198,159,376. Capital stock shows an increase from \$20,000,000 to \$25,000,000 as a result of the 25% stock dividend approved by the stockholders at a special meeting held Oct. 31, 1945. On Nov. 1, 1945, \$5,000,000 was transferred from unallocated reserves to undivided profits after which \$10,000,000 was transferred from undivided profits to surplus. As of the close of business Nov. 10, 1945, \$5,000,000 was transferred from surplus to capital, representing the stock dividend. The bank now has capital of \$25,000,000, surplus of \$65,000,000, undivided profits of \$10,050,615 and unallocated reserves of \$2,050,013 or total capital funds of \$102,100,628. The indicated net earnings on the basis of the bank's new capitalization of 2,500,000 shares (par \$10) amounted to \$3.31 per share for 1945 as compared with \$2.69 for the preceding year. The regular dividend of \$1.80 per share was continued.

The Irving Trust Company of New York in its statement of condition as of Dec. 31, 1945 reported total resources of \$1,428,354,898 compared with \$1,262,589,365 last year, and total deposits of \$1,303,269,219 (including official checks of \$25,349,695) against \$1,141,041,213 a year ago. Cash on hand and due from banks on Dec. 31, 1945 is shown to be \$271,510,231 compared with \$212,081,108 in Dec. 1944; U. S. Government securities in the latest report amounted to \$841,113,588 against \$747,793,042 on Dec. 31, 1944. The capital of the bank has remained unchanged during the year at \$50,000,000, while the surplus and undivided profits has increased from \$58,303,328 a year ago to \$60,411,340 on Dec. 31, 1945.

At its meeting on Jan. 2, the Board of Directors of Bankers Trust Co. of New York declared a dividend of 45 cents a share on its capital stock, to be paid April 1, 1946, to stockholders of record at the close of business Mar. 9, 1946. This compares with the quarterly rate of 35 cents a share which has been declared during the preceding four years. If this rate is maintained, the dividends paid by Bankers Trust Co. will be at the annual rate of \$1.80 a share on the present 3,000,000 shares of stock outstanding, or \$5,400,000 a year.

The company's statement of condition as of Dec. 31, 1945, shows total capital funds of \$143,317,050, in comparison with \$137,344,871 a year prior, representing an increase of \$5,972,179. The balance of \$15,403,263 in the general reserve account, which appears on the statement for the first time, reflects an increase of \$4,543,711 over the figure reported for Dec. 31, 1944. Total resources amounted to \$1,921,945,613, as against \$1,907,634,889 at the end of 1944, and total deposits of \$1,749,590,469 compare with the Dec. 31, 1944 figure of \$1,726,073,-

557, with U. S. Government deposits showing a decrease of \$184,007,602. Holdings of U. S. Government securities declined from \$1,070,428,793 to \$894,686,409, while loans and bills discounted increased from \$444,931,344, to \$568,440,375.

The statement of condition of Manufacturers Trust Co., New York, as of Dec. 31, 1945 shows deposits of \$2,555,885,573, which include U. S. Government War Loan deposits of \$477,891,759. On Dec. 31, 1944, deposits were \$1,991,382,142, which included U. S. Government War Loan deposits of \$300,866,524. Resources on Dec. 31, 1945 were \$2,693,184,469, as compared with \$2,100,298,087 a year ago. This is the first time that Manufacturers Trust Co. has shown resources in excess of 2½ billion dollars in a published statement.

Cash and due from banks is listed at \$609,972,505 on Dec. 31, 1945, as against \$445,668,127 12 months ago. U. S. Government securities stand at \$1,507,987,636; a year ago they were \$1,205,104,026. Loans, bills purchased and bankers' acceptances are now \$480,489,936, which compare with \$367,338,389 on Dec. 31, 1944. Capital funds as of Dec. 31, 1945 are shown as: Capital, \$41,250,000; surplus, \$41,250,000, and undivided profits \$30,637,361.

Bank of the Manhattan Co. of New York reported as of Dec. 31, 1945, total deposits of \$1,290,314,214 and total assets of \$1,359,074,439, compared, respectively, with \$1,076,784,705 and \$1,144,220,751 as of Sept. 30, 1945. Cash on hand and due from banks amounted to \$305,697,449 on Dec. 31, 1945, against \$209,890,912; holdings of U. S. Government obligations \$604,254,742 against \$513,962,468. Loans and discounts are now reported as \$388,178,059 compared with \$356,888,553. Capital remained at \$20,000,000, with surplus unchanged at \$30,000,000. Undivided profits after reserve of \$600,000 for quarterly dividend increased to \$10,526,174 compared with \$9,692,443 at the end of September.

Williamson Pell, President of the United States Trust Co. of New York, announced on Jan. 2, at the annual stockholders' election, that net operating earnings for 1945 amounted to \$1,856,892, compared with \$1,886,265 for the previous year. In addition to these earnings, profits from the sale of securities after taxes amounted to \$460,398 compared with \$675,636 in 1944. Dividends totalling \$1,400,000 were paid during the year, \$223,220 was transferred to general reserve, and \$158,672 was added to undivided profits. The book value of the banking premises was written down by \$125,000, of which \$75,000 came from earnings and \$50,000 from reserves. Mr. Pell reported that income from fiduciary operations, including corporate trust fees, totalled \$2,418,958, while income from invested assets amounted to \$2,141,652. As of Dec. 31, total resources were \$178,537,110 against \$160,712,624 on Sept. 30; deposits of \$140,355,195 compared with \$128,000,750; Government holdings were \$83,238,320 against \$93,659,761 and loans amounted to \$48,517,885 compared with \$23,964,412. Capital and surplus totalled \$28,000,000 and undivided profits were \$2,709,917 compared with \$2,606,545 on Sept. 30. The average maturity of the company's investment portfolio was 5 years and 9 months to earliest call dates and 7 years and 7½ months to maturity. Williamson Pell, John P. Wilson, James H. Brewster, Jr., and Edwin S. S. Sunderland were reelected trustees for a further term of three years.

The Public National Bank and Trust Co. of New York announced in its year-end statement of condition that total deposits as of

Dec. 31, 1945 amounted to \$545,497,980 and total assets to \$579,536,018, compared respectively with \$415,525,107 and \$441,608,844 at the end of last year. Cash on hand and due from banks in the recent statement was \$102,852,117 against \$75,955,645 on Dec. 31, 1944; holdings of U. S. Government securities amounted on Dec. 31, 1945 to \$324,192,674 compared with \$257,941,964 a year ago; loans and discounts are now \$136,793,240 against \$96,041,908 at the end of 1944. The capital and surplus on Dec. 31, 1945 total \$22,000,000 as compared with \$16,000,000 on Dec. 31, 1944. This increase in capital stock reflects a stock dividend of \$700,000 paid Feb. 1, 1945, and the acquisition of \$1,925,000 on Dec. 28, 1945, from the sale of new capital stock. The bank offered new shares to its shareholders of record on Dec. 10 at the rate of one share for each four shares then held. The number of shares of capital stock on Dec. 31, 1945, totalled 550,000 shares as against 400,000 shares on Dec. 31, 1944. The increase of \$3,375,000 in the surplus account, from \$9,000,000 Dec. 31, 1944 to \$12,375,000 Dec. 31, 1945, reflects the following additions to this account:

(1) \$3,025,000, which is the excess above \$17.50 par value per share, received from the sale of 110,000 shares of new stock offered to shareholders at \$45 per share on Dec. 10, 1945.

(2) \$350,000 transferred from undivided profits.

Undivided profits Dec. 31, 1945 were \$4,892,178. If there be included the two transfers thereto from capital and surplus aggregating \$1,050,000 referred to previously, undivided profits were \$1,434,139 greater at the end of the year 1945 than on Dec. 31, 1944, when this item was \$4,508,040. This increase, together with the amount paid in dividends reflects earnings of \$2,094,139, or \$4.76 per share (on 440,000 shares) for 1945 as against \$1,786,911, or \$4.47 per share (on 400,000 shares) for 1944.

The Commercial National Bank and Trust Co. of New York reported as of Dec. 31, 1945 total deposits of \$244,444,051 and total assets of \$270,073,881 compared respectively with \$244,089,650 and \$268,004,597 on Dec. 31, 1944. The bank at the end of 1945 held cash on hand and due from banks of \$45,561,970 compared with \$44,268,008 on Dec. 31, 1944; investments in U. S. Government securities now at \$170,862,818 compared with \$178,102,283 on Dec. 31, 1944. Loans and discounts of \$48,258,753 compared with \$40,897,679 on Dec. 31, 1944. The bank's capital account was unchanged at \$7,000,000 and its surplus and undivided profit account increased to \$12,188,420 from \$11,148,851 after payment of dividends of \$560,000. Net earnings per share for the year ended Dec. 31, 1945 were \$4.57 compared with \$4.36 in 1944. At the close of the year \$1,000,000 was transferred from undivided profits to surplus, increasing surplus to \$11,000,000.

Brown Brothers Harriman & Co., private bankers, in their financial statement of Dec. 31, 1945, report new high record totals for assets and deposits. Total assets of \$209,702,808 at the year-end compared with \$180,612,121 on Dec. 30, 1944, and \$202,845,069 on Sept. 30, last. Deposits increased to \$186,531,590 from \$160,895,415 a year earlier and \$180,665,748 at the close of the third quarter of 1945. Capital and surplus amounted to \$13,685,284, compared with \$13,605,284 on Dec. 30, 1944, and \$13,666,066 on Sept. 30, 1945. Loans and discounts were \$48,474,193, against \$38,982,822 and \$45,330,805, respectively, on the earlier dates. Other asset items compare as follows with the figures of Dec. 30, 1944 and Sept. 30, 1945: Cash on hand and due from banks, \$42,171,879 against \$38,129,179 and \$40,112,514, respectively; U. S.

Government securities, \$58,391,037, against \$59,515,927 and \$66,738,506, and State and municipal and other public securities, \$46,794,567, against \$33,703,939 and \$37,868,975.

The Continental Bank & Trust Co. of New York reported as of Dec. 31, 1945, total deposits of \$204,765,283 and total assets of \$218,680,271, compared respectively with \$174,703,391 and \$187,835,125 on Sept. 30, 1945. Cash on hand and due from banks increased Dec. 31, 1945 to \$54,687,596 from \$34,196,440; holdings of U. S. Government obligations to \$72,858,181 from \$67,598,759; loans and discounts to \$68,115,230 from \$65,246,949. Capital rose from \$4,000,000 to \$5,000,000 and surplus remained at \$5,000,000. Undivided profits are now \$1,336,025, against \$1,167,259. General reserves are reported as \$528,649, compared with \$1,490,582 at the end of the third quarter.

The statement of condition of Sterling National Bank & Trust Co. of New York as of Dec. 31, 1945 shows deposits at \$167,417,603 and resources at \$174,725,392. These figures, which are the highest in the history of the bank, compare with deposits of \$140,773,642 and resources of \$154,898,285 shown on Sept. 30, 1945, and with deposits of \$121,374,164 and resources of \$127,864,981 shown on Dec. 31, 1944. Cash and due from banks is listed at \$37,696,231, as against \$27,217,353 shown three months ago, and \$29,433,333 shown a year ago. U. S. Government securities are shown at \$97,484,365, in comparison with \$94,769,874 at the end of the third quarter, and \$64,479,580 at the end of 1944. Loans and discounts stand at \$37,159,415 as compared with \$30,613,970 shown at the end of the third quarter, and \$31,163,980 shown a year ago. Capital remains unchanged at \$1,500,000. Surplus on Dec. 31, 1945 is \$3,500,000 and undivided profits are \$505,354. On Sept. 30, 1945 surplus and undivided profits were shown respectively at \$3,500,000 and \$406,530. On Dec. 31, 1944 the comparative figures were \$3,250,000 and \$320,627.

The statement of condition of the Grace National Bank of New York as of Dec. 31, 1945 shows deposits of \$95,139,601 as compared with \$84,412,938 on Sept. 30, 1945 and \$77,567,536 a year ago. Surplus and undivided profits are shown respectively at \$3,500,000 and \$406,530. On Dec. 31, 1944 the comparative figures were \$3,250,000 and \$320,627.

J. Henry Schroder Banking Corp. of New York reports total resources of \$65,565,898 on Dec. 31, 1945 against \$57,939,975 on Sept. 30, 1945 and \$32,606,511 and \$32,730,769, respectively, as of Dec. 31, 1944. Cash on hand and due from banks amounted on Dec. 31, 1945 to \$9,922,247 against \$7,916,540. Holdings of U. S. Government securities totaled \$16,874,461 against \$12,473,660. Loans and discounts were \$9,400,785 against \$8,063,229. Capital had been increased from \$1,000,000 to \$1,500,000. Surplus reflected an increase from \$1,200,000 to \$1,400,000 and undivided profits have increased from \$415,026 to \$468,237.

Total assets of Clinton Trust Co. of New York reached a new high of \$28,258,720 on Dec. 31, 1945. This compared with \$23,843,947 on Sept. 29, last, and \$21,376,233 on Dec. 31, 1944. Deposits at the latest date amounted to \$26,828,736 against \$22,373,878 and \$20,050,698, respectively. Surplus and undivided profits totaled \$611,385 compared with \$600,936 on Sept. 29 and \$514,664 a year ago. Loans and discounts were \$5,132,702 at the close of the year compared with \$3,043,704 three months earlier and \$2,922,011 on Dec. 31, 1944. Holdings of U. S. Government and municipal bonds amounted to \$15,308,878 compared with \$13,335,331 and \$11,029,605, respectively. Cash on hand and due from banks at the close of the year totaled \$5,397,533 against \$5,163,830 at the end of the third quarter and \$4,541,036 a year ago.

The statement of condition of Brooklyn Trust Company, of Brooklyn, N. Y., as of Dec. 31, 1945, showed total deposits of \$278,403,262, which compare with \$238,787,460 on Sept. 30, last, and \$227,990,711 a year ago. Total resources were \$295,538,969 against \$255,491,353 on Sept. 30 and \$244,554,548 a year ago. Cash on hand and due from banks was \$52,002,083 against \$48,330,224 on Sept. 30 and \$44,044,220 on Dec. 31, 1944, while holdings of U. S. Government securities were \$189,976,038 against \$156,658,418 three months earlier. (Continued on page 184)

Russia Indicates Failure to Sign Bretton Agreements Due to Need of Further Study

An explanation by Russia to United States Ambassador Harriman that it did not make the deadline of Jan. 1 for ratification of the Bretton Woods agreements because more time was needed for study of the proposals, was made known by the State Department at Washington on Jan. 5, it is learned from special advices from Washington on that date to the New York "Times." In an item in these columns Jan. 3, page 45, it was indicated

that Russia and eight other eligible nations permitted the Dec. 31 deadline to pass without becoming charter members of the World Bank and Stabilization Fund, according to State Department advices Jan. 1. Our Jan. 3 item noted the nations which have signed the agreements.

Russia's explanation of its failure to ratify the agreement was said to have been contained in a cable message from Ambassador Harriman which reached the State Department about the time of the deadline. In reporting this the special Washington account to the "Times" on Jan. 5 added:

"Officials were somewhat astonished by the explanation, because representatives of the Soviet not only signed the agreements at Bretton Woods a year and a half ago, but also took part in preliminary talks.

"These officials expressed confidence that the boards of the International Monetary Fund and the Bank for Reconstruction and Development would at once at their early meetings provide for acceptance into membership, at the previously established quotas, of countries like Russia, which signed the original agreements but did not ratify before the deadline.

"Many explanations as to the 'real' reason for the failure of Russia to ratify the agreement have been advanced during the last few days by puzzled officials in the State and Treasury Departments, but they all seem to add up

to the fact that from the Russian point of view there was less to gain than to lose in joining the institutions because:

"Russia wants a substantial loan, perhaps as much as \$6,000,000,000, but the resources of the International Banks are insufficient to afford such a large credit to one nation. Moreover, the interest rate, especially in view of a provision in the bank agreement prohibiting competition by the bank with private lenders, would be too high for the Russian taste.

"Because of her State trading set-up, all Russian exports and imports are made as bulk-purchase contracts over terms of one or more years, which implies a gamble as to the stability of exchange rates. Therefore, it is argued that Russia wants stable exchanges, the primary objective of the monetary fund, more than any one else, but she can have them just as easily as an onlooker as a participant.

"Officials attending the Bretton Woods conference recall that, although the Russian delegates agreed to submit for publication their gold production, gold reserve and other statistics previously kept secret, they objected when they first learned that they would have to furnish such information to obtain the benefits of the fund.

"Nevertheless, the statement relayed from Moscow by Ambassador Harriman does not shut the door to Russian participation at some future date.

Diplomatic Relations Resumed Between U. S. and Siam; Britain-Siam Peace Treaty Signed

Diplomatic relations were resumed by the United States on Jan. 5 with Siam after a break of nearly four years. This followed action which had been taken by Great Britain on Jan. 1, when an agreement was signed in Singapore ending the state of war existing between Great Britain and Siam, since the latter had declared war on Britain on Jan. 25, 1942. The agreement was signed by representatives of

the United Kingdom, the Government of India and the Kingdom of Siam, the Associated Press reported on Jan. 2.

According to these press advices from Bangkok, Siam's Premier, Seni Pramot, expressed thanks to the United States for "the special interest it has shown from the beginning in the welfare of Siam," apparently referring to the efforts on the part of this country to avoid strenuous terms for the Siamese, whom our State Department regards as having been puppets of the Japanese and unable to refuse to participate in the war action.

The Siamese Premier also told a news conference of his wish "to thank Britain for her great generosity in this matter," but declined, the Associated Press Bangkok advices stated, to comment on the extent original British demands had been scaled down during the lengthy treaty negotiations.

Regarding the resumption by the United States of diplomatic relations with Siam, special Washington advices Jan. 5 to the New York "Times" said:

Secretary of State James F. Byrnes took the step by receiving Luang Dithakar Shakdi, Charge d'Affaires of the Siamese Legation. Charles W. Yost, foreign service officer, who has been in Siam during the British treaty negotiations, was named our Charge d'Affaires in Bangkok.

"This marks the formal re-establishment of those friendly relations which have characterized Siamese-American relations for over a century," the State Department said. "We look forward to even closer friendship in the future and to the early admission of Siam to membership in the United Nations Organization."

Unlike Britain, we are not at war with Siam. We intervened in the recent negotiations between London and Bangkok to be assured that unduly restrictive terms would not be imposed on Siam in the treaty with Britain.

"This Government," the State Department said today, "was pleased with the ready and cordial response the British Government accorded the views which we presented."

The Siamese Charge d'Affaires said:

"Today, when formal diplomatic relations are once again happily restored between the United States and Siam, it is my duty and pleasure to voice the heartfelt gratitude of the Siamese people for the sympathy and understanding invariably shown to Siam by the Government and people of the United States."

On Jan. 1 the Associated Press reported from Bangkok that the Britain-Siam treaty provided for Siamese participation in international tin, rubber and rice control arrangements, but specified that she make restitution for British war losses in Siam and abandon any claims to British territory in Burma and northern Malaya, seized while Siam was an ally of Japan. The Associated Press added:

Publication of the terms was greeted with enthusiasm by Siamese, since it was widely believed here—despite British denials—that the original British proposals included clauses which would have authorized British military occupation of any part of the Siamese territory if deemed necessary, along with censorship of press and radio, and power to dissolve all Siamese military

forces. None of these appeared in the final agreement.

Another source of relief to anxious Siamese was the clause under which Siam promised to provide up to 1,500,000 tons of rice for the Far East's foodless. The clause as approved stipulated that Siam can retain an adequate supply for internal needs and must make available only the surplus.

In accepting the Presidency, Mr. Dorland had the following to say in part:

"American business buckles down to the problems of 1940, some encouraging—and many with threatening potentialities.

"The problems of American business at this time differ in kind and degree from those of any other nation on earth since the western hemisphere alone not only escaped physical devastation, but built up unparalleled resources of productive capacity.

"These problems appear to fall into two main classes: (1) Our internal economy, and (2) our relations with the rest of the world. They can be, and they must be, kept separate and apart. It is neither reactionary nor a form of isolationism to keep America strong for the task of World Leadership which has been thrust upon it. Our internal economy must be sound. It must be workable. It must be free from idealistic experimentation. It must not depend on a dreamer's paradise.

"In our relations with the rest of the world we must give all the aid in our power. We must be humane and generous. We must be worthy of Leadership in bringing about World Security and higher standards for all peoples.

But, we must render help with intelligence. Our generosity must not pauperize either the recipients thereof, or ourselves. We must give aid to the worthy and not merely to those who ask. The rest of the world must be helped to stand on their own feet and not allowed to perch on Uncle Sam's insteps. The New York Board of Trade has the facilities through its International Trade Section to be of real service in this phase of our world problems.

"Domestically, as FREE people, we have got to take a 'refresher course in Democracy.' For four years we yielded many of our individual rights and privileges as citizens to the necessity of Winning the War. We have leaned on Government—looking to its direction in many matters that we should have acted upon on our own initiative. Business must regain more freedom in our American Enterprise System. The whole philosophy of government control over business must be re-examined on the basis of peace—rather than the emergencies of war and particularly without political contamination."

Internat'l Trade Section to Hold Meeting Jan. 16

The annual meeting of the members of the International Trade Section of the New York Board of Trade will be held on Jan. 16 in the Board Room of the Board of Trade at 291 Broadway. At this meeting the Executive Committee of the Section will be chosen by ballot for a one-year term, from open nominations, and the newly elected Executive Committee will elect the officers of the Section for 1946, and to act on other matters on the agenda.

Victory Loan Sales Total \$21,144,000,000

Sales in the Victory Loan totalled \$21,144,000,000 or 192% of its \$11,000,000,000 goal, Secretary of the Treasury Fred M. Vinson announced on Jan. 4. Sales to individuals he said totalled \$6,776,000,000 or 169.4% of the \$4,000,000,000 quota. Sales to all other investors were \$14,351,000,000 or 205% of the \$7,000,000,000 goal for corporations and other non-individual investors.

Most important of all, according to Secretary Vinson, was the fact that sales of Series E Bonds in the drive totalled \$2,204,000,000 or 110% of the national E Bond goal of \$2,000,000,000. Moreover, it is noted every State in the Union made its E Bond quota. Ted R. Gamble, retiring National Director of the War Finance Division, said that was "the best news of all." The dollar-a-year head of the War Finance Division since it was formed in June, 1943, Mr. Gamble recently resigned to return to private business, but is still in Washington, finishing up the affairs of the eighth and last of the war loans and preparing to turn savings bond sales over to Vernon L. Clark of Des Moines, Iowa, new National Director of the U. S. Savings Bond Division of the Treasury, which superseded the War Finance Division, Jan. 2.

State and territorial Committees and their six million volunteers have accounted for the sale of \$186,000,000,000 in securities to non-bank investors since May 1, 1941, Mr. Gamble disclosed. These Committees were organized first under the Defense Savings Staff, which after Pearl Harbor became the War Savings Staff and in mid-1943 the War Finance Division of the Treasury.

"To the zeal and skill of our six million volunteer bond salesmen goes most of the credit for

this record, far surpassing anything in previous financial history," said Mr. Gamble. He added, "To their patriotism and selfless service goes the credit for another record: the low cost of selling these securities to finance the war. The sales and promotion altogether cost the Treasury a little over \$45,000,000 or one forty-second of 1% of the dollar receipts from the seven war loans, the Victory Loan and the interim sale of savings bonds and tax savings notes from May 1941, through December, 1945."

"With the end of the Victory

Loan drive we see as achieved all

the objectives that were set up

for the war finance program," Mr.

Gamble continued. "These were

to finance the war adequately, to

do it as cheaply as possible, to

keep the banks of the country

in a relatively liquid position, to

combat inflation by raising large

sums from non-bank investors

and to spread the habit of thrift

among the people, the majority of

whom had a minus record of sav-

ing. According to most impartial

observers, these objectives have

been reached."

Mr. Gamble further said:

"The average interest rate for financing this war has been kept to 1.9% against 4% in World War I.

The banks through their ac-

ceptance of short-term securities

are in the most liquid position in

their history. Some \$53,000,000,-

000 net have been invested by

individuals, thus curbing the

stream of spending while goods

were scarce. The number of reg-

ular savers multiplied until at

least 85,000,000 Americans are now

holders of Government bonds.

"This is a fitting valedictory

for the efforts of the thousands

of War Finance Committees and

the six million volunteers who

made these things possible. To

them I join the Secretary of the

Treasury in saying: 'Well done!'

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No Revelation by U. S. of Atom Secret Until Controls Are Established

In spite of the Big Three communique from Moscow of plans for an international atomic control commission, White House sources stated on Dec. 29, according to Associated Press Washington advices, that only a very cautious, step-by-step procedure would be followed by the United States in its disclosure of atomic energy secrets. To quote the Associated Press, they (White House sources) said conversations both at the White House, and the State Department indicated it will be American policy to test out proposed inspection methods before telling any nation except Britain and Canada of the know-how of the atomic bomb. The press advices added:

Senator Vandenberg, (Mich.) Chairman of the Republican Senatorial Conference, gave some indication how the wind is blowing after a conference with Mr. Truman at the White House.

Senator Vandenberg said, in a statement, he was advised by the State Department that "full security requirements" will be met in the proposed International Commission's dealings with atomic energy.

The Michigan Senator, a member of the Special Committee on Atomic Development, is known to favor retention of the secret until it has been demonstrated that international controls to prevent its future military use are workable.

The Moscow Big Three communique laid down a four-point agenda for the proposed Commission, which would be set up by the United Nations Organization and would be accountable to the world security council.

The proposals will be:

(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 its use only for peaceful purposes;

(c) For the elimination from national armaments of atomic weapons and of all other major weapons adaptable to mass destruction;

(d) For effective safeguards by way of inspection and other means to protect complying states against the hazards of violations and evasions.

Reorganization of Government Agencies

President Truman signed on Dec. 19 a compromise version of the legislation which gives him power to reorganize and combine a number of Government agencies. The bill signed by the President was approved by a Senate-House Conference Committee, which limited the powers in the bill to the current Presidential term. Associated Press Washington advices stated on Dec. 11.

Under its present form the bill, which President Truman had indicated as a "must" measure, does not give the President all the authority he sought, but committee members stated that it accords him more power than Congress has previously given any Chief Executive.

Following the signing of the bill the President said that while he anticipated that "the act will result in some reduction of administrative expenditures in the agencies affected by reorganization, he did not consider it probable that we will generally save as much as 25% as suggested in the act."

The President's statement after signing the bill follows:

"I am pleased today to sign the reorganization act of 1945 for I believe that in this act the Congress has established a procedure which should lead to substantial improvements in the organization and management of the Government.

"Under the authority of the act, I shall undertake a systematic re-

view of the Government agencies with a view to regrouping their functions in the most efficient and economical manner, and abolishing such functions and agencies as may not be necessary.

The Director of the Bureau of the Budget has been instructed to obtain the recommendations of all departments and establishments covered by the act and to take the lead in preparing the necessary reorganization plans for my consideration. He will work with the Director of War Mobilization and Reconversion in so far as the reorganization proposals relate to the reconversion of the war agencies.

"While I anticipate that this act will result in some reduction of administrative expenditures in the agencies affected by reorganization plans, I do not consider it probable that we will generally save as much as 25%, as suggested in the act. I wish to point out, also, that administrative expenditures are only a small proportion of the cost of Government. Substantial savings in Government expenditures can come only from reductions in the Government programs themselves, and these are made as a rule through the normal budgetary and appropriations processes, not through reorganization action.

The results of reorganization will be evident primarily in the increased effectiveness of Government operations. Regrouping and consolidation to bring together those agencies having related purposes will lead to greater consistency in the policies of the agencies and better coordination of their programs in operation. This should mean also a simpler and clearer relation between the agencies of the Government and the public. Through these means, the act will enable us better to adopt the Government for carrying out its responsibility of serving the people."

In Associated Press advices from Washington it was stated:

Several legislators and Government officials attended the signing, including Senators Byrd (D., Va.), Chairman of the joint committee on reduction of Governmental expenditures; Murdock (D., Utah) and McCarran (D., Nev.); Representatives Whittington (D., Miss.), and Manasco (D., Ala.); Comptroller-General Lindsey C. Warren and Harold D. Smith, director of the budget.

Six agencies are exempted from reorganization, except that additional duties, agencies and employees may be shifted to them. These are the Interstate Commerce Commission, Federal Trade Commission, Securities and Exchange Commission, National Mediation Board, National Railroad Adjustment Board and Railroad Retirement Board.

The civil functions of the Army's Engineers Corps, which includes such work as flood control, the General Accounting Office and the Comptroller-General, both direct agents of Congress, are completely exempt.

The Federal Deposit Insurance Corporation, the Federal Communications Commission, the Tariff Commission and Veterans Administration must be dealt with separately and under plans which would affect no other agency if any effort is made to reorganize them.

N. Y. Chamber Opposes O'Mahoney Bill

Strong opposition to Federal licensing of corporations and trade associations engaged in interstate and foreign commerce, as proposed in effect in legislation sponsored by Senator Joseph C. O'Mahoney of Wyoming, was voiced in a report made public on Dec. 2 by the Chamber of Commerce of the State of New York. Senator O'Mahoney's bill (S.10) would require the procurement from a Federal bureau of certificates of "statutory compliance with certain national standards."

Contending that the measure would further regiment business at a time when every effort is being made to free it from Government control, the report raises the following objections to the proposed legislation:

"It would increase the number of bureaucratic investigations and regulations.

"It would make it more difficult for corporations to secure competent directors.

"It would discourage the employment of venture capital and the launching of new enterprises.

"It would seriously infringe upon the powers of the States over the corporations they charter.

"It no doubt would increase the number of stockholders' derivative suits against the officers and directors of corporations.

"The O'Mahoney bill has 15 provisions which may be called 'National standards,' to which corporations must conform, as well as to the requirements of the state of incorporation," the report said, in directing attention to some of the provisions.

The report added: "Directors of corporations must have a 'bona fide financial interest' in the corporation; they must not have 'any financial interest' in any competing corporation or in any corporation with which business is done; a written report must be mailed to all stockholders of all transactions between any director and the corporation or dealings by the directors in the securities of such corporation."

"Any dealings with foreign corporations or individuals to effect the exchange or transfer of property requires that details must be filed with the Department of Justice within 30 days after such contract, agreement, arrangement, purchase, assignment, lease or sale has been entered into or made," the report continued. "Corporations cannot purchase shares or other interest in any corporation engaged in business other than the principal business of such corporation."

The name of the commission to enforce the O'Mahoney measure is left blank in the bill. "Experience shows, however, that a commission of this sort never fails to reach out for more and more power," the report concluded. "The number of questionnaires which corporations would have to fill out would be greatly increased and the powers which have been exercised by the various states over their corporations would be seriously infringed upon."

Calling attention to conflict between the proposed legislation and Article X of the Bill of Rights of the Constitution, the report commented: "Only in the last generation has it become common to demand that individuals, corporations, etc., conform to specific Federal or national standards, as well as state laws, for the privilege of doing business."

The report, which was drawn by the Committee on Internal Trade and Improvements, presented by Arthur M. Reis, committee chairman, was approved by the Chamber at its monthly meeting on Dec. 6.

Criticizes Importers in Seeking to Induce State Dept. to Repudiate Limiting Swiss Watch Imports

Criticism by Walter W. Cenerazzo, National President of the American Watchworkers Union, of the National Council for American Importers for trying to "high-pressure" the United States State Department into repudiating its recent action limiting the import of Swiss watches was reported in special Boston advices Dec. 30 to the New York "Herald Tribune," his statement following the sending of a letter to Secretary of State James F. Byrnes, by William H. Schille, President of the Importers.

The advices to the "Herald Tribune" report that Mr. Schille had written Mr. Byrnes that the Department's action, in requesting the Swiss Government to establish an export quota of 3,000,000 watches and watch movements to the United States next year, was "ill advised and untimely."

The Boston account to the "Herald Tribune" went on to say:

Mr. Cenerazzo charged that, by importing Swiss watches at from one-fourth to one-third the unit cost of production in the United States and selling them at the same price as domestic watches, United States importers have become "war millionaires." This was going on, he said, while the American watch industry was producing timing mechanism for the armed forces of the United Nations and was shut out of the domestic market.

Mr. Cenerazzo declared that the State Department quota of 3,000,000 Swiss watches for next year was higher than the rate of imports for 15 years preceding the war, when the annual rate averaged 2,100,000. During that 15-year period, he said, 34,887,000 watches were imported from Switzerland, but since Pearl Harbor more than 28,000,000 watches have been brought in.

This 28,000,000 watches would represent 14 years labor by American watchmakers, he said.

In response to Mr. Schille's complaint to Mr. Byrnes that adequate hearings were not held before the State Department took action, Mr. Cenerazzo said that the Swiss-watch importers' group got a hearing on Oct. 26 before the Committee on Reciprocity, at which time a two-week postponement was allowed for the filing of a brief. This was extended to five weeks, he said, and at the end of that time the importers had not filed.

While the State Department waited for the filing of the brief, Mr. Cenerazzo said, 1,500,000 watches were imported. There were 2,100,000 watches brought in during October, 1,250,000 in November, and December's imports will bring the total for 1945 to 10,000,000 watches, he declared.

He characterized the State Department's move as "the first constructive action which the Department has taken to protect an American industry and job opportunities for American workers in the ten years of the existence of the reciprocal trade pact."

Mr. Schille had written to Mr. Byrnes that the action would disrupt the solidity of the reciprocal trade agreement between the United States and Switzerland. He said he understood that if the Swiss government did not comply with the quota request the trade agreement would be terminated.

Unified Intelligence System for U. S. Urged

The State Department's new intelligence chief, Col. Alfred McCormack, has proposed the creation of a national intelligence system, headed by the Secretary of State, in which would be unified the intelligence work of all existing Government agencies.

Stating, according to United Press Washington advices of Dec. 22, that this country "was not making anything like full use" of its vast intelligence resources before the attack on Pearl Harbor, Colonel McCormack asserted that the establishment of his proposed plan could avert such tragic un-

preparedness in future and could gird the nation for living in the atomic age. From the United Press we also quote:

"Colonel McCormack said the United States must fill new needs for intelligence resulting from the development of atomic energy. For example, he said, the United States has little information on the world's mineral resources.

"Colonel McCormack presented the State Department's plan on a foreign-policy broadcast over a National Broadcasting Company hookup, with William Benton, Assistant Secretary of State in charge of public affairs.

"The plan would provide for a top level of authority consisting of the Secretaries of State, War and Navy as permanent members and, on special problems, heads of other departments and Governor-

"An executive secretary with a full-time staff would execute the program aided by inter-agency working committees in each of the principal fields of intelligence. "Colonel McCormack estimated the cost of such a plan at \$6,000,-000 for the first year. He said the intelligence agency might undertake such operations as the foreign monitoring service, now temporarily operated by the War Department.

"However, he added, intelligence is 90% information gained from open and above-board sources—not gun running and espionage—and that the important thing is to co-ordinate and use it."

No More Strike Votes by NLRB

With the signing by President Truman on Dec. 28 of legislation prohibiting use of funds for the National Labor Relations Board to take strike votes, all of this work by NLRB was brought to a complete halt, according to United Press Washington advices, which added that NLRB sources said that votes already taken, but not processed, would not be counted, and all scheduled polls are canceled. It was further said:

"Under provisions of the wartime Smith-Connally labor disputes act, the Board conducted scores of strike votes at the request of unions. These included the strike votes in the big automobile, steel and electrical manufacturing industries."

Individual Savings Accounts Up 19% in New York State

Individual savings accounts in the 37 member associations of the Council of Insured Savings Associations of New York State increased by \$32,005,402 or 19% for the first eleven months of this year. The advices state: "For November the increase in savings, excluding Christmas Club disbursements, was \$1,822,816 or 1%. Withdrawals of savings in November totaled \$4,934,310, or 79.2% greater than a year ago. At the same time new savings were up 30% over November, 1944, totaling \$6,757,126. Christmas Club disbursements amounted to \$1,203,710.

"The volume of home mortgages for November was 46% greater than a year ago. Resources of these 37 savings institutions totaled \$222,614,471 on Nov. 30 of which \$55,530,000 was represented by government bonds."

The State of Trade

(Continued from first page)

heartened by efforts of the national administration to avert the strike of steelworkers set for Jan. 14, effects of which, if prolonged, would result in widespread economic paralysis, says the magazine, "Steel," in its weekly report on the steel trade.

Appointment of the fact-finding board and efforts to delay the actual walkout until Office of Price Administration can complete review of steel company earnings and decide definitely whether increased prices can be allowed are steps bearing directly on the crucial points and may provide a solution short of actual cessation of production.

Unconfirmed reports, the magazine states, were current last week that the steelworkers' union wage policy committee may meet within the next few days to decide whether to postpone the strike date, pending completion of the OPA study. In connection with the latter, it was pointed out that despite OPA's recent position that price increases, if any, must depend on the industry's financial showing for fourth quarter of 1945, it was said some price relief may be made available through review of extra schedules, which have been under study for many months.

Steel producers foresee months of active operations when labor conditions are adjusted and have entered the year with heavy backlog, extending six months or more in many instances. Light flat-rolled products continue in principal demand, with shapes, bars and some wire products also under heavy pressure and plates in greater demand than had been expected at the end of the war. Some plate tonnage is available for April but most producers are booked well into second quarter in spite of shipbuilding decline to almost nothing.

Contributing principally to activity in flat-rolled products are needs of automotive and household appliance manufacturers, with consumption in these lines expected to exceed all previous levels when labor is stabilized. Tin plate requirements, domestic and export, are heavy.

Bar business too, reflects large needs of the automobile industry, and the expanding needs of railroads, highway builders and many miscellaneous users. Structural shape producers, already booked an average of four to five months, expect further expansion as soon as building construction is released from price uncertainties and lack of labor.

Railroad car builders enter the year with about 45,000 domestic cars on order and a moderate backlog of export business, which should be increased soon by placing of 36,500 cars for France. However, this will leave ample capacity for additional cars as commercial shops have facilities for building 160,000 cars per year and railroad shops more than 10,000 units. A buying flurry at the year-end brought domestic car orders for 1945 to about 45,000 cars, somewhat less than the 52,200 placed by American railroads in 1944.

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 82.0% of capacity, for the week beginning Jan. 7, compared with 80.6% one week ago, 82.9% one month ago and 91.6% one year ago. This represents an increase of 1.4 points or 1.7% from that of the previous week.

This week's operating rate is equivalent to 1,502,000 tons of steel in gots and castings, and compares with 1,476,300 tons one week ago, 1,518,400 tons one month ago and 1,677,500 tons one year ago.

Electric Production—The Edison Electric Institute reports that the

output of electricity increased to approximately 3,758,942,000 kwh. in the week ended Dec. 29, 1945 from 4,239,376,000 kwh. in the preceding week. Output for the week ended Dec. 29, 1945, however, was 11.0% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports System output of 186,600,000 kwh. in the week ended Dec. 30, 1945, comparing with 186,700,000 kwh. for the corresponding week of 1944, or a decrease of 0.1%. Local distribution of electricity amounted to 178,700,000 kwh., compared with 174,900,000 kwh. for the corresponding week of last year, an increase of 2.2%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Dec. 29, 1945 total 506,151 cars, the Association of American Railroads announced. This was a decrease of 182,149 cars (or 26.5%) below the preceding week and 78,725 cars, or 13.5% below the corresponding week of 1944. Compared with the similar period of 1943, a decrease of 137,293 cars or 21.3% is shown. Both 1945 and 1944 included Christmas holiday and 1943 included New Year.

Loading of revenue freight on the railroads of the United States in 1945 totaled 41,901,051 cars, according to complete reports for the year, the Association of American Railroads announced. This was a decrease of 1,507,244 cars or 3.5% below the preceding year.

Railroad Earnings—Class I railroads of the United States in November 1945, had an estimated net income, after interest and rentals of \$34,200,000 compared with \$63,506,098 in November 1944, according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads.

In the first eleven months of 1945, estimated net income, after interest and rentals totaled \$508,000,000 compared with \$624,833,838 in the corresponding period of 1944.

In November 1945, net railway operating income, before interest and rentals was \$61,321,067 and compared with \$91,218,307 in November 1944.

For the first eleven months of 1945 had a net railway operating income, before interest and rentals amounted to \$881,972,625 as compared with \$1,032,972,531 in the same period of 1944.

In the twelve months ended November 30, 1945, the rate of return on property investment average 3.42%. This compared with 3.99% for the like period of 1944.

Total operating revenues in the first eleven months of 1945 totaled \$3,288,567,577 compared with \$8,679,055,597 in the same period of 1944, or a decrease of 4.5%. Operating expenses in the first eleven months of 1945, amounted to \$6,088,421,672 compared with \$5,725,782,182 in the corresponding period of 1944, or an increase of 6.3%.

Taxes accrued in the first eleven months of 1945 totaled \$1,156,178,710 compared with \$1,734,648,425 in the same period in 1944.

Twenty Class I railroads failed to earn interest and rentals in the first eleven months of 1945, of which nine were in the Eastern District, one in the Southern Region, and ten in the Western District.

Paper and Paperboard Production—Paper production in the United States for the week ending Dec. 29 was 58.2% of mill capacity, against 96½% in the preceding week and 62% in the like 1944 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 52%, compared with 92% in

the preceding week and 57% in the like 1944 week.

Business Failures Decline—In the week ending Dec. 27, commercial and industrial failures continued at a low level, reports Dun & Bradstreet, Inc. Concerns failing numbered 7, as compared with 8 last week and with 22 in the corresponding week of last year.

Large failures involving liabilities of \$5,000 or more decreased from 7 in the preceding week to 5 in this week, and were far short of the 14 occurring last year. Two concerns failed with liabilities of less than \$5,000, representing a slight increase of 1 over the preceding week, but a decrease of 6 from last year.

The majority of failures were concentrated in manufacturing as they had been in the preceding week. In the retail trade, 2 failures were reported—less than one-sixth the number in 1944. One concern failed in commercial service, but none were reported in either the wholesale or construction trades.

There were no Canadian failures for the week ended Dec. 27. Thus the record of no failures for the comparable week of 1944 and for the preceding week of this year was continued.

Wholesale Commodity Price Index—The general commodity average during the past week moved slightly upward. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., touched a new peak of 182.33 on Thursday and closed at 182.16 on Dec. 29, as compared with 181.96 a week earlier, and with 175.10 on the corresponding date last year.

Grain markets were somewhat irregular. Futures markets were marked by traditional holiday dullness and operations were restricted because of the advance of prices to ceiling levels. Cash grains remained strong. Cash wheat was in good demand but supplies were short. The wheat crop in 1945 was said to be the largest on record.

Oats futures were more active with prices moving in a narrow margin. The 1945 crop was the largest on record. All grades of corn were in good demand at ceiling prices. Offerings at flour mills continued low. Storm conditions reduced livestock marketings last week. Cattle prices advanced slightly while hogs were strong at ceilings.

Cotton prices were firm but activity in spot markets was slow in the holiday period. Distant futures showed strength. Trading in the nearer months were mostly through hedge selling. The export outlook remained bright. Activity in domestic mills remained generally unchanged from October.

Weather in most of the belt was unfavorable for harvesting of the late crop. Cotton textile mills continued to be hampered by shortages of materials and labor. Reflecting holiday influences, sales in the Boston raw wool market were again very light. Business during the past two weeks has been virtually on a three-day-a-week basis. Quietness in the goods markets as well as restricted mill operation and widespread inventory taking contributed to the general slowness. There was a revival of demand for fine spot foreign wools but there was little available for purchase.

Foreign primary wool markets were generally closed and will stay closed until the 6th of January. Woolen and worsted fabrics produced during the third quarter of 1945 was reported at 107,700,000 yards, a drop of 20,000,000 yards from the previous quarter and the lowest since 1942.

Wholesale Food Price Index Unchanged—The wholesale food price index, compiled by Dun & Bradstreet, Inc., remained unchanged during the past holiday period, registering \$4.15 on Jan. 1, 1946. This represented a rise

of 1.5% over the \$4.09 recorded on Jan. 2, 1945. Advances during the week occurred in rye, potatoes, steers and lambs. Declines took place in oats and eggs. The index represents the sum total of the price per pound of 31 foods in general use.

Retail and Wholesale Trade—The usual post-Christmas drop in retail volume for the country at large prevailed this week as consumer buying subsided and many department stores remained closed on Monday as well as on New Year's day, Dun & Bradstreet, Inc. reports in its weekly review of trade. In some cities the decline was reported to have been sharper than usual because of the reduced stocks. Volume was reported moderately above a year ago in most cities, although in some the Monday closings or lowered consumer incomes narrowed or eliminated the gain over the first week in 1945.

Inventories were at a seasonally low point and reports were frequent that they had been reduced even more than usual. Nevertheless, occasional clearance sales were held, especially in soft goods; retailers were said to be planning fewer markdown sales than in previous years. Exchanging of gifts for other articles in stores was said to be less common than a year ago.

Department and apparel stores reported that women's coats, suits, and dresses continued to sell well although in smaller volume than just before Christmas. Clearance sales were held in some stores, particularly in furs. The demand for men's furnishings and suits remained incompletely satisfied. Summer suits were offered much earlier than usual, according to reports, in an effort to fill store racks.

Volume in housefurnishings, jewelry, toilet articles, and luggage fell off but compared favorably with volume before the Christmas buying rush. There were scattered reports of larger deliveries of kitchen ware, china, lamps, and furniture. Transportation concerns, hotels, restaurants, and places of amusement did a seasonally large volume of business.

Food buying receded slightly from the peak purchases just before the Christmas holiday but continued to be higher than a year ago. The only scarcities now generally reported are butter and sugar.

Retail volume for the country was estimated to be from 4 to 8% above a year ago. Regional percentage gains were: New England 1 to 5, East and Pacific Coast 5 to 9, Middle West —1 to +3, Northwest 2 to 6, South 8 to 12, Southwest 7 to 11.

Wholesale Volume—Wholesale volume during the past week was lower than a week earlier as retailers became less insistent on obtaining goods for fill-in purposes and as many wholesale houses remained closed on Monday or closed early. Volume was equal to or slightly above a year ago. Stocks were depleted by retailers' strong demand and by slow shipments of goods coming from manufacturers.

Department stores sales on a

country-wide basis, as taken from the Federal Reserve Board's index for the week ended Dec. 29, 1945, increased by 27% above the same period of last year. This compared with an increase of 14% in the preceding week. For the four weeks ended Dec. 29, 1945, sales increased by 14% and for the year to date showed an increase of 11%.

Retail trade here in New York while active the past week showed a reduction in volume when compared with the like week of 1944 due to the double holiday. As for the outlook of 1946, doubt was expressed that department store sales would exceed the 1945 volume. Both retail and wholesale food sales have tapered off, but total trade in this field, it is be-

Johnston Retires as Chairman of Chemical Bank & Trust Co.

(Continued from first page) made one of four national bank examiners at large. He held this position until he became a Vice-President of the Citizens National Bank, Louisville, Kentucky, at the age of thirty-two.

On Aug. 27, 1917, Mr. Johnston came to New York as Vice-President and director of the Chemical Bank and was elected President in 1920 at the age of thirty-nine. In 1931, he was elected Chairman of the Board and acted as both Chairman and President until 1935, when he relinquished the Presidency, continuing as Chairman and Chief Executive Officer of the bank.

In the Chemical Bank's 122 years of existence, the period covered by Mr. Johnston's tenure of office has been as varied and difficult as any in the country's economic and political history. The banks' remarkable growth under Mr. Johnston's leadership is reflected in a comparison of its statement of March 31, 1917 with that of Dec. 31, 1945, and shows a growth in capital funds from \$11,600,000, deposits of \$37,400,000, and total resources of \$49,500,000, as compared to capital funds of \$102,100,000, deposits of \$1,524,000,000, and total resources of \$1,637,000,000. The foregoing emphasizes the tremendous strides which the bank has made during this period. The part played by the bank of today in financing the Government is reflected in this bank's U. S. Treasury holdings of \$790,555,000, as compared with the March 1917 position, when the only U. S. Governments held were \$450,000 of bonds to secure circulation. The Chemical Bank & Trust Company today ranks seventh largest in New York City, and twelfth in the nation.

Mr. Johnston is one of the senior directors of the New York Life Insurance Company and holds numerous other directorships. He has been recognized and honored by some of the highest positions in the banking and financial world. He is a Past President of the New York Clearing House Association, a Past Chairman of the New York Clearing House Committee, a Past President of the Association of Reserve City Bankers, a Past President of the Chamber of Commerce of the State of New York, and a Past President of the Board of Trustees of Sailors Snug Harbor.

Parcel Post for Military

Advices on Dec. 31 from Postmaster Albert Goldman in New York stated that information from the Post Office Department at Washington 25, D. C., stated that effective at once, parcel post packages for members of certain British and other allied armed forces in Europe, the Middle East, Africa and Asia may be accepted within the limits of 11 pounds in weight, 42 inches in length, and 72 inches in length and girth combined.

lived, was higher than a year ago.

The first post-war floor coverings opening in New York was featured by the largest dealer and distributor attendance in many years. Textile markets in the first few days of the new year were still laboring under a tight supply situation.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Dec. 29, 1945, increased 27% above the same period last year. This compared with an increase of 16% in the preceding week. For the four weeks ended Dec. 29, 1945, sales rose by 18% and for the year to date increased by 13%.

Observations

(Continued from first page)

from their wartime peaks more slowly than the decreases in government outlays, a royal opportunity is now given the Administration to make good on its previous vague promises to balance the budget. Despite the avowed principle of the Administration's Keynesian "compensatory" spenders that permits balancing of the budget in years of high national income and employment, it is a full seventeen years since a balance existed, and eight years since the current cycle of bank credit expansion began.

Unfortunately there seems to be little evidence of Presidential worry over continuing drains on the Federal Treasury, by such items as the following which he himself has recommended:—(1) the British Loan Agreement for 4½ billions; (2) Export-Import Bank operations for 2 billions; (3) Bretton Woods to the tune of 6 billions; (4) UNRRA at 2½ billions; (5) various public works proposals for X-more billions; and (6) compulsory military training.

* * *

Economic dreamers have in the past posed the question as to the effect of fictional broadcasting of currency to the general population from airplane, stratosphere, or other segment of the sky. Something equivalent to this experiment has now been performed in this country through our banking system's 4-year painless creation of \$20 billion of purchasing power per annum, and the 6-year increase of \$42 billion in checking accounts. Quite surprisingly, despite the worldwide proven shortcomings of price control, the effects on this country's spending and saving habits, and on prices, have been remarkably small. Possibly the absence of greater current and future disequilibrium will prove to have resulted from our steady progress in the reconversion of our enormous productive facilities, the extent of which seems to have been obscured by the acute labor controversies. According to Federal Reserve Board figures the production of nondurable goods, which declined about 5% from July to September as a result of curtailed output of explosives, ammunition, and aviation gasoline, showed no change for October, and actually advanced in November. Decline in the output of war products have been more than offset by increases in nondurable goods for civilians, as in textiles, meats, beverages, and paper products. The current general level of industrial production is about the same as in the fall of 1941, and about one-third above the peak of 1937.

It likewise appears that reconversion's anticipated stimulation of unemployment was overestimated. Government officials now calculate unemployment at only about 3 million, in contrast to the War Manpower Commission's previous estimates of 6 million by the end of 1945.

* * *

In President Truman's reference to the "looking-at-the-books question" in his address to the country, he perfectly exemplified the widespread double-talk and cerebral confusion on the subject. Incontrovertibly and acknowledgedly American corporations are living in a fish-bowl of publicity. By existing law, all data which are deemed relevant to the public's interest concerning their fiscal and general operations and status, are periodically submitted to the Bureau of Internal Revenue, the SEC, the Department of Labor's Wages and Hours Division, the Interstate Commerce Commission, et al.

Hence the current controversy resolves itself into the simple truth that:—(a) either the unions are sincere in wanting merely to find the facts, or they are seeking something more; (b) the facts are available to them already; (c) if they are not satisfied therewith, let them unequivocally state what more it is that they do want.

* * *

The amount and kind of company information which American law and administrative regulation elicit are incomparably greater than in any other country. This emphatically includes even socialistic England, the contemplated reforms of whose Companies Act will fall far short of our regulations.

* * *

In contrast to the confusion over union aims, Mr. Truman's goal, as revealed in his last week's address, seems crystal clear. Namely to please every segment of the population excepting only "Big Business." Incidentally, if his urgings should bring about a full-fledged Union-of-Lobbyists, out of gratitude it presumably will become an affiliate of his protege, the CIO.

* * *

Latest item of Russian behavior which remains inscrutable to some "uncooperative" Americans—the statement by our State Department that the Soviet Government's explanation for its nonratification of the Bretton Woods Agreements was that despite the fact that it had signed them a year and a half ago and had participated in the preliminary talks, "more time was needed for study." (!!!)

Steel Operations Increased—Demand on Mills Heavy—Gov't Steps May Delay Strike Action

"With the shadow-boxing of government, labor and industry reaching crescendo proportions this week over the steel wage controversy, there were no definite indications at mid-week that the main bout in the form of an industrywide steel strike would not take place next week," states "The Iron Age," national metalworking paper, in its issue of today (Jan. 10), which further adds:

"Basically the steel union set the strike to enforce its demand for a \$2 a day increase but subsequently indicated that a lower amount would be considered. The question of steel price increases this week while nearing a conclusion is not necessarily tied in with any possible postponement of the steel strike."

"President Truman's remarks to the effect that there would be a 'slight' increase in steel prices after steel company fourth quarter earnings are analyzed gave little solace to the steel industry. Such remarks left the steel price situation practically where it was more than a month ago."

"A price adjustment has been

tras which would result in a greater net price return.

"Pressure from customers anxious to secure delivery before a steel strike occurs in order to build up inventories reached unusual proportions this week. These attempts were useless, however, because the industry, already far behind on deliveries, was unable to give any better service than has been the case for the last few months.

"Most notable development among strikebound consuming industries was notification to steel suppliers by General Motors that shipments to holding points scheduled for January should be halted. The action apparently did not affect equally all suppliers and all GM subsidiaries. One mill reports that Chevrolet had ordered shipments halted indefinitely but that no stop-order had been received from other manufacturing subsidiaries. General Motors now is believed to have steel stocks on hand adequate to provide at least 60 full days scale operation when manufacturing is resumed.

"Some mills have not been delivering full tonnages allowed under GM quotas in the belief that the steel should be diverted elsewhere so that it could be used immediately. The present GM stop-order on deliveries will help some other steel consumers but in the overall picture it will not go far towards easing shortages.

"Steel orders this past week continued at the same high level noted since the general pickup in volume after VJ-Day and apparently have reached the plateau reflecting a level of reconversion production.

"A steel strike would be felt by most steel consumers within a period of one to two weeks because inventories are not large and customers have had no opportunity to build up supplies."

The American Iron and Steel Institute on Jan. 7 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 82.0% of capacity for the week beginning Jan. 7, compared with 80.6% one week ago, 82.9% one month ago and 91.6% one year ago. This represents an increase of 1.4 points or 1.7% from the preceding week.

The operating rate for the week beginning Jan. 7 is equivalent to 1,502,000 tons of steel ingots and castings, compared to 1,476,300 tons one week ago, 1,518,400 tons one month ago, and 1,677,500 tons one year ago.

It is expected that the industry will soon complete revision of its ingot capacity figures reflecting the elimination of some obsolete equipment. While actual output may not change the percentage of operations figure will become higher because of the drop in rated capacity after the revision is made.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Jan. 7 stated in part as follows:

"Consumers of steel, as well as steelmakers, are heartened by efforts of the national administration to avert the strike of steelworkers set for Jan. 14, effects of which, if prolonged, would result in widespread economic paralysis."

"Appointment of the fact-finding board and efforts to delay the actual walkout until the Office of Price Administration can complete review of steel company earnings and decide definitely whether increased prices can be allowed are steps bearing directly on the crucial points and may provide a solution short of actual cessation of production."

"Steel producers foresee months of active operations when labor conditions are adjusted and have entered the year with heavy backlog, extending six months or more in many instances. Light flat-rolled products continue in principal demand, with shapes, bars and some wire products also

50% Cut in Social Security Tax Justified for Next Ten Years, House Committee Finds

A 50% reduction in the pay-roll tax, now being levied at the rate of 1% each on employer and employee for old-age insurance, could be justified for the next 10 years without jeopardizing reserves, provided present benefits are not increased, it is disclosed in a study of the Social Security tax structure being made for the House Ways and Means Committee. According to advices to the New York "Herald Tribune" from its Washington bureau, in which the foregoing was reported, that conclusion is to be set forth in a report of the experts, headed by Leonard J. Calhoun, former Navy Commander, which will be submitted to the Committee when Congress reconvenes Jan. 14. It is based on an accumulation of reserves aggregating almost \$7,000,000,000 as a result of the high collections in the war years. The "Herald Tribune" account went on to say:

The status of this tax, in addition to other features of the Social Security law, including particularly the 3% pay-roll levy on employers for unemployment compensation, will be the first business of the Committee, Chairman Robert L. Doughton, Democrat, of North Carolina, has announced.

The present 1% pay-roll tax has been "frozen" by Congress three times, including its application for 1946, because of the failure of the Social Security Board to justify the increase provided for in the present law. Unless changed, the tax will rise automatically Jan. 1, 1947, to 2½% each on employer and employee.

If the tax were cut by half, as in greater demand than had been expected at the end of the war. Some plate tonnage is available for April but most producers are booked well into second quarter in spite of shipbuilding decline to almost nothing.

"Contributing principally to activity in flat-rolled products are needs of automotive and household appliance manufacturers, with consumption in these lines expected to exceed all previous levels when labor is stabilized. Tin plate requirements, domestic and export, are heavy.

"Bar business reflects large needs of the automobile industry and expanding needs of railroads, highway builders and many miscellaneous users. Structural shape producers, already booked an average of four to five months, expect further expansion as soon as building construction is released from price uncertainties and lack of labor.

"Railroad car builders enter the year with about 45,000 domestic cars on order and a moderate backlog of export business, which should be increased soon by placing of 36,500 cars for France. However, this will leave ample capacity for additional cars as commercial shops have facilities for building 160,000 cars per year and railroad shops more than 50,000 units. A buying flurry at the year-end brought domestic car orders for 1945 to about 45,000 cars, somewhat less than the 53,200 placed by American railroads in 1944.

"For the first time since 1940 prices of Lake Superior iron ore have been changed, Office of Price Administration as of Dec. 29 allowing an increase of 10 cents per ton on Mesabi bessemer and non-bessemer and 20 cents per ton on old range bessemer and non-bessemer, high phosphorus, manganese and siliceous ore also were given 20 cents additional. These higher prices apply retroactively to the entire 1945 ore season but only on ore mined for sale, which constitutes about 25% of total tonnage. Ore mined by steelmakers for their own use is not affected.

"Pig iron production in November recovered somewhat from the low tonnage of October, reaching 4,025,958 net tons, compared with 3,388,127 tons in October, when fuel scarcity caused banking of many stacks. In November, 1944, the total was 4,904,011 tons."

the current reserves appear to justify, unless benefits are increased, the savings to employers and employees would amount to between \$325,000,000 and \$350,000,000 annually on the basis of prospective business activity, the Ways and Means Committee experts have estimated.

Unless the present plans are changed, Committee members will deal with the financing of the old-age and survivors' benefits before giving detailed consideration to the recommendations of President Truman and the Social Security Board to broaden present coverage and adopt a comprehensive public health and hospitalization program.

Require Reports of Property Owned by Axis Nationals

Alien Property Custodian James E. Markham issued on Dec. 28 at Washington an order requiring reports on all property in the United States and possessions owned by nationals of Germany and Japan. Mr. Markham said that the reports are required as part of the Government's program to eliminate German and Japanese economic power in the U. S. He added that last summer President Truman signed an order giving the Custodian authority to take over German and Japanese cash and securities. This property at present is frozen by the Treasury Department. As soon as up-to-date reports have been filed with the APC, Mr. Markham said, seizure of these enemy properties will be undertaken by the Government. The advices from Mr. Markham's office also said:

"Under the regulation—APC General Order No. 34, effective December 31, 1945—a national of Germany or Japan includes any person who on or since June 1, 1941, has been a resident or a subject of either country and any organization wherever located in which a German or Japanese has had an interest. The Custodian explained that Germany in a territorial sense referred to that country's boundaries on March 1, 1938, and Japan as it was constituted on December 7, 1941."

Mr. Markham pointed out that the order applies to any person who has custody, control or possession of property owned by German or Japanese nationals and to any person who has cause to believe that property or interest in property may be owned or controlled by a German or Japanese national. Persons whose property is exempted from the reporting requirements, Mr. Markham said, are residents of the U. S. on December 31, 1945; members of armed forces and civilian employees of any of the five occupying powers, other than citizens of Germany and Japan.

Forms and instructions for reporting property may be obtained from any Federal Reserve Bank, the Governor or High Commissioner of a Territory or Possession of the United States, or from the Offices of the Alien Property Custodian. Mr. Markham said reports on Form APC-56 must be filed in duplicate on or before Feb. 28. The completed forms should be mailed to the Office of Alien Property Custodian, Washington 25, D. C., except for persons in Hawaii and the Philippines who should send them to the APC offices in Honolulu and Manila, respectively.

Foreign Countries Still Owe on World War I Debts

Foreign countries still owed the United States \$14,791,340,307 in World War I debts on July 1, the Treasury Department stated on Dec. 10, according to United Press advices from Washington in the Chicago "Journal of Commerce," from which we also quote:

"Total indebtedness" includes unpaid principal, interest postponed and payable under moratorium agreements, and interest accrued and unpaid under the agreements.

The United States has not forgiven any World War I debts.

The following table includes total payments by countries, of principal and interest on the debts. The debts of Russia and Armenia were not funded, however:

Country—	Total Indebtedness	Principal Paid	Interest Paid
Armenia	\$27,391,072	\$19,157,630	\$33,033,642
Belgium	503,579,077	19,829,914	304,178
Czechoslovakia	175,072,326		1,248,431
Estonia	24,491,700		
Finland	8,574,063	1,157,868	5,847,626
France	4,606,635,664	226,039,588	260,036,302
Germany (Austrian debt)	26,024,539	832,668	
Great Britain	6,415,664,782	434,181,641	1,590,667,175
Greece	36,873,535	983,922	3,143,133
Hungary	2,740,938	73,955	482,924
Italy	2,052,213,409	37,464,319	63,365,530
Latvia	10,114,980	9,200	752,349
Lithuania	9,064,140	234,783	1,003,172
Poland	306,497,824	1,287,297	21,359,000
Rumania	74,926,280	4,498,632	292,374
Russia	448,079,238		8,750,312
Jugoslavia	63,396,719	1,952,000	636,059

December Civil Engineering Construction Totals \$238,009,000

Civil Engineering construction volume in continental United States totals \$238,009,000 for December, an average of \$59,502,000 for each of the four weeks of the month. This average volume is 6% below the average for the five weeks of November, but is 155% greater than the weekly average for December 1944 according to "Engineering News-Record." The report issued on Jan. 3 continued in part as follows:

Private construction for December on a weekly average basis, while 7% lower than November is 1,019% greater than December 1944. State and municipal construction, on a weekly average basis, recorded a 5% increase over the preceding month and a 139% increase over the corresponding month of 1944. Public construction dropped 2% below November and 16% below December 1944. Federal construction, down 26% below November and 71% below December 1944.

Civil engineering construction volumes for December 1945, November 1945, and December 1944, are:

	Dec., 1945	Nov., 1945	Dec., 1944
(four weeks) (five weeks) (four weeks)			
Total U. S. Construction	\$238,009,000	\$315,709,000	\$93,257,000
Private Construction	172,370,000	232,067,000	15,403,000
Public Construction	65,639,000	83,642,000	77,854,000
State & Municipal	44,962,000	48,786,000	17,111,000
Federal	20,677,000	34,856,000	60,743,000

December averages in the various classes of construction compared with those for last month show gains in bridges, 155%; highways, 33%; waterworks, 7%; and industrial buildings, 3%. Losses were recorded for earthwork and drainage, 62%; unclassified, 51%; commercial buildings, 13%; public buildings, 12%; and sewerage, 5%.

NEW CAPITAL

New capital for construction purposes for the four weeks of December 1945 totals \$71,189,000, an increase of 145% over the \$29,072,000 reported for December 1944, and 85% greater than the five-week month of November 1945. The current month's new financing for construction purposes is made up of \$55,674,000 in corporate securities and \$15,515,000 in state and municipal bond issues.

Industrial Building Volume for 1945 at an All Time High

Private industrial building volume within the continental United States soared to \$635,170,000 in 1945—an all time high—according to data tabulated and recorded by "Engineering News-Record," covering projects of \$40,000 and over in size. This volume for 1945 is 7% greater than the previous high year of 1940, when \$594,000,000 was recorded as the industrial building volume, and 265% greater than the last full war year of 1944.

The effect of the progress of the war during 1945 is reflected sharply in industrial building volume on a weekly average basis. Between January 1, 1945, and May 8, 1945, the end of the war with Germany, private industrial building on a weekly average basis was \$6,000,000; between May 8, and the surrender of the Japanese on Aug. 15, the weekly average had jumped to \$12,000,000; and from the cessation of all hostilities to the end of the year the weekly average increased greatly to the \$21,000,000 rate.

Private industrial building's monthly cumulative totals during 1945 are:

(Millions of Dollars)	January	February	March	April	May	June	July	August	September	October	November	December
\$24.9	39.5	81.4	112.8	132.3	180.7							\$202.2
												263.6
												362.0
												437.6
												545.7
												635.2

Bank Debts for Month of November

The Board of Governors of the Federal Reserve System issued on Dec. 11 its usual monthly summary of "bank debits" which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

—3 Months Ended—

Federal Reserve District—	Nov.	Nov.	Nov.	Nov.
Boston	3,638	3,734	10,401	10,240
New York	34,652	32,439	102,676	92,455
Philadelphia	3,564	3,963	9,992	10,170
Cleveland	4,697	5,136	13,672	14,689
Richmond	3,000	2,890	8,925	8,339
Atlanta	2,767	2,575	7,882	7,551
Chicago	10,941	11,887	31,969	34,583
St. Louis	2,332	2,249	6,509	6,397
Minneapolis	1,658	1,517	5,001	4,468
Kansas City	2,566	2,511	7,524	7,283
Dallas	2,354	2,124	6,608	6,310
San Francisco	7,233	6,748	21,027	19,569

Total, 334 centers 79,401 77,775 232,186 222,055

*New York City 32,246 30,016 95,775 85,434

*140 other centers 39,255 40,381 113,978 115,482

193 other centers 7,900 7,378 22,432 21,138

*Included in the national series covering 141 centers, available beginning in 1919.

25 years World War II benefits may cost \$100,000,000,000.

Since the Revolutionary War and through fiscal 1945 relief for veterans of all wars has cost \$28,000,000,000. The current fiscal year alone will boost this figure by \$4,000,000,000.

Next year VA's budget will jump to \$5,000,000,000, and that figure will be duplicated or increased in the several following years. Thus, the VA will spend as much in the next half dozen years as it and its predecessors spent in 150 years.

The annual Veterans' Administration bill will far exceed what the whole Federal Government spent, say, in fiscal 1930, when the budget was \$3,440,268,884. The rise in veterans' benefits parallels closely the rise in magnitude and cost of wars. World War II cost around \$300,000,000,000. It produced 12,000,000 veterans, compared to 4,000,000 in World War I.

The new GI Bill of Rights signed by President Truman was finally approved by Congress on Dec. 19 when the conference report on the bill was adopted by the House by a standing vote, 134 to 23, the Senate also adopting it at the same time.

In the Dec. 30 United Press Washington accounts from which we quoted above it was noted that the GI bill, with its free education, loan guarantees and unemployment compensation—all new in the history of veterans' benefits—was originally estimated to cost from \$8,000,000,000 to \$10,000,000,000. Continuing those advices said:

Mr. Ketchum said that estimate might now be raised to \$15,000,000,000 with new allowances for GI scholars and with the possibility that more veterans than originally contemplated might take advantage of the \$20 weekly unemployment allowance.

Even more significant, Congress wiped out a clause under which each veteran's benefits under the GI bill would have been deducted from any future bonus. Several bonus bills have already been introduced.

Pension costs, just getting started for World War II, will be so big Veterans' Administration officials won't even estimate them. It will be years before they reach a peak.

Mr. Ketchum said that a "very conservative" guess would be \$50,000,000,000. World War I costs so far total \$5,500,000,000, and the number of living veterans on the rolls began to fall only in 1942.

Unlike pensions and hospitalization costs, expenses under the GI bill will cease in a stated number of years. For instance, GI unemployment allowances—which have cost more than \$100,000,000 so far and which might run into billions—will be ended two years after the war.

Cost estimates on bonus bills now in Congress run from \$25,000,000,000 to \$50,000,000,000. The World War I bonus cost less than \$4,000,000,000.

The revision of the bill by Congress was referred to in our issue of Dec. 27, page 3184.

Moody's Daily Commodity Index

Tuesday, Jan. 1, 1946	
Wednesday, Jan. 2	264.7
Thursday, Jan. 3	264.7
Friday, Jan. 4	264.7
Saturday, Jan. 5	264.7
Monday Jan. 7	264.7
Tuesday, Jan. 8	264.7
Two weeks ago, Dec. 26, 1945	264.8
Month ago, Dec. 8	264.5
Year ago, Jan. 8	255.3
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Jan. 2	264.7
Low, Jan. 2	264.7
*Holiday.	

*These prices are computed from average yields on the basis of one "typical" bond (3 1/4% 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.

With the signing on Dec. 28 of the measure liberalizing the GI Bill of Rights, President Truman may have added as much as \$10,000,000,000 to \$15,000,000,000 to the future tax bill it was stated in United Press advices from Washington on Dec. 30, which observed that "that sum is just a starter on the over-all bill for veterans' benefits of World War II. The figure is so high Veterans' Administration budget experts won't even guess at it."

In further comments of the in part:

Omar Ketchum, legislative director of the Veterans of Foreign Wars, said tonight that in the next

Washington advices in the New

York "Herald Tribune" it was said

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Federal Reserve November Business Indexes

The Board of Governors of the Federal Reserve System issued on Dec. 21 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time, the Board made available its customary summary of business conditions. The indexes for November, together with a comparison for a month and a year ago follow:

BUSINESS INDEXES

1939 average = 100 for factory employment and payrolls;
1923-25 average = 100 for construction contracts;
1935-39 average = 100 for all other series

	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	1945	1945	1944	1945	1945	1944
Industrial production—	Nov.	Oct.	Nov.	Nov.	Oct.	Nov.
Total	*171	163	232	*171	165	232
Manufactures—						
Total	*177	171	243	*177	174	248
Durable	*198	191	341	*198	192	341
Nondurable	*160	155	173	*161	159	173
Minerals	*137	119	143	*134	121	141
Factory employment—						
Total	*121.9	120.9	162.6	*122.3	121.5	163.0
Durable goods	*137.4	136.7	219.0	*137.6	136.8	219.2
Nondurable goods	*109.7	108.4	118.1	*110.2	109.5	118.6
Factory payrolls—						
Total						
Durable goods						
Nondurable goods						
Freight carloadings	133	118	141	136	128	144
Department store sales, value	228	213	205	276	230	248
Department store stocks, value						

*Preliminary. †Data not yet available.

Note—Production, carloading, and department store sales indexes based on daily averages. To convert durable manufactures, nondurable manufactures, and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, nondurable by .469, and minerals by .152.

Construction contract indexes based on 3-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by \$410,269,000, residential by \$154,137,000, and all other by \$226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION (1935-39 average = 100)

	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	1945	1945	1944	1945	1945	1944
Manufactures—	Nov.	Oct.	Nov.	Nov.	Oct.	Nov.
Iron and steel	*166	146	201	*166	146	201
Pig iron	†	129	192	†	129	192
Steel	178	159	218	178	159	218
Open hearth	161	139	186	161	139	186
Electric	297	307	453	297	307	453
Machinery	*241	237	422	*241	237	422
Transportation equipment	*270	274	699	*270	274	699
Automobiles	*150	137	230	*150	137	230
Nonferrous metals and products	†	*147	234	†	*147	234
Smelting and refining	†	*147	191	†	*147	191
Lumber and products	*97	91	122	*96	94	120
Lumber	*83	76	112	*81	82	109
Furniture	*126	120	141	*126	120	141
Stone, clay and glass products	*160	*159	150	*165	163	
Plate glass	4	50	56	4	50	56
Cement	†	106	88	†	123	95
Clay products	*119	*113	116	*124	*119	121
Gypsum and plaster products	*186	*177	175	*188	*182	177
Abrasive & asbestos products	*207	*210	295	*207	*210	295
Textiles and products	*150	*143	149	*150	*143	149
Cotton consumption	133	128	149	133	128	149
Rayon deliveries	*225	215	209	*225	215	209
Wool textiles	†	†	143	†	†	143
Leather products	†	112	116	†	113	118
Tanning	†	108	112	†	109	116
Cattle hide leathers	†	121	122	†	122	127
Calf and kid leathers	†	89	84	†	91	86
Goat and kid leathers	†	51	81	†	51	79
Sheep and lamb leathers	†	145	144	†	145	153
Shoes	†	115	119	†	115	119
Manufactured food products	*153	*144	154	*154	*154	155
Wheat flour	*135	*131	125	*137	*139	126
Meatpacking	*161	129	153	*178	133	175
Other manufactured foods	*155	*149	153	*161	*166	161
Processed fruits & vegetables	*133	127	145	*122	163	133
Tobacco products	†	167	135	†	173	137
Cigars	†	111	105	†	111	105
Cigarettes	†	216	157	†	225	160
Other tobacco products	†	96	107	†	103	110
Paper and products	†	*143	143	†	*143	143
Paperboard	158	157	160	158	157	160
Newsprint production	81	79	81	82	79	82
Printing and publishing	*114	115	103	*118	117	107
Newsprint consumption	96	96	36	104	101	93
Petroleum and coal products	†	†	268	†	†	268
Petroleum refining	†	†	283	†	†	283
Gasoline	*152	*129	144	*152	*129	144
Fuel oil	†	†	165	†	†	165
Lubricating oil	†	†	136	†	†	136
Kerosene	†	†	124	†	†	128
Coke	†	116	170	†	116	170
Byproduct	†	115	164	†	115	164
Beehive	*246	367	246	144	367	
Chemicals	*234	*232	307	*235	*234	308
Rayon	*242	*242	242	*242	*242	242
Industrial chemicals	*386	*377	394	*386	*377	394
Rubber	*199	187	231	*199	187	231
Minerals	†	†	†	†	†	†
Fuels	*142	*121	148	*142	*121	148
Bituminous coal	*159	110	155	*159	110	155
Anthracite	*112	120	126	*112	120	126
Crude petroleum	*139	*126	143	*139	*126	143
Metals	†	*107	112	†	*115	89
Iron ore	†	†	†	†	†	245
	†	†	†	†	†	133

*Preliminary or estimated. †Data not yet available.

FREIGHT CARLOADINGS (1935-39 average = 100)

	1945	1945	1944	1945	1945	1944
Coal	148	109	\$142	148	109	\$142
Coke	167	113	181	167	111	181
Grain	167	158	150	164	158	147
Livestock	145	123	135	183	189	170
Forest products	110	109	138	108	115	135
Ore	134	\$134	153	114	215	138
Miscellaneous	133	125	149	139	136	155
Merchandise, l.c.l.	74	69	68	75	72	70

†Revised.

Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

U. S. Savings Bonds Issued and Redeemed

Through Nov. 30, 1945

(Dollar amounts in millions—rounded and will not necessarily add to totals)

	*Amount Issued	*Amount Redeemed	†Amount Outstanding	% Redeemed of
Series A-D:				
Series A-1935	\$255	\$1,197	\$58	77.25
Series B-1936	451	121	330	26.83
Series C-1937	558	139	419	24.91
Series C-1938	624	131	493	20.99
Series D-1939	975	173	802	17.74
Series D-1940	1,164	174	990	14.95
Series D-1941	503	61	442	12.13
Total Series A-D	\$4,531	\$997	\$3,534	22.00
Series E:				
Series E-1941	\$1,414	\$208	\$1,205	14.71
Series E-1942	6,434	1,500	4,934	23.31
Series E-1943	10,589	2,878	7,711	27.18
Series E-1944	12,454	3,061	9,393	24.58
Series E-1945 (11 mo.)	\$8,451	1,320	\$7,132	15.62
Total Series E	\$39,342	\$8,967	\$30,375	22.79
Unclassified Redemptions:				
Series A-E				
	\$112	\$112	—	—
Total Series A-E	\$43,872	\$10,075	\$33,798	22.96
Series F and G:				
Series F and G-1941	\$1,520	\$123	\$1,396	8.09
Series F and G-1942	3,161	257	2,904	8.13
Series F and G-1943	3,339	228	3,111	6.83
Series F and G-1944	3,673	125	3,548	3.40
Series F and G-1945 (11 months)	2,728	12	2,716	0.44
Total Series F and G	\$14,422	\$746	\$13,675	5.17
Total all Series	\$58,294	\$10,821	\$47,473	18.56

*Includes accrued discount. †Current redemption values. ‡Includes redemptions of bonds which matured March-November, 1945. §Includes \$91,000,000 reported on public debt statement as "unclassified sales."

Bankers' Dollar Acceptances Outstanding on October 31 \$128,035,000

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1945—Week Ended	Orders Received Tons	Unfilled Orders			Percent of Activity Cumulative
		Production Tons	Remaining Tons	Current Stock at end	
Oct. 6	193,674	154,147	533,087	95	93
Oct. 13	135,756	160,031	506,935	97	94
Oct. 20	134,324	155,723	489,971	96	94
Oct. 27	140,583	156,551	468,549	98	94
Nov. 3	201,060	156,223	511,022	97	94
Nov. 10	162,023	157,617	509,984	97	94
Nov. 17	123,281	154,122	479,228	95	94
Nov. 24	123,781	147,083	454,926	91	94
Dec. 1	172,297	152,571	472,568	96	94
Dec. 8	173,537	164,235	490,123	97	94
Dec. 15	150,330	157,792	487,481	98	94
Dec. 22	122,229	148,591	451,654	92	94
Dec. 29	97,323	78,862	402,446	52	93

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

Civil Eng. Construction Totals \$43,295,000 for a Short (Three-Day) Week

Civil engineering construction volume in continental United States totals \$43,295,000 for a three-day week ending Jan. 3, 1946, as reported to "Engineering News-Record." This volume is 65% greater than the volume reported for last week and is 50% greater than the volume of the 1945 week; it is also 27% below the previous four-week moving average. The report issued on Jan. 3, went on to say:

The current week and the previous week are both three-day weeks due to the holidays, with private construction 52% greater than last week as well as 65% greater than the week last year. Public construction is 91% greater than last week and 32% greater than the week last year. State and municipal construction volume was 707% greater than that of last week and 131% greater than the 1945 week. Federal construction dropped 68% below last week and 66% below the week last year.

Civil engineering construction volume for the current week, last week, and the 1945 week are:

	Jan. 3, 1946	Dec. 27, 1945	Jan. 4, 1945
Total U. S. Construction	\$43,295,000	\$26,258,000	\$28,809,000
Private Construction	26,642,000	17,559,000	16,181,000
Public Construction	16,653,000	8,699,000	12,628,000
State and Municipal	14,474,000	1,793,000	6,255,000
Federal	2,179,000	6,906,000	6,373,000

In the classified construction groups seven of the nine classes recorded gains this week over last week, as follows: sewerage, highways, earthwork and drainage, commercial buildings, public buildings, industrial buildings and unclassified. The weeks' totals saw four of the nine classes make gains over the week last year, they were: bridges, public buildings, earthwork and drainage, and commercial buildings.

NEW CAPITAL

New capital for construction purposes this week totals \$32,099,000 and is made up of \$28,440,000 in corporate securities and \$3,659,000 in state and municipal bonds. The corresponding week of 1945 recorded a total of new capital of \$40,240,000 with \$10,215,000 of it for corporate securities and \$30,025,000 in state and municipal bonds.

Non-Ferrous Metals—Substantial Tonnage Sold for January—Mexican Workers Strike

"E. & M. J. Metal and Mineral Markets," in its issue of Jan. 3, 1946, stated: "The beginning of the new year finds business in major non-ferrous metals at a high peacetime level, with the outlook obscured because of widespread labor difficulties. News reached here yesterday that mine and smelter workers at Mexican properties recovering silver, which would include most producers of lead and zinc, have voted to strike. The miners asked for a 40% pay increase. A long strike would curtail needed imports from Mexico of both lead and silver. Retroactive for all of the 1945 shipping season, OPA granted an increase in prices for iron ore produced for sale in the Lake Superior district. The supply situation in cadmium, which has been growing tighter, is to be reviewed in Washington shortly." The publication further went on to say in part:

Copper

Consumers will obtain about 100,000 tons of copper during January, according to latest trade estimates. This is a high rate of consumption, and authorities believe, the month's total could easily have been higher except for fear of labor troubles that may reduce the needs of some consumers, as in the electrical industry.

Reports from Washington on the status of the foreign buying

program were more encouraging. The matter now rests with the head of the Office of War Mobilization and Reconversion.

Lead

The news from Mexico disturbed consumers. Unless more metal is released from the stockpile to offset temporary shortages in receipts from Mexico, allocations may be reduced further, it is feared. Sales of lead in the domestic market for the week totaled 1,979 tons.

Production of refined lead in the United States in November came to 47,824 tons, against 47,462 tons in October, the American Bureau of Metal Statistics reports. The low in monthly production in 1945 was 32,691 tons in August, a period of reduced activity because of summer shutdowns. Increased production in recent months resulted to some extent from larger receipts of scrap treated in conjunction with primary metal. Dies

used in forming airplane parts became available.

The domestic lead refinery statistics for October and November, in tons, are summarized as follows:

Stock at beginning	Oct.	Nov.
Production:	36,514	39,629
Domestic	42,005	39,991
Secondary and foreign	5,457	7,833
	47,462	47,824
Domestic shipments	44,347	44,766
Stock at end	39,629	42,671

Zinc

Buying interest in both Prime Western and Special High Grade was in evidence throughout the week. The supply situation in these grades at present is viewed as tight by most sellers. Whether this condition will continue depends largely on strike developments in the automotive and steel industries. Demand for zinc from the brass industry remains light.

Cadmium

The cadmium producers' advisory committee has been asked to meet with CPA officials on Jan. 8 to confer on the supply outlook. Production has declined, due to strikes, and demand now exceeds new supply by roughly 100,000 lb. a month. The stockpile, which stood at 1,225,971 lb. at the end of October, has dropped to around 850,000 lb. Controls on purchases by consumers are likely to be reinstated unless the buying movement moderates.

Tin

Sales of tin for export by the Office of Metals Reserve, RFC, have been exempted from price control by OPA, effective Dec. 31, 1945. Limited tonnages released for export will be sold on the basis of cost, which is well in excess of the 52c. ceiling on domestic transactions.

YEARLY AVERAGE PRICES—1941-1945

(E. & M. J. Averages)	1941	1942	1943	1944	1945
Copper, domestic, f.o.b. refinery	11.797	11.775	11.775	11.775	11.775
Copper, export, f.o.b. refinery	10.901	11.684	11.700	11.700	11.700
Lead, common, New York	5.793	6.481	6.500	6.500	6.500
Lead, common, St. Louis	6.643	6.331	6.350	6.350	6.350
Zinc, Prime Western, St. Louis	7.471	8.250	8.250	8.250	8.250
Tin, Straits, New York	52.018	52.000	52.000	52.000	52.000
Silver, foreign, New York	34.783	38.333	44.750	44.750	51.928
Quicksilver (per flask 76-lb.)	\$135,023	\$196,346	\$195,208	\$118,358	\$134,889
Antimony, domestic, New York	14,000	15,559	15,926	15,839	15,839
Platinum, refined	\$36,000	\$36,000	\$35,083	\$35,000	\$35,000
Cadmium (producer's quotation)	82,443	90,000	90,000	90,000	90,000
Aluminum, 99 plus percent, ingot	16,500	15,000	15,000	15,000	15,000
Magnesium, ingot	24,000	22,500	20,500	20,500	15,265
Antimony, domestic, bulk, New York					

National Fertilizer Association Commodity Price Index Declines

The weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on Jan. 7 declined in the week ended Jan. 5, 1946, to 142.0, from the all-time peak of 142.3 which was registered in the preceding week. A month ago the index stood at 141.8, and a year ago at 140.1, all based on the 1935-1939 average as 100. The Association's report continued as follows:

Four of the composite groups of the general index declined during the latest week and one advanced. The farm products group declined substantially with two of the subgroups declining and one advancing. The cotton index declined somewhat. The grain index advanced with the higher prices for oats more than offsetting lower prices for rye. The livestock index declined sharply with lower prices for cattle, hogs, lambs and eggs much more than offsetting a rise in live poultry prices. Hay prices were higher during the latest week. The food index declined slightly. The textile index was fractionally lower. The chemical and drug index declined because of lower prices for denatured alcohol. The fuel index advanced due to higher quotations for kerosene. All other groups in the index remained unchanged.

During the week nine price series in the index declined and six advanced; in the preceding week one declined and nine advanced; in the second preceding week two declined and four advanced.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100*

%	Each Group	Group	Latest	Preceding	Month	Year
	Bears to the Total Index		Week	Week	Ago.	Ago.
25.3	Foods		143.9	144.1	144.6	143.9
23.0	Farm Products		146.6	146.8	146.6	144.6
17.3	Fuels		163.1	163.1	163.1	160.7
10.8	Miscellaneous commodities		171.0	172.9	172.8	165.9
8.2	Textiles		232.8	232.2	231.8	207.2
7.1	Metals		169.4	167.3	167.0	159.9
6.1	Building materials		162.5	166.4	165.5	161.4
1.3	Chemicals and drugs		129.4	129.0	129.5	130.4
.3	Fertilizer materials		159.2	159.3	161.7	156.1
.3	Fertilizers		158.4	158.4	154.7	154.7
.3	Farm machinery		127.0	127.5	127.5	125.4
100.0	All groups combined		110.2	110.2	110.2	105.8
			142.0	142.3	141.8	140.1

*Indexes on 1926-1928 base were: Jan. 5, 1946, 110.6; Dec. 29, 1946, 110.9, and Jan. 6, 1945, 109.1.

From Washington Ahead of The News

(Continued from first page)
would consider himself fired. But that is where the sturdiness, the rock-bottomness, the traits which are peculiarly American, or so we understand, come to the top through such a citizen as Chester Bowles.

You can appreciate the American enterprise, the spirit of initiative, the American fighting will of this man, when you see what he has done to overturn this decision of Congress. We suppose that nowhere else in the world would there be a man with such hardihood. That we have one in this country should give the lie to the contention that we have, as a people, become soft.

By way of showing Chester's initiative—and in the event he should lose his fight and leave America to the mercy of Congress, we think his high imagination ought to make him available to most any advertising firm—by way of showing his initiative,

of advertising his initiative,

Trading on New York Exchanges

The Securities and Exchange Commission made public on Jan. 2, 1946, 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. 15, 1945, 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. 15 (in round-lot transactions) totaled 2,805,605 shares, which amount was 15.14% of the total transactions on the Exchange of 9,264,880 shares. This compares with member trading during the week ended Dec. 8 of 4,129,154 shares, or 15.11% of the total trading of 13,663,120 shares. On the New York Curb Exchange, member trading during the week ended Dec. 15 amounted to 2,805,605 shares or 13.43% of the total volume on that Exchange of 3,817,345 shares. During the week ended Dec. 8 trading for the account of Curb members of 1,631,535 shares was 14.04% of the total trading of 5,822,030 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 15, 1945
Total for Week %
Short sales 242,230
Other sales 9,022,650

Total sales 9,264,880

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	895,070	
Short sales	138,670	
*Other sales	675,300	
Total sales	913,970	9.22
2. Other transactions initiated on the floor—		
Total purchases	202,730	
Short sales	13,700	
*Other sales	217,160	
Total sales	230,860	2.34
3. Other transactions initiated off the floor—		
Total purchases	246,500	
Short sales	61,100	
*Other sales	355,375	
Total sales	416,475	3.58
4. Total—		
Total purchases	1,344,300	
Short sales	213,470	
*Other sales	1,247,835	
Total sales	1,461,305	15.14

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

WEEK ENDED DECEMBER 15, 1945
Total for Week %
Short sales 41,090
Other sales 3,776,255

Total sales 3,817,345

B. Round-Lot Transactions for Account of Members:

1. Transactions of specialists in stocks in which they are registered—		
Total purchases	312,020	
Short sales	23,340	
*Other sales	285,405	
Total sales	308,745	8.13
2. Other transactions initiated on the floor—		
Total purchases	53,700	
Short sales	4,000	
*Other sales	40,125	
Total sales	44,125	1.28
3. Other transactions initiated off the floor—		
Total purchases	57,960	
Short sales	6,100	
*Other sales	242,425	
Total sales	248,525	4.02
4. Total—		
Total purchases	423,680	
Short sales	33,440	
*Other sales	567,955	
Total sales	601,395	13.43

C. Odd-Lot Transactions for Account of Specialists—
Customers' short sales 0
Customers' other sales 137,963

Total purchases 137,963

Total sales 152,421

*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 0.1% in Week Ended Dec. 22, Labor Dept. Reports

Higher prices for agricultural commodities were responsible for a rise of 0.1% during the week ended Dec. 22 in the index of commodity prices in primary markets prepared by the Bureau of Labor Statistics, U. S. Department of Labor. The Bureau in making this known on Dec. 29, stated that "at 106.8% of the 1926 average, equal to the postwar high reached during the week ended Dec. 1, 1945, the index was 0.1% above four weeks ago and 2.1% above late December 1944." The advices from the Labor Department further said:

Farm Products and Foods—Primary market prices for farm products rose 0.2% during the week because of higher prices for fresh fruits and vegetables. Quotations for apples advanced substantially with their usual seasonal movement accentuated by short supplies resulting from unfavorable weather. Prices for lemons rose sharply with larger sizes and better quality. Quotations for onions and sweetpotatoes rose and white potatoes were up more than seasonally with light supplies. Quotations for eggs decreased less than normally at this season because of reduced supplies of lower grade

eggs. Prices for oranges were down slightly as smaller sizes moved to market. Quotations for grains dropped, with lower prices for oats and wheat. Rye quotations continued to advance on short supplies. Prices for steers were down on light demand and lighter weight animals on the market and lamb prices dropped with larger quantities of animals moved to markets. Quotations for ewes and wethers were up on continued demand and better quality of animals marketed.

"The advance of 2.0% in average prices of fruits and vegetables was responsible for the increase of 0.3% in the group index for foods. Average prices for foods were 0.1% below late November 1945, and 2.7% 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 at a level 0.2% above that of a month earlier. Prices for ergot, which was removed from price control in October, advanced sharply with depletion of available stocks in this country and firm prices at foreign sources. Prices for Portland cement advanced fractionally and slight increases were reported for common brick, plaster, and plasterboard.

The Labor Department included the following notation in its report:

Note—The Bureau of Labor Statistics' wholesale price data, for the most part, represent prices in primary markets. In general, the prices are those charged by manufacturers or producers or are those prevailing on commodity exchanges. The weekly index is calculated from one-day-a-week prices. It is designed as an indicator of week to week changes and should not be compared directly with the monthly index.

The following tables show (1) indexes for the past three weeks, for Nov. 24, 1945 and Dec. 23, 1944 and (2) percentage changes in subgroup indexes from Dec. 15, 1945 to Dec. 22, 1945.

WHOLESALE PRICES FOR WEEK ENDED DEC. 22, 1945

(1926 = 100)

Percentage changes to

Dec. 22, 1945 from

Commodity Groups	12-22	12-15	12-8	11-24	12-23	12-15	11-24	12-23
All commodities	106.8	106.7	106.5	106.7	104.6	+0.1	+0.1	+2.1
Farm products	131.5	131.3	130.3	132.1	126.2	+0.2	-0.5	+4.2
Foods	108.6	108.3	108.1	108.7	105.7	+0.3	-0.1	+2.7
Hides and leather products	119.4	119.4	119.4	119.1	116.7	0	+0.3	+2.3
Textile products	100.6	100.6	100.6	100.5	99.0	0	+0.1	+1.6
Fuel and lighting materials	85.2	85.2	85.2	84.6	83.7	0	+0.7	+1.8
Metals and metal products	105.3	105.3	105.3	105.3	103.9	0	0	+1.3
Building materials	118.8	118.8	118.7	118.7	116.4	0	+0.1	+2.1
Chemicals and allied products	96.1	96.1	96.1	95.6	94.8	0	+0.5	+1.4
Housefurnishing goods	106.4	106.4	106.4	106.1	106.1	0	0	+0.3
Miscellaneous commodities	95.0	95.0	94.6	94.6	93.9	0	+0.4	+1.2
Raw materials	119.8	119.7	119.1	120.2	115.4	+0.1	-0.3	+3.8
Semimanufactured articles	96.9	96.8	96.8	96.8	94.7	+0.1	+0.1	+2.3
Manufactured products	102.6	102.6	102.5	102.3	101.3	0	+0.3	+1.3
All commodities other than farm products and foods	101.3	101.3	101.3	101.1	99.8	0	+0.2	+1.5

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM DEC. 15, 1945 TO DEC. 22, 1945

	Increases	Decreases	
Fruits and vegetables	2.0	Brick and tile	0.1
Other farm products	0.5	Cement	0.1
Other building materials	0.2	Drugs and pharmaceuticals	0.1
Livestock and poultry	0.3	Other foods	0.3
Grains	0.2		

National Fertilizer Assn. Commodity Price Index Reaches New High Peak at Year's End

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Dec. 31, advanced in the week ended Dec. 29, 1945 to 142.3% of the 1935-1939 average, from 141.8 in the preceding week. This index, at the end of 1945, was at an all-time peak, but it was only 1.6% higher than it was at the end of 1944. A month ago the index stood at 141.2, and a year ago at 140.1, all based on the 1935-1939 average as 100. The Association's report went on to say:

Three of the composite groups of the index advanced during the latest week and one declined. The farm products group advanced with its three component subgroups all sharing in the rise. Cotton prices were up fractionally. The grain subgroup was also up slightly because of higher rye prices. The livestock index advanced substantially with higher quotations for cattle, calves, lambs, sheep, and poultry much more than offsetting lower quotations for eggs. The building material group showed a marked increase due to a rise in lumber prices. The farm machinery index advanced slightly. The food index declined fractionally. All of the remaining groups of the index were unchanged.

During the week 9 price series in the index advanced and 1 declined; in the preceding week 4 advanced and 2 declined; in the second preceding week 9 advanced and 5 declined.

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

Each Group	Group	Latest	Preceding	Month	Year
Bears to the	Total Index	Week	Week	Dec. 1,	Dec. 30,
25.3	Food	144.1	144.2	144.7	144.5
	Fats and Oils	146.6	146.6	146.6	144.6
23.0	Cottonseed Oil	163.1	163.1	163.1	160.7
	Farm Products	172.9	172.3	170.3	165.5
	Cotton	233.2	233.1	229.1	205.3
17.3	Grazins	167.3	167.1	167.3	158.9
	Livestock	166.4	165.5	162.0	161.5
10.8	Fuels	129.0	129.0	129.5	130.4
	Miscellaneous Commodities	131.5	133.5	132.8	133.4
8.2	Textiles	159.3	159.3	160.9	155.8
7.1	Metals	110.2	110.2	110.2	105.8
6.1	Building Materials	158.4	154.7	154.7	154.0
1.3	Chemicals and Drugs	127.5	127.5	127.5	125.1
.3	Fertilizer Materials	118.2	118.2	118.2	118.3
.3	Fertilizers	119.9	119.9	119.9	119.9
.3	Farm Machinery	105.2	105.0	105.0	104.8

100.0 All groups combined 142.3 141.8 141.2 140.1

*Indexes on 1926-1928 base were: Dec. 29, 1945, 110.9; Dec. 22, 1945, 110.5, and Dec. 30, 1944, 109.1.

Poland Nationalizes Basic Industries

Formal nationalization by the Polish government of all basic industries occurred on Jan. 4 when the National Council of the Homeland (Parliament) ratified a decree giving the government control over every industry employing more than 50 persons a shift, according to delayed Associated Press advices from Warsaw on that date, published in the New York "Herald-Tribune" Jan. 7. According to these advices, among the enterprises affected were communications systems, banks, mines, factories and public utilities. The Associated Press also reported as follows:

"Minister of Industry Hilary Minc told the Council, which had been in session for a week, that 'there can be no political democracy without economic democracy.' . . . Polish economy must be freed from the prison of cartels and foreign capital—that is the principal reason for the decree."

"Citizens of Allied nations who have holdings in nationalized industries will be compensated with cash or bonds," Minc added. He did not estimate the amount of foreign holdings involved, but said that before the war foreign capital held 50 to 80% of most Polish industries.

"We do not want to be a foreign colony," he declared. "We want to be an independent country in deed and fact."

"Minc said that nearly one-third of all basic industries will pass to the state without reparations since they are former German properties."

"He declared that the Government will 'continue to support' private initiative but, he said, 'private industry will be able to function only by use of state-produced raw materials which it may obtain on condition of co-operation in the state production system.'

"Parliament also ratified an agreement with Russia establishing Poland's new eastern frontier.

"The Cabinet, meanwhile, voted to resume diplomatic relations with Austria and Hungary, ratified the Bretton Woods monetary stabilization plan and approved a reparations agreement with Czechoslovakia."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Jan. 3, 1946, a summary for the week ended Dec. 22 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. 22, 1945

Odd-Lot Sales by Dealers—<br

Daily Average Crude Oil Production for Week Ended Dec. 29, 1945, Declined 5,750 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 29, 1945 was 4,473,900 barrels, a decline of 5,750 barrels per day from the preceding week and 232,000 barrels per day less than in the corresponding week of 1944. The current figure was also 68,100 barrels below the daily average figure of 4,542,000 barrels recommended by the Bureau of Mines for the month of December, 1945. Daily output for the four weeks ended Dec. 29, 1945 averaged 4,484,300 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,729,000 barrels of crude oil daily and produced 14,546,000 barrels of gasoline; 2,121,000 barrels of kerosine; 5,055,000 barrels of distillate fuel, and 8,765,000 barrels of residual fuel oil during the week ended Dec. 29, 1945; and had in storage at the end of that week 95,205,000 barrels of finished and unfinished gasoline; 10,201,000 barrels of kerosine; 36,651,000 barrels of distillate fuel, and 42,447,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements	State Dec. 1	Actual Production Week Ended Dec. 29,	Change from Previous Week	4 Weeks Ended Dec. 29, 1945	Week Ended Dec. 30, 1944
Oklahoma	388,000	388,000	390,850	+ 5,500	388,200	360,000
Kansas	268,000	249,400	241,900	- 14,550	251,350	271,100
Nebraska	800		750		750	1,000
Panhandle Texas			81,000		81,000	88,750
North Texas			149,650		149,650	140,600
West Texas			465,800		465,800	471,350
East Central Texas			135,300		132,800	141,450
East Texas			307,000		307,000	371,000
Southwest Texas			314,550		314,550	345,450
Coastal Texas			469,100		469,850	552,950
Total Texas			1,940,000		1,922,400	2,111,550
North Louisiana			77,250	+ 650	76,350	71,000
Coastal Louisiana			295,300		295,300	289,600
Total Louisiana			365,000		372,550	360,600
Arkansas	78,000	77,311	76,650	+ 750	76,100	80,750
Mississippi	48,000		53,950	- 450	54,200	52,100
Alabama	500		700	+ 600	400	200
Florida			100		50	50
Illinois	213,000		202,400	- 1,850	205,650	202,100
Indiana	13,500		13,400	+ 300	13,350	12,400
Eastern (Not incl. Ill., Ind., Ky.)	65,200		53,950	- 2,100	57,450	57,750
Kentucky	29,000		29,550	+ 600	29,350	32,400
Michigan	47,000		44,700	- 3,300	45,350	52,050
Wyoming	92,000		91,450	+ 3,200	90,900	93,650
Montana	22,000		20,300	- 550	20,700	21,350
Colorado	20,000		20,450	- 550	20,700	9,950
New Mexico	102,000		104,000	- 50	97,900	103,200
Total East of Calif.	3,692,000		3,633,900	- 7,950	3,644,300	3,822,200
California	850,000		824,000	+ 2,200	840,000	883,700
Total United States	4,542,000		4,473,900	- 5,750	4,484,300	4,705,900

*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. 26, 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, KEROSINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED DEC. 29, 1945

(Figures in thousands of barrels of 42 gallons each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis.									
District—	Report's Avg.	Crude Runs to Still	Gasoline		Produc'n of Gasoline		Stocks of Gasoline		% Daily Capac.
			Refin'g Capac.	Daily Op. erated	Unfin.	Inc. Nat.	Blended Stocks	Kero- sine	
East Coast	99.5	774	97.9	1,650	20,145	3,546	11,753	6,850	
Appalachian									
District No. 1	76.8	87	59.6	298	3,010	338	609	273	
District No. 2	81.2	62	124.0	193	1,165	51	137	190	
Ind., Ill., Ky.	78.2	747	87.2	2,569	19,440	1,846	5,370	2,751	
Okl., Kan., Mo.	78.3	394	84.0	1,499	8,536	623	2,124	1,086	
Inland Texas	59.8	217	65.8	951	2,690	243	392	733	
Texas Gulf Coast	89.3	1,180	95.4	3,959	16,736	1,728	5,848	5,114	
Louisiana Gulf Coast	96.8	313	120.4	864	4,490	879	1,696	1,492	
No. La. & Arkansas	55.9	55	43.7	167	1,777	313	491	335	
Rocky Mountain									
District No. 3	17.1	13	100.0	36	104	20	17	36	
District No. 4	72.1	106	66.7	344	1,861	89	454	716	
California	86.5	781	80.8	2,026	15,051	525	7,760	22,871	

Total U. S. B. of M. basis Dec. 29, 1945. 85.7 4,729 87.5 14,546 *95,205 10,201 36,651 42,447

Total U. S. B. of M. basis Dec. 22, 1945. 85.7 4,611 85.3 14,768 91,870 10,666 38,919 41,479

U. S. B. of M. basis Dec. 30, 1944. 4,828 15,189 186,849 11,290 38,715 56,934

*Includes 7,925,000 barrels of unfinished gasoline stocks. Includes 13,150,000 barrels of unfinished gasoline stocks. Stocks at refineries, at bulk terminals, in transit and in pipe lines. Not including 2,121,000 barrels of kerosene, 5,055,000 barrels of gas oil and distillate fuel oil and 8,765,000 barrels of residual fuel oil produced during the week ended Dec. 29, 1945, which compares with 1,927,000 barrels and 4,708,000 barrels and 8,539,000 barrels, respectively, in the preceding week and 4,840,000 barrels, 4,211,000 and 9,502,000 barrels, respectively, in the week ended Dec. 30, 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. 29, 1945 (Christmas week), as estimated by the United States Bureau of Mines, amounted to approximately 7,000,000 net tons, decrease of 3,980,000 tons, or 36.2%, from the preceding week. Output in the week ended Dec. 30, 1944 amounted to 8,433,000 tons. For the period from Jan. 1 to Dec. 29, 1945, soft coal production totaled 574,200,000 net tons, a decrease of 7.3% when compared with the 619,576,000 tons produced during the period from Jan. 1 to Dec. 30, 1944.

Production of Pennsylvania anthracite for the week ended Dec. 29, 1945, as estimated by the Bureau of Mines, was 638,000 tons, a decrease of 290,000 tons, or 31.3% from the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 137,000 tons, or 17.7%. The calendar year to Dec. 29, 1945 shows a decrease of 14.5% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of beehive coke for the week ended Dec. 29, 1945 showed a decrease of 12,900 tons when compared with the output for the week ended Dec. 22, 1945; and was 9,500 tons less than for the corresponding week of 1944.

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

	Week Ended	Jan. 1 to Date
Dec. 29	1945	1944
Total incl. mine fuel	7,000,000	10,980,000
Daily average	\$1,400,000	\$1,687,000

*Revised. †Subject to current adjustment. ‡Average based on five working days.

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

	Week Ended	Calendar Year to Date
Dec. 29	1945	1944
Total incl. coll. fuel	638,000	928,000

†Commercial produce. ‡Includes washer 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.)

	Week Ended	Dec. 22,	Dec. 15,	Dec. 23,
State—				
Alabama	334,000	411,000	326,000	
Alaska	6,000	6,000	7,000	
Arkansas and Oklahoma	97,000	103,000	94,000	
Colorado	154,000	162,000	179,000	
Georgia and North Carolina	1,000		*	
Illinois	1,450,000	1,498,000	1,497,000	
Indiana	495,000	539,000	600,000	
Iowa	40,000	41,000	49,000	
Kansas and Missouri	125,000	128,000	157,000	
Kentucky—Eastern	895,000	1,054,000	863,000	
Kentucky—Western	375,000	448,000	355,000	
Maryland	40,000	42,000	30,000	
Michigan	3,000	1,000	2,000	
Montana (bitum. & lignite)	112,000	92,000	116,000	
New Mexico	31,000	31,000	32,000	
North & South Dakota (lignite)	75,000	75,000	58,000	
Ohio	655,000	789,000	571,000	
Pennsylvania (bituminous)	2,485,000	2,880,000	2,519,000	
Tennessee	125,000	136,000	122,000	
Utah	126,000	139,000	141,000	
Virginia	345,000	353,000	314,000	
Washington	31,000	34,000	30,000	
West Virginia—Southern	1,945,000	2,115,000	1,888,000	
West Virginia—Northern	810,000	1,072,000	985,000	
Wy				

Revenue Freight Car Loadings During Week Ended Dec. 29, 1945 Off Because of Holiday

Loading of revenue freight for the week ended Dec. 29, 1945, totaled 506,151 cars, a decrease below the corresponding week of 1944 of 78,725 cars, or 13.5%, and a decrease below the same week in 1943 of 137,293 cars or 21.3%, the Association of American Railroads announced on Jan. 4, 1946. (Both 1945 and 1944 included Christmas holiday and 1943 included New Year).

Loading of revenue freight for the week of Dec. 29, decreased 182,149 cars, or 26.5% below the preceding week.

Miscellaneous freight loading totaled 234,690 cars, a decrease of 73,945 cars below the preceding week, and a decrease of 61,253 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 87,663 cars, a decrease of 17,576 cars below the preceding week, but an increase of 4,115 cars above the corresponding week in 1944.

Coal loading amounted to 100,906 cars, a decrease of 57,002 cars below the preceding week, and a decrease of 14,583 cars below the corresponding week in 1944.

Grain and grain products loading totaled 34,886 cars, a decrease of 10,900 cars below the preceding week and a decrease of 1,201 cars below the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Dec. 29 totaled 23,218 cars, a decrease of 8,934 cars below the preceding week and a decrease of 1,857 cars below the corresponding week in 1944.

Livestock loading amounted to 11,532 cars, a decrease of 5,475 cars below the preceding week but an increase of 1,121 cars above the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of Dec. 29 totaled 8,595 cars a decrease of 4,088 cars below the preceding week, but an increase of 1,148 cars above the corresponding week in 1944.

Forest products loading totaled 15,841 cars a decrease of 15,249 cars below the preceding week and a decrease of 5,589 cars below the corresponding week in 1944.

Ore loading amounted to 7,715 cars, a decrease of 1,917 cars below the preceding week and a decrease of 1,208 cars below the corresponding week in 1944.

Coke loading amounted to 12,918 cars a decrease of 85 cars below the preceding week, and a decrease of 127 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding weeks in 1944 and 1943.

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
5 Weeks of March	4,018,627	3,916,037	3,845,547
4 Weeks of April	3,374,438	3,275,846	3,152,879
4 Weeks of May	3,452,977	3,441,616	3,363,195
5 Weeks of June	4,364,662	4,338,886	4,003,393
4 Weeks of July	3,378,266	3,459,830	3,455,328
4 Weeks of August	3,240,175	3,576,269	3,554,694
5 Weeks of September	4,116,728	4,424,765	4,456,466
4 Weeks of October	3,150,712	3,598,245	3,607,851
4 Weeks of November	3,207,053	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 22	688,300	762,972	641,036
Week of December 29	506,151	584,876	643,444
Total	41,901,051	43,408,295	42,439,951

Total loadings by commodities in 1945 compared with 1944 follow:

	1945	1944	% Change
Grain and grain products	2,734,303	2,520,733	+ 8.5
Livestock	893,696	892,145	+ 0.2
Coal	8,294,375	8,889,518	- 6.7
Crude	694,613	750,685	- 7.5
Forest products	2,039,375	2,271,450	- 10.2
Ore	2,474,436	2,648,589	- 6.6
Merchandise, L.C.L.	5,525,749	5,427,928	+ 1.8
Miscellaneous	19,244,494	20,007,247	- 3.8
Total	41,901,051	43,408,295	- 3.5

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 22, 1945. During this period only 36 roads reported gains over the week ended Dec. 23, 1944.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED DEC. 22

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections		
Eastern District—	1945	1944	1945	1944
Ann Arbor	368	299	195	1,296
Bangor & Aroostook	2,693	2,458	1,753	304
Boston & Maine	6,655	5,514	10,870	14,168
Chicago, Indianapolis & Louisville	927	1,272	1,280	1,737
Central Indiana	23	31	26	35
Central Vermont	1,117	1,025	957	2,205
Delaware & Hudson	4,299	4,818	4,674	9,656
Delaware, Lackawanna & Western	5,917	7,521	6,113	6,405
Detroit & Mackinac	254	172	116	140
Detroit, Toledo & Ironton	1,945	1,507	1,870	1,338
Detroit & Toledo Shore Line	300	325	267	2,639
Erie	9,597	11,876	10,115	12,888
Grand Trunk Western	2,746	3,651	3,471	7,200
Lehigh & Hudson River	1,774	1,764	1,513	1,229
Lehigh Valley	6,552	7,818	6,831	6,129
Maine Central	2,760	2,443	1,873	3,749
Monongahela	4,349	5,384	4,828	232
Montour	2,247	2,210	1,711	15
New York Central Lines	37,504	44,724	37,555	44,389
N. Y., N. H. & Hartford	8,837	7,691	11,907	17,163
New York, Ontario & Western	805	923	892	2,193
New York, Chicago & St. Louis	4,715	6,409	5,445	12,266
N. Y., Susquehanna & Western	440	530	457	1,823
Pittsburgh & Lake Erie	6,488	7,469	6,546	5,970
Pere Marquette	4,500	4,573	3,845	6,153
Pittsburgh & Shawmut	703	719	727	7
Pittsburgh, Shawmut & North	214	235	245	178
Pittsburgh & West Virginia	754	818	894	1,690
Rutland	368	328	263	756
Wabash	5,350	5,765	4,994	10,334
Wheeling & Lake Erie	4,268	4,713	3,715	3,227
Total	130,302	147,306	126,545	170,944
Focahontas District—				217,352
Chesapeake & Ohio	25,679	24,036	20,554	10,033
Norfolk & Western	19,512	18,092	15,865	6,143
Virginian	4,340	3,975	3,258	1,372
Total	49,531	46,103	39,677	17,548

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections		
Allegheny District—	1945	1944	1945	1944
Akron, Canton & Youngstown	540	41,022	31,384	22,057
Baltimore & Ohio	1,688	2,153	2,099	1,216
Buffalo Creek & Gauley	†	†	268	†
Cambria & Indiana	1,428	1,508	1,298	2
Central R. of New Jersey	5,048	6,032	5,463	14,238
Cornwall	411	423	486	49
Cumberland & Pennsylvania	286	153	172	13
Ligonier Valley	19	75	114	5
Long Island	1,326	1,509	1,011	3,881
Penn-Reading Seashore Lines	1,330	1,640	1,334	1,571
Pennsylvania System	64,592	73,876	63,473	51,275
Reading Co.	12,093	13,979	12,093	23,487
Union (Pittsburgh)	16,604	17,713	18,753	2,643
Western Maryland	3,613	3,574	3,255	10,701
Total	145,269	164,203	141,841	132,239

Southern District—	1945	1944	1945	1944
Alabama, Tennessee & Northern	224	275	297	209
Atl. & W. P.—W. R. R. of Ala.	650	728	652	1,865
Atlanta, Birmingham & Coast	673	722	584	1,158
Atlantic Coast Line	11,619	12,685	10,859	8,859
Central of Georgia	3,244	3,685	3,115	3,352
Charleston & Western Carolina	344	460	305	1,296
Clinchfield	1,480	1,502	1,299	2,923
Columbus & Greenville	294	357	200	292
Durham & Southern	65	142	110	774
Florida East Coast	2,940	2,700	2,122	1,437
Gainesville Midland	54	56	40	99
Georgia	787	1,095	862	1,869
Georgia & Florida	317	365	315	682
Gulf, Mobile & Ohio	3,904	4,440	3,342	3,680
Illinois Central System	24,050	26,880	23,427	13,763
Louisville & Nashville	22,349	23,217	18,979	8,718
Macon, Dublin & Savannah	147	236	177	898
Mississippi Central	262	342	277	387
Nashville, Chattanooga & St. L.	2,435	3,039	2,603	3,671
Norfolk Southern	1,041	950	804	1,210
Piedmont Northern	417	462	279	1,417
Richmond, Fred. & Potomac	209	413	301	8,875
Seaboard Air Line	10,304	10,090	8,032	7,485
Southern System	22,079	24,017	19,192	22,426
Tennessee Central	459	631	506	774
Winston-Salem Southbound	123	171	108	866
Total	110,469	119,660	98,787	98,985

Northwestern District—	1945	1944	1945	1944
Chicago & North Western	14,540	14,675	11,980	11,455
Chicago Great Western	2,658	2,516	2,327	2,574
Chicago, Milw., St. P. & Pac.	18,998	21,101	17,059	8,847
Chicago, St. Paul, Minn. & Omaha	3,959	3,532	3,140	3,520
Duluth, Missabe & Iron Range	1,242	1,163	974	268
Duluth, South Shore & Atlantic	629	607	625	524
Elgin, Joliet & Eastern	7,645	8,617	7,554	9,089
Fr. Dodge, Des Moines & South.	389	373	295	88
Great Northern	10,856	12,130	9,470	4,346
Green Bay & Western	453	487	485	956
Lake Superior & Ishpeming	275	223	265	53

Thursday, January 10, 1946

Items About Banks, Trust Companies

(Continued from page 173)

before and \$152,921,563 a year before. Total loans and bills purchased were \$35,896,787 against \$32,214,119 and \$32,378,210, respectively.

The statement showed surplus of \$5,400,000, an increase of \$200,000 since Sept. 30 and of \$400,000 since the end of 1944. Undivided profits were \$1,592,639 against \$1,571,335 on Sept. 30 and \$1,477,644 on Dec. 30, 1944. Capital of \$8,200,000 was unchanged.

At the annual meeting of stockholders of the Brooklyn Trust Company on Jan. 7 four trustees whose terms expired were re-elected for three-year terms. They were John Gemmell, Jr., Charles Pratt, A. Augustus Low and Joseph Michaels, Jr. Ogden White, who had been elected a trustee during the year to fill a vacancy, was re-elected for a one-year term.

Kings County Trust Company, of Brooklyn, reported earnings of \$150.19 per share for the year 1945 as against \$131.15 for the previous year. William J. Wason, Jr., is President of the company. Surplus and undivided profits at the end of 1945 were \$7,672,514, as against \$7,321,545 on Dec. 31, 1944. During the year four quarterly dividends of \$20 per share each were paid, or a total of \$80 per share. Deposits amounted to \$61,136,554 Dec. 31, 1945, and holdings of U. S. Government securities were \$31,071,970. Cash on hand amounted to \$2,775,123 and in banks aggregated \$21,221,505. During the year surplus was increased \$500,000, to \$7,000,000, while capital remained unchanged at \$500,000.

The Palisades Trust and Guaranty Company, of Englewood, N. J., transferred \$150,000 to surplus account from undivided profits on Dec. 31, thereby increasing surplus account from \$450,000 to \$600,000, it was announced by Douglas W. Morgan, President. Total capital funds now amount to \$1,010,272, consisting of capital \$300,000, surplus \$600,000 and undivided profits \$110,272. The bank also reported deposits of \$16,661,027 as of Dec. 31, 1945, against \$13,304,773 last year; total resources of \$17,776,469 compared with \$14,256,154; cash and U. S. Government bond holdings of \$15,280,657 against \$12,173,742, and loans and discounts of \$1,179,839 compared with \$932,825 on Dec. 31, 1944.

The statement of the Philadelphia National Bank, of Philadelphia, Pa., for the period ended Dec. 31, 1945, shows deposits on that date of \$806,759,816, consisting of \$168,067,067 of U. S. Treasury deposits and \$638,692,749 representing all other deposits. This compares with deposits of \$733,795,439 — \$88,172,699 U. S. Treasury deposits and \$645,622,740 covering all other deposits—reported on Sept. 29, 1945. Total resources Dec. 31, 1945, amounted to \$868,517,977, compared with \$792,868,585 at the end of September; cash and due from banks aggregated \$194,761,881, compared with \$184,365,762; U. S. Government securities, \$523,752,891, against \$465,948,637; State, county and municipal securities were \$13,895,392, against \$14,620,392; other securities, \$40,022,270, against \$36,118,022; loans and discounts, \$90,873,216, compared with \$88,705,277. The capital stock of the bank and the surplus at the end of December both remained unchanged at \$14,000,000 and \$28,000,000, respectively. Undivided profits were \$12,443,740, compared with \$11,796,862 at the end of September.

Net operating earnings of the Corn Exchange National Bank and Trust Company, Philadelphia, for 1945 were \$1,173,457 after provision for taxes of \$774,263. This was equivalent to \$4.13 per

share. This compares with \$1,129,285 for 1944 after tax provision of \$570,000.

Capital, surplus and undivided profits as of Dec. 31, 1945, were \$18,022,604, compared with \$14,930,021 as of Dec. 31, 1944. Total deposits as of Dec. 31, 1945, were \$298,358,865, compared with total deposits as of Dec. 31, 1944, of \$248,951,740.

Bank of America's, San Francisco, year-end statement of condition reveals that the bank has made progress in all departments of its activities with deposits, total resources, loans, securities investments and capital funds at new high levels. At Dec. 31, 1945, deposits totaled \$5,339,307,000, an increase of \$988,765,000 during the year. U. S. War Loan deposits, included in this total, amounted to \$439,404,000. Total resources were \$5,626,063,000, a gain of \$1,016,939,000 over a year ago. Loans and discounts outstanding at the year-end aggregated \$1,018,741,000, an increase of \$124,305,000 over a year ago. Investments in securities amounted to \$3,553,172,000, an increase of \$793,108,000 over the previous year-end. The increase was chiefly in U. S. Government obligations which at Dec. 31 totaled \$3,135,746,000, of which approximately \$1,700,000,000 were due or callable within one year.

At Dec. 31, capital funds amounted to \$229,594,000 after payment of \$13,608,556 in dividends, as compared with \$219,000,000 at the previous year-end after dividends of \$10,408,570. Dividends were paid in 1945 at the rate of \$1.60 a share on the common stock and \$2 a share on the preferred stock. Earnings for the year were \$45,591,000. From this total, \$10,648,000 was reserved for depreciation of bank premises and other real estate and amortization of bond premiums and \$450,000 was set up in reserves and applied to the revaluation of assets and absorption of losses other than loans. A profit-sharing bonus of \$1,520,000 was provided for employees. From the earnings total there was also deducted an amount of \$9,542,000 net, which was added to the "Reserve for Bad Debts." This reserve, a provision for losses which may develop in the future, stood at \$18,106,000 at the year-end.

Deposits of Citizens National Trust & Savings Bank, of Los Angeles, as of Dec. 31, 1945, amounted to \$363,171,661, the largest total heretofore published, amounting to an increase of \$68,695,043 during the year. H. D. Ivey, President, revealed in a year-end statement. Loans show an increase over last year-end of \$7,464,583 and the investment in U. S. Securities increased \$52,642,105, the total now being \$250,880,330. Total resources reached \$377,665,879. Net operating earnings, after all expenses, reserves for taxes, depreciation, etc., were \$4.68 a share. In addition to operating earnings, net recoveries and profits from sale of securities and other non-recurring sources were \$2.43 a share.

Cable advices received from London by the New York representatives of Barclays Bank Limited are to the effect that the bank has declared dividends for the year 1945 similar to 1944; that is to say, 10% on the "A" stock and 14% on the "B" and "C" stock, which are the same dividends which have been distributed for many years. The net profits of Barclays Bank Limited for the year 1945 amounted to £1,740,594.37, an increase of some £67,000 over the figures for 1944 and with the amount brought forward from 1944, £656,576.13.8, makes a total of £2,397,170.17.3. Special appro-

priations from profits have been made as follows: £250,000 to Contingency Account, £350,000 to Premises Reserve Account, £41,651 to Staff Widows Fund.

Louis A. Albarracin, Second Vice-President of The Chase National Bank of New York, has returned from a business trip through South America where he visited many of the principal countries.

Two silver plaques were presented to The National City Bank of New York in connection with the opening on Dec. 10 of its Shanghai branch, closed since Dec. 6, 1941. The re-opening occasioned a spirit of celebration throughout the American-Chinese business community and an informal reception was held on the bank's premises at 41 Kiukiang Road. The silver plaques bearing inscriptions in Chinese translated read: "Leadership Obtained by Prompt Action" and "Mutual Benefit Through Financial Cooperation." They came, respectively, from Jian Chen, representing the Chinese Ministry of Finance, and T. N. Lee, General Manager of the Bank of Communications, Shanghai. National City has also reopened its branches in Hong Kong and Tientsin.

The Bank of Montreal announces that Cecil Trever Aulph has been appointed Second Agent of the bank at its New York office to succeed Walter H. Raikes, who has become Assistant to the General Manager at the head office in Montreal. Mr. Aulph for the past year has been Assistant Superintendent of the Bank's Ontario district, having previously served in Chicago as special representative and later as accountant at the Wall Street agency. He has had a wide and varied experience across Canada since he began his banking career in 1913. Mr. Aulph saw three years' army service in World War I.

At a meeting, Jan. 7, of the Board of Directors of Bankers Trust Co. of New York, Chester Baylis, Jr., was elected Trust Officer. Mr. Baylis graduated from Princeton in the Class of '29, going with Bankers Trust Co. in September of 1929. He served in the Personal Trust Administration Department for 10 years prior to joining the Navy in July, 1942. Mr. Baylis was a Lieutenant in the USNR when he received his discharge on Dec. 18, 1945.

The election of Edward W. Smith, Executive Vice-President of Clinton Trust Co., to the Presidency of the institution was announced on Jan. 7. He succeeds the late Lee S. Buckingham, who died on Jan. 2. Mr. Smith has been associated with the Clinton Trust Co. since its organization in 1929, serving first as Trust Officer, then as Treasurer and Vice-President, and for the past three years as Executive Vice-President in charge of operations. During his incumbency as Executive Vice-President, the bank's deposits have almost doubled. The directors recently voted to split the stock 2½ shares for 1 and to increase its capital in order to meet expanding business needs.

Announcement was also made on Jan. 7 of the election of four other officers of the bank: Theodore R. Schwarz, in charge of the 42nd Street branch, and James M. Cooke, head of the loan department, have been elected Vice-Presidents; Charles T. Potuzak, Auditor, has been elected Treasurer, and Nelson H. Cleverly has been elected Assistant Vice-President.

Mr. Buckingham, the late President, who at his death was 53 years of age, died of a heart attack at his home at Harrington Park, N. J. In the New York "Sun" of Jan. 3 it was stated:

"Mr. Buckingham was New York State Director of the Office

of Price Administration from May until December 1942, resigning at the end of the year in accordance with an agreement made when he took the post. From March to May 1942 he was Acting Federal Rationing Administrator in New York City.

He had been President of the Clinton Trust Co. since 1934 and had been with the institution since its formation in 1930. Before that he was with the Manufacturers Trust Co. He came to New York some 30 years ago.

"Born in Tiffin, Mr. Buckingham was a graduate of Heidelberg College in the Ohio city. He had been President of the New York Athletic Club for two years and was slated to be reelected on Jan. 8.

"Mr. Buckingham was a director of the American Realty Mortgage Corp. and a former President of the New York Credit Men's Association."

Of the 97 men and women employees and officers of Land Title Bank and Trust Co., of Philadelphia, who served in the armed forces and who saw action from Dakar to Okinawa, not one suffered the slightest wound and all are alive today, Percy C. Madeira, Jr., President, reported at the annual meeting of the bank's stockholders on Jan. 8. What makes this record even more remarkable is the fact that at least four—Joseph J. Donnelly, Noel Grover, Jr., Thomas B. Kennedy and Edgar Ward—were cited for conspicuous services. Mr. Madeira said that 25 of the 97 already have returned to the bank.

The Third National Bank of Nashville, Tenn., announces that the following officers of the bank have resumed their positions after their release from the armed forces of the United States, viz.: S. M. Fleming, Vice-President; G. A. Puryear, Asst. Vice-President; R. J. Bottoms, Asst. Cashier; J. R. Woodward, Asst. Cashier; W. J. Phillips, Asst. Cashier; Hayes A. Noel, Asst. Cashier.

Gets New FHA Post

Appointment of Franklin D. Richards to the newly created position of Assistant Commissioner, Field Operations, of the Federal Housing Administration was announced in Washington by Commissioner Raymond M. Foley. The appointment was effective Jan. 1. Mr. Richards became associated with the FHA in 1934 as the first State Director of Utah, with offices in Salt Lake City, where he was a practicing attorney. He was named Zone Commissioner, Zone IV, composed of the Mountain and Pacific Coast States, in 1941 with offices in Washington.

Mr. Foley also announced other changes in the Washington office, effective Jan. 1, 1946, as follows:

Walter L. Greene, previously serving as executive Assistant to the Commissioner, was named to succeed Mr. Richards as Zone Commissioner, Zone IV. He came with the FHA in August, 1934, serving in the Alabama office at Birmingham until transferred to the Washington office; Zone Commissioner Frederick A. Van Patten was transferred from Zone III to Zone II, composed of the Southern and Southwestern States, succeeding Kent R. Mulliken who has resigned to enter private business. He came with the FHA in 1937, first serving in the Washington office and later in the field before being appointed Zone Commissioner; George A. Bremer, previously serving as Assistant Zone Commissioner, was named Zone Commissioner, Zone III, composed of the North Central States. He came with the FHA in 1935 as chief underwriter of the Idaho office in Boise. John G. Rouse remains as Zone Commissioner, Zone I, composed of the Northeastern and Middle Atlantic States.

Mr. Buckingham, the late President, who at his death was 53 years of age, died of a heart attack at his home at Harrington Park, N. J. In the New York "Sun" of Jan. 3 it was stated:

"Mr. Buckingham was New York State Director of the Office

Twohy Quits FHLBA

The resignation of James Twohy, Governor of the Federal Home Loan Bank System, was announced on Jan. 1 by John H. Fahey, Commissioner of the Federal Home Loan Bank Administration.

Mr. Fahey also announced that Ralph H. Richards, President of the Federal Home Loan Bank of Pittsburgh, will become Acting Governor of the System, which is a reserve credit structure for home financing institutions.

"I have accepted Governor Twohy's resignation with reluctance and great regret," said Mr. Fahey. "His return to San Francisco to re-enter private business is another of the serious losses which the end of the war is bringing to the Government service." Mr. Fahey said in part:

"Mr. Twohy joined the Federal Home Loan Bank Board in 1934 to supervise the reconditioning operations of the Home Owners' Loan Corporation on the Pacific Coast. Shortly thereafter he was called to Washington as Chairman of the Bank Board's Mortgage Rehabilitation Division. In that assignment he directed the Board's program to help hard-hit financial institutions resume their normal home-financing functions.

"He then became regional manager of the Home Owners' Loan Corporation in San Francisco in charge of the Corporation's business in the nine western-most States. In its lending and liquidation operations, that region of the HOLC made a conspicuous record in relieving the widespread distress of homeowners and home-financing institutions without loss to the Government.

"He has served as Governor of the Federal Home Loan Bank System over the past six years, a period of unprecedented problems in Government and business during which the System had to be largely formed and organized. During these six years the combined assets of its member savings and loan associations and other thrift institutions increased from \$4,664,050,000 to \$8,215,000,000, and the System has taken shape in its own important field of home-mortgage finance as an outstanding example of collaboration between government and private business."

Mr. Richards, who will become Acting Governor of the Federal Home Loan Bank System, has been President of the Federal Home Loan Bank of Pittsburgh since 1934. He is a graduate and former member of the faculty of Ohio State University. A national authority on home finance, he was engaged in trade organization activities in the savings and loan field prior to his election as president of the Pittsburgh Home Loan Bank.

U. S. and Czechoslovakia Sign Air Accord

The signing on Jan. 3 by American Ambassador Laurence Steinhardt and Foreign Minister Jan Masaryk of a civil air transport agreement that promises to place Prague within 24 flight hours of New York and open the Balkans and Middle East to easy air approach, was made known in Associated Press advices from Prague on Jan. 3, which also had the following to say:

"The agreement stemmed from the International Civil Aviation Congress at Chicago in December, 1944. Mr. Steinhardt said it was the first to include all five of the so-called freedoms of the air embodied in the Chicago resolutions.

"Pan American Airways has already been assigned a route from the United States to London, Brussels, Prague and through the Balkans and Middle East to Calcutta. Survey flights have been completed."