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A Balance Sheet For United States, Inc.

By HON. JOHN W. SNYDER*
Secretary of the Treasury

Secretary Snyder, noting improvement in form and content of corporation reports to stockholders, asserts U. S. Government should likewise furnish clear balance sheet. Declares vast industrial establishment is leading national asset, counterbalanced by liabilities in form of huge national debt, industrial strife, and other dislocations. Reiterates policy of balanced budget and calls for informed public to aid proper administration of fiscal affairs.

I have always believed that an informed public is one of the strongest bulwarks of Democratic Government. I am entirely sympathetic with the philosophy that a public better informed in the details of business management provides a stalwart armor for our system of free enterprise against those forces that are ever ready to attack it.



John W. Snyder

The exceedingly complicated, vast structure of our business economy today is a tribute to the ambitions, resourcefulness and ingenuity of our American people.

*Abstract of an address by Secretary Snyder before a meeting of "Financial World," New York City, Oct. 4, 1946.

When we examine this Goliath, we may feel that it is a wonder that the financial statements interpreting it are not more complicated than they are.

Therefore, it is gratifying to all of us to note the marked improvement that has been witnessed in corporation annual reports within the past five years. With more lucid writing, more complete statistics, and better typographical presentations, the reports of many corporations have been turned into inspiring public relations documents for people in all walks of life, documents that promote confidence, understanding and appreciation.

Simplified Balance Sheet of U. S. A.

Since we are thinking of corporate statements, I think it may not be inappropriate to suggest that we might with profit, turn (Continued on page 1953)

Management-Union Struggle to Attain Employee Goodwill

By DONALD B. STRAUS
Management Employee Relations, Inc.

Labor expert declares union leaders' making of political capital to hold their jobs, obstructs management from initiating mutual benefits. Holds "workers in the 1950's may learn to love both their union and their company; but in the waning stage, the union is a jealous mistress."

It is pretty hard to share credit with someone else. It is even more difficult to see someone else take credit for what you have done. Almost insufferable is the plight of the man who initiates a program, foots the bill, then gets blamed for having opposed it while someone else is acclaimed its champion.



Donald Straus

This is the role in which management often sees itself. Take, for example, the case of a company that instituted a mutual benefit plan many years ago, long before the arrival of a union on its premises. Conceived by management, this plan is frankly a reward for, an incentive to, the employee who has given long and faithful service. In union jargon it might be considered "paternalistic," but when originated such programs were progressive and daring advances in the field of labor relations.

In the course of negotiating a contract with the union, our im- (Continued on page 1953)

As We See It

EDITORIAL

(Formerly "The Financial Situation")

Politics and the Electorate

The approaching political contests seem to us to be settling down far too much into a matter of getting the "ins" out. Those who are hoping, as are we, to have the elections next month retire as many as possible of political figures tainted with New Dealism are, so it appears to us, far too much inclined to content themselves with thoughts of returning a Republican majority in the House and the Senate. This, of course, would be a most welcome change, since the Democratic Party has long been held captive by elements alien to its history, and certainly alien to American tradition. It has of late been making substantial efforts to free itself from bondage, but with indifferent success, and it is becoming clearer every day that this goal can be reached only by retiring the party from power to give it time to sit in sack cloth and ashes. With a few notable exceptions the more of the present Democratic incumbents defeated this autumn the better.

But we must not make the mistake of supposing that defeat of the Democratic Party would automatically and surely bring the sort of changes in governmental policies and practices that are so much desired. Least of all can we afford to permit aspirants to seats in the House and the Senate to gain the idea that all they need to do to be elected is to condemn what present incumbents have done—particularly if that condemnation is couched in such general terms that the speaker could with a straight face continue much the same sort of tactics under another name should he be sent to Congress. That brand of vote seeker who would ride into office on the deserved unpopularity of his (Continued on page 1848)

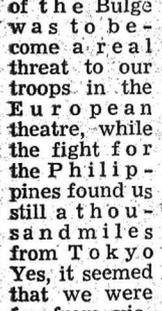
New Aspects of Bank Supervision

By MAPLE T. HARL*

Chairman, Federal Deposit Insurance Corporation

Head of FDIC, after praising war time accomplishments of banks and bank supervisors, comments on handicaps arising from shortages of competent examiners and insecurity of tenure of State bank superintendents. Tells of program to train examiners and other supervisory personnel, and urges state legislation to provide fixed and overlapping tenure as well as higher compensation for bank supervisors. Advocates more cooperation between FDIC and state banking departments in promoting facilities for liquidation of bank assets.

When we met at Milwaukee a little less than two years ago our nation was fighting a desperately bitter two-front war. The Battle of the Bulge was to become a real threat to our troops in the European theatre, while the fight for the Philippines found us still a thousand miles from Tokyo. Yes, it seemed that we were far from victory. The burden of worries for tomorrow we carried then was great, but we, as a Nation with the spirit (Continued on page 1852)



Maple T. Harl

*An address by Chairman Harl before the 45th annual meeting of the National Association of Supervisors of State Banks, Cleveland, Ohio, Sept. 20, 1946.

of real Americans did not magnify them. Instead, everyone rolled up his sleeves and worked harder than ever. Cooperation with our Allies, production and teamwork on the home front, plus blood, sweat and supreme sacrifice on the battlefield brought victory.

Right now, the problems of reconversion and peacetime production can be magnified into gigantic worries for tomorrow or we can, as we did during the war, approach and solve these problems in the truly democratic manner of cooperation. I favor the latter alternative to bring us the kind of peace we fought for—one that will bring security, better living, and happiness for all of us.

In shaping the future for America, the banks and bank supervisors have a great opportunity and a tremendous responsibility. (Continued on page 1852)

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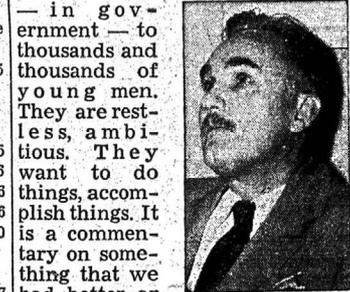
From Washington Ahead of the News

By CARLISLE BARGERON

The Presidential "Bug" Works Overtime

One of the many pathetic things about Washington in recent years is the number of high officials who let their young subordinates make them look silly by dangling the Presidency before them.

Unlike our former conception of the government employee as a plodding fellow contented with his job because of the security it offered, the New Deal opened up a vista of adventure and opportunity



Carlisle Bargeron

in government — to thousands and thousands of young men. They are restless, ambitious. They want to do things, accomplish things. It is a commentary on something that we had better or less government under the old school. The newcomers are smarter. To gratify their ambitions they must give us more government.

Anyway, these thousands of young intellectuals who have so infused our Washington government, that the middle-of-the-roads or even conservatives whom Truman has placed in the

top level positions, can't tell what's going on under them—these younger men have had a tendency from their beginning to cluster around this or that policy-making head and assure him that the way to become President was to engage in conflict and controversy. Get your name in the papers, they have urged. It is amazing that most of our higher officials in recent years, men presumed to be competent, in fact, men who had been big shot industrialists, have fallen for these blandishments. And the number of them who have lost out and returned to their homes in discomfort, who fell by the wayside in the squabbling, is legion. Undoubtedly they have long since felt ashamed of themselves. But at the time, these men, many of whom were proven successes in their particular fields, could no more resist the admiration of the (Continued on page 1854)

U. S. Foreign Policy No Threat to Russia

By HON. JAMES F. BYRNES*
Secretary of State

Asserting foreign policy started by Roosevelt and consistently followed by President Truman will continue to be U. S. policy, Secretary Byrnes points out reasons why this nation is concerned with establishing European peace and desires cooperation with other powers to keep Germany demilitarized. Proposes a federal government for Germany and expresses hope unwarranted charges that U. S. is seeking to use atomic bomb as threat against Soviet Union will end. Reiterates U. S. adherence to doctrine of human rights and self-determination of peoples.

I am not in Paris today by accident. While in Moscow last December, when the question of the place of the peace conference arose, I at once thought of Paris and France.

I telephoned to Mr. Bidault suggesting that if the French Government would invite the conference to meet in Paris I felt confident the invitation would be accepted. The invitation was extended and accepted.



James F. Byrnes

Mr. Bidault and his associates and the people of Paris have left undone nothing that would contribute to our work and our comfort. The longer we stay—and we have been in no hurry to leave—the more the French people have made us feel at home. They not only want to be hospitable but they have the know-how.

Because of the many duties devolving on Mr. Bidault, I am amazed at his ability to find time to show such interest in the work of the conference. He is a man of great intelligence, charm and industry. And this intelligence, charm and industry he always uses to promote the welfare of the country he serves and loves so well.

In this company I will not speak of the long and firm friendship which has existed between the people of France and the people of the United States—a friendship which existed before we attained our independence. That friendship runs so deep that we do not have to talk about it. Differ as we may from time to time, our two peoples always have stood and always will stand together in time of crisis. Liberty, equality, fraternity—the rights of man—are our common heritage.

Twice in my generation the soldiers of France and the soldiers of America have fought side by side in defense of their common heritage of freedom.

America is proud of her contribution to our common victory in 1945. America is proud of her contribution to our common victory in 1918. But America is not so proud of the course she followed after the victory of 1918.

A Follower of Wilson

In 1918 I was a follower of Woodrow Wilson. I gloried in his idealism and in the magnificent effort he made to build the peace upon the covenant of the League of Nations.

But the American people expected too much from Woodrow Wilson and supported him too little.

While he was in Paris working for peace, political opponents at home bitterly criticized his course and questioned his motives. They exaggerated and exploited the shortcomings of the Treaty of Versailles and they belittle and

*Address by Secretary Byrnes before the American Club, Paris, France, Oct. 3, 1946.

NACA (Bklyn. Chapter) To Hold Next Technical Session Oct. 16

The Brooklyn Chapter of the National Association of Cost Accountants on Wednesday evening, Oct. 16, 1946, will hold the second Technical Session of the 1946-1947 season at the Park-Vanderbilt Restaurant, Park Place and Vanderbilt Avenue Brooklyn, N. Y.

The principal speaker will be Clarence Crocheron, Vice-President of the American Appraisal Company, Inc., New York, who will address the group on the important present day subject of "Accounting for Capital Assets, Depreciation and Amortization." At the initial meeting of the season, Stanley E. Bronner, Chief Works Accountant of the Bridgeport Brass Company, spoke on the subject of "Cost Control and the Importance of Inventories in a Changing Market."

The remainder of the program for the 1946-1947 Technical Sessions is as follows:

Oct. 30, 1946 (Special Meeting)—"Influence of Government on Business and Accounting," Maurice Peloubet, Partner, Pogson, Peloubet & Co.

Nov. 20, 1946—"The Problem of Inventory Valuation," James L. Dohr, Greene & Greene.

Dec. 18, 1946—"Current Problems in Corporate Taxation," Lealie Mille, Partner, O. F. Taylor & Co.

Jan. 15, 1947—"Straight Line Budget Procedure," Worth Probst, Worth Probst Association.

Feb. 19, 1947—"Adequate Insurance Coverage—The Accountant Assists Management," Charles V. Scanlon, Benedict & Benedict.

March 19, 1947—"Are Job Evaluation and Wage Incentives Profitable?," Samuel L. H. Burk, Director, Organization and Methods Dept., Atlantic Refining Company.

March 29, 1947 (Special Meeting)—Plant Visitation to F. & M. Schaefer Brewing Co., Brooklyn, N. Y. A talk on "Brewery Cost Accounting" by a member of their Accounting Staff.

April 16, 1947 (Forum Meeting)—Past Presidents' Night—"Important Current Accounting Problems," George A. Ingalls, Comptroller, American Machine & Foundry Co. (discussion leader).

May 7, 1947—Graphs, Charts and Other Visual Records as used by Industrial Accountants; S. Lieberman, associated with "Charts-Facts."

May 21, 1947 (Annual Meeting, Election of Officers)—Entertain National Officers and Directors, W. J. Carter, Partner, Mount & Carter, Nat'l President, N.A.C.A.

Presidential Appointments

Announcement was made on Sept. 12 of the following appointments made by President Truman, according to Washington dispatches:

Col. Wallace H. Graham, White House physician, was promoted to the rank of Brigadier-General, the Associated Press stated.

Former Secretary of Labor, Frances Perkins, was named a member of the Civil Service Commission to succeed Lucille Foster McMillan, not as chairman of the Commission but as one of the three members, advices to the New York "Times" stated.

David A. Morse, Assistant Secretary of Labor, the same advices stated, was designated United States representative on the governing body of the International Labor Office scheduled to meet in Montreal to consider the pending agreement on the relationship of the ILO with the United Nations. As substitute representative the President named Miss Frieda S. Miller, director of the Women's Bureau of the Labor Department,

Cooperation or Chaos

Writer appeals for intensive study of methods to bring about "willing cooperation" of labor with management in program of full and efficient production.

Editor, "The Commercial and Financial Chronicle":
The address by Gordon L. Hostetter, Director of the Employers' Association of Chicago, as given in the "Chronicle," of Oct. 3, is



Wm. G. Lightbowne

characteristic of much that is being written and spoken these days on the vexed question of Labor-Management relations. He deplores the irresponsible conduct of organized labor; the decline in individual efficiency and output, and the inability of Management to maintain discipline due to the "feather-bed" rules of the unions. He attributes the power of the unions to unfair and one-sided provisions of the Wagner Labor Relations Act, and predicts that continuance of present labor policies will result in the destruction of both the free enterprise system and the unions, and the rise of dictatorship. Finally, he appeals for "a rebirth of goodwill, sympathetic understanding and cooperative action," which, if achieved, will bring a future in which Management and Labor will walk hand in hand together toward bigger things for both.

But Mr. Hostetter does not advance any concrete suggestions as to how this "sympathetic understanding and cooperative action" is to be brought to pass.

If the Wagner Act were wiped off the statute books tomorrow it would not advance us one iota toward the solution of our real problem. Our problem is not how to equalize the fighting strength of two irreconcilable opponents, but how to bring about such a community of interests between them as to elicit willing cooperation.

We need to face the fact that the free enterprise system is based upon self-interest, and that its motivating principle is the hope of gain. This applies to the workers as well as to the entrepreneurs. It is naive, therefore, to expect the workers, or any other considerable group of people, to respond to idealistic appeals. If you want the workers to take a personal interest in increased production, you've got to show them wherein it will benefit them—personally and individually. "Put it in the pay envelope," is the cynical but hard-headed way they express it.

Personally, I believe that both Management and Labor are thinking in terms of conditions that have gone, never to return. Management still seems to yearn for the time when unions were non-existent, or at least weak and helpless, and all real power was on the side of the employers. Labor in the main still shapes its policies as if they were only a small fraction of the population and could get benefits for themselves as producers that would not be taken away from them as consumers.

Both need to realize that a new day has dawned. America's production record during the war demonstrated conclusively that a high standard of living is possible for all if only we produce for peace as we did for war. Therefore, the American people, and particularly organized labor, will never be satisfied or contented again with widespread poverty and unemployment.

But if we are to realize these potentialities, two factors are requisite: (1) Full and continuous production; and (2) a distribution of buying power both widespread and adequate.

The casual relationship of these

two factors is easy to see—on paper. But it has yet to be given clear and unmistakable expression in collective bargaining. Labor should accept the responsibility for efficient and continuous production, and Management should accept the responsibility for a wage-price policy that will create buying power sufficiently widespread and ample to create a market for all that can be produced.

But human nature being what it is, it is not enough to express these factors as abstract principles. They must be implemented by social arrangements that will enlist the self-interest of both Management and Labor on the side of full production.

In our present industrial setup, Management controls the machinery of production and the product. Labor controls nothing but its labor-power. It has no control over the product and therefore its sole interest is in the amount of wages it receives. How, therefore, can Labor be expected to take a personal interest in efficient production?

There must be some form of direct connection between production and wages—call it profit-sharing or incentive wages, or what you will, so long as it gives Labor a direct stake in the volume of production.

If there is any statesmanship in either Organized Management or Organized Labor it should be brought to bear on this phase of the problem. It is the industrial equivalent of the United Nations Organization in international affairs—a method of substituting cooperation and goodwill for armed truce or open warfare.

If Management and Labor are to go forward "hand in hand toward bigger things for both," as Mr. Hostetter suggests, it can only be on the basis of partnership.

WM. G. LIGHTBOWNE

Bogota, N. J.

Oct. 5, 1946.

House Monopoly Hearings Planned

A House subcommittee on monopoly, of the Small Business Committee, will start public hearings on Oct. 15 on steps "to reverse the trend toward economic concentration" according to Associated Press Washington advices. Chairman Estes Kefauver (D.-Tenn.) who announced the hearings, said that the present trend toward concentration in production and distribution "threatens the continued existence of free and independent enterprise, the traditional American of doing business." And he added that this trend must be reversed if businessmen, including returning veterans, "are to be given an even competitive chance to survive."

Stating that his Committee already believes the case against economic concentration itself has been made out, Mr. Kefauver went on to say:

"Therefore, we expect to put the major emphasis of our investigation on what steps are being taken, particularly by Government agencies, to reverse the trend toward economic concentration, and to find out how well the agencies have carried out the responsibilities of guarding free enterprise delegated to them by the Congress in the various anti-trust and fair-trade practice laws."

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An Easy Question

"I earnestly beseech you, as President of the United States, to exercise all the powers vested in you promptly to conduct a review of the entire meat-marketing procedure and with the retention of price controls and necessary safeguards to public health to remove all departmental regulations or sanctions which impede the purchase, slaughter and marketing of beef. If, as I am convinced, there exists a conspiracy to defeat price controls and starve the people of this country into a politically inspired depression, prompt action by you will expose true conditions and bring before the people of this country the real malefactors. It will also, I feel sure, produce meat on the table of the homes of our workers.



Mayor Wm. O'Dwyer

"As early as possible remove all bans so as to make possible the importation of meat from South America. Cause an immediate census to be taken of all available cattle supplies and requisition sufficient quantities to meet the present crisis under the War Power Acts. Instruct the FBI to investigate all phases of the meat industry, particularly the producers, the packers and the processors, so that it may be determined who is responsible for the present situation. The FBI should determine whether an illegal attempt is being made to disrupt price control by propaganda methods or otherwise. Direct the Attorney-General to institute criminal proceedings, if warranted. Restore OPA controls on meat substitutes." — William O'Dwyer, Mayor of the City of New York, to President Truman.

If the Mayor is interested in finding and removing the cause of the conditions of which he complains—rather than in political excuses—he need not take so much trouble or ask the President to do so.

The cause is price control. Only removal of price control will remedy the situation.

NAM Formula for Debt Retirement

Committee headed by Norman W. Wilson recommends immediate and continuous retirement at not less than \$2½ billions per year with increasing amortization as interest is reduced and when national income rises.

"An immediate beginning" toward retirement of the federal debt in place of "perpetual postponement" was urged on Oct. 1 by Norman W. Wilson, President of the Hammermill Paper Company and Chairman of the Government Spending Committee of the National Association of Manufacturers, in announcing that the NAM Board of Directors had approved recommendations by that committee for a planned program of lightening the burden of public debt.



Norman W. Wilson

The NAM formula, drawn up by a committee of approximately 70 executives of both small and large manufacturing companies, sets up the following four specific points:

1. Immediate start of debt retirement.
2. Continuous retirement at a rate of not less than \$2½ billion per year until the debt is eliminated.
3. Increasing amortization by at least as much as the interest is steadily reduced by payments on the principal.
4. Increasing such payments as the national income rises.

Mr. Wilson pointed out that, even without increase of payments as the national income rises,

"the formula would result in complete retirement of the national debt in 58 years and in cutting the debt in half within less than 40 years. In the first 10 years, \$27 billions or about one-tenth of the present debt would be retired. The amounts retired in each decade thereafter would be progressively larger as interest payments declined."

Noting what he called revival by government spokesmen of an "ancient alibi" that the only way the government can pay off debt is by raising taxes to make the people provide more money, Mr. Wilson declared:

"According to its own net revenue estimates, the Federal Government is going to take around \$34 billions more from the people this fiscal year than it did ten years ago.

"Certainly there is enough money in an increase of that size in the government's 'take' to pay every dollar of necessary expense in peacetime and also to make a good start on paying off the nation's mortgage. If the government will cut its spending as it ought to cut it, and can cut it, the people will get both debt retirement and tax reduction besides."

Noting that reduction of expenditures and consistent debt retirement was supplemented and aided by a sound refinancing and re-funding program, the NAM recommended that an effort be made to induce investors outside the

banking system to take over a much larger portion of the outstanding debt. Its specific proposal was that the Treasury offer to institutional investors, other than commercial banks, a long-term obligation bearing interest at a rate of approximately 2½%. It proposed restriction of purchases of these bonds to the amount of new money available for investment at the time of offering.

Underlying the recommendation for long-term bonds to help move debt out of the commercial banks is the fact, previously emphasized by the NAM, that past methods of financing the Treasury and managing the public debt have resulted in a sharp increase in bank deposits, and these tend to be highly inflationary. Through such a procedure, it is contended, the government has been feeding the very fire of inflation which, through certain other activities, it ostensibly was trying to put out.

As another essential phase of a sound public debt policy, the Association has urged the taking of every possible step in the way of aggressive and skillful marketing practices to stimulate public investment in government securities. It has recommended also that the government should not arbitrarily lower interest rates and hold them at artificially low levels which lead to credit inflation.

Govt. Meat Exports Program Changed

Announcing program changes in its foreign-selling policy, the Department of Agriculture on Sept. 12 stated that it would cease to buy United States meat for cash-paying foreign Governments on Sept. 30 as part of a program to return food procurement for export to regular commercial channels. The Department added, according to a dispatch from Washington to the New York "Times," that it would be in business to sell to other Governments any commodities it had left over as a result of program changes, or which it might have on hand because of the price-support programs. The "Times" added:

It also called attention to the fact that return of commodities to commercial procurement "does not necessarily mean that these commodities will be removed automatically from allocation," rather, "allocations must remain in effect as long as the supply of the commodity requires some method of equitable distribution."

Meat-buying for the United Nations Relief and Rehabilitation Administration, the same advice went on to say, "would continue until the end of the UNRRA program, the Department said. Earlier the Department had cut off its procurement for cash-paying foreign governments in flour and other wheat products, oats, grain sorghums, cotton and tobacco, fruit, vegetables and sugar.

"It now continues to buy only dairy products, dried and frozen eggs, animal fats including lard, vegetable oils and their products, wheat, corn, beans, rice, canned fish and seeds.

"Under the procurement program for other Governments, begun as a wartime operation and continuing through the world food shortage, cash-paying foreign governments deposited about \$645,000,000 with the Department of Agriculture for purchase of this country's farm products."

Large-scale purchasers included the United Kingdom, France, the Netherlands, Netherlands East Indies, Belgium and India.

The State of Trade

The failure of OPA to stem the tide of rising prices which has in turn created fresh demands for higher wages to meet the abnormally high living costs, is, in recent weeks, fast losing favor among many of its most ardent adherents.

The past and current week brought to light fresh evidence of this growing trend. In the previous week, President Truman called upon the Nation to put its shoulder to the wheel and do its "utmost" to preserve industrial peace and keep production at a high level. How these objectives can be attained in an economy subject to controls which prove impotent in the face of an upward spiral of production and living costs is hard indeed for most of us to comprehend and quite logically so.

In setting forth the Nation's economic position the past week Reconstruction Director John R. Steelman pointed out that prices have risen more in the three months following the expiration of the OPA Act last June 30 than in the previous 38 months. This fact of itself should provide ample proof for both the President and Mr. Steelman and other advocates of price control that the remedy lies not in more control, but rather by pruning the law of some of its unworkable features which are playing such great havoc with our National economy.

In the vanguard of those favoring lifting of controls last week was the President of the American Federation of Labor, William Green, who sought abolishment of wage controls. Mr. Green reiterated his position at the opening of the AFL's 65th annual convention on Monday of the present week, when he again called for an end of all government wage and price controls. Significant was Mr. Green's statement that, "Labor has come to the conclusion that the time has come to drop artificial government controls which have kept the Nation's economy off balance. If we ever expect to restore peacetime conditions in America, we must first restore peacetime freedoms." John O'Leary, Vice President of the United Mine Workers, was also emphatic in his statement regarding controls, when he said, "Unquestionably, the popular demand is for repeal of government controls. The people are tired of bureaucracy."

Added to the growing clamor for relief in this direction was the speech of Emil Schram, President of the New York Stock Exchange, delivered in Boston, calling for an "old-fashioned crusade for the cause of private capital which has taken enough abuse in this country and which is the victim of 'creeping paralysis' induced by the policy of the government to regulate and harness business to an 'insidious' degree since the 1930s."

Industrial production the past week held close to the postwar peaks that have been established in recent weeks. Steel ingot output showed a fractional decline for the week, but according to the American Iron & Steel Institute, production for the current week is scheduled to reach the postwar peak which was established two weeks ago. Electric power production for last week was higher as was the case with bituminous coal and daily average crude oil output.

Retail volume fell fractionally in the week as sudden drops in temperature discouraged shoppers in many localities. Total volume remained well above that of the corresponding week a year ago. The supply of most goods continued to increase slightly last week. Durable goods were high on the current list of best sellers.

Overall order volume at the wholesale level continued to increase slightly in the week and small and scattered declines in

some cities were more than offset by a steady rise in almost all sections of the country. Food volume was up moderately and there was a slight increase in the demand for durable goods. Deliveries of many goods were reported to be more prompt the past week than in previous weeks.

Steel Industry—Steel activity continued to swing along at more than a normal peacetime rate in spite of all the shortages and production difficulties, according to "The Iron Age," national metal-working paper, in its review of the steel trade for last week. That some of the tension being forced upon the industry may soon be relieved to a small extent is reflected in a most recent, realistic attitude on the part of consumers that their production schedules must be gaged to steel shipments, the magazine adds.

Manufacturers in recent weeks have closely scrutinized their unbalanced inventories and to some extent shows a serious concern over this situation. It can be expected that future orders will be concentrated on an attempt to obtain the materials which are in far shorter supply in order to balance out total stocks and thus produce finished products at an accelerated rate, the above trade authority points out. Because most manufacturers are short of the same type of steel products, it may take several months before current manufacturing inventories can be leveled out into a balanced supply.

Most large manufacturing firms, steel companies report, are maintaining their orders for equipment and materials covering the balance of 1946, but are not committing themselves as to the amount of their steel quotas which they will want shipped in 1947. Only one major steel company has opened its books for 1947.

The far reaching effects of isolated strikes are causing considerable concern in the manufacturing industries because of enforced curtailments at plants not even remotely connected with the tie-ups. The power strike at Pittsburgh, involving an independent union, not only closed down a great number of manufacturing plants, but indirectly curtailed operations at a steel works and at an electrical equipment firm because of union sympathy walkouts. The 6-day walkout at Carnegie-Illinois Steel Corp.'s Gary Sheet and Tinplate plant caused a loss in production of 12,000 tons of tinplate and 24,000 tons of sheets, "The Iron Age" reports.

Despite the tendency displayed in recent weeks towards a closer control over steel order volume steel users are still placing business at a rate exceeding shipments, according to the magazine and further states that the present thinking does not involve what is currently considered to be postwar peaks in new business, but presumes to cover what may be conditions in the latter part of the first half of 1947. September figures are expected to reflect an exceedingly high volume of production and shipments and it is practically certain that barring unusual labor conditions October will establish a new postwar high.

The American Iron and Steel Institute announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 90.4% of capacity for the

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As We See It

(Continued from first page)

opponent, while he himself pays homage to the very same set of principles under another name must be given to understand without delay that he is not making a good impression.

No Mandate?

It could easily happen that both houses of Congress came definitely under the control of the Republican party this year under conditions which produced no real "mandate" from the people. If such should happen it would be futile if not worse for us to complain that the new legislators are found to do no better, or but little better, than their predecessors. It is, of course, well enough for the professional politician, or others who have a direct interest in politics *per se*, to desire first of all and most of all to have their party rather than some other party win at the polls. It is quite natural for those who are guiding the destinies of the Republican party to make victory the vital goal, and perhaps to count other matters as of secondary importance. The public is entitled to no such luxury—or at least it is foolish if it permits itself to be drawn into any such view of the situation. What it is interested in, or at least what it should be interested in, is issues. Its first concern is with public policy. It must see to it that its vital interest is not submerged in mere political maneuvering.

Evidence of danger of this sort is to be seen on all sides. Where are the opposition candidates who speak in straight flung words and few about matters that concern labor uniformity; on the subject of government control of and interference with nearly all business processes; with regard to the bungling of our foreign policy; or concerning a dozen other issues which are believed to be "ticklish," politically speaking, but which are of vital importance to the individual citizen of this country? There certainly do not seem to be many of them. Indeed it is not easy to find any of them. The common thing, of course, is to hear much made of meat shortages, of industrial interruptions arising out of blame-worthy behavior of labor permitted if not incited by Administration policies, or of any one of a number of current difficulties and tribulations, and then inquire if the voter "has had enough" of all this—leaving the implication (but nothing more) that a change would bring an end to these conditions.

Can We Be Sure?

But can we be sure? Take the matter of price controls. Here is a situation as it is working out in actual practice

which is commonly believed to have "the makings" of many Republican votes—and it probably has. It certainly should. It may do so without any clear and unequivocal pronouncement of policy either by the opposition party or by any of its influential members. If it is to result in such votes it appears it must do so under these unfortunate conditions; for there is nowhere any satisfactory declaration by the party, and if there has been any by the candidates it has not come to our attention. Doubtless the mess into which the country has fallen, particularly as respects meat, probably seems to most political opposition candidates to be too nearly heaven-sent to be "spoiled" or to be placed in the least jeopardy by any hazard raised by even intimating what the opposition believes ought to be done or would do if given opportunity by the voters this autumn.

Yet this is evidently not satisfactory to the citizen who finds not only a meatless table before him, but innumerable and needless difficulties before him both in business and in his daily life outside his office or shop. The fact of the matter is that nothing short of discontinuance of controls will suffice to correct a situation which is most observable at the dinner tables of the nation, but which is leaving its impress everywhere in the business and private lives of the people of this country. All this nonsense about supply catching up with demand and the rest needs to be characterized for what it is, and the people made to see that no half-way measures either in meat or anywhere else will suffice.

Where Is There Leadership?

But where is the political candidate—regardless of party affiliations—with the understanding and the courage to say any such thing to the voters? It is quite possible that the great rank and file are not yet convinced of the truth of it. It would not be surprising if a substantial amount of missionary work is required to bring the bald truth home to them, so long have they been fed upon the strange doctrines of the New Deal and of the bright young fellows from the classrooms of radically minded teachers often with European backgrounds. Does the candidate for high office owe no duty to lead the voters' thinking? Must we remain content with "politicians"—defined to

mean men and women who have little interest other than to get into office and stay there?

There is danger of disappointment next winter should the Republican party gain control of both the House and the Senate. The responsibility for such disappointment would rest ultimately if not directly upon the voters of this country. If the campaign continues as it has done so far, there will be no very good reason to expect drastic changes in policy. Yet there are many—and the number, we believe, is growing—who wish such a change. By next winter there may well be a great many, possibly a substantial majority, who will have seen the light of day on many current issues. When they do not get what they want they will not like it, and the outlook for the 1948 campaign could change. The time to make certain that this will not happen is now, and the electorate holds it in its power to do so.

NAM Congress to Discuss Labor Problems

A realistic approach to the labor problem is the most important subject for business at the moment, it was indicated on Sept. 30 by a poll conducted by the National Association of Manufacturers which will hold its 51st Congress of American Industry in New York, the first week in December. In an effort to plan a program for its annual meeting that will be both up-to-date and all-inclusive so far as today's industrial problems are concerned, NAM sent questionnaires to its 16,000 members asking them to list discussion subjects they regarded of greatest importance.

Equalizing Union and Management Responsibility, Industrial Peace, and A National Labor Policy are the three topics NAM's members are most anxious to thrash out, the results of the poll disclosed according to the Association which said "Labor is No. 1. Resolve this problem and many others that loom big at the moment will become minor," was typical of hundreds of answers.

Government Spending and Government Controls in business are other matters about which industry is concerned which will come up for discussion at the December meeting. Another problem to be discussed is Stabilization of Employment.

Industry's wide-spread interest in world affairs was reflected by requests that Atom Bomb Control and The International Situation have a place on the agenda. Other important topics that will be discussed at the Congress of American Industry include: Taxation, Terminating War Controls, Bureaucracy, Material Shortages, Inflation, Industry's Public Relations, Protection of the American Patent System, and Surplus Disposal.

Aide to McCaffrey of SEC

Sherry T. McAdam has recently been named assistant to James J. Caffrey, Chairman of the Securities and Exchange Commission, advices to the Philadelphia "Evening Bulletin" stated on Sept. 26. Mr. McAdam, a graduate of the U. S. Naval Academy in 1925, returned to the Commission in August of 1945 after war service. He had been with the SEC since 1935.

Carrier Asks Relief From Mounting Costs

Pennsylvania RR. points out other industries have been allowed to charge higher prices. Says in spite of peak business, railroads are "having to pinch pennies to stay solvent."

Railroads alone, among the great industries of the nation, have been denied adequate relief in meeting the higher costs thrust upon them by the war and its aftermath, the Pennsylvania RR. points out in a special message addressed to its patrons and also being sent to stockholders. Actually, freight rates were slightly lower at the close of the war than at its beginning.

Particular emphasis is placed upon the fact that the increases which the railroads are now seeking average only eighteen one-hundredths of a cent for carrying a ton of freight one mile.

"Other industries have been allowed to charge higher prices to meet higher costs they could not absorb," says the Pennsylvania RR. "That, too, is the only way the railroads can solve their problem. . . . The railroads are meeting their responsibilities to the country, but the country is not meeting its responsibility to the railroads."

How urgent the needs of the railroads have now become for higher freight rates is indicated by the way costs have been mounting.

Three increases since 1939 have raised railroad wages 51.1%. "It will take an extra \$1,451,000,000 a year just to meet these wage increases; that is more than \$3,900,000 a day," the Pennsylvania's message states.

As illustrating the mounting trend of material prices, cross-ties have risen 128.6%; freight car linings, 168.5%; steel rails 22.3%; and dining car commissary items, 91%. Coal, of which the railroads are the largest users in America, has risen \$1.50 a ton, but for the average haul of 330 miles the railroads are getting only 7½¢ a ton more than before the war.

"The railroads are doing a peak business," continues the message, "and, as in all periods of peak business, should be making peak profits in order to keep pace with the country's growth." Instead, they are pictured as "having to pinch pennies to stay solvent."

Since the termination of World War II, the railroads have been allowed an emergency increase of 6½% in freight rates of a total

of 19% requested. The partial increase "will produce a little more revenue," it is stated, but will "still fall by \$1,865,000 a day to meet increased costs of operation and provide means to satisfy the nation's need for a continually progressing and improving railroad system."

This estimate takes into account the extraordinary added burdens imposed by the Crosser Act, passed by Congress just as it was adjourning. Through this measure, the railroads are immediately loaded with extra costs of \$99,000,000 a year for inflated social security taxes, such as no other industry has to bear. When the full impact of the Crosser Act is felt, the railroads will be paying social security taxes 131% higher than any other industry.

The views of the Pennsylvania RR. management are expressed in a new issue of "Train Talks", the publication that the railroad distributes from time to time to passengers on its trains and through other channels to patrons.

It is "a simple economic fact," "Train Talks" declares, "that the money needed to meet higher wages, higher prices, higher taxes and more costly social security, and to pay for the ravages of war and future improvements, 'simply can not be earned at present freight rates.'"

After World War I, the railroads had to borrow \$10,000,000,000 for rehabilitation. That will be neither possible nor desirable now, "Train Talks" states. "So the railroads, this time, will have to rely chiefly upon adequate revenues to provide the money needed for restoration of facilities and continued progress."

"Only through increased rates can the railroads of America establish the economic basis that will enable them to get better cars, better engines, better equipment of all kinds, and perform better and increasingly attractive service for the American public."

August Retail Prices Show Sharp Increases Says Fairchild Index

Retail prices advanced in August for the sixth consecutive month according to the Fairchild Publication's Retail Price Index. Reporting that "quotations showed the greatest monthly gain since relaxation of price controls," it stated that "the Index at 116.0 (Jan. 2, 1931=100) was a new high in the life of the Index." It was added that the composite index showed a gain of 0.9% as compared with the previous month, and an advance of 2.2% compared with a year ago.

The Fairchild advices on Sept. 17 further stated:

Every group showed gains during the month. It was the first time since before the war that all groups advanced at one time. The greatest increase was recorded in men's apparel, women's apparel, home furnishings and infants' wear. As compared with a year ago, sharp increases were recorded for piece goods, men's and women's apparel, and home furnishings.

The increase in the Index since the 1939-40 low before the start of the war has been very great, approximately 30.5%. If it were possible to measure quality changes in many of the items included in the Index, the advance would be still greater, probably coming closer to 45%.

The greatest gains recorded since 1939-40 low were in women's apparel, piece goods and home furnishings, with infants' wear and men's apparel showing small gains.

An analysis of individual items

comprising the Index shows increases among the following commodities: aprons and housedresses, corsets and brassieres, furs, women's underwear, women's shoes, men's hosiery and underwear, men's clothing and shoes. There were also gains in infants' and children's socks, underwear and shoes. In the home furnishings field increases were recorded for floor coverings, radios, electrical appliances, and china. The greatest percentage increases were recorded by sheets, men's hats and caps, shoes, men's shirts and neckwear.

The upward trend in the Retail Price Index, recorded since April 1, should continue for the rest of the year according to A. W. Zelomek, economist, under whose supervision the Index is compiled. He points out that the advances in cotton alone should be reflected at the retail level in coming months. In addition, other upward price adjustments are expected by the OPA. The retail Price Index, therefore, may still show an advance of at least 7½% from current levels before it reaches its peak.

UNRRA Quarterly Report

Outstanding features of President Truman's quarterly report on the United Nations Relief and Rehabilitation Administration released Sept. 25, were cited as follows in a special dispatch from Washington to the New York "Times":

As of June 30 the United States had contributed 71.6% of the tonnage, 68% of the value, of supplies sent into receiving countries by UNRRA.

United States shipments were 9,140,614 long tons of a total of 12,736,975; their value was \$1,154,072,000 in a world total of \$1,707,149,000. It was stated that the bulk of the food to be sent overseas by UNRRA will have been shipped by the end of the calendar year, and that completion of industrial, agricultural and medical rehabilitation programs will be hastened.

A special investigation of black-market activities during the quarter was reported, with results as follows: Except for Poland, Greece, and China, there was no evidence of any significant quantities of UNRRA supplies being traded in the black markets. In Poland and Greece, where strict Government supervised rationing systems exist, steps were taken to prevent UNRRA supplies reappearing in unregulated markets.

In China, where there is no such rationing system, UNRRA "took steps to require that a greater proportion of its food supplies be distributed free of charge to resourceless persons."

Cumulative through June 30, UNRRA had shipped 5,934,475 long tons of food; 423,769 long tons of clothing, textiles and footwear; 887,332 long tons of agricultural rehabilitation supplies; 4,143,886 long tons of industrial rehabilitation supplies; 104,932 long tons of medical supplies, and 1,272,581 long tons of other supplies, including military surpluses brought overseas.

As of June 30, a total of 118,395 tons had been shipped into Albania, including in the quarter reported on "a substantial per cent of all the food consumed by the 1,120,000 people living in Albania."

To Austria had gone 418,180 long tons, mostly food, the bulk of which "came from military stocks and were mainly a continuation of the military program, financed, however, by UNRRA." Tonnage into China totaled 1,104,210 long tons, a report which was accompanied by this comment: "Because of the lack of transportation, food could not reach the starvation area, behind the coastal towns."

Czechoslovakia had received 973,373 tons, so well employed toward rehabilitation that that country was called "a model of UNRRA operations."

Greece, first country to be aided, had received 2,747,234 tons, but its "recovery to the point of economic self-sufficiency" was said to be "still dependent on outside help" and special attention was called to "the enormous orphan population of Greece," dependent on the UNRRA child-feeding program.

Italy had received 3,589,557 tons, with the import of coal termed of first importance. Poland's cumulative total of supplies was 1,336,196 tons, including sixteen fishing vessels to bring the catches in from the Baltic.

Yugoslavia received 2,029,394 long tons, and the report said: "The coming staple food harvest throughout the country promises to approach 70% of pre-war tonnage levels, thanks to the timely arrival of UNRRA seed, fertilizer, light tractors, and basic tillage instruments." Also, UNRRA's health program has made a most important contribution to this country's recovery. Included was the shipment there of 1,200 artificial limbs, and plans were announced for a \$420,000 program for the manufacture in Yugoslavia of artificial limbs because of the great number of war amputees there.

Displaced persons operations were termed "disappointing," with "infiltrates" during the quarter reported more than making up the

persons repatriated out of the camps.

President Truman urged that this country be ready when UNRRA ends "with workable plans which will enable the war-devastated countries to face the future with confidence and success." The President stressed the importance of continuing to conserve food supplies.

Truman Predicts Permanent Peace

President Truman paid a flying trip to the U. S. Military Academy at West Point on Sept. 28 to attend the Army-Oklahoma football game, according to Associated Press advices from West Point. Prior to the game Mr. Truman was a luncheon guest in the mess hall of the academy where he addressed the cadets informally. Declaring that "leadership is just naturally ingrained into some men," he urged them to cultivate that leadership as their duty.

"My definition of leadership," the President went on to say, "is that quality which can make other men do what they do not want to do and like it. That is your duty. That is going to be your job. That doesn't mean that your leadership has to be confined entirely to your military education. Some of our greatest civilian leaders right now are men who have been trained to a military leadership." The press advices added:

"As examples of such leadership the President singled out for praise Gen. George C. Marshall, now an envoy to China; Gen. Omar Bradley, head of the Veterans Administration, and Admiral Ben Moreell, who recently retired from service after acting as the Government's administrator of the seized soft coal mines.

"Asserting that 'we are facing a situation now which every country has faced after a terrible emergency,' the President said, 'there is going to come a time, now, when people are going to be sorry that they ever saw a soldier or a sailor or a marine. Don't let that worry you. We are going to need leadership now and from now on just as badly as we have needed it in this great emergency through which we have just been.

"Give the country the best you have and no matter what they may say about you for wearing a uniform in the future," President Truman said, 'maintain that dignity that goes with the leadership that has made this country great.'

Before closing his remarks the President told America's future military leaders, "We believe that we are going to have a permanent peace. That is what we are working for."

McGrath Quits Fed. Post

The resignation of J. Howard McGrath as United States Solicitor General has been submitted to Attorney General Tom Clark and awaits the latter's return from a speaking tour in California, according to a special dispatch to the New York "Times" from Providence, R. I. on Oct. 2. Upon the Attorney General's return to Washington President Truman is expected to accept Mr. McGrath's resignation. Mr. McGrath, who became Solicitor General last October after resigning the Governorship of Rhode Island to accept the post, was recently nominated by the Rhode Island Democratic State Convention for the United States Senate.

August Gas Sales Rise

Sales of the gas utility industry to ultimate consumers in August, 1946 totaled 1,834,181,000 therms, an increase of 2.3% over sales of 1,793,776,000 therms in the same month last year; the American Gas Association announced on Sept. 30. The Association's index of gas utility sales stood at 178.9% of the 1935-1936 average for the month. For the 12-months ending Aug. 31, 1946, sales were approximately 25,762,000,000 therms, a decline of 1.7% under sales of 26,198,000,000 therms in the like period a year ago.

Utility sales of natural gas in August totaled 1,629,500,000 therms, a gain of 1.7% over 1,602,900,000 therms sold a year earlier. The Association's index of natural gas sales in August, 1946, stood at 183.2% of the 1935-1939 average. For the 12 months ending Aug. 31, 1946, natural gas sales were 22,492,700,000 therms, a decrease of 2.0% under sales of 22,948,800,000 therms in the comparable period a year ago.

Mixed gas sales in August 1946 were 68,000,000 therms, an increase of 10.4% over sales of 61,600,000 therms in August, 1945. The August, 1946 index of mixed gas sales stood at 162.5% of the 1935-1939 average. Twelve-month sales of mixed gas for the period ending Aug. 31, 1946 were 1,204,900,000 therms, a gain of 2.7% over 1,173,500,000 therms sold a year earlier.

Sales of manufactured gas in August 1946 aggregated 136,700,000 therms, an increase of 5.7% over sales of 129,300,000 therms a year ago. The index of manufactured sales for August, 1946 stood at 145% of the 1935-1939 average. Sales during the 12-month period ending Aug. 31, 1946 totaled 2,064,900,000 therms, a decrease of 0.5% under 2,076,000,000 therms of manufactured gas sold in the comparable period a year ago.

A therm is a unit of measurement of gas supply which takes into account variations in heating value. For statistical purposes a therm is equivalent to approximately 100 cubic feet of manufactured gas, 120 cubic feet of mixed gas or 95 cubic feet of natural gas.

School of Banking at Wisconsin University

The success of the School of Banking at the University of Wisconsin this summer was recognized by the University authorities who approved the proposal to give the School the summer period in 1947 of the first two weeks in June, it was announced on Sept. 5 by the Illinois Bankers Assn., which said that this was announced. Harry C. Hausman, Chairman of the Board of Trustees of the School, who also stated that the Dean of Summer Schools, John Guy Fowlkes, was hopeful that the School of Banking could be housed in the new modern dormitories on the shore of Lake Mendota. Accommodations for over 300 students will be provided and registrations are already being received for the Freshman Year beginning with next summer's session.

Argentine to Redeem Bonds

The Argentine Republic on Sept. 14 notified holders of its Sinking Fund External Conversion Loan 4% Bonds, due April 15, 1972, that it will redeem in whole the entire issue of these bonds on Oct. 15, 1946. Upon presentation and surrender of these bonds on the redemption date at the office of J. P. Morgan & Co. Incorporated, New York City, at the principal office of The National City Bank of New York, or at the principal office of The First National Bank of Boston, payment will be made of the principal amount of each such bond. Interest on the bonds will cease on Oct. 15, 1946.

July Class I RR. Gross Earnings \$121,658,359 Below 1945—Net Income \$27,990,161 Lower

The Class I railroads of the United States in July, 1946, had an estimated net income, after interest and rentals of \$35,000,000 compared with a net income of \$62,990,161 in July, 1945, according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads and made public Sept. 4. Net railway operating income, before interest and rentals amounted to \$62,806,405, compared with \$98,775,650 in July, 1945. The Association further reported as follows:

In the first seven months of 1946, these roads, which represent a total of 227,774 miles, had an estimated net income, after interest and rentals of \$11,000,000 compared with \$392,831,957 in the corresponding period of 1945. Net railway operating income, before interest and rentals, totaled \$216,038,106, compared with \$647,335,514 in the first seven months of 1945.

Certain railroads took into their accounts in July, as a credit to income, the carry-backs from 1944 and 1945 Federal taxes authorized by the Internal Revenue Code. Net income for July without these credits was \$30,640,000, instead of the \$35,000,000 reported with them. For the seven months ended July 31, without carry-back credits, the railroads suffered a deficit in net income of \$42,200,000, as against a reported net income of \$11,000,000 with these deductions from Federal tax accruals. Net railway operating income for July and the seven months would have been correspondingly reduced, had the carry-back credits not been made.

In the 12 months ended July 31, 1946, the rate of return on property investment averaged 1.52% compared with a rate of return of 3.95% for the 12 months ended July 31, 1945.

The earnings reported above as net railway operating income represent the amount left after the payment of operating expenses and taxes, but before interest, rentals and other fixed charges are paid. Property investment is the value of road and equipment as shown by the books of the railroads including materials, supplies and cash.

Total operating revenues in the first seven months of 1946 totaled \$4,251,347,767 compared with \$5,493,021,122 in the same period of 1945, or a decrease of 22.6%. Operating expenses in the first seven months of 1946, amounted to \$3,627,489,634 compared with \$3,743,337,174 in the corresponding period of 1945, or a decrease of 3.1%.

62 Class I railroads failed to earn interest and rentals in the first seven months of 1946, of which 26 were in the Eastern District, 11 in the Southern Region, and 25 in the Western District.

Eastern District

Class I railroads in the Eastern District in the first seven months of 1946 had an estimated deficit, after interest and rentals of \$41,000,000 compared with a net income of \$157,607,320 in the same period of 1945. For the month of July alone, their estimated net income after interest and rentals, was \$14,000,000 compared with a net income of \$24,336,001 in July, 1945.

The same roads in the first sev-

en months of 1946 had a net railway operating income, before interest and rentals of \$49,177,353 compared with \$276,328,307 in the same period of 1945. Their net railway operating income before interest and rentals in July amounted to \$27,326,786, compared with a net railway operating income of \$40,718,352 in July, 1945.

Operating revenues of the Class I railroads in the Eastern District in the first seven months of 1946 totaled \$1,872,201,617, a decrease of 19.7% compared with the same period of 1945, while operating expenses totaled \$1,653,589,922, or a decrease of 3.1% below 1945.

Southern Region

Class I railroads in the Southern Region in the first seven months of 1946, had an estimated net income, after interest and rentals, of \$2,000,000 compared with a net income of \$54,971,047 in the same period of 1945. For the month of July alone, they had an estimated net income after interest and rentals, of \$1,300,000 compared with a net income of \$6,140,648 in July, 1945.

Those same roads in the first seven months of 1946 had a net railway operating income, before interest and rentals, of \$37,961,441 compared with \$91,492,949 in the same period of 1945. Their net railway operating income before interest and rentals in July amounted to \$5,928,066 compared with a net railway operating income of \$11,008,504 in July, 1945.

Operating revenues of the Class I railroads in the Southern Region in the first seven months of 1946 totaled \$609,293,358, a decrease of 21.4% compared with the same period of 1945, while operating expenses totaled \$512,134,129 or an increase of 1.5% above 1945.

Western District

Class I railroads in the Western District in the first seven months of 1946 had an estimated net income, after interest and rentals, of \$50,000,000 compared with \$180,253,590 in the same period of 1945. For the month of July alone they had an estimated net income after interest and rentals, of \$20,000,000 compared with a net income of \$32,513,512 in July, 1945.

Those same roads in the first seven months of 1946 had a net railway operating income, before interest and rentals, of \$128,899,312 compared with \$279,514,258 in the same period of 1945. Their net railway operating income, before interest and rentals, in July amounted to \$29,551,553 compared with a net railway operating income of \$47,048,794 in July, 1945.

Operating revenues of the Class I railroads in the Western District in the first seven months of 1946 totaled \$1,769,852,792, a decrease of 25.9% compared with the same period of 1945, while operating expenses totaled \$1,461,765,583, a decrease of 4.6% below 1945.

CLASS I RAILROADS—UNITED STATES

	1946—Month	1945—Month	1946—7 Mos.	1945—7 Mos.
Period End July 31—				
Total operating revenues	\$674,040,105	\$795,698,464	\$4,251,347,767	\$5,493,021,122
Total operating expenses	542,164,290	548,813,150	3,627,489,634	3,743,337,174
Operating ratio	80.44%	68.97%	85.33%	68.15%
Taxes	55,091,602	131,538,701	322,715,705	993,293,642
Net railway operating income (before charges)	62,806,405	98,775,650	216,038,106	647,335,514
Net income, after charges (estimated)	35,000,000	62,990,161	11,000,000	392,831,957

Items About Banks, Trust Companies

At the regular meeting of the Board of Directors of The National City Bank of New York held on Oct. 8, Leo N. Shaw was given the title of Vice-President and Manager, Overseas Division. Since June, 1945, Mr. Shaw has acted as Vice-President and Deputy Manager, Overseas Division. He came to National City in the College Training Class of 1916. Mr. Shaw is widely known as an expert on foreign exchange and his activities have been divided between the domestic and overseas branches.

Reflecting the continued decline in the U. S. Government War Loan deposit account, total deposits of the Chase National Bank of New York on Sept. 30, 1946, amounted to \$4,642,025,000 compared with \$5,039,709,000 on June 30, 1946, and \$4,620,618,000 on Sept. 29, 1945. The U. S. War Loan deposit on Sept. 30, 1946, was \$359,090,000, representing a drop of \$250,692,000 from the figure a year ago, while the other deposits of the bank, excluding the War Loan deposit, showed an increase of \$272,100,000 during the 12-month period from Sept. 30, 1945, to Sept. 30, 1946. Total resources on Sept. 30, 1946, amounted to \$5,010,436,000 compared with \$5,403,847,000 on June 30, 1946, and \$4,965,394,000 a year ago; cash and due from banks amounted to \$1,117,907,000 compared with \$1,249,714,000 and \$885,690,000 on the respective dates; investments in United States Government securities, \$2,388,788,000 compared with \$2,611,093,000 and \$2,765,350,000; loans and discounts \$1,087,026,000 compared with \$1,166,386,000 and \$919,835,000.

On Sept. 30, 1946, the capital of the bank was \$111,000,000 and the surplus \$139,000,000, both figures the same as on June 30th. The undivided profits on Sept. 30 were \$62,102,000 compared with \$59,392,000 on June 30. Net current operating earnings for the nine-month period ending Sept. 30 were \$2.00 per share in 1946, compared with \$1.78 per share in the same period last year. Net profits on securities were 40 cents per share in nine months of 1946, compared with \$1.13 per share for the same period last year, after provision for taxes applicable to such profits in both periods. Net earnings, including security profits, were \$2.40 per share in the first three quarters of 1946, compared with \$2.91 in the corresponding period of 1945.

Bank of the Manhattan Company of New York reported as of Sept. 30, total deposits of \$1,081,745,571 and total assets of \$1,154,814,448 compared respectively with \$1,182,047,643 and \$1,255,330,444 as of June 30, 1946. Cash on hand and due from banks amounted to \$272,148,893 against \$317,691,630; holdings of United States Government obligations \$442,124,917 against \$514,585,527. Loans and discounts amounted to \$385,151,611 compared with \$359,320,038. Capital remained at \$20,000,000. Surplus remained at \$30,000,000. Undivided profits after reserve of \$600,000 for quarterly dividend increased to \$12,497,404 from \$11,929,325 at the end of June.

The Commercial National Bank and Trust Company of New York reported as of Sept. 30, 1946, total deposits of \$207,290,068 and total assets of \$232,154,337 compared respectively with \$252,114,309 and \$277,327,769 on June 30, 1946. The bank held cash on hand and due from banks of \$44,829,041 com-

pared with \$71,904,476 on June 30, 1946; investments in United States Government securities of \$138,385,317 compared with \$160,956,317 on June 30, 1946. Loans and discounts of \$43,841,601 compared with \$40,259,875 on June 30, 1946. The bank's capital account was unchanged at \$7,000,000 and its surplus and undivided profit account increased to \$12,827,021 from \$12,593,546 at June 30, 1946, after payment of the regular dividend. Net earnings per share for the quarter were \$1.06, and for the nine months of this year \$3.02.

The statement of condition of Sterling National Bank & Trust Company of New York as of Sept. 30, 1946, reports total deposits of \$149,751,854 and total resources of \$158,622,707. These figures compare with deposits of \$160,925,778 and resources of \$169,783,365 on June 30, 1946. Cash and due from banks is listed at \$37,184,503, which compares with \$39,315,670 on June 30th last. U. S. Government securities are shown at \$80,485,017 as against \$91,341,807 for the previous quarter. Loans and discounts increased to \$38,623,671 from the June 30th total of \$36,067,386. Capital and surplus remained unchanged at \$6,000,000, while undivided profits totaled \$551,464, as compared with the June 30, 1946, total of \$535,882. Reserves amounted to \$1,611,518 compared with \$1,445,617 three months ago.

The Sept. 30 statement of condition of the Grace National Bank of New York shows deposits of \$79,716,813 as compared with \$88,265,488 on June 30, 1946, and \$84,412,938 a year ago. Surplus and undivided profits amounted to \$3,768,475 as compared with \$3,713,610 on June 30, 1946, and \$3,536,559 a year ago. Cash in vault and with banks totaled \$19,788,042 as compared with \$23,686,638 on June 30, 1946, and \$15,510,874 a year ago. U. S. Government Securities were \$47,020,393 as compared with \$49,604,360 and \$43,904,461 a year ago. Loans and discounts were \$19,987,863 as compared with \$22,406,132 on June 30, 1946, and \$25,452,944 a year ago.

J. Henry Schroder Banking Corporation reports total resources of \$74,490,852 on Sept. 30, 1946, against \$71,184,077 on June 30. Cash on hand and due from banks was \$8,588,883 against \$10,043,177. U. S. Government securities were \$35,400,062 against \$38,021,009; customers' liability on acceptances \$15,128,131 compared with \$9,850,377. Surplus and undivided profits were \$3,189,209 against \$3,185,751 in the previous quarter; amount due to customers was \$48,246,705 against \$50,791,892. Acceptances outstanding were \$16,081,731 compared with \$10,558,696. Schroder Trust Company reported Sept. 30 resources of \$38,958,200 compared with \$38,596,747 on June 30th; cash and due from banks, \$8,160,944 against \$7,483,057. U. S. Government securities totaled \$23,920,863 against \$25,460,659; loans and discounts \$6,178,825 compared with \$4,871,958. Surplus and undivided profits were \$2,587,164 against \$2,584,891. Deposits were \$34,227,742 against \$34,103,198.

Fulton Trust Company of New York reports total deposits of \$36,633,871 and total assets of \$42,300,189 in its statement of Sept. 30, 1946. On June 30, 1946, these figures were \$39,639,192 and \$45,296,977, respectively. As of Sept. 30, 1945, the bank's total deposits

were \$35,989,711 and total assets were \$41,535,936. Cash, U. S. Government securities and demand loans secured by collateral amounted to \$39,384,140, as compared with \$42,517,559 on June 30th last and \$38,012,986 a year ago. Capital and surplus showed no change in total at \$4,000,000. Undivided profits increased to \$1,299,881, after dividend of \$30,000 paid Oct. 1, 1946, as against \$1,293,530 shown on June 30, 1946, and \$1,217,919 on Sept. 30, 1945.

Thomas J. Shanahan, President of the Federation Bank and Trust Company of New York reported as of Sept. 30, 1946, deposits of \$35,861,837, and total resources of \$40,939,424 against \$38,550,997 and \$43,611,497, respectively as of June 28, 1946. Cash on hand and due from banks amounted to \$8,136,540 against \$9,184,420. Holdings of United States Government Securities totaled \$6,895,775 against \$8,403,179. Loans and discounts were \$14,650,650 against \$15,594,794. Capital of \$1,500,000 and surplus of \$1,500,000 remained unchanged, and undivided profits had been increased from \$513,141 to \$545,665.

Clinton Trust Company of New York reports total assets of \$27,484,748 as of Sept. 30, 1946, in its statement of condition for the third quarter. This compared with \$28,298,636 as of June 30, 1946, and \$23,843,947 on Sept. 29 a year ago. Deposits totaled \$25,609,796 against \$26,555,790 on June 30 of this year and \$22,373,878 on Sept. 29, 1945. Surplus and undivided profits amounted to \$762,303 compared with \$759,990 on June 30 and \$600,936 a year ago. Loans and discounts of \$5,175,894 were reported as of Sept. 30, 1946, compared with \$4,826,260 three months earlier and \$3,043,704 on Sept. 29 of last year. U. S. Government securities and municipal bond holdings totaled \$13,384,220 against \$13,268,417 and \$13,335,331. Cash on hand and due from banks amounted to \$6,616,064 compared with \$6,953,577 and \$5,163,830.

In honor of the visit to New York City of Beauford Jester, Governor-nominate of the State of Texas, an exhibit of pictures showing the industrial development of that state is being shown in the windows of Colonial Trust Company, on the Avenue of the Americas at 48th Street.

Arthur S. Kleeman, President of the bank, in announcing the display, said:

"As a service to our correspondents and in furtherance of the Governor's objectives, we are seeking to make our bank headquarters in New York for supplying information about Texas to those who are seeking industrial locations in the Lone Star State. At the same time, we have suggested to our Texas correspondents that they direct to us any representatives of their State or of its communities who may be in New York for the purpose of inviting industrialists to establish themselves in Texas. Through the special cooperation of our Vice-President, John C. Jester, who is stationed in Dallas, in charge of our Texas bank relationships, and our Vice-President, Ernest Lamb, another Texan who is in charge of our Correspondent Bank Division in our Head Office, we believe we are in an especially advantageous position to prove of help in the Jester program for the further industrialization of Texas.

In their Sept. 30 statements total deposits for the National City Bank of New York and the City Bank Farmers' Trust Co. together are shown as \$4,853,743,078 and total resources as \$5,198,554,292, as compared with corresponding totals at the end of June, 1946 of \$5,035,852,518 and \$5,380,814,417 respectively. In the case of the Na-

tional City the Sept. 30 figures of deposit are \$4,723,043,624, while those of the trust company are \$130,699,454, compared with June 30 figures of \$4,872,600,625 for the bank and \$163,251,893 for the trust company. The resources of the bank on Sept. 30 were \$5,035,050,273, while those of the trust company were \$163,504,019, these figures comparing with those for June 30, of \$5,184,476,441, for the bank and \$196,337,976 for the trust.

	9 Months—1946		9 Months—1945	
	Amount	Per Share	Amount	Per Share
Net current operating earnings	\$13,966,844	\$2.25	\$12,941,351	\$2.09
Net profits from sales of securities	3,863,206	0.62	4,528,769	0.73
	\$17,830,050	\$2.87	\$17,470,120	\$2.82

These earnings in both cases do not include recoveries which were transferred to reserves.

The statement of condition of the Bankers Trust Company of New York as of Sept. 30, 1946, shows total capital funds of \$145,713,490 as compared with \$145,144,039 as of June 30. Total resources amounted to \$1,605,472,229 on Sept. 30, while three months ago they were \$1,758,506,190; and total deposits at the end of the latest quarter stood at \$1,433,590,193 against \$1,586,045,425 June 30. Holdings of U. S. Government securities are shown to be \$721,518,589 on Sept. 30 while they stood at \$787,279,766 three months previously. Loans and bills purchased declined from \$511,797,641 in the last quarter to \$499,778,925 at the present time.

As of Sept. 30, 1946, total resources of the United States Trust Company of New York were \$169,478,908 against \$183,065,078 on June 30; deposits of \$131,538,993 were reported in the latest statement, compared with \$149,888,728 in June; U. S. Government holdings are now \$96,526,051 against \$100,121,173, and loans and bills purchased amounted Sept. 30 to \$23,514,181 compared with \$28,753,355 three months ago. Capital and surplus are unchanged at a total of \$28,000,000 while undivided profits rose at the end of September to \$2,785,777 from \$2,744,885 on June 30.

In advices on Sept. 12 to the staff of the Bank of the Manhattan Company of New York, advising them regarding an increase in salaries, F. Abbot Goodhue, President of the bank said that "a year ago the Board of Directors authorized an increase from 12% to 15%, retroactive to Jan. 1, 1945, in the rate of supplemental compensation which had been paid for several years in different amounts as the cost of living rose. It also directed that after Oct. 1, 1945, the supplemental compensation be added to the base salary of each member of the staff."

Mr. Goodhue went on to say that "during the year and especially since the expiration of the Price Control Law on June 30th last, the cost of living has risen further; consequently he says the officers, after studying the situation recommended to the Directors that an increase of 10% in the salaries of all members of the staff, other than officers, be authorized, retroactive to July 1, 1946; the recommendation was approved by the directors, and the increase has accordingly become effective.

Zay Blanchard Curtis, a former Vice President of the Guaranty Trust Company, New York, died on Sept. 1 at his home in Bernardsville, N. J., at the age of 69 years. He joined the Guaranty Trust in 1923, and retired two years ago, said advices from the Associated Press, which also stated that he entered the banking business in Little Rock, Ark., where he remained until joining the Guaranty Trust.

The total capital funds of the bank and trust company together are \$283,565,744 as of Sept. 30, 1946, or \$46.22 per share on the 6,200,000 shares outstanding compared with \$276,515,874 or \$44.60 per share as of Dec. 31, 1945. The earnings of the National City Bank of New York and the City Bank Farmers Trust Company combined for the first nine months of 1946 and for the same period in 1945 are as follows:

	9 Months—1946		9 Months—1945	
	Amount	Per Share	Amount	Per Share
Net current operating earnings	\$13,966,844	\$2.25	\$12,941,351	\$2.09
Net profits from sales of securities	3,863,206	0.62	4,528,769	0.73
	\$17,830,050	\$2.87	\$17,470,120	\$2.82

Edward Everett Watts, Chairman of the Board of Trustees of the Broadway Savings Bank, New York died on Sept. 9, at the age of 78. At a meeting on Sept. 11 of the Board of the bank, of which Thomas R. Cox is President, a resolution was adopted recording the loss to the institution suffered in the death of Mr. Watts, the resolution in part stating: "Mr. Watts became a trustee of the bank on Sept. 8, 1915, was elected its President on April 10, 1935, and retired as President and was elected Chairman of its Board of Trustees on Oct. 10, 1945. He was ever zealous in matters connected with the Bank and his long-continued banking experience made his counsel especially valuable."

Mr. Watts, who was born in Mulberry Grove, Bond County, Ill., was a member of the Advisory Board of the Chase National Bank of New York at the time of his death, said the New York "Sun" of Sept. 10, from which we take the following:

In 1906 he was appointed a National Bank examiner, with headquarters in this city, and served for five years until he was named Assistant Examiner for the New York Clearing House Association. He was elected Vice-President of the Fifth National Bank, then at Lexington Avenue and 23d street, in 1913 and became President a few months later. Mr. Watts remained President until 1925 and then became First Vice-President of the Garfield National Bank. When the Garfield and the Chase National Bank were merged in 1929, he was named Vice-President in charge of the Garfield branch of the Chase, a post which he held until 1935.

Guaranty Trust Company of New York announced on Sept. 6 the appointment of Leonard A. Lewinton as Assistant Manager of its London Office. Mr. Lewinton, who has been associated with the bank's London office since 1920 and has been an official there since 1937, sailed on Sept. 5 on the Queen Mary to return to London after spending several weeks at the New York office.

John K. McKee, who, as noted in our issue of Sept. 5, page 1324, took up his new duties on Sept. 1 as President of the Continental Bank & Trust Company of New York, was formerly a member of the Board of Governors of the Federal Reserve System. He was elected to his new post on Aug. 8.

E. Chester Gersten, President of The Public National Bank and Trust Company of New York, has announced that the directors have appointed Joseph M. Barnes an Assistant Cashier. Mr. Barnes' career in banking covers a period of 22 years excepting for three years' service in the U. S. Army. In his new connection, he will be identified with the Credit Department at Main Office.

James L. Robertson 3rd was elected trustee of the Harlem Savings Bank at a recent meeting of the board of trustees, it was announced by Glover Beardsley, President. Mr. Robertson, a (Continued on page 1860)

New Price Ceilings—Some Curbs Lifted

Conforming with the new price control law, the Office of Price Administration continues to lift curbs on commodities and materials where these are no longer considered necessary and to raise price ceilings "recommended" by the Secretary of Agriculture. On Sept. 3, advices from Washington to the New York "Times" stated that controls were removed from 21 additional construction and industrial materials having an annual production value estimated at \$110,000,000, deemed not essential to the Veterans Emergency Housing Program. The most important commodity decontrolled, the "Times" continued, was that of refractories (glazed ware). A \$25,000,000 annual production of refractories was freed. This, taking into account a \$60,000,000 production from which controls previously were lifted, completed the suspension of controls on all industrial refractories. The "Times" added:

"Other major commodities from which controls were removed included the following: Dry, flushed and pulp color pigments, cadmium pigments and ceramic colors and decorating compositions with an annual value of \$31,000,000. Vitreous enamel frit, which is used in the enameling of iron, steel and clay products, with a production valued at \$15,000,000 a year.

"Slags for commercial blast furnaces and for chemical, industrial, construction and agricultural uses, valued at \$12,000,000.

"Price controls also were suspended on the following:

"Calcimine, cement retarder rock, clay chimney pots and tops, vitrified clay closet bowls and slop bowls, metallic soaps, electrical clay conduit, clay filter blocks, floor hardeners, gypsum retarder, cement stone and paper mill stone, limestone, masonry waterproofing compounds, pipe compounds, putty and caulking compounds and clay segment blocks."

On Aug. 30, according to the same advices, price controls were suspended from rubber footwear because the OPA considers that supply now equals demand. Action was taken the same day to lift controls from sterling silver flatware on the grounds that since most flatware is silver-plated, the sterling variety is unimportant to the cost of living. Plated silverware remains under control.

Advices to the "Wall Street Journal" from Washington, Sept. 3, stated that price ceilings on low-cost wool fabrics had been raised an average of 10% to stimulate production of many prewar fabrics not now being produced, according to OPA, because manufacturers have turned to those offering greater per unit return. The same advices went on to say:

"A fabric now selling under \$1.50 a yard will go up 15 cents, the OPA said. One on which the ceiling is \$1.51 to \$3.50 a yard, may be raised 10%, and certain fabrics selling at ceiling prices above \$3.50 may be increased 35 cents.

"At the same time the OPA said that the special provisions of the new price law applying to prices of wool fabrics generally will not require granting the industry any price adjustment across the board.

"Present wool textile prices already meet the requirements of the cotton-wool provision of the newly re-enacted price control act," OPA declared.

"The increases, therefore, only apply to certain fabrics manufactured in June, 1942, and do not apply to the more expensive fabrics."

As of Sept. 1, Secretary of Agriculture Anderson, under the clause of the new price control law which prohibits regulation of prices of any farm products not certified monthly to be "in short supply" by the Secretary of Agriculture, freed from price control all fresh fruits and vegetables except oranges and bananas. How-

ever, the Secretary's list of short supply foods still remains long, including, according to the "Wall Street Journal," meat, dairy products, sugar, fats and oils, distilled spirits, beer, most grains and cereals, most common edible fish, and many canned vegetables and fruits, and other minor items.

Washington advices to the "Wall Street Journal," Sept. 4, stated that the Agriculture Department had directed OPA to increase ceiling prices of dry edible beans from \$1 to \$1.50 a 100 pounds at country shipping points; it added:

"The new maximum prices for U. S. No. 1 cleaned and bagged beans in carload lots at country shipping points will range from \$11.35 for white kidneys to \$7.50 for bayo beans. The Agriculture Department also directed the OPA to increase the ceiling price of turpentine 25.7%.

"The Acting Secretary also recommended the price of gum turpentine for producers' sales in bulk be raised from 83.5 cents to \$1.05 a gallon, with corresponding increases at other distribution levels. A study of production cost figures submitted by the turpentine industry showed a rise in production costs of about 15% since 1945, the Department said."

Secy. Krug Speaker at Natl. Park Dedication

Secretary of the Interior J. A. Krug delivered the principal address at the dedication of Mammoth Cave National Park at Mammoth Cave, Ky., on Sept. 18, according to a Department of the Interior announcement.

Governor Simeon Willis of Kentucky made the presentation of the park to the Nation. United States Senator Alben Barkley, of Kentucky, gave a brief address and introduced Secretary Krug. Former U. S. Rep. Maurice H. Thatcher, who was the author of the Mammoth Cave National Park bill, discussed the early history of the movement which culminated in the establishment of the park. On the program also for brief remarks were U. S. Reps. Earle C. Clements and Frank L. Chelf, of Kentucky, and Eugene Stuart, of Louisville. Mr. Stuart, who is President of the Mammoth Cave National Park Association, was long a prime force in the Mammoth Cave movement. Arthur E. Demaray, Associate Director of the National Park Service, presided.

The dedication of the new national park marked a climax in the long history of Mammoth Cave which has been an internationally-known American tourist attraction for more than 125 years. Known and used by prehistoric Indians, Mammoth Cave was discovered by pioneers late in the eighteenth century. During the War of 1812, saltpeter dug from the floors of the cave was used in the manufacture of gunpowder for the American army and navy. Under private ownership the cave was exhibited to generations of travelers.

Through the efforts of the Mammoth Cave National Park Association, which was formed in 1924, the Kentucky National Park Commission and the State of Kentucky, Federal legislation establishing the national park was secured, and funds were raised for the purchase of the cave and adjoining lands. When land requirements were finally met in 1941, the Mammoth Cave National Park was formally established.

Wyatt-Mead Urge Housing Legislation

A proposal of Senator James M. Mead (Dem.-N.Y.) that Congress be called into special session to enact the long-delayed Wagner-Ellender-Taft housing bill won support of Wilson W. Wyatt, Housing Expediter, on Sept. 4 when he stated that he would be glad to second the Senator's suggestion. Mr. Wyatt, advices to the New York "Times" from Washington stated, told a press conference that 607,100 "dwelling units" had been begun in the first seven months of this year in the Veterans Emergency Housing campaign to start 1,200,000 such units before the end of 1946.

Conceding the fact that many difficulties lay ahead, including material shortages, Mr. Wyatt explained that two major administrative actions had been taken to spur the campaign. The "Times" added:

"One of these was the establishment of a priority regulation ordering that for 30 days nine types of surplus government building equipment be made available principally to persons or agencies making a substantial contribution to the Veterans Emergency Housing Program."

"The second administrative step involved a ruling by the Commissioner of Internal Revenue, upon the recommendation of Mr. Wyatt, which would allow tax concessions to builders of multi-family apartment houses.

"This modification, which was specifically designed to serve as an incentive for the early construction of big rental properties, means that builders will be permitted to depreciate their property for income tax purposes at a faster rate in the early years of its life. At present, owners of rental housing are required to charge off depreciation on an equal annual installment basis."

Mr. Wyatt, asserting that the "strategy" of the opposition to the Wagner-Ellender-Taft bill was based on an "exaggeration" of its public housing features, said that actually "90 per cent" of the measure was in encouragement and support of private building.

Natl' Letter Writing Week

Postmaster Albert Goldman announced on Sept. 15 that National Letter Writing Week, which was an annual event prior to the war, is to be observed this year from Oct. 13 to 19, and in connection therewith enlarged paintings of famous letters and their authors will be displayed in the lobby of the General Post Office, 33rd Street and 8th Avenue. The success obtained during the designated weeks prior to the war prompted the Postmaster General in his decision to re-establish the event, calling attention to the fact that nothing does more to promote good relations than knowledge and nothing does more to spread knowledge than communications. Postmaster Goldman stated that every effort is being exerted in an attempt to acquaint the patrons with the desirability of participating in National Letter Writing Week which has so much to offer in the way of sentiment, friendship, and the maintaining of closer bonds between relatives and friends, calling particular attention to the special delivery and air mail services.

Connolly Leaves SEC

It was announced on Sept. 29 that Joseph G. Connolly, special counsel in charge of the interpretative section of the corporate finance division of the Securities and Exchange Commission, had resigned to return to private law practice, according to advices to the New York "Times" from Philadelphia.

MacArthur Reports on Japan Occupation

On the first anniversary of his landing with American troops in Japan for occupation of the defeated enemy's country, Gen. Douglas MacArthur's headquarters at Tokyo reported on the record of this year of occupation with its achievement, and the following is the text of the commemorative statement as released by the War Department on Aug. 29, according to Associated Press Washington advices published in the New York "Times":

Summarizing the accomplishment of general headquarters of the Supreme Commander for the Allied Powers since Gen. Douglas MacArthur landed on Japanese soil one year ago today, a SCAP (Supreme Command Allied Powers) spokesman made the following statement:

First and above all else, the gigantic military machine of the Japanese Empire has been completely destroyed. Its fighting power had been temporarily nullified by the war, but a tremendous military organization, manned by millions, still remained at the time of the surrender. Its liquidation required the disarming, demobilization and disposition of approximately 4,000,000 organized and armed men in the home islands and 2,500,000 abroad. In addition, it was necessary to retrieve from overseas approximately 2,000,000 civilians and to repatriate to their homelands from Japan 1,000,000 Allied nationals.

Within the early weeks of the occupation, Japanese soldiers in the home islands were disbanded and returned to peaceful pursuits. Today, after a single year, the remnants of the overseas forces, scattered over thousands of miles, are streaming home and the work of repatriation is drawing to a close. Nine million have been processed in this time. For magnitude, thoroughness, speed and precision, this has constituted a demobilization and repatriation which has no precedent in history.

To insure further the destruction of Japan's war-making power, thousands of military and civil aircraft and millions of weapons of various calibers, with vast quantities of ammunition, have been seized and disposed of; remnants of the Japanese Navy have been taken over and are being destroyed or held for Allied division; and every element of Japanese industry utilized for or capable of adjustment to the making of implements of war has been either destroyed or brought under our complete control. Thus, from a material standpoint also, Japan's war-making power and potential is ended.

Rapid and effective strides have been made in reshaping the Japanese Government to conform to the principles inherent in a democratic state so that the people might readjust their lives to compose a truly democratic society. A new Constitution has been evolved after many months of widespread public interest and unrestricted debate which, submitted to the people by the Emperor and Government of Japan, is now in the process of democratic legislative action toward adoption or amendment.

Designed effectively to curb abuse of power by individual, class or government, it places sovereignty squarely in the hands of the people upon whom it bestows the full measure of human freedom. The masses of Japan are no longer regimented—no longer enslaved.

The Japanese citizen no longer cringes in the presence of police or other public authority; his home has become his castle, free from unwarranted intrusion, observation or violence; he registers his opinion on public issues, uncontrolled except by his own conscience; he enjoys the right of assembly and petition; he worships as he chooses, in accordance with his individual religious faith; he enjoys the untrammelled right, individually or collectively with his fellow workers, to de-

mand correction of unjust labor practices and conditions; and Japanese children, 18,000,000 of whom are presently enrolled, enjoy the right to liberal and free education in 40,000 public schools, now open and dedicated to the study of the arts and sciences and the historical truth and the development of enlightened thought.

Electoral discrimination has been removed, and the electoral base expanded by reducing the age limit from 25 years to 19 and enfranchising the women of Japan. The general election held on April 10, 1946, was a vivid demonstration of democracy on the march. A far greater number of those eligible to vote participated in this election than in any other election in Japanese history. The women of Japan took their newly gained franchise as a serious obligation, sharply broke from their traditional retirement within the family circle, and elected thirty-nine women members of the House of Representatives, an accomplishment without precedent in political history.

Reform has been instituted in every element of the governmental structure and in every phase of government administrative procedure; to root out existing evils of entrenched bureaucracy which inevitably lead to totalitarian controls. Those who in the past preached the doctrine of militarism, expansionism and intense nationalism, and shaped the policies responsible for Japan's collapse, have been purged and barred from governmental service to afford the people a new leadership.

To dislodge the economic hold which certain vested interests have long had over Japanese economy, the corporate and personal resources of the fourteen major families, including the four big Zaibatsu groups with approximately 1,200 firms linked in this system, are being liquidated. All principal officers and influential members of this industrial empire are being ousted. Thus the economic stranglehold upon the people in restriction of free enterprise, made possible by close alliance between government and concentrated wealth, is being inexorably broken.

Striking at the roots of feudalism, an agrarian reform program, now under way, will enable about 2,000,000 tenant farmers of Japan to purchase the lands they now work. Shaped to break down the large land holdings into two and one-half to ten-acre parcels, with their disposal provides for under conditions which will permit their ready acquisition, this program will correct one of the notorious evils which has long plagued individual economy and held in serfdom the underprivileged agricultural workers of Japan.

The task is by no means complete, but a decisive advance toward the achievement of our major objectives has been made.

Turkey Devalues Pound

Under date of Sept. 9, United Press advices from Istanbul, published in the New York "World-Telegram," said:

"The Turkish Government has devalued by more than 50% the value of its pound in relation to the United States dollar.

"The step was taken, it was explained here, in accordance with the Bretton Woods Agreement.

"Under the new rate, the Turkish pound would be worth around 85 cents compared with a previous quotation of 77½ cents."

U. S. Foreign Policy No Threat to Russia

(Continued from page 1846)

political parties in the making of peace.

It was with the approval of President Truman that I invited Senator Vandenberg as well as Senator Connally to assist me in the drafting of the peace treaties.

And President Truman re-enforced this bi-partisan policy by appointing Senator Austin our representative on the Security Council of the United Nations.

Foreign Policy Remains Firm

The President has recently made known to the world in the most convincing manner possible that the foreign policy which was started by President Roosevelt and which has been consistently followed by President Truman, will continue to be the policy of the American Government.

Because that policy is supported by Republicans as well as Democrats, it gives assurance to the world that it is our American policy and will be adhered to regardless of which political party is in power.

Because today we have such a policy I was able to say recently, with the approval of the President, and I am happy to be able to reaffirm here in France, that so long as there is an occupation army in Germany the armed forces of the United States will be in the Army of Occupation.

I would not want you to believe that our course in this regard is entirely unselfish. It is true that the United States wants no territory and seeks no discriminatory favors. The United States is interested in one thing, above all else, a just and lasting peace.

The people of the United States did their best to stay out of two European wars on the theory that they should mind their own business and that they had no business in Europe. It did not work.

The people of the United States have discovered that when a European war starts, our own peace and security inevitably become involved before the finish. They have concluded that if they must help finish every European war, it would be better for them to do their part to prevent the starting of a European war.

Disarmament of Germany

Twice in our generation doubt as to American foreign policy has led other nations to miscalculate the consequences of their actions. Twice in our generation that doubt as to American foreign policy has not brought peace, but war.

That must not happen again.

France, which has been invaded three times in the last 75 years by Germany, naturally does not want to be in doubt as to American foreign policy towards Germany.

To dispel any doubt on that score the United States has proposed that the Soviet Union, the United Kingdom, France and the United States shall enter into a solemn treaty not only to disarm and demilitarize Germany but to keep Germany disarmed and demilitarized for 40 years. And the treaty can be extended if the interests of international peace and security require.

On June 5, 1945, Generals Eisenhower, Zhukov, Montgomery and De Tassigny entered into an agreement providing in detail for the disarmament and demilitarization of Germany.

The treaty I proposed on behalf of the United States contains all the provisions of that agreement. It provides that all German armed forces, all para-military forces, and all the auxiliary organizations shall be kept demobilized. It provides further that the German General Staff and the staffs of any para-military organizations shall be prohibited and no German military or para-military organizations in any form or disguise shall be permitted in Ger-

many. It provides for the complete and continued demilitarization of her war plants and for a continuing system of quadripartite inspection and control to make certain that Germany does not rearm or rebuild her armament plants or reconvert her civilian industries for war.

So long as such a treaty is in force the Ruhr could never become the arsenal of Germany or the arsenal of Europe. That is a primary objective of the proposed treaty.

The United States is firmly opposed to the revival of Germany's military power. It is firmly opposed to a struggle for the control of Germany which would again give Germany the power to divide and conquer. It does not want to see Germany become a pawn or a partner in a struggle for power between the East and the West.

The United States does not oppose but strongly urges the setting up of effective inspection and control machinery to see that Germany does not rearm, does not rebuild her armament industries or convert her civilian industries for war.

We propose that the Allied occupation of Germany should not terminate until a German Government does accept the required disarmament and demilitarization clauses. Even then the proposed treaty envisages the need for limited but adequate Allied armed forces, not for occupation purposes, but to ensure compliance with the treaty.

To Prevent War Industries in Germany

To keep watch over war potential in this industrial age, engineers are more important than infantry. Engineers can detect at an early stage any effort upon the part of a manufacturer of motor cars to convert his machinery to manufacture of tanks or other weapons of war. Engineers can probe the mysteries of a chemical plant; infantry soldiers cannot.

If violations are discovered they must be immediately reported to the Commission of Control. If the Commission of Control finds that the violations are not immediately corrected by orders of the engineer inspectors, the Commission should at once demand that the German Government close the plants and punish the violators of the treaty.

If the government does not comply, the Allied representatives in 24 hours should order the necessary forces to enforce compliance.

If the Allied representatives deem it necessary they should be in a position to call for bombers from France, Britain, the United States or the Soviet Union. These planes could fly to Germany to enforce immediate compliance.

After the last war, the great French war leader, Clemenceau, hoped to secure a guaranty that the Allies would come to the aid of France if Germany violated her frontiers. But President Wilson failed in his effort to get the American people to join in such a guaranty.

This time the American people propose not to wait until France is again invaded. They offer now to join with France, Britain and the Soviet Union to see to it that Germany does not and cannot invade France.

Soviet's Cooperation Essential

Mr. Bidault on behalf of France, and Mr. Bevin, on behalf of Britain, have accepted in principle the treaty we have proposed. I hope very much that the Soviet Union, which thus far has regarded the treaty as unacceptable, will on further examination and study find it possible to join with us to prevent Germany again from becoming a menace to the peace of Europe.

The military representatives of the Soviet Union, the United Kingdom, France and the United States easily reached an agreement providing for the disarming of the German people and the demilitarization of German plants, to continue until the peace settlement. The United States proposes to continue this disarming and demilitarization for 40 years after the peace settlement.

If the Allied nations will enter into the treaty which the United States proposes to keep Germany disarmed and demilitarized for at least a generation, the people of France and the people of Europe need not fear the efforts of the German people to rebuild their devastated country and rebuild a peaceful Germany.

We do want to give encouragement to the peaceful, democratic forces of Germany. We cannot do this unless we do give them a chance to govern themselves democratically.

For our own security as well as for the welfare of the German people we do not want to see an over-centralized government in Germany which can dominate the German people instead of being responsible to their democratic will.

In the American zone, we have placed great emphasis upon the development of a sense of local responsibility and have taken the lead in creating laender or states so that the people will look to the states and not to a central government on all matters that do not basically require national action.

We want to see the federal government of Germany created by the states and not the states created by the central government. If we so proceed we do not think we will find that the responsible representatives of the states will want to give excessive powers to the federal government.

We want a peaceful, democratic and disarmed Germany which will respect the human rights and fundamental freedoms of all her inhabitants and which will not threaten the security of her neighbors.

We want such a Germany not because we want to appease Germany, but because we believe that such a Germany is necessary to the peace and security of France, our oldest ally, and is necessary to the peace and security of a free and prosperous Europe.

After every great war which has been won by the combined efforts of many nations, there has been conflict among the Allies in the making of peace. It would be folly to deny the seriousness of the conflict in viewpoints among the Allies after this war.

To ignore that conflict or minimize its seriousness will not resolve the conflict or help us along the road to peace. To exaggerate that conflict and its seriousness, on the other hand, only makes more difficult the resolution of the conflict.

No Immediate War Danger

I concur most heartily in the view recently expressed by Generalissimo Stalin that there is no immediate danger of war. I hope that his statement will put an end to the unwarranted charges that any nation or group of nations is seeking to encircle the Soviet Union, or that the responsible leaders of the Soviet Union so believe.

I do not believe that any responsible official of any government wants war. The world has had enough of war. The difficulty is that while no nation wants war, nations may pursue policies or courses of action which lead to war. Nations may seek political and economic advantages which they cannot obtain without war.

That is why if we wish to avoid war, we must decay not only war but the things which lead to war.

Just because war is not now imminent, we must take the greatest

care not to plant the seeds of a future war. We must seek less to defend our actions in the eyes of those who already agree with us, and more to defend our actions in the eyes of those who do not agree with us. But our defense must be the defense of justice and freedom, the defense of the political and economic rights not of a few privileged men or nations but all men and all nations.

It is particularly appropriate that here in the birthplace of the doctrine of the rights of man I should reaffirm the conviction of the Government and the people of the United States that it is the right of every people to organize their own destiny through the freest possible expression of their collective will. The people of the United States

believe in freedom for all men and all nations, freedom of speech, freedom of worship, freedom of assembly, freedom to progress. The people of the United States have no desire to impose their will upon any other people or to obstruct their efforts to improve their social, economic or political conditions. In our view human freedom and human progress are inseparable.

We want to give the common men and women of this world who have borne the burdens and sufferings of war a chance to enjoy the blessings of peace and freedom. We want the common men and women of this world to share in the rising standards of life which science makes possible in a free, peaceful and friendly world.

New Aspects of Bank Supervision

(Continued from first page)

Yes, the outlook and opportunity for business in general and for banking in particular is bright indeed. But what of the future of the bank supervisor? What lies beyond the thresholds of tomorrow for the men who are responsible for the smooth functioning of our banking system and for the safety of the bank deposits of the millions of people in this country?

During the war the bank supervisors did a splendid job under extremely severe handicaps. Most pressing of their difficulties has been the shortage of manpower. With skeleton staffs the supervisors have kept well abreast of the task of bank examination, as witness the fact that thanks to you gentlemen we are now well into our third year without loss to any depositor of an insured bank.

Training Bank Examiners

The manpower shortage has eased since the end of the war, though there seems still to be a shortage of men with the experience and education required to make good bank examiners. You probably read recently of the effects of Federal Deposit Insurance Corporation to recruit and to train young men who can qualify as potential bank examiners. I should like to say a few words about this program in its relation to State bank supervisors.

You all are familiar, I believe, with the manner in which FDIC recruits its junior examining personnel. We work with the Civil Service Commission. Applicants must pass a written examination, and those candidates thus shown to be most promising must subsequently pass an oral examination conducted by representatives of the Corporation, who have been practical bankers as well as examiners.

On Aug. 9 the Corporation announced the appointment of Russell E. Shearer as Assistant Chief, Division of Examination, with primary responsibility for the educational and training program of the Corporation's examining force.

The educational and training program of the Corporation will make available to all members of the examining force all correspondence courses of the American Institute of Banking. In addition, the program will include orientation courses for newly appointed assistant examiners and courses of specialized resident study at our leading universities in Money and Banking, Economics, Credit Analysis, Bank Accounting, Auditing and Operation, and related subjects.

All fees and tuition costs will be paid by the Corporation.

Now the thing that I would like to impress upon you supervisors is that in its program of recruitment and training, the Corporation has no intention of proselytizing and further depleting your staffs. Not only do we want to avoid any appearance of robbing your staffs, but we hope that,

in the event you see upon the FDIC staff a man you feel could be more valuable to you than he is in his present position, you will feel free to ask us for his release. We are interested primarily in the health and operating efficiency of the entire supervisory system. We think our men are able, or we wouldn't have hired them. But it is not always possible for us to promote a man as rapidly as his qualifications deserve, and we should be happy to have him advance, especially if his supervisory ability can be put to better use in the field of state supervision than with the Federal Deposit Insurance Corporation.

Supervisor Personnel

As for the supervisors themselves, I must say regretfully that their outlook today is no brighter than it was ten years ago. Insecurity of tenure and inadequate pay schedules still are with us. Manifestly this has caused and is causing a tremendous turnover in the personnel of this organization. For example, of the forty-nine members of this association when I first joined your ranks, a few brief years ago only Gurney Hood, John Hospelhorn and Clyde Davis remain today. I know of no State in which the salary of the bank supervisor has been increased during those years, except for periodic pay raises which the supervisor so justly deserves.

New Supervisory Legislation

What lies over the threshold for the State bank supervisors depends largely upon you gentlemen gathered here today. There is a legislative year just ahead and I recommend that the bank supervisors everywhere immediately begin to develop legislative programs which will lessen the handicaps with which they are now confronted.

As the first step, I suggest the formation of a special legislative committee of this association to study the problems confronting its members and to develop suggested legislation which can be adapted to the needs of individual States. I know from experience that bankers realize the value of capable supervision and appreciate the difficulties under which supervisors work in most States. I am convinced that nearly every State bankers association would be willing and eager to lend its support to a soundly conceived legislative program. I assure you, furthermore, that FDIC will be happy to promote your cause through the State Legislation Committee of the American Bankers Association.

Among the basic provisions of this suggested legislation, I would include requirements for overlapping tenure of office and means for insuring that supervisors receive salaries commensurate with the responsibilities involved in bank supervision. The mortality rate among su-

Supervisors that I mentioned earlier is the best indication of the need for providing over-lapping tenure. Under present conditions in most States, no sooner does a man learn his job and get to know his banks than he is eliminated by a change in political administration. Nothing so vital to the national welfare as supervision of our banking system should be permitted to be a political football. This has been recognized in Federal banking legislation, which has made the terms of members of the Board of Governors of the Federal Reserve System fourteen years and those of members of the board of Federal Deposit Insurance Corporation six years. Provision should be made in every State to assure continuity of service for supervisors, in the absence of malfeasance or misfeasance, for periods long enough to give them an incentive to master their jobs and enable the bankers to realize that they no longer have to become accustomed to one set of supervisory standards just in time to have those amended by a new supervisory authority.

On the question of salaries, I would like to suggest as a minimum goal that the incomes of State bank supervisors be made at least as high as those of bricklayers, carpenters and painters, realizing, of course, that the servant is worthy of his hire.

In many of our States today, this condition does not prevail. The craftsman works hard during the day, but when the whistle blows, his day is done and he can go home without a worry on his mind. On the other hand, the supervisor's day is never done. He must work and study and analyze at night. In many cases he must assume responsibility for the solvency not only of banks, but of building and loan associations, finance companies, stock brokers, credit unions, investment companies and so on down the line. Yet he frequently receives little more financial reward for his training, experience, responsibilities and unlimited hours of toil than the ordinary laborer does for his good workmanship.

Bank Supervisors Underpaid

Mark you well, I do not suggest that the craftsman or the laborer is overpaid. He is entitled to a fair return for his skill and a job well done. My point is that the supervisor is shamefully underpaid for the responsibility he must assume and for the effort he must put forth. The bricklayer, the carpenter, the painter, and the laborer, if they knew of this condition and if they realized that the safety of their own funds was actually involved, would insist that salaries be paid to bank supervisors that would attract the highest caliber of man to that position. Because of present conditions, only a man of independent means or one who is willing to make a real sacrifice to the people of his state can afford to take the job. I can count on the fingers of one hand the number of good country bankers I know who would or could make the sacrifices necessary to accept appointment as a supervisor. That is not the way it should be nor is it the way we want it. Hence the necessity for salary provisions in the legislation you propose and the bankers associations support.

One other provision I should like to see included in whatever legislation you introduce is one authorizing the State supervisor to utilize the liquidating facilities of FDIC in cases where an insured bank in his jurisdiction is placed in liquidation. It is not our intention to force these facilities upon any supervisor, but we feel that your whole legislative program would benefit from inclusion of a provision that would permit utilization of existing and experienced liquidating service of the Federal

Deposit Insurance Corporation in case of contingencies. Legislation of this character now exists in forty-one states thus we of the FDIC are proud of the fact that the loss record of our Division of Liquidation on the million assets it has handled and liquidated during the past twelve and one-half years has been only 11.4%. This is a record which has not been surpassed by any other agency in or out of government. Thanks also for your wise and

cautious attitude with respect to chartering new banking institutions. Our prime mutual interest is and must be the health of the whole banking system. Your contributions to its present healthy status are far beyond the call of duty and will be long remembered. We solicit your continued fine cooperation, always remembering "that in the looms of today from the materials of yesterday we are weaving the pattern of bank stability and solvency for tomorrow."

A Balance Sheet For United States, Inc.

(Continued from first page)

our attention to what I shall call a simplified balance sheet of the United States of America, Incorporated.

I am afraid that in this time of change from war to peace, the recital of the multitude of our present problems—many of them transitory, many of them relatively minor, and some of great import—may obscure the tremendous surplus that we, as a nation, enjoy.

If I were to go about setting up a table of assets for this, the greatest of all corporations, I think I should place among the first on the list, the character, the aggressiveness, the capabilities, the record of achievement, of our American people. We honestly believe that these capacities, which brought us to victory over powerful enemies, will serve us in the attainment of a peacetime, national prosperity.

Thus, I think I should list the vast industrial and business establishments of our country, the physical properties and production potential of such corporations as are typified by their representatives here tonight. The United States of America, Incorporated, certainly is blessed beyond any nation in history in the greatness of this asset.

We may add our national resources, our accumulation of savings in corporate securities, in bank accounts, in government bonds. And right here I want to express again my appreciation and the thanks of your government, for the part that you men, and the industry, business and finance that you represent, played in the sale of War Bonds. It was a tremendous contribution to the war effort. I am sure that we will have your continued support in our present program for the peacetime distribution of Savings Bonds through payroll savings plans and other mediums, and in the successful accomplishment of our public debt financing of the future.

Certainly, an asset that promises profitable operations for United States of America, Incorporated, is the pentup demand for all kinds of goods and services, a real challenge to the imagination and enterprise of our national industry. There is the fact that our reconversion from war to peacetime economy is virtually completed.

And, shall we not add an item for good will, for that unique position we hold among the nations of the world, that promises us outlets for our products on a scale never before attained.

Asks Support of World Bank and Fund

I come to you directly from the first annual meetings of the Boards of Governors of the World Bank and International Monetary Fund, where we have sought to lay the groundwork for a sound and lasting world commerce. I ask your support for these efforts. I am confident they will contribute greatly to our own prosperity, and to that of the nations of the world.

Now, let us look at the other side of the ledger. There is our great national debt, the problems

of management it presents, the annual cost of servicing this debt. There are still with us the symptoms of industrial strife, and of dislocations and maldistributions that may plague us for some months ahead. There is the still present menace of inflationary forces.

But I do not think we need put on rose colored glasses to evaluate these liabilities against our great national assets, and to find that on balance we have a great surplus, one so great that we can turn to the future with optimism.

May I, in closing, state or rather restate briefly certain policies which I feel it is very important for our people to understand.

Urges Balanced Budget

In Chicago, two weeks ago, before the American Bankers Association, I declared that in the present economic environment, the Federal Government should direct its primary effort on the fiscal front to achieving a balanced budget. Better yet, it should strive to achieve a substantial surplus of taxes over expenditures to apply to debt reduction.

To revert to the language of the Director's report, it is the fiscal policy of your company to endeavor to accomplish this balancing of the budget at the earliest possible time. And with that goal in mind, to urge, along with utmost economy in government, that, for our common good, our present level of taxes be maintained for some time. In the management of our national debt, we expect to continue issuing securities to meet investors' needs, while keeping an eye on the potentialities for controlling inflationary forces.

President Truman earnestly supports this goal of a balancing of the budget, and a reduction in the debt. I am sure that all of you here tonight are strongly in sympathy with that objective. As stockholders of United States of America, Incorporated, you may differ with the Directors, at times as to some of the methods or the details, of our program. I assure you that any constructive criticisms or suggestions that you may have will be given serious consideration at the Treasury. We are constantly soliciting the advice and opinions of men in the banking and business communities.

What I should like to ask of this group tonight, particularly, is that you use all the facilities at your disposal to inform the public of the nature of these problems, to help develop a national consciousness and concern for the proper administration of our fiscal affairs, and to develop, through public awareness, a willingness to meet our responsibilities, even when the burden is not easy.

This meeting is dedicated to the principle of a better informed body of security holders in our business realm. I say that the better informed the stockholders in our government become, the more safely and surely shall we chart the pathway of national financial soundness.

Management-Union Struggle To Attain Employee Goodwill

(Continued from first page)

aginary management finds itself opposing "unreasonable" extensions of its benefit plan. To its surprise it finds that the union thinks of hospitalization insurance, retirement allowances, and death benefits as an obligation of management rather than the mark of a liberal employer. The union negotiating committee represents its membership as resentful of having to rely on management's "charity." It is, therefore, proposing that management make it a contractual obligation to contribute 3% of its total payroll to these various benefit funds. There shall be no corresponding employee contributions but the fund shall be administered jointly by the company and the union. The benefits shall not be weighted in favor of the higher paid employees, etc., etc.

And so management finds itself opposing extension or modification of what it considers its own policy of employee benefits. According to union pronouncements, it is "reactionary, dictatorial and paternalistic." Yet the chances are that a contract will eventually be signed which will embody an employee benefit program that differs only slightly from one that might have been put into operation on management's own initiative had there been no union to bargain with.

I will not enter into a discussion here of the union gains in territory heretofore thought exclusively the domain of management. The point I wish to make is that managements are being forced to share their ancient prerogatives with unions and in many cases not only the financial but the emotional aspects of the employer-employee relationship are involved. According to the new rules of the game, management is restricted from the role of benefactor. Union leaders make many claims, but none more strongly than that they be the sole and undisputed champion of employees' rights. The union leader holds his job only while he is in the political favor of the membership. No politician can afford to let his constituents think that the opposition can do as much as he for their welfare.

This struggle for the loyalty of the employees, paradoxically works a greater hardship on the liberal employer than on his more hard-bitten competitor. As a human being, he dislikes seeing the affection of his workers being alienated to make political capital. As a business man, he knows that employee loyalty earned over the years is worth dollars and cents in terms of an efficient organization. And the more he tries to maintain this loyalty, the more bitterly will he be fought by the union.

What plans of action are open to an executive caught in this dilemma? Clearly one alternative is to resist all union advances into management's domain, to thwart union solidarity by granting wage and "fringe" benefits in excess of those won by unions in competitive stores, and to redouble efforts to secure employee loyalties. In the face of today's trends, this is an expensive and losing battle, and should be resorted to only where the local union is a particularly difficult one with which to do business.

Probably a more realistic course of action is to accept as inevitable the alienation of a share of employee affections by the union. It is a fundamental concept of the labor union movement that the employee should not have to rely upon his employer's charity or fairness to get a fair wage and other favorable working conditions. As long as collective bar-

gaining and unionization of workers enjoy the support of the laws of the land, it is unproductive for an employer to cling to the traditional methods of securing employee loyalty. He is no longer expected to "give," nor will he earn thanks for granting wage increases and other concessions. He will, on the other hand, be able to incur employee goodwill by his willingness to participate fairly and in good faith in the collective bargaining process. And in making his attitude known, as in other matters involving goodwill, the importance of good public relations technique cannot be overemphasized.

In time, this struggle for the loyalty of the employees may become minimized. When both the union and the union-management relationship develop into maturity, there may be a greater measure of cooperation. This has been the experience in England and it is both a relief and a prophecy voiced by the more statesman-like leaders on both sides of the table in this country. Workers in the 1950's may learn to love both their union and their company. But in the waning stage, the union is a jealous mistress. The interim period presents a difficult and not always comprehensible role for management to play.

Britain May Have SEC

The British Government is planning broad changes in rules governing the sale of securities, according to a Board of Trade spokesman, it was reported from London on Sept. 27 by the Associated Press. Under the projected changes, a control commission would probably be set up similar to this country's SEC. Legislation to institute such scrutiny of company control and financial structure is said to be in "an advanced stage of preparation," but the Cabinet was at the time undecided as to whether it would be presented at the session of Parliament opening Oct. 8. From the Associated Press we quote:

"The spokesman said recommendations of a committee appointed last autumn shortly after the Labor Government came to power are concerned with:

"Control over the naming of companies where the name is calculated to mislead the public; disclosure of share ownership; and nominee holdings; disclosure of the transfer of shares; information to be disclosed in prospectuses; publication of accounts; penalties for false information; organization of private companies; remuneration of directors; investigation of company officers; and disclosure of fuller information by holding companies regarding subsidiary companies."

New Currency for Japan

From Tokyo Sept. 16 special advices to the New York "Times" said:

"Occupation currency used in Japan will change to the dollar at the end of the month, when dollars and cents will replace the A-yen, used since July. Notes ranging from 5 cents to \$10 will be identical with those used by the occupation forces in Europe.

"The A-yen originally were printed for use in Okinawa and were worth a 15th of a dollar. They were introduced to check immense losses through exchange. Soldiers operating in the Japanese black market were sending home far more dollars than they drew in pay.

"The only sufferers in the impending change are likely to be Japanese who have been hoarding A-yen."

From Washington Ahead of the News

(Continued from first page)

zealous youngsters under them, that they could stop from eating.

Henry Wallace is a case in kind, though not of the proven success variety. But ever since he became Secretary of Agriculture, he had the knack of surrounding himself with young zealots who assured him day in and day out that he was the new Messiah. It was inevitable that Henry should come to believe this.

There was the case of youngish, dynamic Milo Perkins, an erstwhile bag salesman of Houston, Texas. After listening to a speech by Henry one night, or an attack on Henry—we forget which—he sent Henry a telegram saying he was a young man who at the age of 30 was fortunately in a position to retire. Some said he was exaggerating his financial position, and apparently wanted to get away from selling bags. Anyway, he said he wanted to enlist under Wallace's banner with or without pay. Wallace's banner at that time was Secretary of Agriculture, not hitherto looked upon as a banner at all. Wallace bade him come to Washington and in a few months, this 30-year-old man was Wallace's chief lieutenant.

His enthusiasm kept Wallace in hot water and years later, during the war, got him thrown out as head of the Bureau of Economic Warfare. But he left Wallace with an insatiable taste for the headlines. It was the younger men around him who got Wallace into his recent mess. Now they are going around town telling glibly that other men in history, like Thomas Jefferson, had experiences such as Henry's, but being right, they subsequently attained the Presidency. Undoubtedly they are telling Henry this.

Chester Bowles was another victim of these younger men's enthusiasms. They have got him now indelibly linked with the Communies and the Pinks. They are telling him that if he perseveres, he can become their leader. Rather,

they were telling him this when he was head of the OPA. The Red climate is utterly alien to him, but there is no telling what a man will do when the Presidential bee strikes him.

Chester now seems a little panicky. His budding political career was nipped off by the master politicians of Connecticut, in such a way, too, that Chester can't put his finger on just where and what they did to him.

By way of keeping in the papers until he can get his bearings after the Connecticut debacle, he was in town recently and sold a glibly columnist on the story that Truman had sent for him to get his aid in the present politico-meat muddle. The lack of meat is having its political repercussions. So Truman, we are told, sent for Chester to straighten things out. The meat shortage and Chester are pretty synonymous in the minds of the voters. It is a safe guess that the last man in the world whom Truman would send for to straighten things out would be Chester.

Chester and Truman, the columnist tells us after talking with Chester, departed, when he left OPA, as the best of friends. This comes as quite a surprise to those who know the facts. Truman had definitely wanted controls and he definitely did not want Chester.

But we are assured by the columnist that Chester, after having made his pile, has decided that politics is definitely his future, and we must therefore expect future and better things from him. Apparently he has plans now, as yet seemingly quite vague, of bypassing the little matter of being elected from his home state, and going to the White House more direct.

A well known writer was telling us recently that the way to grow old gracefully was to have a hobby, like politics. Insofar as Chester is concerned, politics is the way to age quickly.

spondingly reduced, had the carry-back credits not been made.

In the twelve months ended Aug. 31, 1946, the rate of return on property investment averaged 1.51% compared with a rate of return of 3.90% for the twelve months ended Aug. 31, 1945.

Total operating revenues in the first eight months of 1946 totaled \$4,961,571,872 compared with \$6,247,876,581 in the same period of 1945, or a decrease of 20.6%. Operating expenses in the first eight months of 1946, amounted to \$4,183,419,346 compared with \$4,290,477,203 in the corresponding period of 1945, or a decrease of 2.5%.

Fifty-six Class I railroads failed to earn interest and rentals in the first eight months of 1946, of which 25 were in the Eastern District, 11 in the Southern Region, and 20 in the Western District.

Paper and Paperboard Production—Paper production in the United States for the week ended Sept. 28, was 106.6% of mill capacity, against 105.8% in the preceding week and 98.1% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 101% against 100% in the preceding week, and 96% in the corresponding week a year ago.

Business Failures Hold Steady—In the week ending Oct. 3, commercial and industrial failures remained at 28, the same as in the previous week, reports Dun & Bradstreet, Inc. Concerns failing were more than two times as numerous as in the corresponding week of 1945 when only 13 occurred. This marked the second consecutive week the failures have exceeded the number in the comparable week of the past two years, both 1945 and 1944.

Large failures involving liabilities of \$5,000 or more accounted for all except 6 of this week's total. At 22, concerns failing in this size group rose from 18 last week and more than doubled the 10 occurring in the same week a year ago. Although small failures with losses under \$5,000 declined from 10 in the prior week to 6 this week, they were twice as numerous as last year when only 3 were reported.

Almost half of the failures occurring during the week were concentrated in manufacturing. 12 concerns failed in this industry line, as compared with 7 a week ago and 2 in the corresponding week of 1945. The only other industry or trade group with more than 3 failures was commercial service where 7 concerns failed. As well, manufacturing and commercial service were the only groups to show a marked increase in failures from the 1945 level. On the other hand, there were only a third as many failures in retail trade as in the previous week; retailers failing also fell short of the number reported last year, three against five.

Canadian failures numbered three as compared with two in the previous week and in the same week of 1945.

Whole Food Price Index Higher—The wholesale food price index, compiled by Dun & Bradstreet, Inc., rose sharply for the fourth successive week, bringing the figure for Oct. 1 to \$5.28. This represented a gain of 2.5% over the \$5.15 recorded a week ago, and compared with \$4.07 at this time last year, or an increase of 29.7%. Advancing in the week were wheat, butter, cheese, raisins and currants, with declines recorded for corn, oats, potatoes and lamb. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—Reflecting higher grain, cotton, and butter prices, the daily wholesale commodity

price index, compiled by Dun & Bradstreet, Inc., continued its upward trend during the past week, closing at 229.64 on Oct. 1. This was only slightly under the postwar peak of 230.81 registered on Aug. 23, and compared with 177.50 at this time a year ago.

Activity in grain markets broadened considerably last week. Cash wheat developed a strong tone with prices up about 5c in the week. The rise reflected very moderate offerings despite small volume of Government purchases of cash wheat, a continued shortage of box cars to move wheat to terminal markets and the possibility that action may be taken on the removal or lifting of flour ceilings.

After touching new highs early in the week, cash corn as well as futures turned downward following reports that freezing weather in parts of the belt had not caused any material damage to the crop. Oats were strong most of the period but declined in late dealings in sympathy with corn. Domestic and export demand for flour continued active but trading dwindled to small proportions as mills withdrew offerings due to the advance in wheat prices since present flour ceilings went into effect Sept. 11. Lard production last week held at the low level of the previous week. Trading in that commodity fell to practically nil due to inadequate hog marketings which last week totalled less than a quarter of the volume of the same week a year ago.

Cotton values continued to forge ahead last week as spot and future prices reached the highest levels in more than 26 years. Marked strength developed in the latter part of the week, reflecting active trade and speculative demand, the strong statistical position of the staple and fears of a reduction in the official Oct. 1 crop forecast, due to unfavorable weather conditions in the cotton belt. Sales in the ten spot markets totalled 172,500 bales last week, as compared with 129,800 in the previous week and with 142,200 in the same week a year ago. Registrations of cotton under the export sales program during the week ended Sept. 21 totalled 60,460 bales, bringing total sales under the program to 3,585,082 bales. Cotton ginnings for the season to Sept. 15 amounted to 1,248,500 bales, as against 1,021,500 in the corresponding period last season. Carded gray cloth markets were quiet but a substantial amount of business is scheduled to be released after the new October ceiling prices go into effect.

Activity in domestic wools showed a marked increase in the Boston market last week. Buying was stimulated by the anticipation of a sharp rise in prices, based on the probability of a new parity price on domestic wools on Oct. 1. A good volume was reported in fine and half-blood domestic wools. Heavy buying was likewise noted in producing areas, including a considerable weight of previously slow-moving defective Texas wools. Business in foreign wools continued slow due to uncertainties as to OPA pricing regulations.

Retail and Wholesale Trade—The sudden appearance of cold weather in some parts of the country was reflected in the minor decline in retail volume during the past week, states Dun & Bradstreet, Inc., in its current summary of trade. Volume remained very high in comparison with that of the corresponding week a year ago. Food, housewares and apparel continued to attract a large share of consumer attention. Selections of many commodities were slightly larger than during the previous week.

Retail food volume remained high and almost unchanged from that of a week ago. The supply of fish, poultry, dairy products and fresh vegetables was ade-

quate; that of meat continued to be at a low level. Consumer demand for canned goods rose fractionally last week. Soap, sugar and cooking oils were generally reported to be among the items that were difficult to obtain in sufficient quantities.

Interest in winter coats, suits and wool dresses rose as cool weather approached. Consumer demand for women's accessories was up again last week; scarfs, gloves, bags and blouses were among the main floor items that attracted much attention. Men's clothing continued to be the center of interest for many consumers with almost no increase the past week in the limited selections that were available. The retail dollar volume of sportswear and shoes remained close to the high levels of previous weeks.

The consumer demand for housewares continued to rise with the supply of housewares, electrical appliances and hardware reported to have increased slightly again last week. Consumer interest in furniture remained high with demand directed mainly toward bedroom and living room suites. Stocks of stationery and gift wrapping paper were well above those of a year ago.

Retail volume for the country the past week was estimated to be from 24 to 28% above that of the corresponding week a year ago. Regional percentage increases were: New England 18 to 22, East 22 to 26, Middle West 27 to 31, Northwest 29 to 33, South 25 to 29, Southwest 26 to 30 and Pacific Coast 20 to 24.

Total wholesale volume continued to rise slightly in the week despite small declines in some localities. Dollar volume remained at a level well above that of the corresponding week a year ago. There was a general improvement in the deliveries of many commodities. Order volume was maintained close to the high level of the preceding week and reorders were placed for many seasonal items.

Department store sales on a country wide basis, as taken from the Federal Reserve Board's index for the week ended Sept. 28, 1946, increased by 23% above the same period of last year. This compared with an increase of 27% (revised figure) in the preceding week. For the four weeks ended Sept. 28, 1946, sales increased by 34% and for the year to date by 31%.

Retail and wholesale trade in New York the past week continued to reflect the tapering off in volume noted at the outset of the trucking strike. A substantial loss in retail business was attributed to the United Parcel strike. The opening of woolen lines and new offers of cotton goods met a ready response from buyers. In the wool goods field there were indications of a spirit of selectivity on the part of purchasers in the building of inventories. As for cotton goods, all available allotments were bought with manufacturers continuing to lament the inadequate supply of rayons.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Sept. 28, 1946, increased 13% above the same period last year. Work stoppages in the trucking industry accounted for the reduced sales for the week in the cities of New York and Newark. In the week ended Sept. 21, 1946 an increase of 9% was registered. For the four weeks ended Sept. 27, 1946, sales rose by 27% and for the year to date by 36%.

The State of Trade

(Continued from page 1847)

week beginning Oct. 7, compared with 90.2% one week ago, 88.5% one month ago and 73.5% one year ago. This represents an increase of 0.2 point or 0.2% from the previous week.

This week's operating rate is equivalent to 1,593,200 tons of steel ingots and castings and compares with 1,589,700 tons one week ago, 1,559,700 tons one month ago and 1,346,300 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to 4,517,874,000 kwh. in the week ended Sept. 28, 1946, from 4,506,988,000 kwh. in the preceding week. Output for the week ended Sept. 28, 1946, was 11.9% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 191,900,000 kwh. in the week ended Sept. 29, 1946, compared with 172,200,000 kwh. for the corresponding week of 1945, or an increase of 11.5%. Local distribution of electricity amounted to 182,300,000 kwh. compared with 170,800,000 kwh. for the corresponding week of last year, an increase of 6.7%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Sept. 28, 1946, totaled 916,483 cars, the Association of American Railroads announced. This was an increase of 17,430 cars (or 1.9%) above the preceding week and 83,974 cars, or 10.1% above the corresponding week for 1945. Compared with the similar

period of 1944, an increase of 3,856 cars, or 0.4%, is shown.

Railroad Earnings in August—Class I railroads of the United States in August, 1946, had an estimated net income, after interest and rentals of \$51,000,000 compared \$51,151,731 in August, 1945, according to reports filed by the carriers with the Association of American Railroads. In the first eight months of 1946, estimated net income, after interest and rentals, amounted to \$55,400,000 compared with \$443,932,588 in the corresponding period of 1945.

In August, 1946, the railroads had a net railway operating income, before interest and rentals, of \$81,693,252 as against \$87,496,883 in August, 1945. For the first eight months of this year a net railway operating income, before interest and rentals totaled \$298,401,456 compared with \$735,012,867 in the same period of 1945.

Certain railroads took into their accounts in August, as a credit to income, carry-backs from 1944 and 1945 Federal taxes authorized by the Internal Revenue Code. Net income for August without these credits was approximately \$44,360,000 instead of the \$51,000,000 with them, the Association reports. For the eight months ended Aug. 31, without carry-back credits, the railroads suffered a deficit in net income of approximately \$4,900,000, as against a net income of \$55,400,000 with these deductions from Federal tax accruals. Net railway operating income for August and the eight months would have been corre-

National Fertilizer Association Commodity Price Index Again Higher

The wholesale commodity price index compiled by The National Fertilizer Association and made public on Oct. 7, advanced for the third consecutive week when it rose to 173.8 in the week ended Oct. 5, 1946, from 172.4 in the preceding week. The index is still 1.5% under the all-time peak of 176.4 reached in the week ended Aug. 24. A month ago the index stood at 172.3, and a year ago at 140.1, all based on the 1935-1939 average as 100. The Association's report continued as follows:

The principal rise during the latest week took place in the foods index. Among the commodities that advanced in price were butter, cheese, raisins, cocoa, and dressed fowl; potato prices declined. The farm products index advanced. The cotton index advanced sharply to a new high. The grains index declined somewhat with lower quotations for corn and rye more than offsetting the rise in oats. The livestock index rose for the fourth consecutive week with higher prices for lambs and eggs but lower prices for poultry. The textiles index advanced to a new high point, reflecting the rise in cotton cloths and cotton yarns. There were no changes in the remaining groups of the index.

During the week 16 price series in the index advanced and five declined; in the preceding week 19 advanced and two declined; in the second preceding week 34 advanced and six declined. We give below the index figures for the past five weeks:

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

Each Group Bears to Total Index	Group	Week Ended	Week Ended	Week Ended	Week Ended	Week Ended	Month Ago	Year Ago
		Sept. 7, '46	Sept. 14, '46	Sept. 21, '46	Sept. 28, '46	Oct. 5, '46	Sept. 7, '46	Oct. 6, '45
25.3	Foods	189.3	176.5	178.8	183.5	187.4	188.3	141.0
	Fats and Oils	182.0	168.0	182.2	189.7	193.1	182.0	145.2
	Cottonseed Oil	202.3	202.3	202.3	202.3	202.3	202.3	163.1
23.0	Farm Products	207.0	208.5	211.8	215.3	217.5	207.0	166.3
	Cotton	346.0	344.0	348.8	356.9	368.4	346.0	216.8
	Grains	208.1	209.1	212.4	210.0	214.2	208.1	164.8
	Livestock	184.7	187.1	190.4	192.3	194.2	184.7	158.9
17.3	Fuels	154.2	154.2	154.2	154.2	154.2	154.2	129.7
10.8	Miscellaneous commodities	143.4	143.5	143.5	143.5	143.5	143.4	122.4
8.2	Textiles	207.4	205.3	206.4	207.7	210.8	207.4	152.0
7.1	Metals	124.5	124.5	124.5	124.5	124.5	124.5	108.6
6.1	Building materials	177.4	177.9	178.6	178.6	178.6	177.4	154.7
1.3	Chemicals and drugs	127.5	127.5	128.2	128.2	128.2	127.5	125.8
1.3	Fertilizer materials	122.5	122.5	122.5	122.5	122.5	122.5	118.3
1.3	Fertilizers	121.3	121.3	124.3	124.3	124.3	121.3	119.9
1.3	Farm machinery	115.4	115.4	115.4	116.5	116.5	115.4	104.9
100.0	All groups combined	172.3	169.3	170.5	172.4	173.8	172.3	140.1

*Indexes on 1926-1928 base were: Oct. 5, 1946, 135.4; Sept. 28, 1946, 134.3; and Oct. 6, 1945, 109.1.

Electric Output for Week Ended Oct. 5, 1946 11.2% Ahead of That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Oct. 5, 1946 was 4,478,092,000 kwh., an increase of 11.2% over the corresponding week last year when electric output amounted to 4,028,286,000 kwh. The current figure also compares with 4,517,874,000 kwh., produced in the week ended Sept. 23, 1946, which was 11.9% higher than the 4,038,542,000 kwh. produced in the week ended Sept. 29, 1945. The largest increase was reported by the Southern States division which showed a gain for the week ended Oct. 5, 1946 of 19.5% over the same week in 1945.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division	Week Ended				
	Oct. 5	Sept. 28	Sept. 21	Sept. 14	Sept. 7
New England	9.9	9.7	11.2	7.8	10.0
Middle Atlantic	7.8	8.9	7.0	6.7	6.3
Central Industrial	8.1	9.6	11.6	11.8	9.2
West Central	9.3	9.0	9.6	9.3	7.1
Southern States	19.5	17.3	18.0	12.4	7.1
Rocky Mountain	4.3	1.2	3.5	2.3	0.6
Pacific Coast	12.2	16.8	14.6	10.9	4.6
Total United States	11.2	11.9	12.1	10.1	7.0

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended	1946	1945	% Change under 1945	1944	1932	1929
July 6	3,741,006	3,978,426	-6.0	3,940,854	1,415,704	1,711,625
July 13	4,156,386	4,295,254	-3.2	4,377,152	1,433,903	1,727,225
July 20	4,293,280	4,384,547	-2.1	4,380,930	1,440,386	1,732,031
July 27	4,352,489	4,434,841	-1.9	4,390,762	1,426,986	1,724,728
Aug. 3	4,351,011	4,422,304	-1.8	4,399,433	1,415,122	1,729,667
Aug. 10	4,411,717	4,395,337	+0.4	4,415,368	1,431,910	1,733,110
Aug. 17	4,422,242	4,399,195	+2.3	4,451,076	1,436,440	1,750,056
Aug. 24	4,444,040	4,116,049	+8.0	4,418,298	1,464,700	1,761,594
Aug. 31	4,404,192	4,137,313	+6.5	4,414,735	1,423,977	1,674,588
Sept. 7	4,184,404	3,909,408	+7.0	4,227,900	1,476,442	1,806,259
Sept. 14	4,521,151	4,106,187	+10.1	4,394,839	1,490,863	1,792,131
Sept. 21	4,506,988	4,018,913	+12.1	4,377,339	1,499,459	1,777,854
Sept. 28	4,517,874	4,038,542	+11.9	4,365,907	1,506,216	1,819,276
Oct. 5	4,478,092	4,028,286	+11.2	4,375,079	1,507,503	1,806,403
Oct. 12		3,934,394		4,354,576	1,528,145	1,798,633
Oct. 19		3,914,738		4,345,352	1,533,028	1,824,160
Oct. 26		3,937,420		4,358,293	1,525,410	1,815,749

Steel Operations Return to Postwar High— Unfilled Orders Large at Start of Quarter

Concurrent with the extremely high operating rate and the substantial volume of inquiries for finished steel products, both the industry and its consumers may now be considered to be entering a "period of caution" out of which will come concrete evidence of 1947 trends in steel activity, according to "The Iron Age," national metalworking paper. Even while steel consumers are clamoring for material and in some cases ascribing shutdowns to steel shortages, they nevertheless are concentrating their full attention on the control of inventories so that somewhere near a normal production pattern can be established, adds the "Age" in its issue of today (Oct. 10), which further states in part:

"For the first time since VJ-Day steel companies are making definite headway in an attempt to make delivery promises which can be accepted at somewhere near their base value. In previous months bona fide and honest delivery promises have been changed because of strikes or other con-

ditions beyond the control of the steel companies.

"Within the past few weeks many large steel units have made a complete analysis of their order books, have reshuffled business and have produced new delivery dates for consumers which barring strike tie-ups will represent a fairly good commitment. So strong in the industry has been the attempt to clarify distribution problems that district sales offices are being informed daily on production schedules so that customers can also be fully informed.

"Although some automobile manufacturers have attributed

curtailed operations to a shortage of steel, this factor has only been one of several. Such stoppages have been caused by a combination of shortages and maladjustments in the supply line which would include lead, copper, tin and possibly antimony. Indirect factors in the curtailment of some manufacturing including automobiles have been current isolated labor difficulties which have blocked up distribution channels at strategic points.

"Under the surface of present-day high order volume, high production and reported demand for finished products is a substrata of hesitation occasioned by the thinking of some segments in the industrial groups which look for a 'corrective' period to set in sometime late this year or early in 1947. In the metalworking fields opinion leans heavily towards the probability that the hesitation and possible backtracking will be mild and will eventually have the effect of evening out inventories, substantially testing current prices and finally laying the groundwork for a strong basic control-free peacetime industrial cycle.

"The slow moving steel price situation is beginning to take shape in the form of definite negotiations between steel industry representatives and the OPA. Negotiations have already begun and are about one-quarter completed. The industry is submitting data covering returns on steel products during July, August and September. If the present pace of discussion between steel members and the OPA continues a final decision on price revisions may be expected before Dec. 1. Present indications are that increases to be granted will be on a specific product basis and will not reflect a general across-the-board upward revision.

"Once again through no fault of its own the steel industry will find the all important price problem being settled at a time just preceding steel labor contract negotiations. Several years ago an attempt was made to keep the two factors separate, but conditions in industry and in government dictated otherwise. Whatever decision the OPA makes regarding steel price adjustments cannot fail to have a bearing on labor negotiations.

"With most steel labor contracts expiring on Feb. 15, 1947, it is expected that negotiations will be opened on wages and working conditions about the middle of January next year. The steel union as yet has not held a major wage policy committee meeting at

which demands are usually discussed and put in official form. Such a meeting is expected to take place before the middle of December. It is significant that there will be much less time between the opening of negotiations and the end of present contracts as was the case a year ago."

The American Iron and Steel Institute this week 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 90.4% of capacity for the week beginning Oct. 7, compared with 90.2% one week ago, 88.5% one month ago and 73.5% one year ago. This represents an increase of 0.2% from the preceding week. The operating rate for the week beginning Oct. 7 is equivalent to 1,593,200 tons of steel ingots and castings, compared to 1,589,700 tons one week ago, 1,559,700 tons one month ago, and 1,346,300 tons one year ago. The rate for the current week is the same as that for the week beginning Sept. 23, 1946 which was the highest for the post-war period.

"Steel" of Cleveland in its summary of latest news developments in the metalworking industry, on Oct. 7 stated in part as follows:

"Steel producers are making some headway on their arrears, as compared with three months ago. As they enter the final quarter they still have a substantial volume of tonnage on order promised for delivery by this time, but unshipped. What further progress can be made in the remaining three months of this year depends on ability to maintain a high rate of production.

"With the opening of fourth quarter the emergency priority CC rating has been reinstated. This was suspended last January when the steel strike broke out. Producers have been accepting these rated orders for fourth quarter delivery for some weeks. They are especially heavy in cold-rolled sheets and strip, galvanized and enameling sheets.

"Shortages of scrap, pig iron and coke remain a threat to high production, with manpower difficulties outside as well as inside the steel industry leaving their mark. However, despite these handicaps steel operations are hovering about a peacetime peak, still not as high as they could go, and it is possible they may at least be maintained.

"The full extent of 'priority' tonnage should be fairly accurately gaged soon, but at the moment sellers of some products still are not able to estimate this volume and this, with the uncertain outlook with respect to fourth quarter production, is causing delay in various quarters in opening of books for first quarter of next year. There is little doubt, however, that when action is taken capacity in that period in some products will be well absorbed.

"Shortages will be worst in sheets, hot strip, smaller sizes of hot carbon bars, and light shapes. On some other products, such as plates, boiler and mechanical tubing and rail accessories, books of some producers already are far extended into next year, not only because of arrears, but also because of orders they have been accepting freely from regular customers. With books now opened by some producers on cold-drawn carbon bars, hot and cold alloy bars, stainless sheets and cold narrow strip first quarter capacity on these items should be fairly well absorbed by the end of the year. Hot alloy bars may be an exception, as they have been lagging behind most other products, shipments now being possible for November."

Forces in Washington Viewed as Trying to Sabotage Pvt. Housing

A statement to the effect that a conspiracy of forces working from within the government in Washington is trying to sabotage private housing so that the government can take control, was made by William J. Davis of Laconia, N. H., trustee of the National Home and Property Owners Foundation on Sept. 12, it is learned from the Boston "Herald." Mr. Davis made this statement in addressing the delegates to the 58th annual convention of the Massachusetts Cooperative Bank League, at Swampscott, said the "Herald" which also quoted Mr. Davis as saying:

"We have men working for us in Washington who are controlled by foreign ideologies. Our government agencies and bureaus are manned by people who don't believe—and who admit they don't believe—in our form of government. These gentlemen of peculiar hue are conspiring to control the way we live and work so that they may control the way we think and vote."

In its account of the meeting the Boston "Herald" also stated: "Discussing the attempt to sabotage private housing," Mr. Davis added, "Housing stands at the root of American freedom. Property owners are the backbone of this country. Unless we do something and do it fast, there will be no private ownership of homes or of industry. Soon thereafter, the right of free speech and assembly will be taken from us. It is being planned that way in Washington right now."

Warren W. Oliver was reelected President of the League at the annual banquet, as were Harry R. Andrews, Vice-President, and Warner M. Allen, Executive Secretary.

Robertson to Succeed Late Sen. Glass

Representative A. Willis Robertson, 59-year-old tax expert and wildlife conservationist, has been nominated by the Democratic Party to succeed the late United States Sen. Carter Glass from Virginia whose death on May 23 last was noted in our issue of May 30, page 2922. Associated Press advices from Richmond on Sept. 6 said in part:

"Mr. Robertson, who lives in Lexington, Va., and has represented the Seventh Congressional District in the House of Representatives since 1932, was nominated by acclamation in the State convention last night when a stampede to him began on the third ballot. The unexpired term for which he was nominated runs through 1948.

"Mr. Robertson will be opposed in the general election by Robert H. Woods, of Pearisburg, a Republican. He will be the running mate of United States Sen. Harry F. Byrd, recently renominated in the August primary, and opposed by Lester S. Parsons, Republican of Norfolk, and Howard Carwile, Richmond independent.

"Mr. Robertson, like Senator Byrd, has been generally classed as a conservative member of Congress. He is one of the ranking men on the Ways and Means Committee and has had much to do with the writing of tax legislation in recent years. He is Chairman of the House Wildlife Committee, co-author of the Robertson-Pittman Game Conservation Act and a former Chairman of the Virginia Commission of Game and Inland Fisheries.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Oct. 2 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 Sept. 14, 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 Sept. 14 (in round-lot transactions) totaled 4,753,090 shares, which amount was 16.75% of the total transactions on the Exchange of 14,193,400 shares. This compares with member trading during the week ended Sept. 7 of 3,907,310 shares, or 16.33% of the total trading of 11,961,710 shares.

On the New York Curb Exchange, member trading during the week ended Sept. 14 amounted to 1,015,980 shares or 16.05% of the total volume on that Exchange of 3,165,905 shares. During the week ended Sept. 7 trading for the account of Curb members of 882,050 shares was 16.58% of the total trading of 2,659,720 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
WEEK ENDED SEPT. 14, 1946

A. Total Round-Lot Sales:	Total for Week	%
Short sales	347,030	
Other sales	13,846,370	
Total sales	14,193,400	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	1,703,110	
Short sales	238,270	
Other sales	1,420,910	
Total sales	1,668,180	11.83
2. Other transactions initiated on the floor—		
Total purchases	244,600	
Short sales	10,900	
Other sales	217,500	
Total sales	228,400	1.67
3. Other transactions initiated off the floor—		
Total purchases	438,370	
Short sales	25,700	
Other sales	444,730	
Total sales	470,430	3.20
4. Total—	2,386,080	
Total purchases	274,870	
Short sales	2,092,140	
Total sales	2,367,610	16.75

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
WEEK ENDED SEPT. 14, 1946

A. Total Round-Lot Sales:	Total for Week	%
Short sales	30,820	
Other sales	3,135,085	
Total sales	3,165,905	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	445,400	
Short sales	19,545	
Other sales	337,620	
Total sales	357,165	12.68
2. Other transactions initiated on the floor—		
Total purchases	35,830	
Short sales	3,600	
Other sales	36,175	
Total sales	39,775	1.19
3. Other transactions initiated off the floor—		
Total purchases	95,255	
Short sales	800	
Other sales	41,755	
Total sales	42,555	2.18
Total—	576,485	
Total purchases	23,945	
Short sales	415,550	
Total sales	439,495	16.05
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
Customers' other sales	137,648	
Total purchases	137,648	
Total sales	137,648	

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."

Civil Engineering Construction Totals \$133,719,000 for Week

Civil engineering construction volume in continental United States totals \$133,719,000 for the week ending Oct. 3, 1946, as reported by "Engineering News-Record." This volume is 59% above the previous week, 79% above the corresponding week of last year and 43% above the previous four-week moving average. The report issued on Oct. 3, went on to say:

Private construction this week, \$49,988,000, is 47% above last week and 17% below the week last year. Public construction, \$83,731,000, is 67% above last week and 467% greater than the week last year. State and municipal construction, \$75,217,000, 150% above last week; is 658% above the 1945 week. Federal construction, \$8,514,000, is 57% below last week and 76% above the week last year.

Total engineering construction for the 40-week period of 1946 records a cumulative total of \$4,216,880,000, which is 168% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals \$2,534,183,000, which is 308% above that for 1945. Public construction, \$1,682,697,000, is 77% greater than the cumulative total for the corresponding period of 1945, whereas State,

and municipal construction, \$1,134,066,000 to date, is 322% above 1945. Federal construction, \$548,631,000, dropped 19% below the 40-week total of 1945.

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

	Oct. 3, 1946	Sept. 26, 1946	Oct. 4, 1945
Total U. S. Construction	\$133,719,000	\$84,074,000	\$74,731,000
Private Construction	49,988,000	34,007,000	59,974,000
Public Construction	83,731,000	50,067,000	14,757,000
State and Municipal	75,217,000	30,128,000	9,928,000
Federal	8,514,000	19,939,000	4,829,000

In the classified construction groups, waterworks, sewerage, highways, public buildings and commercial buildings gained this week over the previous week. Six of the nine classes recorded gains this week over the 1945 week as follows: waterworks, sewerage, bridges, highways, public buildings and commercial buildings.

New Capital

New capital for construction purposes for the 40-week period of 1946 totals, \$2,899,053,000, 73% more than the \$1,672,259,000 reported for the corresponding period of 1945.

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	U. S. Corpo- rate Rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. E.	P. U.	Indus.
Oct. 8	121.02	116.80	121.25	118.80	116.61	110.34	112.37	117.80	119.82
7	121.02	116.80	121.25	119.00	116.61	110.34	112.37	117.80	120.02
5	121.02	116.80	121.25	119.00	116.61	110.34	112.37	117.80	120.02
4	121.05	116.61	121.25	119.00	116.61	110.34	112.37	117.80	119.82
3	120.77	116.80	121.25	119.00	116.61	110.34	112.37	117.80	120.02
2	120.70	116.61	121.25	119.00	116.61	110.34	112.37	117.80	120.02
1	120.83	116.61	121.25	119.00	116.61	110.34	112.37	117.80	119.82
Sept. 27	121.08	116.61	121.04	119.00	116.61	110.15	112.37	117.80	119.82
20	121.14	116.61	121.04	119.00	116.61	110.52	112.75	117.80	119.61
13	121.80	117.20	121.46	119.41	117.00	111.44	113.89	118.00	120.22
6	122.52	118.00	122.29	120.02	117.80	112.19	114.46	118.60	120.84
Aug. 30	122.92	118.40	122.71	120.43	118.00	112.37	114.85	118.80	121.25
23	123.30	118.40	122.92	120.84	118.20	112.37	115.04	119.00	121.46
16	123.49	118.40	122.92	120.63	118.20	112.37	115.24	119.00	121.25
9	123.49	118.60	123.13	120.84	118.20	112.56	115.24	119.00	121.46
2	123.45	118.60	123.13	120.84	118.20	112.56	115.43	119.00	121.25
July 26	123.77	118.60	123.13	121.04	118.40	112.56	115.63	119.20	121.46
19	123.83	118.80	123.34	121.25	118.40	112.37	115.63	119.20	121.46
12	124.14	118.80	123.56	121.25	118.60	112.56	116.02	119.20	121.46
5	124.24	118.80	123.34	121.25	118.60	112.37	115.82	119.20	121.46
June 28	124.11	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
May 31	123.09	118.80	122.92	121.46	118.40	112.56	116.22	119.00	121.04
Apr. 26	124.33	119.00	123.34	121.25	118.40	113.12	116.41	119.41	121.04
Mar. 29	125.61	119.82	123.99	122.29	119.41	114.27	117.40	120.22	122.07
Feb. 21	126.02	120.22	123.34	121.88	119.00	114.27	116.41	120.22	122.09
Jan. 25	126.28	119.00	123.12	121.25	119.00	113.31	115.63	119.41	122.09
High 1946	126.28	120.02	124.20	122.50	119.61	114.46	117.60	120.43	122.50
Low 1946	120.70	116.61	120.84	118.60	116.41	110.15	112.37	117.80	119.61
1 year Ago									
Oct. 8, 1945	122.78	116.22	120.84	118.80	116.22	109.24	112.37	116.22	120.02
2 Years Ago									
Oct. 7, 1944	119.52	112.75	118.80	117.00	112.75	103.30	107.09	114.08	117.20

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

1946— Daily Averages	U. S. Govt. Bonds	U. S. Corpo- rate Rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. E.	P. U.	Indus.
Oct. 8	1.65	2.82	2.59	2.71	2.82	3.15	3.04	2.76	2.66
7	1.65	2.82	2.59	2.70	2.82	3.15	3.04	2.76	2.65
5	1.65	2.81	2.59	2.70	2.82	3.15	3.03	2.76	2.65
4	1.65	2.82	2.59	2.70	2.82	3.15	3.03	2.76	2.65
3	1.67	2.81	2.59	2.70	2.82	3.14	3.04	2.75	2.65
2	1.68	2.82	2.59	2.70	2.82	3.15	3.04	2.75	2.66
1	1.67	2.82	2.59	2.70	2.82	3.15	3.04	2.76	2.66
Sept. 27	1.65	2.82	2.60	2.70	2.82	3.16	3.04	2.76	2.66
20	1.65	2.82	2.60	2.70	2.82	3.14	3.02	2.76	2.67
13	1.63	2.79	2.58	2.68	2.80	3.09	2.96	2.75	2.64
6	1.58	2.75	2.54	2.65	2.76	3.05	2.93	2.72	2.61
Aug. 30	1.55	2.73	2.52	2.63	2.75	3.04	2.91	2.71	2.59
23	1.52	2.73	2.51	2.61	2.74	3.04	2.90	2.70	2.58
16	1.51	2.73	2.51	2.62	2.74	3.04	2.89	2.70	2.59
9	1.51	2.72	2.50	2.61	2.74	3.03	2.89	2.70	2.58
2	1.51	2.72	2.50	2.61	2.74	3.03	2.88	2.70	2.59
July 26	1.49	2.73	2.50	2.60	2.73	3.03	2.87	2.69	2.58
19	1.43	2.71	2.49	2.59	2.73	3.04	2.87	2.69	2.58
12	1.47	2.71	2.48	2.59	2.72	3.03	2.85	2.69	2.58
5	1.46	2.71	2.49	2.59	2.72	3.04	2.86	2.69	2.58
June 28	1.47	2.71	2.49	2.59	2.73	3.03	2.85	2.69	2.58
May 31	1.48	2.71	2.51	2.58	2.73	3.03	2.84	2.70	2.60
Apr. 26	1.45	2.70	2.49	2.59	2.73	3.00	2.83	2.68	2.60
Mar. 23	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
Feb. 21	1.33	2.67	2.49	2.56	2.70	2.94	2.83	2.64	2.55
Jan. 25	1.31	2.70	2.50	2.59	2.70	2.99	2.87	2.68	2.55
High 1946	1.68	2.82	2.61	2.71	2.83	3.16	3.04	2.76	2.67
Low 1946	1.31	2.65	2.45	2.53	2.67	2.93	2.77	2.63	2.53
1 year Ago									
Oct. 8, 1945	1.57	2.84	2.61	2.71	2.84	3.21	3.04	2.84	2.65
2 Years Ago									
Oct. 7, 1944	1.85	3.02	2.71	2.80	3.02	3.55	3.33	2.95	2.79

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

NOTE—The list used in compiling the averages was given in the Sept. 5, 1946 issue of the "Chronicle" on page 1321.

Cotton Spinning for August

The Bureau of the Census announced on Sept. 20 that, according to preliminary figures, 23,884,702 cotton spinning spindles were in place in the United States on Aug. 31, 1946, of which 22,018,548 were operated at some time during the month, compared with 23,861,914 in

Wholesale Prices Up 1.7% in Week Ended Sept. 21, Labor Department Reports*

Wholesale prices advanced 1.7% during the week ended Sept. 21, following the declines of the previous three weeks, according to the Bureau of Labor Statistics of the U. S. Department of Labor which on Sept. 26 said that "there were increases in most major commodity groups. The index of commodity prices in primary markets prepared by the Bureau reached 123.8% of the 1926 average, 18.0% above a year ago, but 3.6% below the peak level of four weeks ago." The Bureau further reported:

"Farm Products and Foods—Average prices of farm products increased 2.2% during the week but were still 5% below the mid-August peaks. Grain quotations averaged 1.6% higher with increases of about 4% for corn and oats and fractional increases for wheat and rye. Continued heavy demand caused price advances for most livestock. Prices of live poultry increased sharply and eggs were higher because of strong demand with the scarcity of other meats. Fruits and vegetables declined slightly with decreases for white potatoes, apples, onions, and sweetpotatoes, due to good supply. Prices of citrus fruits were higher, reflecting good quality offerings, and prices of dried apples, recently decontrolled, advanced. Quotations for cotton and leaf tobacco, exempt from OPA control, were higher. The group index for farm products was 10.5% higher than at the end of June and 24.6% above a year ago.

"Food prices increased 3.0% during the week. Prices of dressed poultry were higher. Wheat flour increased following on OPA ceiling adjustment to cover higher costs with resumption of white flour milling. There also were advances in granulated and raw sugar, glucose and canned salmon, reflecting OPA ceiling adjustments. Quotations for butter and cheese continued to rise. On the average, prices of foods were 16.3% higher than at the end of June and 25.5% higher than in late September, 1945.

"Other Commodities—Average prices of all other commodities increased 1.0% during the week because of an advance of 5.3% for textiles and smaller advances for most other major commodity groups. The increase for textiles was due largely to the reintroduction of raw silk quotations into the index and to the revision of price series for hosiery and underwear. Below ceiling quotations were reported for some types of women's shoes. Prices of castor oil rose about 35%, reflecting OPA ceiling adjustments to cover higher costs of castor beans; prices of dynamite and lubricating oil were up. Advances in OPA ceilings were followed by higher prices for linseed oil and window glass. Prices of carbon black, exempt from OPA control, rose and there were small increases for other building materials. Prices of farm machinery and gas stoves increased, reflecting earlier ceiling adjustments. There were price declines for soap and cattle feed."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED SEPT. 21, 1946 (1926=100)

Commodity Groups—	Percentage changes to Sept. 21, 1946, from—								
	9-21 1946	9-14 1946	9-7 1946	8-24 1946	9-22 1945	9-14 1946	8-24 1946	9-22 1945	9-22 1945
All commodities	123.8	121.7	122.0	128.4	104.9	+1.7	-3.6	+18.0	
Farm products	155.1	151.8	150.4	160.9	124.5	+2.2	-3.6	+24.6	
Food	131.9	128.1	130.7	148.1	105.1	+23.0	-10.9	+25.5	
Hides and leather products	139.4	139.7	139.6	140.4	118.6	-0.2	-0.7	+17.5	
Textile products	123.7	117.5	117.3	115.0	99.6	+0.1	-1.4	+12.8	
Fuel and lighting materials	95.3	95.2	95.1	96.7	84.5	+5.3	+7.6	+24.2	
Metal and metal products	114.2	113.6	113.6	113.7	104.8	+0.5	+0.4	+9.0	
Building materials	133.9	133.3	133.1	132.9	117.7	+0.5	+0.8	+13.8	
Chemicals and allied products	98.4	97.9	97.9	98.3	95.3	+0.5	+0.1	+7.9	
Household goods	114.7	114.3	114.1	114.0	106.3	+0.3	+0.6	+3.3	
Miscellaneous commodities	101.8	101.9	101.3	101.5	94.6	-0.1	+0.3	+7.6	
Raw materials	142.5	138.4	137.5	144.9	115.5	+3.0	-1.7	+23.4	
Semi-manufactured	116.2	111.9	111.5	111.3	95.7	+3.8	+4.4	+21.4	
Manufactured products	117.1	115.9	116.9	123.6	101.8	+1.0	-5.3	+15.0	
All commodities other than farm products	116.9	115.1	115.8	121.2	100.6	+1.6	-3.5	+16.2	
All commodities other than farm products and foods	112.1	111.0	110.8	111.0	99.9	+1.0	+1.0	+12.2	

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM Sept. 14, 1946 TO SEPT. 21, 1946

Other foods	Increases		Decreases
	10.2	0.6	
Livestock and poultry	3.0	0.4	0.6
Other farm products	1.8	0.4	0.4
Paint and paint materials	1.7	0.2	0.2
Cereal products	1.6	0.2	0.2
Crains	1.6	0.1	0.1
Oils and fats	1.6	0.1	0.1
Meats	1.2	0.1	0.1
Drugs and pharmaceuticals	0.9	0.1	0.1
Furnishings	0.7	0.1	0.1
	1.5	0.5	0.5
Cattle feed			
	0.4		

*Based on the BLS weekly index of prices of approximately 900 commodities which measures changes in the general level of primary market commodity prices. This index should be distinguished from the daily index of 28 basic materials. For the most part, 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.

Inasmuch as we were obliged to omit the Bureau's report of prices since Sept. 5 (page 1322, when we gave the figures for the week ended Aug. 24) because of the trucking strike, in order to conserve our supply of paper on hand, we annex here the weekly summaries of wholesale prices as made available by the Bureau since that date:

"Average primary market prices declined 0.2% during the week ended Aug. 31, 1946, with lower prices for farm products," said the Bureau of Labor Statistics of the U. S. Department of Labor, on Sept. 5. The advices added that "at 128.2% of the 1926 average, the index of wholesale commodity prices prepared by the Bureau was 13.8% higher than before suspension of price controls at the end of June and 21.5% higher than at the end of the war."

"Average primary market prices declined 4.8% during the week ended Sept. 7, largely because of lower prices for livestock and meats following a reimposition of OPA ceilings at the end of August. At 122.0% of the 1926 average, the wholesale commodity price index of the Bureau of Labor Statistics, U. S. Department of Labor was 8.3% higher than at the end of June and 16.2% above a year ago."

"Continuing their decline of the previous two weeks, average primary market prices dropped 0.2% during the week ended Sept.

14, as decreases in prices for meats and fruits and vegetables more than offset advances for other commodities. At 121.7% of the 1926 average the wholesale commodity price index of the Bureau of Labor Statistics, U. S. Department of Labor was 8% higher than at the end of June and 16.2% above a year ago."

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite during the week ended Sept. 28, 1946, as estimated by the United States Bureau of Mines, was 12,600,000 net tons, an increase of 150,000 tons, or 1.2%, over the preceding week. Output in the week ended Sept. 29, last year, was 11,052,000 tons. During the calendar year through Sept. 28, 1946, the cumulative production of soft coal was approximately 389,676,000 net tons, which was a decrease of 11.3% when compared with the 439,238,000 tons produced in the comparable period of 1945 through Sept. 29.

Production of Pennsylvania anthracite for the week ended Sept. 28, 1946, as estimated by the Bureau of Mines, was 1,264,000 tons, a decrease of 16,000 tons (1.3%) from the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 27,000 tons, or 2.2%. The calendar year to date shows an increase of 9.5% when compared with the corresponding period of 1945.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Sept. 28, 1946, showed an increase of 900 tons when compared with the output for the week ended Sept. 21, 1946; and was 48,000 tons more than for the corresponding week of 1945.

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

	Week Ended				Jan. 1 to Date	
	Sept. 28, 1946	Sept. 21, 1946	Sept. 29, 1945	Sept. 28, 1945	Sept. 29, 1945	Sept. 29, 1945
Bituminous coal and lignite—	12,600,000	12,450,000	11,052,000	389,676,000	439,238,000	439,238,000
Total, including mine fuel—	2,100,000	2,075,000	1,842,000	1,719,000	1,919,000	1,919,000

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
	Sept. 28, 1946	Sept. 21, 1946	Sept. 29, 1945	Sept. 28, 1946	Sept. 29, 1945	Oct. 2, 1937
Penn Anthracite—	1,264,000	1,280,000	1,237,000	44,989,000	41,073,000	38,042,000
†Total incl. coll. fuel—	1,264,000	1,280,000	1,237,000	44,989,000	41,073,000	38,042,000
‡Commercial produc.	1,215,000	1,231,000	1,189,000	43,254,000	39,492,000	36,140,000
Beehive Coke—	114,500	113,600	66,500	3,020,100	4,318,000	2,649,200

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Includes colliery fuel.

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

State—	Week Ended		
	Sept. 21, 1946	Sept. 14, 1946	Sept. 22, 1945
Alabama	372,000	391,000	410,000
Alaska	7,000	7,000	5,000
Arkansas	32,000	36,000	37,000
Colorado	145,000	154,000	149,000
Georgia and North Carolina	*	1,000	1,000
Illinois	1,374,000	1,420,000	1,508,000
Indiana	539,000	556,000	529,000
Iowa	30,000	32,000	39,000
Kansas and Missouri	137,000	140,000	160,000
Kentucky—Eastern	1,208,000	1,161,000	988,000
Kentucky—Western	420,000	460,000	387,000
Maryland	3,000	28,000	32,000
Michigan	1,000	1,000	3,000
Montana (bituminous and lignite)	92,000	76,000	74,000
New Mexico	28,000	30,000	29,000
North and South Dakota (lignite)	68,500	62,000	46,000
Ohio	770,000	731,000	714,000
Oklahoma	44,000	51,000	64,000
Pennsylvania (bituminous)	3,690,000	3,040,000	2,730,000
Tennessee	130,000	142,000	141,000
Texas (bituminous and lignite)	1,000	1,000	2,000
Utah	158,000	151,000	124,000
Virginia	362,000	431,000	362,000
Washington	25,000	20,000	25,000
†West Virginia—Southern	2,310,000	2,435,000	2,082,000
‡West Virginia—Northern	890,000	952,000	962,000
Wyoming	187,000	190,000	175,000
§Other Western States	*	1,000	*

Total bituminous and lignite— 12,450,000 12,700,000 11,778,000
 †Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason and Clay counties. ‡Rest of State, including the Panhandle District and Grant, Mineral and Tucker counties. §Includes Arizona and Oregon. *Less than 1,000 tons.

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 REPORT—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders	
			Remaining Tons	Percent of Activity Current Cumulative
1946—Week Ended				
June 1	142,001	139,693	567,068	85 96
June 8	186,073	160,607	591,486	96 96
June 15	136,211	161,240	567,097	98 96
June 22	157,746	163,148	560,916	97 96
June 29	166,050	166,841	558,129	98 96
July 6	180,587	118,542	596,425	70 95
July 13	127,832	141,476	599,527	87 95
July 20	149,547	158,210	588,429	94 95
July 27	149,865	161,405	575,590	95 95
Aug. 3	215,730	167,192	620,354	98 95
Aug. 10	156,766	163,034	610,459	96 95
Aug. 17	158,304	166,363	600,674	98 95
Aug. 24	146,057	168,120	578,276	100 95
Aug. 31	160,074	173,064	564,299	100 95
Sep. 7	192,978	138,189	615,865	83 95
Sep. 14	151,407	172,476	593,213	101 95
Sep. 21	156,822	169,143	579,500	100 95
Sep. 28	160,969	170,970	569,409	101 95

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.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Sept. 30 that the tenders for \$1,300,000,000 or thereabout of 91-day Treasury bills to be dated Oct. 3 and to mature Jan. 2, which were offered on Sept. 27, were opened at the Federal Reserve Banks, on Sept. 30.

Total applied for, \$1,873,066,000. Total accepted, \$1,301,964,000 (includes \$23,776,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price, 99.905+; equivalent rate of discount approximately 0.375% per annum. Range of accepted competitive bids:

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

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

(67% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 3 in the amount of \$1,307,745,000.

With respect to the previous issue of \$1,300,000,000 of 91-day Treasury bills dated Sept. 26, and maturing Dec. 26, the Treasury on Sept. 23 disclosed these results:

Total applied for, \$1,830,960,000. Total accepted, \$1,303,440,000 (includes \$29,970,000 entered on a fixed price basis of 99.905 and accepted in full).

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

Range of accepted competitive bids:

High, 99.907; equivalent rate of discount approximately 0.368% per annum.

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

(68% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Sept. 26 in the amount of \$1,305,929,000.

Envoys Present Credentials

President Truman, on Sept. 6, received Argentina's new Ambassador to the United States, Dr. Oscar Ivanissevich, who praised the principles of his country's President Juan Peron as "essentially democratic" and described his chief as the "first authentic representative of the true Argentine people." Presenting his letters of credence, Dr. Ivanissevich stated, according to Washington advices to the New York "Times," that his government's objectives were "profoundly" based on Christian and humane considerations, and added: "Our collaboration with the American Union and with the United Nations is sincere and frank and will be fulfilled in proportion as the various branches of our democratic organization resolve the affairs submitted to our democratic organization."

On Sept. 11, the same advices (New York "Times") reported from Washington, that Norman J. Makin presented to President Truman his credentials as first Ambassador of Australia to the United States. Expressing the hope of his Government that the wartime cooperation which existed between his country and America might be "preserved and strengthened," Mr. Makin asserted that the Australian people regard friendship with the United States "no less than our fraternal association in the British Commonwealth and our membership in the United Nations, as the framework within which we shall seek to establish an ordered world society based on law and justice and respect for the rights of all nations, great and small alike."

Daily Average Crude Oil Production for Week Ended Sept. 28, 1946, Increased 2,350 Bbls.

The American Petroleum Institute estimates that the daily average crude oil production for the week ended Sept. 28, 1946, was 4,777,500 barrels, an increase of 2,350 barrels per day over the preceding week and a gain of 420,050 barrels per day over the corresponding week of 1945. The daily average figure, as estimated by the United States Bureau of Mines as the requirement for the month of September, 1946, was 4,790,000 barrels. Daily output for the four weeks ended Sept. 28, 1946, averaged 4,781,450 barrels. The Institute's statement further adds:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,829,000 barrels of crude oil daily and produced 14,675,000 barrels of gasoline; 1,762,000 barrels of kerosine; 5,832,000 barrels of distillate fuel, and 8,172,000 barrels of residual fuel oil during the week ended Sept. 28, 1946; and had in storage at the end of that week 85,324,000 barrels of finished and unfinished gasoline; 20,808,000 barrels of kerosine; 59,827,000 barrels of distillate fuel, and 57,657,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS) Table with columns: State, B. of M. Calculated Requirements, Allowables, Actual Production, Change, 4 Weeks Ended, Week Ended. Lists states like New York, Florida, West Virginia, etc.

*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 September. 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.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m., Sept. 24, 1946. This is the net basis allowable as of Sept. 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 6 to 9 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.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSENE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED SEPT. 28, 1946

Table with columns: District, % Daily Report, Crude Runs, Gasoline Production, Stocks, Gas Oil, Residual Fuel Oil. Includes sub-tables for Districts and Total U. S. B. of M. basis.

*Includes unfinished gasoline stocks of 8,372,000 barrels. Includes unfinished gasoline stocks of 9,021,000 barrels. In addition, there were 1,762,000 barrels of kerosine, 5,832,000 barrels of gas oil and distillate fuel oil and 8,172,000 barrels of residual fuel oil produced during the week ended Sept. 28, 1946, which compares with 1,929,000 barrels, 5,450,000 barrels and 8,168,000 barrels, respectively, in the preceding week and 1,168,000 barrels, 4,049,000 barrels and 7,254,000 barrels, respectively, in the week ended Sept. 29, 1945.

Offer Home Loan Bank Bonds

An offering of \$140,000,000 Federal Home Loan Banks consolidated bonds, 1 1/4% series A-1948, non-callable, was made on Oct. 7 by the Federal Home Loan Bank Administration through Everett Smith, Fiscal Agent of the Federal Home Loan Banks. A nationwide selling group of securities dealers will assist in the offering. The bonds, to be dated Oct. 15, 1946 and to mature April 15, 1948, will be priced at 99% and accrued interest. Proceeds from the sale of the bonds will be used to refund outstanding consolidated debentures and to provide funds for the making available of additional credit by the Federal Home Loan Banks to member institutions and for other purposes.

Federal Home Loan Banks are instrumentalities of the United States and are under the supervision of the Federal Home Loan Bank Administration. The Home Loan Bank System is country-wide and includes eleven banks and their member institutions. Member institutions numbered 3,704 on July 31, 1946.

Total consolidated resources of the banks amounted to \$381,901,522 and outstanding loans to \$202,027,245 on July 31, last. Total loans made from the beginning of operations in Oct. 1932, to July 31, 1946, amounted to \$1,813,854,033.

N. Y. Comptrollers and Auditors to Meet

The New York City Bank Comptrollers and Auditors Conference will hold its first regular meeting for the year 1946-1947 on Tuesday evening, October 15, at Whyte's Restaurant, 145 Fulton Street, New York, at which time Arthur T. Roth, Executive Vice-President of the Franklin Square National Bank, Franklin Square, Long Island, will address the conference.

Revenue Freight Car Loadings During Week Ended Sept. 21, 1946, Decreased 8,116 Cars

Loading of revenue freight for the week ended Sept. 21, 1946 totaled 899,053 cars, the Association of American Railroads announced on Sept. 26. This was an increase of 61,760 cars or 7.4% above the corresponding week in 1945, and an increase of 1,170 cars or 0.1% above the same week in 1944.

Loading of revenue freight for the week of Sept. 21 decreased 8,116 cars or 0.9% below the preceding week, which in turn had shown an increase of 112,686 cars, or 14.2%, over the week ended Sept. 7, 1946 (which included the Labor Day holiday).

Miscellaneous freight loading for the week ended Sept. 21 totaled 388,917 cars, a decrease of 3,583 cars below the preceding week, but an increase of 34,615 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 122,280 cars, an increase of 913 cars above the preceding week, and an increase of 14,421 cars above the corresponding week in 1945.

Coal loading amounted to 189,123 cars, a decrease of 4,087 cars below the preceding week but an increase of 16,756 cars above the corresponding week in 1945.

Grain and grain products loading totaled 48,174 cars, a decrease of 2,403 cars below the preceding week and a decrease of 7,450 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Sept. 21 totaled 35,498 cars, a decrease of 2,351 cars below the preceding week and a decrease of 4,690 cars below the corresponding week in 1945.

Livestock loading amounted to 19,129 cars, an increase of 5,452 cars above the preceding week, but a decrease of 2,599 cars below the corresponding week in 1945. In the Western Districts alone, loading of livestock for the week of Sept. 21 totaled 16,490 cars, an increase of 4,833 cars above the preceding week, but a decrease of 1,339 cars below the corresponding week in 1945.

Forest products loading totaled 49,478 cars, a decrease of 3,216 cars below the preceding week, but an increase of 8,646 cars above the corresponding week in 1945.

Ore loading amounted to 67,530 cars, a decrease of 1,635 cars below the preceding week and a decrease of 4,824 cars below the corresponding week in 1945.

Coke loading amounted to 14,422 cars, an increase of 443 cars above the preceding week, and an increase of 2,195 cars above the corresponding week in 1945.

All districts reported increases compared with the corresponding week in 1945, except the Centralwestern and Southwestern and all reported increases compared with 1944 except the Allegheny, Centralwestern and Southwestern.

Table comparing freight car loadings for 1946, 1945, and 1944 across various weeks of the year.

The following table is a summary of the freight carloadings for the separate railroads and systems for the weeks ended Sept. 14 and Sept. 21. During the first period 86 roads showed increases when compared with the corresponding week of 1945, while during the second period 78 roads reported gains over the week ended Sept. 22, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEKS ENDED SEPT. 14 AND SEPT. 21

Large table with columns: Railroads, Total Revenue Freight Loaded, Total Loads Received from Connections, Total Revenue Freight Loaded, Total Loads Received from Connections. Lists railroads like Eastern District, Allegheny District, etc.

Railroads	Week Ended Sept. 14					Week Ended Sept. 21				
	Total Revenue Freight Loaded			Total Loads Received from Connections		Total Revenue Freight Loaded			Total Loads Received from Connections	
Poochontas District—	1946	1945	1944	1946	1945	1946	1945	1944	1946	1945
Chesapeake & Ohio	35,275	30,676	29,419	14,968	13,306	34,294	28,185	29,205	15,325	13,509
Norfolk & Western	26,112	23,023	20,868	7,100	6,389	25,462	20,386	20,796	7,804	6,976
Virginian	5,242	4,653	3,253	1,357	1,390	4,654	4,899	3,815	1,311	1,873
Total	66,629	58,352	53,540	23,445	21,035	64,410	53,470	53,636	24,440	22,358
Southern District—	359	435	281	272	345	335	388	368	229	323
Alabama, Tennessee & Northern	316	849	737	2,250	1,979	887	911	813	2,205	2,108
Atl. & W. P.—W. R. R. of Ala.	+	+	698	+	+	+	+	784	+	+
Atlanta, Birmingham & Coast	13,539	11,319	11,031	8,349	9,255	12,699	9,488	11,243	8,366	9,283
Atlantic Coast Line	4,219	3,816	3,267	4,274	4,095	3,613	3,954	3,486	4,440	4,243
Central of Georgia	483	397	455	1,591	1,354	458	348	413	1,533	1,319
Charleston & Western Carolina	2,006	1,603	1,759	3,307	2,382	1,727	1,367	1,669	3,380	2,383
Cincinnati	394	307	289	283	250	411	379	323	308	336
Columbus & Greenville	155	169	136	713	749	145	167	126	782	590
Durham & Southern	944	834	763	1,270	1,225	878	859	728	1,472	1,309
Florida East Coast	91	77	40	114	117	95	68	48	94	126
Gainesville Midland	1,353	1,348	1,202	2,153	2,038	1,216	1,218	1,187	2,202	2,074
Georgia	422	330	415	624	550	370	394	474	679	589
Georgia & Florida	5,114	4,527	4,534	3,454	4,321	5,160	4,887	4,680	3,775	5,105
Gulf, Mobile & Ohio	26,266	24,944	30,519	14,554	15,055	26,420	25,738	31,893	15,719	15,377
Illinois Central System	28,382	25,862	25,587	9,692	9,766	29,137	25,637	25,651	9,723	9,967
Louisville & Nashville	264	193	180	782	692	140	177	181	851	754
Macon, Dublin & Savannah	375	317	319	365	592	391	309	408	355	491
Mississippi Central	3,569	3,383	3,149	3,781	3,750	3,522	3,389	3,422	4,019	4,030
Nashville, Chattanooga & St. L.	1,337	1,136	1,180	1,707	1,793	1,206	813	1,039	1,682	1,610
Norfolk Southern	356	402	410	1,553	1,191	439	364	418	1,702	1,370
Piedmont Northern	459	494	457	7,156	7,205	446	448	488	7,145	6,605
Richmond, Fred. & Potomac	11,451	8,819	9,085	7,693	7,650	10,423	7,715	8,912	8,351	7,178
Seaboard Air Line	27,896	24,584	24,899	24,430	22,145	27,826	23,037	23,967	24,257	21,910
Southern System	616	631	683	822	816	655	677	596	779	869
Tennessee Central	132	164	137	1,116	1,097	152	120	121	1,201	829
Winston-Salem Southbound										
Total	131,498	116,945	122,212	102,596	100,458	126,961	112,852	123,340	105,249	100,781
Northwestern District—	20,283	20,525	21,267	14,343	13,946	20,227	20,985	20,886	15,906	14,998
Chicago & North Western	2,232	2,800	2,450	3,347	3,470	2,187	2,676	2,542	3,513	3,484
Chicago Great Western	23,743	24,681	23,355	11,026	10,305	23,887	23,871	22,476	11,657	10,479
Chicago, Milw., St. P. & Pac.	4,218	3,884	3,595	4,606	4,324	4,420	3,801	3,755	4,568	4,386
Chicago, St. Paul, Minn. & Omaha	25,702	26,661	26,604	640	647	24,910	25,772	25,947	460	451
Duluth, Missabe & Iron Range	671	711	1,592	724	487	647	1,355	1,242	633	484
Duluth, South Shore & Atlantic	9,095	7,408	9,484	9,081	7,560	8,750	7,876	8,806	8,910	7,776
Elgin, Joliet & Eastern	593	445	410	439	102	504	469	435	151	115
Ft. Dodge, Des Moines & South	25,871	25,626	28,038	6,876	5,656	25,877	23,811	26,928	7,054	6,044
Great Northern	605	517	556	870	751	751	524	562	1,065	873
Green Bay & Western	2,251	2,135	2,661	50	125	2,208	2,746	2,177	53	86
Lake Superior & Ishpeming	2,124	2,622	2,351	2,646	2,623	2,169	2,407	2,242	2,854	2,356
Minneapolis & St. Louis	8,567	8,304	8,298	3,926	3,382	8,797	8,360	7,449	4,192	3,455
Minn., St. Paul & S. S. M.	13,715	13,572	12,501	4,940	5,163	14,611	12,826	13,278	4,863	5,058
Northern Pacific	213	185	184	512	612	178	232	146	555	574
Spokane International	2,919	2,804	2,280	2,838	2,896	2,817	2,582	2,624	2,991	2,774
Spokane, Portland & Seattle										
Total	142,802	142,880	145,636	66,564	62,055	142,589	140,363	141,485	69,423	63,393
Central Western District—	25,642	24,399	25,783	11,825	10,780	25,491	25,728	25,794	13,114	12,056
Atch., Top. & Santa Fe System	3,077	3,191	3,518	3,253	3,194	3,240	3,392	3,644	3,602	3,182
Alton	317	231	438	51	59	354	372	419	46	150
Bingham & Garfield	21,167	20,876	20,877	11,567	11,042	21,528	21,765	20,824	12,560	11,732
Chicago, Burlington & Quincy	3,281	3,221	2,818	840	884	3,346	3,297	3,087	933	816
Chicago & Illinois Midland	13,296	13,123	13,176	12,862	11,862	13,043	12,988	13,288	13,062	12,432
Chicago, Rock Island & Pacific	3,125	2,822	2,655	3,530	3,021	3,161	2,895	2,906	3,806	3,074
Chicago & Eastern Illinois	867	932	908	1,872	2,153	794	919	878	1,870	2,045
Colorado & Southern	4,117	4,384	5,292	5,241	5,576	4,255	4,608	5,804	5,593	6,156
Denver & Rio Grande Western	913	660	982	67	54	979	831	980	67	73
Denver & Salt Lake	1,094	988	1,043	1,372	1,575	1,099	849	949	1,555	1,437
Fort Worth & Denver City	2,126	1,796	1,937	1,980	1,758	2,178	2,045	2,094	2,096	2,063
Illinois Terminal	1,456	1,298	1,472	519	690	1,368	1,503	1,428	568	632
Missouri-Illinois	1,362	1,498	1,647	129	105	1,598	1,497	1,554	187	96
Nevada Northern	921	973	1,237	650	827	977	1,107	1,194	620	904
North Western Pacific	9	5	50	0	0	4	4	5	0	0
Peoria & Pekin Union	35,001	34,837	33,549	10,936	11,946	33,653	34,302	35,092	10,829	11,987
Southern Pacific (Pacific)	0	321	278	0	1,738	0	280	236	0	1,858
Toledo, Peoria & Western	19,192	19,389	19,798	15,830	15,702	18,698	18,387	20,044	16,462	17,971
Union Pacific System	946	642	515	6	6	930	685	526	5	3
Utah	2,236	2,526	2,439	3,967	4,611	2,226	2,497	2,425	3,610	4,355
Western Pacific										
Total	140,175	138,112	140,412	86,497	87,586	138,922	139,951	143,171	90,585	93,025
Southwestern District—	254	273	810	536	421	290	371	897	431	375
Burlington-Rock Island	3,768	3,663	5,440	2,591	2,306	3,594	3,473	5,299	2,737	2,193
Gulf Coast Lines	2,178	2,345	2,479	3,056	3,074	2,182	2,322	2,519	2,893	3,157
International-Great Northern	1,254	1,315	1,129	1,794	1,615	1,344	1,490	1,116	1,702	1,659
K. O. & G.-M. V.-O. C.-A.-A.	3,459	3,102	5,695	2,639	2,911	3,373	2,764	5,512	2,637	2,888
Kansas City Southern	2,485	2,666	4,355	2,273	2,363	2,394	2,589	3,962	2,392	2,283
Louisiana & Arkansas	427	368	260	1,090	1,219	421	406	294	1,273	1,264
Litchfield & Madison	3	124	177	0	282	0	213	171	0	424
Missouri & Arkansas	5,538	5,307	5,908	4,058	3,695	5,653	5,707	6,224	4,307	3,893
Missouri-Kansas-Texas Lines	17,406	17,389	18,913	13,935	15,765	16,847	17,512	18,302	14,963	15,895
Missouri Pacific	154	153	87	203	215	126	158	121	269	178
Quannah Acme & Pacific	9,842	9,612	10,434	7,551	8,103	9,839	10,262	10,679	8,102	8,311
St. Louis-San Francisco	2,780	2,541	3,635	4,676	4,532	2,931	2,679	3,801	4,905	4,268
St. Louis-Southwestern	9,703	8,832	11,433	5,533	5,215	8,846	8,313	11,106	5,985	5,615
Texas & New Orleans	4,564	4,138	5,680	5,791	6,312	4,444	4,063	5,958	6,375	6,071
Texas & Pacific	75	73	84	57	69	30	30	99	53	60
Wichita Falls & Southern	35	50	21	11	43	85	83	36	15	30
Weatherford M. W. & N. W.										
Total	63,925	61,951	76,540	55,794	58,145	62,400	62,425	76,096	59,039	59,064

*Previous week's figure. †Included in Atlantic Coast Line R.R. ‡Includes Kansas, Oklahoma & Gulf Ry., Midland Valley Ry., and Oklahoma City-Ada-Atoka Ry.
NOTE—Previous year's figures revised.

Weekly Lumber Production Again Exceeds Shipments

According to the National Lumber Manufacturers Association, lumber shipments of 416 mills reporting to the National Lumber Trade Barometer were 8.7% below production for the week ending Sept. 23, 1946. In the same week new orders of these mills were 6.9% below production. Unfilled order files of the reporting mills, amounted to 65% of stocks. For reporting softwood mills, unfilled orders are equivalent to 25 days' production at the current rate, and gross stocks are equivalent to 37 days' production. For the year-to-date, shipments of reporting identical mills exceeded production by 1.6%; orders by 0.2%. Compared to the average corresponding week of 1935-1939, production of reporting mills was 5.4% above; shipments were 4.9% below; orders were 3.5% below.

Non-Ferrous Metals—Gov't Buys Copper and Lead for 4th Quarter—Tin Price Up in U. K.

"E. & M. J. Metal and Mineral Markets," in its issue of Oct. 3, stated: "The government announces that it has purchased both foreign copper and lead for fourth-quarter delivery. The price paid for copper was the figure that was named by producers when negotiations were opened about a month ago. In reference to lead, however, purchases were made at the market price obtaining at present outside of this country, or the equivalent of 10 1/4c per pound. The Ministry of Supply advanced the price of tin in the British market to the basis of approximately 68 1/2c per pound, and also raised its purchasing basis for concentrates." The publication further went on to say in part as follows:
Copper
The tight situation in foreign copper was further aggravated on receipt of news that Braden Cop-

on the basis of 15 1/4c, Chilean ports. Negotiations to obtain this tonnage began early in September. There were no new developments in the domestic situation in copper. The OPA has not yet acted on the revision of premiums for special shapes.

Consumption of refined copper in the United States, based on statistics compiled for the fabricating division of the copper industry, in tons:
January 190,213 1945 153,904
February 73,316 165,387
March 73,225 171,558
April 86,619 147,209
May 93,007 131,670
June 91,586 117,492
July 96,743 79,789
August 119,644 104,783
September 86,363
October 108,048
November 100,400
December 95,887
Total 1,462,440

Lead
Negotiations by RFC to purchase foreign lead for Oct.-Dec. have been concluded, and it was revealed that some 24,000 tons were obtained on the basis of 10 1/4c, United States ports.

Items About Banks and Trust Companies

(Continued from page 1850)

graduate of Princeton University and Columbia Law School, is a practicing attorney and is a partner of Robertson, Buck & Robertson, real estate managing agents. He is a member of the board of directors of Eastern Offices, Inc. An aviator in the U. S. Navy during the war, Mr. Robertson was released from active duty in January, 1946.

In a drive to acquaint the public with counterfeit money and check cashing frauds, the Bronx County Trust Company of New York in cooperation with the U. S. Treasury Department set up a display in their main office at Third Avenue and 148th St. The exhibit showing bogus versus genuine U. S. bills was scheduled for one week showing at each of the Bronx County Trust Company's nine offices. It remained at the main office location until Sept. 10.

The statement of condition of Brooklyn Trust Company as of Sept. 30, showed total deposits of \$254,809,392 and total resources of \$272,665,009, comparing with \$263,835,049 and \$281,480,702, respectively, on June 30 last. Cash on hand and due from banks was \$58,643,113 against \$58,517,415 three months ago, while holdings of United States Government securities were \$165,473,393 against \$176,812,865. Total loans and bills purchased showed an increase, being \$36,161,114 against \$32,630,826. The statement showed undivided profits of \$1,879,897 against \$1,614,287 at the end of last June. Capital and surplus were unchanged at \$8,200,000 and \$5,600,000, respectively.

Lafayette National Bank of Brooklyn announced on Sept. 13 the election of John A. Hartigan as a member of its Board of Directors. Mr. Hartigan is a Real Estate Appraiser, with offices at 391, Fulton Street, Brooklyn, and for many years was a director and Vice-President of the Flatbush National Bank. He is a member of many local organizations.

The promotion of Karl Hinke from Assistant Vice President to Vice President of the Marine Trust Company of Buffalo, N. Y., was announced on Sept. 3 by President Charles H. Diefendorf, according to the Buffalo "Evening News" of that date which added that Mr. Hinke joined the Marine Trust Company in 1930. He served in the Loan & Credit Department. He was appointed Assistant Treasurer in 1936. Last fall he was made Assistant Vice-President and a member of the bank's Business Development Department.

Ending a career of over 50 years in Rochester banking circles, Edward J. Meyer, Vice-President of the Union Trust Company of Rochester retired on Aug. 31. The Rochester "Times Union" from which this is learned also reported that Mr. Meyer began as a messenger for the Central Bank of Rochester in 1890.

Channing H. Cox, Chairman of the Board of the Old Colony Trust Company, of Boston retired on Oct. 1 under the company's retirement plan, it was announced on Sept. 30, it is learned from the Boston "Herald." Elected Vice-President of the First National Bank in 1925 and President of the Old Colony Trust Company in 1934, Mr. Cox will continue to serve as a director of the trust company, said the "Herald," which also reported:

"Other principal officers who will retire today include Vice-

Presidents S. Parkman Shaw and Henry N. Andrews.

"New officers named include: A. Stanley North, Vice-President and Treasurer; E. Russell Davis, Vice-President, and Secretary; Charles Weston, Vice-President in charge of the public relations division; and Arthur L. Coburn, Jr., Vice-President in charge of the investment division.

"Newly elected Vice-Presidents are: Basil S. Collins, Charles F. Collins, John G. Cushman, Thomas P. Salmon, Clement C. Sawtell and Paul I. Wren.

"Newly elected Assistant Vice-Presidents are: John A. Blanchard, Chairman of the Pension Trust Committee; Chanler Bigelow, Earnest B. Dunstan, James J. Fagiano, Augustin H. Parker, Jr., and James Parker."

Malcolm MacFarlane Scott, Assistant Cashier of the Union Bank & Trust Company, New London, Conn., died on Sept. 24 at the age of 69. Mr. Scott, it was reported in Associated Press advices from that city appearing in the Hartford "Courant" was three times Mayor of New London.

Expansion of the resources of the Hudson Trust Co. of Union City, N. J., to \$70,000,000 is included in details of Hudson Trust's purchase of controlling interest in the First National Bank of Union City, said the Newark "News" of Oct. 1, which stated that Clarence G. Meeks, President of Hudson Trust, announced the purchase yesterday, in joint statement with William H. Hofmayer, President of First National. The "News" further said:

"The business of the two banks will be consolidated, giving Hudson Trust five offices. First National, established in 1909, maintains two offices in Union City. These will be operated as branches of Hudson Trust, with present personnel maintained.

Frederick H. Williams, retired Vice-President of the Half Dime Savings Bank of Orange, N. J., and real estate man died on Sept. 30 at the age of 94. Mr. Williams, it was stated in the Newark "News" of Oct. 1, joined the Half Dime Bank in 1894 as a member of the board of managers; he was appointed Secretary in 1904, and Vice-President in 1921, a position which he held until his retirement in December, 1941.

The appointment of Henry E. Rueth as an Assistant Vice-President of the Community Trust Company of Bloomfield, N. J., was announced by Frank Shay, Executive Vice-President on Sept. 27, according to the Newark "News."

On Sept. 13 a merger of the Morristown Trust Company and the American Trust Co. of Morristown, N. J. became effective under the name of the Morristown Trust Co. The merger followed the ratification of the plans, by the stockholders of the two institutions the preceding day. According to Morristown advices in the Newark "News" of Sept. 13 the merged institution will have capital funds exceeding \$2,000,000, made up of capital and surplus accounts at \$880,000 each and undivided profits of more than \$250,000. Total deposits will exceed \$20,000,000 and assets will approximate \$23,000,000.

George Munsick, President of Morristown Trust Co., will head the merged bank, and Clarence E. Beddow, President of American Trust, will be Vice-President. The other officers will be, it is learned from the Newark "News":

George F. Melick, Vice-President and Trust Officer; Raymond B. Peer, Vice President and Treasurer; Stephen S. Whitney,

Secretary and Assistant Trust Officer; Warren McVay, Charles S. Carrell, Frank L. Applegit and Edward M. Barnes, Assistant Secretaries and Assistant Treasurers; John G. Yawger, H. Lloyd Williams, Donald E. Kyle and Nancye B. Staub, Assistant Secretaries and Assistant Trust Officers; Neilson A. Bertholf, Controller, and David B. Hill Assistant Treasurer.

The American Trust Co. began business on Feb. 6, 1911; the Morristown Trust Co. opened for business on Dec. 15, 1892; the deposits of the latter on June 28 this year exceeded \$16,000,000, while the deposits of the American Trust were reported this year at over \$5,000,000.

The statement of the Philadelphia National Bank of Philadelphia, Pa., for the period ended Sept. 30, 1946, shows deposits on that date of \$629,124,342, consisting of \$47,900,154 of U. S. Treasury deposits and \$581,224,188 representing all other deposits. This compares with deposits of \$705,692,003 — \$87,633,595 of U. S. Treasury deposits and \$618,058,408 covering all other deposits—reported on June 29, 1946. Total resources amounted to \$694,124,620, compared with \$769,186,398; cash and due from banks aggregated \$178,061,968, compared with \$186,161,160; U. S. Government securities, \$359,285,254, against \$440,099,408; state, county and municipal securities were \$12,320,392, versus \$13,097,392; other securities, \$37,287,527, against \$34,147,926; loans and discounts \$101,492,456, compared with \$91,069,670. The capital stock of the bank and the surplus at the end of September both remained unchanged at \$14,000,000 and \$28,000,000 respectively. Undivided profits were \$14,356,463, compared with \$13,611,690 at the end of June.

An increase of \$8,041,890 in deposits other than U. S. Government deposits during the third quarter of 1946, is shown in the statement of condition, as of Sept. 30, 1946, issued by Corn Exchange National Bank and Trust Company of Philadelphia. Loans and bills discounted also showed a substantial gain. Total deposits as of Sept. 30, 1946, were \$268,747,261, compared to \$274,996,871 as of June 29, 1946, with U. S. Government deposits declining \$14,291,500. Total assets of \$292,137,361 included \$61,459,855 cash and due from banks and \$141,468,748 in U. S. Government securities. Total capital funds of \$18,538,040 on Sept. 30, 1946 included capital stock \$5,687,500; surplus, \$10,000,000, and undivided profits, \$2,850,540. Reserves totaled \$1,877,208.

Succeeding Edward T. James, who retired on Sept. 1, Mark J. Igoe was elected Cashier of the Corn Exchange National Bank & Trust Company, of Philadelphia, Pa. Mr. Igoe, who is also a Vice-President of the bank, becomes Vice-President and Cashier, according to the Philadelphia "Evening Bulletin" of Sept. 9.

The consolidation effective August 31 of the First National Bank of Greenville, Pa. and the Greenville National Bank, was announced on Sept. 3 by the Office of Comptroller of the Currency. The merging banks, viz., the First National and Greenville National, had capitals of \$175,000 and \$135,000 respectively. The name under which the consolidations went into effect is the First National Bank of Greenville, with common capital stock of \$350,000 divided into 14,000 shares with the par value of \$25 each, and a surplus of \$300,000.

In the Philadelphia "Evening Bulletin" of Sept. 4, it was stated that A. R. Griffin has been elected Vice President of the City Na-

tional Bank of Philadelphia. A. D. Ramsay has been named Assistant Vice President and R. S. Abrams, Assistant Cashier.

Special meetings of the stockholders of the Broad Street Trust Company and the Mid-City Bank and Trust Company, both of Philadelphia, will be held on Nov. 6 to act on the proposed merger of the latter institution with the Broad Street Trust. Reference to the plans appeared in our issue of Aug. 22, page 1076.

Directors of First National Bank of Philadelphia, Pa., voted to transfer \$500,000 from undivided profits to surplus, bringing surplus to \$6,500,000. Capital remains at \$3,111,000, it was stated in the Philadelphia "Inquirer" of Sept. 7.

Depositors of the closed Pennsylvania Liberty Bank & Trust Co., of Wilkes-Barre, Pa., were paid final liquidating dividend of 5.5%, amounting to \$144,750.66 on Sept. 4, it was reported in the Philadelphia "Inquirer" of Sept. 5, which also said: "Payment, ninth since bank closed, will bring total paid to 64.5% of deposit liability of \$1,709,915.69.

The Polithania State Bank of Pittsburgh, Pa., has become a member of the Federal Reserve System, it is announced by President Ray M. Gidney of the Federal Reserve Bank of Cleveland. Member banks in the Fourth Federal Reserve District now total 726, compared with 715 a year ago, and hold approximately 85% of the total bank deposits in the district. The Reserve Bank's announcement also reports:

Polithania State Bank, founded in 1909, is capitalized with \$200,000, has a surplus of \$100,000 and deposits totaling \$3,450,000. Officers of the bank are: F. M. Schrack, President and Chairman; Elias Kauffeld and F. J. Kautz, Vice-Presidents; Miss A. M. Sutkaitis, Cashier and Secretary; S. N. Petraitis, Assistant Cashier and Assistant Secretary, and J. C. Woshner, Assistant Cashier. All officers except the last-named also are directors of the bank. Other directors are: Frank Gedrem, George J. Huebner, A. S. Marculaitis, George M. Miller, and K. J. Strawinskis. The bank is located at 1910 Carson St., about two miles from the downtown district in Pittsburgh's South Side.

The merger of the Union Trust Company and the Mellon National Bank, both of Pittsburgh, under the name of the Mellon National Bank & Trust Company was approved by the stockholders of the two institutions on Sept. 16, and on Sept. 23 the enlarged institution began business under its new title.

The bank, the largest in Pennsylvania, will have a capital of \$60,100,000 and surplus of \$90,000,000.

Plans for the merger were noted in our issue of July 11, page 257 and July 18, page 412.

At a meeting of the Board of Directors of the Mercantile Trust Company, Baltimore, Md., on Sept. 25, Charles S. Garland of Alex. Brown & Sons was elected a director, it is learned from the Baltimore "Sun" of Sept. 26.

All stockholders of the Lorain Street Bank will ultimately receive \$224.30 a share for their holdings in the bank, the assets of which were sold on Sept. 13 to the Cleveland Trust Co. of Cleveland, Ohio, it is learned from the Cleveland "Plain Dealer" of Sept. 14, whose Financial Editor, Guy T. Rockwell, in reporting this, in part, added:

"At an all-day meeting of stockholders, investment bankers and legal talent, the vote on the sale

of the assets was 4,509 for and 430 against.

"The investment banking firm of Field, Richards & Co., which had bought and paid for 4,473 shares (91%) of the capital stock of the bank at \$222.50 a share, arranged with the Cleveland Trust Co. to buy assets and assume liabilities of the Lorain Street Bank for \$1,121,500. This figure \$224.50 a share and will be paid to all stockholders as a liquidating dividend.

"The original offer to stockholders at \$222.50 a share was made March 20, 1946, and a committee consisting of John R. Olderman, bank President; William T. Melcher, a Director, and Carl W. Schaefer, counsel, notified stockholders of the offer. Directors and stockholders of the Cleveland Trust Co. then approved the purchase.

"Business of yesterday's meeting consisted of the vote of the stockholders of the West Side bank to sell assets to Cleveland Trust and with that done the bank was then voted into voluntary liquidation. President Olderman presided at the meeting.

"To finally wind up the deal, approval of the State Superintendent of Banks is required."

A change, effective Sept. 3, in the name of the Morris Plan Bank of Washington, D. C., to the Citizens Bank of Washington, was reported on Sept. 9 by the Comptroller of the Currency.

Advancement of two officers of the Union Bank of Commerce of Cleveland, Ohio, was announced on Sept. 6 by John K. Thompson, President. They are Edward F. Meyers, promoted from Assistant Vice-President to Vice President, and Carl L. Beier, promoted from Assistant Cashier to Assistant Vice-President. Mr. Meyers was associated with the old Union Trust Co. from 1922 to 1932. When the Union Bank of Commerce was formed he joined the bank as Assistant Cashier, being advanced to Assistant Vice-President in 1941. He is a graduate of John Marshall School of Law. Mr. Beier has been in banking since 1919, when he joined the staff of the Brooklyn Savings & Banking Co., later absorbed by the Union Trust Co. He also became associated with the Union Bank of Commerce upon its establishment, being promoted to Assistant Cashier in 1941.

H. T. (Tim) Riedeman has joined the staff of the Industrial National Bank of Chicago as a Vice-President, and will be in the bank's Commercial Banking Division. Mr. Riedeman, widely known in banking circles, has for the past 20 years been associated with the City National Bank and Trust Company of Chicago. He has been a member of the Robert Morris Associates for many years, serving as President of the Chicago Chapter in 1942, Chairman of the National Membership Committee for three years and is at present Chairman of the Research Committee of the national organization. Mr. Riedeman attended Northwestern University School of Commerce and is Treasurer of the Civic Association of Deerfield, Ill., where he resides.

The Comptroller of the Currency announced on Sept. 3, that a national bank charter was issued on August 30 to the First National Bank of Moline, Ill. The capital stock of the new national bank consists of \$500,000 in common stock. The national bank, which is a conversion of the Moline State Trust and Savings Bank, will be headed by G. D. Thompson as President, who was President of the state institution.