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An International Economic Policy

By WINTHROP W. ALDRICH*
Chairman, Chase National Bank of New York

Prominent banker lays down as a sound international economic policy: (1) reduction of trade barriers; (2) stabilization of foreign exchanges; (3) removal of exchange control on current account transactions; and (4) formulation of beneficial foreign lending policies. Admits accomplishments of these ends will be difficult, but points out work of International Chamber of Commerce and its recognition by United Nations Organization as factor in fostering free competitive enterprise system. Lauds U. S. leadership in adopting sound international trade policy and advocates restoring foreign lending to private capital on a direct investment basis.

Fourteen months after V-J Day the world is still engrossed in the difficult task of making the peace. During the war the United Nations were bound by a common objective. Divergent interests were submerged in the all-absorbing task of waging war. Once hostilities ceased, however, conflicting interests and ideologies again came to the fore and are now playing a dominant role on the stage of international relations. Lack of a common purpose is retarding political and economic reconstruction.

W. W. Aldrich

*An address by Mr. Aldrich before a luncheon session of the Boston Conference on Distribution, Boston, Mass., Oct. 14, 1946.

However great the disappointments of the moment, we must continue to wage peace in all parts of the world. We must do this not only because we believe in a peaceful world, not only because we cherish the good opinion of mankind, but also because in this atomic age we are playing for the highest stakes. Confronted by a great elemental force, mankind stands at the zero hour of decision.

Peace is dependent not alone upon political accord. It is dependent, too, upon the adoption of a constructive economic policy on the part of the nations. The essential elements of a constructive economic policy include the reduction of trade barriers, the stabilization of foreign exchanges, the removal of exchange control on current account transactions, and the formulation of beneficial foreign lending policies. All of these elements in combination will (Continued on page 1994)

From Washington Ahead of the News

By CARLISLE BARGERON

Communists and the Administration

It is a commentary on something that while the Communist inspired labor disturbances in this country are a matter of serious concern, even to Mr. Truman and his closest advisers, our government goes out of its way to give them support. The government goes further than guaranteeing the Commies the right of free speech. It demands that management deal with them just as if they were genuine labor leaders with the highest motives. In one recent instance, it was, indeed, holding the threat of government seizure of the plant over management's head. In this instance, management was being pressed not only to "bargain collectively" with these men but to accomplish an agreement with them.

Carlisle Bargeron

The situation is brought into sharp relief by the definite disclosure that the leaders in the six-month-old strike in the West Allis plant of Allis-Chalmers, are Communists, that Communists, in fact, saturate the official level of the union, that much of the strike strategy has been directed from Communist headquarters. First, the two Milwaukee newspapers, the "Journal" and the "Sentinel," made a thorough study of the situation, and came up with the disclosure, giving names and places. Secondly, the Allis-Chalmers people with black and white evidence, have shown that these officials, high and low, are the most active signers of the nominating petitions for a Communist candidate for Governor.

Yet a few months ago, Secretary of Labor Schwellenbach recommended that the plant be seized. Schwellenbach's contention was that the management was not bargaining in good faith. Just what (Continued on page 1997)

Wanted—Pioneers in Human Relations

By PAUL G. HOFFMAN*
Chairman, Committee for Economic Development

Mr. Hoffman lists goals of American workman — attainable only under continued capitalism—(1) a job assuring freedom as well as employment security; (2) employment of his own choosing; (3) opportunity to grow; (4) political freedom; (5) a progressive economy affording material welfare; and (6) peace domestically and internationally.

The problem of maximizing employment in a free society differs fundamentally from that of achieving full employment in a dictatorship. It is relatively simple to provide "jobs for all" if the citizens of a state are willing to give up their freedoms, if they are willing to risk being purged or put into a concentration camp, and if they are willing to make job security the one objective of their existence. But free men want more than jobs alone—more than jobs at any price! They want high employment, not as a single goal, but as one among other desired goals.

Paul G. Hoffman

(a) They want employment of their own choosing, that is well-paid, productive, worthwhile, and satisfying.

(b) They want the opportunity (Continued on page 1996)

*An address by Mr. Hoffman before American Management Association, on receiving the Gantt Memorial Medal; Boston, Mass., Oct. 8, 1948.

GENERAL CONTENTS

As We See It

EDITORIAL

(Formerly "The Financial Situation")

Price Controls and Shortages

We should be the last to assert that too much was, or is being made of the meat situation in the face of the voting next month. We should not make any such statement because we do not believe it to be true. There has never been any excuse for the dangers and hardships the people of this country are being compelled to endure as a result of needless and wholly inept attempts of the officials at Washington to supervise the operation of one of our large industries—or to be precise several of our large industries since what is vaguely termed the meat industry really is a coterie of industries. The public, we hope, will show clearly enough on election day that it will not tolerate anything so alien to our history, our traditions, our philosophy of life, and our way of doing things.

Yet we feel constrained to express some uneasiness lest this meat scandal—for it is nothing short of precisely that—will serve to divert attention from dozens of other situations of identically the same basic nature, and in the long run quite probably fully as destructive of the public welfare. The meat situation was a "natural" as seen through the eyes of the propagandist or the politician. There can scarcely be a man, woman or child in this great land who has not been made daily aware to their sorrow of the absence of meat from the nation's retail counters. It was tangible, and hunger, even if physiological necessities are mostly available—at least so far—is not quieting to the soul or a good cure for discontent.

Motor Difficulties

The great rank and file are probably less impressed, possibly not really very actively aware, of the corresponding shortages of automobiles. Yet this situation is fully as (Continued on page 1992)

An Epidemic of Fallacies

By PHILIP CORTNEY
Economist and President, Coty Inc.

Mr. Cortney holds fallacious theories regarding "under-consumption" and "over-saving" have been convincing because of attractive and novel presentation—in contrast to relatively unintelligible, though sound, explanations by "liberal" school. Cites as welcome exception Henry Hazlitt in demolishing Keynesian fallacies in his new book, "Economics In One Lesson." Declares common sense in economics necessary for future of Western civilization.

"What started this epidemic of fallacies?" asks Prof. Charles Rist in a letter. And he adds: "All the absurd slogans prevalent in the United States are **identical** with those we have to fight in France."

Philip Cortney

Mr. Henry Hazlitt, in the preface to his book "Economics In One Lesson," draws our attention to the danger of these slogans with the following comment: "There is not a major government in the world at this moment, however, whose economic policies are not influenced, if they are not almost wholly determined, by acceptance of some of these fallacies."

What is especially serious, is that these fashionable (but not new) theories have won over the intellectuals and most teachers of political economy as well as their pupils. These theories are seductive because of their simplicity, and because, although fallacious, they explain economic depressions with arguments which contain a share of truth.

The particular reason why these doctrines, actually quite old, known as the "theory of under-consumption" or "theory of excess saving", have spread, is the chronic unemployment from which certain countries suffered between the Great Depression and World War II. Their success is also understandable in view of the new and elegant version of them given by Lord Keynes in his last book, "General Theory of Em- (Continued on page 1998)

Worthy of Careful Thought!

"I do not add to my touchstone the famous prescript on freedom from fear. That is a philosophic abstraction rather than a natural right. Personally, I incline to the teaching that fear is frequently a constructive force. It was fear of the storm that made us build shelters; it was fear of cold that made us clothe ourselves; it was fear of starvation that made us dig into the earth. And now it is fear of war that causes us to seek a way to peace. In these forms fear fits into the pattern of helpfulness.

Bernard M. Baruch

"It is doubtful if freedom from fear can ever be reached. But fear lessens through knowledge. We must bring reassurance to those countries where there is a real and existing fear of freedom. It is to be seen in the disposition toward paternalism, in which thought and action flow from a higher level than the people themselves.

"It was this fear of freedom that was present among the newly liberated peoples of Europe after the first world war; that caused them to accept, without a struggle, a surrender of their independence. . . .

"A dangerous fallacy in the course of human conduct is to repudiate freedom in favor of an unknown future. What else but our own sturdy reliance in freedom—the sort of freedom this college teaches—can explain the unexampled record this country has made?"—Bernard M. Baruch.

The American people would do well to ponder these sentences long and carefully.

Gross Earnings of Class I RRs in August Off $44,631,351—Net Income Decreased $151,731

The Class I railroads of the United States in August, 1946, had an estimated net income, after interest and rentals of $51,000,000 compared with a net income of $51,151,731 in August, 1945, according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads and made public Oct. 4. Net railway operating income, before interest and rentals, amounted to $81,693,252 compared with a net railway operating income of $87,496,883 in August, 1945. The Association further reported as follows:

In the first eight months of 1946, these roads which represent a total of 227,752 miles, had an estimated net income, after interest and rentals, of $55,400,000 compared with a net income of $443,932,588 in the corresponding period of 1945. 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. For the eight months ended Aug. 31, without carryback 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 correspondingly reduced, had the carry-back credits not been made.

In the 12 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 12 months ended Aug. 31, 1945.

The earnings reported above as net railways 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 railways including materials, supplies and cash.

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.

Eastern District

Class I railroads in the Eastern District in the first eight months of 1946 had an estimated deficit, after interest and rentals of $22,300,000 compared with a net income of $176,505,639 in the same period of 1945. For the month of August alone, their estimated net income after interest and rentals, was $22,400,000 compared with a net income of $18,949,419 in August, 1945.

The same roads in the first eight months of 1946 had a net railway operating income, before interest and rentals of $86,888,750 compared with $311,072,295 in the same period of 1945. Their net railway operating income before interest and rentals in August amounted to $36,797,284, compared with a net railway operating income of $34,563,519 in August, 1945.

Operating revenues of the Class I railroads in the Eastern District in the first eight months of 1946 totaled $2,199,640,811, a decrease of 16.7% compared with the same period of 1945, while operating expenses totaled $1,912,860,274, or a decrease of 1.8% below 1945.

Southern Region

Class I railroads in the Southern Region in the first eight months of 1946, had an estimated net income, after interest and rentals, of $5,700,000 compared with a net income of $59,523,683 in the same period of 1945. For the month of August alone, they had an estimated net income after interest and rentals, of $3,600,000 compared with a net income of $4,552,637 in August, 1945.

Those same roads in the first eight months of 1946 had a net railway operating income, before interest and rentals, of $45,463,477 compared with $101,690,233 in the same period of 1945. Their net railway operating income before interest and rentals in August amounted to $7,502,035 compared with a net railway operating income of $10,197,284 in August, 1945.

Operating revenues of the Class I railroads in the Southern Region in the first eight months of 1946 totaled $700,166,922, a decrease of 19.7% compared with the same period of 1945, while operating expenses totaled $587,026,816 or an increase of 1.6% above 1945.

Western District

Class I railroads in the Western District in the first eight months of 1946 had an estimated net income, after interest and rentals, of $72,000,000 compared with $207,903,264 in the same period of 1945. For the month of August alone they had an estimated net income after interest and rentals, of $25,000,000 compared with a net income of $27,649,675 in August, 1945.

Those same roads in the first eight months of 1946 had a net railway operating income, before interest and rentals, of $166,049,229 compared with $322,250,339 in the same period of 1945. Their net railway operating income, before interest and rentals, in August amounted to $37,393,933 compared with a net railway operating income of $42,736,080 in August, 1945.

Operating revenues of the Class I railroads in the Western District in the first eight months of 1946 totaled $2,061,764,139, a decrease of 24.6% compared with the same period of 1945, while operating expenses totaled $1,683,532,256, a decrease of 4.6% below 1945.

CLASS I RAILROADS—UNITED STATES

Period Ended Aug. 31—	1946—Month	—1945	1946—8 Months	—1945
Total operating revenues	$710,224,105	$754,855,456	$4,961,571,872	$6,247,876,581
Total operating expenses	555,892,389	547,059,519	4,183,419,346	4,290,477,203
Operating ratio—per cent	78.27	72.47	84.32	68.67
Taxes	58,334,295	105,832,320	380,488,367	1,099,228,647
Net railway operating income (before charges)	81,693,252	87,496,883	298,401,456	735,012,867
Net inc., after chgs. (est.)	51,000,000	51,151,731	55,400,000	443,932,588

Treasury Releases Block Greek Funds

Secretary of Treasury Snyder announced on Oct. 15 that Greece has been added to the list of countries whose blocked accounts may be released under the certification procedure of General License No. 95. This action was taken after an exchange of letters between the Charge d'Affaires a. i., of the Greek Embassy acting on behalf of the Greek Ministry of Finance and Secretary Snyder similar to those written in connection with the defrosting of the countries previously named in the license. Copies of the letter are available at the Federal Reserve Banks of New York, Chicago and San Francisco.

The Greek Government has designated the Bank of Greece as its certifying agent.

Navy Dept. Declares U. S. Policy

A declaration of United States naval policy was made by Secretary of the Navy James Forrestal on Sept. 30 at the same time as the American Government: 1—indicated full backing to Turkey in that country's resistence to Russian demands on the Dardanelles; 2—studied means to aid the present Greek Government in its troubles with Russian-supported neighbors; and 3—hoped uncertainly for a peaceful settlement with Yugoslavia over the disposition of Trieste. However, in reporting this the Associated Press in its dispatch from Washington pointed out the persons familiar with the reasons behind the Navy's statement said that it was drafted about a week earlier and hence was not inspired by the fresh Dardanelles conflict or other current controversies.

But, in its clarity and firmness, Secretary Forrestal's statement gave the American people and foreign governments one of the simplest explanations of the reasons and purposes underlying the presence of American warships in the Mediterranean to be made since the war's end. The statement declared that this country's naval forces are in the Mediterranean to help carry out American foreign policy. And they will be there for some time to come.

The following is the text of Mr. Forrestal's statement, as reported from Washington by the Associated Press:

"Since the early days of the last century the United States Navy has periodically maintained vessels in European waters, particularly in the Mediterranean Sea. In the unsettled years immediately following World War I the ships of the United States Mediterranean squadron performed useful service in facilitating the establishment of peace among the countries of the Balkans and the Middle East.

"Today the United States Navy is continuing to maintain forces in the eastern Atlantic and the Mediterranean Sea for the following specific purposes:

"First, to support the Allied occupation forces and the Allied Military Government in the discharge of their responsibilities in the occupied areas of Europe.

"Second, to protect United States interests and support United States policies in the area.

"There are many benefits to be attained by maintaining ships of the United States Navy in these waters.

"First, it offers a splendid opportunity to train the officers and men of our ships in independent operations and to familiarize them not only with the waters in which they cruise but also with the customs and the traditions of the people of the countries which they visit.

"Second it is a builder of morale for the many officers and bluejackets who still have the traditional urge "to join the Navy and see the world.'

"Third, it affords an opportunity for American naval personnel to create good-will and better understanding with the people with whom they come in contact.

"At the present time Vice Admiral B. H. Bieri is the commander of the United States naval forces in the Mediterranean. He is a task-force commander under the command of Admiral R. L. Conolly, who has just relieved Admiral H. Kent Hewitt as commander, United States Naval Forces, Europe.

"It is planned to maintain the number of United States naval ships on duty in the Mediterranean at a level consistent with the attainment of the foregoing purposes and benefits. The ships in European waters include a division of cruisers, a squadron of destroyers and the necessary sustaining vessels of auxiliary types.

"With minor exceptions, these ships will have a normal period of duty of six months or less in European waters, after which they will be rotated with other ships of similar types in order to permit as many officers and men as possible to obtain this valuable experience and also avoid overlong absences from home ports and the repair facilities of our own naval bases.

"From time to time aircraft carriers will be ordered to temporary duty with the forces in European waters to facilitate training of all the ships in carrier task group operations and to give our aviators equal opportunity to visit foreign countries.

"Since we do not propose to acquire any shore bases in Europe, we do not plan to keep individual carriers on station for the same length of time as the cruisers and destroyers. It has been our experience that a high standard of efficiency of our carrier air groups requires that we base those groups at airfields ashore from time to time to conduct certain phases of their training. Their cruises in European waters will therefore be of shorter duration than those of the cruisers and destroyers."

War Dept. Asks Universal Military Training, Unification

In an address to the American Legion convention at San Francisco on Oct. 2, Secretary of War Robert P. Patterson, who was the principal speaker of the day, outlined a defense plan for the United States which would call for the military training of all fit young American men, and again urged unification of the armed forces. "We cannot consider national defense properly," Mr. Patterson declared, according to a dispatch to the New York "Times," "without full appreciation of air power—and we cannot attain maximum exploitation of air power unless we give the air forces parity with naval and ground forces." He added:

"Parity achieved by creating a separate department of air would result in even greater disunity in our national defense. The logical solution is to create a single department to cover the armed forces and to have within that department three branches—Army, Navy, Air."

The War Department's program for America's defense, according to Mr. Patterson's outline, would provide for more than 5,000,000 men in the Army, in training or in reserve. Respectable military strength, Mr. Patterson asserted, Associated Press advices stated, "will give pause to any power overseas," and he went on to say that recent experience has taught anew "that military weakness is nothing but an invitation to be pushed around and assaulted by ambitious dictators."

Maj. Gen. Lewis B. Hershey spoke to the Legionnaires after Mr. Patterson, and reiterated the latter's theme that "The universal military training law is a must." He said:

"I believe the most pressing need now to insure our national existence is men. Without universal military training, the supply for current needs in our regular forces is precarious . . . the allotted strength of the National Guard is impossible . . . and there will be no continuing source to provide trained men for the Army, Navy and Marine Corps Reserves. These facts force one conclusion: The most pressing need to day is a universal military training law."

The State of Trade

The state of industrial production last week according to the usual business barometers reflected fractional declines but closed near postwar peaks. Order volume was high and back orders remained substantial. In the week ended Sept. 28, continued claims for unemployment compensation dropped 1.7%, while initial claims fell 16.6%.

Steel ingot production for the week equalled its previous post-war peak by rising to 90.4% of capacity, though it might be added, that scrap shortages continued to be an obstacle to increased output. A drop of about 1% was noted in electric power output, 3.9% in bituminous coal production and nearly 1% in the daily average of crude oil output. Automobile production rose 9.7% to an estimated postwar peak of 94,011 units. In the first 39 weeks of 1946 output has passed two million units, while in 1941 that level was reached in the first 17 weeks. In pointing out some of the reasons responsible for the low output in the automotive industry, "The Iron Age" in its review of the steel trade for last week had the following to say:

"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 possible 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."

Last week the meat situation for the country as a whole reached an acute stage with irate housewives threatening dire consequences to administration office holders at the elections in November if relief in the form of a more adequate meat supply is not immediately forthcoming. Because of the refusal of cattlemen to ship steers into the market at present OPA ceiling prices which do not insure a fair return to them, production of hides is virtually at a standstill with tanners on a day-to-day basis, resulting in a sharp drop in output of the nation's footwear. Meat production under Federal inspection for the week, according to Dun & Bradstreet, Inc., rose more than 9% but remained nearly 70% under that of the corresponding week a year ago. Output of lard was more than 80% below that of last year. Fat and oil shortages were adversely affecting the manufacture of soap with producers, according to estimates, receiving about 50% of the amount of fats and oils obtained in 1940-1941.

Press reports at the close of last week revealed that President Truman would discuss the meat situation over the radio on Monday evening of the present week. In his broadcast delivered at 10 p.m. Mr. Truman made it known to the people of the Nation that effective on Tuesday all price controls would be removed from livestock and meat in following the only course open for ending the most critical meat shortage in the country's history. In fixing the blame for the current situation, Mr. Truman had this to say:

One bright aspect in the long list of depressing trade reports coming to hand was the release of the Department of Agriculture which revealed that the greatest crop record in our country's history is being realized as the growing season draws to a close. Total crops will be 2.5% greater than in the previous record year of 1942 and 26.4% above the 1923-32 average. Corn and wheat will head the list of record crops.

Stimulated by favorable weather, total retail volume rose moderately during the week and was very high in comparison with that of the corresponding week a year ago. In the apparel line sportswear and Fall and Winter clothing were in heavy demand. Consumer demand for durable goods rose slightly last week with sharp interest noted in housewares.

There was also a slight rise in wholesale volume for the week and it remained considerably above that of the corresponding week a year ago. Deliveries of many goods continued to improve and order volume was maintained close to the high levels of previous weeks. The supply of many types of household and electrical appliances increased fractionally and backlogs of orders remained huge.

Steel Industry — 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 in its review of the steel trade for last week. Steel consumers, the paper states, are concentrating their full attention on the control of inventories so that somewhere near a normal production pattern can be established.

For the first time since V-J 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 conditions beyond the control of the steel companies. 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.

Under the surface of present-day high order volume, high production and reported demand for finished products, "The Iron Age" observes, 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, states the magazine. 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, the trade paper adds.

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 and price adjustments cannot fail to have a bearing on labor negotiations. Most steel labor contracts expire on Feb. 15, 1947 and it is expected that negotiations will be opened on wages and working conditions about the middle of January next year. It is significant, "The Iron Age" points out, 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 announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 90.5% of capacity for the week beginning Oct. 14, compared with 90.4% one week ago, 89.1% one month ago and 66.3% one year ago. This represents an increase of 0.1 point or 0.1% from the previous week.

This week's operating rate is equivalent to 1,595,000 tons of steel ingots and castings and compares with 1,593,200 tons one week ago, 1,570,300 tons one month ago and 1,214,400 tons one year ago.

Electric Production — The Edison Electric Institute reports that the output of electricity increased to 4,478,092,000 kwh. in the week ended Oct. 5, 1946, from 4,517,-874,000 kwh. in the preceding week. Output for the week ended Oct. 5, 1946, was 11.2% above that for the corresponding weekly period one year ago.

Little Change in Business Failures—Although declining slightly from the previous week's level, commercial and industrial failures in the week ended Oct. 10 were two times as numerous as in the corresponding week of last year. Dun & Bradstreet, Inc., reports 25 concerns failing, as compared with 28 in the previous weak and 12 in the same week a year ago. For the third consecutive week, failures continued to exceed the number occurring in the comparable weeks of both 1945 and 1944.

Twenty-one of the week's 25 failures involved liabilities of $5,000 or more. These large failures, down only one from the 22 reported last week, were nevertheless twice as numerous as in the same week of 1945 when only 10 large failures were reported. Likewise, small failures with losses under $5,000 dipped down from six last week to four in the week just ended but doubled the number of small failures occurring in 1945's comparable week.

Manufacturing had the largest number of failures this week, accounting in all for 13. In no other trade or industry group did concerns failing number more than three.

Regionally, failures were concentrated in the Middle Atlantic States with nine and the Pacific States with six. The sharpest rise from the 1945 level also on record occurred in these two areas.

Canadian failures numbered five against three in the preceding week and one in the corresponding week of 1945.

Food Price Index Close to All-Time Peak — With the trend in foodstuffs still upward, the wholesale food price index, compiled by Dun & Bradstreet, Inc., registered its fifth successive weekly rise to stand at $5.40 on Oct. 8. This was only slightly under the all-time peak of $5.42 recorded on Aug. 27, and represented a gain of 2.5% over the $5.28 a week previous. Compared with last year's $4.06, the current level shows an advance of 33.0%. Moving upward during the week were corn, oats, butter, cheese, cocoa, eggs, potatoes, sheep and lambs. There were no declines. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., again trended higher in the past week, reflecting further advances in agricultural commodities. Exceeding the post-war peak of last August, the index closed at 233.56 on Oct. 8. This compared with 229.64 a week earlier, and with 178.49 on the similar date last year.

The continuing shortage of box cars to move grain to terminal markets was a leading factor in the strength shown in both cash and futures prices. Government buying of wheat remained small but prices advanced slightly on good domestic demand and limited country offerings. Corn prices were erratic and cash markets registered sharp net gains from mid-week lows, aided by good speculative and export demand. Trading in oats was smaller, with prices moving upward following early weakness. There has been a gradual increase noted in flour export trade but mills generally have withdrawn offerings on domestic sales due to the squeeze resulting from current flour ceiling prices. Butter, cheese and eggs recorded further gains under continuing broad demand. Livestock markets remained firm as receipts at leading markets continued far below demand.

Although hedge selling and profit-taking caused more irregularity at times, continued strong demand lifted cotton prices to new ground for twenty-six years during the past week. Active mill price fixing against increased sales of cotton goods was a feature in the rise, as was the publication of private estimates indicating a prospective yield of less than 9,000,000 bales this year. Very little cotton has been entering into the 1946 Government loan stocks due to the current high market value of the staple.

Registrations under the export sales program dropped sharply in the week ended Sept. 28, totaling only 31,818 bales, as against 60,-460 and 85,830, respectively, in the two preceding weeks. Following an increase of more than 2 cents per pound in ceiling prices for carded and combed cotton goods on Oct. 1, a substantial volume of sales was recorded as far forward as December, with some running into January. Activity quieted down at the weekend, however, due to the persistent advance in raw cotton.

There was keen interest shown in domestic wools last week. Spurred by the prospect of higher prices scheduled to go into effect Oct. 8, mills continued to take large quantities out of CCC stocks. Sales by that body during the week ended Sept. 28 were 10,095,-479 pounds, bringing the total volume for the four weeks of the month to 30,956,175 pounds.

Business in foreign wools was quiet. Prices remained strong with European buyers reported out-bidding American buyers in foreign wool auctions. Imports of apparel wools received at Boston, New York and Philadelphia in the week ended Sept. 27 totalled 10,-122,100 pounds, clean basis, compared with 5,008,600 in the previous week.

Retail and Wholesale Trade—Total retail volume the past week rebounded from the slight decline of the previous week to touch a level well above that of the corresponding week a year ago, states Dun & Bradstreet, Inc., in its review of the nation's trade. Warm, clear weather in most areas favored the crowds of week-end shoppers. In many localities the dollar volume of durable goods rose appreciably with housewares frequently considered among the best sellers.

Food volume declined but was only slightly under the high levels of previous weeks. The supply of meat remained limited and that of fish and poultry was plentiful but prices were slightly higher than a week ago. Fresh vegetables were abundant and Fall fruits such as melons and grapes were appearing in large quantities. The supply of sugar, pepper, soap and oil remained low.

Interest in apparel was at a high level and Fall and Winter clothing continued to be the main attraction for many shoppers. Consumer demand was frequently directed toward wool and crepe dresses, women's suits and furtrimmed and untrimmed coats. Fabric gloves were popular among the many shoppers requesting main floor items. The demand for shoes remained high. Selections of men's clothing generally were reported to be inadequate with interest high and consumer demand insistent.

Durable goods were eagerly sought last week. Housewares were frequently requested and dollar volume rose sharply. Furniture, hardware and electrical appliances continued to attract much attention. The demand for paint was higher than it has been for some time though supplies were low. Selections of hard floor coverings were disappointing to many consumers this week.

Retail volume for the country last week was estimated to be from 22 to 26% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England 19 to 23, East 18 to 22, Middle West 22 to 26, Northwest 29 to 33, South 28 to 32, Southwest 20 to 24 and Pacific Coast 21 to 25.

Wholesale volume continued to increase during the week and was fractionally above that of the preceding week and well above that of the corresponding week a year ago. Order volume remained high and slight improvements in deliveries were reported. Increased buyer selectivity of some soft goods was noticeable.

Department store sales on a country wide basis, as taken from the Federal Reserve Board's index for the week ended Oct. 5, 1946, increased by 14% above the same period of last year. This compared with an increase of 23% in the preceding week. For the four weeks ended Oct. 5, 1946, sales increased by 25% and for the year to date by 30%.

The depressed state of security markets combined with the trucking strike here in New York the past week had an adverse influence on retail trade. The volume of department store sales declined about 10% under that of the similar week a year ago, while activity in manufacturing, however, remained at a high level. A substantial representation of buyers from various sections of the country were present in the wholesale markets during the week and they exceeded a spirit of great confidence in the prospects for the approaching Christmas holiday trade. Independent food stores reflected further increases the past week and the continued dearth of meat aroused the ire of most consumers to a new high.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Oct. 5, 1946, increased 2% 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. 28, 1946 an increase of 12% was registered. For the four weeks ended Oct. 5, 1946, sales rose by 14% and for the year to date by 34%.

As We See It

(Continued from first page)

typical of the inevitable result of the public policy which is responsible for virtually all our difficulties. In some ways it is even more instructive. Removal of all controls, price and other, will quickly fill retail markets with meat. Not so with the motor industry. Here, too, to be sure, we have crippling control measures which must be removed in toto if the industry is to get back in its normal stride. Here, however, the situation is far less simple and the restoration of normalcy would almost certainly be far less immediate, direct and certain. There are many complications, some at least of which are not very likely to prove particularly easy to eliminate. True there are wage scales which the unions have been able to exact with very specific and very powerful assistance from Washington. True there are price ceilings which at the present rate of production and productivity leave no profit at all but large losses.

But we would be naive indeed who supposes that if the Government were henceforth to mind its own business as it should the motor companies could readjust wage rates downward at once — or for that matter over a long period of time—without costly, probably prohibitive labor strife. It would be about equally unrealistic to suppose that the motor industry can hope to prosper permanently with prices of their products substantially higher than they are today, or even at existing levels — barring a very substantial inflationary rise in the general price level. Other deep-seated infirmities are present in this situation, and simple excission is not available as a remedy or a cure.

Production Volume Required

In the first place, volume production—production of an order double the rate now obtaining — must be somehow reached and reached promptly. It must moreover be reached without proportionate increase in the payrolls of the manufacturers. This means, first of all, a much great degree of discipline—self-discipline under existing circumstances—which would bring the men to work regularly and persuade them to give more time and attention to their work and less to searching for evidence of "unfair" treatment by employers. Here is a situation which is the product not of emergency controls and other similar interferences by government, but of doctrines sedulously preached by the New Deal school of thought through the years, and of legislative encouragements well-known and highly valued by all the trouble-makers in the labor movement, so-called. Much of this work must now be undone—by a revival of commonsense and moderation among the men, so we all hope, but if not by this means then by some other, probably hard and costly experience—before real health will be restored to the motor industry.

But this is by no means the whole story. The industry is prevented from attaining normal scale operations and normal regularity or continuity of production also by other factors. "Material shortages" about which so much is heard sometimes have their origin in the imperfect functioning of the plants of the industry itself, imperfections for the most part due to the conditions already described, but they are also sometimes due to lack of materials which the industry itself has never provided, and is not in any position to provide itself. These in turn are sometimes the product of simple controlled price relationships and maladjustments as in the case of meat, and sometimes one of the results of more complex causes of the sort which all too often afflict the motor industry itself.

Lead

One of these which has attracted a measure of public attention is the inadequate supply of lead. In some of its aspects, this situation is obscure and baffling to the ordinary man not specially acquainted with the ins and outs of the industry. It appears clear enough, however, that strikes some several months ago served greatly to "tighten" the domestic situation, and that in more recent months price ceilings have served greatly to reduce the flow of secondary lead and imports, upon which we apparently are more dependent than formerly. At any rate, there can be no doubt that we could, if we as a nation managed our affairs with reasonable skill and foresight, have had all the lead we needed. That these things have not been so managed appears to be a part and parcel of the larger situation which is responsible for so many of cur current difficulties and hardships, including lack of meat on our dinner tables.

Innumerable other examples of this general state of affairs could be cited without difficulty. In some instances, doubtless, prodigal use—not to say waste—during the war has resulted in a sharp reduction in known domestic mineral supplies. This means — barring further and unexpected discoveries—that we shall henceforth be obliged to bid in foreign markets for a substantially greater part of our requirements in some instances. This in turn means, first, that efforts of public officials to control and regulate such industries is likely to be the more difficult, and second, that foreign monopolies and foreign New Deals have to be encountered. But by and large our situation here in the United States is of or own making, and will be cured when we get around to curing it in the only way in which it can be cured—by return to our traditional policies of permitting business to manage its own affairs with only such limitations as are essential to assure fair play.

1946 Chest and USO Drives Open

The 1946 campaigns for funds for the nation's Community Chests and the United Service Organizations opened simultaneously with an appeal on Oct. 1 by President Truman, in a country-wide radio broadcast, for wholehearted support for the two drives. Speaking of the $170,000,000 required for the Chests, the President said, according to Associated Press Washington advices, that the United States must "set the rest of the world an example in community cooperation."

In his appeal for the USO Mr. Truman said, "Our people still engaged in the 'unfinished business' of the war need the USO. That is why . . . I have personally asked the USO to continue its work through 1947." From the Associated Press we quote:

"He cited the case of the veteran 'lying in the hospital with a fractured spine, or having his face remodeled to remove the effects of a Jap or Nazi shell, or learning to use artificial arms or legs' as the kind of man the USO will serve.

"'There are more than 200,000 men like him in Army, Navy and veterans' hospitals,' he said.

"'There is the young soldier, just inducted, not very sure of himself. He needs a place to relax, to have good, honest fun; a place where he can meet the kind of men and women you would want him to meet at home. The USO provides that place.'"

The campaign for public funds, which will be this organization's last has as a national goal $19,000,000 with which it plans to conduct its program of recreation for 1,500,000 service men during 1947.

Security Council to Be Guests of NY Chamber

Members of the Security Council of the United Nations will be the guests of the Chamber of Commerce of the State of New York at a special meeting to be held at 12:15 p.m. today (Oct. 10) at 65 Liberty Street. Brief addresses will be made by Andrei Gromyko, President of the Security Council, and Trygve H. Lie, Secretary-General of the United Nations. Peter Grimm, President of the Chamber, will preside at the meeting which will be followed by a reception and luncheon.

Advocates Five-Day Bank Week

Robert M. Catharine, President of Savings Bank Association of New York, recommends legislation to that effect. Also wants change in banking hours and proffers no objection to unionization of bank employees.

In his address to the 53rd Annual Convention of the Savings Bank Association of the State of New York at Quebec, Que., on Oct. 14, Robert M. Catharine, President of the Association advocated a five-day week for banks, along with revised banking hours.

Robt. M. Catharine

"A few years ago," said Mr. Catharine, "it would have been unthinkable that a bank could properly close on Saturday even during the summer months. Yet this year, under the new permissive law 88 savings banks were closed on Saturday during the four summer months and another 22 were closed during a part of that period. Only 21 kept the traditional Saturday hours and practically all of these were closed some afternoon during the week. In so far as I know, not a single serious complaint was registered. The present trend is toward all-year Saturday closings of all business and there are certain benefits in savings banks advocating such a move, not only out of consideration for their own employees but to set an example for others. Such a stand would be applauded by white-collar workers, particularly, who are entitled to a full two-day week-end just as much as the man or woman in a factory. New York State, for example, has just adopted a five-day week for their office employees. I heartily recommend that we support legislation permitting a year-round five-day banking week."

Revised Banking Hours

As to revision of banking hours, Mr. Catharine stated: "Banking hours likewise come under the category of convenience. If we are to make it convenient for people to do business with us we cannot adhere to the traditional 9:00-3:00 banking hours. For years "banking hours" have meant a soft snap to the public. Many banks have already established special banking hours one or two evenings a week and every bank should have complete knowledge of the habits of the people in its neighborhood and set its banking hours accordingly."

Employee Relations

Discussing the current drive to unionize bank employees, Mr. Catharine stated, "I have no objection to unionization of our employees if they feel that such a move best serves their interests, but it is a definite reflection on management when a group of employees has to go outside to get relief from conditions which have made them unhappy and dissatisfied. An honest and very able industrial executive once said that every strike or labor difficulty was the fault of management. I am inclined to agree that there would have been no incentive to unionization if management had recognized the human rights of its employees. We can't go back and correct the mistakes of the past, but we can profit by them."

August Income Payments at Annual Rate of $169 Billions

Commerce Department ascribes increase over July payments to expanded factory payrolls.

Total income payments to individuals in August represented an annual rate of $169.5 billions and exceeded July's record payments on a seasonally adjusted basis, according to the Department of Commerce.

The Department's index of income payments to individuals, which makes allowance for seasonal influences, advanced to 252.3 in August from 250.6 in July.

The August index figure was more than 5% above the 1945 average and almost 3% larger than the wartime peak of 245.2 reached in February, 1945.

Income payments to individuals include wages and salaries, net incomes of unincorporated businesses, dividends, interest, net rents received by landlords, and other types of individual incomes.

The August rise resulted mainly from expanded factory payrolls, as both factory employment and average weekly earnings reached highest points since V-J Day, and from increased disbursements by retail trade establishments.

Although agricultural income in August declined from the record July total because of a more than seasonal drop in marketings, it was at a level substantially above earlier months of this year.

As the result of a further reduction of personnel, military pay continued its generally downward movement in August. The decline was halted only temporarily in July when pay raises ranging from 10 to 50% became effective.

During August total private wage and salary payments were at an annual rate of $91 billions. This was almost 11% above the pre-V-J Day level of July, 1945.

For the first eight months of 1946, total income payments to individuals were at the annual rate of $161.2 billions as compared with the full-year record total of $160.8 billions in 1945 and the August, 1946, rate of $169.5 billions.

Greece Granted Additional Credit

An additional $25,000,000 line of credit for the purchase of overseas surplus property for rehabilitation purposes has been granted the Government of Greece, Maj. Gen. Donald H. Connolly, Foreign Liquidation Commissioner, announced on Oct. 10. The advices from the Commissioner's office added:

"Total credit now extended Greece for surplus property purchases abroad amounts to $45,000,000, two earlier agreements for credits of $10,000,000 each having been authorized, one on May 16, 1946, and the other on Sept. 25, 1946. Terms of the agreements provide for payment by Greece in 25 equal annual installments beginning on July 1, 1952 and at an interest rate of 2⅜% per annum, payable each year beginning July 1, 1947. All three agreements provide for the acquisition of property in Greece for the use of the U. S. Embassy."

Associated Press Washington advices stated that Major General Connolly signed the agreement with Greek representatives in Washington Oct. 4.

Items About Banks, Trust Companies

The First National Bank of the City of New York in its report of condition at the close of business on Sept. 30 shows total resources of $858,205,731 and total deposits of $715,443,673 compared with $672,651,240 and $728,809,624 respectively on June 28, 1946. Cash on hand and due from Federal Reserve banks and other banks, including exchanges was $176,399,692 on Sept. 30 against $142,221,510 at the end of June, while holdings of U. S. Government obligations are now listed at $483,756,894 as compared with $529,241,400 and loans and discounts are now shown at $104,754,629, while on June 28 they were shown to be $114,790,529. Capital and surplus have remained unchanged during this quarter at $10,000,000 and $100,000,000 respectively, while undivided profits increased from $24,923,862 on June 28 to $25,274,605 at the present time, after making provision for the Oct. 1 dividend of $2,000,000.

Following a meeting of the board of directors held on Oct. 15, S. Sloan Colt, President of the Bankers Trust Company of New York, announced the following changes in title: Charles Borman from Deputy Comptroller to Vice-President; Julius Paul from Treasurer to Vice-President and Treasurer; William F. Rutherford from Assistant Vice-President to Vice-President.

Clinton Trust Company of New York announces that Donald M. Hyman has been elected a director of the company. Mr. Hyman, President of the real estate firm bearing his name and of Smuggler, Durant Leasing Co., a mining concern, has had 16 years' experience in real estate management.

Fred. Gretsch, President of The Lincoln Savings Bank of Brooklyn, announces the election of Wallace W. True as Vice-President in charge of new mortgage loans and appraisals, in conjunction with John A. Elbe, Vice President and Cashier. Mr. True has been a Trustee of the Bank since 1945. Until recently he was President of Ivor B. Clark, realtors, which office he resigned on assuming his duties with the bank. Prior to that he was in the Mortgage Department of the Equitable Life Assurance Society.

The Nassau County Trust Company of Mineola, N. Y. on Oct. 3, received approval from the New York State Banking Department to increase its capital stock from $300,000 consisting of 3,000 shares, $100 par, to $500,000 consisting of 20,000 shares, par value $25 each.

The Marine Midland Corporation plans to purchase control of the Bank of Attica, Attica, N. Y. it was announced on Sept. 27. Application will be made for permission to operate the bank as a branch of the Marine Trust Company, said the Buffalo "Evening News" from whose advices we also quote:

"The Bank of Attica, of which John B. Ulmer is President, has capital, surplus and undivided profits of more than $300,000 and deposits of more than $3,000,000.

"Acquisition of the bank will bring the number of banking offices of Marine Midland banks to 96, in 45 communities. The number of banks in the group will remain at 20.

"The Bank of Attica's board has recommended to stockholders approval of Marine Midland's proposal to purchase controlling interest, according to an announcement made today by President Charles H. Diefendorf of Marine Midland and Mr. Ulmer.

Mr. Ulmer will be elected a Vice-President of the Marine Trust Company and will have charge of the Attica office. Fred J. Schrieber, Cashier, will become Manager. No other changes are contemplated in the local personnel of the bank, Mr. Ulmer said."

Appointment of Peter F. DiStefano as Manager and Robert E. Cronin as Assistant Manager of the Niagara-Virginia Branch at Niagara Falls, N. Y. of the Manufacturers & Traders Trust Company of Buffalo, N. Y. was announced on Sept. 26 by President Lewis G. Harriman. The Buffalo "Evening News" reporting this also said:

"Mr. DiStefano has been with the M. & T since June 1925. He became Assistant Manager of the Niagara-Virginia Branch in July 1939. Mr. Cronin, a past President of the M. & T. Trust Club, has been with the bank since 1931. He has served in the Central Park, East Delavan and Cold Springs Branches as well as the head office."

Douglas J. Thompson, formerly associated with the Chemical Bank and Trust Company, N. Y. was recently appointed an Assistant Vice-President of the Hartford-Connecticut Trust Company, Hartford, it was reported on Oct. 3, by the Hartford "Courant."

Clarence E. Thompson, President of the Stamford Trust Company, Stamford, Conn. and formerly a President of the Connecticut Bankers Ass'n. died on Oct. 5 at the age of 58. The New York "Herald Tribune" from its Stamford advices reported in part:

"Mr. Thompson began his banking career as a messenger for the First National Bank of Stamford in 1906. He rose successively to bookkeeper, teller, Assistant Treasurer, Treasurer and Vice-President in 1930, when it became the Stamford Trust Company.

The Tradesmen's National Bank & Trust Company of Philadelphia announces the appointment of Herbert Lomax and Edward D. McCarron as Assistant Cashiers. Mr. Lomax has been with the bank since 1931 and is a graduate of Harvard University and the Graduate School of the American Institute of Banking. Mr. McCarron has been with the bank since 1927 and is a graduate of the Wharton School of the University of Pennsylvania. He has also completed a number of courses in the curriculum of Philadelphia Chapter, American Institute of Banking.

The Alexandria National Bank of Alexandria, Va. has increased its capital stock, from $150,000 to $200,000 by the sale of stock, it was announced by the Office of Comptroller of the Currency on Sept. 23.

It was announced on Oct. 8 by Sidney B. Congdon, President of The National City Bank of Cleveland that Joseph A. Overton has joined the staff of the bank as Manager of its Municipal Bond Department. Mr. Overton was educated at Davidson College, N. C. and Columbia University, majoring in Business Administration. He was engaged in the investment business in New York from 1931 to 1941. The next five years he was in the Navy, serving two years overseas and was discharged as Lieutenant in the summer of 1945.

The Adams Bank of Millersburg, Holmes County, Ohio, has become a member of the Federal Reserve System, it is announced by President Ray M. Gidney of the Federal Reserve Bank of Cleveland. The Adams Bank, incorporated in 1933 as successor to the J. G. Adams Bank, a privately-owned institution, is capitalized with $50,000, has a surplus of $100,000 and deposits totaling $3,398,511.44. Officers of the bank are: D. A. Cary, President; Miss Helen Adams, Cashier and Secretary; R. B. Cary and G. A. Hoyman, Assistant Cashiers. Directors of the bank are N. D. Miller, H. H. Palmer and the four officers.

The Continental Illinois National Bank and Trust Co. of Chicago announced total resources for the period ending Sept. 30, 1946 of $2,318,753,133 and total deposits of $2,134,474,310 compared with $2,371,676,665 and $2,188,364,732 on June 29 last. U. S. Government obligations held by the bank on Sept. amounted to $1,342,454,086 against $1,446,728,765 in June; cash on hand and due from banks is now shown as $533,034,983 compared with $487,556,251; loans and discounts in the recent report were $379,644,126 against $375,459,066 three months ago. Capital and surplus remained unchanged at $60,000,000 each, while undivided profits are now $32,056,889 compared with $32,057,379 in June.

The First State Bank of Campbell Hill, Campbell Hill, Ill., became a member of the Federal Reserve System Sept. 13, it was announced by the Federal Reserve Bank of St. Louis, which said:

"The new member was chartered in December, 1921. It has a capital of $25,000, surplus of $5,500 and total resources of $974,016.48. Its officers are: William Tegtmeyer, President; H. F. Busse, Vice-President, and Edward C. Knop, Cashier. The addition of the First State Bank of Campbell Hill brings the total membership of the Federal Reserve Bank of St. Louis to 496, as compared with 489 a year ago."

Selden B. Daume, President of Detroit Trust Co., Detroit, Mich. announced the retirement of four executive officers of the company. They are: Ralph Stone, past President and former Chairman of the board; McPherson Browning, present Chairman, and Lawrence K. Butler and Charles P. Spicer, Executive Vice-Presidents.

They will continue to be directors of the company, according to the Detroit "Free Press" of Oct. 2 which also stated that other retirements announced by Mr. Daume are:

Frederick J. McGavin and Robert L. Nixon, Assistant Vice-Presidents, and Walter E. Martin, trust officer and Assistant Secretary.

Promotions and appointments included:

Vernon C. Fratcher, Harry R. Gleeson and Carleton B. Leonhard, Vice-Presidents; Roy L. Thurman, Treasurer; Mark C. Stevens, Robert L. Hatch, George B. Hefferan and Charles E. Howard, Assistant Vice-Presidents; Howard C. Hilliker, Trust Officer, and Fred B. Oliver, Paul L. Lutz, Clarence J. Winkler, William G. Russell, Harry Stanwick, John C. Grix and Douglas A. McTavish, Assistant Secretaries.

The American National Bank of Kalamazoo, Mich. recently increased its capital from $400,000 to $600,000 by the sale of new stock, the office of the Comptroller of the Currency anounced on Sept. 20.

Don W. Squire has been elected Executive Vice-President of the Michigan Bank, Detroit, Mich., Chairman George H. Zimmerman announced, according to the Detroit "Free Press," whose advices Sept. 15 also said:

"Mr. Squire, who was associated with Universal Credit Corp. for 15 years prior to joining the bank, has been Vice-President in charge of operations since November, 1943, and was elected a Director in April, 1944."

Arthur J. Fushman has been named Vice-President of Manufacturers National Bank of Detroit. He will assume his new duties October 15. After banking experience in Indiana and Detroit, Mr. Fushman joined the Detroit Loan Agency of Reconstruction Finance Corporation in 1933 as examiner. He was appointed manager in 1941. In 1945, he became President of War Assets Corporation, then a subsidiary of RFC. Since May, 1946, in addition to his duties as manager of the Detroit Office of RFC, Mr. Fushman has served as special assistant to the Board of Directors of RFC in an administrative capacity.

The election of F. K. Weyerhaeuser, President of Weyerhaeuser Sales Co.; Croil Hunter, President and General Manager of Northwest Airlines, Inc.; Albert H. Daggett, President of National Battery Co., and Harold O. Washburn, President of American Hoist & Derrick Co., to the board of directors of First National Bank of St. Paul, Minn., was announced on Sept. 10 by Julian B. Baird, the bank's President, it is learned from the Minneapolis "Star and Journal."

The board of directors of the First National Bank and Trust Company of Racine, Wis., announce the election of Ben J. Bleakley as President, effective Sept. 10. Mr. Bleakley had heretofore been Vice-President. As President, he succeeds the late O. P. Graham. Thomas B. Myers is Chairman.

By successive increases in capital stock, one of $300,000 and another of $400,000 the Union National Bank of Little Rock, Ark. has increased its capital stock from $300,000 to $1,000,000. The office of the Comptroller of the Currency, in reporting this on Sept. 30 stated that a $300,000 increase was brought about by the sale of new stock, while the larger increase of $400,000 was made effective by the declaration of a stock dividend to the shareholders.

The consolidation effective at the close of business on August 31 of the St. Louis County National Bank of Clayton, Mo. and the Clayton National Bank, Clayton, was announced on Sept. 3 by the Comptroller of the Currency. The consolidation takes place under the name of the St. Louis County National Bank; the enlarged bank will have a capital stock of $800,000 divided into 40,000 shares at $20 par each and a surplus of $300,000.

The Mercantile-Commerce Bank and Trust Company of St. Louis has announced the appointment of Charles E. Droke as Assistant Cashier. Mr. Droke has been with Mercantile-Commerce since 1941 and served overseas during the war with the American Red Cross.

The Second National Bank of Ashland, Ky., according to an announcement from the office of the Comptroller of the Currency, increased its capital on Sept. 24 from $400,000 to $500,000 by the declaration of a stock dividend.

The first negro bank in Memphis, Tenn. since 1927 has been organized and is scheduled to open on or about Dec. 1, it was indicated on Oct. 2 by the Memphis "Commercial Appeal" from whose advices we quote:

"The new institution, the Tri-State Bank & Trust Co., to be located at 38[illegible] Beale, is to be headed by a group of leading negro business and professional men from Memphis and the Mid-South, and will be capitalized at $200,000, with a $40,000 surplus.

"Dr. J. E. Walker, President of the Universal Life Insurance Co., former President of the National Negro Insurance Association and the National Negro Business League, and now on the Executive Committee of the latter organization, is to be President of the new bank. His son, A. M. Walker, Vice-President and actuary of Universal Life, is to be Executive Vice-President."

An increase of $100,000 through the sale of new stock has been made in the capital of the Union National Bank of Charlotte, at Charlotte, N. C., raising the capital from $300,000 to $400,000. This was reported by the Comptroller of the Currency on Sept. 9.

Thomas K. Glenn, 78, one of the industrial builders of the South and a leader in the development of Atlanta as a medical center, died on Oct. 11. The Atlanta "Constitution" in reporting Mr. Glenns death noted that:

"He had retired four months ago from his position as Board Chairman of the Trust Company of Georgia, to become Honorary Chairman. Associated with that Company since 1902, Mr. Glenn was first a Director, then President of the company, and finally Chairman of the Board. He also was Chairman of the Board of the Atlantic Steel Company, a Director of the Coca-Cola Company, Continental Gin Company and the Atlantic Company.

"Mr. Glenn's conspicious success in finance, and his genius for developing Southern corporations from unimpressive beginnings to distinguished attainments was matched by his civic interest in Atlanta and the well being of its people."

W. W. McEachern, formerly President of the Union Trust Company of St. Petersburg, Fla. and of the First National Bank of Ft. Lauderdale, Fla., has been elected Executive Vice President and a member of the Board of Directors of The Bank of Virginia at Richmond, Va. He joined The Bank of Virginia on July 15 as Assistant to the President. Mr. McEachern is a past President of the Florida Bankers Association and of the State Bank Division of the American Bankers Association. During the war, he served as Chairman of the War Finance Committee for the State of Florida. He is a director of the Gulf Life Insurance Company. Mr. McEachern will make his headquaters at the main office of The Bank of Virginia in Richmond.

Milton Andrews, former Vice-President of the First National Bank of Birmingham, was elected President of the Bank for Savings and Trusts at a meeting of the board of directors of the bank on Sept. 12. The board of directors, consisting of the group which recently bought controlling interest in the stock of the bank, is composed of John W. Black, Sr., President of Dixie Drive It Yourself System; R. Hugh Daniel, Vice President Daniel Construction Co.; William P. Engel, of the Engel Realty Co.; W. H. Hulsey, President of Garber, Cook & Hulsey; James C. Lee, President Buffalo Rock Co.; B. K. McKamy, member of the firm of Benners, Burr, Stokely & McKamy, Attorneys, and Milton Andrews, President. Mr. Andrews succeeds Walter E.

(Continued on page 2004)

Study of Pension Plans of Industries

The Pension Division of the Bankers Trust Company of New York has just completed an analysis of pension plans established by the nation's largest industrial employers since Jan. 1, 1944. The study is believed to embrace virtually all plans of importance adopted in this period. Fifty-six major industries are covered. According to the survey, during the last 27 months an additional 1,000,000 of the nation's 29,000,000 industrial workers have been covered by new retirement plans. The study, made public Sept. 30, reports that it is now almost the universal practice to finance pension plans through a pension trust or an insurance company. All but four of the 188 new plans covered by the study are funded annually on an actuarial basis. Ninety-eight of these funded plans are trusteed by a bank or trust company, 63 are financed under a group contract, 10 use individual insurance contracts, 10 use both pension trusts and insurance, three use a combination of group and individual contracts. From the announcement of the Bankers Trust Co. we quote:

"The plans summarized in the study will provide pensions, including primary social security benefits, ranging on the average from 46 to 63% of the average annual earnings of lower paid employees, and from 30 to 47% of the average annual earnings of employees in higher pay brackets. Many of the new plans also provide disability benefits and permit employees to retire from five to ten years before normal age at a reduced pension. In 100 of the 188 new plans the employer bears the entire cost of the plan, and employees make no contribution. In the other 88 plans, the rate of employees' contributions ranges on the average from 1.5% to 3% on the first $3,000, and from 2% to 5% on earnings in excess of $3,000. Employee contributions usually pay for about a quarter to a half of the current cost.

"'Vesting' in the plans reflects a wide difference of opinion among employers. Under 42 plans, no vested rights in the employers' contribution accrue to employees until normal retirement age. Under 18 plans, employees are given a full vested right after 10 years of service or less. The most common requirements for vesting were found to be the attainment of the age 50 or 55 and the completion of 15 to 20 years of service.

"Sixty-five continues to be the predominant normal retirement age for both men and women. Of the 188 plans, three retire men and women at 60, 15 retire men at 65 and women at 60, one plan retires men at 65 and women at 55, and one plan retires men at 70 and women at 65. In all of the remaining 168 plans, both men and women retire at 65.

"While some employers have plans covering only limited groups of employees, the large majority of the new plans continue to cover all employees, wage earners and salaried personnel alike."

Veterans to Urge Military Training

At the one-day symposium of the Citizen's Committee for Military Training of Young Men held at the Hotel Roosevelt in New York on Oct. 5, a number of high-ranking members of the Army, Navy and veterans' organizations voiced a belief in the urgency of legislation to assure universal military training for all able-bodied young Americans, according to the New York "Times." Among the speakers was Gen. Jacob L. Devers, Commanding General of the Army Ground Forces, who told his listeners that such legislation would mean training only and that before men could be sent anywhere to fight, Congress would have to enact a law. "We have reduced the training period to the absolute minimum of six months," he said. "Below that, we accomplish nothing and waste money." General Devers, who during the war commanded the Sixth Army Group in Europe, complained that national security was a matter about which the country's citizens evinced little concern. He warned that the United States would be the first target in a future war and would not have time on its side as it had in the first two World Wars. He pointed out that another war would produce no victors and no vanquished, but merely victims.

General Devers listed as three essential safeguards for national security a revival of faith in peace, realistic thinking about America's present position in the world and universal military training. With no time advantage in prospect in a future emergency, he said, the only safeguard would be a trained manpower reserve.

Another speaker, Admiral Thomas C. Kinkaid, new Commander of the Eastern Sea Frontier, said, the "Times" reported, that the Navy hoped to establish a reserve ready to man the inactive fleets at a moments notice, to supplement the Regular Navy's manning of the active fleet.

Other speakers at the symposium included Joseph Clark Grew, a former Ambassador to Japan and a veteran of 41 years in the diplomatic service; Dr. Karl T. Compton, President of the Massachusetts Institute of Technology, and Miss Conia Tomara, Russian-born foreign correspondent who is Vice-President of the Overseas Press Club.

Veterans' organizations that joined the symposium included the American Legion, American Veterans of World War II, Jewish War Veterans, Military Order of the Purple Heart, Disabled American Veterans, Polish Legion of American Veterans, Reserve Officers Association, Army and Navy Union, Military Training Camps Association and the Greek American Legion.

The veterans' groups, after hearing the speakers, adopted a resolution pledging their efforts toward enactment of a universal training bill in the next Congress. Following is the resolution summing up the day's activities, according to the "Times":

"We, the Veterans Division of the Citizens Committee for Military Training of Young Men, working with and through all likeminded veteran groups, reaffirm our belief in the necessity for universal military training as the foundation of American influence in maintaining and insuring world peace, until such time as a world organization shall prove itself effective in eliminating war.

"We therefore resolve to enlist popular and Congressional support for an effective program of universal military training."

Ins. Federation Luncheon

The Annual Meeting and Luncheon of the Insurance Federation of New York, Inc., will be held this year in the grand ballroom of the Hotel Commodore on Wednesday, Dec. 11. This is their 32nd anniversary. Gustave R. Michelsen, Chairman of the Executive Committee states that the Federation is again fortunate in securing a speaker of national importance. Thomas D. Hughes, Secretary of the Fidelity-Phenix Fire Insurance Company, has accepted chairmanship of the luncheon committee.

An International Economic Policy

(Continued from first page)

foster economic progress and this, in itself, will reduce the likelihood of violence among nations.

Reduction of Trade Barriers

The reduction of trade barriers requires not only a lowering of tariffs, but also the elimination, as far as possible, of quotas, subsidies, import licenses, commodity agreements, and all other devices which divert international trade from its natural economic channels. The reduction of trade barriers widens the international market and permits an optimum division of labor. Economic progress is diffused and the chances of peace are increased.

We would be deluding ourselves if we expected the entire world to subscribe to these doctrines. Doubtless the Soviet Union and her affiliated nations will retain either state trading or a rigid system of state control over exports and imports. Even so, there is still a large area of the world in which trade can take place freely among free men on the basis of free competitive enterprise.

From the time that Secretary Hull initiated the reciprocal trade agreements program, the reduction of trade barriers has been an essential element in American international economic policy. As a true economic liberal, Secretary Hull recognized that freer trade is necessary to provide a suitable economic environment for the forces of peace.

By reason of its strategic economic position, the United States must take the lead in promoting freer international trade. As an important step in the reduction of trade barriers, the Secretary of State on Dec. 6, 1945, released, for the consideration of the peoples of the world, a document entitled: "Proposals for Expansion of World Trade and Employment." These proposals were endorsed not only by the Executive Branch of the Government of the United States but on all important points, by the United Kingdom and by France.

Just a month ago the State Department issued another document, which represented an elaboration of the earlier proposals and which set forth a suggested charter for an International Trade Organization of the United Nations. The proposed International Trade Organization is intended to promote international action for the reduction of tariffs and other trade barriers and for the elimination of all forms of discriminatory treatment in international commerce.

In line with American recommendations, the Economic and Social Council of the United Nations has already issued a call for an International Conference on World Trade and Employment to be held probably in the Spring of 1947. A preparatory committee is meeting in London this month to make tentative plans for this conference and to lay the basis for the international trade organization. In the meantime, under the provisions of the Reciprocal Trade Agreements Act, the United States will proceed with actual negotiations for the reduction of trade barriers. The forces in favor of trade restrictions are beginning to gather strength and no time must be lost in checking current tendencies towards bilateral trade arrangements.

Action of International Chamber of Commerce

The International Chamber of Commerce, at a meeting of its Council in Paris in June of this year, warmly endorsed the fundamental tenets and broad aims of the proposals of the American Government. The International Chamber welcomed the convening of an International Conference on World Trade and Employment and proposed, among other things, that the nations attending the Conference should, within an agreed period of time, undertake an effective reduction of trade barriers, abolish quantitative restrictions and exchange controls, and base trade treaties and conventions on the principle of the Most Favored Nation Clause. The resolutions of the International Chamber have been submitted to the President of the Economic and Social Council of the United Nations. The fact that the International Chamber has recently been granted top consultative status to this Council makes it possible for businessmen throughout the world to participate in the deliberations of this international body.

In its support of multilateralism, the International Chamber, I am sure, faithfully represents the opinion of businessmen keenly alive to the need of fostering, protecting and promoting the free competitive enterprise system. If international trade is regimented, domestic trade likewise will be subject to control. Only by freeing international trade of its shackles, can the greatest impetus be given to the dynamic economic forces of the world. Only by such action can all people gain access to the raw materials and markets of the world and enjoy the benefits of wide markets and large-scale production. I am confident that the nations of the world which share our attitude in these respects are numerous enough to make the trade area sizable and effective.

We must be fully aware of the implications of multilateralism. We must realize that it involves certain structural changes in the American economy. We must be prepared to refrain from subsidizing high-cost inefficient producers. The short-run costs of freer trade are of negligible importance in contrast to its overwhelming long-run advantages. The free peoples of the world must realize that not only their material welfare but their very freedom is dependent upon the rejection of all steps towards economic self-sufficiency.

Stabilization of Foreign Exchange

A constructive international economic policy includes not only the reduction of trade barriers but also the stabilization of foreign exchange rates and the removal of exchange controls. Before the first World War, the stability of the foreign exchange rates of the key-nations contributed greatly to the growing volume of international trade and foreign investment. Forward commitments could be made and long-run plans formulated. Uncertainties caused by fluctuating exchange rates were not present as a disturbing factor.

Stability of exchange rates in that period was accompanied by a complete absence of exchange controls. At the present time, exchange controls are well-nigh universal and are the most pernicious form of trade restriction. In many nations, exports, imports, capital movements and foreign travel are all subject to control by the exchange authorities. Once established, such controls are very difficult to eradicate. Like all economic controls, they tend to be self-perpetuating.

It was to bring about exchange stability and the removal of exchange controls on current account transactions that the International Monetary Fund was established. Those of us who opposed the Fund, at the time the Bretton Woods proposals were being debated, did so mainly because we were convinced that it could not operate successfully until Britain's postwar financial problems had been solved. The adoption of the British credit by the American Congress, along with the credit extended by Canada, greatly strengthens the ability of the United Kingdom to finance its postwar passive balance of payments and enables her to remove exchange controls on current account. The adoption of the British credit also provides an environment within which the Fund, if properly managed, can operate successfully.

The benefits of exchange stability and of the removal of exchange controls on current account will themselves be nullified unless trade barriers are substantially reduced. The retention of trade controls could easily defeat the aims and objectives of the British credit and of the International Monetary Fund. A concerted effort on all fronts must be made if controls in the realm of currency and trade are to be removed, and only if they are removed will the free peoples of the world be joined in close economic harmony.

The success of the Fund will depend not only upon the adoption of liberal trade policies, but also upon the wisdom of its managing officials. They are permitted great discretion and will need to exercise sound judgment if the currencies available to the Fund are to make a long-run, genuine contribution to exchange stability.

At the present moment, the Fund and its member nations are engaged in the very difficult task of determining initial rates of exchange. In some instances, prevailing rates of exchange can be continued. In other cases, where prevailing rates of exchange do not reflect basic economic conditions, changes will have to be made. Foreign exchange rates must reflect relative national price levels. Not only the overvaluation but also the undervaluation of currencies will retard the revival of international trade and will impede lasting recovery.

Beneficial Foreign Lending Policies

Finally, constructive international economic action includes the adoption of beneficial foreign lending policies. Such policies, as was pointed out at the recent meeting of the Council of the International Chamber of Commerce, are the primary responsibility of creditor nations. Lending nations must be willing to reduce impediments to the exchange of goods and services. Lending nations, in particular the United States, must endeavor to reduce to a minimum fluctuations in business activity. Wide swings in business activity in the United States will have an adverse effect upon the rhythm of economic life in other nations, will cause disastrous changes in our demand for imports and will lead to the reimposition of trade restrictions and barriers. Wide swings in business activity will bring about erratic fluctuations in capital exports and will lead to a high default ratio on American foreign loans.

As the leading creditor nation, the United States is fully aware of its great responsibilities. It stands ready to take the lead in the reduction of trade barriers. It has moved swiftly and boldly to finance postwar reconstruction requirements in the transition period. The Export-Import Bank has arranged for credit extensions and commitments totalling over $3,000,000,000. This sum is in addition to the line of credit of $3,750,000,000 granted the United Kingdom and in addition to our subscriptions to the International Monetary Fund and to the International Bank for Reconstruction and Development.

Government loans or Government-sponsored loans cannot, of course, be the continuing basis of international trade between nations. They should be supplemented, and eventually replaced, by private international financing. Recognition of this fact led President Truman last June to appoint the Committee for Financing Foreign Trade. In appointing this Committee, which is composed of industrialists and bankers from many sections of the country, the President stated that the "conduct and financing of our foreign trade should be handled by private industry with the cooperation and such assistance as is necessary from the proper Government agencies."

The function of the Committee for Financing Foreign Trade is really threefold. It is to integrate public and private foreign lending policies. It is to foster the effective application of the productive capacity of the United States to the needs of domestic consumption and foreign reconstruction. It is to promote relations between American and foreign business enterprises in order to develop and maintain foreign trade, both export and import, on a high and expanding level.

The Committee is to make its reports and recommendations to the National Advisory Council on International Monetary and Financial Problems, established by the Bretton Woods enabling act. It will be remembered that the National Advisory Council consists of the Secretary of the Treasury, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System and the Chairman of the Board of Trustees of the Export-Import Bank.

About three weeks ago, the Committee for Financing Foreign Trade held its first formal sessions in Washington. A conference was held with the National Advisory Council, and the decision was reached that the Committee for Financing Foreign Trade would meet periodically in Washington, and would stand ready to render whatever service and advice it could to the National Advisory Council, which is charged with the important task of coordinating the foreign lending and financial policies of all agencies of the Government.

Dangers of Government Guarantees

During the depression, and more intensively during the war, United States financing and United States industry have relied greatly upon Government credit and Government guarantees. This trend must now be reversed if the danger of Government control and domination of the private enterprise system is to be eliminated. The revival of private foreign investment is an essential element in reversing the trend.

The time is ripe for the transition from Government to private international lending. Lending by United States public agencies is reaching the limits set by the funds already appropriated. The International Bank, it is true, has opened officially, but thus far has made no loans, which in any case can be made only if the prospective borrower is unable to obtain credit on reasonable terms from the private market.

The private capital market in the United States remains the chief source of capital still available in the world and, in the case of foreign investments, it is relatively untapped. A resumption of private foreign lending calls for a high degree of public responsibility on the part of American investors and a sound appraisal of foreign credit needs and credit worthiness. It presupposes a close integration of private foreign investment with the needs and requirements of the domestic economy.

As private foreign lending increases it is to be hoped that much will take the form of direct investment. Direct investments do not involve the usual debtor-creditor relationships and hence avoid the transfer difficulties usually attached to fixed interest loans. The United States investor must receive assurance on the score of political stability, fair tax treatment and non-discriminatory labor laws and employment regulations. On his part, the United States investor must be willing to enter into partnership with local capital.

In its role as adviser to the National Advisory Council, the Committee for Financing Foreign Trade is in a position to render a constructive service. In this important task, it will need the advice and assistance of all American business and, as Chairman of the Committee, I should like to take this occasion to solicit that advice and assistance.

A constructive international economic policy includes the reduction of trade barriers, stabilization of the foreign exchanges, the removal of exchange controls on current account transactions, and lending policies which will be beneficial to creditor and debtor. The adoption of such measures will, I am sure, be endorsed by a sufficient number of nations to make the free trading area of the world of great economic importance.

We, in the United States, can give lasting strength to the forces of multilateralism if we succeed in preventing an inflationary boom, which would be followed inevitably by a deep depression. Erratic business swings will affect our demand for imports and our exports of capital and will cause other nations to try to insulate themselves against this economy. The future of freer trade, as well as the future of the private enterprise system itself, is dependent upon the economic policies followed by the United States. Ours is a great responsibility.

Training Course in Trust Development

Northwestern University School of Commerce in co-operation with the Corporate Fiduciaries Association of Chicago recently announced a four weeks training course in Trust Development work. The course, it was stated, is intended a meet a growing need and demand from the public for the services of trust companies and to train trust representatives to give competent assistance to the public in formulating their estate arrangements. The course will be given at Wieboldt Hall, Northwestern Universtiy School of Commerce from 9 a.m. to 5 p.m. daily for four weeks commencing October 14. Saturdays will be devoted to examinations. The faculty of the school includes 45 members of the staffs of the Schools of Law and Commerce at Northwestern and other universities and colleges, practicing Chicago attorneys, experienced trust development and administrative officers and specialists in allied fields. The course will be limited to 20 men in order that each may receive individual attention and training.

Dean Vanderblue and Professor John Teevan of the School of Commerce have represented Northwestern University in planning the course and the banks and trust companies were represented by Harve H. Page, Second Vice-President of the Northern Trust Company of Chicago; John L. Chapman, Trust Officer, City National Bank & Trust Company of Chicago; Victor Cullin, Assistant Vice-President, Chicago Title & Trust Company; and Lynn Lloyd, Vice-President, Harris Trust and Savings Bank. Harold J. Clark, member of the Chicago Bar, is co-ordinator of the course.

NAM Would Remove Wage, Price Controls

A letter written by Walter B. Weisenburger, Executive Vice-President of the National Association of Manufacturers on Oct. 12, to John R. Steelman, War Mobilization and Reconversion Director, points to inefficacy of the Wage Stabilization Board in controlling or stabilizing wage levels and proposes that the administration "unshackle our tremendous productive power by doing away with all controls on wages and prices alike." Stating that support for such a course "comes from important segments of organized labor," Mr. Weisenburger wrote from New York that the public is now recognizing "what businessmen realized earlier in the year, that controls mean more scarcities and more inflation." Mr. Weisenburger further said:

"The Administration is naturally anxious to see workers' pay and 'take home' increased. Both management and labor join the government in support of this objective, provided it is achieved in terms of real wages based on higher production. Higher wages without higher production can mean only lower sales and eventual industrial recessions and unemployment."

Pointing out that employment and prosperity could be maintained only if production and sales kept pace with increasing wages, Mr. Weisenburger concludes his letter by saying:

"The government has gone to great lengths to establish collective bargaining as an instrument of national labor policy and as the soundest basis of wage determination. This policy has been largely accepted by both management and labor as being in the best long run interests of a free economy and the public welfare. If the Administration still believes in free collective bargaining, let it now have the courage of its convictions, announce its determination to abstain from any government sponsored wage patterns and to restore the process of wage determination where it belongs—locally, in the hands of free industry and free labor."

Two days earlier (Oct. 10) Mr. Weisenburger commended the resignations of Colman Barrett and Earl Cannon, industry members of the National Wage Stabilization Board, declaring that in resigning "Messrs. Barrett and Cannon have rendered a public service by dramatizing the complete failure of the Board to accomplish its purpose and thus making its prompt elimination essential in the national interest." Mr. Weisenburger asserted that in its record of recent months NWSB "has, by injecting the government into wage disputes, seriously endangered collective bargaining, has brought about wage increases far more inflationary than would have resulted without it, and produced a faltering economy instead of the full measure of postwar prosperity."

Mr. Weisenburger added that price and wage controls "should be discarded before they do further irreparable damage to our economy."

Oversubscription of Home Loan Bank Bonds

The offering of $140,000,000 Federal Home Loan Banks consolidated 1¼% bonds, due April 15, 1948, was heavily oversubscribed and the books closed, it was announced on Oct. 8 by Everett Smith, Fiscal Agent of the Banks. "The demand for the bonds came from all parts of the country," he said, "with an exceptionally heavy demand from country banks." The offering was referred to in our issue of Oct. 10, page 1858.

World Bank Announces Loan Applications

Eugene Meyer, President of institution reports Chile, Czechoslovakia, Denmark, France, Luxemburg and Poland want loans. France will want $500 millions and Poland $600 millions.

Eugene Meyer, President of the International Bank for Reconstruction and Development, announced on Oct. 14 that six countries, Chile, Czechoslovakia, Denmark, France, Luxembourg and Poland had either indicated their intention or had made formal application for a loan from the bank. Of these countries, Denmark and Chile have submitted formal applications accompanied by a substantial amount of documentation.

Denmark has applied for a loan of $50,000,000 to be used toward financing her immediate import rehabilitation program.

Chile has applied for $40,000,000 to be used as part of its long-range program of construction and development.

Aside from the applications of Denmark and Chile, the Bank has received letters indicating that Czechoslovakia will request a loan of $350,000,000; France will request a loan of $500,000,000, and that Poland will request a credit of $600,000,000, to be available for use through 1949.

In addition, Luxemburg has discussed with the Bank the possibility of securing some assistance in its reconstruction program.

By Nov. 25, 1946, the Bank will have received from payments against the subscriptions of its members an amount equivalent to $766,876,500. Of this total $401,036,500 will be in gold or U. S. dollars, and the balance will be in the currencies of the member countries.

The Bank is authorized to sell its own securities or guarantee obligations of others, but no additional funds have yet been sought by the Bank under this authority.

Unit Labor Costs Higher Than Prewar

Rising wage rates, not offset by increases in labor productivity, have forced unit labor costs sharply higher than before the war, according to virtually all the companies recently surveyed by the National Industrial Conference Board. The Board says that a small minority of firms have been able to step up individual effort through the use of (1) the use of incentive plans and piecework systems, (2) improvement in machinery equipment and processes, and (3) better planning and shop management, including tighter cost control. The advices from the Board on Oct. 7, added:

"While no precise tabulation of the amount of increase in unit labor costs is available, some manufacturers report over 50% increase in these costs. Average increase falls into the 30% to 40% range. Largest single increase factor reported was the rise in wage rates, often accompanied by a drop in labor efficiency.

Many of the companies surveyed were able to soften the impact of steeply rising wage rates on total costs by increasing operating efficiency. One industrial machinery manufacturer reported a rise of 74% in average hourly rates since 1940. Labor costs inceased 55% during the same period. Increased man-hour efficiency was credited for the difference. Several other companies reported to The Conference Board that they had been able to offset increase in wage rates by increasing plant efficiency.

Labor rates will continue upward over the next year, in the opinion of the executives who cooperated in The Conference Board survey. However, says the Board, only slightly over half of the companies expect unit labor costs to show further increases. Approximately a quarter of the firms surveyed hope to hold their present unit labor costs level, while the remaining quarter expect to reduce labor costs per unit through improved and more efficient operation. Executives report that they are hopeful that labor will recognize that only through "increased productivity can we have more things at lower prices and thus better living conditions." Some executives, however, report that "labor has not yet realized that we are no longer able to increase wages without increasing prices." Consumer resistance resulting from continued price increases may, in the opinion of some executives, bring labor to the point where demands for increased wages will have to be slowed down or halted.

Navy to Strengthen Pacific Bases

Admiral John H. Towers, Commander of the Pacific Fleet, made public at a press conference on Oct. 3 the United States' new Navy policy in the Pacific, which calls for a strong Aleutian base near Siberia and extension of its outpost 3,000 miles westward to Guam, according to advices from Pearl Harbor to the Associated Press. Speaking of Guam, Admiral Towers said, "It is obvious that we need a base further in the Pacific. Because of the mobility and range of surface and air fleets, it is necessary that we extend our Pacific outpost beyond Pearl Harbor." The Admiral stated that Guam, 3,318 miles west of Pearl Harbor, would be turned into an outpost as strategically important as the Hawaii naval base. He went on to say that the new Pacific policy would be to concentrate permanent naval installations in Alaska, the Aleutians, Hawaii and in the Marianas, which includes Guam.

The Admiral stated, the same advices continued, that the Navy has already begun its program of building up Guam's permanent installations. Most of the installations there, he said, were not permanent but they had to be so "or else if there is another conflict, we will have to do it all over again."

Admiral Towers declined to say where the new Aleutian base would be built but predicted it probably would be somewhere near the center of the Alaskan peninsula jutting westward from the Alaskan mainland. This would put it somewhere east of the Navy's big base at Dutch Harbor which Towers recently inspected. The Navy also wants another base in the Philippines Admiral Towers said. The Navy wants anchorages where fuel stations can be located for dispersal in this age of atomic bombs.

"But the best security," he added, "is to keep our monopoly of the atomic bomb until the world is more settled than it is at present."

Phila. Bank Has Rep. on West Coast

The Tradesmen's National Bank and Trust Company, of Philadelphia, will be represented on the west coast by William S. Louchheim, Assistant Vice-President, according to an announcement made Oct. 11 by H. W. Goodall, President of the bank. Mr. Louchheim's offices are at 247 South Beverly Drive, Beverly Hills, Calif.

Bill Signed by President Decreasing Debt Limit of U. S. From $300 Billions to $275 Billions

One of the measures enacted at the recent session of Congress, signed by President Truman on June 26, provides for a decrease in the debt limit of the United States from $300,000,000,000 to $275,000,000,000; the Senate passed its bill to this end on June 3, while the House on June 17 passed a similar measure, Representative Cooper in the House on that date stating in part with respect thereto:

"Your committee on Ways and Means presented this bill today feeling that it is in the interest of the people of this country that the outstanding authorization for the issuance of bonds under the Second Liberty Bond Act be reduced by this $25,000,000,000 (from $300,000,000,000 to $275,000,000,000) as is here provided and that the accounting method to be used be based upon the facts of the case so that the true situation will be presented. I do not know of any opposition to this bill. Your committee feels it should pass in that it is in the public interest. The Treasury Department has recommended it. I hope there will be no opposition to it in the House."

In his remarks on the House bill before the House on June 17 Representative Doughton of North Carolina had the following to say (we quote from the "Congressional Record") in part:

"The $300,000,000,000 debt limit was established by the Public Act of 1945, approved April 3, 1945. This act increased the debt limit from $260,000,000,000 to $300,000,000,000 and was the last of a series of increases which were brought about by the necessity of financing the most costly war in history.

"This war is now over; and I believe that we can look forward not merely to a balanced budget but to a surplus during the fiscal year which will begin on the first of next month.

"Happily, it was not necessary for the public debt to be increased to the full limit authorized by Congress. The gross public debt of the United States, including guaranteed obligations, as reported in the Treasury accounts reached a high of $279,800,000,000 on Feb. 28, 1946.

"Since February, the gross debt has been reduced by about $10,000,000,000. This reduction will continue for some time to come as the balance in the Treasury is reduced from the level appropriate to wartime expenditures to one appropriate to those of peacetime. In addition, I hope that the debt will be further reduced during the next fiscal year by applying funds arising from a budgetary surplus."

With the presentation in the Senate of the House bill (H.R.-6699) on June 18, Senator George made the following comments:

"It will be remembered that the Senate has passed a bill S 1760 limiting the national debt to $275,000,000,000. The bill was duly reported from the Committee on Finance and was passed by the Senate. The House has passed a different measure, but in effect the same, that is limiting the debt to $275,000,000,000. The House has taken the view that it was a revenue matter and affected the revenue, and ought to have originated in the House. The distinguished Senator from Virginia (Mr. Byrd) is the author of the bill, and I think under the circumstances the Senate would be willing immediately to consider the House bill without reference to a committee, since we have already passed a similar bill.

"At least the House said that this limitation of the national debt to $275,000,000,000 under the Second Liberty Loan Act was a measure affecting revenue and should have originated in the House. So the House proceeded to pass a similar bill with some slight, trivial changes, and sent it back to the Senate."

Congressional action was completed with the passage by the Senate on June 18 of the House bill (H.R.-6699) to decrease the amount of obligations issued under the Second Liberty Loan Act which may be outstanding at any one time. The text of the bill as enacted and signed by President Truman follows:

AN ACT

"[Public Law 455—79th Congress]. (H. R. 6699).

"To decrease the amount of obligations, issued under the Second Liberty Bond Act, which may be outstanding at any one time.

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 21 of the Second Liberty Bond Act, as amended, is hereby amended to read as follows:

"Sec. 21. The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury) shall not exceed in the aggregate $275,000,000,000 outstanding at any one time. The current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation."

"Sec. 2. This Act may be cited as the 'Public Debt Act of 1946.'

"Approved June 26, 1946."

Hospital Aid Funds Allocated

As was noted in our issue of Aug. 22, page 1044, President Truman on Aug. 13 signed a bill allocating a total of $1,225,000,000 by the Federal Government to aid in a hospital building program, the government to bear one-third of the cost of building or enlarging hospitals for the next five years by private, non-profit agencies as well as States, cities and counties. Provision is made in the act for an expenditure of $3,000,000 for surveying and planning to determine what projects shall be allotted funds. Allocations are to be made on the basis of population.

First year allocations under the $75,000,000-a-year program were announced on Aug. 22 by Surgeon-General Thomas Parran, according to Associated Press Washington advices, which added that the following were included:

New York, $282,492 and $2,945,100; New Jersey, $93,928 and $1,313,775, Connecticut, $40,474 and $421,950, and Pennsylvania, $209,243 and $4,551,675.

Under the Congressional action on the bill it was passed by the Senate Dec. 11, 1945, and the House with amendements on July 26, 1946, following which the legislation was sent to conference, the Senate and House both agreeing to the conference report on July 31.

In signing the bill the President said that the measure, "lays a groundwork for providing more and better medical care for the people of our country."

From the Associated Press, Washington advices in the New York "Sun" of Aug. 13 we quote:

"He signed the bill, he said, despite certain provisions 'which I consider objectionable.'

"He said a provision setting up a council composed of individuals who are not full time government officials and giving them a veto power over some actions of the Surgeon-General was contrary to sound principles of administration.

"This council may reverse the action of the Surgeon-General disapproving a State plan because of failure to meet requirements of Federal law," the President's statement said.

"I consider that such power over the action of Federal officials responsible for administration of a grant program involving the expenditure of Federal moneys constitutes a potentially dangerous precedent."

The President also pointed out that under the bill, if a State agency is dissatisfied with the Federal Administrators' denial of a construction project, that agency may appeal to the Federal courts. He said:

"For the first time under a Federal program of grants in aid this bill would sanction the judicial overriding of administrative discretion which Congress has entrusted to an official it holds responsible for granting Federal funds.

"The President said that the urgent need of a prompt start on the program accounted for his signing the measure 'in spite of these shortcomings.'

"He said he will not hesitate to press for changes in the law if they are needed to permit accomplishment of basic objectives."

Brown and Ridgeway In World Trade Posts

Dr. Courtney C. Brown, head of the Petroleum Economics Division of the Standard Oil Company (N. J.) has been appointed Vice-President of the World Trade Foundation of America with the responsibility of consulting in connection with Research Activities, it was announced in New York on Oct. 4, by George H. Thornley, President of that organization. Mr. Thornley previously announced (Sept. 26) that George L. Ridgeway, Director of Economic Research of International Business Machines Corporation had been appointed Chairman of The Import Committee of the World Trade Foundation. The Import Committee includes leaders in the field of business, government and labor.

Dr. Brown previous to his present position with the Standard Oil Company, and before going into war work, served as Associate Director of Research and Statistics at Chase National Bank. During the war he served as Deputy Director of The Equipment Bureau of the War Production Board, Vice-President of the Commodity Credit Corporation in Charge of Foreign Activities and Chief of the Division of War Supply and Resources of the Department of State. Last Spring he served in Washington with the President's Famine Emergency Committee, of which he is now Vice-Chairman. With his appointment to his new post with the World Trade Foundation, Dr. Brown said:

"With the help of businessmen and social scientists, a Research Advisory Committee will be formed. This committee will review important economic research undertaken by the Committee's staff affecting two-way world trade and release reports on their findings to encourage a better understanding of these problems by the public."

Mr. Ridgeway, the new Chairman of the Import Committee, was assistant in the U. S. Department of State, 1942-46; appointed special on the United Kingdom in the Division of Commercial Policy 1945; was a member of the Department of State Committee in Charge of the Renewal of the Trade Agreements, acting under the Chairmanship of Charles B. Taft.

Wanted—Pioneers in Human Relations

(Continued from first page)

to grow and develop materially, intellectually, socially, and spiritually.

(c) They want political freedom—the opportunity to govern themselves through their chosen representatives—and the attendant individual liberties of person and of property, freedom of speech, freedom of press, freedom of worship, and freedom of peaceful assembly.

(d) They want to live in a progressive economy that affords an abundance of things for their material welfare and under a government that promotes these goals for all the people and for their children.

(e) They want to live in a world of peace—at home and abroad.

Free men want all these objectives simultaneously and continuously; in brief, they want freedom and abundant, productive employment with rising standards of living in a peaceful world.

American Capitalism Indispensable

My second major conclusion is that all these objectives can be attained simultaneously and continuously only by maintaining our American system of capitalism. Under that system—and that system alone—is it possible to carry on the trade and commerce of a nation without infringing upon the liberties of the people or their rights to representative government. The proof of this statement is attested by the economic and political progress made by the United States since its founding. Not only have our free citizens produced more goods and services per capita and distributed more material benefits to more people than have other men under any other system in any period of history, but in addition, an environment has prevailed that has brought about the fullest flowering of political and individual freedom so far known to mankind.

Work for Future Improvement

My third conclusion is that the one best way to insure the maintenance of our capitalistic system is to adopt measures that will make it work even better in the future than it has heretofore. Rather than devoting ourselves to a recital of past glories it seems wise to give our total energies to activities aimed at this goal.

Self-Examination Needed

My fourth major conclusion is an obvious one, namely, that before we can intelligently discuss measures for improving the functioning of our economy, we had best try to find out what makes it tick, what its strength is, and what its weakness. So far our inquiries have convinced us that the great strength of our system lies in its dynamic quality and that its major weakness is its tendency toward instability. On the basis of this analysis, our course of action is clearly indicated. We should try to find measures which will enhance its dynamism and moderate its tendency toward immoderate fluctuations. I do not propose to subject you to a detailed discussion of specific measures which might contribute to the attainment of these objectives. I do propose (1) to set forth our basic approach in our probing for these measures, and (2) to give you an estimate as to the results which might ensue from an appropriate program.

Our approach to proposals for enhancing the dynamism or increasing the stability of our economy is humanistic rather than legalistic or mechanistic. We try to appraise accurately the impact of the proposals on **people** because it is **people** and how they act that make an economy dynamic. It is people, too, and their behavior that are responsible for the instability and fluctuations of our economic order.

Assuming adequate natural resources, the degree of dynamism in an economy depends substantially on the extent to which the potentialities of its citizens are realized; upon how much use is made of their natural inventiveness and resourcefulness, and upon how well they work together.

We have great faith in the American people but we are under no delusions as to their eagerness to work for the sake of working or to think because they love to think. Nor are we particularly happy about the present relationships between the various elements of our economy. Let us first give thought as to what might be done to draw more heavily upon the capacities of our people for working and thinking. Our American system has traditionally offered rich rewards for hard work and creative thinking. It has imposed reasonable penalties on those who would not work or think. The tendency in the recent years has been to dilute both the rewards and the penalties. Much that has been done in the way of lessening penalties has my hearty approval. I have never gone along with the idea that you get the best out of people by scaring them. Fear, I believe, corrodes rather than stimulates, but I do believe that people should be concerned about their future. In too many situations they have not been, because the washout of discipline has been so great that even the mildest penalties could not be imposed.

Incentive Pay

However, it is the dilution of rewards which causes me the greatest uneasiness. In recent years we have seen a sharp curtailment in the use of incentive pay in industry. It has become increasingly difficult to give workers extra pay for extra work. We have seen the surtax rates in the income tax schedules increase so sharply that our most creative people, whether they be artists, engineers, designers or executives, get little more in the way of net income than those who hold routine jobs. Believing as I do that the way to get people to work hard and think energetically is to reward them richly, I consider this risky business.

An adequate discussion of the problem of developing better team work between the elements of our economy would take hours. I shall restrict myself to a brief comment on one phase of this complex problem, namely, that of the attitude of representatives of management and labor. There has been altogether too much willingness—yes, even eagerness—to use force in the settlement of industrial disputes.

Our industrial progress since V-J day has been hampered by a plethora of strikes, most of which should never have taken place. Most of them would not have taken place if there had been on the part of both industrial and labor leaders a willingness—yes, an eagerness—to fight, and fight desperately hard, not with each other, but for industrial peace. I recognize fully that there is need for a new framework of laws and policies in order to give maximum encouragement to peaceful negotiation, but a new framework will be of no avail unless we first manifest a new spirit.

Stability in Demand Needed

Turning now to the problem of instability, you will recall that earlier in this discussion I have said that it is people and their behavior that are responsible for the instability and fluctuations of our economic order. In order to have stability in an economy we must have stability in market demand. That is difficult to achieve when all of us can determine for ourselves how much of what we have we want to spend, when we want to spend it, and what we want to buy. The higher our standard of living, the greater the danger of instability. And again the reason is obvious. If most of us are just barely able to earn a living, we will have little choice as to what we buy and when we buy it. Our money will go for food, clothing and shelter, which we have to have regularly. On the other hand, the more money we have beyond what we must use for basic needs, the more chance we have to choose what we buy and the larger the number of purchases which we can put off to a later time. What is true of the individual is also true of the business man. As business has developed in this country, a higher and higher percentage of expenditures are made for capital investment. Of course, capital investments are made only when the prospects for profit are reasonable. All this discussion of instability nets down to this — that in order to have stability in the economy through stability of market demand, people must not only have money to spend but also a willingness to spend it. Therefore, as we study measures to promote stability, we must give major emphasis to those which will give confiednce to the individual in the continuity of his income, and confidence to business in its opportunity for profits.

I am quite conscious that the tough task is that of translating the general discussion about people and dynamism and stability into specific measure for attaining our objectives. That, I haven't time to do. Yet it requires no soothsayer to know that our entire tax system must be revised because, as it presently operates it dampens dynamism and promotes instability. It requires no unusual intelligence to make us realize that unemployment insurance is playing an important part in assuring workers some continuity of income, and can play a greater part if more workers are covered. We know also that with the Federal Government taking in excess of $20 billions every year in taxes and in turn spending that amount or more, the fiscal and monetary policies of government become a primary economic influence. There are various other areas which need immediate attention.

The Outlook

For what it is worth, here is the outlook as I see it. There are enough proven measures now available which need only application to warrant the guess that if they were applied the dynamic quality of our economy might be enhanced substantially and the intensity of the fluctuations reduced by perhaps one-third. There is enough promise in other measures which have been undertaken to give hope that after they have been submitted to aggressive study and research to determine whether or not they are sound, enough of them will prove out so that if applied we would get another lift in dynamism and perhaps a reduction of another third in fluctuations. Because the great hazard that lies ahead is a depression, let us see what a two-thirds reduction in intensity would mean.

Between 1929 and 1932 the reduction in national income was more than 50%. A similar reduction in national income today would mean a drop from 150 billion dollars to 75 billion dollars. Does anyone doubt that such a loss would put our system in the greatest hazard? On the other hand, if we succeeded, through the application of proper measures, in reducing the intensity of future fluctuations by two-thirds, it would mean that the maximum drop in national income from present levels would be less than 25 billions dollars. I believe we could take a drop of that extent without serious repercussions. Does anyone doubt that here and now we should be putting forth our best effort to achieve a reduction in intensity?

No one is more willing than I to admit that the task is a tough one. But in spite of discords and discouragements which have plagued us on both the domestic and on the international front, my final word is one of out-and-out encouragement. We have much more than just a fighting chance to achieve our goal. The future is vibrant with promise. I say that in all sincerity, for we are taking a different road than we did after World War I. This time we are not complacent — as we were on that occasion. This time we are not allowing ourselves to be overwhelmed with nostaliga for a return of "the good old days." This time we are not wasting our energies in ignorant opposition to change. This time I am happy to say, we are doing more soul-searching, we are displaying more determination to solve our problems on the basis of benefiting the many rather than the few than we ever have in the history of the nation.

Perhaps mine is the voice of an optimist but I sincerely believe that during the next 25 years, the progress we will make will be without parallel. If we remain at peace the real incomes of most of our people can be doubled. We can also largely realize the age old dream of abolishing poverty. Most important of all on this material foundation we can build conditions which will provide not only equality of opportunity but certainty of opportunity for every man, woman and child to grow and develop intellectually and spiritually. Therein, it seems to me, will lie the strength, the power, and the grandeur of the America of tomorrow.

NY State Savs. & Loan Assns. Loaned in Aug.

Savings and loan associations in the State of New York during the month of August loaned a total of $24,797,322 on 4,712 home-mortgage loans, according to an announcement issued by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations. The advices state:

"While this amount was $1,341,018 or 5.1% under the record of $26,138,340 loaned in July of this year, loans made during the month of August were more than 120% greater than the total of $11,176,370 loaned in August, 1945. Loans for the purchase of homes amounted to $17,300,428 while $4,669,652 was loaned for the construction of new homes, $1,403,591 for refinancing of existing loans and $1,423,651 for repairs, modernization and all other purposes. Loans to veterans of World War II during the month of August amounted to $10,452,299 on 1,739 loans representing 42.4% of the entire total loaned for the month.

"Resources of all savings and loan associations in the State reached a total of $818,138,728 on Aug. 31 representing an increase of $16,405,693 or 2.3% for August, and an increase of $89,290,514 or 12.3% for the eight months of 1946."

Truman Reconsidering Flood Fund Change

Heeding the protests of Congressmen whose districts would have been affected, President Truman on Sept. 27 agreed to reconsider his economy plans for waterway projects and directed the Budget Bureau to re-examine reductions in appropriations for rivers and harbors and flood control for the fiscal year 1947. Mr. Truman, in an effort to pare Federal expenditures, had ordered on Aug. 2 that no more than $185,000,000 of the $500,000,000 voted by Congress for these projects be spent in the current fiscal year which started July 1. This led to a protest meeting of Congressmen and others at New Orleans, the Associated Press reported in its dispatch from Washington. A resolution was adopted at the meeting proposing that unless the Presidential order was rescinded, the Congress meeting in January should pass legislation to "annul the order and prohibit repetition of similar encroachments of the executive on the legislative appropriation powers."

The Congress interested in waterways said that they favored economy but wanted the President to make the curtailments evenly among all departments.

On Oct. 3, the same advices reported, President Truman voiced a promise to correct any possible injustices growing out of the Administration's economy order curtailing the flood control expenditures, and stated that a reexamination of discarded projects was under way. The Associated Press added:

This study, he told his news conference, is being made by Budget Director James E. Webb and John R. Steelman, Reconstruction Director. Mr. Truman said that if they saw any injustices done in cutting off contracts, they would be corrected. But, he emphasized, this does not necessarily mean that additional funds will be made available this fiscal year for flood control and river and harbor work.

US Supreme Court Opens, Vinson on Bench

The United States Supreme Court opened its fall term on Oct. 7, with Fred M. Vinson sitting for the first time in the chair of the Chief Justice, in the center of the high mahogany bench. For the first time in more than a year the membership of the court was complete since Associate Justice Robert H. Jackson had returned from his task as chief United States prosecutor at the Nuernberg trials. At Chief Justice Vinson's right hand, in the chair of the senior court member, the Associated Press Washington dispatch continued, sat Justice Hugo L. Black, who announced formally the appointment of Mr. Vinson.

It was reported that Mr. Vinson displayed his customary calm, easy-going manner in presiding at his first Supreme Court session. Announcing the death last August of James C. McReynolds, the retired Court Justice, Mr. Vinson paid tribute to the memory of "a vigorous, capable, determined and forthright member" of the court.

About 40 attorneys were admitted to practice, some of them introduced by Attorney-General Clark, said the Associated Press, which added:

A few motions were received, and Mr. Vinson's work in the open court was done for the day. Later he posed for photographers outside of the court room. He and his associates during the week will make the traditional call at the White House.

Mr. Vinson succeeded the late Harlan F. Stone, who died last April.

From Washington Ahead of the News

(Continued from first page)

was meant by "good faith" is difficult to understand. The management showed unmistakably that it was bargaining until it was blue in the face. In fact, it offered the pattern wage increase of 18½ cents even before the strike was called. It would not bring itself to accept certain other conditions which the Commy union leaders sought to impose and which from past experience, it had learned, create an almost impossible situation. Yet in these circumstances, Schwellenbach sought to invoke seizure, acting not only on the persuasion of his assistant, John W. Gibson, a former CIO official, but after a personal visit he made to the plant.

Truman frowned on seizure from the first. Nevertheless, over a period of several weeks, the Department of Labor continued to assure the strikers that seizure was coming up. Finally, Truman made a public statement, or rather, such a statement was made by White House Press Secretary Ross, that seizure in this instance was against the public policy.

Probably, Schwellenbach would now say that he did not know of the Commy nature of the union. If so, he was more ignorant than any of the Washington labor writers. The same crowd that is conducting the present strike, pulled a strike in 1941 during the Hitler-Stalin pact and many held the firm conviction the object was an effort to thwart aid to Britain and our own preparedness program. It is noteworthy, though, that the labor writers in reporting the present strike, never referred to the Commy leadership. They reported it, the pros and cons, as another labor dispute.

That seems to be the general procedure of strike reporting by the labor specialists that have grown up on newspapers in recent years. These fellows have come to be experts in labor matters and they are fully aware that many of the current strikes in supplier industries are Commy inspired and led. They do not pass on this information, on the assumption that it is beside the point. This seems to be the attitude of the government.

Under the Wagner Act, the workers can select their bargaining unit and men "of their own choosing" to represent them. Regardless of their backgrounds, regardless of their having criminal records, of their being known to be agents of foreign governments, of their being saboteurs, management must deal with them "in good faith." In the name of heaven, why?

When the management does this, it is not only aiding in the scuttling of its own plant, but is aiding in scuttling the country.

We are beset on all sides by the intrigues of these skunks. They seek to undermine us in our foreign affairs, they seek by hook and crook to disrupt our reconversion. In our magnanimity we grant them free speech, give them police protection in their agitation. But when our administrators take the attitude that if the workers "choose" them as their bargaining representatives, management must blindly accept them, then the administrators are simply too naive, to say the least.

They display a childish naivete, in fact, when they assume the Communists are "freely chosen." The outstanding accomplishment of the Wagner Act has been to destroy the last vestige of freedom of the worker in the mass industries. He has come to be just so much cattle. And if our administrators are without knowledge as to how the Communists have used the protection of the Act to infiltrate into union leadership, they have only to call on the FBI. Its files are replete with names and dates and tactics. To say they have been "freely chosen" by the workers is ridiculous. A poor fellow belonging to one of all too many unions nowadays must not only put in eight hours at the plant, but put in another eight hours trying to head off the intriguers; that is, if he doesn't just accept the situation without protest, which is usually the case.

U. S. Bids for German Plant

Of the 87 German industrial plants made available for reparations in the American, British and French occupation zones, the optical factory of Hensoldt & Sons at Herborn, in the American zone, is the first for which the United States has submitted a "bid," according to a statement made to a news conference by Acting Secretary of State Dean Acheson on Oct. 8. The United States has requested the Inter-Allied Reparations Agency at Brussels to allocate the Hensoldt plant to this country, but the claim does not necessarily mean that the allocation will be made, Mr. Acheson added. If other countries' claims conflict, the issue would have to be decided by the secretariat of the Inter-Allied Reparations Agency.

Under the Inter-Allied Reparations Agreement, the Associated Press pointed out in its Washington dispatch of the announcement "this country is entitled to 11.8% of all reparations made available in the western zones after Russia has been allocated the 25% to which it is entitled under the Potsdam agreement." The press advices added:

In addition to bidding for the Hensholdt & Sons factory, the United States has applied for—and been granted—13 German ships, which are in New York or will arrive there shortly. These are known in maritime terms as "handy" ships and are designed principally for coastwise and river traffic, Mr. Acheson said.

Truman Says WSB to Retain Wage Rule

Apparently to emphasize the fact that his appointment of a committee to study the wage stabilization program did not mean that the National Wage Stabilization Board was to be superseded, President Truman on Sept. 21 issued a statement declaring that the Board "will continue to administer the stabilization program." Explaining that the Advisory Board of the Office of War Mobilization and Reconversion, a committee of which had been asked to make the wage stabilization study, would "consult in detail with the WSB on this new topic" as it had been doing in the past, the President declared that the Board was "not an administrative agency." He added, "it was established by the Congress to advise the President and the Director of OWMR on broad problems of national reconversion policy."

Labor chiefs, William Green, President of the American Federation of Labor, and Philip Murray, President of the Congress of Industrial Organizations, are understood to have gone on record as opposing continuance of the Wage Stabilization Board, and to have indicated that they have no proposal to make for a new wage board if President Truman should abolish the existing group.

Wholesale Prices Up 0.5% In Week Ended September 28, Labor Department Reports*

Average prices in primary markets rose 0.5% during the week ended Sept. 28, with advances for agricultural commodities, shoes and cotton goods. In announcing this on Oct. 3, the Bureau of Labor Statistics of the U. S. Department of Labor said that the index of commodity prices prepared by the Bureau reached 124.4% of the 1926 average, 18.5% above a year ago and 10.4% higher than at the end of June, 1946. The Bureau further reported:

Farm Products and Foods—Higher prices for grains and eggs were chiefly responsible for a rise of 1.0% in average prices of farm products during the week. Quotations for corn were up about 4½% reflecting scarcity due to the freight car shortage and to holding of feed grain on the farm. Quotations for oats were higher with good demand due to the market scarcity of corn, and wheat quotations were up about 3%. Egg prices continued to advance in response to heavy demand. Prices of livestock and poultry averaged slightly lower. Price decreases for cows and steers reflected poor quality of animals marketed. Good quality sheep brought higher prices. Prices for apples and lemons were higher with better quality but good supplies lowered prices of potatoes, onions and oranges. Prices were advanced for raw cotton and hay. On the average, prices of farm products were below the mid-August peak and 25.6% higher than in late September, 1945.

The group index for foods rose 0.8% during the week. Prices of most dairy products except fluid milk increased following the announcement by the Price Decontrol Board of their continued exemption from price control. Quotations for dressed poultry were higher, reflecting good demand. Prices of black pepper and cream of tomato soup, both of which are exempt from OPA control, advanced substantially. Prices of rye flour were higher while oatmeal prices decreased. Food prices were 27.0% above a year ago but 11.9% below the level of a month earlier.

Other Commodities—Average prices of all other commodities increased 0.3% during the week, reaching a level 6.6% higher than at the end of June and 12.5% higher than in late September, 1945. Prices of a number of cotton goods advanced, following upward adjustments of OPA ceiling to cover the continued rise in costs of raw cotton. Prices of cotton goods are now 20% above end of June levels. Prices for raw silk in the third sale by the U. S. Commercial Co. showed both upward and downward movements. Some of the lower grades included in the BLS index advanced substantially. There also were increases for overcoating and a number of shoe styles, reflecting OPA ceiling adjustments. Prices of India goat skins declined. Higher prices following ceiling increases were reported for mattresses, office furniture, window sashes and doors. Resin prices continued to rise. Lower raw material costs were responsible for price declines for cream of tartar and tartaric acid, and resistance to previous high prices caused a decline for natural menthol. Ergot prices dropped with increased supplies from Portugal

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED SEPT. 28, 1946
(1926=100)

Commodity Groups—	9-28 1946	9-21 1946	9-14 1946	8-31 1946	9-29 1945	Percentage changes to Sept. 28, 1946 from— 9-21 1946	8-31 1946	9-29 1945
All commodities	124.4	123.8	121.7	128.2	105.0	+0.5	— 3.0	+18.5
Farm products	156.6	155.1	151.8	157.1	124.7	+1.0	— 0.3	+25.6
Foods	133.0	131.9	128.1	150.9	104.7	+0.8	—11.9	+27.0
Hides and leather products	140.9	139.4	139.7	140.1	118.6	+1.1	+ 0.6	+18.8
Textile products	125.4	123.7	117.5	115.2	99.9	+1.4	+ 8.9	+25.5
Fuel and lighting materials	95.1	95.3	95.2	96.7	84.4	—0.2	— 1.7	+12.7
Metal and metal products	114.2	114.2	113.6	113.6	104.8	0	+ 0.5	+ 9.0
Building materials	134.0	133.9	133.3	132.8	117.8	+0.1	+ 0.9	+13.8
Chemicals and allied products	98.2	98.4	97.9	98.1	95.3	—0.2	+ 0.1	+ 3.0
Housefurnishings goods	115.0	114.7	114.3	114.0	106.3	+0.3	+ 0.9	+ 8.2
Miscellaneous commodities	101.8	101.8	101.9	101.5	94.6	0	+ 0.3	+ 7.6
Raw materials	143.6	142.5	138.4	142.6	115.7	+0.8	+ 0.7	+24.1
Semi-manufactured	116.7	116.2	111.9	111.3	95.9	+0.4	+ 4.9	+21.7
Manufactured products	117.5	117.1	115.9	124.5	101.8	+0.3	— 5.6	+15.4
All commodities other than farm products	117.4	116.9	115.1	121.9	100.6	+0.4	— 3.7	+16.7
All commodities other than farm products and foods	112.4	112.1	111.0	111.0	99.9	+0.3	+ 1.3	+12.5

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
SEPT. 21, 1946 TO SEPT. 28, 1946

Increases			
Silk	3.5	Meats	0.6
Grains	3.0	Other Textile Products	0.6
Cotton Goods	2.8	Woolen and Worsted Goods	0.5
Shoes	2.6	Paint and Paint Materials	0.4
Dairy Products	1.5	Fruits and Vegetables	0.3
Other Foods	1.3	Hosiery and Underwear	0.3
Other Farm Products	1.1	Other Building Materials	0.2
Furniture	0.6	Bituminous Coal	0.1
Decreases			
Drugs and Pharmaceuticals	0.9	Cereal Products	0.2
Hides and skins	0.7	Chemicals	0.1
Livestock and Poultry	0.4	Other Miscellaneous	0.1

*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.

World Rubber Control to End

The Combined Rubber Committee, formed in 1945 and made up of representatives of the United States, the United Kingdom, the Netherlands, France, Belgium and Canada, announced on Oct. 9 that international allocation control over natural rubber would end Dec. 31 "in view of the increased quantities of natural rubber becoming available." With fourth-quarter allocations already made, the Committee said, according to a dispatch from Washington from the Associated Press, that its duties will be terminated at the end of the year. This will permit natural rubber transactions in a free world market, a committee spokesman told a reporter, subject only to the various restrictions of individual governments.

Allocations within the United States, however, are to be continued as in the past, a Civilian Production Administration is reported to have stated. A committee spokesman said that the United States Rubber Development Corporation would continue as the sole purchaser of crude rubber for import into this country.

An Epidemic of Fallacies

(Continued from first page)

ployment, Interest and Money". There are still some other reasons for this epidemic of errors which we shall clarify later on, but first let us, as briefly and as simply as possible, see what these theories consist of.

Keynes' Theory

According to these theories, unemployment and economic depressions are due to under-consumption and to excess saving. The nation's income, said Lord Keynes, is composed of saving and consumption. The nation's total expenditures are made up of consumption and investment. Therefore, by definition, savings are equal to investments. But, most of the time, it is not the same people who save and who use their savings for the creation of new capital.

Savings may remain unused (unspent) either because they are hoarded by the saver, or because the investor does not find any profitable investment. The richer we become, the rarer productive investments become, claimed Keynes. If the investments do not absorb the savings, if the saved amounts remain unspent, the employment of labor decreases. The remedy consists in measures intended to reduce saving (by taxes) and to increase consumption, or in investments by the government to counteract the hoarder's saving and the investor's abstention.

It follows from this theory that savings is a mortal sin for society! Everything must be done therefore to increase consumption, decrease saving, and initiate public works or non-productive expenditures.

Lord Keynes also advocated the manipulation of money and credit to reduce the rate of interest on money, in order to open new markets for investors.

As for the increase in the national debt which would necessarily result from non-productive expenditures by the government, the partisans of this school of thought do not worry, for they maintain, on the one hand, that an internal debt is a debt to oneself and, on the other hand, that "in the long run we will all be dead".

The Effectiveness of Simplicity

How can one then be surprised at the success of this school of thought? Not only does it explain the causes of unemployment, which has been the main preoccupation of economists and statesmen since 1929, but it offers the remedy through government intervention.

If we contrast this sureness of diagnosis and the control of our economic destiny claimed by this school, with the contradictions of the economists of the so-called "liberal" school as respects the causes of depressions and the remedies to be applied, we can easily understand the reason for the former school's ascendency.

But there is more to it than this. The liberal school refuses to reexamine the few assumptions on which it is based. For example, even prominent representatives of the liberal school try to combat Keynes' theory with arguments derived from J. B. Say's law of markets. Therefore, we are pleased to find the following comment by Prof. Charles Rist in the last edition of his "History of Economic Doctrines" (Histoire des Doctrines Economiques):

"The old formula of J. B. Say, 'products are bought with products,' by which he thinks he can exercise the ghost of depression, remains always true in its generality, but has only a remote relation to the phenomenon (general depression) we are examining."

The liberal school has not yet found a way to explain persuasively and intelligibly the 1929 depression, although we know all the events which preceded the depression and although statistics are plentiful!

One might even wonder whether the so-called "liberal" economists have not themselves badly presented the few essential truths which constitute what is termed "political economy"!

Henry Hazlitt's Book

Those who read the new book by Henry Hazlitt, an editor on the N. Y. "Times," "Economics in One Lesson," will realize that when one has talent it is always possible to explain complex issues clearly. This book will be of inestimable service to those who wish to understand the essential points of the liberal doctrines and who wish to defend themselves against the storm of slogans and fallacies spread by economists, statesmen and journalists. The exposition and discussion of liberal principles made by applying them to familiar economic phenomena assume, as does the classical doctrine, an economy without unused resources, either in men or in machines. They apply mainly to a static economy, but that suffices to explain to us the play of economic forces, the theory of the equilibrium of prices, and their interdependence.

What will appeal particularly to the reader is the way Mr. Henry Hazlitt planned his book. He takes, in turn, each slogan of the school of under-consumption, dissects it, analyzes it, and shows with the help of reasoning deduced from the principles of the liberal school, why each slogan is erroneous and deceptive. Furthermore, this reasoning is dictated by common sense, for what is termed the classical school in political economy is that and nothing else. We suggest that you read the chapters entited: "The Blessings of Destruction" and "The Assault on Saving", to be convinced that the protagonists of the new ideas really have their heads screwed on wrong. In his preface, Mr. Hazlitt acknowledges his indebtedness to Frederic Bastiat, and he does not hesitate to write that his book may be considered a modern version of Bastiat's own book, "Ce qu'on Voit et Ce Qu'on ne Voit Pas" (What One Sees and What One does Not See).

On this occasion, Mr. Hazlitt gives a new definition of the goals of Economic Science, which he considers to be the "lesson" of his book. Here it is:

"The art of economics consists in looking not merely at the immediate but at the longer effects of any act or policy; it consists in tracing the consequences of that policy not merely for one group but for all groups."

This lesson is necessary and important. Lord Keynes often maintained that liberal individualistic society is threatened because there was no harmony between personal and community interests in its economic acts. Yet, the application of these doctrines, of which he is the modern spiritual parent, resulted actually in the satisfaction of particular groups—those politically powerful—and in a short-sighted economic and monetary policy without regard for the more remote consequences. In economics, the new school mainly recommends expedients. When war, or the economic cycle fed by credit, creates a fundamental lack of balance requiring correction, the new school extols expedients to get rid of the symptoms.

Fallacious theories on money are mainly responsible for the present very dangerous confusion in economic thinking. If the new school tried to reason about economics as though the exchanges took place through barter, it would not reach such obviously erroneous conclusions. The new doctrines teach that paper-money (comprising also bank deposits) is **"purchasing power"**. The truth is that paper-money (contrary to metallic money) has the **power** to buy, or is legal tender.

But paper-money **IS NOT** purchasing power, it is simply a means of exchanging goods. It is only by producing that we can—without inflation — acquire the money which will permit us to buy other products.

Keynes himself wrote as follows: "Lenin is said to have declared that the best way to destroy the capitalist system was to debauch the currency . . . Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of Society, than to debauch the currency".

Hazlitt's own book was necessary and will be of great service, because first of all, we must return common sense to the place it should occupy in the government of men.

On this depends no less the future of a civilization — the Western Civilization.

August Truckloading Volume at Record High

The volume of freight transported by motor carriers in August increased 9.7% over July and 13.9% over August of last year, marking the third straight month that 1946 tonnage has exceeded substantially the volume hauled in the same month of 1945, according to American Trucking Associations, Inc., which further announced as follows:

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, climbed to 204 in August, the highest for any month thus far this year, and the highest figure for the month of August since ATA began keeping records in 1937. The previous high for August was the 191 recorded in the record-breaking war-time year 1943, giving added weight to earlier predictions that tonnage for the full year 1946 would exceed that of 1945 and approach, if not exceed, the all-time record.

Comparable reports received by ATA from 202 carriers in 37 states showed these carriers transported an aggregate of 2,008,924 tons in August, as against 1,831,160 tons in July and 1,763,476 tons in August, 1945.

Approximately 80% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category increased 9.7% over July and 16.4% over August, 1945.

Transportation of petroleum products, accounting for about 13% of the total tonnage reported, showed an increase of 0.9% over July, but decreased 2.8% below August, 1945.

Carriers of iron and steel hauled about 3% of the total tonnage. Their traffic volume increased 21.6% over July and 35.5% over August, 1945.

About 4% of the total tonnage reported consisted of miscellaneous commodities, including textiles, groceries, chemicals, packing house products, automotive parts, motor vehicles, building materials and food. Tonnage in this class increased 33.3% over July and 12.1% over August, 1945.

Cottonseed Receipts to August 31

On Sept. 13 the Bureau of Census issued the following statement showing cottonseed received, crushed and on hand, and cottonseed products manufactured, shipped out, on hand and exported for the 1 month ended Aug. 31, 1946 and 1945.

COTTONSEED RECEIVED, CRUSHED AND ON HAND (TONS)

State—	Received at mills, Aug. 1-*Aug. 31 1946	1945	Crushed Aug. 1-Aug. 31 1946	1945	Stocks at mills, Aug. 31 1946	1945
United States	110,983	113,982	88,540	123,165	140,411	209,165
Alabama	8,748	11,957	7,508	13,818	5,871	8,695
Georgia	14,407	15,428	11,999	14,918	13,268	18,963
Louisiana	6,396	7,003	3,782	2,972	2,954	5,787
Mississippi	855	2,576	9,118	14,542	3,986	5,440
South Carolina	4,535	3,182	2,802	4,417	3,758	3,277
Texas	73,921	69,179	30,220	35,641	101,015	117,737
All other States	2,121	4,657	23,111	36,857	9,559	49,266

*Includes 992 tons destroyed during 1946. Does not include 117,968 and 219,340 tons on hand Aug. 1, 1946 and 1945, respectively, nor 15,588 and 3,346 tons reshipped during the seasons 1946-47 and 1945-46.

COTTONSEED PRODUCTS—PRODUCED, SHIPPED AND STOCKS

Products—	Season	Stocks at beginning of Season Aug. 1	Produced Aug. 1-Aug. 31	Shipped Aug. 1-Aug. 31	Stocks Aug. 31
Crude oil	1946-47	*23,493	26,021	24,304	†27,114
(thousand pounds)	1945-46	55,121	37,517	36,733	37,612
Refined oil	1946-47	‡263,360	§21,354	------	¶197,152
(thousand pounds)	1945-46	275,625	53,102	------	233,148
Cake and meal	1946-47	32,384	37,972	42,591	27,765
(tons)	1945-46	52,258	54,947	66,521	40,684
Hulls	1946-47	25,550	19,841	20,115	25,276
(tons)	1945-46	61,697	28,672	33,280	57,089
Linters	1946-47	35,508	**26,112	15,274	††46,346
(running bales)	1945-46	18,576	36,055	36,072	18,559
Hull fiber	1946-47	503	216	344	375
(500-lb. bales)	1945-46	323	227	71	479
Motes, grabbots, etc.	1946-47	1,747	1,412	1,047	2,112
(500-lb. bales)	1945-46	2,451	1,387	1,778	2,060

*Includes 10,373,000 pounds at oil mills, 10,858,000 pounds at refining and manufacturing establishments and 2,262,000 pounds in transit.

†Includes 12,090,000 pounds at oil mills, 10,565,000 pounds at refining and manufacturing establishments and 4,459,000 pounds in transit.

‡Includes 246,183,000 pounds at refining and manufacturing establishments and 17,177,000 pounds held elsewhere and in transit.

§Produced from 23,999,000 pounds of crude oil.

¶Includes 186,650,000 pounds at refining and manufacturing establishments and 10,502,000 pounds held elsewhere and in transit.

**Includes 6,624 bales first cut, 16,604 bales second cut and 2,884 bales mill run.

††Includes 24,264 bales first cut, 18,859 bales second cut and 3,223 bales mill run.

Steel Output Highest Since July 1945—Mill Books Being Opened for Deliveries Next Year

Although price controls in the metalworking industry and particularly in the steel groups may remain in effect during the immediate future for those items which are still considered short, it is apparent this week that the Administration will eliminate price controls as rapidly as possible, according to "The Iron Age," national metalworking paper. The retreat from rigid price control on the part of the government may take place so rapidly that the current request for higher steel prices may not reach eventual settlement until after controls have been lifted, adds the "Age" in its issue of today (Oct. 17), which also goes on to say:

"The steel industry, however, is proceeding this week on its price adjustment request on the basis that OPA controls will remain in effect. If the latter are removed before a final decision has been made, steel companies will be in a position to make their own individual adjustment. It is significant that the price request now before the OPA is in the form of higher prices for specific products on which the return is low and not on a horizontal or across-the-board basis.

"Should controls on basic materials be rapidly removed it can be expected that price increases will multiply, but on the other hand an adequate check to such moves may present itself in a stiffening in customer resistance. That steel consumers have already become cautious in their buying habits in the midst of serious steel shortage rumors has been apparent for some weeks as manufacturers eye their inventories and scale down their 1947 manufacturing patterns into better alignment with available steel supplies.

"The probability that price controls will be removed at an accelerated rate plus the substantial production of steel expected over the next three months is expected to cause more serious thought in the metalworking industry than has been the case for some time. Major steel producers are well aware of the higher costs encountered by manufacturers of durable and nondurable goods and for this reason pricing policies of individual steel companies in the event of a rapid lifting of controls are expected to reflect a conservative attitude.

"This week it was disclosed that many large building projects have been dropped because of the high cost of materials. One railroad has even gone so far as to cancel projects on which fabricated steel commitments had already been approved. In other cases manufacturers have reduced their pressure on steel companies and have quietly gone along with steel company requests that 1947 consumer requirements reflect a more realistic approach with respect to the availability of steel products.

"The bare statements from Detroit last week that automotive plants were being shut down because of the steel shortage fell far short of presenting the total picture. While certain types of steel have not been reaching many automobile companies in the qualities desired to maintain an exceptionally high rate of automobile production, Detroit has admitted that shortages other than steel have been just as serious—these include copper, lead, fabrics and other items.

"Having been subjected to considerable criticism and some questioning as to where steel is going, the steel industry last week was quick to point out that the automobile industry at present is obtaining more than 12% of the finished steel being produced. Even though automobile companies rightfully indicate that some of their production lines have been shut down because of steel shortages, especially cold-rolled sheets, it was apparent this week that some lines were curtailed because the volume of raw materials was not high enough to maintain a rate of automobile output which would more than absorb increased costs in that field.

"On the other hand, late statistics indicate that the short item most mentioned — cold-rolled sheets—is being produced in far greater quantities today than it was in the prewar base year in 1939. During the first nine months of this year cold-rolled sheet production was almost 40% ahead of the entire output of this item in 1939. In 1939 cold-rolled sheets constituted 5.8% of the total output of finished steel while so far this year they represent 8.4% of total finished output. During the first nine months of this year, despite the steel strike and the coal-mine deadlock, the steel industry was only about one millions tons behind the total output of finished steel in 1939.

"The steel ingot output this week continued, despite production obstacles, at 91% of rated capacity. There was every indication this week that steel producers would be able to maintain steel output at the current high levels during the balance of this year.

"Geneva Steel Co., newest subsidiary of U. S. Steel Corp., lost no time in becoming competitive with other steel companies this week when it established a delivered basing point price at Geneva, Utah, for sheared steel plates at $2.675 per 100 pounds. Because the corporation announces all prices on a delivered basis, it is assumed that this price is equivalent to $2.65 per 100 pounds f.o.b. Provo, Utah. The previous price born of wartime days was $3.20 per 100 pounds f.o.b. Provo, Utah."

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 90.5% of capacity for the week beginning Oct. 14, the highest level reached since July 1945. The rate for the week beginning Oct. 7 was 90.4%, one month ago 89.1% and one year ago 66.3%. The operating rate for the week beginning Oct. 14 is equivalent to 1,595,000 tons of steel ingots and castings, compared to 1,593,200 tons one week ago, 1,570,300 tons one month ago and 1,214,400 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on Oct. 14, stated in part as follows:

"There are increasing signs that the administration is preparing to scrap the present wage and price control set-up instead of just amending it. There seems to be a strong possibility that virtual elimination of the program may come before national elections in November.

"Among the factors which should bring early clarification of the administration's altered philosophy in regard to stabilization are the statements made recently by President Truman and Reconversion Director Steelman, calling for public support in the fight to prevent further increase in prices.

"Another factor is that labor is beginning to shape demands for the next contract year, some of the most important unions having scheduled meetings in November. It is thought likely that before that time the White House will make it clear that it is retiring from the business of settling strikes and that it will leave these matters to labor and management.

"Another factor which may force the President's hand is the bitter fight reported within the advisory board to the Office of War Mobilization and Reconversion which has been delegated the job of devising a new government wage-price policy. Representatives of labor want wage controls dropped and are reported in sympathy with Eric Johnston's suggestion of last week that price controls be dropped. Other board members are understood to favor the government policy of trying to hold the wage-price line. Meanwhile little progress toward working out a new policy has been made, with prospects of success becoming increasingly dim as industrial production falters, and meat continues scarce.

"So long as present OPA policy prevails the scrap situation is expected to become worse before it improves. Further, emphasis now being placed on foundry iron for housing materials is reflected in a smaller output of basic iron for steelmaking and at the same time there is a generally increasing shortage of metallurgical coke. All this is restricting production and in absence of any relief, not now foreseen, will shorten it further.

"Orders for an increasing number of steel products are now being accepted by producers for 1947 delivery, shapes and hot-rolled carbon bars being the latest and most important to be added to the list. Except for the major light flat products and certain descriptions of pipe and wire, some business in all lines of finished steel is being entered for delivery next year. This does not mean that all producers have opened books to their general trade but that one or more representative mills in each line have done so and that others are becoming increasingly disposed to take similar action.

"Disposition to open books for 1947 is due more to near approach of the new year than to any clarification of the outlook for the remainder of this year. Prospects for maintaining production over the final quarter are still uncertain. Despite the success in maintaining production over recent weeks at a high rate in the face of shortage of raw materials, there still is a feeling that this can be continued only a certain time without improvement in supply, which is not in early prospect."

Electric Output for Week Ended Oct. 12, 1946 14.3% 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. 12, 1946 was 4,495,220,000 kwh., an increase of 14.3% over the corresponding week last year when electric output amounted to 3,934,394,000 kwh. The current figure also compares with 4,478,092,000 kwh., produced in the week ended Oct. 5, 1946, which was 11.2% higher than the 4,028,286,000 kwh. produced in the week ended Oct. 6, 1945. The largest increase was reported by the Southern States division which showed a gain for the week ended Oct. 12, 1946 of 24.1% over the same week in 1945.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Georgraphical Division—	Week Ended— Oct. 12	Oct. 5	Sept. 28	Sept. 21	Sept. 14
New England	12.8	9.9	9.7	11.2	7.8
Middle Atlantic	9.7	7.8	8.9	7.0	6.7
Central Industrial	10.1	8.1	9.6	11.6	11.8
West Central	11.7	9.3	9.0	9.6	9.3
Southern States	24.1	19.5	17.3	18.0	12.4
Rocky Mountain	6.5	4.3	1.2	3.5	2.3
Pacific Coast	17.7	12.2	16.8	14.6	10.9
Total United States	14.3	11.2	11.9	12.1	10.1

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	4,432,304	— 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	3,939,195	+12.3	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	1,505,216	1,819,276
Oct. 5	4,478,092	4,028,286	+11.2	4,375,079	1,507,503	1,806,403
Oct. 12	4,495,220	3,934,394	+14.3	4,354,575	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

Cotton Ginned from 1946 Crop Prior to Sept. 1

The Census report issued on Sept. 9, compiled from the individual returns of the ginners, shows as follows the number of bales of cotton ginned from the growth of 1946 prior to Sept. 1, 1946, and comparative statistics to the corresponding date in 1945 and 1944.

RUNNING BALES
(Counting round as half bales and excluding linters)

State—	1946	1945	1944
United States	*531,503	461,896	576,999
Alabama	26,481	53,984	39,835
Arizona	2,826	613	350
Florida	1,752	3,099	3,986
Georgia	65,923	53,822	94,394
Louisiana	20,951	21,884	63,532
Mississippi	9,841	8,108	39,485
South Carolina	38,840	20,448	63,416
Texas	363,108	299,784	258,028
All other States	1,781	154	13,973

*Includes 171,641 bales of the crop of 1946 ginned prior to Aug. 1 which was counted in the supply for the season of 1945-46, compared with 132,737 and 48,182 bales of the crops of 1945 and 1944.

The statistics in this report include one bale of American-Egyptian for 1946, none for 1945, and none for 1944; also included are no bales of Sea-island for 1946 none for 1945, and none for 1944. The ginning of round bales has been discontinued since 1941.

The statistics for 1946 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Aug. 16 is 284,144 bales.

McGregor in Post

United States Attorney General, Tom C. Clark, has announced that he is designating Douglas McGregor to succeed James P. McGranery as Mr. Clark's assistant, advices to the New York "Times" from Washington on Oct. 4, stated. Mr. McGregor, a former United States Attorney at Houston, Texas, has been Assistant Attorney General in charge of the tax division since May. Mr. McGranery's resignation has been accepted in order that he may be sworn in as a Federal Judge for the Eastern Pennsylvania District. He was nominated by President Truman.

Daily Average Crude Oil Production for Week Ended Oct. 5, 1946, Decreased 40,934 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Oct. 5, 1946 was 4,736,566 barrels, or 40,934 barrels per day less than in the preceding week. It was, however, 1,115,716 barrels per day in excess of the corresponding week in 1945, when operations were affected by labor difficulties. The daily average figure, as estimated by the United States Bureau of Mines as the requirement for the month of October, 1946, was 4,771,000 barrels. Daily output for the four weeks ended Oct. 5, 1946, averaged 4,765,600 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 4,865,000 barrels of crude oil daily and produced 15,340,000 barrels of gasoline; 1,645,000 barrels of kerosine; 5,687,000 barrels of distillate fuel, and 8,194,000 barrels of residual fuel oil during the week ended Oct. 5, 1946; and had in storage at the end of that week 85,409,000 barrels of finished and unfinished gasoline; 20,992,000 barrels of kerosine; 62,214,000 barrels of distillate fuel, and 58,611,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements October	State Allowables Begin. Oct. 1	Actual Production Week Ended Oct. 5, 1946	Actual Production Change from Previous Week	4 Weeks Ended Oct. 5, 1946	Week Ended Oct. 6, 1945
**New York-Penna.	48,200		51,650	— 150	51,600	46,250
Florida	----		16	— 334	200	100
**West Virginia	8,400		7,500	— 600	8,200	7,550
**Ohio—Southeast	7,600		5,750	+ 400	5,850	4,650
Ohio—Other			2,350	— 250	2,450	3,250
Indiana	19,000		19,000	+ 650	18,900	10,300
Illinois	214,000		206,400	— 2,600	206,250	137,400
Kentucky	30,000		30,500	— 550	31,000	18,300
Michigan	47,000		46,500	— 750	48,100	44,600
Nebraska	800		†700	----	700	750
Kansas	264,000	270,000	†267,350	— 8,650	273,050	252,150
Oklahoma	384,000	353,625	†355,350	+ 500	353,950	383,450
Texas—						
District I			19,450	+ 50	19,400	----
District II			146,400	— 2,000	147,900	----
District III			455,900	— 8,950	462,600	----
District IV			216,700	— 3,300	219,200	----
District V			40,300	— 700	40,850	----
East Texas			320,300	— 5,700	324,550	----
Other Dist. VI			102,900	— 650	103,400	----
District VII-B			33,200	+ 350	32,950	----
District VII-C			27,300	+ 100	27,200	----
District VIII			487,500	— 3,700	490,250	----
District IX			129,400	+ 400	129,100	----
District X			84,950	— 50	85,000	----
Total Texas	2,120,000	‡2,064,032	2,064,300	—24,150	2,082,400	1,187,100
North Louisiana			89,150	+ 2,000	87,600	70,500
Coastal Louisiana			305,600	+ 1,600	304,400	285,000
Total Louisiana	383,000	436,000	394,750	+ 3,600	392,000	355,500
Arkansas	77,000	80,284	73,750	+ 500	73,550	76,150
Mississippi	60,000		73,900	+ 900	73,600	51,100
Alabama	2,000		1,000	----	1,000	200
New Mex.-So. East	100,000	106,000	99,100	— 300	99,300	96,200
New Mexico—Other			500	+ 50	450	400
Wyoming	100,000		106,850	— 900	109,100	93,800
Montana	24,000		23,750	— 1,400	24,400	20,300
Colorado	32,000		37,900	— 3,300	38,000	14,150
California	850,000	§842,500	867,700	— 3,600	871,550	817,200
Total United States	4,771,000		4,736,566	—40,934	4,765,600	3,620,850
**Pennsylvania Grade (included above)			64,900	— 350	65,600	58,450

*These are Bureau of Mines calculations of the requirements of domestic crude oil (after deductions of condensate and natural gas derivatives) based upon certain premises outlined in its detailed forecast for the month of October. As requirements may be supplied either from stocks or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced. In some areas the weekly estimates do, however, include small but indeterminate amounts of condensate which is mixed with crude oil in the field.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m., Oct. 4, 1946.

‡This is the net basic allowable as of Oct. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 7 to 10 days, the entire State was ordered shut down for 7 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 7 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED OCT. 5, 1946

(Figures in thousands of barrels of 42 gallons each)

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

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	§Gasoline Product'n at Ref. Inc. Nat. Blended	‡Finish'd and Unfin. Gasoline Stocks	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks. of Resid. Fuel Oil
East Coast	99.5	800	95.4	1,775	21,080	9,094	23,343	12,136
Appalachian—								
District No. 1	76.3	99	69.2	287	2,277	482	589	342
District No. 2	84.7	48	77.4	182	663	85	145	258
Ind., Ill., Ky.	87.4	798	91.7	2,868	15,535	2,958	8,816	5,415
Okla., Kans., Mo.	78.3	379	80.8	1,480	8,378	1,460	3,555	1,394
Inland Texas	59.8	197	59.7	936	2,626	497	616	784
Texas Gulf Coast	89.2	1,203	98.1	3,618	11,910	3,440	9,383	7,689
Louisiana Gulf Coast	97.4	326	101.6	1,075	4,517	1,652	3,261	1,878
No. La. & Arkansas	55.9	59	46.8	155	1,699	329	419	241
Rocky Mountain—								
District No. 3	19.0	11	84.6	37	95	15	48	43
District No. 4	70.9	124	75.2	393	1,389	200	584	777
California	85.5	821	82.6	2,534	15,240	780	11,455	27,654
Total U. S. B. of M. basis Oct. 5, 1946	85.8	4,865	87.5	15,340	*85,409	20,992	62,214	58,611
Total U. S. B. of M. basis Sept. 28, 1946	85.8	4,829	86.9	14,675	85,324	20,808	59,827	57,657
U. S. B. of M. basis Oct. 6, 1945		3,360		10,441	†71,901	13,587	44,014	46,687

*Includes unfinished gasoline stocks of 8,290,000 barrels. †Includes unfinished gasoline stocks of 9,306,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 1,645,000 barrels of kerosine, 5,687,000 barrels of gas oil and distillate fuel oil and 8,194,000 barrels of residual fuel oil during the week ended Oct. 5, 1946, which compares with 1,762,000 barrels, 5,832,000 barrels and 8,172,000 barrels, respectively, in the preceding week and 1,158,000 barrels, 3,406,000 barrels and 6,692,000 barrels, respectively, in the week ended Oct. 6, 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	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Oct. 15	121.20	116.61	121.04	119.00	116.41	110.34	112.37	117.60	119.82
14	121.11	116.61	120.84	119.20	116.41	110.15	112.19	117.60	119.82
12	Stock	Exchange	Closed						
11	121.08	116.41	120.84	119.00	116.22	110.15	112.19	117.60	119.82
10	121.05	116.41	120.84	118.80	116.41	110.34	112.00	117.60	119.82
9	121.05	116.61	121.25	118.80	116.61	110.34	112.37	117.80	119.82
8	121.08	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	110.52	112.56	117.80	120.02
4	121.05	116.61	121.25	119.00	116.61	110.34	112.56	117.80	119.82
3	120.77	116.80	121.25	119.00	116.61	110.52	112.37	118.00	120.02
2	120.70	116.61	121.25	119.00	116.61	110.34	112.37	118.00	119.82
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	122.09
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	120.76	116.41	120.84	118.80	116.22	110.15	112.00	117.60	119.61
1 year Ago Oct. 15, 1945	122.75	116.41	120.84	119.20	116.41	109.42	112.56	116.41	120.02
2 Years Ago Oct. 14, 1944	119.61	112.75	118.60	116.80	112.93	103.47	107.27	114.08	117.20

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Oct. 15	1.64	2.82	2.60	2.70	2.83	3.15	3.04	2.77	2.66
14	1.65	2.82	2.61	2.69	2.83	3.16	3.05	2.77	2.66
12	Stock	Exchange	Closed						
11	1.65	2.83	2.61	2.70	2.84	3.16	3.05	2.77	2.66
10	1.65	2.83	2.61	2.71	2.83	3.15	3.06	2.77	2.66
9	1.65	2.82	2.59	2.71	2.82	3.15	3.04	2.76	2.66
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	3.14	3.03	2.76	2.65
4	1.65	2.82	2.59	2.70	2.82	3.15	3.03	2.76	2.66
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	2.58
July 26	1.49	2.73	2.50	2.60	2.73	3.03	2.87	2.69	2.58
19	1.49	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. 29	1.36	2.66	2.46	2.54	268	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	2.83	2.61	2.71	2.84	3.15	3.06	2.77	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. 15, 1945	1.58	2.83	2.61	2.69	2.83	3.20	3.03	2.83	2.65
2 Years Ago Oct. 14, 1944	1.85	3.02	2.72	2.81	3.01	3.54	3.32	2.95	2.79

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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

Moody's Common Stock Yields

For yields in prior years see the following back issues of the "Chronicle": 1941 yields (also annually from 1929), Jan. 11, 1942 page 2218; 1942 levels, Jan. 14, 1943, page 202; 1943 yields, March 16 1944, page 1130; 1944 yields, Feb. 1, 1945, page 558; 1945 yields, Jan. 17, 1946, page 299.

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
January, 1946	3.4	4.5	3.8	3.4	2.9	3.5
February, 1946	3.6	5.1	4.0	3.7	3.0	3.8
March, 1946	3.4	5.1	4.0	3.6	3.0	3.6
April, 1946	3.3	5.1	3.9	3.6	3.0	3.5
May, 1946	3.2	4.5	3.7	3.7	3.0	3.4
June, 1946	3.4	4.8	3.9	3.7	3.1	3.5
July, 1946	3.5	5.2	3.9	3.7	3.2	3.7
August, 1946	3.8	5.6	4.2	3.8	3.2	3.9
September, 1946	4.1	6.5	4.6	4.0	3.6	4.4

Idle in 1946 Strikes Near Half War Total

Nearly half as many workers have been idle from labor-management disputes in eight months of 1946 as during the entire war period said Associated Press advices from Washington Sept. 29, which likewise said:

"The Bureau of Labor Statistics said 1946 idle from January through August totaled 3,425,000, compared with 1,920,300 for the same 1945 period, 1,393,100 for the 1944 period and 817,000 for the 1935-1939 average.

"BLS said that during almost four years of war, from Pearl Harbor to V-J Day, the idle total from work stoppages was 6,744,000.

"Idleness due to disputes in August this year, BLS reported, was somewhat greater than in July."

Favor Five-Day Bank Week Throughout Year

George V. McLaughlin, President of Brooklyn Trust Company of Brooklyn, N. Y., has again expressed himself in favor of a five-day week in banking throughout the year in letters to Harry E. Ward, President of the New York Clearing House Association, and Chester R. Dewey, President of the New York State Bankers Association. Calling attention to the fact that a year ago he had urged the Presidents of New York Clearing House banks to favor a five-day week, Mr. McLaughlin said that experience with Saturday bank closing during the past summer had demonstrated that it was both practicable and beneficial, adding that "the five-day week is in accord with the trend of the times, and banks will be out of step if they do not adopt it." The text of the two identical letters follows:

"About a year ago I wrote to the Presidents of all New York Clearing House Association member banks urging that they support legislation providing for closing of banks on Saturdays throughout the year. Largely as a result of efforts by the Clearing House Association and the New York State Bankers Association, legislation was enacted permitting Saturday bank closing during the months of June, July, August and September.

"Experience during those months has demonstrated that Saturday closing of banks is both practicable and beneficial. It has been of great benefit to the employees and, so far as I can learn, there have been no complaints from the public. The example of New York has been followed by several neighboring states during the past summer.

"Workers in many other lines of business have been granted a five-day working week, and I believe bank employees are entitled to it. The five-day week is in accord with the trend of the times, and banks will be out of step if they do not adopt it.

"For these reasons I think the time has come to extend Saturday closing of banks throughout the year, and, therefore, I urge the Association to support legislation providing for such closing at the next session of the State Legislature."

SEC Quarterly Sales Data

The Securities and Exchange Commission released on Oct. 6 the first of another new series of reports of the Survey of American Listed Corporations showing quarterly sales (and/or operating revenues) data for 1290 corporations in 107 industry groups. In making the details public the Commission said:

"Nine hundred and fifty-five of these corporations reporting for both the first and the second calendar quarters of 1946 show Net Sales of $10,876,117,000 in the first quarter compared with $12,835,093,000 in the second quarter. The companies are classified into 107 industry groups with Net Sales shown by quarters for each company. The industry totals include only those companies reporting for both quarters."

Moody's Daily Commodity Index

Tuesday, Oct. 8, 1946	339.8
Wednesday, Oct. 9	339.3
Thursday, Oct. 10	340.4
Friday, Oct. 11	340.5
Saturday, Oct. 12	*
Monday, Oct. 14	340.2
Tuesday, Oct. 15	371.6
Two weeks ago, Oct. 1	337.7
Month ago, Sept. 14	327.7
Year ago, Oct. 15, 1945	260.9
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Aug. 1	356.3
Low, Jan. 2	264.7

*Holiday.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Oct. 9 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. 21, 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. 21 (in round-lot transactions) totaled 4,017,085 shares, which amount was 16.97% of the total transactions on the Exchange of 11,839,180 shares. This compares with member trading during the week ended Sept. 14 of 4,753,090 shares, or 16.75% of the total trading of 14,193,400 shares.

On the New York Curb Exchange, member trading during the week ended Sept. 21 amounted to 869,950 shares or 17.72% of the total volume on that Exchange of 2,455,030 shares. During the week ended Sept. 14 trading for the account of Curb members of 1,015,980 shares was 16.05% of the total trading of 3,165,905 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. 21, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	341,960	
‡Other sales	11,497,220	
Total sales	11,839,180	
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	1,358,630	
Short sales	210,270	
‡Other sales	1,144,130	
Total sales	1,354,400	11.46
2. Other transactions initiated on the floor—		
Total purchases	222,380	
Short sales	13,600	
‡Other sales	211,390	
Total sales	224,990	1.89
3. Other transactions initiated off the floor—		
Total purchases	344,880	
Short sales	26,450	
‡Other sales	485,355	
Total sales	511,805	3.62
4. Total—		
Total purchases	1,925,890	
Short sales	250,320	
‡Other sales	1,840,875	
Total sales	2,091,195	16.97

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

WEEK ENDED SEPT. 21, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	25,070	
‡Other sales	2,429,960	
Total sales	2,455,030	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	302,985	
Short sales	16,510	
‡Other sales	278,130	
Total sales	294,640	12.17
2. Other transactions initiated on the floor—		
Total purchases	51,670	
Short sales	3,500	
‡Other sales	40,350	
Total sales	43,850	1.95
3. Other transactions initiated off the floor—		
Total purchases	96,290	
Short sales	1,300	
‡Other sales	79,215	
Total sales	80,515	3.60
4. Total—		
Total purchases	450,945	
Short sales	21,310	
‡Other sales	397,695	
Total sales	419,005	17.72
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	98,847	
Total purchases	98,847	
Total sales	134,332	

*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."

Non-Ferrous Metals—Foreign Copper Higher—Silver Recovers to 89c—Platinum Price Down

"E. & M. J. Metal and Mineral Markets," in its issue of Oct. 10, states: "Prices paid for foreign copper abroad covered a wide range last week, which sellers attributed to the growing difficulty in locating nearby metal. It appears that consumers were willing to pay a premium on metal available for November-December shipment. The domestic situation in copper was unchanged. An advisory committee was named by OPA for the lead industry, but there was no enthusiasm over prospects of early action in regard to the lead prices. Producers still await word from Washington on the new ceiling price for zinc. The silver market had to absorb a rather large quantity of metal on Oct. 3, which caused the price to drop temporarily. Platinum was reduced $5 an ounce troy." The publication further went on to say in part as follows:

Copper

Price developments in copper again centered in the foreign market, where consumers were anxious to obtain nearby metal and paid even higher prices than those named in the preceding week. During the last two days the quotations on round lots showed a range of 16.875c to 17.40c, f.a.s. New York equivalent, and moderate tonnages brought as high as 17.50c and 17.72c.

Domestic demand for copper has not diminished. Refiners were a little more optimistic in reference to an early announcement from OPA on premiums to be allowed for special shapes.

Lead

Producers sold November lead in good volume, sales for the week amounting to 13,671 tons.

OPA has named the following to serve on the Lead Producers' Industry Advisory Committee: Kenneth C. Brownell, American Smelting & Refining Co.; F. F. Colcord, United States Smelting, Refining & Mining Co.; Irwin H. Cornell, St. Joseph Lead Co.; Henry L. Day, Monitor Mining Co. (Idaho); J. B. Haffner, Bunker Hill & Sullivan; Norman Hickman, American Metal Co.; and E. H. Snyder, Combined Metals Reduction Co.

C. E. Murray, President of the American Association of Battery Manufacturers, has asked Director of Economic Stabilization Steelman to give further consideration to the critical situation in lead. Emergency action is suggested on import quotas and the ceiling price.

Imports of lead during August totaled 24,649 tons, consisting of 14,803 tons of refined lead and 9,846 tons contained in ore, matte, etc. Included in the imports of refined lead were 10,472 tons from Japan, taken by the our forces of occupation.

Zinc

Again there was no news from Washington on the expected upward revision in the ceiling price of zinc. Demand for Prime Western and Special High Grade continued active.

The daily rate of slab zinc production for September was 1,955 tons, against 1,927 tons in August, and 2,053 tons in September last year. Shipments increased during September and stocks decreased moderately.

The American Zinc Institute's statistics for September are summarized as follows, in tons:

	Sept.	Aug.
Stock at beginning	237,613	229,747
Production	58,657	59,752
Shipments—		
Domestic	57,885	43,522
Export	5,323	7,678
Gov't account	474	686
Totals	63,682	51,886
Unfilled orders	42,186	41,595
Stock at end	232,588	237,613

Cobalt

Quotations for cobalt metal remain unchanged on the basis of $1.50 per pound. Cobalt oxide is unchanged at $1.06 per pound on sales to metallurgical plants. However, on ceramic business the price has been revised downward, effective Sept. 23, to $1.16 per pound.

Platinum

Effective Oct. 7, leading interests reduced the price of refined platinum $5 an ounce troy, establishing the market at $85 on wholesale lots and at $88 in sales to consumers. Offerings of the metal from outside sources and speculators have increased, and the price situation throughout the week was unsettled. It became known that outside business has been done at several dollars below $85. The period of heavy buying by the jewelry industry has ended, which, added to recent weakness in Wall Street, has made some holders of the metal anxious to "take profit."

Tin

An interim allocation of 6,400 long tons of pig tin for second-half delivery to the United States was announced last week by the Combined Tin Committee. Allocation of additional tin for the period is expected. In the first half of 1946 the amount allocated by the group for this country was 9,000 tons.

The Texas tin smelter produced 3,323 tons of tin in September, against 3,672 tons in August. Production in the first nine months totaled 34,015 tons, against 29,729 tons in the same period last year.

The price situation here was unchanged last week. Straits quality tin for shipment was nominally as follows, in cents per pound:

	Oct.	Nov.	Dec.
Oct. 3	52.000	52.000	52.000
Oct. 4	52.000	52.000	52.000
Oct. 5	52.000	52.000	52.000
Oct. 7	52.000	52.000	52.000
Oct. 8	52.000	52.000	52.000
Oct. 9	52.000	52.000	52.000

Chinese, or 99% tin, was unchanged at 51.125c.

Quicksilver

Demand for quicksilver has been fair, but business continues to suffer because of shipping difficulties. Quotations on spot remained unchanged last week at $96 to $99 per flask. On nearby business $95 was asked.

Silver

The New York Official price was lowered to 89c on Oct. 3, but returned to the 90⅛c level on the following day. Freer offerings of silver by operators who acquired supplies earlier in the year at lower levels caused the unsettlement in the price structure. Domestic silver available to consumers at 90⅛c is expected to decline in volume as soon as production mined prior to July 1 is absorbed by the trade. Domestic silver mined on and after July 1, 1946, is eligible for sale to the government on the Treasury's buying basis of 90.5c an ounce troy, 1,000 fine.

London reported the market unchanged throughout the week.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS)

	—Electrolytic Copper—		Straits Tin,	—Lead—		Zinc
	Dom. Refy.	Exp. Refy.	New York	New York	St. Louis	St. Louis
Oct. 3	14.150	16.675	52.000	8.25	8.10	8.25
Oct. 4	14.150	16.925	52.000	8.25	8.10	8.25
Oct. 5	14.150	16.925	52.000	8.25	8.10	8.25
Oct. 7	14.150	16.775	52.000	8.25	8.10	2.25
Oct. 8	14.150	17.225	52.000	8.25	8.10	8.25
Oct. 9	14.150	17.175	52.000	8.25	8.10	8.25
Average	14.150	16.950	52.000	8.25	8.10	8.25

Average prices for calendar week ended Oct. 5 are: Domestic copper f.o.b. refinery, 14.150¢; export copper, f.o.b. refinery 16.854¢; Straits tin, 52.000¢; New York lead, 8.250¢; St. Louis lead, 8.100¢; St. Louis zinc, 8.250¢; and silver, 89.900¢.

The above quotations are "E. & M. J. M. & M. M's" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis: that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Effective March 14, the export quotation for copper reflects prices obtaining in the open market and is based on sales in the foreign market reduced to the f.o.b. refinery equivalent, Atlantic seaboard. On f.a.s. transactions we deduct 0.075c., for lighterage, etc., to arrive at the f.o.b. refinery quotation.

Quotations for copper are for the ordinary forms of wirebars and ingot bars. For standard ingots an extra 0.05c. per pound is charged; for slabs 0.075c. up, and for cakes 0.125c. up, depending on weight and dimension; for billets an extra 0.75c. up, depending on dimensions and quality. Cathodes in standard sizes are sold at a discount of 0.125c per pound.

Quotations for zinc are for ordinary Prime Western brands. Contract prices for High-grade zinc delivered in the East and Middle West in nearly all instances command a premium of 1c. per pound over the current market for Prime Western but not less than 1c. over the "E. & M. J." average for Prime Western for the previous month.

Quotations for lead reflect prices obtained for common lead only.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Oct. 13 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated Oct. 17 and to mature Jan. 16, which were offered on Oct. 11, were opened at the Federal Reserve Banks, on Oct. 13.

Total applied for $1,804,729,000.

Total accepted, $1,306,594,000 (includes $34,194,000 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, 99.907, equivalent rate of discount approximately 0.368% per annum.

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

(70% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 17 in the amount of $1,310,617,000.

With respect to the previous issue of $1,300,000,000 of 91-day Treasury bills dated Oct. 10, and maturing Jan. 9, the Treasury on Oct. 7 disclosed these results:

Total applied for, $1,891,563,000.

Total accepted, $1,306,438,000 (includes $31,228,000 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.

(65% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Oct. 10 in the amount of $1,315,136,000.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 9 a summary of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange for the week ended Sept. 28, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Sept. 28, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	43,259
Number of shares	1,246,158
Dollar value	$45,943,452
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	594
*Customers' other sales	27,533
Customers' total sales	28,127
Number of Shares:	
Customers' short sales	22,140
*Customers' other sales	864,611
Customers' total sales	886,751
Dollar value	$34,198,360
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	140
†Other sales	164,720
Total Sales	164,860
Round-Lot Purchases by Dealers—	
Number of shares	524,760

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

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

National Fertilizer Association Commodity Price Index Higher for Fourth Consecutive Week

For the fourth consecutive week the wholesale commodity price index compiled by The National Fertilizer Association and made public on Oct. 14 was higher when it rose to 174.4 in the week ended Oct. 12, 1946, from 173.8 in the preceding week. The index is still under its high point reached Aug. 24 when it stood at 176.4. A month ago the index stood at 169.3 and a year ago at 140.6, all based on the 1935-1939 average as 100. The Association's report continued as follows:

During the latest week three of the composite groups of the index advanced and one declined. The foods index rose moderately with higher prices for butter, cheese, corn meal and potatoes. The farm products group advanced. The grains index rose substantially with advances registered in each of the different grains. There was a small decline in the cotton index. The livestock index declined, with lower prices for cattle and calves more than offsetting higher prices for lambs, sheep and poultry. Timothy hay prices in New York were lower. The rise in the textiles index was due to higher prices for some cotton cloths and cotton yarns. The building materials index was down slightly, reflecting the lower quotations for zinc oxide. The remaining groups in the index were unchanged.

During the week 18 price series in the index advanced and eight declined; in the preceding week 16 advanced and five declined; in the second preceding week 19 advanced and two declined.

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

% Each Group Bears to the Total Index	Group	Latest Week Oct. 12, 1946	Preceding Week Oct. 5, 1946	Month Ago Sept. 14, 1946	Year Ago Oct. 13, 1945
25.3	Foods	188.8	187.4	176.5	142.3
	Fats and Oils	193.0	193.1	188.0	145.2
	Cottonseed Oil	202.3	202.3	202.3	163.1
23.0	Farm Products	218.2	217.5	208.5	168.4
	Cotton	367.9	368.4	344.0	218.2
	Grains	223.1	216.8	209.1	166.0
	Livestock	193.6	194.2	187.1	161.6
17.3	Fuels	154.2	154.2	154.2	129.7
10.8	Miscellaneous commodities	143.5	143.5	143.5	132.8
8.2	Textiles	211.9	210.8	205.3	159.0
7.1	Metals	124.5	124.5	124.5	109.6
6.1	Building materials	178.3	178.6	177.9	154.7
1.3	Chemicals and drugs	128.2	128.2	127.5	125.8
.3	Fertilizer materials	122.5	122.5	122.5	118.3
.3	Fertilizers	124.3	124.3	121.3	119.9
.3	Farm machinery	116.5	116.5	115.4	104.9
100.0	All groups combined	174.4	173.8	169.3	140.6

*Indexes on 1926-1928 base were: Oct. 12, 1946, 135.9; Oct. 5, 1946, 135.4, and Oct. 13, 1945, 109.5.

Civil Engineering Construction Totals $81,945,000 for Week Ending Oct. 10

Civil engineering construction volume in continental United States totals $81,945,000 for the week ending Oct. 10, 1946, as reported by "Engineering News-Record." This volume is 39% below the previous week, 147% above the corresponding week of last year, and 22% below the previous four-week moving average. The report issued on Oct. 10, added.

Private construction this week, $57,277,000, is 15% above last week and 156% above the week last year. Public construction, $24,668,000, is 71% below last week and 127% greater than the week last year. State and municipal construction, $21,808,000, 71% below last week, is 201% above the 1945 week. Federal construction, $2,860,000, is 66% below last week and 21% below the week last year.

Total engineering construction for the 41-week period of 1946 records a cumulative total of $4,298,825,000, which is 168% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $2,591,460,000, which is 302% above that for 1945. Public construction, $1,707,365,000, is 78% greater than the cumulative total for the corresponding period of 1945, whereas state and municipal construction, $1,155,874,000 to date, is 319% above 1945. Federal construction, $551,491,000, dropped 19% below the 41-week total of 1945.

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

	Oct. 10, 1946	Oct. 3, 1946	Oct. 11, 1945
Total U. S. Construction	$81,945,000	$133,719,000	$33,206,000
Private Construction	57,277,000	49,988,000	22,332,000
Public Construction	24,668,000	83,731,000	10,874,000
State & Municipal	21,808,000	75,217,000	7,238,000
Federal	2,860,000	8,514,000	3,636,000

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

New Capital

New capital for construction purposes this week totals $17,625,000, and is made up of state and municipal bond sales. New capital for construction purposes for the 41-week period of 1946 totals $2,916,678,000, 73% more than the $1,681,344,000 reported for the corresponding period of 1945.

Joins NY Life Insur. Co.

W. Logan MacCoy, President of the Provident Trust Company of Philadelphia, announced on Oct. 14, that David C. Bevan had resigned as an Assistant Vice-President of Provident. "Mr. Bevan's resignation," Mr. MacCoy said, "has been accepted with regret. Mr. Bevan has resigned to accept an exceptionally fine opportunity to join the official staff of the New York Life Insurance Company."

Borkin Leaves Justice Dept.

Joseph Borkin has tendered his resignation, effective Oct. 15, as chief economic advisor and attorney in the Anti-Trust Division of the Department of Justice, Washington advices of Oct. 7, to the "Journal of Commerce" stated. An authority on cartels and patents, who has written extensively on patent abuses, licensing, and the relation of these problems to the anti-trust laws, Mr. Borkin is reported to be entering economic consultation work in Washington.

U. S. Tax Treaties with Belgium and Luxembourg

The Department of State announced on Oct. 4 that draft conventions have been formulated for the avoidance of double taxation with respect to income taxes in discussions between a United States tax delegation and representatives respectively of the Governments of Belgium and Luxembourg. The Department of State, making this known on Oct. 4, added:

"These drafts have been submitted by the negotiators to their respective governments for further consideration with a view to signature.

"Agreement upon the drafts with Belgium and Luxembourg completes the discussions of the United States tax delegation which has recently visited the Netherlands, Belgium and Luxembourg for the purpose of exploring possible bases for conventions with those countries for the avoidance of double taxation. Completion of a similar draft convention on the avoidance of double taxation with the Netherlands was announced by the Department on Sept. 30, 1946 (press release No. 684).

"'Avoidance of double taxation' treaties on income taxes are now in effect with Sweden, France, Canada and the United Kingdom. It is expected that a new convention with France, modifying the Convention of 1939 (see press release No. 410, June 11, 1946) will be signed in the near future."

Redeem Belgian Bonds

J. P. Morgan & Co. Incorporated and Guaranty Trust Company of New York, sinking fund administrators for the Kingdom of Belgium external loan 30-year sinking fund 7% gold bonds, due June 1, 1955, have drawn by lot for redemption on Dec. 1, 1946, through operation of the sinking fund, $173,000 of said bonds. Payment at 107½ and accrued interest to the date of redemption will be made at the office of either administrator.

Revenue Freight Car Loadings During Week Ended Oct. 5, 1946, Decreased 9,635 Cars

Loading of revenue freight for the week ended Oct. 5, 1946, totaled 906,848 cars, the Association of American Railroads announced on Oct. 10. This was an increase of 138,808 cars, or 18.1% above the corresponding week in 1945, and an increase of 29,813 cars or 3.4% above the same week in 1944.

Loading of revenue freight for the week of Oct. 5 decreased 9,635 cars or 1.1% below the preceding week, with in turn showed an increase of 17,430 cars, or 1.9%, over the week ended Sept. 21, 1946.

Miscellaneous freight loading for the week ended Oct. 5 totaled 394,506 cars, a decrease of 3,643 cars below the preceding week, but an increase of 47,828 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 126,530 cars, an increase of 885 cars above the preceding week, and an increase of 15,768 cars above the corresponding week in 1945.

Coal loading amounted to 188,464 cars, a decrease of 5,346 cars below the preceding week, but an increase of 63,914 cars above the corresponding week in 1945.

Grain and grain products loading totaled 47,227 cars, a decrease of 1,809 cars below the preceding week and a decrease of 4,803 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Oct. 5 totaled 33,636 cars, a decrease of 2,472 cars below the preceding week and a decrease of 3,147 cars below the corresponding week in 1945.

Livestock loading amounted to 24,208 cars, an increase of 3,381 cars above the preceding week and an increase of 17 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Oct. 5 totaled 20,859 cars, an increase of 3,028 cars above the preceding week, and an increase of 787 cars above the corresponding week in 1945.

Forest products loading totaled 48,988 cars, an increase of 54 cars above the preceding week and an increase of 14,725 cars above the corresponding week in 1945.

Ore loading amounted to 63,011 cars, a decrease of 3,168 cars below the preceding week and a decrease of 2,220 cars below the corresponding week in 1945.

Coke loading amounted to 13,914 cars, an increase of 11 cars above the preceding week, and an increase of 3,579 cars above the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
5 weeks of March	3,982,229	4,022,088	3,916,037
4 weeks of April	2,604,552	3,377,335	3,275,846
4 weeks of May	2,616,067	3,456,465	3,441,616
5 weeks of June	4,062,911	4,366,516	4,338,886
4 weeks of July	3,406,874	3,379,284	3,459,890
5 weeks of August	4,478,446	4,100,512	4,473,872
4 weeks of September	3,517,188	3,255,757	3,527,162
Week of Oct. 5	906,848	768,040	877,035
Total	31,325,445	32,782,139	33,623,100

The following table is a summary of the freight carloadings for the separate railroads and systems for the weeks ended Sept. 28 and Oct. 5. During the first period 97 roads showed increases when compared with the corresponding week in 1945, while during the second period 100 roads reported gains over the week ended Oct. 6, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEKS ENDED SEPT. 28 AND OCT. 5

Railroads	Week Ended Sept. 28 — Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945	Week Ended Oct. 5 — Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Eastern District—										
Ann Arbor	304	333	322	1,589	1,321	373	310	301	1,589	1,288
Bangor & Aroostook	1,129	1,587	1,376	320	482	1,240	1,435	1,488	337	352
Boston & Maine	7,828	7,354	6,996	12,905	12,403	7,684	7,027	6,905	12,966	12,018
Chicago, Indianapolis & Louisville	1,403	1,102	1,236	2,171	1,985	1,438	1,095	1,188	2,138	1,931
Central Indiana	25	27	37	46	50	29	26	25	49	38
Central Vermont	1,195	1,153	1,114	2,253	2,434	1,109	1,141	1,125	2,285	2,385
Delaware & Hudson	5,583	5,044	5,011	11,427	10,244	5,350	4,739	4,805	10,839	9,746
Delaware, Lackawanna & Western	8,556	7,753	8,431	8,724	9,057	8,173	6,867	7,997	9,380	9,205
Detroit & Mackinac	439	314	402	284	135	378	232	415	192	140
Detroit, Toledo & Ironton	2,664	1,172	2,030	1,568	1,048	2,613	1,153	1,860	1,434	878
Detroit & Toledo Shore Line	416	355	343	3,158	2,326	427	355	357	3,255	2,025
Erie	14,170	11,812	14,568	15,900	15,064	13,279	11,521	13,782	15,862	14,073
Grand Trunk Western	4,808	3,384	4,107	8,118	7,857	4,862	3,359	3,685	8,318	7,887
Lehigh & Hudson River	136	211	153	2,755	2,376	143	216	171	3,253	2,415
Lehigh & New England	2,521	2,447	2,311	1,769	1,449	2,247	2,147	2,099	1,955	1,512
Lehigh Valley	9,216	8,600	8,833	8,094	8,286	8,869	8,522	8,842	8,385	7,285
Maine Central	2,926	2,627	2,494	2,913	3,297	2,679	2,599	2,398	2,903	2,991
Monongahela	7,382	2,808	6,490	314	275	6,971	1,233	5,404	342	256
Montour	3,036	2,079	2,642	24	18	2,885	688	2,701	30	24
New York Central Lines	53,241	47,028	52,140	54,154	45,700	53,963	43,039	51,326	51,906	42,032
N. Y., N. H. & Hartford	11,343	10,402	10,182	14,750	14,391	11,405	9,919	9,488	14,863	14,200
New York, Ontario & Western	1,024	1,040	1,166	2,440	2,342	903	973	1,184	2,759	2,278
New York, Chicago & St. Louis	6,965	5,927	6,798	13,581	12,535	7,849	6,028	6,400	13,642	12,216
N. Y., Susquehanna & Western	405	376	489	2,379	1,804	388	405	504	2,051	1,890
Pittsburgh & Lake Erie	5,901	6,442	8,182	10,582	6,690	5,435	5,711	7,738	9,889	4,761
Pere Marquette	7,185	4,906	5,468	7,405	5,988	7,106	4,835	5,462	7,017	5,890
Pittsburg & Shawmut	860	774	793	26	39	967	550	754	23	26
Pittsburg, Shawmut & Northern	324	176	321	142	197	275	171	307	116	166
Pittsburgh & West Virginia	1,017	870	1,219	2,402	2,069	1,051	932	1,108	2,271	1,954
Rutland	444	420	375	1,354	1,250	418	433	389	1,261	1,121
Wabash	6,839	5,645	6,096	11,944	10,032	6,555	5,502	5,282	11,825	9,813
Wheeling & Lake Erie	5,537	5,257	5,853	4,088	3,954	5,571	3,429	5,410	3,927	3,609
Total	174,822	149,425	167,976	209,579	187,098	172,635	136,592	160,900	207,082	176,505
Allegheny District—										
Akron, Canton & Youngstown	731	535	790	1,410	1,003	693	567	729	1,404	981
Baltimore & Ohio	43,370	42,069	47,356	25,516	23,754	41,439	36,492	46,587	24,127	22,561
Bessemer & Lake Erie	5,682	4,260	5,835	2,050	1,819	5,390	4,077	5,672	2,238	1,791
Cambria & Indiana	1,658	736	1,743	8	11	1,051	744	1,647	1	10
Central R. R. of New Jersey	6,913	6,578	7,102	18,966	16,032	7,081	6,210	6,646	19,395	15,706
Cornwall	432	528	536	61	45	501	517	534	49	56
Cumberland & Pennsylvania	292	203	191	10	7	309	219	202	14	4
Ligonier Valley	68	50	117	9	10	84	62	101	10	10
Long Island	2,419	2,542	1,873	4,019	4,200	2,262	2,066	1,891	4,261	4,164
Penn-Reading Seashore Lines	2,232	1,863	2,027	1,911	2,018	2,101	1,762	1,992	2,083	1,889
Pennsylvania System	90,406	80,250	91,627	63,113	59,120	89,310	72,111	[illegible]	62,762	54,665
Reading Co.	17,030	14,440	16,072	24,786	24,773	16,333	14,162	15,128	25,126	24,138
Union (Pittsburgh)	19,085	16,046	20,009	6,831	5,277	18,772	16,254	19,269	6,815	4,842
Western Maryland	4,734	4,126	4,135	11,336	11,180	4,710	3,234	4,030	10,965	11,625
Total	194,752	174,226	199,413	160,026	149,249	190,036	158,477	190,792	159,250	142,441

Railroads	Week Ended Sept. 28 — Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945	Week Ended Oct. 5 — Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Pocahontas District—										
Chesapeake & Ohio	35,416	30,028	30,129	15,394	13,736	32,271	17,581	29,084	16,182	12,505
Norfolk & Western	26,609	21,890	22,331	7,500	6,624	26,111	16,086	21,708	6,806	6,840
Virginian	4,548	5,043	4,531	1,248	1,703	4,041	3,083	4,406	1,341	2,176
Total	66,875	56,961	56,991	24,142	22,063	62,423	36,750	55,198	24,329	21,521
Southern District—										
Alabama, Tennessee & Northern	277	384	340	412	262	327	416	340	337	174
Atl. & W. P.—W. R. R. of Ala.	948	783	865	2,015	1,938	832	801	863	2,060	2,084
Atlanta, Birmingham & Coast	†	†	908	†	†	†	†	817	†	†
Atlantic Coast Line	13,662	11,035	11,568	8,464	9,503	13,690	11,645	11,593	8,594	9,077
Central of Georgia	4,101	3,799	3,627	4,550	4,424	5,213	3,951	3,799	4,473	4,566
Charleston & Western Carolina	455	427	408	1,330	1,237	535	424	459	1,346	1,343
Clinchfield	1,961	1,701	1,601	3,546	2,512	1,730	1,527	1,685	3,044	2,364
Columbus & Greenville	398	401	356	260	347	445	391	291	280	268
Durham & Southern	135	176	163	634	649	129	151	166	601	660
Florida East Coast	899	877	789	1,542	1,204	953	843	865	1,465	1,141
Gainesville Midland	80	65	52	76	119	75	65	51	86	125
Georgia	1,233	1,211	1,182	2,261	2,214	1,109	1,387	1,249	2,125	2,103
Georgia & Florida	390	359	404	689	597	384	432	384	691	572
Gulf, Mobile & Ohio	5,451	4,771	4,854	3,903	4,290	5,439	4,603	4,510	3,981	4,397
Illinois Central System	26,883	25,597	30,589	15,433	17,385	27,814	24,264	28,353	16,434	13,460
Louisville & Nashville	28,835	25,919	26,030	9,777	10,024	28,889	20,421	25,522	9,914	10,037
Macon, Dublin & Savannah	265	228	211	786	725	210	228	174	909	822
Mississippi Central	417	353	406	302	494	378	281	372	349	618
Nashville, Chattanooga & St. L.	3,503	3,476	3,437	4,121	3,829	3,564	3,444	3,234	4,035	3,849
Norfolk Southern	1,230	1,117	1,121	1,815	1,844	1,295	1,181	1,144	1,896	1,631
Piedmont Northern	488	403	396	1,773	1,385	444	448	400	1,786	1,355
Richmond, Fred. & Potomac	480	421	469	7,314	8,081	506	469	337	7,739	7,987
Seaboard Air Line	11,147	8,952	9,073	8,512	7,909	11,671	9,591	9,236	8,233	8,111
Southern System	27,785	25,592	24,994	24,687	22,454	28,178	24,692	24,423	24,643	22,281
Tennessee Central	776	663	747	863	860	722	582	492	878	808
Winston-Salem Southbound	158	150	143	1,096	989	183	132	160	1,051	1,166
Total	131,957	118,860	124,733	106,161	105,275	133,715	112,369	120,919	106,950	100,999
Northwestern District—										
Chicago & North Western	21,259	19,839	21,075	15,378	15,219	20,984	19,791	20,282	16,051	15,652
Chicago Great Western	2,276	2,663	2,590	3,791	3,422	2,319	2,605	2,479	3,992	3,435
Chicago, Milw., St. P. & Pac.	24,536	22,803	22,905	11,527	10,680	24,480	21,679	22,615	12,110	10,637
Chicago, St. Paul, Minn. & Omaha	4,199	3,889	3,711	4,659	4,533	4,063	3,811	3,507	4,936	4,640
Duluth, Missabe & Iron Range	24,091	23,871	26,957	326	584	22,056	25,067	26,111	329	551
Duluth, South Shore & Atlantic	706	1,905	918	647	533	970	857	743	566	537
Elgin, Joliet & Eastern	8,865	7,786	9,408	9,209	8,140	8,809	7,358	9,063	9,945	8,181
Ft. Dodge, Des Moines & South	534	452	423	140	93	583	461	434	143	121
Great Northern	25,160	24,780	26,461	7,513	6,415	27,304	24,434	24,221	6,893	6,453
Green Bay & Western	590	509	599	856	843	647	552	600	979	893
Lake Superior & Ishpeming	2,161	2,735	1,935	49	73	1,915	2,146	1,673	47	46
Minneapolis & St. Louis	2,251	2,458	2,399	2,772	2,529	2,265	2,321	1,860	2,966	2,726
Minn., St. Paul & S. S. M.	9,301	8,324	7,799	3,955	3,455	9,399	8,366	7,332	4,022	3,135
Northern Pacific	14,335	13,451	13,976	5,223	4,871	14,746	13,549	13,921	5,394	5,038
Spokane International	245	160	196	652	351	220	153	226	532	299
Spokane, Portland & Seattle	2,956	2,141	2,918	3,257	2,924	2,727	2,030	2,347	2,959	2,366
Total	143,465	137,766	144,270	69,954	64,665	144,087	135,180	137,414	71,864	64,710
Central Western District—										
Atch., Top. & Santa Fe System	26,418	25,199	25,527	13,536	12,355	25,668	24,564	24,937	12,986	11,566
Alton	3,381	3,038	3,792	3,476	3,488	3,278	3,258	3,275	3,597	3,409
Bingham & Garfield	328	304	334	72	99	297	232	441	87	72
Chicago, Burlington & Quincy	21,980	20,166	21,634	12,837	12,153	22,460	20,116	20,267	13,334	11,572
Chicago & Illinois Midland	2,792	3,233	2,983	672	769	3,379	3,152	2,892	627	816
Chicago, Rock Island & Pacific	13,256	12,452	13,208	13,211	12,261	13,657	12,162	12,779	13,648	11,910
Chicago & Eastern Illinois	2,980	2,748	3,057	3,792	3,281	3,242	2,729	2,871	3,635	3,116
Colorado & Southern	779	897	885	1,861	2,144	746	896	889	2,078	2,116
Denver & Rio Grande Western	4,549	4,730	5,503	5,592	6,134	4,670	4,372	5,225	6,013	5,638
Denver & Salt Lake	1,109	637	966	82	59	1,006	843	948	61	65
Fort Worth & Denver City	1,138	972	923	1,581	1,587	1,168	802	896	1,660	1,668
Illinois Terminal	1,851	2,139	2,197	2,130	1,945	*1,851	1,956	2,196	*2,130	1,829
Missouri-Illinois	1,579	1,237	1,443	577	645	1,509	1,193	1,258	505	481
Nevada Northern	1,620	1,415	1,590	153	91	1,550	1,399	1,606	168	113
North Western Pacific	1,115	1,046	1,334	587	802	1,051	1,196	1,392	620	710
Peoria & Pekin Union	10	4	1	0	0	36	1	17	0	0
Southern Pacific (Pacific)	33,881	31,914	35,847	10,845	12,352	32,568	30,802	33,767	10,696	13,096
Toledo, Peoria & Western	§	231	268	§	1,742	§	§	257	§	§
Union Pacific System	19,775	18,043	21,241	17,235	16,761	20,326	19,316	20,984	16,973	17,134
Utah	850	709	530	10	7	753	760	421	3	35
Western Pacific	2,184	2,580	2,375	3,959	4,377	2,115	2,058	2,447	4,200	4,471
Total	141,575	133,894	145,638	92,208	93,052	141,330	131,812	139,764	93,021	89,817
Southwestern District—										
Burlington-Rock Island	241	394	718	426	383	299	347	726	538	427
Gulf Coast Lines	3,461	3,715	4,974	2,589	2,032	3,458	3,017	5,079	2,495	2,192
International-Great Northern	2,263	2,535	2,563	2,753	3,316	2,039	2,414	2,520	2,844	2,944
‡K. O. & G.-M. V.-O. C.-A.-A.	1,378	1,517	1,159	1,600	1,916	1,231	1,112	1,073	1,689	1,710
Kansas City Southern	3,354	2,268	5,315	2,814	2,636	3,110	2,315	4,736	2,645	2,743
Louisiana & Arkansas	2,445	2,829	3,613	2,208	2,205	2,395	2,505	3,766	2,250	2,240
Litchfield & Madison	367	427	296	1,351	1,267	397	362	300	1,486	1,183
Missouri & Arkansas	§	183	151	§	329	§	180	149	§	319
Missouri-Kansas-Texas Lines	5,661	5,322	5,844	4,306	3,820	5,456	5,054	6,270	4,533	3,782
Missouri Pacific	17,089	16,851	8,516	14,504	15,515	17,194	16,391	17,778	15,257	15,520
Quanah Acme & Pacific	148	134	93	244	242	139	103	62	223	314
St. Louis-San Francisco	9,982	9,557	10,652	8,243	8,013	10,003	9,320	9,831	8,464	7,349
St. Louis-Southwestern	2,973	2,646	3,539	5,243	4,763	3,304	2,534	3,349	5,192	4,534
Texas & New Orleans	8,793	8,151	10,424	5,672	5,149	8,943	7,235	10,893	5,049	5,466
Texas & Pacific	4,750	4,752	5,638	6,290	6,625	4,546	3,873	5,396	6,452	6,022
Wichita Falls & Southern	90	80	80	49	60	89	63	84	54	51
Weatherford M. W. & N. W.	44	16	31	9	23	19	30	36	10	27
Total	63,039	61,377	73,606	58,301	58,294	62,622	56,860	72,048	59,181	56,823

*Previous week's figure. †Included in Atlantic Coast Line RR. ‡Includes Kansas, Oklahoma & Gulf Ry., Midland Valley Ry., and Oklahoma City-Ada-Atoka Ry. §Strike.

NOTE—Previous year's figures revised.

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite during the week ended Oct. 5, 1946, as estimated by the United States Bureau of Mines, was 12,120,000 net tons, a decrease of 555,000 tons, or 4.4%, from the preceding week. Output in the week ended Oct. 6, 1945, amounted to 8,168,000 tons. During the calendar year through Oct. 5, 1946, the cumulative production of soft coal was approximately 401,871,000 net tons, which was a decrease of 10.2% when compared with the 447,406,000 tons produced in the comparable period of 1945 through Oct. 6.

Production of Pennsylvania anthracite for the week ended Oct. 5, 1946, as estimated by the Bureau of Mines, was 1,250,000 tons, a decrease of 14,000 tons (1.1%) from the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 88,000 tons, or 7.6%. 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 showed a decrease of 16,800 tons when compared with the output for the week ended Sept. 28, 1946; but was 55,500 tons more than for the corresponding week of 1945.

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

Bituminous coal and lignite—	Week Ended Oct. 5, 1946	*Sept. 28, 1946	Oct. 6, 1945	Jan. 1 to Date †Oct. 5, 1946	Oct. 6, 1945
Total, including mine fuel	12,120,000	12,675,000	8,168,000	401,871,000	447,406,000
Daily average	2,020,000	2,113,000	1,361,000	1,727,000	1,905,000

*Revised. †Subject to current adjustment.

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

Penn Anthracite—	Week Ended ‡Oct. 5, 1946	§Sept. 28, 1946	Oct. 6, 1945	Calendar Year to Date Oct. 5, 1946	Oct. 6, 1945	Oct. 9, 1937
*Total incl. coll. fuel	1,250,000	1,264,000	1,162,000	46,239,000	42,235,000	39,209,000
†Commercial produc.	1,202,000	1,215,000	1,117,000	44,456,000	40,609,000	37,249,000
Beehive Coke—						
United States total	97,900	114,700	42,400	3,118,200	4,360,400	2,700,800

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

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

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

State—	Week Ended Sept. 28, 1946	Sept. 21, 1946	Sept. 29, 1945
Alabama	384,000	372,000	399,000
Alaska	7,000	7,000	5,000
Arkansas	37,000	32,000	28,000
Colorado	153,000	145,000	155,000
Georgia and North Carolina	1,000	*	*
Illinois	1,422,000	1,374,000	1,447,000
Indiana	556,000	539,000	475,000
Iowa	25,000	30,000	37,000
Kansas and Missouri	125,000	137,000	104,000
Kentucky—Eastern	1,195,000	1,208,000	1,005,000
Kentucky—Western	402,000	420,000	357,000
Maryland	43,000	30,000	37,000
Michigan	2,000	1,000	3,000
Montana (bituminous and lignite)	82,000	92,000	84,000
New Mexico	30,000	28,000	30,000
North and South Dakota (lignite)	66,000	68,000	60,000
Ohio	709,000	770,000	700,000
Oklahoma	49,000	44,000	47,000
Pennsylvania (bituminous)	3,102,000	3,090,000	2,235,000
Tennessee	126,000	130,000	138,000
Texas (bituminous and lignite)	2,000	1,000	2,000
Utah	145,000	158,000	129,000
Virginia	369,000	362,000	376,000
Washington	30,000	25,000	28,000
†West Virginia—Southern	2,403,000	2,310,000	2,138,000
‡West Virginia—Northern	1,024,000	890,000	830,000
Wyoming	186,000	187,000	203,000
§Other Western States	*	*	*
Total bituminous and lignite	12,675,000	12,450,000	11,052,000

†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.

Latest Summary of Copper Statistics

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

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE
(In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production *Crude	Refined	Deliveries to Customers †Domestic	Export	‡Refined Stocks End of Period	Stock Increase (+) or Decreases (—) §Blister	Refined
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,417	— 16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	—48,671	— 67,208
Year 1942	1,152,344	1,135,708	1,635,236	----	65,309	+16,636	— 10,255
Year 1943	1,194,699	1,206,871	1,643,677	----	52,121	—12,172	— 13,188
Year 1944	1,056,180	1,098,788	1,636,295	----	66,780	—42,608	+ 14,659
Year 1945	841,667	843,113	1,517,842	----	76,512	— 1,446	+ 9,732
9 Mos., 1946	426,696	373,480	852,929	909	98,619	+53,216	+ 22,107
Jan., 1945	73,754	67,726	145,904	----	59,715	+ 6,028	— 7,065
Feb., 1945	67,496	69,950	172,585	----	57,142	— 2,454	— 2,573
Mar., 1945	76,537	76,395	218,488	----	51,861	+ 142	— 5,281
Apr., 1945	74,392	75,436	161,111	----	55,453	— 1,044	+ 3,592
May, 1945	74,469	85,319	139,203	----	63,841	—10,850	+ 8,388
June, 1945	72,271	74,377	94,031	----	70,738	— 2,106	+ 6,897
July, 1945	72,855	72,995	88,661	----	76,166	— 140	+ 5,428
Aug., 1945	68,253	69,127	86,840	----	80,316	— 874	+ 4,150
Sept., 1945	64,091	45,145	83,478	----	68,675	+18,946	— 11,641
Oct., 1945	69,322	70,363	104,104	----	73,913	— 1,041	+ 5,238
Nov., 1945	65,586	70,218	119,973	----	74,425	— 4,632	+ 512
Dec., 1945	62,641	66,062	103,464	----	76,512	— 3,421	+ 2,087
Jan., 1946	58,178	69,008	115,601	----	72,799	—10,830	— 3,713
Feb., 1946	41,667	49,923	86,089	909	74,339	— 8,256	+ 1,540
Mar., 1946	41,832	20,139	58,590	----	70,249	+21,693	— 4,090
Apr., 1946	29,280	18,989	75,756	----	65,448	+10,291	— 4,801
May, 1946	31,897	20,551	93,647	----	75,754	+11,346	+ 10,306
June, 1946	32,785	23,870	95,267	----	79,145	+ 8,915	+ 3,391
July, 1946	56,906	43,606	96,826	----	101,183	+13,300	+ 22,038
Aug., 1946	64,209	59,591	118,814	----	94,669	+ 4,618	— 6,514
Aug., 1946	64,462	59,591	118,814	----	94,669	+ 4,871	— 6,514
Sept., 1946	69,689	67,803	112,339	----	98,619	+ 1,886	+ 3,950

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

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

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

§Computed by difference between mine and refined production.

NOTE—Statistics for the months of July and August, 1946, have been revised.

Weekly Lumber Shipments Again Exceeds Production

According to the National Lumber Manufacturers Association, lumber shipments of 409 mills reporting to the National Lumber Trade Barometer were 1.2% above production for the week ending Oct. 5, 1946. In the same week new orders of these mills were 1.4% below production. Unfilled order files of the reporting mills, amounted to 62% of stocks. For reporting softwood mills, unfilled orders are equivalent to 25 days' production at the current rate, and gross stocks are equivalent to 39 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 1.3%; orders by 0.2%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 3.0% above; shipments were 6.7% above; orders were 3.5% above.

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 1946—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
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
Oct. 5	223,117	172,354	619,581	100	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.

Items About Banks and Trust Companies

(Continued from page 1993)

Willett, for 30 years President of the bank who announced his retirement in his letter of resignation which took effect immediately. The bank was established in 1916 and at the time of the last audit, total assets were shown at $8,900,000. The first move in the policy of expanding the services provided by the bank was the opening of its doors to all types of commercial business. The Bank for Savings had, for thirty years, engaged exclusively in savings banking.

Capital of the Hillcrest State Bank of University Park Dallas, Tex., has been increased from $100,000 to $200,000 and the surplus from $100,000 to $250,000, Cooper E. Wyatt, President, announced on Sept. 21, it was reported in the Dallas "Times Herald" of Sept. 22, which added:

"Election of Marc Anthony and Ben E. Mitchell to the board of directors of the bank was also announced by Mr. Wyatt."

Chester Albritton and W. H. Leatherwood have been appointed Vice-Presidents of the Correspondent Bank Division of the First National Bank in Dallas, Tex., it was announced on Sept. 11 by E. L. Flippen, President. The Dallas "Times Herald," in reporting this, said that the appointments were made at the regular meeting of the board of directors on Sept. 10. From the same paper it is also learned that Mr. Albritton began his banking career as bookkeeper in a Jacksonville, Tex., bank, was later Cashier of the American National Bank of Amarillo, and on March 1, 1945, became Vice-President of a Houston bank. Mr. Leatherwood has been in continuous employment with the First National since 1916. He advanced from Assistant Cashier and from Assistant Vice-President to his present position.

Bank of America's total deposits of the Bank of America National Trust & Savings Association of San Francisco as of Sept. 30, 1946, stood at $5,280,000,000, as compared with $5,238,000,000 on June 30, it is announced. This figure is approximately $550,000,000 in excess of that reported for the next largest bank, according to the Bank of America whose loans and discounts outstanding on Sept. 30 totaled $1,481,000,000, compared with $1,198,000,000 on June 30. Total resources amounted to $5,629,000,000 compared with $5,554,000,000 on June 30.

Joseph F. Sartori, 87 Chairman of the Board of the Security-First National Bank of Los Angeles Cal. and pioneer financier of the West Coast, died on Oct. 6. He was 87 years of age. In the Los Angeles "Times" of Oct. 7 it was stated:

"Regarded the dean of Los Angeles bankers, Mr. Sartori, who came west in 1887 because he believed California a land of opportunity, had incorporated that faith in its future into the efforts which helped build the bank into the nation's ninth largest.

"He was elected board chairman of the Security-First National Bank in 1934, when he retired from the Presidency. He had held the latter post since 1929. At that time the First National Bank and the Security Trust & Savings Bank, of which he had been President since 1895, were combined, Mr. Sartori becoming head of the merged institution."

Arch W. Anderson, Chairman of the board of directors of the California Bank, at Los Angeles, died of a heart attack on Sept. 14 at his summer home at Long Beach, Calif. He was 69 years of age. According to the Los Angeles "Times," Mr. Anderson held directorships in the Southern California Edison Co., Ltd., the Los Angeles Community Welfare Federation, the Association of Reserve City Bankers and the Stock Exchange Club. He was also a Trustee of the Equitable Life Insurance Co. of Iowa, President and Director of the Union Security Co. of Los Angeles, Treasurer and Trustee of the University of Southern California and a member of the Clearing House Committee of the Los Angeles Clearing House.

Among his previous banking activities, Mr. Anderson had been Secretary-Cashier of the Federal Reserve Bank of Kansas City, Mo. In the Los Angeles "Times" it was also stated:

In 1919 he came to Los Angeles. Two years later he became associated with the First National Bank of Los Angeles, later the Security-First National Bank, as a Vice-President. For nine years he remained in that post.

He left California in 1930 to become Vice-President of the Continental-Illinois National Bank & Trust Co. of Chicago, in charge of all the bank's business west of the Mississippi. In March, 1939, he was offered the Presidency of the California Bank. His acceptance brought him back to the Southland. Six years later he was elected Chairman of the Board of Directors.

H. D. Ivey, President of the Citizens National Trust & Savings Bank of Los Angeles, Calif., has announced that the board of directors approved the following new appointments: F. M. Kauffman, Junior Vice-President, Business Development Department; C. E. Wheeler, Junior Vice-President, Business Development Department, and John R. Christie, Junior Vice-President, Public Relations and Advertising Department.

Dwight K. Tripp, who has been associated with the San Francisco Bank, San Francisco, Calif., since 1938, was on Sept. 3 elected a Vice-President, it was stated in the San Francisco "Chronicle" of Sept. 4.

The United States National Bank of Portland, Oregon, announced that it leads all Oregon banks in loans and discounts as well as in deposits and resources in its report to the Comptroller of the Currency as of Sept. 30. Loans and discounts now total $103,026,107, an increase of $20,037,850 in the three-month period since the June 29 call. In the period since the June 30, 1945, call, this item has more than doubled, showing a gain of $56,130,750. Total resources now stand at $591,887,040 which is $20,965,927 more than reported in the June 29 call. Deposits total $552,781,208, an increase of $19,074,433 in the same period. The United States National Bank, of which E. C. Sammons is President, recently added its 31st unit when it purchased the Bank of Bend, located in Central Oregon's industrial and agricultural center. Sumner Deitrick, former President of the Bank of Bend, is manager of the United States National's new Bend branch and C. B. Hoogner is assistant manager.

The appointment on Oct. 2 of C. Henri Labbe, as Assistant Cashier and loan officer of the First National Bank of Portland, Ore. was reported in the Portland "Oregonian." Mr. Labbe, the advices also point out, joined the bank after his graduation from Stamford University, in 1935.

Action elevating Scott S. Corbett and Charles F. Anderson as Oregon Mutual Savings Bank of Portland, as Vice-Presidents was announced on Sept. 7 by George F. Brice, President. Mr. Corbett was also elected to the bank's board of directors. According to the Portland "Oregonian" of Sept. 8, Mr. Anderson, who had been an Assistant Vice-President, was a State Bank Examiner for ten years prior to joining the Oregon Mutual staff in 1943. Mr. Corbett has been associated with the Brice Mortgage Company in Portland. Prior to joining the Brice firm he was active in Portland real estate business for 16 years.

The National Bank of Commerce of Seattle, Wash., reported that its loans and discounts were by far the largest on record and its non-government deposits at an all-time peak on Sept. 30. The loan total was $81,795,807, an increase of more than 30% during the third quarter. Total deposits rose more than $2,000,000 in the three months to $382,146,107, despite a reduction of 16 millions in United States government deposits. Liquid assets amounted to $310,619,388, and capital funds were increased by nearly $1,000,000. Total resources were $401,339,545 on Sept. 30. The National Bank of Commerce has 27 offices serving 23 communities throughout Western and Central Washington.

Election of Carl L. Phillips to the newly created office of first Vice-President of the National Bank of Commerce of Seattle was announced on Sept. 26 by Andrew Price, President. Mr. Phillips has been a member of the Commerce organization since 1912 and a Vice-President since 1937. Mr. Price also announced after a meeting of the board of directors that four senior Vice-Presidencies have been cerated. Designated to serve in these new positions were Ira W. Bedle, Herbert Whitherspoon, Homer L. Boyd, and Arthur W. Faragher. Each has been a Vice-President of the bank for many years. Mr. Phillips started in the bank as a messenger, and has been with the Commerce organization during his entire business career. He was elected an Assistant Cashier in 1925 and an Assistant Vice-President in 1930, serving as a loaning officer in the Main Office. His first important management assignment came in 1933 when he was elected manager of the Bremerton (Wash.) Branch. He was promoted to Vice-President and made manager of the Central Branch in Seattle in 1937. When operations of the Main Office were separated from administrative functions of the Head Office last January, Mr. Phillips was elevated to manager of the Main Office. He is a graduate of the A. I. B. and of its graduate school at Rutgers University, both conducted by the American Bankers Association. He is a past President and life member of the Seattle Chapter of the A. I. B. and was a member of the national executive council from 1930 to 1933.

Advancement of J. L. (Jack) Platt to manager of the Main Office of the National Bank of Commerce was announced on Oct. 4 by President Price. Mr. Platt has been associated with the Commerce organization since becoming a messenger in 1904. He succeeds Mr. Phillips, who was manager of the Main Office until his election to the newly created office of First Vice-President. A Vice-President since January, 1939, Mr. Platt was elected an Assistant Cashier in 1921 and Cashier in 1928. Mr. Platt is a graduate of the American Institute of Banking and past President of the Seattle Chapter of the A. I. B.

The transactions of the Bank of India, Ltd., for six months ended June 30, 1946, have resulted in a profit (subject to taxation) of Rs.35.44.914-1-4. To this amount has been added Rs.12.03.471-11-2 brought forward from the last account, making a total of Rs.47.48.385-12-6. The advices in the matter from London, Sept. 3, also stated:

"This sum the directors have disposed of as follows: In payment of an interim dividend at the rate of 11% per annum (Rs.2-12-0 per share), free of income tax on the paid-up capital of Rupees, 1.49.01.700 for the half year ended June 30, 1946, which absorbs Rs.8.18.965: carried forward to the next half year, Rs.39.29.420-12-6 subject to taxation."

Standing Committees Of N. Y. Bankers Ass'n

Appointments of personnel to the six standing committees of the New York State Bankers Association for 1946-1947 were announced in New York on Oct. 14 by Chester R. Dewey, President. Mr. Dewey also is President of the Grace National Bank, New York City. The committees follow:

Chester R. Dewey

Committee on Bank Management and Research: Chairman, Theodore Rokahr, Vice-President and Treasurer, First Bank and Trust Co., Utica; E. W. Miller, Vice-President, Manufacturers and Traders Trust Co., Buffalo; Stanley A. Neilson, President, Bank of Gowanda, Gowanda; Donald E. Hunt, Assistant Cashier, First National Bank, Binghamton; Karl M. Haendle, Secretary and Comptroller, First Trust and Deposit Company, Syracuse; J. Raymond Roos, Vice-President and Cashier, National Commercial Bank and Trust Company, Albany; I. Burke Surdam, President, Peoples First National Bank, Hoosick Falls; Harlan H. Griswold, Vice-President, Central National Bank, Yonkers; Kenneth E. Greene, President, First National Bank, Montgomery; Paul E. Prosswimmer, President, Jamaica National Bank, Jaimaica; Walter G. Vogel, Assistant Vice-President, Irving Trust Company, New York City.

Committee on Legislation: Chairman, Frederic E. Worden, President, National Bank of Auburn, Auburn; Walter W. Schneckenburger, Vice-President, Marine Trust Company, Buffalo; Bernard E. Finucane, President, Security Trust Company, Rochester; Burr P. Cleveland, President, First National Bank, Cortland; Laurence G. Magner,, President, Schenectady Trust Company, Schenectady; Andrew Wilson, Jr., President, County Trust Company, White Plains; James K. Ryan, President, Great Neck Trust Company, Great Neck; Irving Reynolds, Vice-President; Chase National Bank, New York City; Henry Theis, Vice-President, Guaranty Trust Company, New York City; Joseph A. Broderick, President, East River Savings Bank, New York City; Bernard A. Gray, President, Northern New York Trust Company, Watertown.

Committee on Agriculture: Chairman, Lester D. Hays, Cashier, First National Bank, Sidney; Charles N. Hunt, Director of Agriculture Loan Service, Citizens National Bank, Springville; David N. Russell, Agricultural Representative National Bank of Geneva, Geneva; H. Fred Guhring, Executive Vice-President, Citizens First National Bank, Frankfort; George J. Sluyter, President, First National Bank, Herkimer; Paul J. Conway, Field Representative, First National Bank, Canajoharie; C. W. Thomas, Vice-President, Tompkins County Trust Company, Trumansburg; Ivan C. Warren, Field Representative for Agriculture, Wallkill National Bank, Wallkill; John C. Stark, President, Suffolk County National Bank, Riverhead.

Committee on Public Relations: Chairman, William H. Kniffin, President, Bank of Rockville Centre Trust Company, Rockville Centre; G. Whitney Bowen, President, Stewart National Bank, Livonia; Frank Van Iderstyne, President, St. Lawrence County National Bank, Canton; De Banks M. Henward, Vice-President, Syracuse Trust Company, Syracuse; Harold M. J. Lewis, Assistant Vice-President, Manufacturers National Bank, Troy; James E. Igo, President, Columbus Trust Company, Newburgh; Ralph G. Wills, Vice-President and Treasurer, Bronxville Trust Company, Bronxville, and Aurie I. Johnson, Vice-President, First Trust and Deposit Company, Syracuse.

Committee on County Organization: Chairman, Thomas H. M. Hathaway, Vice-President and Secretary, Hudson River Trust Company, Hudson; George M. Senn, President, Evans National Bank, Angola; Kenneth Alexander, Cashier, Baldwins Bank of Penn Yan, Penn Yan; George B. Morse, Cashier, National Bank of Stamford, Stamford; Donald S. Day, Vice-President, First National Exchange Bank, Clayton; E. W. Stearns, Jr., Vice-President and Cashier, Scarsdale National Bank and Trust Company, Scarsdale; Edward A. Nash, Vice-President, Garden City Bank and Trust Company, Garden City.

Convention Committee: Chairman, C. George Niebank, President, Bank of Jamestown, Jamestown; Harley F. Drollinger, Vice-President, Manufacturers and Traders Trust Company, Buffalo; Elmer B. Milliman, President, Central Trust Company, Rochester; William E. Hollands, President, Steuben Trust Company, Hornell; Arthur M. Roberts, Vice-President, Herkimer County Trust Company, Little Falls; Fred F. Fisk, President, Farmers National Bank, Malone; Joseph J. Grubs, President and Secretary, Sullivan County Trust Company, Monticello; Louis Auperin, Vice-President and Cashier, First National Bank and Trust Company, Amityville; Harold Van Kleeck, Vice-President, Chase National Bank, New York City, and John W. Remington, Vice-President, Lincoln Rochester Trust Company, Rochester.

For Military Training

Universal military training was again advocated by Maj. Gen. Lewis B. Hershey during an address at the 68th annual conference of the National Guard Association, according to Associated Press advices of Sept. 18 from Buffalo. Asserting that "this nation will not provide a regular army large enough to make America strong," Gen. Hershey declared that in order to supplement it "plans have been made for a National Guard three times its prewar size." He added: "Until it has 600,000 trained men ready to defend America on a moment's notice we cannot feel secure." General Hershey went on to say that the recruitment of a National Guard of 600,000 would not be possible without some form of universal military training "to provide the basic training and to provide the incentive for service in the National Guard."

Baker Leaves OPA

Announcement was made on Oct. 10 of the resignation of Geoffrey Baker, Deputy Administrator for price of the Office of Price Administration. Mr. Baker, whose resignation becomes effective Oct. 18, is joining Nestle's Milk Products, Inc., of New York City. The special dispatch from Washington to the New York "Times" added that C. Dean McNeal, director of the Food Price Division, will succeed Mr. Baker, and Milton Quint will have Mr. McNeal's post.