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Byrnes Reports on Peace Conference

Secretary of State, in radio address, says much was accomplished despite disagreements. Says proposed treaties with Axis statelites were compromises. In dealings with Russia, upholds a firm but patient attitude and decries criticism we have been too soft or too tough. Strenuously denies Russia's charge we were enriched by war and that we desire to make "hand-outs" to European peoples in order to enslave them. Asserts we are firmly and irrevocably committed to principle of right of every people to organize their economy and will defend freedom everywhere. Concludes that regardless of Russia's attitude war is not inevitable.

Secretary of State James F. Byrnes, on Oct. 18 spoke to the people over the radio, explaining the problems of the Paris Peace Conference and outlining in considerable detail our foreign policy and our firm but patient attitude toward Russia. The text of the complete address follows:

James F. Byrnes

It is now fifteen months since a decision was reached at Potsdam to set up the Council of Foreign Ministers to start preparatory work on the peace treaty for Italy, Bulgaria, Rumania, Hungary and Finland. Those months have been hard, difficult months.

At the Council of Foreign Ministers and at the Paris Peace Conference your representatives were a united and harmonious delgation acting under the guidance and instructions of the President of the United States.

The difficult tasks were unmeasurably lightened by the splendid work and cooperation of my associates, Senator Connally, Democratic chairman of the Foreign Relations Committee, and Senator Vandenberg, spokesman for the Republican party in foreign affairs.

In the conference we have represented no political parties. We have been united in representing the United States.

After every great war the victorious Allies have found it difficult to adjust their differences in the making of peace. Even be-

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Profit Motive for Workers Can Correct Production Lag

By J. F. LINCOLN
President, Lincoln Electric Co.

Mr. Lincoln asserts present labor situation represents "glorified leaf-raking" — that is, full employment without adequate production. Holds shortages can be eliminated by providing workingman with profit motive. States the benefits of incentive plan technique, with the removal of ceilings on workers' earnings, are shared by stockholder, worker, and customer through reduced prices.

The country has high-level employment. Wage rates are high in dollars. The Golden Age for the working man has arrived — and nobody is very happy about it, least of all the workingman.

J. F. Lincoln

What the country is experiencing is glorified leaf-raking, similar to the relief employment provided during WPA days. We have employment, but we are not producing the things we must have for a high standard of living. This time, however, there are few who question that it takes productive employment, not just leaf-raking, to create real wealth. Even the leaders of the labor unions are coming to agree, but they insist upon having their own way before urg-

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As We See It

EDITORIAL

Accelerated Decontrol

The authorities in Washington have at length seen a political light, and have accordingly begun what is described as an accelerated program of decontrol. They have obviously come to the conclusion that a great many voters in this country "have had enough." It might be interesting to trace the course of the economic reasoning by which the conclusion was reached only a short time ago that all this multitude of price controls were absolutely essential but by which it is now found that they are unessential and in the way of progress. At least it would be interesting if any really serious attempt had been made or was being made to "explain" such an about face or even to rationalize it. But little or nothing of this sort has been attempted, and it is about as well that it has not, since no amount of sophistry could even half conceal the fact that all this is "politics," pure and simple.

It would likewise be interesting to learn how it comes about that a President and an Administration which, according to their own repeated testimony, on one day had been robbed by Congress of any power to do anything about the OPA and its works, finds on the next day ample power to do anything they desire. But this, too, is not regarded by the authorities to be of any great importance. They do not even make any mention of it at all now—and it is about as well since it was largely a sham in any event. The really important fact about this aspect of the matter is that the President, for all practical purposes, has the power to turn the OPA on or off at will—as his recent action fully demonstrates. And since this is true we have here an instance when it is quite proper and quite wise to look a gift horse carefully in the mouth.

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The Outlook for World Trade

By PHILIP D. REED*
Chairman of Board, General Electric Company

Prominent industrialist stresses importance of foreign trade to our expanding economy, and asserts elimination of obstacles and barriers would enlarge our trading area, our employment and our living standards. Points out foreign trade is two-way street and favors reduced tariffs for larger imports. Expresses strong opposition to foreign state monopolies, in view of our need for imported raw materials. Says we should advertise advantages of American economic system abroad and keep the Nation strong, economically and militarily, while standing firm against Russian communistic propaganda.

Not long ago, I was discussing the foreign situation and the outlook for world trade with a group of my business friends. Some of the questions and comments ran about as follows:

Philip D. Reed

"What can the rest of the world offer to us, the greatest economic power on earth? Are there real honest-to-goodness profit opportunities in foreign trade? Or is our concern about peace treaties, reciprocal trade agreements and the United Nations essentially negative, essentially defensive, in that we fear another war may be in the making if we fail to help out with loans and food and by sending a few astute chaps like Jimmie Byrnes to Paris to see that the other big countries don't run off with the show?"

And continuing, they said:

"It certainly is clear that Russia wants a lot of countries to adopt her single party totalitarian system. So what, provided we hold on to ours? And it's clear, too, that even in countries where the Communists aren't in control, like Britain and Western Europe, many important industries have been nationalized since V-J Day and will be operated by their governments without competition. We think that's very foolish and is bound to result in backsliding industries with poorer products and, unless they are subsidized in one

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*An address by Mr. Reed before the 280th Meeting of the National Industrial Conference Board, New York City, Sept. 26, 1946.

GENERAL CONTENTS

*These items appeared in "Chronicle" of Oct. 21, on pages indicated.

From Washington Ahead of the News

By CARLISLE BARGERON

It is significant of what is apparently going to happen on Nov. 5 that the so-called Liberals are already singing their Swan Song and planning for the future. They figure they are through, temporarily, indeed, with Truman's throwing over of controls. It is a fact, too, that the historians looking back over these times, will record that at least something was due to Mr. Truman: That reluctantly or not, he bungled the country back into the Free Enterprise system.

Carlisle Bargeron

So many of us have for so long been crying for this, that it is amazing we are not singing Mr. Truman's praises instead of condemning him for his bungling. There was never a greater bungler than Roosevelt the Great. The difference is that he bungled us into the wrong way.

But getting back to the "Liberals," without controls they are sunk and they have come to be quite prepared for Nov. 5. That they believe they are to be out but temporarily, though, is without doubt, and of some importance to our future. They do not intend to remain out. They figure we are in for a boom and bust, that they will return in the latter period and remain forevermore. What they want to come about, they most surely will try to bring about.

They are looking for history to repeat itself, this time more quickly.

After World War I, we had a boom, then a depression and then came the roaring 20's. There was a tremendous political reaction after the war, they recall. But coincident with the economic upturn, there came to Congress in 1922, some 22 members who were to become known as the Sons of the Wild Jackass, and who down over the years, raised delightful political cain. In the heydey of our prosperity, they enjoyed quite a

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Let Us Not Forget!

"We never did have enough tungsten, manganese, chromium, bauxite and many other essential metals and minerals for our needs. Today we haven't even got enough copper, lead, zinc, high grade iron ore. We are compelled to import these and many other items in large quantities. Heretofore the emphasis in our foreign trade has been on exports; the time is probably not far distant when the emphasis will be on imports. . . .

William L. Clayton

"Before the war we produced about 50,000,000 to 60,000,000 tons of steel. Now it's about 80,000,000. That means we must import more chrome, more manganese, more tungsten, more high-grade iron ore. We need more of all these things. We are no longer anywhere near self-sufficient.

"We need more bauxite because our aluminum production has gone up. Take copper. Today we must import it in large quantities to meet our domestic needs. We will be importing it from this time on out. Copper people tell us our reserves are good only for the next 25 to 30 years. We're in a bad fix with zinc and lead also."

—WILLIAM L. CLAYTON.

There have been times of late—many of them—when it appeared that Washington officials had not the slightest acquaintance with such facts as these.

Obviously we must in justice to ourselves cease to regard ourselves as Santa Claus for the remainder of the world.

We must likewise bear in mind upon all occasions that we must always "have access" to many raw materials of foreign origin.

Industrial Activity to September 15 Reported by Federal Reserve Board

"Production and employment at factories continued to expand in August," according to the summary of general business and financial conditions in the United States, based upon statistics for August and the first half of September, issued on Sept. 28 by the Board of Governors of the Federal Reserve System.

"The value of retail trade reached new record levels, reflecting partly further advances in prices for goods," said the Board, which added that "in the early part of September prices of agricultural commodities were reduced considerably by Federal action." The Board's announcement of Sept. 28 continued:

Industrial Production

"Industrial production rose further in August to a new peacetime peak and, according to the Board's seasonally adjusted index, the level of output was 176% of the 1935-39 average as compared with 172 in July.

"Production of durable manufactures continued to gain, reflecting further advances in output of metals and metal products. Activity at steel mills averaged 88% of capacity in August as compared with 85% in July and operations in September have been maintained at about the August rate. Output of copper continued to advance in August and exceeded the pre-strike rate in January. Activity in the machinery and automobile industries increased in August. Output of passenger cars rose 10% and trucks, 13%; production of trucks totaled 105,500 units, which was the highest monthly rate on record.

"Production of nondurable goods as a group advanced in August to the same level as in June, 162% of the 1935-39 average, after a large decline in July, due chiefly to vacations in the textile, leather, paper and tobacco products industries. Output of paperboard rose in August to a level slightly above the previous peak and continued at about this rate during the first three weeks of September. Federally inspected meat production in August, after allowance for seasonal changes, was 16% below the high July rate and a sharp further curtailment occurred in September. Output of flour and bakery products showed further large gains in August, reflecting improved wheat supplies. Production of most other nondurable goods increased slightly from July to August.

"Minerals production declined 2% in August, reflecting slight decreases in output of coal and crude petroleum. Output of metals showed little change.

Construction

"Value of construction contracts awarded, as reported by the F. W. Dodge Corp., declined somewhat further in August, reflecting a drop of one-fourth in nonresidential building awards. Residential building awards increased slightly in August following large decreases in June and July. Value of new construction activity continued to rise in August, but preliminary figures indicate that activity showed little change in September.

Employment

"Nonagricultural employment increased by about 550,000 from July to August to a level more than 1½ million above August 1945. Over 300,000 workers were added in manufacturing, and employment in most other industries continued to increase. The number of persons unemployed declined by 230,000 in August.

Distribution

"Department store sales in August reached a new high of 289% of the 1935-39 average as compared with 273 in July and an average level of 254 in the first half of the year, according to the Board's seasonally adjusted index. Sales during the first three weeks of September continued at a high level. Value of department store inventories, after allowing for seasonal changes, increased from 222% of the 1935-39 average at the end of July to 225% at the end of August.

"Freight carloadings continued to rise in August and, after allowing for seasonal changes, were at the highest level since the early part of 1945. Increased shipments of coal, coke, forest products and miscellaneous freight more than offset declines in other classes.

Commodity Prices

"Prices of livestock and meats were reduced sharply at the beginning of September by the reestablishment of Federal price ceilings over these commodities. Reflecting mainly that action, the general index of wholesale prices declined 4% from the middle of August to the latter part of September, following an advance of 13% in the preceding six weeks after the lapse of Federal price control. Prices of dairy products and some other agricultural and industrial commodities have advanced further in recent weeks.

Agriculture

"Crop production this year is expected to be slightly larger than the previous record reached in 1942 despite the small cotton crop and reduced output of oil-bearing crops. This is the second season of a small cotton crop and stocks have been reduced considerably from the high levels existing from 1938 to 1945, but the carryover on Aug. 1 was still substantially larger than the average levels prevailing in earlier years. The feed supply situation is expected to be improved this season because of the larger feed crops as well as the reduced number of livestock on farms. Total output of fruits and vegetables is indicated to be substantially greater than last season and larger than in any previous year.

Bank Credit

"Treasury withdrawals from its deposits at banks to retire public debt, together with an increase in currency in circulation, in August and early September, resulted in moderate pressure on member bank reserves and banks sold short-term government securities to the Reserve Banks. In the first half of September deposits of businesses and individuals increased considerably and required reserves rose by about $200,000,000. There was some decline in the following week, largely the result of income tax payments.

"Commerial and industrial loans at member banks in 101 leading cities showed a further sharp increase during August and the first three weeks of September and have risen by about $1.5 billion since June. Real estate and consumer loans also continued to increase. Loans for purchasing and carrying securities declined by over $500,000,000. Holdings of Treasury certificates declined by about $2 billion, reflecting primarily Treasury debt retirement operations, while holdings of Government bonds increased slightly further.

Security Prices

"Prices of common stocks declined sharply during the first three weeks of September. Bond yields rose somewhat in August and September, while short-term interest rates showed little change."

Coffee & Sugar Exch. Reopened for Trading In Coffee Futures — OPA Removes Curbs

After a period of enforced inactivity, Vice-President John C. Gardner (acting President) of the New York Coffee and Sugar Exchange, formally reopened the Exchange on Oct. 21 for trading in coffee futures, signalizing this by welcoming the members back to the floor.

At a special meeting of the Board of Managers of the Exchange on Oct. 17, a resolution was adopted, stating that:

"Whereas, on Oct. 17, 1946, by order of the Office of Price Administration, restrictions limiting the free trading in coffee were lifted,

"Be It Resolved, that trading in Coffee Contract A (basis 4) and Coffee Contract D (described Santos No. 4 Contract) beginning with December 1946 delivery be resumed at 10:30 a.m. on Monday, Oct. 21, 1946."

In his remarks to the members incident to the reopening of the Exchange, Mr. Gardner said in part:

"For 64 years (except for temporary closing in periods of national emergency) this Exchange has performed an important and useful economic role in the production, processing and marketing of coffee; and for more than 32 years it has proved its worth to the producers and consumers of sugar. We have come to regard our quotations as symbols of a free market, which means free enterprise, and free men acting according to the dictates of their own judgment in a free society; for in no other kind of society do free markets exist.

"Let us therefore be cn guard to preserve the free market. It is all too easy to feed upon the pap offered by bureaucracy and the paternalistic 'do-gooders' who offer what may at times appear to be the easy way, the pleasant way. But if we yield to the temptation of subsidies, fixed prices, guaranteed margins, divided markets, and all the other bait in whatever guise presented, we will ultimately find our muscles flabby and without the strength to resist the enslavement which must be inevitably follow.

"Our sugar ring is still silent. We hope that the recent marked trend of public sentiment and especially the events of the past few days have hastened the time when sugar trading can be resumed. We are working toward that end. However, let that silent ring be a constant reminder that the battle for free markets is not yet fully won; and that there are still grandiose plans afoot for extending indefinitely on an international scale many of the agricultural controls foisted upon us during recent years under the guise of wartime necessity.

"The members of this Exchange, then, can best serve their own interests and the interests of their fellow citizens by continuing the fight for the complete restoration of a free market in both coffee and sugar—our market, operating in a free economy, functioning smoothly and without external hindrance in the movement of millions of tons of sugar and millions of bags of coffee from producer to consumer."

Mr. Gardner added:

"I consider it a happy coincidence that on the day we reopen the Exchange the members will elect as its President, to fill the office left vacant by the resignation of Mr. Silence, a man who has served them well in the past and has done much to make this reopening possible, Chandler A. Mackey."

Mr. Mackey followed with the remark that:

"The coffee industry of the United States is now in the hands of coffee men. The charter of the New York Coffee and Sugar Exchange, Inc. states that one of its purposes is to provide a market place for the purchase and sale of coffee. When you hear the sound of this gavel the Exchange will once again be serving the coffee industry. It gives me a great deal of pleasure to sound this gavel."

As a step towards the resumption of coffee trading on the New York Coffee and Sugar Exchange, Inc. the Board of Managers at a meeting on Sept. 4 instructed its Coffee Committee to explore with the Office of Price Administration, Washington, the possibility of securing an amendment which would provide prospective buyers and sellers on the Exchange with benefits equivalent to those granted the Trade under Amendment No. 16. The necessity for this, said advices from the Exchange on Sept. 4, was occasioned by the fact that the Office of Price Administration when issuing Amendment No. 16 failed to amend that portion of the original order which governed Exchange operations.

Wallace Deputy Gov. Home Loan Bank System

The appointment of Frederick Earl Wallace, Commissioner of Banks of Massachusetts, as Deputy Governor of the Federal Home Loan Bank System, was announced on Oct. 7 by Harold Lee, Governor of the System. In his new post Mr. Wallace will direct the supervisory and examination functions of the Federal Home Loan Bank System, in connection with the 1,473 Federal savings and loan associations now in operation and the 1,018 State-chartered associations whose investors' accounts are insured through the Federal Savings and Loan Insurance Corporation. Mr. Wallace is a resident of Wakefield, Mass. Born in Easton, Pa., he began his career as a banking and home financing executive by service with financial institutions in Boston, including the First National Bank. For a year he represented that bank in Buenos Aires. During the early '20s he was successively Chief Bank Examiner and special assistant to the Massachusetts Commissioner of Banks. Later he became Vice-President of the Webster and Atlas National Bank of Boston. In 1944 he accepted appointment as State Commissioner of Banks, with the task of effecting a reorganizatioin of the Department of Banking.

H. H. Pease President Mach. Tool Builders' Assn.

Herbert H. Pease, President of the New Britain-Gridley Machine Division, the New Britain Machine Co., New Britain, Conn., was on Oct 9 elected President of the National Machine Tool Builders' Association at the Association's Annual Meeting held at the Chateau Frontenac, Quebec. Alexander G. Bryant, Vice President of the Cleereman Machine Tool Co., Chicago, was elected first Vice-President and L. D. McDonald, Vice-President of the Warner & Swasey Co., Cleveland, Second Vice-President. Louis Polk, President of the Sheffield Corporation, Dayton, was elected Treasurer. H. L. Tigges, Vice-President and Sales Manager of Baker Brothers, Inc., Toledo, Mr. McDonald, and Mr. Polk were elected directors of the Association. Tell Berna continues as General Manager of the Association and Mrs. Frida F. Selbert as Secretary.

Wants American Agriculture Unregimented

J. A. Higgons, Jr., Executive of National Association of Commodity Exchanges, asks Congress to study World food situation with view to preventing displacement of American free markets in commodities by international controls. Sees drift towards collectivization of agriculture on Soviet model.

With food supplies lower than during wartime and the future of American agriculture threatened by "world pools," the National Association of Commodity Exchanges and Allied Trades, Inc., through its executive vice-president, J. A. Higgons, Jr., on Oct. 13 urged a thorough Congressional study of international proposals involving regimentation of our agriculture on a world-wide scale and allocation of food supplies on an international minimum-standard basis.

Mr. Higgons' action was taken in the form of a letter to John W. Flannagan, Jr., Chairman of the House Committee on Agriculture. The committee is making a study of the world food situation and its implications on American agriculture.

"Concerted efforts are being made by persons in high Government circles to supplant our time-tested American methods of agricultural distribution by a world-wide totalitarian system, having for its goal the collectivization of agriculture on the Soviet model," the letter declared. "The activities of these proponents of a communistic economy for America have progressed from insidious, behind-the-scenes furtherance of their schemes to open, official advocacy—whether authorized or unauthorized—of their concepts.

"The goal of this effort seems to be to displace American free markets in commodities with Government controls on an international scope. This would require controls even more drastic than those imposed by our Government during wartime and now extending into the postwar period. It would mean an end to free markets in this country. It would obviously involve a material lowering of the American postwar standard of living. It would also involve more drastic regimentation of the American farmer than ever before envisioned."

The letter cited utterances by Fiorello H. LaGuardia, Director General of UNRRA, Henry A. Wallace, former Secretary of Commerce, and Howard R. Tolley, Director of the Division of Economics and Statistics of the United Nations Food and Agricultural Organization, as proclaiming American support of the plan. It declared that if they spoke with authority, "American institutions are in imminent peril," and if they did not speak with authority, "their pronouncements should be promptly and vigorously repudiated."

Mr. Higgons, in making public the letter to Mr. Flannagan, pointed out that the threat to our domestic agriculture is being heightened by a situation with international ramifications in other commodity trades. "International controls and behind-the-scene agreements with regard to various commodities moving in international trade are having a disastrous effect not only in trade in those commodities but on agriculture as a whole," he said. "There is no doubt that, if continued, they will cause irreparable injury to our agriculture."

"The great dangers of these international controls were emphasized by the House Committee on Postwar Economic Policy and Planning, in a report last spring, which said in its conclusions: 'In general, the solution for restoring and expanding international trade should be found, not in perpetuation or adaptation of wartime controls, but in the elimination or reduction of governmental barriers to private international trade throughout the world.'"

"Wartime controls," the Association's letter to the committee chairman said, "were accepted on the basis of patriotism; while the new controls are being urged on the basis of humanitarianism. "They are being urged," he added, "in the face of the failure of the Government's methods, employed since the war's end, to achieve their ostensible objective of relieving the world food shortage. This matter must ultimately and inevitably come before the Congress if the advocates of those plans are to obtain final authority for their consummation. It is vital to our whole economy that the plans be thoroughly exposed and understood before any such attempt is made on the plea of emergency."

Mr. Higgons said that his association not only spoke for leading commodity exchanges and representatives of the commodity trades but also represented the views of "the vast majority of farmers, processors, distributors, bankers, brokers, commission merchants, warehousemen, insurance men and others who would suffer directly by the elimination of our free markets and the substitution of a totalitarian economy."

The letter said that the FAO program was being developed "with little open discussion or public knowledge of its implications. Although the American people have been told little about it and, apparently, no official approval has been given by the United States Government, various individuals in high official places have presumed to speak for this country in proclaiming American support," it added.

An address by Mr. LaGuardia before the FAO in Copenhagen on Sept. 5 was cited. In this address, Mr. LaGuardia was quoted as laying bare what he alleged were "the failures of the present system of distributing food" and pleading with FAO "to discard a system in which one country has abundance and another is in need." Mr. LaGuardia was also quoted as declaring that "it is no use saying we are not going to interfere with free exchange and free sales" and as suggesting a plan of national and world health standards fixing the surplus as the quantities needed for minimum health.

The letter also quoted from an article by Mr. Tolley in a Department of Commerce publication, outlining the FAO plans for a "world machinery" to "ensure that sufficient food is produced and distributed to bring the consumption of all people up to a health standard." Under this plan, nutritional "targets" for the various countries are set up, and a comparison is shown of prewar consumption of food supplies in the various countries and the additional amounts that would be provided for deficit countries.

"Underlying all of these utterances is an obvious manifestation of wide bureaucratic opposition to free enterprise and an effort not only to continue but to extend totalitarian methods adopted under the guise of wartime emergencies," said Mr. Higgons. "Under this plan the judgment of persons who are experienced in commodity fields is supplanted by that of the bureaucrats. The machinery whereby the prices of commodities have been established for many years would be scrapped for a system of remote control.

"The commodity exchanges and trades are prepared and eager to play their full part in the humanitarian efforts of this country to relieve hunger abroad. But they, in common with all lovers of freedom and democracy, maintain that this aim can best be accomplished in the American way."

Death of Mrs. A. G. Dana

The death occurred on Oct. 14 of Mrs. Arnold Guyot Dana, whose husband was formerly for many years associated with the "Commercial and Financial Chronicle" in an official and editorial capacity. Mrs. Dana died at her home in New Haven, Conn. where Mr. Dana has resided for some 25 years. As noted in the Brooklyn "Eagle" of Oct. 15, Mrs. Dana, [Grace Newton Dana] the daughter of the late Albro J. Newton, was born in Brooklyn and lived for 50 years on Brooklyn Heights. She attended Packer Collegiate Institute and Mrs. Platt's School in Utica, later studying in Dresden. She was a musician and for many years the Schumann Club of Brooklyn met weekly at her home. Other clubs in Brooklyn in which she was interested included Mrs. Field's Literary Club and the Twentieth Century Club.

In locating in New Haven, Mrs. Dana became a member of the Connecticut Society of the Colonial Dames, the Fortnightly Club, the Music Club and Our Society.

Besides her husband, who was a son of the late Professor James Dwight Dana of Yale, said the "Eagle," Mrs. Dana is survived by two daughters, Mrs. Thomas D. Hewitt of Greenwich and Mrs. Philip H. English of New Haven; a son, Albro N. Dana of Providence; a brother, William L. Newton of Greenwich; a sister Mrs. Eugene S. Graves of Providence; six grandchildren and one great-granddaughter.

Mr. Arnold G. Dana was also a nephew of the late William B. Dana, founder, editor and publisher of the "Chronicle."

Fletcher Leaves CED

The resignation of C. Scott Fletcher as Executive Director of the Committee for Economic Development was announced on Oct. 21 by its Chairman, Paul G. Hoffman. Mr. Fletcher has been elected President of Encyclopaedia Britannica Films, Inc., with offices in Chicago, and assumed his new duties at once. He will be associated with CED as a trustee and as a member of its Research and Policy Committee, Mr. Hoffman said.

Under Mr. Fletcher's leadership, the CED report of Oct. 21, added, more than 2,900 local CEDs were formed in the three years prior to V-J Day. After serving first as director of the CED field development program, Mr. Fletcher later became executive director and continued in that capacity until he resigned.

In his new position, Mr. Fletcher plans a large scale program of expansion and intensification of all of the visual educational activities of Encyclopaedia Britannica Films. He succeeds E. H. Powell as President, the latter, who also is President of Encyclopaedia Britannica, becoming Chairman of the board of the films corporation. Prior to World War II Mr. Fletcher was general Sales Manager of the Studebaker Corporation. He went with CED in 1942 as a wartime service and has now returned to private business.

The State of Trade

Total industrial production continued to hold close to the peace-time peaks the past week. Such important weekly business barometers as steel ingot output, electric power production and coal and crude oil output all reflected a slightly higher trend, and thus in effect, partly offset modest declines in other industries. Production as in past months, was frequently limited by the available supply of raw materials and components, parts and by shortages of skilled labor.

For the the third straight week continued claims for unemployment compensation veered downward, being 1.4% lower in the week ended Oct. 5, while the upward trend in initial unemployment claims which jumped 20% was largely the result of the sharp increase reported in Pennsylvania.

In the automotive industry production of cars and trucks in the United States and Canada last week totaled 89,687 units, making for a slight gain over the previous week's revised figure of 86,330 units, according to Ward's Automotive Reports. In reviewing the materials situation with respect to car output, reports in some quarters state that steel continues to be the main obstacle to increased production and in refutation, "The Iron Age," in its summary of the steel trade for last week had the following to say:

"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."

The stock market last week altered its downward course following the President's decontrol speech and registered the largest single day's gains since the outbreak of war in September, 1939. The cotton market in the same week, following a three day break which started on Wednesday and ended on Friday, saw cotton decline approximately $30 a bale, with losses attributed to one operator estimated at about $5,000,000. It was reported that it was this same speculator whose distress selling on the New York and New Orleans Cotton Exchanges broke those markets and forced all cotton exchanges in the country to close on Saturday to permit time for lifting the load of distress cotton off the market. It was likewise reported that hundreds of small and large speculators who had paid up to 39 cents a pound for cotton were wiped out in the break.

With the lifting of meat controls, both wholesale and retail, meat prices dropped sharply as growing consumer resistance to inflated meat prices made itself felt. Steer beef was down as much as $10 per hundred pounds and cow beef as much as $14 from Friday's wholesale prices in packer branch houses. C. F. House, market news analyst for the United States Department of Agriculture, reported that trading on Monday at the wholesale level was very slow because consumer resistance to high prices last week resulted in many retailers carrying over supplies. For the first time in many weeks, House said, there was a "normal to liberal supply" of all meat except beef and pork in the wholesale market. Last Friday witnessed the heaviest shipment of livestock to move this year into the stockyards of Chicago with additional meat promised for the current week.

"Demand for bank credit continues phenomenal," states "Business Week" magazine in its current issue, adding, "there is more than a suspicion that a big hunk of the money is going into inventories. The latest report on Federal Reserve members' commercial loans shows an unprecedented jump of $217,000,000 in the week ended Oct. 9. The headlong rise that started in the last week of June has raised loans by $1,750,000,000. The total, which long since outdistanced all past records, now stands at $9,381,000,000." Consumer borrowing should be watched, along with bank loans, the magazine warns, for any indication that too much of our prosperity might be based on credit.

The increase in retail volume during the week was moderate with total volume at a level well above that of the corresponding week a year ago. The supply of many goods rose fractionally with some of the largest increases reported in the durable goods line. A rising interest in home furnishings was reflected in much of the current demand for furniture, appliances, curtains and bedding.

Wholesale volume rose for the sixth successive week ending last Wednesday and it continued to be well above that of the corresponding week a year ago. Increased supplies of durable goods attracted many buyers. Order volume remained high, but deliveries generally, were unimproved.

Steel Industry—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 was apparent last week that the Administration would eliminate price controls as rapidly as possible, according to "The Iron Age," national metalworking paper.

The steel industry was proceeding last week on its price adjustment request on the basis that OPA controls will remain in effect. 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, "The Iron Age" states. 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, the magazine points out, pricing policies of individual steel companies in the event of a rapid lifting of controls are expected to reflect a conservative attitude.

It was disclosed the past week that many large building projects have been dropped because of the high cost of materials. One rail-

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As We See It

(Continued from first page)

Pre-Election, Post-Election

It has happened more than once in our history, it happened more than once during the Roosevelt Administration, that broad concessions were made to public demand prior to important elections and repealed or in some other way rendered null and void almost as soon as the vote had been counted. It could happen again. We still have a government by men—perhaps we should say by a man—and not by law. So long as this is true we are dependent upon the turn of mind of a single individual, or at the very most a very few individuals, for the conditions under which we must live and earn our bread. Such a state of affairs is particularly burdensome to the businessman—and in one sense at least all of us are businessmen—who must daily plan for the future, often for months and even years ahead.

It has been repeatedly noted that a substantial part of the vagaries of the markets during the interlude last summer when there was no OPA is to be attributed to uncertainty as the whether, when and in what form the OPA or some equivalent of it would return to plague us. It is probably true that the same degree of uncertainty does not exist today, but certainly he would be naive who accepted as a foregone conclusion the notion that the presently proclaimed "decontrol" movement will continue unabated after the elections until no emergency controls are left. We venture the opinion that what happens in these particulars after the voting will turn in large part upon what appears to be the trend of popular opinion or political expediency — and that, of course, is a difficult thing to foresee.

A Return to Government by Law

What we need, and what we must have in this country, is not merely a "voluntary" program of decontrol by the President subject to reversal by him at his own discretion. It is nothing short of an end to the power of the President to do any of this controlling or other interfering with business and with the personal lives of us all. We must, in fine, end this government by emergency, which President Roosevelt brought into being and to which he clung so tenaciously as long as he lived, and which his successor apparently is as determined to prolong to the utmost. Until some such consummation is reached we shall always be harried either with undue, perhaps wholly unexpected, and certainly unwarranted control measures, or threats of them. We are now promised a "decontrol program" — something we have been on occasion promised in the past, but which did not long endure. That is definitely not enough.

There are several types of arrangements by which the Chief Executive holds on to all these vast war and emergency powers. The rank and file of the people of this country must see to it at the coming election that both the President and the new Congress are put on notice that an end must be put to each and every one of them. The President by simple proclamation could, of course, yield up many of these powers irrevocably. Such authority by statue ceases when this, or that "emergency" is past as determined by Congressional action or by Presidential proclamation. The fact of the matter is that these "emergencies"—so far as they ever actually existed — have long ago passed into history. The President should long ago have recognized this fact with a formal proclamation. He has not done so, and the fact that he has not, and apparently has no intention of doing so now despite recent changes in attitude, strongly indicates that the voters must take a hand in the proceedings next month.

Another Procedure

There is another class of special powers held by the President which in part at least could be shed by the Chief Executive irrevocably at his own discretion. They are powers which have been vested in him "for the duration of hostilities," for the "duration of the war," or some other similar designation. Precisely what is necessary to terminate some of these powers may be a subject about which the lawyers could argue endlessly, but, for our part, we should like to see the President issue a proclamation asserting that so far as such powers are concerned, hostilities had ceased and the war come to an end. For all practical purposes, this should suffice, we should suppose. Whether or not it would be technically possible for the President to resuscitate these powers at some later date, we should expect him to find it difficult as a practical matter to do so.

But Congress is not without its own responsibility in all this. War or emergency statutes had conferred a number of important powers upon the President to expire on June 30 last or at some other date which arrived during the past year or two. In very nearly all these cases Congress quietly, without any serious effort to call the attention of the public to what was being done, continued these powers in effect for some other stated period—sometimes, although not always, subject to prior termination by Presidential proclamation or joint resolution of Congress. Now is the time for the voters to make it crystal clear that they expect their representatives in Washington to bring a prompt end to this kind of business. Not one of these laws ought to be renewed again — and the voters can see to it that they are not.

Only by such thorough steps as these can a situation be created in which business can go forward with its task of making it possible for us all to live a more abundant life.

Truman Names Research Board

President Truman on Oct. 17 established a new board to correlate government activities in the field of science. Known as the Presidential Research Board, the group will be in effect an administrative substitute for the National Science Foundation upon which the last Congress failed to take action. Named by the President to head the new board is Reconversion Director John R. Steelman. Besides Mr. Steelman, according to Associated Press Washington advices, the 12 members include:

The Secretary of Agriculture, Secretary of Commerce, Secretary of the Interior, Secretary of Navy, Secretary of War, Federal Loan Administrator, Federal Security Administrator, Federal Works Administrator, Chairman of the Federal Communications Commission, Chairman of the Tennessee Valley Authority, Chairman of the National Advisory Committee for Aeronautics and director of the Office of Scientific Research and Development."

Mr. Truman specified that the work of the new Board would be: "To insure that the scientific personnel, training and reaerch facilities of the nation are used most effectively in the national interest." In his Executive Order the President added:

"National security and the development of the domestic economy depend upon the extension of fundamental scientific knowledge and the application of basic principles to the development of new techniques and processes.

"The nation has a vast reservoir of war accelerated technonogical development which must be applied speedily and effectively to the problems of peace—stepping up productivity in both industry and agriculture, creation of new farm and factory products and advancement of medical science."

Prague to Resume Interest

The City of Greater Prague has made an offer to resume interest payments on $482,000 outstanding dollar bonds of its 7½% mortgage loan of 1922, which have not been serviced since before the war. The Foreign Bondholders Protective Council, Inc., is prepared to recommend the plan, which calls for the payment of interest arrears in full over a period of nine years, ending Nov. 1, 1955. Under the Plan, the current interest rate will be reduced to 6% and the maturity will be extended to Nov. 1, 1960. Kuhn, Loeb & Co. are paying agents. On Oct. 1 of this year the Czechoslovak Government made similar arrangements for the resumption of interest payments on $1,723,300 of its first series and series B dollar bonds.

U. S. Asks Russia to Settle Lend-Lease Account

Russia has been requested by the United States to send a financial mission to Washington as soon as possible for the purpose of winding up its $11,000,000,000 lend-lease account, according to statements of informed government officials in this country on Oct. 12, the Associated Press stated in a dispatch from Washington. No reply has been received by the United States as yet to a note stated to have been sent several weeks ago pertaining to the $11,141,000,000 in lend-lease which it had furnished to the Soviet as of Dec. 31, 1945, in which period Russia's reverse lend-lease contributions totaled $2,213,000.

The American officials, who cannot be quoted but who are thoroughly familiar with economic policy, says the Associated Press in disclosing the lend-lease note, said the decision had been reached because of a desire to speed settlement of such accounts as requested by Congress. The note divorces the lend-lease discussions from the suggested negotiations for a $1,000,000,000 loan to Russia, it was reported. The Associated Press advices as given in the New York "Times" added:

Russia requested the loan nearly a year ago but has not agreed to American suggestions for agenda which would include examination of economic conditions in eastern Europe.

Further negotiations are stalled because of Soviet failure to answer a third American note on the subject sent about three months ago.

Britain and France, the only other of the Big Five nations to settle their accounts, both received American dollar credits needed to purchase surplus American property in the negotiations. No attempts were made to balance the direct and reverse lend-lease accounts on a dollar-for-dollar basis.

The officials did not know whether any sale of surplus goods to the Russians was contemplated. They indicated, however, that some deal by which the Soviet government would turn over real estate in Moscow to the United States for use by the embassy, as several other countries have done in their capitals, might be welcomed as part of the settlement.

Like most other lend-lease recipients, Russia received a credit to enable her to purchase stocks ordered but not yet delivered at the time the United States shut off lend-lease in September, 1945. It amounted to between $300,000,000 and $400,000,000.

Russia got approximately one-fourth of the $45,000,000,000 total lend-lease that the United States shipped to its allies during the war. Britain was the principal recipient with about $30,000,000,000.

English Gold and Silver Markets

We reprint below the quarterly bullion letter of Samuel Montagu & Co., London, written under date of Oct. 1.

Gold

The amount of gold held in the Issue Department of the Bank of England during the months of July, August and September, 1946, was unaltered at £247,833.

The Bank of England's buying price for gold remained unchanged at 172s 3d per fine ounce at which figure the above amount was calculated.

The Transvaal gold output for the months of June, July and August 1946 is shown below, together with the figures for the corresponding months of 1945.

	1946 Fine ounces	1945 Fine ounces
June	1,018,543	1,024,796
July	1,047,599	1,032,717
Aug.	1,014,081	978,097

The Indian Budget of Feb. 28, 1946, provided for a duty on the import of gold into India of Rs. .25 per tola, equivalent to £5 per ounce; it was announced on Aug. 12 that the duty was now reduced by 50% to Rs. 12.8.0 per tola, equal to £2.10.0 per ounce.

Silver

The official price of silver in the London Market was advanced on Aug. 6 from 44d to 54½d per ounce .999 fine. The previous rise was on Sept. 24, 1945 when there was an advance from 25½d to 44d—an increase of 18½d as compared with 11½d in the present instance.

The raising of the London price was not unexpected, following as it did the adjustment of the differences between the U. S. Senate and the House of Representatives over the price for the purchase and sale of domestic silver by the U. S. Treasury. On July 20 news was received of the passing by both Houses of a compromise Silver Bill which fixed the Treasury's buying and selling price for domestic silver at 90½ cents per fine ounce; the measure received the Presidential signature on July 31. The sterling equivalent of 90½ cents is approximately 54d per ounce.

In August, the London Market received official intimation of a relaxation of restrictions on the export of silver from the United Kingdom to India. Licenses are now being granted to export to India silver originally imported from certain approved quarters. Sales have been made to India and some substantial shipments effected. Although eligible supplies are, at present, rather limited, the development was welcomed as a step towards a return to more normal conditions.

An announcement was made by the Chancellor of the Exchequer on Sept. 26 that "in view of the high price and world shortage of silver the Government intend to introduce legislation as soon as Parliament reassembles to provide for the gradual substitution of cupro-nickel coinage for the existing silver coinage."

A bill passed in 1920 reduced the fineness of United Kingdom silver coins from 925/1000 to 500/1000 and now, under a new act, silver is to disappear from the coinage altogether. The withdrawal of silver coins from circulation will provide the Government with supplies for the repayment to the U. S. A. of a large portion of the silver obtained under lend-lease agreements and which is returnable within five years from the end of the emergency.

In the Bombay Market prices ranged between Rs. 152 per 100 tolas in July and Rs. 171.12.0 in September; the sterling equivalents are about 73d and 82 7/16d per ounce respectively (without allowing for import duty and expenses). Weakness shown in July was attributed to the uncertainty then prevailing as to the outcome of U. S. silver legislation and another factor was the approval of the American loan to Britain. A firmer tendency set in during August, following the raising of the silver price in New York and London.

The Indian Budget of Feb. 28, 1946, increased the import duty on silver to Rs. 18.12.0 per 100 tolas, equal to 9d per ounce; it was announced in New Delhi on Aug. 12 that the duty was reduced to Rs. 9.6.0 per 100 tolas, which is equivalent to 4½d per ounce.

Small Reports on Production and Urges Longer Work Week

John D. Small, Civilian Production Administrator, presenting his monthly report on civilian production at a news conference on Sept. 27, declared that a longer work week would be necessitated for many industries if a "substantial increase in over-all production" is to be achieved. Mr. Small asserted, according to advices to the New York "Times" from Washington, that the present rate of production, maintained to the end of the year, would eliminate most of the problems of reconversion. "If things continue the way they have been running the last few months," Mr. Small continued, "we are going to be very short of manpower by the end of the year." The advices to the "Times" added:

"The number of persons employed last month stood at 58,000,000 while unemployment declined by 230,000 to stand at 2,000,000, the lowest figure since December, 1945, Mr. Small reported.

"He regarded this decline coincident with virtual demobilization of the armed forces, as an indication of the rapid exhaustion by industry of the labor resources released by the ending of the war.

"Pointing out that the jobless total included unemployables, the administrator felt that reinforcement of the country's labor force could come only from women and retired individuals who had been temporary war workers and that "it was not easy to get back married women and retired people."

"With many industrial plants already operating at capacity, the report stated "increased productivity of currently employed labor is needed now to bring about higher levels of production and thus combat inflation."

"This was interpreted by Mr. Small to mean "more production per hour and more hours per week." He emphasized that this suggestion included overtime pay for the additional working time.

"The CPA's monthly report showed that with the production of basic materials at close to capacity, industrial output climbed in August to a new postwar peak.

"Building materials made "spectacular gains," with increases of from 20 to 35% in one month in the output of plumbing fixtures and other critical construction products. The production of nails, a reconversion bottleneck, climbed 18% to the highest levels so far this year.

"Almost all kinds of consumer goods showed production advances over the previous month, with the leading categories being passenger tires, up 18%. Refrigerators and sewing machines fell short of prewar production rates.

"In the textile field, the report said that cotton broad woven goods hit their highest point of the year in August, with a production rate of 183,000,000 yards a week.

"Mr. Small indicated that he anticipated a decline in shoe production during the coming months as a consequence of the decline in cattle slaughter, which deprives tanners of hides and leather."

OPA Lifts Meat Price Controls— Government Saves Millions in Subsidies

Price controls were officially ended on livestock, meat and food and feed products made from them, effective at 1:01 a.m. Oct. 15, by the Office of Price Administration, acting under orders from President Truman. Slaughter controls too were revoked, with consequent ending of quota restrictions.

In addition to the lifting of controls on meat, the President's action included abolition of government subsidy payments to the meat industry, which, according to a statement of an official of the Reconstruction Finance Corporation as reported in Washington advices of the Associated Press, will result in a saving to the Treasury of about $380,000,000. The RFC official said that of the $400,000,000 which Congress authorized for subsidies on meats only about $20,000,000 may be used for the purpose.

OPA economists have pointed out that ending of meat subsidies can be expected to result in proportionate price increases for the consumer. The Associated Press advices stated:

"Last year, the RFC official said, meat subsidies averaged between $50,000,000 and $60,000,000 monthly. He added, however, that since the payments resumed when price controls on meat were reimposed Sept. 1, subsidy claims from packers have averaged only about 20% of last year's.

"The Government subsidy program became a part of the price ceiling effort when prices were rolled back during the early days of control. The Treasury paid packers and slaughterers a few cents a pound, with the idea of allowing them to raise prices to livestock producers without corresponding increases at the butcher's block.

"The subsidies went out when price controls lapsed on June 30, but were reinstated at the former levels when price lids were reimposed.

"Under the subsidy program the actual allocation of funds was directed from the White House by John R. Steelman, President Truman's Economic Stabilizer and Reconversion Director. The funds were paid out by the RFC on the basis of statements received from slaughterers and packers, usually monthly."

In announcing the end of meat price controls OPA Administrator Paul Porter according to the same advices said that his agency "will announce as soon as practicable the specific list of commodities on which ceilings will be retained." He added that commodities not on that list will be decontrolled. His announcement noted that "price ceilings must be retained on important commodities and services where demand is still in excess of supply." As an example of items remaining under control were listed automobiles, farm equipment, household appliances, furniture, basic clothing items and building materials.

Markham Resigns

It was announced on Oct. 14 that James E. Markham, Alien Property Custodian, had submitted his resignation to President Truman, to return to private law practice. Operations of the office, the Associated Press reported from Washington, are being transferred to the Department of Justice under Executive order.

Italy Offers Statue to N. Y.

New York City has been offered a statue entitled, "Radio, Carrying the Heart of the World," by the Italian Government "as a token of friendship toward the American people," special advices from Washington to the New York "Times" stated on Oct. 11. The statue, which is now in New York, was exhibited by the Italian Government at the New York World's Fair.

U. S. Military Occupation Expenses In Germany

The American Military Government in occupied Germany has cost the United States more than $28,000,000 in wages so far, plus millions more for food and other supplies, the monthly report of Gen. Joseph T. McNarney showed on Oct. 9, it was stated in Associated Press accounts from Berlin on that day, which further reported:

"The American Commander said that $23,349,000 had been dispersed in salaries to maintain military personnel and $5,138,000 to American civilians and allied nationals working for the government.

"The dollar value of supplies shipped into Germany to support German civilians, displaced persons and civilian internees was not available.

"The following tonnages, however, were issued to German civilians to date: 1,283,865 tons of grain and food, 59,219 tons of agricultural supplies and fertilizer, 118,855 tons of petroleum and petroleum products, 9,418 tons of textiles, 8,500 vehicles and trailers and 12 complete hospitals with related supplies.

"Displaced persons have received 53,475 tons of food and civilian internees 602 tons of food.

"In addition, approximately 1,000,000 blankets and large quantities of clothing, footwear, soap, brooms and mops have been issued to displaced persons."

Truman Asks Prayers

In a letter to Wallace C. Speers, chairman of the Laymen's Movement for a Christian World, made public by Mr. Speers on Oct. 16, President Truman repeated the appeal first made to his fellow countrymen when he became Chief Executive that they pray for him. The letter, which was occasioned, according to advices to the New York "Times," by the President's endorsement of "Laymen's Sunday" on Oct. 20, read in part:

"I should like at this time to renew the appeal for a share in the prayers of my countrymen which I made when I was called upon to assume the office of President. The needs of this hour find eloquent expression in the prayer of Solomon:

"'Give therefore thy servant an understanding heart to judge thy people, that I may discern between good and bad; for who is able to judge this thy so great a people.'"

Bank of Manhattan Quarter Century Club

The fifth annual dinner of the Quarter Century Club of the Bank of the Manhattan Company of New York was held at the Waldorf-Astoria Hotel on Oct. 17. Of the 216 members who attended, 37 had completed their 25 years of service with the Bank during the past year. Frederick J. Freese, President of the club, presided. J. Stewart Baker, Chairman of the Board of the Bank, presented membership certificates and gold badges to the new members. Charles B. Hall, who has just completed 25 years with the bank, spoke for the new members; Arthur Wilbert for the 30-year members; Philip C. Monaghan for the 35-year members; William F. Hauser for the 40-year members; and William H. Reynolds for the 45-year members. Louis Waechter, Jr., of the bank's Park Avenue office, was elected President for the coming year.

From Washington Ahead of the News

(Continued from first page)

vogue and found their wild jackassing business quite profitable. Looking back, this writer thinks we enjoyed, tolerated, even encouraged them as a luxury just as we supported Texas Guinan, the speakeasies, and the million dollar prize fights. They were good clean fun.

These fellows were the forerunners of the New Deal. They paved the way for it. Then the New Deal absorbed them and by the time of the Great Roosevelt's passing, every single one of them had come to despise him. A single exception was old George Norris, who died before the Great Man.

The "Liberals" are now looking to the vogue these fellows enjoyed for their own comfort. But just as Woodrow Wilson failed in his great global ambition, and the globaloners went into eclipse, to win ultimately with Roosevelt, so they feel they will get a new and permanent lease on life. They believe this is inevitable progress. They contemplate nothing of the long period between Wilson and F. D. They believe their temporary eclipse will be only a few years, maybe two or four.

Your correspondent finds many faults in the analogy. After Nov. 5, there will be little of their ilk left in Congress: Pepper and Wayne Morse in the Senate, and scarcely an audible voice in the House. They won't have any "Progressives" in Congress around whom to rally. Pepper is the most thoroughly disliked man in the Senate, by both his colleagues and the newspaper corps. Wayne Morse is fastly moving to that unenviable estate.

There will, of course, be Henry Wallace, the editor, and Harold Ickes, the columnist. It is a commentary on Editor Wallace that he must take his ghost writer along with him to the "New Republic." Their journalistic enterprises will be nothing like having a formidable array of talent in Congress such as the Leftists did in the 20's.

Another thing, and it is quite important: The Leftists will leave us quite imbued with Fear. They have been selling us Fear for 14 years. Every time we've gotten a little confidence they've recalled the Depression and it has come to be something which influences our children who have come along after it, who never went through it, but who have heard horrible tales about it.

So having this fear, having this deep consciousness of something that happened years ago, we are likely to have a consciousness also of the Sons of the Wild Jackass, what an absurdity they were, how utterly irresponsible they were and what quacks they were and what they led to. We aren't likely to be so tolerant of their offspring, as we were of them. If we have learned our lesson of the depression, might we not have also learned it of the fantasies that come before?

In their day, we had no way of knowing how far they would go if they came to power or how dangerous they could spawn. We remember very well a favorite expression of those days, that even if Al Capone were to be elected to the Presidency he would sober up and realize his great responsibility and turn out to be a good man. It was inconceivable to us that a politician, regardless of how radical he talked on the lower rungs, would go to the White House and there seek to organize every gang in the country, political and otherwise, into a super-gang of the totalitarian State. But we've learned. That is, if we've learned anything from the depression, we must have learned from this.

There must be a shining star over us that we are being bungled back into a Free Economy. To hold onto it we had better not again laugh at the offside "movements" in Congress. We know they can become serious.

ABA Issues Manual On Loans to Veterans

To provide banks with information about all phases of the procedures involved in making guaranteed or insured loans to veterans, the Committee on Service for War Veterans of the American Bankers Association has published an operating manual entitled "Loans to War Veterans," which will be available to all ABA member banks. "While the new manual has been published to guide banks in complying with the many requirements of the law and the regulations governing veterans' loans," says the announcement in the matter, "we believe that it is essential to sound credit that the interests of the veterans be protected. The test of a good loan to a veteran is whether or not it helps him to establish himself in civilian life," asserted Chester R. Davis, Chairman of the ABA Committee, who is also Vice-President and Trust Officer of the Chicago Title & Trust Co., Chicago, Ill.

The manual describes in detail each of the eight important steps that must be taken in making a guaranteed or insured loan to a war veteran. It sets forth the responsibilities carried by the lender in servicing such loans.

The new manual, it is added is a complete treatment of the many legislative and regulatory requirements pertaining to veterans' loans. It is organized with a topical index which makes it a practical handbook for rapid across-the-desk reference, which will be useful in discussing a loan with the veteran. "While the manual appears to be written primarily for the protection of the bank," Mr. Davis said, "its chief aim is to be of service both to the bank and to the veteran. The constant emphasis it lays on sound policies and procedures is for the purpose of assuring a firm financial foundation on which the veteran might rebuild his civilian life."

Murdoch Heads Penn. Water Works Assn.

At the Golden Anniversary Meeting of the Pennsylvania Water Works Association, John H. Murdoch, Jr., Senior Counsel of the American Water Works and Electric Company, Inc., on Oct. 16 was re-elected President for the ensuing year. Mr. Murdoch has held this post since 1928. Nathan B. Jacobs of Pittsburgh, who is associated with Morris, Knowles, Inc., was re-elected First Vice-President, and W. F. O. Rosenmiller of the York Water Co., York, Pa., was re-elected Second Vice-President. Alan K. Taylor who is associated with the Brownsville Water Co., Brownsville, Pa., was elected Third Vice-President, succeeding Maj. Gen. Edward C. Shannon, deceased. E. R. Hannum of the Richland Township Water Co., Windber, Pa., was elected Secretary and Treasurer.

D. E. McWilliams, James F. McClure, Rulison Evans, W. McK. Reber and Ted A. Kain were elected members of the Executive Committee for a period of three years. George Williams was made a member of the Executive Committee to fill the unexpired term of J. N. Chester who has resigned.

NYSE Program for Foreign Share Listings

The New York Stock Exchange made public new requirements for the development, under proper safeguards, of American public investment in foreign equity securities.

"In substance," says John Haskell, Vice-President of the Exchange, in a letter to the Board of Governors, "these revisions represent an endeavor to clear the decks of any requirements of this Exchange which may restrict the development of the listing of leading foreign stocks, without sacrificing any basic principle of the Exchange's established listing policies in the interest of the general public." He recommended that they be adopted by the Board "as one step in the development of foreign listings" and the provisional requirements were accepted by the Board on Oct. 3.

Mr. Haskell furnishes the following summary of the principal items of a policy nature, contained in the new requirements as contrasted with the old ones:

"1. The old requirement that the currency of the country where the company is organized be on a gold basis is eliminated.

"2. The old requirement is continued that the Exchange would not list foreign shares where foreign government exchange restrictions prevent the free transferability into dollars of either dividends or the proceeds of sale for the account of American holders in the foreign market.

"3. While retaining the American Depositary Receipt technique as the most effective mechanical means of bridging the gap between the form and technical setup of foreign share certificates and regular New York Stock Exchange protective standards, negotiability and transferability, the new requirements do not close the door completely to listing foreign shares in the form of original certificates, provided arrangements in the particular case provide equivalent facilities to those provided through use of American Depositary Receipts.

"4. While retaining the requirement that the foreign company must be a growing concern and that the shares of small foreign companies will not be listed, the new requirements indicate that smaller companies than usually considered eligible may be accepted where their operations are of an international character or where they are associated with established United States companies. The basic consideration in the listing of shares having a broad foreign market is free interchangeability. However, many foreign governments, including Great Britain and the Argentine, have laws and regulations in effect similar to those of the United States Government applying to the securities of American communication companies which limit the total number of shares of certain industries that may be owned or voted by aliens. The proposed new requirements do not close the door to listing important issues which may have such limitations on a percentage of their stock, but instead indicate that each case will be considered in the light of the particular circumstances. This recognizes the postwar pattern of American investment abroad on a basis of partnership in local industries, rather than on the basis of 100% control.

"5. The new requirements continue as a standard for disclosure of financial statements that which is normally disclosed in listing applications and reports to stockholders of American companies. This standard would not call for the extreme amount of detail filed under the Securities Act of 1933 but even so it would represent a substantial hurdle for most foreign companies to overcome. Unless a foreign company has a pressing need for raising capital in dollars rather than in their local currency, it appears quite clear that we cannot expect many listings of the most desirable type of foreign companies until certain provisions of the Securities Acts and regulations have been modified."

Savings in Ill. & Wis. Loan Associations

A net gain of $30,324,100 in the savings invested in Illinois and Wisconsin savings, building and loan associations for the second quarter of this year was reported on Sept. 3 by A. R. Gardner, President of the Federal Home Loan Bank of Chicago. The report is based on returns from 305 associations whose accounts are insured by the Federal Savings and Loan Insurance Corporation; the FHLB's report issued Sept. 4 added:

"The Associations' ratio of new money to money withdrawn climbed from month to month during the quarter, Mr. Gardner said. In April savers put in $1.52 for every $1.00 withdrawn, whereas by June there was an inflow of $2.45 for every $1.00 withdrawn. Out of the total new money invested in insured savings and loan associations throughout the country during the second quarter, Illinois and Wisconsin institutions accounted for 15%."

Cost of Paris Conference

Peace-making is expensive business, the Foreign Office decided on Oct. 12 after toting up its ledgers, which showed that the Paris conference has cost the government $1,305,085. This is learned from United Press advices from Paris on that day. As given in the Brooklyn "Eagle" the advices also had the following to say:

"Every day the delegates have met at Luxembourg Palace for the past two and a half months the bill to the Foreign Office has been $10,170.

"That is on top of the $177,966 which the French spent in giving the Luxembourg Palace a house cleaning last Spring to remove the marks left by the Germans who used the palace as Luftwaffe headquarters during the occupation.

"Some of the money has gone for entertainment. Early in the session before the need for speed in deliberations became pressing, the Government spent $76,270 on extravagant shows and receptions at the famous opera house.

"But the big expenses have been for the actual conference deliberations. The cost of the secretariat, gendarmerie, drivers and attendants was $241,271 up to the end of September. The staff numbered 2,041."

Army to Release '45 Draftees and Misfits

A War Department announcement on Oct. 17 indicated that orders would be put into effect for the release of all remaining 1945 draftees before the end of the year, and the weeding out of "unfit" officers and enlisted men, to an extent to reduce the Army's present strength of 1,745,000 by about 435,000 men, according to advices from Washington to the "Wall Street Journal." In thus cutting the Army's strength approximately one-fourth, the demobilization is expected to save the government about $50,000,000. Although economy has been reported by some sources to be the reason for the order, the War Department stated the reason to be that the large numbers of volunteers have made it likely that the 1,300,000 men set as a limit by Congress last summer would otherwise be exceeded.

President Raises Flood Control Quota

The demands of influential Congressional Democrats displeased at retrenchments affecting their projects, resulted in President Truman's changing his economy program to the extent of granting an increase of $35,000,000 for flood-control works, on Oct. 17, according to Washington advices from the Associated Press. Instead of the $95,000,000 limit set on flood control expenditures in the current fiscal year ending June 30, $130,000,000 will be permitted, an announcement by James E. Webb, Budget Director, stated.

However, it is stated, the Administration's economy plans may not thus be materially affected since the abandonment of meat price controls have resulted in a saving to the government of approximately $380,000,000 in meat subsidies. The Associated Press added:

"But Mr. Webb indicated that a further increase in flood control allotments will be made. He also said that he and Reconversion Director John R. Steelman would act soon on proposals to increase the ceiling on reclamation projects.

Fred. Bennett Gets Comm. & Indus. Post

Appointment of Fred. Bennett, Vice-President of M. J. Corbett & Co., Inc., 8 Bridge Street, as Chairman of the Customs Service and Administration Committee of the Commerce and Industry Association of New York was announced on Oct. 7 by Thomas Jefferson Miley, Secretary of the Association. Actively engaged in foreign trade for more than 20 years, primarly in the field of shipping and customs procedure, Mr. Bennett is at present Chairman of a joint committee of foreign freight forwarders and custom house brokers for the study of relations with the Maritime Commission. He is a past President of the New York Foreign Freight Forwarders and Brokers Association. Mr. Bennett succeeds Benjamin A. Levett, customs attorney, who recently resigned after serving 27 years as head of the committee.

Name Investment Chairmen For USO Fund Campaign

Five war veterans have been named as Chairmen in the investment field for the USO's current campaign to raise $2,750,000 in New York, it was announced recently by Charles E. Saltzman, Vice-President and Secretary of the New York Stock Exchange, and Co-Chairman of the Finance and Carriers and Utilities Division of the USO's Campaign. The Chairman of the Investments Section of the campaign is Frederick M. Warburg of Kuhn, Loeb & Co., 52 William Street. Serving with Mr. Warburg, are the following heads of their respective groups in the campaign:

R. Parker Kuhn, of the First Boston Corporation, 100 Broadway, Chairman, Investment Bankers Group; Hugh Bullock, of Calvin Bullock, One Wall Street, Chairman Investment Trust Groups; Dwight Rose, of Brundage, Story & Rose, 90 Broad Street, Chairman Investment Advisers and Management Consultants Group; Oliver J. Troster, of Troster, Currie & Summers, 74 Trinity Place, Chairman Unlisted Securities Group.

The $2,750,000 New York USO campaign goal is part of the national goal of $19,000,000. This is the sum needed to carry USO through 1947, as requested by General Eisenhower and Admiral Nimitz. The budget has been sharply reduced from the war years.

United States Suspends Czech Credits: President Truman Hails Republic

The State Department on Oct. 16 halted payment of the remaining $40,000,000 of a $50,000,000 credit to Czechoslovakia extended last spring to enable her to purchase surplus American Army and Navy war property in Europe; and asked the Export-Import Bank to suspend indefinitely negotiations with the Czech Government for an additional $50,000,000 loan. This action, according to Associated Press Washington advices on Oct. 18, came as a result of Czechoslovakia angering the United States by supporting charges that America was trying to "enslave" Europe economically.

The Czech Chargé d'Affaires in Washington was informed of the United States' action in a memorandum sent Sept. 28. From the Oct. 16 Washington accounts we quote:

"Uppermost among the variety of reasons given for the action was the statement that the objectives and policies of the United States in granting such credits were misunderstood by the Czechoslovakian Government.

"This statement tied in with Czechoslovakia's record at the Paris Peace Conference. There her representatives agreed with Soviet Foreign Minister Molotov and Deputy Foreign Minister Vishinsky, who repeatedly charged the United States was attempting 'to enslave' Europe economically.

"American diplomats vigorously denied these accusations, as well as others to the effect that the United States profited while others suffered during the war.

"Another of the reasons specified by the State Department was that Czechoslovakia had negotiated with Rumania for resale of $10,000,000 in American surplus property at terms which indicated the Czech Government might profit by the deal.

"State Department officials told reporters the United States had turned thumbs down on this sale when the Czech Government asked for approval after having already negotiated the pact."

The day after announcement of the State Department's action a Foreign Office spokesman in Prague, according to United Press advices from there, denied that his government ever had charged that United States loans to Europe were intended for "imperialistic" purposes.

The same day President Truman was reported to have sent a message to the people of Czechoslovakia and their President, Eduard Benes, on the occasion of the 28th anniversary of the founding of their Republic, which the President said, according to Washington advices to the New York "Times," brought to mind "the close ties of friendship which have bound the Czechoslovak and American peoples in their common struggles against the foes of democracy and freedom."

September Retail Prices Continue Steady Upward Trend Says Fairchild Report

Retail prices in September showed the seventh consecutive monthly increase according to the Fairchild Publications' Retail Price Index. "This is the first time since the upturn following the depression that retail prices have gained for seven consecutive months," said the Fairchild report of Oct. 17, which stated that "the Index at 116.7 (Jan. 2, 1931=100) shows a gain of .6%, a new high in the life of the Index. Prices also show an increase of 2.8% as compared with the corresponding period a year ago."

The Fairchild Report added:

"Every group showed gains during the month as well as over a year ago. This is the second time since the war that all groups advanced at the same time. The greatest gains were recorded by men's apparel and infants' wear. As compared with a year ago men's apparel, women's apparel, and home furnishings showed the largest increases.

"Retail prices based on the Index, have advanced 31.3% as compared with the 1939-40 low, or before the outbreak of hostilities. If it were possible to measure quality changes in many of the items included in the Index, the advance would be still greater, probably coming closer to 45%.

"Very few individual items included in the Index remained unchanged during the month. There are a great number of items which showed marked increases during the month, including sheets and pillowcases, corsets and brassieres, women's shoes, men's hats and shoes, and infants' shoes. As compared with a year ago, greatest increases were recorded in sheets, corsets and brassieres, furs, men's underwear, shirts and neckwear, hats and caps and shoes, and infants' shoes.

"Further gains in retail prices are expected for the rest of the year and possibly for the first quarter of next year according to A. W. Zelomek, economist, under whose supervision the Index is compiled. These advances will occur even with continuation of OPA. The sharpest gains will be recorded in cotton and leather items. Women's apparel prices may soften while men's apparel prices will gain further. Some further advances in consumers' durable goods items are also indicated."

Sets UN Education Day

President Truman called on all schools and colleges in the United States "to give special consideration to the problems, plans and policies of the United Nations" on Oct. 23, the day on which the UN General Assembly convened in New York. In a proclamation, reported from Washington on Oct. 17 by the United Press, the President called educational institutions "powerful weapons against the ignorance and ill will" which result in international conflicts "which the United Nations are striving to eliminate," and urged "the heads and governing bodies of such institutions to set aside a period on or about that (Oct. 23) day for appropriate educational exercises relating to the work of the United Nations."

President Truman, in endorsing the United Nations program as promising "an important contribution to public education about the United Nations," called for the observance of the week throughout the country in a message, appearing in the New York "Times" of Oct. 21 which quoted the President as saying that "it is fitting that the American people should in this way mark the opening of the first session of the United Nations Assembly in this country."

The President added:

"Only through an increased understanding of the United Nations and a resulting support of its purposes and principles can we establish the solid foundation of peace upon which we must all place our hope for the preservation of our civilization."

The Outlook for World Trade

(Continued from first page)

way or another, higher prices. But again we say, 'So what?' Our competitive system will look all the better by comparison and we will be able to outsell our foreign competition with finer and lower priced American products."

These and similar questions and observations are in the minds and on the lips of many American business men. The answers aren't as clear and simple as one could wish, but in trying to find them it helps a great deal to have one's feet solidly placed on two or three fundamental propositions. I shall endeavor to set them out in this brief talk.

Foreign Trade Good for America

My first proposition is that foreign trade is good for America. And I don't mean negatively good. I mean positively, affirmatively good. Trade is, of course, the mutually advantageous *exchange* of products or services. It is a two-way street, not a handout. The larger the volume of trade the higher the level of employment and the more goods are available to make living pleasant and comfortable. Our own country provides the classic example of the benefits of a large trading area where goods can move freely without political or economic hindrance. Our great home market and high standard of living may be importantly attributed to the fact that forty-eight sovereign states permit the unobstructed flow of goods across their boundaries.

Had the states of the Union in the early days created tariff barriers, attempted to protect budding industries in newly developed areas, or had they sought by state line import duties to equalize differences in wage levels or living standards between sections of the country, America would be a very different and a much poorer place in which to live.

It is a matter of historical accident that our national boundaries are where they are. Had they by some circumstance included Canada on the north and Mexico on the south, our domestic trading area would be greatly expanded. And there is every reason to believe that in such event the volume of trade between those areas and our own would be far larger than it is today, with corresponding economic improvement there and here.

No Elimination of Tariff Barriers

Please do not misunderstand me. I am not advocating the elimination of tariff barriers throughout the world. Not in our lifetimes will that millenium be achieved. But what I am asserting with great earnestness is that a reduction in the stifling total of obstacles and barriers to the natural, easy flow of trade and movement of people would have the effect of enlarging our trading area, our volume of trade, our employment and our standard of living.

There are many obstacles other than tariffs to the movement of goods and people across national boundaries, and all must be vigorously attacked if we are to achieve the objective of substantially expanding our external trade. Monetary restrictions, exchange controls, import and export licenses and quotas, endless formalities and red tape encumbering the movements of products and people are just as serious and in some respects more so than tariffs.

Differences in the rules of trading between the countries of the world, particularly as regards the permissibility of so-called restrictive business agreements, are another deterrent to entering the field of foreign trade. And, of course, the very practical and as yet unanswered problems of trading between state monopolies and private enterprises are not designed to encourage even the most sophisticated foreign traders to rush in.

Closely associated with these problems is the need for establishing uniform principles and rules governing rights and responsibilities of American investors in foreign countries so that the movement of private capital to areas badly in need of industrial reconstruction or development will be facilitated.

These and other related matters are being carefully examined by our government under the leadership of the Department of State. Indeed, as Mr. Wilcox has told you, the State Department published only last week its suggested charter for an International Trade Organization. This charter is an amplification of a State Department document called the "U. S. Proposals for the Expansion of World Trade and Employment" which was issued last December and has been approved in principle by the British and the French. It will be the basis for discussion at a meeting being held next month in London under the auspices of the Economic and Social Council preparatory to the International Trade Conference which is scheduled for 1947. The State Department's proposals above referred to were considered last June by the governing body of the International Chamber of Commerce and, with the exception of certain provisions regarding commodity agreements and restrictive business agreements, were generally and heartily endorsed. I, for one, am both proud and greatly encouraged that our government is taking the lead in promoting the development and acceptance of rules for international trading which are solidly based upon private competitive enterprise.

Two-Way Trade

But let me return a moment to this matter of two-way trade. The fact is that during the past twenty-five years America hasn't received payment for a substantial part of her exports. And this has been a drain on our resources and standard of living. During the 1920's we loaned hundreds of millions of dollars abroad. These credits were used to pay for American products exported during that period. But when the loans came due a great many of them defaulted because, our imports having been substantially less than our exports, dollars were not available abroad to meet these obligations. During the 1930's we sent dollars to foreign countries in exchange for their gold which we put into the ground and did not use to buy foreign products. In this way we continued to supply our foreign customers with dollars to pay for our exports without receiving imports in exchange and so impoverished ourselves, except as gold in the ground may be regarded as contributing to our standard of living.

During World War II we exported huge quantities of goods to foreign countries, but during the war years we had the Lend-lease Act to make possible continuation of exports without receipt of imports. The wartime experience was, to be sure, exceptional and entirely justified in our own interests. However, we cannot continue indefinitely to be a sort of involuntary Santa Claus by shipping goods out of this country and in effect refusing to accept payment for them. But this is precisely what will happen unless we increase our imports and our foreign travel sufficiently to balance our foreign trade account.

We must get over the notion that imports are bad for us, that they lower our standard of living and cause unemployment. From the standpoint of the country as a whole, properly regulated imports would have exactly the reverse effect. New foreign products not produced here would stimulate new demands and create employment in the distributive and service industries. Lower priced raw materials and semi-fabricated products from abroad would reduce the cost and therefore the selling price of home produced finished goods into which they go, thus broadening the market and increasing both sales and employment. And there is no reason to assume that vigorous competition with foreign finished goods would not benefit the national economy. Indeed, there is ample evidence that it would.

We must also remember that every import means that dollars have gone abroad which must ultimately come back to this country in payment for goods or services produced here in America.

During the past six months a committee made up of representatives of all operating departments of the General Electric Company has been studying this matter of imports and tariff schedules on electrical products. On the recommendation of that committee and with the approval of the officers in charge of each of the operating departments a brief policy statement for the guidance of the entire company was adopted a few days ago. It reads as follows:

"The General Electric Company is interested in import tariffs as one influence on the free flow of world trade. We think that a larger exchange of goods and a better balance of trade among the countries of the world will contribute to a greater economic stability and be of benefit to all countries. A larger exchange of goods between the United States and other countries is essential for the maximum development of our total industry and for an increase in the over-all standard of living. A larger importation of goods into the United States from other countries is essential to bring imports more nearly into balance with our exports. This will enable us to be paid for the goods we sell and to be repaid for loans which have been made for rehabilitation of foreign countries.

Favors Reduced Tariffs

"Our country and each industry in it must take the lead in the reduction of trade barriers by proposing mutual reduction of tariffs and other barriers on specific goods to the extent that this can be done without unduly upsetting a domestic industry which is efficiently operated and whose existence in this country is essential to the preservation of our economy or national security."

From this you will see that General Electric, although 90 to 95% of its business has always been in the domestic market, believes in and will support the government's efforts to broaden our trading area by reducing the barriers to the two-way flow of goods.

You will observe that the statement speaks of *mutual* tariff reductions. This, of course, is very much a part of the over-all objective. Other countries will be expected to lower their trade barriers in consideration of our doing so, to the end that the aggregate flow of goods both into and out of the country will be substantially increased.

And so I conclude my discussion of proposition Number One as I began it—by saying that foreign trade is good for America.

Opposition to State Monopolies

My second proposition may be stated thus: The system of private competitvie enterprise would not survive, even in America, if the industries of most of the countries of the world became state monopolies.

This assertion is not based on the assumption that our system would be weakened and destroyed by the infiltration of foreign ideologies, although I have no doubt that if government ownership of industry became general throughout the world we would be subject to a great deal more foreign propaganda.

What would happen, as I see it, is this: America requires very substantial amounts of raw materials and other products from abroad—products that are either non-existent in this country or are not available in sufficient quantity to meet our needs. If we assume that foreign nationalization of industry has proceeded to the point where most of these products can be obtained by private American companies, not by purchase from private suppliers abroad but only from a single foreign government selling agency, it is clear that the trading strength or position of the buyer and seller would be seriously out of balance. If the foreign government's selling agency, having no competition, sets prices which seem exorbitant to the American buyer, the latter would have to pay the price or go without the material. In order to equalize the bargaining position, the buyers would eventually request their government to assist them in getting reasonable prices. In due course the government would become the purchaser from the foreign government—and a long step toward putting the United States Government into control of American industry would have been taken.

On the export side, the same problem would arise. Each foreign country desiring American goods would purchase them through one buyer only, and he would be the official purchasing agent of the foreign government. He would shop around among the American suppliers, playing one against the other in the familiar fashion of purchasing agents, until in self-defense the American producers would band together—under government supervision, of course—in order to bargain on reasonably equal terms with the foreign buying agent. Here, again business would soon be done by or under the direct supervision of our government.

This government participation would gradually broaden and extend itself. It has rarely been known to do otherwise, because the handling or regulation of one phase of any economic activity always seems to require that additional phases be taken over. From import-export transactions to purely domestic ones is a short step. And, under the circumstances described, it would in my judgment be an inevitable one.

These are the reasons we Americans have a very real interest in the trend toward nationalization of industry abroad. As I had occasion to say not long ago, it is perhaps the greatest paradox of our time that the economic system, which lifted the standard of living of America and many other countries to the highest levels they have ever known, is losing ground to another and far older system whose ultimate contribution throughout the centuries has been disillusionment and poverty and blood. The trend stems largely from apathy and a lack of understanding of private competitive enterprise. Here in America too large a fraction of the population has enjoyed our democratic freedoms for so many generations that they take them quite for granted and fail to recognize the significance of encroachments upon them. Too many people are convinced of the superiority and integrity of the products of American industry and yet are skeptical of the motives, decency and integrity of the very managements that produce them.

Must Advertise American Economic System

This is an indictment of American business management. We have failed to recognize that we must advertise and sell the American economic system as well as the products of that system. It is our job to explain and sell the rightness of private competitive enterprise both at home and abroad. If we don't, we shall be in very real danger of losing it.

Having observed both during and since the war years the importance which other governments, even democratic governments, attach to their foreign information service, I have become convinced that America is hiding its light under a bushel. We simply must, with government help if necessary, do a broader, more effective job of telling the world how we live and the wonderful things our way of living has brought, not to the few but to the many.

Stated more broadly, therefore, my second proposition is that America's political and economic scheme of things is importantly affected by the governmental set-up and trading methods of other countries of the world, and that we probably could not maintain multi-party representative democracy and private competitive enterprise in a predominantly totalitarian world.

Keep America Strong Economically

My third and final proposition flows from the other two. It is this: America must make and maintain herself strong, vigorous and trim as an economic as well as a military power. She must, in addition, use every decent and friendly device to sell her political and economic philosophy to other countries of the world and to keep it sold.

No one knows whether a powerful nation or group of nations under a single party totalitarian system can live peacefully in this world with other countries who fly the banner of democracy and private enterprise. That the Russian government does not think so was made clear when Joseph Stalin declared in his now famous speech of February 9, 1946, that war was "inevitable" in a capitalistic world.

We continue to hope, and many of us to believe, that Mr. Stalin is wrong in that statement. But certainly we must not close our eyes to the fact that we cannot escape trouble with Russia by running away from it. The best, indeed the only way, to prevent trouble until that happy day when the American and Russian peoples will have access to each other and will achieve mutual understanding and friendship, is to be strong and alert ourselves and to stand firmly for our way of living and the great freedoms of the Atlantic Charter. Only thus will World War II have not been fought in vain.

These, then, are the foundation stones upon which broad and busy avenues of world trade can be built. These are the highways to progress and prosperity both at home and abroad. This is the pathway to peace. Whether we shall use them well and build soundly upon them, no man can say. Much, very much, depends upon whether we Americans adhere firmly to these fundamentals during the next five years. If we do, there is good reason confidently to expect a volume of world trade hitherto undreamed of and a larger degree of healthy economic interdependence between nations, which are perhaps the greatest and most effective keepers of the peace.

Byrnes Reports on Peace Conference

(Continued from first page)

fore the fighting stopped, President Roosevelt warned us that.

"The nearer we come to vanquishing our enemies, the more we inevitably become conscious of differences among the Allies."

That was why President Roosevelt was so insistent that the United Nations should be established before the peace settlements were made.

It was inevitable that in the making of concrete peace settlements the Allies should discuss and debate the issues on which they disagree and not those on which they agree. It was also inevitable that such discussions should emphasize our differences

That is one reason I have continuously pressed to bring about agreements upon the peace settlements as rapidly as possible.

Leaving unsettled issues which should be settled, only serves to increase tension among the Allies and unrest among the peoples affected.

Must Liquidate the War

We cannot think constructively on what will or will not contribute to the building of lasting peace and rising standards of life until we liquidate the war and give the peoples of this world a chance to live again under conditions of peace.

It is difficult to deal with the problems of a convalescing world until we get the patient off the operating table.

These treaties are not written as we would write them if we had a free hand. They are not written as other governments would write them if they had a free hand. But they are, as good as we can hope to get by general agreement now or within any reasonable length of time.

Our views on reparations are different from the views of countries whose territories were laid waste by military operations and whose peoples were brought under the yoke of alien armies and alien Gestapos.

The reparation payments are heavy — excessively heavy in some cases. But their burdens should not be unbearable if the peoples on which they are laid are freed from the burden of sustaining occupying armies and are given a chance to rebuild their shattered economic lives.

For Europe with her mingled economies, there are no ideal boundary settlements.

The proposed settlement for the Trieste area was long and warmly debated. The conference approved the proposal of the Council of Foreign Ministers that this area should become a free territory under the protection of the United Nations. The conference also by a two-thirds vote made recommendations for an international statute defining the responsibilities of the United Nations in relation to the free territory. Such recommendations are an expression of world opinion and cannot be arbitrarily disregarded.

Those recommendations of the conference provide that the Governor appointed by the Security Council should have sufficient authority to maintain public order and security, to preserve the independence and integrity of the territory, and to protect the basic human rights and fundamental freedoms of all the inhabitants.

The minority proposal which was supported by the Soviet Union, Yugoslavia and other Slav countries would have made a figurehead of the United Nations Governor and would have given Yugoslavia virtual control of the customs, currency and foreign affairs of the territory. Certainly we could not agree to that. It would make the territory a protectorate of Yugoslavia and leave the United Nations powerless to prevent it becoming a battleground between warring groups. There must be no seizure of power in Trietse after this war as there was in Fiume after the last war.

The Yugoslav delegation advised the conference it would not sign the treaty recommended. My hope, however, is that after consideration Yugoslavia will realize that just as other states have made concessions she must make concessions to bring about the peace.

Although the Council of Foreign Ministers were unable to agree to any change in the Austrian-Italian frontier, the representatives of Austria and Italy at Paris were encouraged by the American delegation to reach an agreement which should help to make the South Tyrol a bond rather than a barrier between the two peoples.

It is my earnest hope that Czechoslovakia and Hungary, and Rumania and Hungary, may find by common agreement somewhat similar solutions to their complicated nationality problems on the basis of working together as friends and neighbors. We in America know that people of many different races and stocks can live together in peace in the United States. They should be able to live together in peace in Europe.

Danube Navigation

At Potsdam in the summer of 1945 President Truman stressed the importance of providing for free navigation of the great international rivers in Europe on terms of equality for the commerce of all states.

President Truman was not seeking any special advantage for the United States. He was seeking to promote peace. He was seeking to insure that these great waterways should be used to unite and not divide the people of Europe.

The delegations repreisenting the Soviet Republic and the Slav countries vigorously opposed the proposal.

The Paris conference recommended by a two-thirds vote that the treaties insure freedom of commerce on the Danube on terms of equality to all states.

I hope that when the Foreign Ministers meet we can agree upon the adoption of this recommendation.

In recent weeks much has been said about acrimonious debates and the divisions in the Paris conference. Back of those debates and divisions were real and deep differences in interest, in ideas, in experience, and even in prejudices.

Those differences cannot be dispelled or reconciled by a mere gloss of polite words. And in a democratic world those differences cannot and should not be kept from the peoples concerned.

In a democratic world statesmen must share with the people their trials as well as their triumphs.

It is better that the world should witness and learn to appraise clashes of ideas rather than clashes of arms.

If this peace is to be lasting, it must be a peoples peace.

The peoples of this world who long for peace will not be able to make their influence felt if they do not know the conflict in ideas and in interest that give rise to war, and if they do not know how the statesmen and the peoples of other countries view those conflicts.

But it is our hope that in international democracy, as in national democracy, experience will prove that appeals to reason and good faith which unite people count for more in the long run that appeals to prejudice and passion which divide people.

In a world where no sovereign state can be compelled to sign or ratify a peace treaty there is no perfect peace-making machinery. Where boundaries, colonies and reparations are involved, a peace treaty cannot be made effective unless it is satisfactory to the principal powers.

Under these circumstances the Paris conference provided as adequate an opportunity for the smaller states and ex-enemy states to express their views on the proposed treaties as it was practical to provide.

Disturbed by Soviet Attitude

The thing which disturbs me is not the lettered provisions of the treaties under discussion but the continued if not increasing tension between us and the Soviet Union.

The day I took office as Secretary of State I stated that "the supreme task of statesmanship the world over is to help them (the people of this war-ravaged earth) to understand that they can have peace and freedom only if they tolerate and respect the rights of others to opinions, feelings and ways of life which they do not and cannot share."

It is as true now as it was then that the development of sympathetic understanding between the Soviet Union and the United States is the paramount task of statesmanship.

Such understanding is necessary to make the United Nations a true community of nations.

From the Potsdam conference, which took place at the beginning of his administration, President Truman and I have worked and we shall continue to work to bring about an understanding with the Soviet government.

Two states can quickly reach an understanding if one is willing to yield to all demands. The United States is unwilling to do that. It is equally unwilling to ask it of another state.

Every understanding requires the conciliation of differences and not a yielding by one state to the arbitrary will of the other.

Until we are able to work out definite and agreed standards of conduct such as those which govern decisions within the competence of the International Court of Justice and such as those which we hope may be agreed upon for the control of atomic energy, international problems between sovereign states must be worked out by agreement between sovereign states.

But if the states are to reach such agreements they must act in good faith and in the spirit of conciliation. They must not launch false and misleading propaganda against one another.

They must not arbitrarily exercise their power of veto, preventing a return to conditions of peace and delaying economic reconstruction.

No state should assume that it has a monopoly of virtue or of wisdom. No state should ignore or veto the aggregate sentiments of mankind.

States must not unilaterally by threats, by pressures or by force disturb the established rights of other nations. Nor can they arbitrarily resist or refuse to consider changes in the relationships between states and peoples which justice, fair play and the enlightened sentiments of mankind demand.

We must cooperate to build a world order, not to sanctify the status quo, but to preserve peace and freedom based upon justice.

And we must be willing to cooperate with one another—veto or no veto—to defend, with force if necessary, the principles and purposes of the Charter of the United Nations.

Not too "Soft" or too "Tough"

Those are the policies we have pursued. In following those policies we have been criticized at times for being too "soft" and at times for being too "tough." I dislike both words. Neither accurately describes our earnest efforts to be patient but firm.

We have been criticized for being too eager to find new approaches after successive rebukes in our efforts to effectuate those policies. And we have likewise been criticized for not seeking new approaches. We will not permit the criticism to disturb us nor to influence our action.

We will continue to seek friendship with the Soviet Union and all other states on the basis of justice and the right of others, as well as ourselves, to opinions and ways of life which we do not and cannot share.

But we must retain our perspective.

We must guard against the belief that deep-rooted suspicions can be reconciled by any single act of faith.

The temple of peace must be built solidly, stone upon stone. It the stones are loosely laid, they may topple down upon us.

We must equally guard against the belief that delays or setbacks in achieving our objective make armed conflict inevitable. It is entirely possible that the failure or inability of the Soviet leaders to rid themselves of that belief lies at the very root of our difficulties. We will never be able to rid the world of that belief if we ourselves become victims to it.

For centuries devout men and women thought it was necessary to fight with one another to preserve their different religious beliefs. But through long and bitter experience they learned that the only way to protect their own religious beliefs is to respect and recognize the rights of others to their religious beliefs.

War is inevitable only if states fail to tolerate and respect the rights of other states to ways of life they cannot and do not share. That is a truth we must recognize.

Because in the immediate aftermath of war our efforts to induce nations to think in terms of peace and tolerance seem to meet with rebuff, we must not lose faith. What may be unrealizable now may be realizable when the wounds of war have had a chance to heal.

We must not lose faith, nor cease to struggle to realize our faith, because the temple of peace cannot be completely built in a month or a year.

But if the temple of peace is to be built, the idea of the inevitability of conflict must not be allowed to dominate the minds of men and tear asunder a world which God made one.

It is that idea of the inevitability of conflict that is throttling the economic recovery of Europe. It is that idea that is causing artificial tensions between states and within states.

The United States stands for freedom for all nations and friendship among all nations. We shall continue to reject the idea of exclusive alliances. We shall refuse to gang up against any state.

But we stand with all peace-loving, law-abiding states in defense of the principles of the Charter of the United Nations.

Any nation that abides by those principles can count upon the friendship and cooperation of the United States, irrespective of national difference or possible conflict of interests.

No country desires unity among the principal powers more than we or has done more to achieve it. But it must be unity founded on the charter and not unity purchased at its expense.

We deplore the tendency upon the part of the Soviet Union to regard states which are friendly to us as unfriendly to the Soviet Union and to consider as unfriendly our efforts to maintain our efforts to traditionally friendly relations with states bordering on the Soviet Union.

We deplore the talk of the encirclement of the Soviet Union. We have it from no less authority than Generalissimo Stalin himself that the Soviet Union is in no danger of encirclement.

During the war the Baltic states were taken over by the USSR. The Polish frontier and the Finnish frontier have been substantially modified in Russia's favor. Koenigsberg, Bessarabia, Bukovina and Ruthenia are to be given to her. In the Pacific the Kuriles, Port Arthur and Sakhalin have been assigned to her. Certainly the Soviet Union is not a dispossessed nation.

Supported Russia

We know the suffering and devastation which Nazi aggression brought to the Soviet Union. The American people came to the support of the Soviet Union even before the United States was attacked and entered the war. Our peoples were allies of the Soviet people during the war. And the American people in time of peace desire to live on terms of friendship, mutual helpfulness and equality with the Soviet people.

Before the Paris Peace Conference the United States spared no effort to reconcile its views on the proposed peace treaties with those of the Soviet Union. Indeed it was the Soviet Union which insisted that our views be reconciled on all questions which the Soviet Union regarded as fundamental before the Soviet Union would consent to the holding of the conference.

If, therefore, in the conference, we differed on some questions, they were not questions that were fundamental from the Soviet viewpoint.

While there were many issues which attracted little public attention on which the Soviet Union and the United States voted together, it was regrettable that on many issues which did command public attention the Soviet Union and the newly established governments in central and southeastern Europe voted consistently together against all other states.

Whatever considerations caused this close alignment of the Soviet Union and her Slav neighbors on these issues, other states were not constrained to vote as they did by any caucus or bloc action.

It requires a very imaginative geographic sense to put China or Ethiopia into a Western bloc. And it was quite evident to discerning observers at Paris that not only China and Ethiopia but Norway and France were particularly solicitous to avoid not only the fact but the suspicion of alliance with any Western bloc.

Cleavage Due to Conviction Not Design

If the voting cleavage at Paris was significant, its significance lies in the fact that the cleavage is not between the United States and the Soviet Union, or between a Western bloc and the Soviet Union. The cleavage is based upon conviction and not upon strategy or hidden design.

I should be less than frank if I did not confess my bewilderment at the motives which the Soviet delegation attributed to the United States at Paris. Not once, but many times, they charged that the United States had enriched itself during the war, and, under the guise of freedom for commerce and equality of opportunity for the trade of all nations, was now seeking to enslave Europe economically.

Coming from any states these charges would be regrettable to us. They are particularly regrettable when they are made by the Soviet government to whom we advanced more than ten billion dollars of lend-lease during the war and with whom we want to be friendly in time of peace.

The United States has never claimed the right to dictate to other countries how they should manage their own trade and commerce. We have simply urged in the interest of all peoples that no country should make trade discriminations in its relations with other countries.

On that principle the United States stands. It does not question the right of any country to debate the economic advantages or disadvantages of that principle. It does object to any government charging that the United States enriched itself during the war and desires to make "hand-outs" to European governments in order to enslave their peoples.

Long before we entered the war President Roosevelt took the dollar sign out of the war. He established Lend-Lease as the arsenal of democracy and opened that arsenal to all who fought for freedom. Europe did not pay and was not asked to pay to build or to replenish that arsenal. That was done with American labor and American resources.

The lend-lease settlements inaugurated by President Roosevelt have been faithfully and meticulously carried out by President Truman.

Wants to Assist Europe

We want to assist in European reconstruction because we believe that European prosperity will contribute to world prosperity and world peace. That is not dollar democracy. That is not imperialism. That is justice and fair play.

We in America have learned that prosperity like freedom must be shared, not on the basis of hand-outs, but on the basis of the fair and honest exchange of the products of the labor of free men and free women.

America stands for social and economic democracy at home and abroad. The principles embodied in the social and economic reforms of recent years are a part of the American heritage.

It would be strange indeed if in this imperfect world our social and economic democracy were perfect, but it might help our Soviet friends to understand us better if they realized that today our social and economic democracy is further away from the devil-take-the-hindmost philosophy of bygone days than Soviet Russia is from Czarist Russia.

Whatever political differences there may be among us, we are firmly and irrevocably committed to the principle that it is our right and the right of every people to organize their economic and political destiny through the freest possible expression of their collective will. We oppose privilege at home and abroad. We defend freedom everywhere. And in our view human freedom and human progress are inseparable.

The American people extend the hand of friendship to the people of the Soviet Union and to all other people in this war-weary world. May God grant to all of us the wisdom to seek the paths of peace.

Profit Motive For Workers Can Correct Production Lag

(Continued from first page)

ing the rank and file to buckle down.

Need Production, Not Wrangling

Do not look for a diatribe on labor unions here, however. There has been enough wrangling while the ship is sinking. The thing to do is to find a way to get the men in our factories and mines producing to their full abilities. The chief criticism against the majority of the working men, and it is a serious one, is that they either fail to recognize or are indifferent to danger from the production lag to themselves and their country. With that exception, there is some justification for their revolutionary attitude today.

There is no need to enter a maze of arguments and economic theories to find the reason for production lags. One constructive force, greater than all the destructive forces combined, can eliminate shortages of the material things of life. Bring it into play and shortages will vanish, spiraling prices will turn downward again and labor disputes will be at the minimum.

Profit for the Workingman

This powerful force I speak of is desire for advancement, profit or gain. Give the workingman the incentive to produce and production miracles will follow. That force stirs in the breast of man as surely today as it did when our forefathers built America to a great industrial power. Times and conditions have changed, but not human nature. The man working with his hands is as responsive to incentives as is the shareholder, the manager or anyone else.

Time and again the incentive pay system in effect at The Lincoln Electric Company has been cited as an example of what can be accomplished when management and labor work together as a team. For the benefit of those who have not seen this record or who have overlooked its significance, the record in brief is submitted:

An Incentive Plan in Operation

The average annual income for Lincoln factory workers is over $5,000, which makes them the highest paid group of industrial workers in the world. There has never been a strike at Lincoln Electric in its half-century history. Management is assisted in its efforts by an advisory board on which there are representatives of labor and management. There is no other worker organization in the plant. Workers are paid for what they produce, not for the amount of time they put in each day.

Because of our incentive compensation system, production of the individual worker has increased by seven times since 1933, take-home wages increased four times, dividends increased three times, people employed increased four times, prices decreased 60% and dividends have been paid continuously for over 25 years.

There is no umbrella over the company and its workers. We are in the business of manufacturing electric arc welding machines and electrodes, a field wide open to competition. Our patents are taken out simply to prevent others from hamstringing the industry. We do not use them for our own selfish advantage.

The accomplishment is due to the remarkable productivity of the Lincoln workers who produce not because there are company picnics, clean washrooms, a pleasant smile and a pat on the back from the foreman, free lunches, vitamin pills or similar inducements, but because they get paid for what they produce. There is no ceiling on their earnings and there is no changing of the rules in the middle of the game to cut down the unusual man who is able to double or triple the average income of over $5,000 annually.

A full discussion of the Lincoln Incentive System is not possible here. It is not necessary that it should be detailed here. Every business is different and each one should work out the plan best suited for the individual business. The important point to think about is that incentive pay systems are applicable to almost every business under the sun, to white collar workers as well as industrial piece-work workers and to all other people who work.

Good faith is of the first importance in establishing an incentive pay system. Workers are prone to look upon incentive pay as a speed-up plan, and they have some cause for this suspicion based on past experiences. Good faith and justice are necessary, coupled with intelligent application and an ability to make clear to the worker what his gain will be and how it can be made.

Incentive Pay Workings

An example might be cited. Assume that a hypothetical company has not enjoyed a regular earnings record, or if regular, the average over the years has been low. Now, an incentive pay system is initiated, the workers become enthusiastic, production—using the same manpower, floor space, machinery and other capital investment facilities—soars above any previous year, profits rise beyond belief. Then these greatly increased earnings should be shared between the shareholder, the worker and the customer in the form of reduced prices.

The customer is the shareholder, the worker, the manager and all the rest of us. He is the one who must be pleased. If prices of the things he buys go down, he will buy more and have a higher standard of living. He will get more for his money when every producer produces to the best of his ability.

Profit Motive for Maximum Production

It takes pay incentives to get maximum production. Substitute profit motive for pay incentive, if that term is preferred, but it still has the same meaning. It is the motive that pushed men on to build America. It made America great and can make America and the world still greater if given a chance.

Why are men blind to this glaring truth, especially so Americans, who have seen what the profit motive can accomplish for the good of mankind?

Americans are accused of stressing the material things of life. Possibly so, but no one who has seen an unhappy individual, one unable to acquire a decent home for his wife and family through no fault of his own and living in constant uncertainty, transformed to a proud man who has earned a home in a good neighborhood by the sweat of his brow and by the use of what is inside his brow can call the materialism that does that, a shallow thing. Man is willing to work for these things as well as fight for them and he deserves the chance. Just as it pays to be honest, it also pays management and stockholders to give that chance to workers.

There is nothing paternalistic about incentive pay systems. On the contrary, it is good business for employer and employees and develop the spirit of individual workers rather than pampering them.

Man has it within his power now to eliminate want from the world if he is but given something to do instead of somebody to hate. I have seen a man with avowed Communistic beliefs come into our plant, succeed in getting the material things of life by his own efforts and turn away in disgust from his former beliefs. I have seen a family ready to break up because of the worry and strain of an inadequate income become a happy unit and stable citizens when the breadwinner found employment which paid him for his full effort.

The men at the Lincoln Electric Company may be different than most other workers in their high rate of individual productivity, in their self-reliance and contentment which comes from applying their abilities and energies without stint, in their larger earnings and their certainty that they will not work themselves out of a job, but that they were just like other industrial workers before they joined the organization which gave them an opportunity for full use of latent as well as trained abilities.

Universally Applicable

These desirable conditions at Lincoln Electric are emphasized because they are possible for all workers, everywhere. Friction between management and labor, which slows down production and decreases profits for both, can be largely eliminated. The spread of foreign beliefs contrary to great American principles can be checked. The nation can prosper and set an example which the rest of the world will be anxious to follow without threat of war. These things can and will happen when the productive abilities of workers are unleashed.

An incentive pay system which has operated successfully through a depression, prosperous years, war and postwar years with all the attendant production obstacles has proven its soundness and worth. The way is clear for those who sincerely want to overcome the production lag. In taking that away, many more problems in our economy than production lags will be removed.

Subscriptions to and Allotments of Recent Treasury Ctfs. Offerings

Secretary of the Treasury Snyder announced on Sept. 30 the final subscription and allotment figures with respect to the offering of $\frac{7}{8}$% Treasury Certificates of Indebtedness of Series J-1947. Subscriptions for amounts up to and including $25,000 were allotted in full and amounted to $37,877,000.

The total subscriptions received aggregated $3,203,145,000, and total subscriptions allotted were $1,439,522,000. Certificates of Series J-1947 were offered on Sept. 18, and the offering was opened on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series H-1946, in the amount of $3,439,855,000, maturing on Oct. 1, 1946. It was stated that:

"Since it is planned to retire about $2,000,000,000 of the maturing certificates on cash, subscriptions will be received subject to allotment to all holders on an equal percentage basis, except that subscriptions in amounts up to $25,000 will be allotted in full. Cash subscriptions will not be received.

"The certificates now offered will be dated Oct. 1, 1946, and will bear interest from that date at the rate of $\frac{7}{8}$ of 1% per annum, payable with the principal at maturity on Oct. 1, 1947. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000."

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	Total Subscriptions Received —(000's	Total Subscriptions Allotted Omitted)—
Boston	$101,784	$45,458
New York	1,796,827	792,947
Philadelphia	70,503	32,075
Cleveland	159,856	72,199
Richmond	46,035	21,683
Atlanta	74,979	34,725
Chicago	376,095	171,303
St. Louis	66,484	32,286
Minneapolis	67,117	34,452
Kansas City	128,664	61,710
Dallas	61,034	28,122
San Francisco	251,389	111,509
Treasury	2,378	1,053
Total	$3,203,145	$1,439,522

The subscription books were closed at the close of business, Sept. 20, except for the receipt of subscription from holders of $25,000 or less of the maturing certificates; the books in the case of the latter class closed on Sept. 23.

On Aug. 30 the Secretary of the Treasury announced the final subscription and allotment figures with respect to the $\frac{7}{8}$% Treasury Certificates of Indebtedness of series H-1947 offered on Aug. 19. Subscriptions for amounts up to and including $25,000 were allotted in full and amounted to $39,109,000.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	Total Subscriptions Rec'd (000s	Total Subscriptions Allot. omitted)
Boston	$83,740	$47,617
New York	2,944,957	1,651,403
Philadelphia	56,269	31,965
Cleveland	95,089	54,438
Richmond	41,151	23,765
Atlanta	75,571	43,341
Chicago	299,550	170,733
St. Louis	61,128	36,082
Minneapolis	63,906	39,225
Kansas City	125,770	73,555
Dallas	54,268	31,272
San Francisco	242,444	136,627
Treasury	1,011	620
Total	$4,144,854	$2,340,643

The offering was on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series G-1946, in the amount of $4,336,327,000, which matured on Sept. 1, 1946. The Aug. 19 announcement stated that "since it is planned to retire about $2,000,000,000 of the maturing certificates on cash redemption, subscriptions will be received subject to allotment to all holders on an equal percentage basis, except that suscriptions in amounts up to $25,000 will be allotted in full. Cash subscriptions will not be received."

From the Treasury announcement of Aug. 19 we quote:

Interest on the certificates now offered will be paid with the principal at maturity, thus eliminating the need for the conventional semi-annual interest coupons. The purpose of this change, which was made after consultation with the Federal Reserve System and a number of representative holders of certificates, is to simplify the procedure and avoid the inconvenience of clipping coupons twice a year, thereby effecting an economy in clerical and accounting expenses to certificate holders, the Federal Reserve Banks and the Treasury. The certificates will be dated Sept. 1, 1946, will bear interest from that date at the rate of $\frac{7}{8}$ of 1% per annum and will mature Sept. 1, 1947. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

The subscription books were closed at the close of business, Aug. 21, except for the receipt of subscriptions from holders of $25,000 or less of the maturing certificates, books for the latter class being closed at the close of business Aug. 22.

OPA Resignations

Price Administrator Paul Porter announced on Sept. 13 the resignation of James G. Rogers, Jr., as OPA General Deputy Administrator, according to Associated Press Washington advices, which added that Mr. Rogers' duties would be taken over by Max McCullough, Assistant Deputy. On Sept. 16, the same advices reported, announcement was made of the resignation of William J. Wolf, Ohio industrialist, from the agency's scrap industry Advisory Committee in protest against OPA refusal to grant price increases for steel scrap. Although OPA granted some increases in cast iron scrap, it rejected any price increase on steel scrap, and Mr. Wolf contended that the scrap industry cannot be expected to function in 1946 on price levels virtually unchanged since 1941.

The State of Trade

(Continued from page 2135)

road 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.

Having been subjected to considerable criticism and some questioning as to where steel is going, the steel industry two weeks ago 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 last 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, "The Iron Age" noted.

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 1 million tons behind the total output of finished steel in 1939.

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 90.3% of capacity for the week beginning Oct. 21, compared with 90.5% one week ago, 90.4% one month ago and 65.1% one year ago. This represents a decrease of 0.2 point or 0.2% from the previous week.

This week's operating rate is equivalent to 1,591,400 tons of steel ingots and castings and compares with 1,595,000 tons one week ago, 1,593,200 tons one month ago and 1,192,400 tons one year ago.

Electric Production — The Edison Electric Institute reports that the output of electricity increased to 4,495,220,000 kwh. in the week ended Oct. 12, 1946, from 4,478,092,000 kwh. in the preceding week. Output for the week ended Oct. 12, 1946, was 14.3% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 199,300,000 kwh. in the week ended Oct. 13, 1946, compared with 170,800,000 kwh. for the corresponding week of 1945, or an increase of 16.7%. Local distribution of electricity amounted to 185,600,000 kwh. compared with 169,700,000 kwh. for the corresponding week of last year, an increase of 9.4%.

In the week ended Oct. 6, 1946 output amounted to 194,400,000 kwh. compared with 173,300,000 kwh. for the corresponding week of 1945, or an increase of 12.2%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Oct. 12, 1946, totaled 899,443 cars, the Association of American Railroads announced. This was a decrease of 7,405 cars (or 0.8%) below the preceding week and 144,884 cars, or 19.2% above the corresponding week for 1945. Compared with the similar period of 1944, an increase of 723 cars, or 0.1%, is shown.

Railroad Revenues in September—Based on advance reports from eighty-six class I railroads, whose revenues represent 81.3% of total operating revenues, the Association of American Railroads state that according to current estimates, railroad operating revenues in September, 1946, decreased 3.7% under the same month of 1945. This estimate, it was pointed out, covers only operating revenues and does not touch upon the trends in operating expenses, taxes, or final income results. Estimated freight revenue in September, 1946, was slightly greater than in September, 1945, by 4.7%, while estimated passenger revenues decreased 31.6%.

Paper and Paperboard Production — Paper production in the United States for the week ended Oct. 12, was 105.9% of mill capacity, against 107.2% in the preceding week and 96.2% in the like 1945 week, according to the American Paper & Pulp Association. This does not include mills producing newsprint exclusively. Paperboard output for the current week was 99% against 100% in the preceding week, and 97% in the corresponding week a year ago.

Business Failures Hold Steady—In the week ending Oct. 17, commercial and industrial failures were down slightly from the previous week but continued to be more numerous than in the corresponding weeks of either 1945 or 1944. Dun & Bradstreet, Inc., reports that 23 concerns failed during the week as compared with 25 last week and 15 a year ago.

Nineteen of the week's 23 failures involved liabilities of $5,000 or more. Although declining by 2 from the 21 reported a week ago, these large failures were almost two times as frequent as in the same week of 1945 when only 11 concerns failed in this size group. Small failures with losses under $5,000 remained at four, the same number as in both the previous week and in the comparable week last year.

Concerns failing this week were twice as numerous in manufacturing as in any other trade or industry group. Ten manufacturers failed, as compared with 16 a week ago and 7 in 1945's corresponding week. Retail trade with five had the second highest number; this line as well, showed the sharpest upswing from the previous week when only one reailer failed. All industry and trade groups had more failures in the week just ended than in the corresponding week of last year, but the increase did not amount to more than three in any group. More than half the week's failures were concentrated in two regions, the Pacific and East North Central States.

Three Canadian failures were reported against five in the previous week and none in the comparable week of 1945.

Building Permits in September—A further slackening in the rate of contemplated building expenditures brought the September volume to the lowest level since last November. Estimated cost of permits granted for new buildings, and for alterations and repairs in 215 cities dropped 13.3% to $176,492,394, from $203,580,309 in August, according to Dun & Bradstreet, Inc. Comparison with the September, 1945 figure of $121,495,487 showed a gain of 45.3%, the narrowest year-to-year rise recorded for more than a year.

Plans filed in New York City during September totalled $17,584,694, a decrease of 33.4% from the August sum, and 24.7% less than that for the same month last year.

Wholesale Food Price Index Reaches Record High—With the removal of price controls on livestock and meats, the wholesale food price index, compiled by Dun & Bradstreet, Inc., advanced sharply from $5.40 last week to a new record high of $6.15 on Oct. 15. This weekly index is intended to show changes in the level of food prices at wholesale. It is more sensitive than more comprehensive indexes which are prepared less frequently. It should not be confused with the so-called cost-of-living indexes. The current figure represents a rise of 75 cents, or 13.9%, in the week, while comparison with last year's index of $4.10, reveals a gain of 50.0%.

Included in this week's changes were higher prices for wheat, rye, oats, barley, hams, bellies, lard, butter, cheese, steers, hogs, sheep and lambs. Declines occurred only in corn and potatoes. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—Agricultural prices continued to edge higher last week, resulting in a further rise in the daily wholesale commodtiy price index, compiled by Dun & Bradstreet, Inc. The index advanced sharply from 233.56 a week ago, to a new postwar peak of 243.90 on Oct. 15. This compared with 178.20 on the like date last year, a gain of 36.9%.

Grain markets were fairly active in the past week and prices generally continued upward in the face of record yields of wheat and corn and the second largest oats crop ever to be harvested. Strength in wheat reflected continued light country offerings and a shortage of box cars which has been hindering the movement of major crops to terminal markets. The new winter wheat crop was said to be off to a good start in the southwestern belt. Domestic flour business remained at a virtual standstill, with most mills still holding to a withdrawn position pending announcement of new ceiling prices for flour. Steers and hogs remained at ceiling limits under insufficient supplies to cover demand. However, increased receipts and higher prices are expected in the near future as the result of the Presidential announcement of the decontrol of all livestock and their food and feed products, effective as of Oct. 15. Butter and cheese scored further advances in the week under broad demand for existing supplies. High asking prices by producing countries is said to be restricting business in coffee. Supplies afloat to the United States, however, have shown some recent improvement.

Cotton price movements last week were again irregular, with closing prices steady after touching new seasonal highs earlier in the period, following announcement of the Government's Oct. 1 crop estimate, which tended to further strengthen the statistical position of the staple. The report indicated a probable yield of 8,724,000 bales, as compared with a forecast of 9,171,000 on Sept. 1, and with last year's actual crop of 9,015,000 bales. Profit-taking and hedge selling, attributed to prospects of heavier planting next year, more than erased early gains during late dealings. Mill demand for both forward and prompt shipment was quite active and sales in the ten spot markets rose substantially over the previous week and corresponding week a year ago. Sales volume in carded gray goods was fair but spotty and was confined largely to standard print cloths and sheetings, with the bulk of the business for delivery in September.

Activity in domestic wools in the Boston market was somewhat slower last week following recent heavy purchasing in anticipation of a rise in resale prices of domestic CCC wools. This increase in prices, originally scheduled for Oct. 7, was postponed to take effect Oct. 14. The new schedule of prices provides for advances of approximately 5 cents a pound on fine wools, 4 cents on ½-blood wools and 3 cents on ⅜- and ¼-blood wools, all on a clean basis. Imports of foreign apparel wools showed considerable drop in the week of Oct. 4.

Retail and Wholesale Trade — Retail volume continued to rise moderately during the past week and was up considerably in comparison with that of the corresponding week a year ago, according to Dun & Bradstreet, Inc., in its current review of trade. The steadily increasing supply of durable goods attracted the attention of numerous shoppers. Consumer selectivity continued to be a noticeable factor in much of the buying.

Retail food volume increased slightly last week with consumer attention centered on alternate foods to replace the many meat products that remained in low supply. Poultry prices dropped with the removal of price ceilings on meat and the supply of both poultry and fish remained adequate. The current consumption of dairy products was estimated to be considerably above the prewar level. The demand for canned foods was almost unchanged from the high level of the previous week. The supply of many fresh fruits and vegetables was abundant and attracted numerous shoppers.

Consumer interest in cold weather apparel increased during the week as temperatures fell in many sections of the country. Women's suits, coats and wool dresses were frequently requested. Scarfs, dickies and gloves were among the most eagerly sought accessories. Slight increases in the supply of men's shirts and underwear were reported, but selections of suits and overcoats remained limited. The supply of leather shoes was generally less liberal than during previous weeks.

Housewares and home appliances continued to attract a large share of the attention devoted to durable goods. Interest in furniture remained high and consumer demand for both hard and soft floor coverings was up. Almost all types of hardware were sought.

Retail volume for the country in the past week was estimated to be from 21 to 25% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England 18 to 22, East 17 to 21, Middle West 19 to 23, Northwest 29 to 33, South 27 to 31, Southwest 21 to 25 and Pacific Coast 20 to 24.

The sixth consecutive weekly increase in total wholesale volume was reported during the week. Dollar volume was slightly above that of the preceding week and was considerably above that of the corresponding week a year ago. The backlogs of orders generally remained large with almost no improvement in deliveries the past week.

Department store sales on a country wide basis, as taken from the Federal Reserve Board's index for the week ended Oct. 12, 1946, increased by 15% above the same period of last year. This compared with an increase of like amount in the preceding week. For the four weeks ended Oct. 12, 1946, sales increased by 20% and for the year to date by 30%.

New York City continued the past week to feel the adverse effects of the trucking strike upon retail trade. Department store sales dropped for the fourth consecutive week, the decline being estimated at 5 to 10% under last year. Then, too, rayon converters strike hampered garment manufacturers in their efforts to step up output. It was also reported that the break in cotton prices was responsible for cotton goods offerings which otherwise might have been saved until November.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Oct. 12, 1946, decreased 4% below 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 Oct. 5, 1946 an increase of 1% was registered. For the four weeks ended Oct.12, 1946, sales rose by 4% and for the year to date by 33%.

ABA Directory to Aid in Consumer Goods Financing

Establishment of a nationwide consumer instalment financing and collection service among banks became a reality with the publication on Oct. 5 by the Consumer Credit Committee of the American Bankers Association of a new "Consumer Instalment Lending Directory." The directory, says the ABA announcement, brings together for the first time the names of approximately 10,000 banks located in every section of the United States which make instalment loans to finance dealers and individual purchasers of durable consumer goods and services. More than 7,000 of these banks have indicated their readiness to act as collecting agents for other banks in the servicing of out-of-state loans and of "skip" or delinquent accounts. The new directory of more than 300 pages will be available at cost to ABA member banks and through them to manufacturers and other customers engaged in the financing of durable consumer goods and services. The advices also state:

This national program of consumer credit financing and service will enable the commercial banks to maintain a leading position in the consumer credit field, according to Carl M. Flora, Chairman of the ABA Consumer Credit Committee, who is also Vice-President of the First Wisconsin National Bank, Milwaukee, Wis.

Peacetime Record for Taxes

Taxes collected by the Federal Government during the first three months of the current fiscal year exceed collections for any twelve peacetime months in the nation's history, according to advices from Washington from the Associated Press on October 5, which continued:

Federal spending during those three months, ended Sept. 30, also topped that of any whole fiscal year of peace except 1941, when billions were laid out for defense.

Receipts for the July-through-September period were $9,450,000,000, which would be an annual rate of $37,800,000,000. That would be $1,800,000,000 below the budget estimate for the year ending next June 30, but officials hope heavy tax receipts next spring will close the gap.

Spending for the quarter was $9,331,000,000, at an annual rate of $37,324,000,000. That would be $4,200,000,000 below the budget estimate for the year, but the first quarter did not include any of the $2,400,000,000 GI terminal leave pay and other commitments.

The Government never took in more than $5,668,000,000 a year in the Nineteen-Thirties, nor did it spend more than $8,707,000,000. Officials see no prospect that Federal tax collections or spending ever will go down again to anything like the figures of the Nineteen-Thirties, although they may move back some from the present peacetime peak.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Oct. 16 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. 28, 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. 28 (in round-lot transactions) totaled 3,435,875 shares, which amount was 18.48% of the total transactions on the Exchange of 9,297,750 shares. This compares with member trading during the week ended Sept. 21 of 4,017,085 shares, or 16.97% of the total trading of 11,839,180 shares.

On the New York Curb Exchange, member trading during the week ended Sept. 28 amounted to 648,685 shares or 16.37% of the total volume on that Exchange of 1,981,095 shares. During the week ended Sept. 21 trading for the account of Curb members of 869,950 shares was 17.72% of the total trading of 2,455,030 shares.

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

WEEK ENDED SEPT. 28, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	397,180	
‡Other sales	8,900,570	
Total sales	9,297,750	
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	1,166,470	
Short sales	254,160	
‡Other sales	1,013,420	
Total sales	1,267,580	13.09
2. Other transactions initiated on the floor—		
Total purchases	146,740	
Short sales	24,200	
‡Other sales	157,600	
Total sales	181,800	1.77
3. Other transactions initiated off the floor—		
Total purchases	270,765	
Short sales	30,570	
‡Other sales	371,950	
Total sales	402,520	3.62
4. Total—		
Total purchases	1,583,975	
Short sales	308,930	
‡Other sales	1,542,970	
Total sales	1,851,900	18.48

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

WEEK ENDED SEPT. 28, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	32,600	
‡Other sales	1,948,495	
Total sales	1,981,095	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	240,205	
Short sales	21,365	
‡Other sales	209,110	
Total sales	230,475	11.88
2. Other transactions initiated on the floor—		
Total purchases	27,750	
Short sales	4,800	
‡Other sales	34,020	
Total sales	38,820	1.68
3. Other transactions initiated off the floor—		
Total purchases	66,770	
Short sales	2,400	
‡Other sales	42,265	
Total sales	44,665	2.81
4. Total—		
Total purchases	334,725	
Short sales	28,565	
‡Other sales	285,395	
Total sales	313,960	16.37
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	77,254	
Total purchases	77,254	
Total sales	107,086	

*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."

National Fertilizer Association Commodity Price Index Advances to New High Level

New high levels were reached in the wholesale commodity price index that is compiled by The National Fertilizer Association and made public on Oct. 21 when it advanced to 178.4 in the week ended Oct. 19, 1946, from 174.4 in the preceding week. The increase amounted to 2.3% over the preceding week and 1.1% over the previous high point which was reached Aug. 24. The government action in decontrolling livestock, meats, and fats and oils was responsible for the rise. A month ago the index stood at 170.5 and a year ago at 141.1, all based on the 1935-1939 average as 100. The Association's report added:

Five of the composite groups of the index advanced during the latest week and one declined. The largest gain was registered in the farm products group. The livestock subgroup rose almost 16% due to the lifting of the controls on livestock and much more than offset the sharp drop in the cotton index, and the smaller decline in the grains index. Milk prices rose to the highest level on record. The foods index advanced 2% and is perhaps understated as there were no reliable quotations for meats last week. Butter prices dropped sharply during the week and there were declines in prices for potatoes and dressed fowl. Advances were shown for cheese, flour, cottonseed oil, lard and many other foodstuffs, however, which more than offset the declines. Advances were registered in the metals, building materials and miscellaneous commodities groups. The textiles index declined somewhat. All the remaining groups of the index were unchanged.

During the week 22 price series in the index advanced and nine declined; in the preceding week 18 advanced and eight declined; in the second preceding week 16 advanced and five 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. 19, 1946	Preceding Week Oct. 12, 1946	Month Ago Sept. 21, 1946	Year Ago Oct. 20, 1945
25.3	Foods	192.6	188.8	178.8	143.7
	Fats and Oils	245.6	193.0	188.2	145.2
	Cottonseed Oil	213.7	202.3	202.3	163.1
23.0	Farm Products	230.9	218.2	211.8	170.1
	Cotton	329.0	367.9	348.8	219.7
	Grains	218.0	223.1	212.4	164.4
	Livestosck	224.0	193.6	190.4	164.5
17.3	Fuels	154.2	154.2	154.2	129.7
10.8	Miscellaneous commodities	144.7	143.5	143.5	132.8
8.2	Textiles	206.0	211.9	206.4	159.5
7.1	Metals	125.0	124.5	124.5	109.6
6.1	Building materials	178.5	178.3	178.6	154.7
1.3	Chemicals and drugs	128.2	128.2	128.2	126.2
.3	Fertilizer materials	122.5	122.5	122.5	118.3
.3	Fertilizers	124.3	124.3	124.3	119.9
.3	Farm machinery	116.5	116.5	115.4	104.9
100.0	All groups combined	178.4	174.4	170.5	141.1

*Indexes on 1926-1928 base were: Oct. 19, 1946, 139.0; Oct. 12, 1946, 135.9; and Oct. 20, 1945, 109.9.

Bankers Dollar Acceptances Outstanding on July 31, $205,381,000

The volume of bankers dollar acceptances outstanding on July 31, amounted to $205,381,000, an increase of $13,662,000 from the June 29 total, according to the monthly acceptance survey issued Aug. 15 by the Federal Reserve Bank of New York. As compared with a year ago, the July 31 total represents a gain of $88,664,000.

In the month-to-month comparison, imports, exports, domestic shipments and those based on goods stored in or shipped between foreign countries were higher while domestic warehouse credits and dollar exchange were lower in July than in June. In the yearly analysis all the items except dollar exchange were higher in July 1946, than a year ago.

The Reserve Bank's report follows:

BANKERS DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES

BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	July 31, 1946	June 29, 1946	July 31, 1945
1 Boston	$21,272,000	$21,325,000	$17,223,000
2 New York	137,938,000	124,831,000	67,536,000
3 Philadelphia	13,812,000	13,663,000	8,814,000
4 Cleveland	1,407,000	654,000	1,199,000
5 Richmond	1,106,000	1,127,000	1,207,000
6 Atlanta	3,428,000	3,529,000	3,025,000
7 Chicago	5,279,000	5,516,000	3,348,000
8 St. Louis	781,000	935,000	273,000
9 Minneapolis	239,000	178,000	118,000
10 Kansas City	———	———	———
11 Dallas	1,059,000	1,035,000	528,000
12 San Francisco	19,060,000	18,926,000	13,446,000
Grand Total	$205,381,000	$191,719,000	$116,717,000

Increase for month $13,662,000 Increase for year $88,664,000

ACCORDING TO NATURE OF CREDIT

	July 31, 1946	June 29, 1946	July 31, 1945
Imports	$146,452,000	$134,225,000	$80,708,000
Exports	23,974,000	21,648,000	9,021,000
Domestic shipments	11,422,000	9,940,000	10,087,000
Domestic warehouse credits	14,217,000	17,238,000	12,343,000
Dollar exchange	40,000	215,000	341,000
Based on goods stored in or shipped between foreign countries	9,276,000	8,453,000	4,217,000

The increase in bankers' acceptances created during July may be considered contra-seasonal as since 1925 there have been 15 decreases as against 7 increases during that month. Coffee was the principal commodity represented in the increase of imports, while other imports included cork, skins, lumber and woodpulp. Increase in exports included grain, oil products, machinery and general merchandise.

BILLS HELD BY ACCEPTING BANKS

Own bills $66,920,000 Bills of others $50,859,000 Total $117,779,000

Increase for month $8,309,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES, AUG. 15, 1946

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	$\frac{3}{4}$	$\frac{11}{16}$
60	$\frac{3}{4}$	$\frac{11}{16}$
90	$\frac{3}{4}$	$\frac{11}{16}$
120	$\frac{13}{16}$	$\frac{3}{4}$
150	$\frac{7}{8}$	$\frac{13}{16}$
180	$\frac{7}{8}$	$\frac{13}{16}$

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since June 1944:

1944—	$	1945—	$	1946—	$
July 31	138,692,000	Mar. 31	127,512,000	Jan. 31	166,352,000
Aug. 31	109,632,000	Apr. 30	116,825,000	Feb. 28	166,852,000
Sep. 30	111,101,000	May 31	104,356,000	Mar. 30	162,790,000
Oct. 31	114,953,000	June 30	106,893,000	Apr. 30	168,879,000
Nov. 30	115,336,000	July 31	116,717,000	May 31	177,273,000
Dec. 30	128,944,000	Aug. 31	128,035,000	Jun. 29	191,719,000
		Sep. 29	134,533,000	July 31	205,381,000
1945—		Oct. 31	134,592,000		
Jan. 31	129,743,000	Nov. 30	144,790,000		
Feb. 28	126,269,000	Dec. 31	154,349,000		

Truman to Visit Annapolis

President Truman, who attended the Army-Oklahoma football game at West Point on Sept. 28, is reported by his press secretary, Charles G. Ross, to be planning a visit to the Naval Academy at Annapolis this fall, according to Associated Press Washington advices of Oct. 7. The President will inspect the midshipmen and attend another football game. No date has yet been set for the visit.

Redeem Buenos Aires Bds.

Province of Buenos Aires, Argentine Republic, will redeem through operation of the sinking fund, $54,400 principal amount of its 4½%-4¾% external readjustment sinking fund dollar bonds of 1935, due Nov. 1, 1975, drawn by lot for redemption on Nov. 1, 1946. Payment at 100% of the principal amount will be made at the Chase National Bank of the City of New York or at the National City Bank of New York, paying agents.

Pennsylvania Company Correspondent Banks Meet

Three hundred representatives of correspondent banks of The Pennsylvania Company for Insurances on Lives and Granting Annuities attended an all-day meeting at Philadelphia on Oct. 18 at the Hotel Warwick to hear a discussion of current banking trends and activities. After a welcoming address by William Fulton Kurtz, President of The Pennsylvania Company, and introductory remarks by Frank G. Sayre, Vice-President, the morning session was devoted to a series of addresses covering modern developments in the fiduciary and trust fields. Company executives who spoke were William M. David, Robert A. Wilson and Albert W. Whittlesey, Vice-Presidents, and A. Caldwell Van Roden, Assistant Secretary.

The Penco Pension Trust Plan for financial institutions, recently organized by The Pennsylvania Company to enable banks in the State to provide for the pensioning of retiring employees and officers, was described during most of the afternoon session by John W. Clegg, Trust Officer of the company; J. H. Shreiner, Assistant to the President of Towers, Perrin, Forster and Crosby, Inc., and William Drake, director of group annuities of the Prudential Insurance Company of America.

An announcement of a new investment portfolio service for correspondent banks was made by Mr. Kurtz, and there were addresses by Vice-President William F. Kriebel and Dr. Lionel D. Edie, New York economist.

To Oppose Government's Plan for Timber Control

Senator Guy Cordon (R.-Ore.), has assured the American Forest Congress that he will oppose any move for governmental control of large-scale timber cutting on privately owned lands to meet existing shortages. Recommendation for such action, Associated Press Washington advices of Oct. 10 stated, had come from Secretary of Agriculture Clinton Anderson, but Senator Cordon declared it was unnecessary.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 16 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 Oct. 5, 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 Oct. 5, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	27,635
Number of shares	778,210
Dollar value	$30,192,030
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	258
*Customers' other sales	20,391
Customers' total sales	20,649
Number of Shares:	
Customers' short sales	10,035
*Customers' other sales	592,589
Customers' total sales	602,624
Dollar value	$24,017,462
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	134,940
Total sales	134,940
Round-Lot Purchases by Dealers—	
Number of shares	312,860

*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."

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite during the week ended Oct. 12, 1946, as estimated by the United States Bureau of Mines, was 12,200,000 net tons, which compares with 12,300,000 tons in the preceding week and 6,220,000 tons in the corresponding week of 1945. During the calendar year through Oct. 12, 1946, the cumulative production of soft coal was approximately 413,851,000 net tons, or a decrease of 8.8% when compared with the 453,626,000 tons mined in the comparable period of 1945 through Oct. 13.

Production of Pennsylvania anthracite for the week ended Oct. 12, 1946, as estimated by the Bureau of Mines, was 1,195,000 tons, a decrease of 55,000 tons (4.4%) from the preceding week. When compared with the output in the corresponding week of 1945, there was a decrease of 13,000 tons, or 1.1%. The calendar year to date shows an increase of 9.2% when compared with the corresponding period of 1945.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Oct. 12, 1946, showed an increase of 10,400 tons when compared with the output for the week ended Oct. 5, 1946, and was 90,600 tons more than for the corresponding week of 1945.

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

	Week Ended			Jan. 1 to Date	
Bituminous coal and lignite—	Oct. 12, 1946	*Oct. 5, 1946	Oct. 13 1945	†Oct. 12 1946	Oct. 13, 1945
Total, including mine fuel	12,200,000	12,300,000	6,220,000	413,851,000	453,626,000
Daily average	2,033,000	2,050,000	1,037,000	1,734,000	1,883,000

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
Penn Anthracite—	‡Oct. 12, 1946	§Oct. 5, 1946	Oct. 13, 1945	Oct. 12, 1946	Oct. 13, 1945	Oct. 16, 1937
*Total incl. coll. fuel	1,195,000	1,250,000	1,208,000	47,434,000	43,443,000	40,427,000
†Commercial produc.	1,149,000	1,202,000	1,161,000	45,605,000	41,770,000	38,406,000
Beehive Coke—						
United States total	108,300	97,900	17,700	3,226,500	4,378,100	2,758,000

*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.)

	Week Ended		
State—	Oct. 5, 1946	Sept. 28, 1946	Oct. 6, 1945
Alabama	387,000	384,000	382,000
Alaska	7,000	7,000	7,000
Arkansas	33,000	37,000	29,000
Colorado	152,000	153,000	150,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,385,000	1,422,000	1,440,000
Indiana	567,000	556,000	380,000
Iowa	23,000	25,000	49,000
Kansas and Missouri	124,000	125,000	113,000
Kentucky—Eastern	1,107,000	1,195,000	432,000
Kentucky—Western	410,000	402,000	386,000
Maryland	42,000	43,000	34,000
Michigan	1,000	2,000	3,000
Montana (bituminous and lignite)	82,000	82,000	74,000
New Mexico	31,000	30,000	27,000
North and South Dakota (lignite)	76,000	66,000	60,000
Ohio	801,000	709,000	422,000
Oklahoma	47,000	49,000	49,000
Pennsylvania (bituminous)	2,979,000	3,102,000	1,480,000
Tennessee	149,000	126,000	116,000
Texas (bituminous and lignite)	1,000	2,000	2,000
Utah	134,000	145,000	123,000
Virginia	389,000	369,000	312,000
Washington	21,000	30,000	24,000
†West Virginia—Southern	2,225,000	2,403,000	1,328,000
‡West Virginia—Northern	937,000	1,024,000	549,000
Wyoming	183,000	186,000	196,000
§Other Western States	*	*	*
Total bituminous and lignite	12,300,000	12,675,000	8,168,000

†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.

Electric Output for Week Ended Oct. 19, 1946 16% 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. 19, 1946 was 4,539,712,000 kwh., an increase of 16.0% over the corresponding week last year when electric output amounted to 3,914,738,000 kwh. The current figure also compares with 4,495,220,000 kwh., produced in the week ended Oct. 12, 1946, which was 14.3% higher than the 3,934,394,000 kwh. produced in the week ended Oct. 13, 1945. The largest increase was reported by the Southern States division which showed a gain for the week ended Oct. 19, 1946 of 28.4% over the same week in 1945.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Georgraphical Division—	Week Ended Oct. 19	Oct. 12	Oct. 5	Sept. 28	Sept. 21
New England	10.9	12.8	9.9	9.7	11.2
Middle Atlantic	9.7	9.7	7.8	8.9	7.0
Central Industrial	13.3	10.1	8.1	9.6	11.6
West Central	14.7	11.7	9.3	9.0	9.6
Southern States	28.4	24.1	19.5	17.3	18.0
Rocky Mountain	7.4	6.5	4.3	1.2	3.5
Pacific Coast	16.5	17.7	12.2	16.8	14.6
Total United States	16.0	14.3	11.2	11.9	12.1

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	[illegible]	[illegible]	[illegible]
Oct. 19	4,539,712	3,914,738	+16.0	4,345,352	1,533,028	1,824,160
Oct. 26		[illegible]		[illegible]	[illegible]	[illegible]

Daily Average Crude Oil Production for Week Ended Oct. 12, 1946, Increased 834 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Oct. 12, 1946, was 4,737,400 barrels, an increase of 834 barrels per day over the preceding week and a gain of 956,750 barrels per day when compared with the corresponding week in 1945. 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. 12, 1946, averaged 4,756,650 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 4,867,000 barrels of crude oil daily and produced 14,993,000 barrels of gasoline; 1,940,000 barrels of kerosine; 6,166,000 barrels of distillate fuel, and 8,454,000 barrels of residual fuel oil during the week ended Oct. 12, 1946; and had in storage at the end of the week 86,585,000 barrels of finished and unfinished gasoline; 21,131,000 barrels of kerosine; 63,412,000 barrels of distillate fuel, and 59,753,000 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. 12, 1946	Change from Previous Week	4 Weeks Ended Oct. 12, 1946	Week Ended Oct. 13, 1945
**New York-Penna.	48,200		52,250	+ 600	51,700	47,200
Florida	----		----	— 16	200	50
**West Virginia	8,400		8,600	+ 1,100	8,100	7,050
**Ohio—Southeast	7,600		5,950	+ 200	5,750	4,800
Ohio—Other			2,300	— 50	2,450	3,300
Indiana	19,000		18,700	— 300	18,700	10,850
Illinois	214,000		208,950	+ 2,550	207,450	152,550
Kentucky	30,000		30,650	+ 150	30,900	21,050
Michigan	47,000		50,500	+ 4,000	47,550	45,200
Nebraska	800		†700	----	700	800
Kansas	264,000	270,000	†271,300	+ 3,950	273,100	270,600
Oklahoma	384,000	353,625	†352,650	— 2,700	354,100	358,800
Texas—						
District I			19,450	----	19,450	----
District II			144,800	— 1,600	147,000	----
District III			449,300	— 6,600	458,700	----
District IV			214,300	— 2,400	217,750	----
District V			39,800	— 500	40,550	----
East Texas			316,000	— 4,300	322,050	----
Other Dist. VI			102,450	— 450	103,100	----
District VII-B			33,500	+ 300	33,100	----
District VII-C			27,450	+ 150	27,300	----
District VIII			484,650	— 2,850	488,650	----
District IX			129,700	+ 300	129,300	----
District X			84,950	----	84,950	----
Total Texas	2,120,000	‡2,064,032	2,046,350	—17,950	2,071,900	1,328,950
North Louisiana			89,100	— 50	88,100	70,750
Coastal Louisiana			305,600	----	304,800	285,000
Total Louisiana	383,000	436,000	394,700	— 50	392,900	355,750
Arkansas	77,000	80,284	73,750	----	73,500	76,000
Mississippi	60,000		74,000	+ 100	73,850	50,850
Alabama	2,000		1,000	----	1,000	200
New Mex.-So. East	100,000	106,000	99,100	----	99,250	99,500
New Mexico—Other			500	----	450	400
Wyoming	100,000		108,500	+ 1,650	108,200	97,950
Montana	24,000		24,200	+ 450	24,100	20,250
Colorado	32,000		37,650	— 250	38,600	17,350
California	850,000	§842,500	875,100	+ 7,400	872,200	811,200
Total United States	4,771,000		4,737,400	+ 834	4,756,650	3,780,650
**Pennsylvania Grade (included above)			66,800	+ 1,900	65,550	59,050

*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. 10, 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. 12, 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.	% 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	786	93.7	1,945	21,324	8,929	23,259	12,530
Appalachian—								
District No. 1	76.3	103	72.0	314	2,366	486	566	360
District No. 2	84.7	43	69.4	144	705	77	148	250
Ind., Ill., Ky.	87.4	779	89.5	2,664	15,325	2,900	8,840	5,563
Okla., Kans., Mo.	78.3	377	80.4	1,433	8,649	1,449	3,560	1,319
Inland Texas	59.8	205	62.1	916	2,723	489	634	798
Texas Gulf Coast	89.2	1,208	98.5	3,910	13,183	3,604	9,881	8,039
Louisiana Gulf Coast	97.4	355	110.6	1,056	4,237	1,864	3,362	2,088
No. La. & Arkansas	55.9	59	46.8	144	1,557	340	502	230
Rocky Mountain—								
District No. 3	19.0	11	84.6	34	97	15	50	43
District No. 4	70.9	121	73.3	337	1,364	198	554	741
California	85.5	820	82.5	2,096	15,055	780	12,056	27,792
Total U. S. B. of M. basis Oct. 12, 1946	85.8	4,867	87.6	14,993	*86,585	21,131	63,412	59,753
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
U. S. B. of M. basis Oct. 13, 1945		3,616		11,107	†69,046	12,697	43,519	46,073

*Includes unfinished gasoline stocks of 8,552,000 barrels. †Includes unfinished gasoline stocks of 8,985,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 1,940,000 barrels of kerosine, 6,166,000 barrels of gas oil and distillate fuel oil and 8,454,000 barrels of residual fuel oil in the week ended Oct. 12, 1946, which compares with 1,645,000 barrels, 5,687,000 barrels and 8,194,000 barrels, respectively, in the preceding week and 1,145,000 barrels, 3,904,000 barrels and 7,287,000 barrels, respectively, in the week ended Oct. 13, 1945.

NYSE Short Interest For Sept. 13 Reported

The New York Stock Exchange had the following to say on Sept. 18 regarding the short-interest on the Exchange.

The short interest as of the close of business on the September 13, 1946, settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 627,964 shares, compared with 732,649 shares on Aug. 15, 1946, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Sept. 13, 1946, settlement date, the total short interest in all odd-lot dealers' accounts was 58,158 shares, compared with 36,281 shares on Aug. 15, 1946.

The report added:

Of the 1,314 individual stock issues listed on the Exchange on Sept. 13, 1946, there were 44 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month.

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

1945—	
Sept. 14	1,327,109
Oct. 15	1,404,483
Nov. 15	1,566,015
Dec. 15	1,465,798
1946—	
Jan. 15	1,270,098
Feb. 15	1,181,222
Mar. 15	1,015,772
Apr. 15	994,375
May 15	1,022,399
June 15	867,891
July 15	849,698
Aug. 15	732,649
Sept. 13	627,964

Magnesium Association Officers Elected

T. W. Atkins, Executive Vice-President and Secretary of The Magnesium Association, announced that the following officers for 1946-1947 were elected by members of The Magnesium Association at its third annual meeting at the Waldorf-Astoria Hotel on October 3. They are: President, R. D. Taylor, Eastern Operations, Federated Metals Division, American Smelting & Refining Co., New York, N. Y.; Vice-President, J. D. Barrington, Vice-President and General Manager, Dominion Magnesium Ltd., Toronto, Canada; Treasurer, Irving T. Bennett, Vice-President, Revere Copper & Brass Inc., Baltimore, Md.; Directors, J. D. Barrington; Irving T. Bennett; Arthur Bidwell, President, Superior Bearing Bronze Co., Inc., Brooklyn, N. Y.; Wiser Brown, Vice-President, American Magnesium Corp., Cleveland, Ohio; Edw. S. Christiansen, President, Magnesium Company of America, Chicago, Ill.; Anthony Cristello, Manager, Foundries, Eclipse-Pioneer Division, Bendix Aviation Corp., Teterboro, N. J.; Leo B. Grant, Sales Manager, Magnesium Division, The Dow Chemical Co., Midland, Mich.; Fred Hengsch, President, Castalloy Co., Inc., Cambridge, Mass.; Clayton E. Larson, General Manager, White Metal Rolling & Stamping Corp., Brooklyn, N. Y.; D. W. Moll, Vice-President and Treasurer, Hills, McCanna Co., Chicago, Ill.; G. W. Motherwell, Works Manager, Wyman-Gordon Co., Worcester, Mass.; W. H. Osborne, Secretary, Acme Aluminum Foundry Co., Chicago, Ill.; E. H. Perkins, President, Brooks & Perkins, Detroit, Mich.; D. A. Rhoades, Vice-President, The Permanente Metals Corp., Oakland, Cal.; V. D. Sweeney, General Sales Manager, National Smelting Co., Cleveland, Ohio, and R. D. Taylor.

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. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Oct. 22	121.36	116.61	121.04	119.20	116.22	110.34	112.19	117.80	120.02
21	121.43	116.61	121.04	119.20	116.22	110.34	112.37	117.80	120.02
19	121.43	116.61	121.04	119.20	116.22	110.34	112.37	117.80	120.02
18	121.43	116.61	121.04	119.20	116.22	110.34	112.37	117.80	120.02
17	121.46	116.61	121.04	119.20	116.22	110.34	112.37	117.80	119.82
16	121.30	116.61	121.04	119.20	116.41	110.34	112.37	117.60	119.82
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	121.05	116.61	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. 22, 1945	123.05	116.22	120.63	119.20	116.22	109.42	112.75	116.41	119.82
2 Years Ago Oct. 21, 1944	119.55	112.75	118.60	116.61	112.93	103.64	107.62	113.50	117.40

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Oct. 22	1.63	2.82	2.60	2.69	2.84	3.15	3.05	2.76	2.65
21	1.63	2.82	2.60	2.69	2.84	3.15	3.04	2.76	2.65
19	1.63	2.82	2.60	2.69	2.84	3.15	3.04	2.76	2.65
18	1.63	2.82	2.60	2.69	2.84	3.15	3.04	2.76	2.65
17	1.62	2.82	2.60	2.69	2.84	3.15	3.04	2.76	2.66
16	1.63	2.82	2.60	2.69	2.83	3.15	3.04	2.77	2.66
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	2.59
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	3.16	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. 22, 1945	1.55	2.84	2.62	2.69	2.84	3.20	3.02	2.83	2.66
2 Years Ago Oct. 21, 1944	1.86	3.02	2.72	2.82	3.01	3.53	3.30	2.98	2.78

*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.

Civil Engineering Construction Totals $108,205,000 for Week Ending Oct. 17

Civil engineering construction volume in continental United States totals $108,205,000 for the week ending Oct. 17, 1946, as reported by "Engineering News-Record." This volume is 32% above the previous week, 48% above the corresponding week of last year and 4% above the previous four-week moving average. The report issued on Oct. 17 went on to say:

Private construction this week, $80,215,000, is 40% above last week and 41% above the week last year. Public construction, $27,990,000, is 13% above last week and 75% greater than the week last year. State and municipal construction, $26,160,000, 20% above last week, is 104% above the 1945 week. Federal construction, $1,830,000, is 36% below last week and 43% below the week last year.

Total engineering construction for the 42-week period of 1946 records a cumulative total of $4,407,030,000, which is 163% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $2,671,675,000, which is 281% above that for 1945. Public construction, $1,735,355,000, is 78% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $1,182,034,000 to date, is 310% above 1945. Federal construction, $553,321,000, dropped 20% below the 42-week total of 1945.

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

	Oct. 17, 1946	Oct. 10, 1946	Oct. 18, 1945
Total U. S. Construction	$108,205,000	$81,945,000	$73,081,000
Private Construction	80,215,000	57,277,000	57,079,000
Public Construction	27,990,000	24,668,000	16,002,000
State and Municipal	26,160,000	21,808,000	12,794,000
Federal	1,830,000	2,860,000	3,208,000

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

New Capital

New capital for construction purposes this week totals $13,025,000, and is made up of $12,776,000 in State and municipal bond sales and $249,000 in corporate securities. New capital for construction purposes for the 42-week period of 1946 totals of $2,929,703,000, 72% more than the $1,701,677,000 reported for the corresponding period of 1945.

Steel Operations Slightly Under Year's High Of Last Week—Demand for Products Unabated

Many steel customers in recent weeks, sobered by inventory figures and the probability that some potential demand figures for finished products were inflated, have eliminated their practice of attempting to obtain every pound of steel that is not nailed down regardless of what type of product it was, according to "The Iron Age," national metalworking paper, which in its issue of today (Oct. 24), further reports as follows:

"While it is true that demand for steel products in general continues unabated, there is a trend among many manufacturers to build their production schedules on the basis of the availability of the 'hard-to-get items' rather than to continue the policy of further unbalancing inventories by building up to dangerous levels products which are more easily obtained.

"There is a good possibility that this trend in a more orderly steel market will assume much larger proportions over the next several months. Some manufacturers will be forced to give ground on some of their previous overoptimistic production goals. The net result of such a move, however, will be on the positive side because distribution of steel now being produced at record level will take on a more healthy hue.

"By the first of the year or shortly thereafter considerable headway will be made in cleaning up the duplication of steel orders, reducing carryovers which represent unfilled promises and paring down substantial backlogs. It is to be expected, however, that a large segment of the steel consuming industries will continue to order for inventories after production quotas have been met as a hedge against probable price rises next year.

"Probably at no other time in steel market history is there less probability of unreasonable price advances than in the coming months. A decontrol of steel prices would find producers primarily interested in reestablishing a sound economical balance between the quotations of various products rather than a move for a general horizontal hike in prices.

"It was apparent this week that some governmental officials charged with control of prices are in no hurry to carry out the implied intention rapidly to remove price controls contained in President Truman's recent talk on the decontrol of meat. It may be, according to some observers, that a reconvening of Congress will be necessary before alacrity becomes one of the main ingredients of OPA's price decontrol activity.

"An important meeting between the Steel Industry Advisory Committee and the OPA on the general question of steel prices early this week gave little indication of an early decontrol of all steel prices. Even though total price control will be completely eliminated in this country long before what would have been the case had the Administration not changed its course recently, it looked this week as if the steel industry may have to 'sweat it out' before steel is established as a free market.

"Steel industry officials at the OPA meeting in Pittsburgh, however, filed resolutions suggesting the decontrol of all steel prices and also suggesting that the current cost study looking towards an increase in some items proceed at a swifter pace. The present price adjustment negotiations between the OPA and the steel industry which are now in their sixth week are already taking on earmarks of those of a few years ago which ran on and on.

"The steel industry this week continues to turn out steel at the highest peacetime level in its history. Should a coal strike develop as a result of an impasse between the United Mine Workers and Secretary of the Interior J. A. Krug, it would not take long seriously to affect current steel production.

"Grave concern has already been expressed by the steel industry as to the supplies of coal to be available during the coming winter months. Although stocks on hand are not far out of line with 1945 inventories, the most significant factor is the emphasis on the steady production of coal rather than the inventories on hand.

"The coal strike earlier this year aggravated the loss of steel sustained during the steel strike. Any prolonged tieup at the mines would again demoralize a steel market which is only now beginning to take on the aspects of a more normal distribution. Steel officials also are not unmindful of the current Detroit wage trends, the results of which may form a pattern for steel contracts which will be opened up for negotiations about the middle of January next year."

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 90.3% of capacity for the week beginning Oct. 21, compared with 90.5% one week ago (which was the highest level reached since July, 1945), 90.4% one month ago and 65.1% one year ago. The operating rate for the week beginning Oct. 21, 1946, is equivalent to 1,591,400 tons of steel ingots and castings, compared to 1,595,000 tons one week ago, 1,593,200 tons one month ago, and 1,192,400 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on Oct. 21 stated in part as follows:

"Possibility of decontrol of iron and steel prices may come sooner than recently had generally been expected as cause for speculation among producers and consumers. Some relatively minor products may be relieved of control in the immediate future but steelmakers are in the dark as to just when OPA will effect broad decontrol.

"So marked apparenlty has been the change in administration stabilization policy within the past week, that general lifting of price regulations on steel may come before the yearend, in fact, before completion of conversations recently initiated by the industry with OPA, in a move for higher ceiling prices on certain products.

"Precise immediate effect should steel prices be decontrolled is difficult to gage. The industry is not pressing for a broad overall increase, indicating conservatism in price policy, which undoubtedly would be extended to a free market. Removal of ceilings on steel, however, probably would be accompanied by similar action on raw materials, including scrap, and by cost increases in other directions, with the result considerations underlying present appeals might have to be revised. In turn, this might lead to a broader increase and possibly to a greater rise on some products than now contemplated.

"Whatever the developments, steel producers may be expected to hold prices as stable as circumstances will permit through the period of readjustment to normal marketing. Further, the competitive element should become more pronounced despite shortages in supply, particularly light flat products, since under high operations, supply and demand should strike a reasonable balance in many lines within a few months.

"Ability of mills to maintain high production is of greatest concern at the moment. Scrap, pig iron and coke are short of needs; steel production could go still higher with more adequate supplies. No stocks of scrap are being accumulated for winter, however, and ore supply may be lighter than usual. With return to a free market some of these threats to high production may become less menacing, particularly with regard to scrap.

"Currenlty an easing tendency in demand is noted which may be accentuated by uncertainty over future prices. In some consumer products pipe lines are filling up and in others, particularly heavier manufactured items, less pressure for steel is being experienced because of unbalanced inventories of materials and components. Uncertainties in material supply and labor are resulting in revisions of important expansion programs.

"Despite prospects of higher raw material prices in event of decontrol, lifting of restrictions may assure higher steelmaking operations, which, combined with easing in demand, may bring supply and consumption in closer balance and serve as a check on advancing prices."

Moody's Daily Commodity Index

Tuesday, Oct. 15, 1946	371.6
Wednesday, Oct. 16	366.9
Thursday, Oct. 17	350.2
Friday, Oct. 18	348.7
Saturday, Oct. 19	343.7
Monday, Oct. 21	347.2
Tuesday, Oct. 22	353.5
Two weeks ago, Oct. 8	339.8
Month ago, Sept. 21	335.3
Year ago, Oct. 20, 1945	261.3
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Oct. 15	371.6
Low, Jan. 2	264.7

Wholesale Prices Up 0.6% in Week Ended Oct. 5, Labor Department Reports*

"Higher prices of agricultural commodities were chiefly responsible for an advance of 0.6% in average primary market prices during the week ended Oct. 5," according to the Bureau of Labor Statistics, U. S. Department of Labor, which on Oct. 10 stated that "at 125.1% of the 1926 average, the index of commodity prices prepared by the Bureau, was 11% higher than at the end of June and 18.9% above early October 1945. The Bureau further reported:

"Farm Products and Foods. Average prices of farm products rose 0.9%. Prices of fluid milk advanced in Chicago and New York. There were sharp increases for oranges following ceiling advances to cover higher container and wage costs, and for lemons and sweetpotatoes, while prices of apples, white potatoes and onions were lower. Cotton quotations advanced further on reports of a poor crop. Average grain quotations were lower with decreases for corn and rye and small increases for wheat, barley and oats. Prices of live poultry and sheep declined with large marketings. Prices of farm products have increased 5.1% during the last four weeks to a level 25.7% above a year ago.

"Higher prices of dairy products, exempt from OPA control, were largely responsible for an increase of 1.9% in the food index during the week. Fluid milk prices, governed by milk marketing agreements, were up 10%, cheese 9% and butter 5%. Dressed poultry prices increased on good demand. Prices of black pepper and baking powder, not under OPA control, were higher, and there were increases for peanut oil following ceiling adjustments. Grape juice prices declined. The group index for foods was 19.5% higher than at the end of June and 28.7% above a year ago.

"Other Commodities. Small increases in most commodity groups raised average prices of all commodities other than farm products and foods 0.2% during the week to a level 6.8% higher than at the end of June and 12.6% above a year ago. Prices of soybean oil and mixed fertilizers increased, reflecting OPA ceiling adjustments and there were increases for acetone and menthol. Prices of storage batteries advanced following eariler ceiling adjustments to cover higher lead costs. There were increases for cotton goods with further OPA ceiling adjustments to cover higher raw cotton costs. Prices of several commodities exempt from OPA control, including goatskins, lubricating oil, cigars, and snuff, increased. Prices of dinnerware advanced following ceiling increases. Shop lumber sold directly to millwork manufacturers rose, with incentive ceiling adjustments.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED OCT. 5, 1946
(1926=100)

						Percentage changes to Oct. 5, 1946 from—		
Commodity Groups—	10-5 1946	9-28 1946	9-21 1946	8-7 1946	10-6 1945	9-28 1946	9-7 1946	10-6 1945
All commodities	125.1	124.4	123.8	122.0	105.2	+0.6	+ 2.5	+18.9
Farm products	158.0	156.6	155.1	150.4	125.7	+0.9	+ 5.1	+25.7
Foods	135,5	133.0	131.9	130.7	105.3	+1.9	+ 3.7	+28.7
Hides and leather products	141.1	140.9	139.4	139.6	118.4	+0.1	+ 1.1	+19.2
Textile products	125.9	125.4	123.7	117.3	99.9	+0.4	+ 7.3	+26.0
Fuel and lighting materials	95.0	95.1	95.3	95.1	84.5	—0.1	— 0.1	+12.4
Metals and metal products	114.2	114.2	114.2	113.6	104.8	0	+ 0.5	+ 9.0
Building materials	134.1	134.0	133.9	133.1	117.9	+0.1	+ 0.8	+13.7
Chemicals and allied products	98.6	98.2	98.4	97.9	95.3	+0.4	+ 0.7	+ 3.5
Housefurnishings goods	115.1	115.0	114.7	114.1	106.3	+0.1	+ 0.9	+ 8.3
Miscellaneous commodities	102.2	101.8	101.8	101.3	94.6	+0.4	+ 0.9	+ 8.0
Raw materials	144.5	143.6	142.5	137.5	116.3	+0.6	+ 5.1	+24.2
Semi-manufactured	116.9	116.7	116.2	111.5	95.9	+0.2	+ 4.8	+21.9
Manufactured products	118.1	117.5	117.1	116.9	101.8	+0.5	+ 1.0	+16.0
All commodities other than farm products	117.8	117.4	116.9	115.8	100.7	+0.3	+ 1.7	+17.0
All commodities other than farm products and foods	112.6	112.4	112.1	110.8	100.0	+0.2	+ 1.6	+12.6

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
SEPT. 28, 1946 TO OCT. 5, 1946

Increases			
Dairy products	7.0	Furnishings	0.3
Other farm products	3.1	Lumber	0.3
Mixed fertilizers	2.6	Fruits and vegetables	0.2
Cotton goods	1.2	Oils and fats	0.2
Meats	0.8	Other foods	0.2
Other miscellaneous	0.8	Drugs and pharmaceuticals	0.1
Hides and skins	0.7	Paper and pulp	0.1
Decreases			
Grains	1.6	Paint and paint materials	0.2
Livestock and poultry	1.3	Bituminous coal	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.

Non-Ferrous Metals—Zinc Ceiling Raised 1c.—Premiums on Copper Shapes Up—Platinum Off

"E. & M. J. Metal and Mineral Markets," in its issue of Oct. 17 states: "Though decontrol of meat by President Truman on Oct. 14 was hailed by metal producers as a highly encouraging development, pointing to the end of numerous price controls at an early date, quick action to free the major non-ferrous metals is not anticipated. Zinc producers were relieved when OPA announced an upward revision in the ceiling price of 1c per pound. The pricing agency also raised the premiums allowed copper refiners for casting special shapes. The lead situation showed little improvement, with the flow of scrap continuing below normal because the price is generally viewed as too low. Platinum met with a sharp price setback. The publication further went to say in part as follows:

Copper

Copper sold in the foreign market during the last week at prices ranging from 16.75c to 17.25c f.a.s. New York equivalent, or moderately lower than in the preceding weeks. The tonnages sold in the open market were light compared with a week ago. The British Government is reported to have purchased Rhodesian copper during the last week on the basis of 17½c.

The September statistics of Copper Institute showed deliveries of 112,339 tons, against 118,814 tons in August.

Increases ranging from $2 to $4 per ton in premiums and toll charges for converting or casting refined copper into special shapes were announced by OPA on Oct. 14, and effective on the same day. About 25% of the refined copper sold in this country involves special shapes. OPA explained that in general refineries which cast copper into special shapes do it on a toll basis for producers to meet requirements of their customers. Should some services result in losses, OPA may grant individual adjustments for casting under toll agreements.

Ending of work stoppages was reflected in a sharp increase in production of copper in Chile in July, when output of bar copper rose to 41,104 tons, against 19,599 tons in June. Production in the first seven months of 1946 totaled 236,574 tons.

Lead

Consumers may obtain a little more lead in November than they received in the current month. Imports have been larger, due in part to the "windfall" obtained from Japan. Imports of lead recovered from that country may total between 30,000 and 40,000 tons. Demand for lead remains well in excess of the available supply. Sales of lead for the week that ended Oct. 16 totaled 3,575 tons.

United States mine output of lead in August amounted to 27,574 tons, against 24,547 tons in July, the Bureau of Mines reports.

Zinc

After two months of price uncertainty, OPA raised the ceiling price of zinc 1c per pound, establishing the market at 9¼c for Prime Western, East St. Louis, on Oct. 14. On the whole, the new price was viewed as satisfactory under prevailing conditions, particularly in reference to High Grade. Some producers of Prime Western favored a higher level. Few associated with the industry believe that the new quotation will bring about larger imports. The ore market, it is pointed out, is certain to rise.

Mine production of zinc in the United States in August, in terms of recoverable metal, amounted to 46,092 tons, against 33,545 tons (revised) in July, the Bureau of Mines reports. The increase in production is attributed largely to clarification of the uncertain price situation that prevailed in the preceding month. Production in the Central States was more than double the July output. Settlement of the strike at mines in New Jersey lifted production in the Eastern States. The Ore & Chemical Co., operating in Colorado, closed its mill at Leadville in August.

During the first half of 1946, production of zinc at the mines average 48,308 tons a month, against 51,195 tons a month for all of 1945.

Platinum

The price of platinum was reduced Oct. 15 by leading sellers to the basis of $72 per ounce troy on wholesale lots and $75 on sales to consumers, a decline of $13. Continued pressure from outside sources in the face of a reduced volume of business was given as the reason for the sharp drop in prices. An offering 200 ounces of iridio-platinum "to the highest bidder" on Oct. 11 was a distrubing development. This alloy, which contained 10% iridium, sold on the basis of $82.50 per ounce. Weakness has also appeared in the London market.

Tin

The news that has come out of the London tin conference points to a continuation of allocation of the world's production for some time to come. The conference recommended that participating governments be asked to approve formation of a permanent study group, similar to that for rubber. Production at the rate of 200,000 tons of tin a year is not expected until 1949. London traders look for general approval of the study group. No difficulties are expected in handling the world's tin situation until quota problems again enter into the picture.

Quotations here were unchanged. Straits quality tin for shipment was nominally as follows:

	Oct.	Nov.	Dec.
Oct. 10	52.000	52.000	52.000
Oct. 11	52.000	52.000	52.000
Oct. 12		— Holiday —	
Oct. 14	52.000	52.000	52.000
Oct. 15	52.000	52.000	52.000
Oct. 16	52.000	52.000	52.000

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

Quicksilver

Dealers report that the situation in quicksilver remains unchanged. Foreign producers are maintaining prices, which accounts in large measure for the even course of prices here. The shipping situation continues to limit offerings of spot and nearby metal. Quotations held at $96 to $99 per flask, spot, with a possibility of doing $95 on forward metal.

Silver

Though it is known that domestic silver mined on and after July 1 this year is now moving to the Treasury, lifting some of the pressure from the market, sentiment in market circles remains decidedly mixed. Cause of uncertainty is the extent to which foreign holders of silver are willing to offer the metal in this market to obtain dollar exchange. A report to the effect that the Spanish Government intends to ship 85 tons of silver to the United States did not help matters. So-called outside sources have been offering silver more freely.

The New York Official price was unchanged throughout the week at 90⅛c. London continued to quote 55½d.

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

	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
Oct. 10	14.150	16.800	52.000	8.25	8.10	8.25
Oct. 11	14.150	16.800	52.000	8.25	8.10	8.25
Oct. 12	Holiday	16.800	Holiday	Holiday	Holiday	Holiday
Oct. 14	14.150	17.050	52.000	8.25	8.10	9.25
Oct. 15	14.150	16.925	52.000	8.25	8.10	9.25
Oct. 16	14.150	16.925	52.000	8.25	8.10	9.25
Average	14.150	16.883	52.000	8.25	8.10	8.85

Average prices for calendar week ended Oct. 12 are: Domestic copper f.o.b. refinery, 14.150¢; export copper, f.o.b. refinery 16.929¢; Straits tin, 52.000¢; New York lead, 8.250¢ St. Louis lead, 8.100¢, St. Louis zinc, 8.250¢; and silver 90.125¢.

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.

Credit to Business And Industry by Philadelphia Banks

Banks in the Philadelphia area have played an important part this year in aiding business, industry, and the individual to meet the financial problems created by the reconversion period, declares Percy C. Maderia, Jr., President of the Land Title Bank and Trust Company of Philadelphia. Citing his own bank figures as an example, Mr. Maderia pointed out that Land Title's loans and discounts for first nine months of this year totaled $27,-138,000, an increase of 69% over Dec. 31, 1945, and of 21% over June 30, 1946. Business loans—credit for both large and small business—showed, he said, 166% increase for first nine months while personal loans—loans to individuals rose 82%. Building operation and F.H.A. commitments, mainly loans to builders for new home construction, were up over 100%, and loans on appliances, automobiles, home modernization, etc., jumped 403%. Commenting on a recent statement by Emil Schram, President of the New York Stock Exchange, that Comptroller of Currency should investigate loans on securities made by banks, Mr. Maderia said loans of this type by Land Title increased only 6% "despite the tremendous increases reported in other types of loans."

Tin Allocations in Second Half of 1946 to Be Lower

The United States Operating Committee of the Combined Tin Committee on Oct. 7 announced that tin allocations totalling 18,055 tons have been recommended by the Combined Tin Committee for the second half of 1946. Most of the allocations are on an interim basis, the Committee said, with a further review of the tin situation probable in early November.

Allocations for the first six months of 1946 totalled about 25,-000 tons.

Details of the allocations for the Middle East (excluding Egypt and Iran) and the Latin American countries not specified will be made available later. Specific allocations are:

Argentina	70
Austria	200
Brazil	200
Canada	1,200
Ceylon	40
Chile	25
Czechoslovakia	600
Denmark	240
Egypt	175
Finland	120
France	4,000
Greece	80
Hong Kong	75
India	2,000
Iran	25
Italy	800
Middle East (excl. Egypt and Iran)	150
Mexico	25
Norway	120
Poland	360
Switzerland	640
Sweden	200
Latin American countries (not elsewhere specified)	150
United States	6,400
Yugoslavia	160

The Committee said that the tin will come from Belgian, British or Dutch sources, plus some from South Africa and also from Japanese stocks held in the United States. For the Latin American countries, however, the United States is an additional source for very limited quantities and supplies will also be available to France from French Indo-China and to the United States from China.

The Japanese stocks were discovered by military occupation forces and shipped to the United States for inspection and sorting prior to allocaiton by the Combined Tin Committee.

Revenue Freight Car Loadings During Week Ended Oct. 12, 1946, Decreased 7,405 Cars

Loading of revenue freight for the week ended Oct. 12, 1946 totaled 899,443 cars, the Association of American Railroads announced on Oct. 17. This was an increase of 144,884 cars or 19.2% above the corresponding week in 1945, and an increase of 723 cars or 0.1% above the same week in 1944.

Loading of revenue freight for the week of Oct. 12 decreased 7,405 cars or 0.8% below the preceding week.

Miscellaneous freight loading totaled 389,391 cars, a decrease of 5,115 cars below the preceding week, but an increase of 35,839 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 130,296 cars, an increase of 3,766 cars above the preceding week, and an increase of 16,589 cars above the corresponding week in 1945.

Coal loading amounted to 185,266 cars, a decrease of 3,198 cars below the preceding week, but an increase of 84,832 cars above the corresponding week in 1945.

Grain and grain products loading totaled 49,735 cars, an increase of 2,508 cars above the preceding week, but a decrease of 4,093 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Oct. 12 totaled 32,510 cars, a decrease of 1,126 cars below the preceding week and a decrease of 5,133 cars below the corresponding week in 1945.

Livestock loading amounted to 23,671 cars, a decrease of 537 cars below the preceding week and a decrease of 2,328 cars below the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Oct. 12 totaled 19,793 cars, a decrease of 1,066 cars below the preceding week, and a decrease of 2,058 cars below the corresponding week in 1945.

Forest products loading totaled 46,374 cars, a decrease of 2,614 cars below the preceding week but an increase of 10,653 cars above the corresponding week in 1945.

Ore loading amounted to 60,361 cars, a decrease of 2,650 cars below the preceding week and a decrease of 3,117 cars below the corresponding week in 1945.

Coke loading amounted to 14,349 cars, an increase of 435 cars above the preceding week, and an increase of 6,509 cars above the corresponding week in 1945.

All districts reported increases compared with the corresponding week in 1945, except the Northwestern, and all reported decreases compared with 1944 except the Eastern, Pocahontas and Southern.

	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	3,459,830
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
Week of Oct. 12	899,443	754,559	898,720
Total	32,224,888	33,536,698	34,521,820

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Oct. 12, 1946. During this period 93 roads reported gains over the week ended Oct. 13, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED OCT. 12

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	430	326	364	1,603	1,178
Bangor & Aroostook	1,345	1,451	1,679	368	324
Boston & Maine	7,790	6,713	6,799	13,207	11,683
Chicago, Indianapolis & Louisville	1,495	1,139	1,274	2,191	1,690
Central Indiana	41	38	38	43	27
Central Vermont	1,191	1,082	1,076	2,337	2,567
Delaware & Hudson	5,534	4,942	5,062	11,400	9,153
Delaware, Lackawanna & Western	8,095	6,821	8,240	9,123	8,934
Detroit & Mackinac	505	278	433	260	111
Detroit, Toledo & Ironton	2,550	1,552	1,821	1,409	917
Detroit & Toledo Shore Line	438	399	361	3,092	1,540
Erie	13,712	11,490	13,649	15,692	12,482
Grand Trunk Western	4,905	3,645	3,865	7,969	7,327
Lehigh & Hudson River	143	217	131	2,768	2,145
Lehigh & New England	2,024	2,363	2,214	1,884	1,237
Lehigh Valley	8,985	7,985	8,685	8,281	6,959
Maine Central	3,042	2,574	2,312	3,461	2,940
Monongahela	6,097	768	6,137	311	233
Montour	2,787	204	2,714	20	23
New York Central Lines	54,070	41,237	51,515	51,662	35,534
N. Y., N. H. & Hartford	11,330	9,705	9,532	14,955	13,614
New York, Ontario & Western	964	870	1,241	2,960	2,275
New York, Chicago & St. Louis	7,531	5,686	6,746	13,494	11,155
N. Y., Susquehanna & Western	417	402	503	1,818	1,339
Pittsburgh & Lake Erie	5,795	4,951	7,831	8,695	4,113
Pere Marquette	7,045	4,769	5,918	6,762	5,193
Pittsburg & Shawmut	1,060	529	822	27	29
Pittsburg, Shawmut & Northern	277	182	326	131	170
Pittsburgh & West Virginia	1,020	1,001	1,211	1,830	1,922
Rutland	476	401	377	1,278	1,104
Wabash	7,141	5,901	6,360	1,776	9,487
Wheeling & Lake Erie	5,878	3,220	5,394	3,712	3,532
Total	174,113	132,841	164,630	204,519	160,937
Allegheny District—					
Akron, Canton & Youngstown	672	541	753	1,409	782
Baltimore & Ohio	40,945	34,568	46,642	24,552	20,548
Bessemer & Lake Erie	5,037	3,148	5,462	2,283	1,235
Cambria & Indiana	1,645	369	1,674	11	10
Central R. R. of New Jersey	7,184	6,023	6,702	18,506	14,761
Cornwall	477	517	521	42	55
Cumberland & Pennsylvania	180	221	183	16	8
Ligonier Valley	27	65	111	7	8
Long Island	2,287	2,031	1,947	4,562	4,265
Penn-Reading Seashore Lines	2,139	1,778	1,985	2,041	1,663
Pennsylvania System	91,089	68,882	86,820	61,442	48,640
Reading Co.	16,353	13,947	15,521	24,869	22,095
Union (Pittsburgh)	18,562	12,284	18,949	6,088	4,027
Western Maryland	4,160	3,606	3,984	10,123	10,604
Total	190,757	147,980	191,254	155,931	128,701

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Pocahontas District—					
Chesapeake & Ohio	32,290	11,137	28,692	15,539	10,292
Norfolk & Western	26,165	11,935	21,855	6,822	5,922
Virginian	4,242	1,658	4,005	1,448	1,839
Total	62,697	24,730	54,552	23,809	18,053
Southern District—					
Alabama, Tennessee & Northern	282	441	374	196	230
Atl. & W. P.—W. R. R. of Ala.	857	825	801	2,126	2,062
Atlanta, Birmingham & Coast	†	†	812	†	†
Atlantic Coast Line	12,429	11,731	12,390	8,534	8,745
Central of Georgia	4,127	3,871	3,656	4,573	4,247
Charleston & Western Carolina	502	472	458	1,278	1,247
Clinchfield	1,776	1,499	1,683	3,517	1,922
Columbus & Greenville	421	398	288	309	244
Durham & Southern	118	156	179	812	554
Florida East Coast	747	874	935	1,510	1,238
Gainesville Midland	84	76	54	89	119
Georgia	1,071	1,384	1,377	2,293	2,231
Georgia & Florida	385	417	428	598	681
Gulf, Mobile & Ohio	5,020	4,865	4,831	3,569	4,376
Illinois Central System	27,278	26,474	30,571	15,289	15,742
Louisville & Nashville	29,412	17,152	25,739	9,544	9,665
Macon, Dublin & Savannah	205	224	225	804	850
Mississippi Central	383	287	349	348	519
Nashville, Chattanooga & St. L.	3,360	3,175	3,333	4,182	3,884
Norfolk Southern	1,204	1,102	1,040	1,909	1,466
Piedmont Northern	429	424	403	1,712	1,426
Richmond, Fred. & Potomac	440	479	421	7,829	7,792
Seaboard Air Line	10,584	9,913	9,641	8,055	7,205
Southern System	27,875	24,088	25,225	24,701	19,839
Tennessee Central	661	484	751	879	845
Winston-Salem Southbound	164	133	144	1,092	1,000
Total	129,814	110,944	126,108	105,748	98,129
Northwestern District—					
Chicago & North Western	21,345	20,535	20,874	15,553	15,142
Chicago Great Western	2,330	2,478	2,646	3,995	3,501
Chicago, Milw., St. P. & Pac.	24,364	21,866	23,816	11,347	10,289
Chicago, St. Paul, Minn. & Omaha	3,747	4,209	3,541	4,838	4,782
Duluth, Missabe & Iron Range	20,387	25,711	24,776	305	531
Duluth, South Shore & Atlantic	1,024	961	595	671	489
Elgin, Joliet & Eastern	9,221	7,398	9,597	8,895	7,651
Ft. Dodge, Des Moines & South	479	524	466	136	100
Great Northern	23,502	24,044	24,507	6,910	5,512
Green Bay & Western	654	615	657	1,001	828
Lake Superior & Ishpeming	2,139	2,486	1,632	60	84
Minneapolis & St. Louis	2,166	2,529	2,633	2,925	2,814
Minn., St. Paul & S. S. M.	7,919	8,600	7,660	3,741	3,249
Northern Pacific	13,679	14,167	13,814	5,338	4,901
Spokane International	243	155	177	549	227
Spokane, Portland & Seattle	2,790	2,363	2,660	2,836	2,524
Total	135,989	138,641	140,051	69,100	62,624
Central Western District—					
Atch., Top. & Santa Fe System	26,474	24,327	25,836	13,730	11,718
Alton	3,251	3,525	3,592	3,419	3,400
Bingham & Garfield	326	301	391	63	62
Chicago, Burlington & Quincy	21,866	23,181	22,079	13,212	11,847
Chicago & Illinois Midland	3,110	3,011	2,463	662	745
Chicago, Rock Island & Pacific	13,376	12,875	12,622	13,729	12,075
Chicago & Eastern Illinois	3,141	2,611	2,965	3,507	2,998
Colorado & Southern	749	1,416	1,212	2,219	2,225
Denver & Rio Grande Western	4,962	5,224	5,286	5,797	5,436
Denver & Salt Lake	897	834	868	47	62
Fort Worth & Denver City	1,103	883	1,072	1,648	1,598
Illinois Terminal	2,206	1,946	2,246	2,179	2,149
Missouri-Illinois	1,395	1,384	1,239	484	567
Nevada Northern	1,420	1,427	1,594	152	109
North Western Pacific	1,206	1,195	1,208	662	724
Peoria & Pekin Union	27	4	5	0	0
Southern Pacific (Pacific)	33,862	31,812	34,364	11,404	11,743
Toledo, Peoria & Western	§	§	380	§	§
Union Pacific System	21,047	21,393	23,754	16,805	16,892
Utah	991	793	489	9	15
Western Pacific	2,440	2,117	2,394	4,435	4,632
Total	143,849	140,259	146,059	94,163	88,997
Southwestern District—					
Burlington-Rock Island	298	383	773	435	375
Gulf Coast Lines	3,630	2,959	5,307	2,310	2,285
International-Great Northern	1,891	1,886	2,659	2,933	3,143
‡K. O. & G.-M. V.-O. C.-A.-A.	1,328	1,334	1,055	1,886	1,552
Kansas City Southern	3,214	2,737	5,053	2,611	2,496
Louisiana & Arkansas	2,316	2,351	3,932	2,430	2,205
Litchfield & Madison	401	271	278	1,507	1,118
Missouri & Arkansas	§	185	196	§	324
Missouri-Kansas-Texas Lines	5,262	5,333	6,593	4,394	3,606
Missouri Pacific	17,137	17,657	18,633	14,902	14,671
Quanah Acme & Pacific	160	100	54	271	203
St. Louis-San Francisco	10,258	10,057	10,836	8,210	7,703
St. Louis-Southwestern	3,348	2,612	3,954	5,044	4,428
Texas & New Orleans	8,647	7,209	11,074	5,680	5,140
Texas & Pacific	4,219	4,001	5,547	6,151	6,142
Wichita Falls & Southern	80	74	89	72	55
Weatherford M. W. & N. W.	35	15	33	7	28
Total	62,224	59,164	76,066	58,843	55,474

†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 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	Percent of Activity 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
Oct. 12	158,176	169,988	605,059	99	95

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

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Oct. 21 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated Oct. 24 and to mature Jan. 23, which were offered on Oct. 18, were opened at the Federal Reserve Banks, on Oct. 21.

Total applied for $1,790,665,000.

Total accepted, $1,301,905,000 (includes $30,750,000 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. 24 in the amount of $1,305,129,000.

Sept. Cotton Consumption

The Census Bureau at Washington on Oct. 17 issued its report showing cotton consumed in the United States, cotton on hand and active cotton spindles in the month of September.

In the month of September, 1946, cotton consumed amounted to 818,449 bales of lint and 74,556 bales of linters as compared with 855,511 bales of lint and 84,030 bales of linters in August and 700,44 bales of lint and 77,488 bales of linters in September, 1945.

In the two months ending September 30, cotton consumption was 1,673,960 bales of lint and 161,473 bales of linters, which compares with 1,438,893 bales of lint and 161,518 bales of linters in the corresponding period of a year ago.

There were 1,956,442 bales of lint and 156,795 bales of linters on hand in consuming establishments on Sept. 30, 1946, which compares with 2,082,696 bales of lint and 197,954 bales of linters on Aug. 31, and 1,745,954 bales of lint and 196,267 bales of linters on Sept. 30, 1945.

On hand in public storage and at compresses on Sept. 30, 1946, there were 4,328,526 bales of lint and 41,641 bales of linters, which compares with 3,834,342 bales of lint and 40,527 bales of linters on Aug. 31 and 8,306,523 bales of lint and 25,040 bales of linters on Sept. 30, 1945.

There were 21,642,924 cotton spindles active during September, which compares with 22,018,548 cotton spindles active during August, 1946, and with 21,359,866 active cotton spindles during September, 1945.

Weekly Lumber Shipments Were 12% Below Output

According to the National Lumber Manufacturers Association, lumber shipments of 408 mills reporting to the National Lumber Trade Barometer were 12.0% below production for the week ending Oct. 12, 1946. In the same week new orders of these mills were 6.7% 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 1.2%; orders by 0.3%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 8.0% above; shipments were 1.1% below; orders were 6.6% above.

Items About Banks, Trust Companies

The election of Robert T. Stevens as a Trustee of The Franklin Savings Bank of New York is announced by Henry J. Cochran, President. Mr. Stevens is Chairman of the Board of J. P. Stevens & Co., Inc., a Trustee of the Mutual Life Insurance Co., and a Director of the Guaranty Trust Co., New York Telephone Co., General Electric Co., General Foods Corp., Alexander Smith & Sons Carpet Company, and the Yale & Towne Manufacturing Co.

The Irving Savings Bank of 115 Chambers Street, New York, announced on Oct. 16 that it will open its new branch office at West 111th Street and Broadway, Manhattan, on Oct. 30th. This new office will be located in the old Keannelly's Restaurant Building a famous eating place a quarter of a century ago. The bank purchased the building last year and has recently renovated and altered it to provide a complete range of Savings Bank facilities. The alteration includes modern vaults and Safe Deposit Boxes and an elevator for customers using that department. The office is the second branch established by the Irving Savings Bank in Manhattan besides its main office at 115 Chambers Street. Its first branch, established in 1937, at 81st Street and First Avenue, recently passed the $10,000,000 mark in deposits, with more than 11,000 accounts. Robert A. Barnet, President of the Irving Savings Bank, expressed the belief that the outlook for increased savings in the West Side area is very encouraging.

It was also announced that with the opening of this new branch the following promotions were made in the official staff of the Bank: John H. Hammett, Vice-President and Secretary; Leslie G. Cheshire, Comptroller and Assistant Secretary; Richard J. Fisher, Assistant Secretary and Real Estate Officer; Edwin S. Dippold, Assistant Vice-President in charge of the 81st Street Office and Walter S. Van Compen, Assistant Vice-President in charge of the new branch. Elliott O. Slaght, and Wilbur Baker were appointed Branch Managers at 81st Street and 111th Street respectively.

Irving Trust Company of New York announced on Oct. 10 the election of Walter Mitchell, Jr., as a Vice-President. He will assume his duties Nov. 15. Mr. Mitchell went with the Irving from Dun & Bradstreet, Inc. where he supervised the development of market research and other new agency services. Previously he had handled advertising and public relations in the automotive field. He has written and spoken extensively on business and economic subjects.

Clinton Trust Company of New York announces that Charles T. Bryan has been elected a director. Mr. Bryan, partner in Charles T. Bryan & Company, certified public accountants, has been a member of the faculty of Pace Institute since 1914 and one of its trustees since its incorporation. He is a past director of the New York State Society of Certified Public Accountants and is a member of the American Institute of Accountants.

At a meeting, the Board of Trustees of Central Savings Bank of New York approved a program for payment of hospital and medical insurance for its staff through the Associated Hospital Service (Blue Cross Plan) and its affiliate, United Medical Service. Approximately 200 employees at the bank's two offices — 73rd Street & Broadway and 4th Avenue & 14th Street — will benefit by the plan.

Philip A. Benson, President of the Dime Savings Bank of Brooklyn, N. Y., and active in civic and philanthropic affairs, died on Oct. 16 after a brief illness. He was 64 years of age. Besides having held the presidency of the American Bankers' Association in 1938, Mr. Benson had also served as President of the Mutual Savings Banks Association of New York State, and of the National Association of Mutual Savings Banks—Born in Brooklyn in Dec. 1881, Mr. Benson according to the New York "Herald Tribune" of Oct. 17 began as an office boy for the Phenix Insurance Company of Brooklyn in 1895. The next year he was with the Mutual Life Insurance Society of New York, and from 1906 to 1917 with the Realty Associates of Brooklyn. The "Herald Tribune" added:

He joined the Dime Savings Bank in 1917 as an Assistant Secretary, specializing in real estate and mortgage work. His rise in the bank was rapid. He became successively Secretary, Treasurer and in 1932 President. The bank had absorbed in 1930 the Navy Savings Bank, also of Brooklyn, and this made the Dime Savings Bank the largest in Brooklyn in the number of accounts. Under Mr. Benson's administration it did much to further housing projects.

In the Brooklyn "Eagle" of Oct. 17 it was stated in part:

One of Mr. Benson's major interests was the Y. M. C. A. He was a member of the board of directors of the Brooklyn and Queens association from Nov., 1939, until his death.

He was a director or trustee of the Brooklyn Bureau of Charities, the Long Island College of Medicine, Y. W. C. A., the Brooklyn Home for Consumptives and the Brooklyn Institute of Arts and Sciences.

Mr. Benson had been Vice-President of the Brooklyn Chamber of Commerce and of the Downtown Brooklyn Association. He served on special committees of the Chamber of Commerce of the United States and the Chamber of Commerce of the State of New York. He was also a member of the Brooklyn Real Estate Board, the Citizens Budget Commission, the American Arbitration Association and the Brooklyn Better Housing Committee. He served in the preparation and direction of the World's Fair. He was one of the incorporators of the fair and served on its board of directors.

He was an officer of a number of corporations, including the Title Guarantee & Trust Co., the Kings County Trust Co., and the Atlantic Mutual Insurance Co. He was a director of Abraham & Straus, Inc., the Commonwealth Insurance Company of New York, the North Britain and Mercantile Insurance Co., the Institutional Securities Corporation and other firms.

Important among his charitable activities was his chairmanship of the Brooklyn division of the Greater New York Fund, a position he held for three straight years.

Andrew B. Davison, a Vice-President of the National Commercial Bank and Trust Company of Albany, N. Y. has been elected a member of the board of trustees of the National Savings Bank in that city, it was reported in the Albany "Times Union" on Oct 16.

The New York State Banking Department announced on Oct. 11, that the Morris Plan Industrial Bank of Albany, N. Y. has been given approval to increase its capital stock from $150,000 consisting of 15,000 shares at $10 par to $200,000 of 20,000 shares at the same par value.

Kenneth Strachan, Treasurer of Baldwin, Bowers & Strachan Inc., advertising concern, has been named Chairman of the Executive Committee of the Buffalo Industrial Bank, Buffalo, N. Y. As Chairman of this committee, Mr. Strachen also will be head of the institution's new Operating Committee which has been formed to supervise operations of the institution until a President has been chosen.

The Buffalo "Evening News" in reporting the foregoing also said in part:

A President is not expected to be selected for some time, Mr. Strachan said. Meanwhile, the bank's operations will be supervised by the Operating Committee composed of Vice-President Ralph W. Stoddard, Vice-President Kenneth R. Reid and Secretary-Treasurer Sherwin J. Thorne.

Victor Holden has resigned as President of the bank effective Tuesday. Stock control of the bank was reacquired a year ago by the Morris Plan Corporation of America. This control was relinquished in 1937.

Douglas W. Morgan, President of the Palisades Trust Company, of Englewood, N. J., has announced the appointments of Albert F. Hill as Treasurer of the bank and Lloyd Jones as Assistant Treasurer. Mr. Hill has been associated with the Bank for 25 years. He has served as Assistant Treasurer since 1927 and has also served as Assistant Trust Officer. Mr. Jones has been employed by the Bank for the past 7 years. He served 2 years in the Navy during the war.

Edwin A. Soast was named Vice-President of Provident Trust Company of Philadelphia on Oct. 17 at a meeting of the board of directors, W. Logan MacCoy, President, announced. Mr. Soast joined Provident in 1917, was named Assistant Treasurer in 1932, and was appointed Assistant Vice-President in 1943. During the first World War he fought with the Canadian Army in Western Europe and Russia.

Directors of The Philadelphia National Bank of Philadelphia, Pa. have authorized the transfer of $8,000,000 from undivided profits to surplus account. The bank now has a capital of $14,000,000, surplus of $36,000,000 and undivided profits of $6,862,503.

The board of directors on Oct. 9, voted to increase the surplus of the Potter Title and Trust Company, Pittsburg, Pa. from $575,000 to $700,000. The President, H. R. Hosick, in announcing this, said that the additional $125,000 will be taken from undivided profits, we learn from the Pittsburgh "Post Gazette."

Dr. Urbane A. Noble, President of the First National Bank of Scranton, Pa. died on Oct. 10 at the age of 68, it was reported by the Philadelphia "Inquirer" of Oct. 10.

Caleb Mercer Sherward, Vice-President of the Wilmington Trust Company, Wilmington, Del. and prominent banker of that city, died on Oct. 4, he was 80 years old. The Philadelphia "Inquirer" of Oct. 8 reported, that Mr. Sherward had been associated with the Wilmington Trust Company since 1912, when it merged with the National Bank of Wilmington and Brandywine. He had been connected with the latter institution since 1883.

The election of Willard G. Barker, as Vice-President of the Surburban National Bank of Silver Spring, Md., was announced on Oct. 11 by T. Edward Duckett, Chairman. According to the Washington, D. C. "Post", Mr. Barker, who succeeds George T. Day, comes to the surburban bank from the City Bank of Washington.

Directors of Riggs National Bank, Washington, D. C. on Oct. 8 authorized the transfer of $500,000 from undivided profits to surplus account. The bank's balance sheet, after giving effect to the latest transfer, will show capital of $5,000,000 and surplus of $7,500,000, the Washington, D. C. "Post" reported on Oct. 9.

Appointment of Arthur J. McConville, Novel E. Pearson, and John F. Singleton as Assistant Vice-Presidents of the LaSalle National Bank of Chicago, Ill. was announced on Oct. 14 by C. Ray Phillips, President. Advices appearing in the Chicago "Journal of Commerce" of Oct. 15, added:

All three were advanced from positions as Assistant cashiers. Each of the three new officers has been identified with the bank since it was founded six years ago.

The election of Walton W. Steele as Cashier of the Baltimore Bank, Kansas City, Mo. at a meeting of the board of directors, was reported on Oct. 13, by the Kansas City "Star."

Appointment of Francis J. Moore as manager of the new Manila, P. I., office of the Bank of America of Los Angeles, Cal. is announced by L. M. Giannini, President. Mr. Moore takes to his new assignment a background of 18 years of banking experience and an intimate knowledge of Philippine affairs. He was born in the Philippines of American parents, and after completing grammer school at Baguio went to California for his higher education, attending Mount Tamalpais Military Academy at San Rafael and Stanford University. Entering banking in 1928 he served in various banking capacities in several California cities until early 1942, when he entered the navy as a Lieutenant. He won promotion to Lieutenant Commander and then was assigned to the staff of General Buckner as Chief fiscal officer for military government in Okinawa. At the end of hostilities he was returned to Washington, D. C. with rank of Commander, and last December he was released from active duty at his own request to return to his banking career. He plans to leave for his new assignment in Manila after word is received from Executive Vice-President Russell G. Smith, now in Manila to organize the new facilities there, that essential operating arrangements have been completed.

W. D. (Dale) Courtney, formerly Assistant Vice-President and manager of the Bremerton Branch of the National Bank of Commerce of Seattle, Wash. has been elected a Vice-President at the bank's Main Office, Andrew Price, President, announced on Oct. 10. A member of the Commerce organization since 1912, Mr. Courtney has advanced through various departments of the bank. He was elected an Assistant Cashier in 1931 and an Assistant Vice-President in 1937, followed by assignment as manager of the Bremerton Branch. Succeeding Mr. Courtney as manager in Bremerton will be Leo Haskell. He joined Commerce at Bremerton in 1933 as Assistant Cashier and was advanced to Assistant Manager in 1937. Prior to that time he was affiliated with other banks in Washington and Idaho. Promotion of W. N. Chance to Assistant Cashier of the Bremerton Branch was also announced. Joining the staff in 1918 as a messenger, he subsequently filled assignments in many departments. For the past two years Mr. Chance has been in the credit department at the Main Office.

Following a meeting of the board of directors of the Dominion Bank, (head office Toronto) it was announced that A. C. Ashforth had been appointed as Assistant General Manager of the bank. Mr. Ashforth, entered the bank at Toronto in 1910, according to the Toronto "Globe and Mail" of Oct. 7 which, also said:

F. F. Hull has been appointed manager of the bank's main Toronto branch in succession to Mr. Ashforth. He joined the bank in 1917 as a junior clerk at Guelph, since when he has seen service at various Eastern branches.

The board of directors of the Bank of New South Wales announces that R. S. Brittain, formerly Manager of the British and Foreign Department of the bank has been appointed Manager of the bank's London Office and that D. J. M. Frazer, has been appointed Manager of the British and foreign department Head Office, Sydney.

U. S. to Attend Tin Talks Sponsored by Britain

Great Britain has invited the United States and seven other principal tin-consuming or tin-producing countries to an international conference in London, which was scheduled to open about Oct. 8. This was learned from Associated Press advices Sept. 8, appearing in the New York "Journal of Commerce," from which we also quote:

"In a statement disclosing acceptance of the invitation, the State Department said today the conference will discuss the prospect of setting up an international study group for tin to replace the old International Tin Committee, organized in 1931.

"The Tin Committee expires this year. The United States has objected to it because only producing countries are represented.

"Also invited to London are Belgium, Bolivia, China, France, the Netherlands, Siam and Russia."

UNESCO Delegates Chosen

Delegates and their alternates named by President Truman on Oct. 14 for the first session of the United Nations Educational, Scientific and Cultural Organization's meeting in Paris in November are as follows, according to a special dispatch from Washington to the New York "Times":

Anne O'Hare McCormick of the "Times," who is now in Paris; William Benton, Assistant Secretary of State for Cultural Relations; Archibald MacLeish, poet, former Librarian of Congress and former Assistant Secretary of State; George D. Stoddard, President of the University of Illinois, and Arthur H. Compton, Chancellor of Washington University.

The alternates are Chester Bowles, former Price Administrator and Stabilization Director; Milton Eisenhower, President of Kansas State University; Charles Johnson, Director of the Social Science Department of Fiske University and Director of the Institute of Race Relations at Swarthmore College; Anna Rosenberg, a member of the advisory board of the Office of War Mobilization and Reconversion, and George Shuster, president of Hunter College.