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Britain's Economic Position One Year After V-J Day

Herbert Morrison, Lord President of the Council, states economic and social threats which followed war offensives, are being controlled and repulsed. Reports Government strategy as: (1) creating and maintaining "suitable conditions," through proper use of controls and subsidies; (2) creating full employment through "smooth transference" from war to peace economy; (3) strong priorities for "export drive"; (4) vigorous production campaign; and (5) thorough economic planning. Claims output is generally satisfactory, and shortages result from demand far in excess of prewar.

LONDON, ENG.—Mr. Herbert Morrison, M.P., Lord President of the Council, speaking at a press conference in London on Oct. 18, made the following remarks, which are of special interest at this time in view of the American trade proposals now under discussion in an international conference in London. In connection with that conference British Government spokesmen have been cautioning that unless the USA succeeds in maintaining full employment at home any international trade charter will prove vain. Mr. Morrison is in charge of official planning for full employment in the UK. His remarks follow:

Herbert Morrison

"During the war as one phase followed another we used to have opportunities to size up at intervals how the campaigns were going. It was a useful practice and I hope we will keep it up in peace, especially in this troubled after-math which is so unpleasantly like war minus the bangs and the bloodshed.

"We have now a fairly complete statistical picture of the first year after V-J Day. Looking back we can see that as soon as the bombers, the V1s, the V2s, the Panzers, the E boats and the U boats, ceased to be flung at us a whole group of new enemies were ready to go into the attack. There was a great blow aimed at our stomachs by the threat of world famine. Another blow was directed at our hearths by the worldwide shortage of coal and other forms of fuel. A third big attack threat-

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Let's Cut Our Military Costs With Trade, Travel and the Facts

By PHILIP D. REED*

Chairman, General Electric Company; Chairman, United States Associates, International Chamber of Commerce.

Citing high cost of our military establishment as insurance against war—taking 50 cents of every tax dollar—Mr. Reed stresses necessity of reducing hazard of international warfare. Holds this should be done by (1) increasing import and export trade through drastic tariff reductions; (2) encouragement and facilitation of international travel; and (3) effectively telling the world the facts about America.

Let me say at the outset that I believe America must maintain a strong, modern military machine. We must not only be formidable—and, if possible, *the most* formidable—in land, sea and air forces but we must be *known* in the capitals of the world to be in this commanding position.

Philip D. Reed

The reason for this is, of course, that a powerful military establishment is an insurance policy against war. Its very existence is a powerful deterrent against warlike acts by others. That is should be necessary at this stage of the development of human civilization to carry insurance against international war is deplorable and shocking. But in the light of the first-hand experience of two generations now living, few would dispute the fact that the necessity is very real.

The dreadful thing about this insurance is that it costs so much. During the fiscal year ending June 30, 1947 the American people will pay more than 10% of the total national income and roughly 50% of the Federal Government's total tax receipts for the support and development of our Army, Navy and Air Force. This is the premium we are paying on our insurance policy against war. If you and I were using half our income to pay our

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*An address by Mr. Reed at a dinner of the New York Financial Writers Association, New York City, Oct. 28, 1946.

How Long Will Prosperity Last?

By HARRY A. BULLIS*

President, General Mills, Inc.

Prominent business executive points out, as result of war national income has doubled and people have a greatly increased money supply, because of government borrowing, so they now seek higher living standards. Holds these factors have created heavy consumer demand, but foresees a readjustment such as took place in 1920-1921. Says stock market break could have come at "no better time," since it curbed inflation and gave reason for restraint on wage demands. Sees need for greater efficiency and productivity, and calls for living within our means by both government and people.

Harry A. Bullis

Whether we realize it or not, we are all concerned with what is going on in the world at large. Modern transportation and modern technology have made this sphere truly "one world," and what happens in any part of it, whether good or bad, affects the daily life of all of us. We who are in business know that this is the case, but we are not always properly impressed with the im-

*From an address by Mr. Bullis at a meeting of Newspaper Food Editors, Chicago, Ill., Oct. 29, 1946.

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GENERAL CONTENTS

*Not Available This Week.

As We See It

EDITORIAL

Where To Go From Here

The expected has happened! History has repeated itself with a vengeance. The party of Franklin D. Roosevelt has been repudiated, although precisely what policies and programs of that party have been rejected remains a subject for debate. There can be no question, however, that something akin to a political revolution has taken place.

The people of this country "have had enough" of a number of things. Housewives are as tired of seeking in vain for day-to-day household needs as their husbands are weary of feeling the lack of them. Millions of businessmen and farmers from one end of this country to the other are sick unto death of the trials and tribulations they have been and are still obliged to undergo in an effort to earn a living in this once free country of ours. It is definitely being borne in upon the consciousness of most members of the business community that in addition to all this, or as a result of it, what is known as prosperity—so far as we have had it in reality—may presently slip away from us. All, or virtually all, Americans are demanding that "something be done about it." This much the voting on Tuesday definitely proves.

How much further than this public thinking has gone it would be very difficult to say at this time. It is doubly important, therefore, that we sit down now that the campaigns are over and consider with care precisely what must be done to right the situation. The thoughtful citizen will

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From Washington Ahead of the News

By CARLISLE BARGERON

There have been a lot of crocodile tears around here in the past few weeks over what would happen to Mr. Truman in the event of the expected Congressional overturn. As we understand it, he is a man whom everybody loves, and they think it is perfectly awful that he should have been called upon to inherit the mantle of the great Franklin Delano Roosevelt. No one in our midst, we being a race of ordinary people, could have adequately taken on that load.

Carlisle Bargeron

This being the attitude, the New Dealers went through the campaign never mentioning his name. For one of the few times in history, if not the only one, and after all, this correspondent has not lived through all time, no single Democratic or New Deal candidate campaigned on the grounds that he was needed in Washington to help the President, which is to say that no one of the "ins" was trying to ride on the coattail of the White House incumbent. On the other hand, the Republicans did not make a campaign against him. They had a way of saying that he was a tremendously good fellow, a good American, but that his soul was not his own.

The point is that in the memory of this oldest inhabitant the incumbent of the White House has not figured, but slightly, if any at all, in the off-year campaigns.

Mr. Truman said privately when asked if he planned to make a speech in favor of the candidates, no, he didn't think it would be of any assistance to them. There is something pathetic about that and it is indicative of the feeling in which Mr. Truman is held.

However, there was a sort of backhanded propaganda in the campaign on the part of the New Dealers. They put Roosevelt's voice on the air, shouted about the continuation of his policies. This being ineffective, they started the propaganda about what an awful fix the country would be in, if the Republicans should have control of Congress with a Democrat in the White House. A stalemate in government, we were told it would be; the country would be estopped in its forward progress, in its assuming its "proper leadership" in world affairs, and what not.

It should be interesting to know what Mr. Truman thinks of that. From the best information we can gather, he will, in a couple of

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Again, Mr. Churchill!

"Certainly I hope for a broad peace to be gained by the world—a peace for all, a peace and reconciliation for all, vanquished as well as victors. I trust the statesmen who manage our affairs will make sure that all the healing processes which time and nature can supply will at least be allowed to flow freely and our bitter hatred of the past may gradually be assuaged.

Winston Churchill

"We're told that one of the great evils from which we suffer is international suspicion. There's a very good remedy for suspicions. It is the full disclosure of facts, and that simple remedy I hope will be applied to the world situation by the United Nations organization now meeting in the United States.

"What is called war talk will be swept away by an interchange of actual military facts, supported by adequate reciprocal inspections on terms of honorable equality between all powers, great and small, which are involved. That will be a great step forward in itself and may lead the way to others."—Winston Churchill.

Again Mr. Churchill seems to have put us all in his debt.

This ardent, implacable, dauntless warrior at times appears to be almost alone in the realization of the need of assuaging bitterness.

Whatever the best method of attaining it, all peoples badly need relief from the present burdens of armament, and this they are not very likely to get so long as even one nation may be secretly doing what Japan did in the 1930's.

Letter to the Editor:

Wants Gold Restored to People

Edward Henry Neary writes "Chronicle" our present monetary system is based on fiat money, which always has had terribly injurious effects. Says our monetary laws are like spider webs through which mighty and rich break, but which ensnare only weak and poor.

Editor, Commercial & Financial Chronicle:

Felix qui potuit rerum cognoscere causas—Happy is he who has been able to learn the causes of things (Virgil, Georg. II, 489).

Money is rationalized by comparing it to the syllogism and to the first axiom of Euclid; the errors of the State Theory of Money, of Managed Currency, of Debt Money, and of Fiat Money generally, are also thereby exposed.

The form of the syllogism is, (1) A equals B; (2) B equals C; therefore, (3) A equals C. Note that B occurs in (1) and (2); it is the standard with which A and C are compared; it is the middle, the medium. But suppose some slicker, like a shell game operator, changes B quickly before it is placed in (2); then (3) is, A does not equal C.

The first axiom of Euclid, i. e. Things which are equal to the same thing are equal to one another, may be considered a generalization of the syllogism. "The same thing" corresponds to B.

A farmer raises crops and wishes manufactured articles. He can shop around until he finds a manufacturer who will exchange his products for the crops; but his farm may be overgrown with weeds before he finds one. Then, how much, wheat e.g., should he exchange for the article? Silly! Of course he takes his crops to market, sells them in competition with other farmers and gets gold, "B," and with gold, "the same thing," buys what he wishes.

A thing, material substance, matter, is characterized by extension, dimensions, length, breadth and thickness, and by mass, weight. There are upward of 90 such, each called an element; therefore chemical composition is incidental to matter.

The name of a thing is a concrete noun, as gold, silver. Some ideas are drawn from, or in relation to, things; ideas, e. g. value, have no extension, mass or chemical composition; the noun "value" is abstract; value has no separate existence; it simply does not exist; it is only a concept of the mind. B, the same thing, and money must be a thing, a material substance to which the mind may attach the idea of value; the thing measures value. Gold served as a common measure of the value of the crops and of the articles, i.e. it was the standard of value, and for that reason it was the medium of exchange. But if gold were not a repository of value it could have been neither a standard nor a medium. How many nothings were the crops worth? The articles?

Standard units of value, such as the dollar, are measures of weight of gold and of its fineness. e. g. the dollar is 15 5/21 grains of gold 0.9 fine. (Letter Secty. Treasury, Sept. 18, 1946; proclamation Jan. 31, 1934; Agricultural Adjustment Act of May 12, 1933, sec. 43 (b) (2); U. S. Code, title 31, sec. 314; Constitution, Art. 1, sec. 8, clauses 1 and 5.) The last gives the Congress power: "To coin money, regulate the value thereof." To coin money, means to stamp metal. There is no such thing as value, therefore it is impossible for the Congress to regulate it. All the Congress can do is to chose the metal, gold; prescribe the fineness thereof, 0.9; and fix the weight of the standard, 25.8 grains troy, depreciated by the President by the proclamation above to 15 5/21, a loss of 10 59/105 grains. God created the heavens and the earth, but not value nor tender in payment of debt alias legal tender; I suspect Satan invented tender!

A connotation of the definition of the dollar as gold, is that gold can not have a price; gold is the price; price is the amount of gold for which other things exchange. As said in the Bullion Report, an ounce of gold always exchanges for an ounce of gold. It is an application of the Law of Identity; therefore comparison with a syllogism may help. Gold is a metal; all metals are elements; therefore, gold is an element. Here gold is compared with other things; in the proposition gold is not compared with any other thing; different weights, i. e., dollars and price, of the same identical thing, i. e. gold, only are involved.

What is erroneously called the price of gold is the monetary value or coinage value, i.e., the number of pieces which an ounce (480 grains) of fine gold, renders; now $35, i. e., 480 divided by 13 5/7.

The importance of understanding that gold can not have a price is illustrated by the action of the Administration in forcing down the paper dollar intermediate May 12, 1933 (Inflation Act) and Jan. 31, 1934 (Depreciation Proclamation). One means was to raise the price of gold, as they called it! See Federal Reserve Bulletins Nov. 1933, ss. and daily quotations of the dollar in francs which were then gold. Acts were introduced in the 79th Congress further to raise the price of gold! i. e., to depreciate.

Another connotation of the definition is that gold coin and bullion pass by weight and not by tale, i. e., by count. Minor coins and paper money pass by count. See U. S. Code, title 31, sec. 318, tolerance, i. e., gold coin are accepted by the Treasury at face value if they have not lost by natural abrasion more than ½ of 1% of weight after a circulation of 20 years and pro rata for shorter times.

The State Theory of Money, i. e., that the Government gives value to money by its fiat, its say-so, and the theory that the stamp of the mint gives a value to gold coin (Norman v. U. S., 294 U. S. 240) are thus shown to be erroneous. In fact, when gold was in circulation, properly certified bars, in large transactions, sold at a premium over coin because it was necessary to melt assay and weigh the coin in order to avoid counterfeits and short weight below tolerance.

The theory of managed or manipulated currency is also thereby shown to be erroneous. Indeed the basic law of thought is an analogue of the first axiom, i.e., Two terms agreeing with one and the same third term, agree with each other. The theory is therefore irrational, contrary to reason; illogical.

Promises to pay dollars, i. e., notes or promissory notes, and bills of exchange, debts and credits, can not possibly be dollars; they are obligations to pay dollars: they depend for their value on the wealth of the promissor, or debtor, his morals and the availability of his wealth to seizure in case of default in payment. A promissory note is an evidence of debt; monetizing debt simply changes the form of the debt; but it humbugs some people!

But payment of the gold has been stopped, so we have the name, dollar, but not the substance, the gold; symbolized by the name dollar; that is, fiat money, mostly greenbacks in all but name. It has been tried time and again in many places always with terribly injurious effects. It is the basis of the most devastating sort of inflation; no laws, even with the sanction of the death penalty, can stop the operation of cause and effect. Such laws are like spiders' webs through which the mighty and rich break and which catch only the weak and poor, as Anacharsis said. (Plutarch, Solon.)

The moral aspect of the subject is left to the conscience of the reader.

Such laws should be repealed and gold restored to the people.

EDWARD HENRY NEARY.
Port Washington, N. Y.

President Names Atom Energy Commission

After three months of deliberation President Truman on Oct. 28 appointed the members of the Atomic Energy Commission created by Congress last July in its Atomic Energy Act, thus conferring upon civilians unprecedented powers and removing from military control development projects in the use of atomic energy. As Chairman of the new Commission the President named David E Lilienthal, who resigned as Chairman of the Tennessee Valley Authority, the post he held since 1941. The other four members named, according to Associated Press Washington advices, are:

Dr. Robert Fox Bacher, 41, Cornell physicist who worked on the atomic bomb and is scientific consultant to Bernard M. Baruch on the United Nations Atomic Commission.

William Wesley Waymack, 58, Pulitzer prize-winning editor of the Des Moines (Iowa) "Register" and "Tribune" and a director of the Chicago Federal Reserve Bank.

Sumner Tucker Pike, 55, of Lubec, Me., former insurance executive and member of the Securities Commission.

Rear Admiral Lewis Lichtenstein Strauss, retired, 55, former Secretary to Herbert Hoover, member of the Army-Navy Munitions Board, now a partner in the New York banking firm of Kuhn, Loeb & Co.

Little opposition is expected to the appointments which are subject to Senate confirmation.

The President issued a statement making it clear that "the entire program" of atomic energy carried on by the Army during the war is being transferred to the civilians of the new Commission, but he said "the orderly transfer of functions and properties from the Manhattan District may well extend over a period of months."

The following is described in the Associated Press accounts as the tasks which the new atomic energy commission will undertake:

Conduct its own research, and promote research by others.

Own and operate facilities for making fissionable material. No one else may do this except under license from the commission.

Own all plutonium, uranium and other material which the commission deems capable of releasing "substantial quantities" of atomic energy. Any now privately owned will be taken over and paid for.

Prospect for new material.

Buy fissionable material abroad, if necessary, for defense.

Distribute atomic material for research or medical use, making its own rules as to charges and other terms.

Conduct military research and make atomic bombs for the armed forces.

License the manufacture of equipment and devices for using atomic energy.

Issue reports on any atomic energy developments for industrial and commercial use.

Take over for public use, with just compensation, any patents for making or using atomic energy.

Control any dissemination of secret information.

Issue regulations for safety, health and other purposes in the atomic field.

Report to Congress at least twice a year.

Small Loan Head Urges Elimination of Reg. W

Byrd E. Henderson, President of Household Finance Corporation, was on Oct. 19 elected President of the American Association of Small Loan Companies at the annual convention of the Association held at the Hotel Commodore in New York City. In an acceptance speech before members of the Association, Henderson strongly urged the elimination of Regulation W and useless reporting.

"Regulation W of the Federal Reserve Board became effective in September, 1941," said Mr. Henderson, who went on to say: "It was announced as a wartime emergency measure. The war has now been over for almost a year and a half, but Regulation W remains. The supervising officials, having tasted this temporary form of control, are now plugging for its permanent retention. Regulation W is no longer needed in the cash lending business, if it ever was. It is high time that this particular field was again permitted to operate under the natural laws of supply and demand. Regulation W's impact is primarily on the lower income groups. It is discriminatory and unfair to such people."

He told the group that they can expect efforts on the part of certain government officials to retain Regulation W or pass permanent federal legislation to take its place. "We must prevent these efforts from succeeding," he said. Mr. Henderson also advocated elimination of useless state regulation and reporting. The small loan business is he said conducted under state laws and hence is subject primarily to state regulation and control.

Mr. Henderson is the 30th President of the American Association of Small Loan Companies, which was organized in 1916. This Association is the only national trade association of small loan companies and has over 2,000 memberships in the U. S. Mr. Henderson reported that according to Federal Reserve figures, the amount of customer notes receivable on the books of such lenders was $535,000,000 on Aug. 30, 1946, which compares with $158,000,000 for credit unions, $184,000,000 for industrial banks, and $792,000,000 for the personal loan departments of commercial banks.

Conference Bd. Elects Councillors, Others

Two Councillors and 50 Board Members were elected or reelected at the 281st Meting of the National Industrial Conference Board held Oct. 24 at the Waldorf-Astoria Hotel in New York.

Newly-elected Councillor for the five-year term is Frederick J. Koster, President of the California Barrel Co., Ltd., of San Francisco. Councillor Alfred P. Sloan, Jr., Chairman, General Motors Corp., was reelected. Mr. Sloan has served as one of the Councillors of the Conference Board since 1941.

The nine newly-elected Board Members are: George C. Brainard, President and General Manager, Addressograph-Multigraph Corp.; Philip Cortney, President, Coty, Inc.; George M. Gillies, Jr., President, Adams Express Co.; William Fulton Kurtz, President, the Pennsylvania Co.; Henry Ware Jones, Jr., President and Treasurer, American Tube Bending Co., Inc.; Colonel W. F. Rockwell, President, Rockwell Manufacturing Co.; Grant B. Shipley, Chairman of the Board, Elliott Company; Henry S. Sturgis, Vice-President, the First National Bank of the City of New York; James V. Toner, President, Boston Edison Co.

World Bank Announces Loan Applications From Iran and Netherlands

Iran wants $250 million, while Dutch seek $500 millions. France, Denmark, and Chile have already applied for various amounts, which are under study by Bank.

Mr. Eugene Meyer, President of the International Bank for Reconstruction and Development, announced on Oct. 30 that a preliminary loan application for $250,000,000 has been received from the Government of Iran, and that a letter has been received from the Government of the Netherlands stating that it intends to apply for a loan from the Bank in the amount of $500,000,000.

Eugene Meyer

The preliminary application from Iran states that it has decided to apply for a loan to be available for expenditure during a period of five to seven years in connection with a program of reconstruction and development, to be undertaken for the purpose of raising the general standard of living and improving the health and welfare of the people of Iran. The Iranian Government also states that it will in due course communicate full and complete particulars with respect to individual projects as well as the detailed plan for financing them.

The letter from the Netherlands Government discloses that an application is being prepared which will give the details of the program for which financing will be sought.

It has been previously announced that formal loan applications have been filed by the Governments of France, Denmark and Chile. These applications are now receiving study and are the subject of further discussions with representatives of the applicant countries.

War Death Claim Payments by Life Companies

Holgar J. Johnson, President of Institute of Life Insurance, reports claims thus far for those killed in action numbered 194,000, and amounted to $200,000,000, and accident death claims totaled $80,000,000, while claims for death by disease amounted to $33,000,000, or only 7% of all war claims.

Total U. S. war claim payments on the lives of members of the armed forces are reported by the life insurance companies at $313,000,000, Holgar J. Johnson, President of the Institute of Life Insurance, stated in a report issued Nov. 1. Of the amount paid $23,000,000 was paid in the first nine months of this year, largely representing claims delayed by the long efforts of the government to trace missing persons and prisoners of war.

War claims met by the companies numbered 272,000, of which 120,000 were on ordinary and group life insurance policies and 152,000 were on industrial life insurance policies. The claim payments under ordinary and group policies were $245,000,000 and those under industrial policies were $68,000,000.

"The war claim payments of the life companies, in addition to the benefits received from National Service Life Insurance, were of great aid to the families of those who died in service," Mr. Johnson said. "These war claim payments made up only 6.7% of total life insurance death claim payments from the beginning of the war to the end of 1945. Taking into consideration only battle deaths and accident deaths, as the disease deaths might well have occurred at home, the directly war-caused claim payments represented only 5.0% of total death claims payments."

Battle deaths constituted the greater part of the war claims, accounting for 71% of the total number of war claims, the Institute figures show. Claims for those killed by enemy action numbered 194,000 and the payments on these claims totaled $200,000,000.

Claims for deaths caused by accident numbered 60,000 or 22% of total war claims and payments on these claims totaled $80,000,000. These were largely accidents caused by training or conditions directly related to the war and were at a rate many times the accident rate that would have been normal for these men and women in civilian life.

Only 7% of the war claims were due to death by disease. Disease deaths in this war's armed forces were not only much smaller than in past wars, but were even appreciably below the rate for civilians of the same age groups. The disease death claims numbered only 18,000 or less than 5,000 per year, with armed forces that were sustained at over 10,000,000 a large part of the time. Claim payments for the disease deaths totaled $33,000,000.

NY State Savings Bank Deposits Up 7.5%

A net gain in savings deposits during the first nine months of 1946 of $635 million or 7.5%, as compared to $886 million or 12.4% during the same period last year, was reported for the 131 mutual savings banks of New York State by Robert M. Catharine, President of the Savings Banks Association. A 1945-46 comparison of nine months' totals for new accounts reveals, the Association's advices said that during the first nine months of 1946, accounts increased by 225,959 which was approximately the rate of gain in accounts for the corresponding period in 1945, i.e., 233,869. From the announcement of the Association Oct. 24, we also quote:

While gains in both savings accounts and dollar deposits continued during the third quarter of 1946, the rate of gain was lower than previously reported. The gain in accounts during the third quarter of 1946 was 57,598 and in deposits $157,032,423. September showed a net gain in savings deposits of $35,025,877 and the total number of depositors served increased by 12,315 to another high of 6,898,783. Total deposits are the highest in history, having reached $8,919,134,598. At the same time the ratio of deposits to withdrawals has continued through the third quarter of 1946 to average 1.16, which compares favorably with the first six months' rate of 1.3. Sales of United States Savings Bonds and Stamps during September amounted to $8,411,469.

Burrows Named To RFC Posts

The Reconstruction Finance Corporation announced on Oct. 28 the appointment of Harold W. H. Burrows as Assistant to the Board of Directors. Mr. Burrows is also being designated Controller of the Corporation reporting directly to the Board of Directors. The Directors have established the position of Controller for the purpose of centralizing in that office the responsibility for accounting, budgeting and internal auditing functions and for developing such revisions in operating methods as will contribute to economy and efficiency of operations, said the RFC whose advices also said in part:

"Mr. Burrows was engaged in public accounting work for over 10 years with Ernst & Ernst. Subsequently, at the request of the Governor of the State of Michigan, he participated in the reorganization of the State's accounting system and became Controller of the State in 1939. In June 1942, Mr. Burrows entered the United States Army as a commissioned officer with the immediate responsibility of developing for the Army an adequate fiscal accounting system. In this capacity, he dealt with activities not only in this country but also in overseas theatres, including the accounting distribution of all War Department expenditures. He was released from active service in the early part of 1946. Mr. Burrows was connected in a consulting capacity with the United Nations Relief and Rehabilitation Administration until taking up his new duties with RFC. He recently returned from Shanghai where he was Controller of UNRRA's China Office.

"The action of the RFC in establishing the position of Controller is consistent with a recommendation contained in the Interim Report of the Corporation Audits Division of the General Accounting Office, submitted to the President and the Congress last June. This recommendation was subsequently concurred in by the House Committee on Expenditures in the Executive Departments."

Named Vice-President Of Industrial Bankers

John W. Seaberg, President of the Union Loan & Thrift Corporation, Minneapolis, Minn., has been elected Vice-President of the American Industrial Bankers Association to fill the unexpired term of R. G. Kirschmann, Secretary-Treasurer of the Johnstown Finance & Loan Co., Johnstown, Pa., who resigned because of ill health. Mr. Seaberg's election took place in a meeting of the executive Committee of the association in Fort Wayne, Ind., prior to the semi-annual meeting of the Board of Directors of the AIBA at the Edgewater Beach Hotel in Chicago on Nov. 7, 8 and 9. He will serve until the annual meeting of the Association in Denver next June. His election automatically makes him a member of the Executive Committee, which is comprised of officers of the association.

In addition to elevating Mr. Seaberg, who was a member of the Board of Directors of the AIBA for the State of Minnesota, the Executive Committee disposed of routine business matters and prepared the agenda for the Chicago board meeting. Principal matters of business to come before the Board will be the plans for the Denver meeting and the 13th annual Institute of Industrial Banking, held each year in conjunction with the convention.

The State of Trade

A fractional increase was noted in industrial production last week as new postwar peak levels of output were attained in some industries. Similar factors present in past weeks such as limited supplies of raw materials and component parts worked to restrict further increases in the production of some manufactured goods during the week. Total continued claims for unemployment insurance declined 0.6% in the week ended Oct. 19, while initial claims dropped nearly 15%.

Steel ingot output declined to 89.4% for the week from 90.3% of capacity in the previous week. Scheduled ingot production for this week, however, is placed at 91.1% of capacity. Electric power production also touched a new postwar high advancing 1.4% last week. Daily average crude oil output was almost unchanged, in the past week, declining to 4,729,800 barrels from 4,732,600 barrels, while freight carloadings, on the other hand rose the past week by 1.1% to attain a new 16-year high record.

In the durable goods field the supply continued to show improvement with shipments of wheel goods such as baby carriages, velocipedes and scooters reflecting a notable increase. As a result of adequate stocks of small electrical appliances, household kitchenware and glassware controls were removed from these items by OPA.

Automobile production, of major importance in the durable goods line, and to our economy as well, dropped 2.2% from the previous week's level to an estimated 88,282 units. In commenting upon automotive output it is worthy of mention that truck production in the first three quarters of 1946 has been exceeded only during the corresponding period in 1929 and 1937.

The First National Bank of Boston in discussing general business conditions in its "New England Letter" for the month of October makes note of some of the outstanding characteristics of war and postwar periods, and specifically the comparison with the period following the end of the first World War. In summarizing its findings it had the following to say:

"Because the same fundamental forces — deficit financing, great money supply, scarcities, and huge pent-up demand — predominated in both postwar periods, it is to be expected that there would be strong similarities in features of the business patterns. On the other hand, it should be noted that there are also important dissimilarities. There is now much less credit strain. The individual farmer is currently in a stronger financial position. Corporate and individual savings are considerably larger. While farm commodity prices are at about the same level as after the first World War, non-agricultural prices are considerably lower.

"After the first World War there was an official disposition to allow nature to take its course. This made for a sharp and clean-cut correction. But the policy now is for the Government to step quickly into the breach and cushion the shock, and it has many commitments to provide support, particularly in the case of agriculture. This may prolong the readjustment period and delay recovery."

The article concludes by stating that these are significant points of similarity as well as of difference between the two postwar periods and adds that "these should be taken into consideration in attempting to appraise the future business outlook. The trend of events in the earlier period should serve as a general guide to what may lie ahead, but allowances should be made for dissimilarities in regard to timing as well as in the scope of possible readjustments in the various segments of our economy."

Total retail volume last week rose slightly above the high level of the preceding week and was well above that of the corresponding week a year ago. Prices of many commodities rose during the week with stocks generally increasing and shoppers becoming more selective in their demands.

There was a slight decline in wholesale volume in the week but it remained considerably above that of the corresponding week a year ago. Price fluctuations following the removal of price ceilings on many commodities resulted in a cautious attitude on the part of many buyers. Deliveries generally were slightly improved the past week.

Steel Industry—The temporary but politically slanted postponement of the coal crisis by no means removes the threat of a possible tie-up at the mines later this year with steel consumers, highly vulnerable to any slight change in the steel market and extremely sensitive where the question of future supplies is concerned, it can be expected that many steel users will resume their pressure tactics to speed up deliveries, "The Iron Age," national metalworking paper states.

In recent weeks there had been a definite trend toward a more orderly steel market from the standpoint of the placement of orders and the production of steel.

Because of the low supply of coal stocks and the precarious position of scrap supplies, a coal mine tie-up later this year would have an almost immediate effect on the output of steel in some major plants, the magazine notes, adding that such a development would force down a number of blast furnaces some of which might be kept out of blast until the outcome of the steel negotiations in January had crystallized.

The absolute certainty that the steel union will demand a healthy increase because of the lower take-home pay compared with wartime levels and because of the sudden and sharp increase in living costs will in all probability cause consumers to use every effort to increase their inventories before actual conditions have forced a showdown between the steel companies and the union. Any effort, however, by large steel consumers to revert to their high pressure methods to expedite shipments and expand their orders will not meet with much success in steel company sales offices, "The Iron Age" states.

It was apparent last week that if the unbalanced inventory problem isn't corrected soon, customers who have been surmounting one obstacle after another in order to maintain manufacturing schedules will have to consider seriously canceling some deliveries and reducing their production rate to conform with the availability of all steel components, the above authority observes.

The steel price situation was no closer to a settlement last week than it was some weeks ago. Negotiations are still going forward with OPA and the possibility that Congress may throw out price controls before the present controversy between the steel industry and the OPA is settled is by no means remote.

The American Iron and Steel Institute announced on Monday of this week the operating rate of

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As We See It

(Continued from first page)

not be long in reaching the conclusion that, first and foremost, we must rid ourselves of the circumstances which make it possible for a small coterie of men in Washington to do what is tantamount to making the law of the land at their own uncontrolled discretion. As bad as much of the specific legislation now on the books unquestionably is, the statutes which enable the President to turn controls off and on at will; virtually to "nationalize" the coal mines of the nation; to "allocate," restrict or otherwise control the flow of materials into industry, and to do a thousand and one other acts at discretion—these statutes are infinitely worse.

Government by Law

We must without further delay get back to a system of government by law and not by men—or more precisely by one man. The first step, of course, is to put an end to the powers which owe their origin to the war or to "emergencies" of one sort or another proclaimed by the President with Congressional sanction. Some of these powers would have expired under the terms of the original acts had not Congress renewed or extended them. Most of these extensions will in turn expire within the next six to nine months. Relief from the hardship of not being able to find adequate food from day to day may lead some of us to forget that all our difficulties can be brought back upon us over night by a simple decision of the President, under powers extended last summer until the middle of next year. If there is no way of getting rid of it sooner, then one of the first and most important of the tasks before us is to make certain that this law dies for all time on June 30 next.

Again, the Civilian Production Administration was due to cease being at the end of this year, but Congress prolonged its life last summer and now it will go on—if nothing is done about it—until the middle of next year. Its intermeddling with American business is a definitely retarding influence upon our progress in getting back to a normal peace footing. Of course action by Congress could bring an end to this sort of nonsense forthwith, and Congress ought not to delay taking the necessary step as soon as it is once again in session. Certainly there must be no thought of prolonging further either the activities of this agency or the powers under which either it, or the President, may do what it has been doing. So long as such power as this exists danger of its use exists.

Down With OWMR!

The Office of War Mobilization and Reconversion has vast powers to make life miserable and difficult for the businessman. Under the law as it now stands this power lapses at the middle of next year. It should have lapsed long ago. Congress, once it is in Washington, should see to it that it goes by the board at once. It should be understood all round that its powers will not be exercised meanwhile. These are but examples of a situation which is so extensive and so pervasive that it permeates the entire economy, indeed a good more than the economy since the lives of us all are directly or indirectly touched and affected by it all. Indeed it is difficult for even the lawyer to determine the limits of the powers of the President under a number of these wartime statutes, whose termination, if left for nature to take its course, may not come for years. In the absence of Congressional or Presidential action, or proclamation to the effect that the war has come to an end, heaven knows when the courts would support a contention that these powers had lapsed. One of the very first tasks which confronts us is that of getting back to a normal peace as respects matters such as these.

Other Powers, Too

But we obviously can not stop there. From March 4, 1933, to the outbreak of World War II, President Roosevelt accumulated more authority than any other President had ever dreamed of having in peacetime. Indeed, he pushed forward into ground which his predecessors, more respectful of American tradition, had not trod even in war time. Here, too, action is urgently needed. We should be sadly deluding ourselves if we supposed that we could get back to a normal way of life in business until these extraordinary powers are taken from the hands of the Chief Executive, or any other official or branch of the government—and that regardless of the degree in which they are being employed. The very existence of the powers is hazardous and destructive. Of course, this means extensive revision of many existing statutes, But it needs to be done regardless of the cost. We simply must get back to a system of government by law.

Most of these New Deal statutes, if not all of them, are in any event in sore need of drastic revision, regardless of whether they should be permitted to remain on the statute books at all. Granted that some of the laws have now been in effect long enough to have become intertwined with much of the business life of the nation. Expungement of the New Deal boots and baggage—as it really ought to be—is accordingly a real task, and one which needs be done with circumspection, albeit with thoroughness. One of the discouraging features of the current situation is the fact that so little constructive thought has been given to a program of action, once the political situation was such that those who understand the real nature of the New Deal could begin to function with dispatch and vigor.

We, Too, Need Readjustment

But over and beyond any and all things political, the great rank and file of the people of this nation, particularly the masses in our industrial centers, must come to their senses if they are to save themselves and the nation from much unnecessary suffering and hardship. Long years of depression, of frustration, of paternalism, of listening to the "isms" which have done so much to make it difficult for many European peoples to keep going, and other factors of a related nature have brought all too many American citizens—with deep regret be it said—to a point where they have begun to suppose that somehow the world owes them a living, and to depend upon government to save them from themselves. Others under the prodding of malcontents are so afraid that they will give a whit more of their services than they are paid for that the essential need of full and efficient production is lost to sight. Discipline, self-imposed or other, seems to have all but disappeared from the American scene.

We need to turn over a new leaf.

Byrnes Reaffirms US Stand on Argentina

Secretary of State Byrnes on Oct. 22 told a news conference that he knew of no intention on the part of Spruille Braden to resign as Assistant Secretary in charge of Latin American affairs. Mr. Byrnes' statement was made in reply to questions regarding a rumor that Mr. Braden might resign if the United States reversed its policy toward Argentina that the South American country must rid herself of any Nazi agents harbored there.

Mr. Byrnes declared, according to Associated Press Washington advices, that his statement of last April 8 still holds. In that document the Secretary of State said this country and other American republics would consider holding a conference to write a hemisphere military defense treaty with Argentina only after that country had expelled Nazi agents. The Associated Press added:

"Mr. Byrnes said he sees no possibility of holding the defense treaty conference at Rio de Janeiro this fall because of the meetings of the United Nations Assembly and the Big Four foreign ministers in New York."

Steel Production Highest Since June, 1945—More Producers Opening First Quarter Books

Despite a production pattern far more intricate and varied than in wartime, the steel industry this week regardless of scrap and certain labor shortages was turning out steel at an unprecedented peacetime level which on an annual basis would produce more than 84,000,000 tons of ingots—21,000,000 tons above the previous peacetime peak of 1929, according to "The Iron Age," national metal-working paper, which in its issue of today (Nov. 7) further states as follows:

"Unless hampered by a coal mine shutdown later this year, it is expected that the industry will maintain this unusual output over the next several months. Some sources fear, however, that John L. Lewis in his attempt to successfully gain increased wages from the government may adopt the same plan of attack as he did last April.

"A curtailment of steel production at this time, after the industry has indicated what it can do if it is allowed to go forward unhampered, would create a national crisis. This would be the same sort of a crisis which the United Mine Workers used earlier this year as a bargaining factor. All of these probabilities are in the minds of both steel producers and steel users and for this reason it can be expected that every effort possible will be made to squeeze out a maximum of steel production as long as possible.

"Another factor expected to spur steel production and cause steel consumers to attempt to lay in as much steel as possible is the possibility of a steel strike early next year. While it is too soon to call such a strike a 'probability' today, factors are building up which by next February may present a far more serious threat to continued high steel output than the spectre of a coal mine shutdown does today.

"Speculation in the trade as to whether or not the OPA will soon decontrol carbon steel products after last week's action in decontrolling alloy steel which constitutes about 9% of total steel output, continues rife. However, such action would only produce sooner a balanced price structure which the steel industry through its advisory committee is trying to obtain from OPA.

"No steel producer or steel user expects wholesale price advances when carbon steels are decontrolled, but rather look for upward revision of those items, the production of which has been held down due to the low return to producers. So far there is not the slightest indication that alloy steels, having been decontrolled, will be advanced. On the contrary alloy steel producers are watching each other like a hawk to determine if the current price structure will remain strong.

"With iron ore decontrolled effective Jan. 1 and with alloy steel having been removed from control, the continuance of regulations on other steels appears to be untenable. For this reason a segment of the steel industry looks for a sudden change in position on the part of those OPA officials who have insisted on keeping steel price ceilings as long as possible.

"Steel shipments in October were the greatest in any month since V-J Day. Aside from certain wartime peaks, new records have been made at many steel company plants. The only sore spot in the current picture is the unavoidable loss of plate production at some of the smaller eastern mills which have been squeezed between the dual shortage of pig iron and scrap.

"While the steel industry in recent weeks has been busy upsetting its own estimates of steel production, it continues to keep a weathered eye on the scrap supply situation which is by no means encouraging. Any serious bottleneck in the availability of scrap or the transportation of this material due to severe weather conditions later this year would be bound to promptly show up in the industry's operating rate."

The American Iron and Steel Institute this week announced 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 91.1% of capacity for the week beginning Nov. 4 (the highest level since June, 1945), compared with 89.4% one week ago, 90.4% one month ago and 77.0% one year ago. This represents an increase of 1.7 points or 1.9% from the preceding week. The operating rate for the week beginning Nov. 4 is equivalent to 1,605,500 tons of steel ingots and castings, compared to 1,575,600 tons one week ago, 1,593,200 tons one months ago, and 1,410,400 tons one year ago.

"Steel" of Cleveland, in its summary of the latest news developments in the metalworking industry, on Nov. 4 stated in part as follows:

"Limitation on construction other than housing, high construction costs and a less favorable outlook for busines in general has cut sharply into the structural steel market.

"Some mills are already caught up with their shipping promises and are rapidly eating into their backlogs, which have declined substantially. Others report they will be caught up and ready to book new business in the first quarter.

"Other steel products remain tight, particularly sheets and strip, although one mill is now establishing quotas for first quarter business and others are expected to follow.

"The price situation is clarified somewhat this week with the removal of ceilings over alloy steels of various types and on wire rope, as well as iron ore for 1947 shipment. These commodities are already fairly well balanced with demand, and there is little likelihood of price increases on any of them.

"Shortages in scrap and pig iron continue to hamper steel production at some points. New iron will shortly reach the market from government-subsidized furnaces, carrying $8 to $12 premiums over current ceiling prices, but this iron is supposedly headed for the housing program exclusively and a large share will go to foundries rather than to the steel mills."

White House Visitors

Two callers at the White House on Oct. 28 were Canada's Prime Minister Mackenzie King and the United States Ambassador to Russia, Lieut. Gen. Walter Bedell Smith. The Canadian Prime Minister's visit with President Truman was described by White House press secretary Charles C. Ross as a "social call," with no particular topics listed for discussion, and that it was "without any political significance." However the Associated Press dispatch from Washington mentioned that Ottawa dispatches had said that plans for joint defense of the Arctic might be discussed.

General Smith, who has been in this country on a 10-day visit, told reporters that his primary mission had to do with the organization of his Moscow staff, and declined, according to Washington advices to the New York "Times," to comment on the "generalities" which he said he had discussed with the President.

September Loadings of Motor Carriers Drop 11.1% Under August Because of Strikes

Due primarily to strikes, particularly in the northeastern area, the volume of freight transported by motor carriers in September declined 11.1% below August, according to statistics compiled by American Trucking Associations, Inc. Despite the strikes, however, the September volume held at a level that was 11.2% higher than the volume transported in September of last year. The Association's statement further adds:

The ATA truckloading index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, dropped to 170 in September as compared with the high index of 204 attained in August.

The average index for the first nine months of 1946 was 180.4, slightly above the average index for the first nine months of 1945 (179.4) and 1944 (179.0), but 6½ points below the average index of 186.9 recorded for the first nine months of 1943.

The September figures are based upon comparable reports received by ATA from 207 carriers in 37 states. These carriers transported an aggregate of 1,848,420 tons in September, as against 2,080,089 tons in August and 1,662,185 tons in September of 1945.

Approximately 89% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category decreased 11.8% below August but increased 11.4% over September, 1945.

Transportation of petroleum products, accounting for about 5% of the total tonnage reported, showed a decrease of 3.7% below August, but increased 0.9% over September, 1945.

Carriers of iron and steel hauled about 3% of the total tonnage. Their traffic volume decreased 7.6% below August but increased 65.2% over September, 1945.

About 3% of the total tonnage reported consisted of miscellaneous commodities, including textiles, groceries, chemicals, packing house products, automotive parts, motor vehicles, tobacco, school supplies, paper and rubber products. Tonnage in this class decreased 4.1% below August and 1.9% below September, 1945.

The September tonnage of carriers reporting from the Eastern District represented a decrease of 14.1% below August but increased 11.8% over September, 1945.

Carriers in the Southern Region reported a decrease of 10.7% below August but increased 2.3% over September, 1945.

Tonnage reported from the Western District revealed a decrease of 4.8% below August but increased 12.9% over September of last year.

Profits of National Banks in First Half of 1946 Reported by Comptroller of Currency

According to Comptroller of the Currency, Preston Delano, the National banks in the United States and possessions reported net operating earnings of $317,474,000 for the six months ended June 30, 1946, an increase of $50,650,000 over the first half of 1945. In his advices, made available Oct. 5 the Comptroller stated that adding to the net operating earnings profit on securities sold of $72,967,000 and recoveries on loans and investments, etc., previously charged off of $55,703,000, and deducting therefrom losses and charge-offs of $63,548,000 and taxes on net income of $102,003,000, the net profits before dividends for the six months ended June 30, 1946 amounted to $280,593,000, which at an annual rate amounts to 11.51% of capital funds. This figure of net profits before dividends was $31,325,000 more than the amount reported for the six months ended June 30, 1945. The Comptroller's advices also stated:

"The principal items of operating earnings in the first half of 1946 were $361,602,000 from interest on U. S. Government obligations and $51,251,000 interest and dividends on other securities, a total of $412,853,000, which was an increase of $53,814,000 over the corresponding period in 1945; $226,210,000 from interest and discount on loans, an increase of $44,868,000, and $33,010,000 from service charges on deposit accounts an increase of $2,287,000. The principal operating expenses were $208,455,000 for salaries and wages of officers and employees and fees paid to directors, an increase of $34,400,000 over the first half of 1945, and $69,991,000 expended in the form of interest on time and savings deposits, an increase of $10,934,000. Gross earnings of $764,215,000 were reported for the six month period of 1946. This represents an increase of $111,766,000 over the gross earnings for the first six months in 1945. Operating expenses, excluding taxes on net income, were $446,741,000 as against $385,625,000 for the first half of 1945.

"Cash dividends declared on common and preferred stock totaled $78,108,000 in comparison with $73,371,000 in the first half of 1945. The annual rate of cash dividends was 3.21% of capital funds. The cash dividends to stockholders in the first half of 1946 were 27.84% of the net profits available. The remaining 72.16% of net profits, or $130,485,000, was retained by the banks in their capital accounts.

"On June 30, 1946, there were 5,018 national banks in operation, as compared to 5,021 on June 30, 1945."

Caribbean Commission

The four nations having territories in the Caribbean area have signed an agreement for the setting up of a so-called Caribbean Commission, which is to be formally established, with its auxiliary bodies—the Caribbean Research Council and the West Indian Conference—as an international advisory body to the four signatory Governments in the interests of greater cooperation. The United States was one of the signatories, the others being Great Britain, France and the Netherlands.

The agreement, according to a special dispatch from Washington to the New York "Times" on Oct. 30, provides for a permanent Secretariat, for which a building has been acquired in Port-of-Spain, Trinidad. It is reported that Lawrence W. Cramer of the United States is Secretary General.

The Commission succeeds the Anglo-American Caribbean Commission, the "Times" said. It continued:

Its objectives are held to be in accord with the principles of the United Nations Charter. Its aim is the improvement of economic and social well-being in the area, the promotion of scientific, technological and economic development, the facilitation of the use of resources and in general the concerted treatment of mutual problems.

Supreme Court Upholds Georgia Unit Rule

The United States Supreme Court on Oct. 28 dismissed two protests against Georgia's county unit election system, according to Washington Associated Press advices. By a six to three refusal to hear an attack upon the State's plan the Court left standing the decisions of a special three-judge United States district court in Atlanta which had ruled that there was no violation of equal rights guarantees in the Georgia system. Under the county unit system Eugene Talmadge was able to win nomination as Governor although he was behind James V. Carmichael in the popular vote. The same system also permitted the defeat of Representative Helen Douglas Mankin in the Fifth Congressional District, who, although she headed the popular ballot, lost in the unit vote to James C. Davis. One of the rejected lawsuits attempted to upset Mr. Talmadge's primary nomination; the other sought to have Mrs. Mankin declared the primary choice for Atlanta Representative.

Under the Georgia plan, the Associated Press pointed out, from two to six unit votes are assigned to a county and they go to candidates receiving the most votes in the county. The lower court observed that the plan operates like the Electoral College system in electing a President—some without a popular vote majority. The three Justices who favored the review were Hugo L. Black, Frank Murphy and Wiley Rutledge.

In another electoral situation the tribunal also decided to keep hands off a State's system. It refused to reconsider its four to three decision of last June, the Associated Press reported, which had rejected a proposal to remap Illinois' congressional districts.

ABA Commissions To Meet in Nov.

The two commissions of the American Bankers Association devoted exclusively to promotion of the welfare of country banks will hold their annual executive business sessions during November. The Agricultural Commission will meet at Louisville, Ky., on Thursday and Friday, Nov. 14 and 15, and the Country Bank Operations Commission will hold its meeting at Mobile, Ala., on Monday and Tuesday, Nov. 18 and 19. Meeting with the Agricultural Commission at Louisville will be the Subcommittee on Agricultural Credit of the Committee on Federal Legislation. John N. Thomson, Vice-President and Cashier of the Bank of Centerville, Centerville, S. D., is Chairman of this subcommittee. Both commission meetings will be addressed by C. W. Bailey, the new ABA President, who was formerly Chairman of the Agricultural Commission. Mr. Bailey is President of the First National Bank, Clarksville, Tenn.

Change Name to Consumers Bankers' Ass'n

The Morris Plan Bankers' Association changed its name to Consumer Bankers' Association and wound up its convention on Oct. 23, at Virginia Beach, Va., by reelecting Joseph E. Birnie, President of the Bank of Georgia in Atlanta, to head the Association another year. United Press advices reporting this stated that other officers elected were First Vice-President John B. Jessop, President, Equitable Trust Co., Wilmington, Del., and Second Vice-President Clyde C. Shively, President, State Industrial Bank, Columbus, O.

September Retail Prices Highest in Quarter Century, Says Conference Board

September, 1946, marks the highest point reached in more than 25 years (since November, 1920) in the consumer price index, the National Industrial Conference Board reports. The Conference Board's quarterly "Consumers' Price Index" or "Index of Quoted Retail Prices for Consumers' Goods and Services Purchased by Moderate-Income Families" (formerly called "Cost of Living Index") climbed 5.9% over the June figure, and is 7.9% over September last year. The Board's advices add:

Each of the 65 U. S. cities included in the surveys shows an increase. These increases range from 3.5% in Dallas, Texas to a high of 8.9% in Minneapolis, Minn.

The Conference Board Index, using 1923 as 100, stood at 114.6 for September. The June, 1946 figure was 108.2. Not since November, 1920, with the index at 115.7, have quoted retail prices approximated this level. The Conference Board's figures are based on retail price quotations for June 15 and Sept. 15 (for food data: on June 13 and Sept. 16), and show only the situation as it prevailed on those days.

Food prices showed the sharpest advances during the third quarter of this year. The rise in the food index alone (13.0%) was sizeably greater than the increases in the other components combined. Quoted retail prices for September, 1946 were 13.3% above those of September last year. Prices of fresh fruits and vegetables, however, showed declines over the quarter thus lessening effects of increases in coffee, eggs, butter and other items.

Increases granted on coal after the last coal strike settlement were reflected in the 3.3% rise in the fuel and light component. Sundries increased only 2.0% during the quarter.

Pineo Named Director By International Bank

Eugene Meyer, President of the International Bank for Reconstruction and Development, announced at a press conference on Oct. 31 that Charles Chipman Pineo, of Canada, has been appointed Director of the Loan Department of the Bank, thus completing the appointment of the principal officers of the staff. Mr. Pineo was born in Nova Scotia on Dec. 22, 1883. He served as Assistant General Manager of the Royal Bank of Canada in Montreal from 1931 to 1945. The announcement further said:

"Mr. Pineo began his banking career in 1902 upon entering the service of the Union Bank of Halifax. When this bank was amalgamated with the Royal Bank of Canada in 1910, he was assigned to Puerto Rico and later to Cuba. He became Manager of the National City Bank of New York at Sao Paulo, Brazil in 1915, where he remained until he rejoined the Royal Bank of Canada four years later, and organized branch offices in Brazil, Argentina and Uruguay. In 1920, he was appointed Supervisor of the South American business of the Royal Bank with headquarters in New York.

"Later, at the Head Office of the Royal Bank of Canada in Montreal, as Assistant General Manager, Mr. Pineo had charge of all the bank's foreign branches in Europe as well as in Latin America."

Brown in Navy Air Post

Announcement was made on Oct. 28 of the appointment by President Truman of John Nicholas Brown as Assistant Secretary of the Navy for Air. Born in New York City 46 years ago, Mr. Brown, a graduate of Harvard University who served in the Navy in the first World War, has lived most of his life in Newport, R. I., according to an Associated Press Washington dispatch.

Subscriptions to Treasury Certificates

Secretary of the Treasury Snyder announced on Oct. 31 the final subscription and allotment figures with respect to the ⅞% Treasury Certificates of Indebtedness of Series K-1947 offered on Oct. 21 in exchange for Certificates of Indebtedness of Series J-1946, maturing Nov. 1, 1946, in the amount of $3,777,773,000. Secretary Snyder indicated that reports received from the Federal Reserve Banks showed that subscriptions aggregated $3,432,410,000. Subscriptions in amounts up to and including $25,000 were allotted in full, and amounted to $40,563,000. Subscriptions in amounts over $25,000 were allotted 51% on a straight percentage basis, but not less than $25,000 to any one subscriber, with adjustments, where necessary, to the next highest $1,000.

In announcing the offering on Oct. 21, Secretary Snyder said in part:

"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 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 Nov. 1, 1946, and will bear interest from that date at the rate of seven-eighths of one percent per annum, payable with the principal at maturity on Nov. 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 on Oct. 23, except for the receipt of subscriptions from holders of $25,000 or less of the maturing certificates. The subscription books for the receipt of subscriptions of the latter class closed at the close of business, Oct. 24.

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

Federal Reserve District	Total Subscriptions Received	Total Subscriptions Allotted
Boston	$81,244,000	$42,208,000
New York	2,026,663,000	1,036,450,000
Philadelphia	82,249,000	42,569,000
Cleveland	90,592,000	47,344,000
Richmond	75,380,000	39,246,000
Atlanta	80,539,000	42,319,000
Chicago	324,216,000	169,758,000
St. Louis	64,602,000	35,039,000
Minneapolis	66,531,000	38,008,000
Kansas City	123,102,000	63,855,000
Dallas	72,105,000	37,715,000
San Francisco	333,899,000	171,263,000
Treasury	11,288,000	5,778,000
Total	$3,432,410,000	$1,774,552,000

The results of other recent Treasury Certificate offerings were referred to in our issue of Oct. 24, page 2141.

Maui Returned to Hawaii

In an executive order issued on Oct. 28, President Truman ordered that areas of the Island of Maui, described as "certain lands of Maui, situated at Mala landing, Lahaina, Maui, Hawaii," taken over by the Navy in April, 1934, be restored to use by the territory of Hawaii. These areas, said Associated Press Washington advices Oct. 28, had been set aside for use by the Navy as a section base and radio station, and the President indicated that the Navy no longer had need of them.

Let's Cut Our Military Costs With Trade, Travel and the Facts

(Continued from first page)

fire, automobile and accident insurance premiums, we would be giving a great deal of thought and putting a great deal of heat on our government to adopt measures which would reduce fire, automobile and accident hazards and thereby make possible a substantial reduction in the cost of that insurance. This, precisely, is what we must do to reduce the cost of our war insurance. For only as the risk or hazard of international warfare is reduced will it be possible to cut the terrific premium on our war insurance policy to more reasonable levels.

It is to the subject of how we can begin to reduce the risk of war that I wish to address myself briefly tonight. Obviously, one can do no more on an occasion such as this than to pose the problem and outline the main areas in which the solution appears to lie.

A Long-Term Plan Needed

Reducing the risk of war is obviously no short-term undertaking. It calls for a general plan, a clear understanding of the objectives and the reasons for them, and then it calls for hard, patient continuous effort in which results will be perceptible not from week to week or from month to month but rather from year to year—or even, perhaps, from decade to decade.

Briefly stated, the three major tools or instruments for reducing the hazards of war are: Trade, Travel and The Facts. Let me enlarge a little on each of these items.

Trade

The arguments for expanding world trade both in the interest of high employment and better living standards here at home and in foreign countries are well known to you, and I will not burden you with a repetition of them here. Let me say in passing, however, as I have said repeatedly before, that I am profoundly convinced that a far larger volume of foreign trade—and this means imports as well as exports—would be good for America. And I mean positively, affirmatively—selfishly, if you will—good. And I mean, particularly and especially, good for America as a whole, not simply for those who would profit directly from increased exports or imports.

Today national trading areas are separated from each other by a complex and staggering number of obstacles and barriers to the natural, easy flow of goods and services. They include tariffs, monetary restrictions, exchange controls, import and export licenses and quotas and endless formalities and red tape encumbering or prohibiting the movement of materials and products across national boundaries. Many, if not most, of them have come into being during the past twenty-five years. And they stand today as a veritable fortification against exchange by the countries of the world of the materials and products each is best qualified by reason of their natural resources and the aptitudes of their people to offer in the markets of the world.

As you know, our government, under the leadership of the Department of State, has taken a strong position on this matter, and its recently published "Suggested Charter for an International Trade Organization of the United Nations" is aimed at freeing the world of many of these impediments to international trade. This effort deserves the enthusiastic support of every American.

It is an old story that business men give lip service to the principle of tariff reduction but battle to the death any attempt to reduce tariffs on products competitive with their own. I am told that our government is now reviewing American tariff schedules in preparation for the negotiation of mutual tariff reductions with a large number of countries with whom we trade. It is devoutly to be hoped that American business will take the long view and a statesman-like attitude in presenting its case and recommendations on proposed tariff reductions.

In this connection you may be interested to know that during the past six months a committee made up of representatives of all Operating Departments of 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 very recently. 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.

"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.

To summarize what I have said on the subject of trade—It is my belief that a healthy, prosperous, expanding volume of trade between the nations of the world is a strong antidote to war. And an increasing degree of economic interdependence between nations will correspondingly reduce the risk of war.

Travel

If there is any more potent instrument for building international understanding and reducing the risk of war than travel, I have failed to discover it. And on this subject I can give direct testimony based on my experience in London during the 2½ war years I spent there. It was one of the duties of the mission I had the honor to head to receive and assist many hundreds of Americans who came to England singly and in groups, from government and from private industry and agriculture, to transact official business pertaining to the war. These Americans came from every part of the country and from almost every walk of life, and a considerably majority of them had never been abroad before. Most of them came with chips on their shoulders, either because they were just naturally anti-British or because the particular matters that brought them to Britain involved some difficulty or dispute in which they felt the British were being grasping and unreasonable.

It was my practice to talk with each of these visiting missions on arrival and again when they were preparing to depart. I wish I could describe to you adequately what a tremendous difference there was in the attitude of these people when they left. The very fact that they had spent a few days or weeks in Britain, actually experienced wartime living conditions there, met face to face and talked out their problems with their British counterparts, made an enormous difference in their attitude. I do not mean to suggest that they all became anglophiles. But, having seen with their own eyes and heard with their own ears and having, through personal contact, learned that the British are average human beings like themselves, they returned to America with a sense of understanding and respect for the British and with their resistance stiffened to the untruths and half truths that were constantly being circulated about them.

The extraordinary way in which human contact dissolves differences and false impressions is no better epitomized than by the remark of the British clergyman who was once heard to say, "The only Americans I can abide are the ones I have met." And despite the gripes and grouses of the millions of American GIs, who saw service in foreign theatres of war, the net effect in terms of broadening and internationalizing the American viewpoint is literally immeasurable.

I have not analyzed the House or Senate vote on the United Nations Charter, the extension of the Reciprocal Trade Treaty Bill, the British Loan or other important legislation which has been acted upon by Congress since VE-Day, but I am told that of our Congressmen and Senators who before the war were known to have isolationist leanings those who saw foreign service during the war or who visited foreign theatres of war voted heavily in favor of these measures while most of those who did not travel abroad persisted in their former views or modified them only in response to pressures from home.

Examples of the broadening effect of foreign travel could be given almost without limit. I am satisfied that this country could not and would not go to war with any other country whose people had become well known to the American people by direct personal contact. Travel to each other's country, a free exchange of the facts concerning each other's way of life, their likes and dislikes, their culture and conditions, are potent factors in reducing the risk of war.

Foreign Travel Must Be Facilitated

I believe that if foreign travel is encouraged and facilitated many millions of Americans will go abroad on business or pleasure during the next decade. It is of utmost importance, in my judgment, that our government and foreign governments collaborate in encouraging foreign travel by simplifying and, where possible, eliminating passport and visa requirements, customs duty procedures, and currency and exchange restrictions which today add so greatly to the inconvenience and expense of foreign travel.

It is also of great importance, especially in countries which suffered war damage, that adequate preparation be made to receive and comfortably accommodate foreign travelers. Here, from the purely economic standpoint, lies a most valuable source of dollar income. And foreign governments can well afford to give high priority to the provision of adequate transportation, hotel and resort facilities in order to attract their full share of foreign visitors.

The Facts

This brings me, gentlemen, to the third item in our triumvirate for reducing the cost of insurance against another war. Intelligence, information, communications—call it what you will—the essential objective is to provide means of currently and continuously exchanging the facts with other countries of the world. Trade and travel are themselves important means of exchanging intelligence or information with our neighbors abroad. What I am concerned with under this heading, however, are the other well known media for communicating information about our country to every corner of the earth to the end that a true picture of America, her way of life, the interests and activities of her people, her current events, her accomplishments and her failures, shall be faithfully depicted and understood everywhere.

It is important that this running story be well and fully told. The very fact that we are today the greatest economic power on earth and thereby have, whether we like it or not, a responsibility for leadership, requires that our aims, our policies and our objectives be made known to other nations. Anyone in a position of great power will be feared, suspected and perhaps ganged-up on if he fails to demonstrate his good intentions or to win the confidence and respect of the community.

The urgency and importance of getting this job organized and under way is emphasized by the fact that other powerful governments, notably Russia and her satellite countries, are continuously putting out false and misleading statements about us, our activities and our objectives. These statements are designed to arouse fear and resentment toward us and to attract other countries into the Russian orbit.

The American Story Must Be Told

The job of telling adequately and truthfully the story of America to the rest of the world is not a simple one. It is a mixed task in which both government and private agencies must play important roles. But we may start, I submit, with the fundamental necessity of having competent, first-rate Americans to represent us in the embassies, legations and consulates around the world. In years gone by our official foreign representation has all too often lacked both quality and quantity. The compensation has been inadequate both at the top and in the rank and file. Just as an example, it is my understanding that Great Britain pays her Ambassador to Washington approximately four times what we pay our Ambassador to the Court of St. James. Indeed, the cost of discharging the duties of an American Ambassador in many capitals of the world so greatly exceeds his official salary and expense allowance that the post is closed to all but independently wealthy individuals. This state of affairs must be corrected. Some steps have already been taken. More must be taken to the end that a career in American foreign service will be eagerly sought by thousands of our ablest young men and women.

Libraries where a wide selection of American books, magazines and official government documents can be obtained should be made available in all countries. Educational films showing what our country looks like and how we live, work and play should likewise be made available. Adequate coverage of day-to-day news events, not simply the headlines, must somehow be made available to the press of other countries. And, finally, international short-wage broadcasts from America should be greatly increased and approved.

Having agreed, as I think we must, that these informational services are an essential part of America's foreign program, we come next to the question of how the great task shall be divided between government and private agencies. I, for one, am strongly and unalterably opposed to our government's providing any foreign informational services which can and will be adequately supplied by American private enterprise. I hold this view for two reasons. First, because I believe it to be elemental that any and all informational material prepared or released by government is subject to the charge of being slanted (and as we may, some part of it *will* be slanted); and, second, because I believe our government should abstain from engaging in any activity (other than those which are peculiarly the functions of government) which private individuals and private capital are ready and willing to undertake.

Government Participation

It is clear, however, that private agencies and private capital will not be available to undertake some substantial part of the informational program I have outlined. The cost of carrying out this portion of the program must be borne by the government. Take, for example, international broadcasting. All reports confirm the fact that our current activities are woefully inadequate both in content and in the quality of the signal. Other countries, Britain and Russia, for example, are doing a very much more effective job than we are in the Continent of Europe. But inadequate as it is (and our government is spending about $7½ millions on foreign broadcasting this year as compared with a British expenditure of $16 millions), foreign brodacasting would fall away to a small fraction of the present output if the government withdrew its support and private broadcasters were relied upon alone. The reason for this, of course, is that in the present state of international broadcasting and trade the operators of private broadcasting facilities would be unable to obtain commercial sponsorship of foreign broadcasts in sufficient amount to finance more than a small fraction of the hours currently devoted to such broadcasting. In these circumstances it would appear that the only satisfactory solution is to develop international broadcasting to the desired level through a government-financed organization which is divorced from the operating departments of government and is given maximum freedom of action, program time being available both to the government and to private sponsors. Operating on this basis, there is good reason to believe that as trade expands and international broadcasting and the foreign radio audience grows, more and more of the broadcast time will be purchased by commercial sponsors and the job of providing adequate foreign information service will gradually revert to private agencies.

These elements, then — Trade, Travel and The Facts—properly and wisely developed can bring about a degree of international friendship, confidence and understanding that will greatly reduce the risk of war. And since our military establishments, which is currently taking 50 cents of every dollar we pay in taxes, could be reduced proportionately to reduced hazard or exposure to war as measured by the attitude and armament of other countries, our great task is to develop and apply these friendship building measures with all possible speed and effectiveness. We stand to lose nothing if they fail. If they succeed, the rewards will be glorious, indeed.

Britain's Economic Position One Year After V-J Day

(Continued from first page)

ened to leave many families without a roof over their heads as demobilized and evacuated people came back to towns which had not enough dwellings to house them. A fourth attack was aimed at the clothing on our backs, which threatened to wear out before output could be stepped up enough to meet the people's needs. Then there was a fifth attack on the money in our pockets, the threat of inflation which aimed to drive prices sky-high and rob our earnings and savings of a large part of their value. Even these were not all. The country as a whole was threatened with bankruptcy in the sense that we would be without the necessary money or credit to buy from overseas the food we need to live on and the raw materials we need to work with. Finally, there was the attack on our morale. The powerful forces of fatigue and shortage and defeatism and disunity aiming to destroy our wartime sense of purpose and capacity for achievement and to persuade us that the struggle to make something of our victory was not worth while.

"Let us keep that picture in mind in considering the economic record since V-J Day and how we stand for the next phase of the campaign to win the peace. We cannot yet claim a conclusive victory on any front, but we can claim that this most formidable array of economic and social threats which have ever confronted Britain has been faced, held, brought under control, and in some cases partly repulsed.

"The impetus which is gathering behind reconversion and the progress already registered are all the more remarkable because each shortage—grave in itself—becomes even more dangerous by contributing to the rest. For instance, people have found it hard to buy because production was so low, but it was hard to increase production because there was so little to buy with the earnings and profits. It was, therefore, impossible to tackle bottle-necks and shortages separately one by one. The whole tangle had to be considered at once so that efforts could be concentrated on those shortages which were the cause of other shortages right down the line.

Government's Economic Strategy

"The Government's line of attack has been based on the following strategy:

"(a) Creating and maintaining suitable conditions—For example, use of subsidies to hold down the cost of living; proper use of controls, and where necessary rationing and priorities, to hold down prices and ensure fair shares; the Chancellor's successful balance between restoring Budget equilibrium and easing burdens all round; the maintenance of a very high degree of industrial peace; assured markets for farmers."

"(b) Smooth and rapid transfer from the Armed Forces and munitions to civil employment—About seven million men and women were released in the first year after V-J Day. This represented the most vast human transport problem we have ever faced in time of peace.

"(c) Priority for export drive—We all grumble when we see stuff labelled 'Export Only,' but what is now being achieved in exports—in the third quarter of 1946 they have been running at about 110% of 1938 volume—is heartening evidence of what is coming forward for the home consumer as reconversion is completed. The dividend on putting export first is already coming in in improved British credit and larger supplies. In 1946 we are importing by volume 69% of the amount we imported in 1938. Next year it will be more, although on exchange and supply grounds imports must lag a long time behind exports in surpassing the 1938 level.

"(d) The Production Campaign—I will come back to this later on. Since V-J Day for the first time we have got the beginnings of a sound universally accepted national economic policy instead of talking about gold standards and how to find something for the unemployed to do we are now talking about real things, such as how to make and distribute the maximum goods and services with our limited manpower. This question of greater output per person employed is fundamental. Just as bottle-necks in one place cause bottle-necks right down the line, so increased production — due to greater effort and more scientific methods—assists or stimulates greater production elsewhere. Even in the inter-war period productive efficiency rose by an average of about 1½%, a year. This was equivalent to a windfall of a million extra workers over four years. As production teams get settled and wartime lessons both in technique and in leadership can be applied right through industry, we should see a much bigger increase in output per person employed. We have barely yet scratched the surface of the opportunities of increased production which exist. We have, however, nearly got over the most difficult period of demobilization, of releasing factories and other premises to civil industry, of re-tooling, re-training and rebuilding production teams. We have also gone far in refilling the pipe-line between factory and consumer which was drained after 1939. The dividend on all this will begin in the second year after V-J Day, the year which we have just entered.

"(e) Economic Planning—I spoke on this at some length yesterday elsewhere and will not repeat what I said then, except to remind you that without the economic planning machinery which is being developed there will be no reasonable hope of maintaining stable economic conditions.

"I have reminded you of the many varied and grave threats which faced us after V-J Day and the government strategy for countering them. Now let us look at the actual progress of production.

The Progress of Production

"In fuel and power, coal is of course the difficult spot. Our fuel and power industries, except perhaps electricity, were starved of capital before the war and we are paying the price now. Few people even now realize that the consumption of coal in this country is running well up to prewar rates. The fall in output has almost wiped out exports, but the shortage here is due to the fact that the nation needs more coal than before the war because of greater activity, not because the coal available at home is less. The home supply of electricity is of course greatly above prewar, in fact about double what it was ten years ago — this is another form of shortage which is due to increased demand rather than to reduced supply. The bottle-neck in building materials, which threatened to bring the building industry to a halt but has been met by an increased production—e.g. brick production up from 101 million in July 1945 to 305 million in July 1946; cement, in the same period, from 373,000 tons to 682,000 tons; clay tiles from 21,000 squares to 54,000 squares.

"Now take heavy industry. How many people realize the scale on which British heavy industry is producing? In **no single month** this year has production fallen as low as the **average** month of 1935 for any of the following products—steel ingots and castings, heavy rails and sleepers, heavy and medium plates, cold rolled strip, wire, and steel castings. Even in the holiday month of August steel ingots and castings were 18% above the 1935 monthly average and 13% above even the level of the rearmament year of 1938. Yet steel is very short. Why? Because organized demand, in spite of all we have to do to throttle it down, is out-running the present capacity of the industry.

"Or turn to another shortage—aluminum. How much did we make in 1935? 1,250 tons a month. How much are we making now? More than twice as much (2,700 tons average for 1st half year). If we only used as much aluminum now as in that 'normal' peacetime year 1935 we would be about self-supporting in it; actually while our output has doubled, our effective demand has tripled.

Engineering Products

"Let us now look at some engineering products. Take machine tools of all types. In 1935 we made £7¼ millions worth; in the 12 months up to the end of July 1946 we made £18 millions worth. Allowing for the rise in prices there is a good 50% increase in output. We are making locomotives steadily at the rate of 700 a year which is an improvement on 1935 output. Or railway wagons. In 1935 we made 1,500 a month; this year after conversion to tank production during the war we started at only 1,300 a month, but the industry is well set to beat the 1935 figure on the whole year. Electric lamps. Here is an industry deconcentrated just before V-J Day which is now making 180 million lamps a year against 100 million in 1935. Exports of lamps are up 50% on 1935 and we only need to import a small fraction of the prewar figures.

New Industries

"New industries are also starting up. Alarm clocks which we did not make before the war are now coming out at a rate of 50,000 a month. In August we made clocks and watches worth nearly four times the 1935 monthly average. Monthly production of motor cars has tripled since the beginning of this year although it is still only two-thirds of the 1935 level.

"Even in the textile field rayon production has recovered to slightly above prewar level, although production of wool cloth is only about 75% of prewar and cotton is another black spot.

"Kettles and saucepans were among the quickest articles to benefit from reconversion and are coming out at an annual rate over 50% above 1945. There is still a bottle-neck in footballs; the output is not yet up to three-quarters of prewar. But tennis balls are being served from the factories at the rate of 7 million a year or 15 times as many as this time a year ago, and two-thirds of these are for home use. Toys once a notorious shortage, are again in fair supply. Tobacco is being used for cigarettes at 120% of prewar; In August we produced about 8,100 millions cigarettes against 6,300 millions monthly in 1939. Even some raw materials such as rubber are beginning to come back into free supply. So much for individual cases.

The General Picture

"First—a record of impressive output in many lines which should be enough to satisfy everyone that Britain can Make It. We want an all-out effort for greater production. But the reason we want it is not because of any general failure by both sides of industry to get down to the job. It is rather because the magnificent and encouraging record of the first year after V-J Day shows what great things industry can do when the difficulties and discouragements of reconversion are left behind. Let us not be depressed by defeatists who harp on falling productivity and shortages. How can productivity soar and shortages disappear while millions of people are entering and learning new jobs, hampered at every stage by legacies of the war? (On this, by the way, it is worth noting that the number of demobilized men not yet at work fell last month from 725,000 to 540,000 which means a further 180,000 added to productive strength.)

"Second—the many-pronged attacks launched since V-J Day against our stomachs by world famine, against our hearths and jobs by lack of fuel, against our shelter by lack of houses, against our clothing by textile bottle-necks, against our money by the danger of inflation, and against our supplies from abroad by our adverse balance of payments and against our morale by general shortages and fatigue—these attacks have not beaten down our defenses. All have been held, often at heavy sacrifice, and some are visibly being repulsed. Our base for the counter-attack stands firm and our morale is high.

"Third — the many shortages which still press so hardly on us are not all of the same kind. Many are due to war devastation or enforced neglect here and overseas. Food and raw material are not being grown enough on the ravaged fields of Europe and southeast Asia. Damaged mines and factories and railways are a drag on the resumption of world trade and of supplies which we need from many countries. Until the damage and neglect are made good the flow of output will not recover. That is a physical, rather than a political problem.

"Other types of shortage are due to lack of manpower, aggravated by the reluctance of workers to join industries which have fallen behind others because they were backward in peace or unessential in war on the scale of present requirements. This type of shortage is particularly difficult to bear, especially since it affects essential clothing, fuel and building materials. The leeway lost over several years cannot be made good in a month or two, but those industries which cannot meet requirements without more workers must be treated as a special and urgent problem by all concerned. Incidentally America with its much greater resources and its free enterprise system is experiencing much the same troubles.

"The third type of shortage is the shortage due to intense demand pressing on even a high level of supply—in fact boom conditions. That is in its way a healthy type of shortage and within limits we must get used to it. There never was and there cannot be for quite a time enough of everything to satisfy everyone. There only seemed to be surpluses because the failure to distribute purchasing power before the war was so tragic. Purchasing power in fact was shortage No. 1 of the prewar economy, and employment was shortage No. 2. Those shortages were so vast that they swamped all others. Now there is no shortage of purchasing power and only a localized shortage of jobs. Therefore all the other shortages are seen in true perspective and the only way to break them is by much more output. It is a truth which we must face that with the expansion and better distribution of purchasing power the country can have much more milk, or beer, or cigarettes, or steel, or electricity than before the war and still be desperately short of all these things. Industry and agriculture have been crying out for years for more demand. Now the challenge is for them to satisfy it.

The Production Campaign

"Now a word about the Production Campaign, in which British newspapers have already played a valuable part, and, I am sure, will wish to go on. I can assure you that both industry and the Government Departments concerned have appreciated the good and faithful reporting which the newspapers have given the Production Conferences; and, I would add, it shows good journalistic sense, because there is no news of such vital importance to the nation today as news of production and productivity. Success or failure in production will affect every reader of every newspaper in the land—upon its success depends their standard of living and their hopes for the future.

"The Production Campaign was opened by the Prime Minister's Broadcast in March. It has consisted, in the main, of necessary foundation work in the way of conferences between employers and Trade Unionists.

"Following the first two big conferences in Central Hall in March, there have been twenty-two conferences, each addressed by Cabinet Ministers, and attended by over 25,000 representatives of employers and workers.

"The policy of the Government on increasing production has been endorsed by representatives of both sides of industry at the Conferences. We must now begin to think as individuals along the same lines, and to help to bring this about we can rely upon employers and factory managers, trade union branches and shop stewards. They will need all the help we can give them—perhaps, above all, the help you can give them in the newspapers by reporting progress fairly and explaining how the statistics of progress fit into the economic pattern. Local color is of special importance to our newspaper friends outside London, and I would advice keeping in touch with the Chief Regional Officers of the Central Office of Information who are concerned with the production drive and should be in a position to give a constant flow of significant progress news stories.

"We have in the room here some specimens of the posters which are already going up all over the country. In addition to these, there is planned a series of posters specially designed for display in factories. There will be others addressed to people about to retire and others to women in industry. Then there are the small booklets, which contain some solid sensible material, for distribution at meetings."

The State of Trade

(Continued from page 2387)

steel companies having 94% of the steel capacity of the industry will be 91.1% of capacity for the week beginning Nov. 4, compared with 89.4% one week ago, 90.4% one month ago and 77% one year ago. This represents an increase of 1.7 points or 1.9% from the previous week.

This week's operating rate is equivalent to 1,605,500 tons of steel ingots and castings and compares with 1,575,600 tons one week ago, 1,593,200 tons one month ago and 1,410,400 tons one year ago.

Electric Production — The Edison Electric Institute reports that the output of electricity increased to 4,601,767,000 kwh. in the week ended Oct. 26, 1946, from 4,539,712,000 kwh. in the preceding week. Output for the week ended Oct. 26, 1946, was 16.9% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 202,500,000 kwh. in the week ended Oct. 27, 1946, compared with 180,200,000 kwh. for the corresponding week of 1945, or an increase of 12.3%. Local distribution of electricity amounted to 187,800,000 kwh. compared with 178,600,000 kwh. for the corresponding week of last year, an increase of 5.2%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Oct. 26, 1946, totaled 942,257 cars, the Association of American Railroads announced. This was an increase of 10,491 cars (or 1.1%) above the preceding week and 87,478 cars, or 10.2% above the corresponding week for 1945. Compared with the similar period of 1944, an increase of 25,772 cars, or 2.8%, is shown.

Paper and Paperboard Production — Paper production in the United States for the week ended Oct. 26, was 106.8% of mill capacity, against 105.1% in the preceding week and 95.8% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 101% against 98% in the preceding week, and 98% in the corresponding week a year ago.

Business Failures Lower — Although declining from the previous week's level, commercial and industrial failures in the seven days ending Oct. 31 continued to exceed, for the sixth straight week, the failures in the comparable week of 1945. Dun & Bradstreet, Inc. reports 22 concerns failing as compared with 33 last week and 17 in the corresponding week a year ago.

Fifteen of the week's failures involved liabilities of $5,000 or more. These large failures were only half as numerous as a week ago, however, when 30 were reported, but they remained above the 12 in the same week of 1945. On the other hand, small failures with losses under $5,000 showed an upward trend, with more than twice as many concerns failing as last week. Failures in this small size group numbered seven against three a week ago and five in the comparable week of 1945.

Retailing accounted for one-half of the failures in the week just ended. More numerous than in any week since February, concerns failing in this trade rose from seven in the previous week to 11 this week, about five times the two failures occuring in the comparable week a year ago. A downward turn, on the other hand, appeared in manufacturing failures. The number of manufacturers failing declined to seven this week, only half as many as in the preceding week and slightly below the 1945 record. No other industry or trade group had more than three concerns failing; one, wholesale trade, did not have any failures.

Seven Canadian failures occurred, as compared with five in the previous week and six in the corresponding week of 1945.

Wholesale Food Price Index Rises Slightly — Wholesale food prices increased last week for the eighth consecutive time, to a new high; the increase from the preceding week was not as steep as in past weeks. The Dun & Bradstreet wholesale food price index was $6.44 on Oct. 29, up 1.6% from the $6.34 on Oct. 22. The latest index was 56.7% above the $4.11 for the corresponding date a year ago. Commodities with higher prices the past week were flour, wheat, rye, oats, coffee, cocoa, butter, cheese, potatoes, hogs, sheep and lambs. Six foodstuffs with lower prices were corn, barley, cottonseed oil, eggs, hams, and bellies. This index, based on authoritative quotations in legitimate markets has not at any time reflected black market or under-the-counter prices and should not be confused with cost-of-living indexes. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index — Fluctuations in prices of grains, livestock, and cotton were primarily responsible for the changes last week in the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc. Although there was a slight rise in the index to 240.40 on Oct. 24, subsequent declines resulted from a rapid fall in cotton prices. The index, which stood at 236.73 on Oct. 22, was 233.71 on Oct. 29 compared with 179.33 a year ago.

There was only a slight drop in prices of grain futures on the Chicago Board of Trade last week although some trades liquidated their holdings. The drop in prices of wheat futures was not reflected in cash grain prices due to the buying of cash wheat by Government agencies during the week. The volume of wheat traded recently has been small so that currently active selling resulted in a more severe break in price. During the week price ceilings were removed from wheat flour but there was little appreciable increase in trading. Trading in oats futures was the heaviest of all grains last week although the volume of trading was moderately below that of the previous week; there was a decline during the week in the volume of trading in all grains. Corn receipts rose during the week; both cash and futures prices were little changed. Livestock moved into stockyards in increasing quantities during the week and prices were generally higher. Hog prices fluctuated and the net change for the week amounted to a slight drop. Sheep and lamb prices moved upward in the week; there was a let-up in receipts at stockyards. Lamb prices held at a high level after previous rapid increases. Demand for cash lard eased somewhat after the heavy purchases the week before.

Cotton prices moved up early last week in both the spot and futures markets and regained part of the heavy losses of the previous week. This was followed later by a decline brought on by renewed profit taking and general liquidation. Cotton yarn sold well during the week. Converters were offering large quantities of lower-grade finished goods.

The volume of wool bought in the Boston wholesale market decreased last week as prices of foreign wools moved upward and the Commodity Credit Corporation maintained the higher prices on domestic wools. European countries continued to be the largest purchasers at wool auctions in Australia. Imports of unmanufactured apparel and carpet wool at Boston, New York, and Philadelphia amounted to 11,862,700 pounds, clear basis, in the week ended Oct. 18 compared with 7,714,200 pounds in the previous week.

Retail and Wholesale Trade — Retail volume continued to be at a very high level during the past week, being up slightly from that of the previous week and considerably above that of the corresponding week a year ago, Dun & Bradstreet, Inc. reports in its current survey of trade. Interest in some seasonal items waned as temperatures remained high. Many shoppers were becoming increasingly selective with regard to quality and, in some cases, to prices.

Housewives were cautious shoppers last week as rising prices followed the lifting of price controls from all foods except rice, sugar and some sugar products. The supply of meat continued to increase above the low level of the previous week with prices falling sharply in some cities. The supply of poultry, fish, fresh vegetables and fruits were adequate.

Sportswear, resort styles and almost all types of men's wear were best sellers in the apparel line. Interest centered largely on brightly colored woolen and pastel crepe dresses. Coats and furs were seldom requested during the past week of unseasonally warm weather. The demand for main floor items remained heavy. Selections of men's apparel continued to increase slowly.

Stocks of curtains and draperies were reported to be adequate in many localities. Wool piece goods were generally plentiful, but selections of rayon piece goods remained limited. The supply of cotton piece goods increased slightly from the low levels of previous weeks.

Price controls were lifted from many household appliances and kitchenware last week and the supply was adequate. Furniture, hardware and home decoration items continued to attract a large share of consumer attention.

Retail volume for the country in the week passed 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 20 to 24, East 21 to 25, Middle West 19 to 23, Northwest 25 to 29, South 25 to 29, Southwest 23 to 27 and Pacific Coast 18 to 22.

Wholesale volume declined slightly during the week, though it was very high in comparison with that of the corresponding week a year ago. Selectivity continued to increase as buyers centered their demand on quality goods and brand names. The termination of many price controls last week was followed by cautious buying as future price developments were awaited.

Department store sales on a country wide basis, as taken from the Federal Reserve Board's index for the week ended Oct. 26, 1946, increased by 23% above the same period of last year. This compared with an increase of 24% in the preceding week. For the four weeks ended Oct. 26, 1946, sales increased by 19% and for the year to date by 29%.

Business here in New York last week was busily engaged in readjusting itself to the new conditions prevailing with the lifting of many controls. The openings of women's garment spring lines and heavy sales of cotton textiles played an important role in the week's activities. Retail trade continued to lose ground due to abnormally high temperatures and the unsettled United Parcel Service strike. In the week wholesale food volume was reported at 30% above the like period one year ago. Inventories aside from canned tomato and tomato products and canned fish were stated to be good. The opening of chain stores following the settlement of the trucking strike had some slight adverse effect upon independent enterprises.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Oct. 26, 1946, increased 3% above the same period last year. This compared with an increase of 4% in the preceding week. Work stoppages in the trucking industry accounted for the reduced sales for the week in the cities of New York and Newark. For the four weeks ended Oct. 26, 1946, sales rose by 1% and for the year to date by 31%.

How Long Will Prosperity Last?

(Continued from first page)

portance of all the events that take place before our eyes, nor do we always see them in their proper perspective. For instance, take the events which started in 1929, 17 years ago almost to a day, when the theatrical journal "Variety" came out with the headline "Wall Street Lays an Egg." Few of us then realized that the stock market break was ushering in a major depression.

In 1929, business was still humming, but the economic fabric was badly torn and twisted. Even with all the hindsight which has been brought to bear upon the causes of the great depression, we are still not too sure how it came about. It is possible that our post-war experiences after World War II may add something to our knowledge.

Parallels of Two Wars

There appear to be three ways in which economic developments during and after the second World War parallel those of 25 years earlier. An understanding of these may help us to understand the stresses and strains which lie ahead of us in the next few years. First, as a result of the huge volume of work to be done to win the war, and as a result also of the generous Government pay rolls, total money incomes were tremendously increased between 1940 and 1945. The huge momentum generated during this period has continued national income at a level as high as the highest of the war period. The current level of national income appears to be about $160 billions, which is twice the $80 billions figure which marked the postwar peaks of 1929 and 1941.

The second significant point is that taxation during the war period did not cover war expenses. We did pay 46% of the war costs as compared with 32% during World War I, but the total was vastly greater and the remaining deficit of 54% was borrowed by the Government. The money which was so borrowed by the Government came back to the public and business in payment of wages and products and went back into the banks to create increased deposits. While the savings of the public are not spread among as many individuals and family groups as we had hoped would be the case, we do know that more people have more money than in any other period in our history.

The third factor is that the public wants to live better than ever before. We may call it "keeping up with the Joneses," but it is indicative of a period of high industrial and economic activity.

These three factors find their expression in expansion of demand, both deferred and current, and we have the elements which our economists tell us are needed for a boom. As a matter of fact, we are right now in a boom period. Producers have been trying to provide greater capacity, and the huge program of building and equipping plants has further enlarged the money income stream.

As yet there has been no commensurate increase in the flow of consumer goods, but it is increasing and will soon reach huge proportions.

Will Prosperity Last?

The question is, how long will this prosperity last? Are we in the midst of a boom which will soon become deflated? Should the recent reversals in the stock market be interpreted as signs of coming depression? There appear to be so many favorable factors that most of our economists do not believe that a serious depression is under way. There must undoubtedly be readjustments of values such as took place in 1920-21, and we should probably be thankful that such readjustments come when we are able to weather them and while we still have a huge backlog of unsatisfied consumer demand.

There could be no better time for such a break and decline in the stock market than the present. This break has come at what thus far has been the crest—upwards—of the present cyclical, buoyant, inflationary waves. It is a good reason for restraint on the part of labor and for asking industry and labor not only to plan for higher per-worker productivity, but to plan as surely as they possibly can for lower prices as soon as total output rises.

We need greater efficiency in our entire economy. We need greater productivity, which means more output per worker every day. That does not mean the "speed-up" or the "sweating" of labor. As a matter of fact, it is management that must do most of the sweating. When we all realize that the more we produce, the more we will have, then we shall reach the efficiency which we need for a high standard of living and a balanced economy.

Trend from Farm Creates Fragile Economy

For many years the trend has been away from the land, so that now only one-fifth of our people still remain on farms. The result is a predominantly urban population and a fragile economy. There are no frontiers of new land where people may go when times get tough, but that does not mean that frontiers are lacking. There are unbounded frontiers ahead of scientific research, and these frontiers show great promise as new processes and new products are developed. The job ahead is to speed up the process so that new scientific developments may provide new jobs and a continuing high standard of living.

All of us in and out of business should give of our time for the study of international problems, so that we may have an intelligent understanding of the present world situation and a realization of the interdependence of the nations of the world. International problems will never be solved if the wealthier nations of the world do not share their progress in an understanding way, by sensible programs of loans and sound, direct investment with the nations which are struggling to come up.

Here at home, our national budget is still unbalanced. This fact should give all of us concern because the time has arrived when we must again live within our means and begin to pay back the money which we borrowed to see us through the emergency. When the budget is balanced industry will go forward with renewed confidence.

Selected Income and Balance Sheet Items Class I Railways for May

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for Class I steam railways in the United States for the month of May and the five months ending with May, 1946 and 1945.

These figures are subject to revision and were compiled from 129 reports representing 133 steam railways. §§ The present statement excludes returns for Class A switching and terminal companies. The report is as follows:

	All Class I Railways			
	For the month of May		For the five months of	
Income Items—	1946	1945	1946	1945
	$	$	$	$
Net. ry. operating income	**††$4,779,573	$103,633,696	$114,603,472	$448,579,002
Other income	13,272,247	15,624,108	66,707,069	73,659,163
Total income	8,492,674	119,257,804	181,310,541	522,238,165
Miscell. deductions from inc.	1,503,640	2,626,433	11,116,462	12,689,886
Inc. avail. for fixed charges	6,989,034	116,631,371	170,194,079	509,548,279
Fixed charges:				
Rent for leased roads & equip.	9,905,340	12,435,908	48,050,775	61,799,156
*Interest deductions	31,029,438	31,654,671	149,724,669	156,997,349
Other deductions	128,074	122,955	599,025	551,412
Total fixed charges	41,062,852	44,213,534	198,374,469	219,347,917
Income after fixed charges	††34,073,818	72,417,837	††28,180,390	290,200,362
Contingent charges	2,999,844	3,723,702	14,717,131	16,428,008
†Net income	††37,073,662	68,694,135	††42,897,521	273,772,354
Depreciation (way and structures and equipment)	28,685,529	27,745,689	142,219,223	137,878,937
Amortiz. of defense projects	757,614	19,906,733	3,096,380	97,526,394
Federal income taxes	††7,963,249	109,910,090	9,636,264	481,568,938
Dividend appropriations:				
On common stock	22,186,935	41,338,091	67,050,641	70,185,782
On preferred stock	4,027,041	9,580,755	19,601,181	18,181,346
¶Ratio of inc. to fixed charges	0.17	2.64	0.86	2.32

	All Class I Railways Balance at end of May		‡‡Class I Railways Not in Receivership or Trusteeship Balance at end of May	
Selected Asset Items—	1946	1945	1946	1945
Expenditures (gross) for additions and betterments:				
Road	$83,496,649	$81,332,995	$69,104,267	$66,147,187
Equipment	91,248,967	110,397,847	77,340,944	93,002,508
Investments in stocks, bonds, etc., other than those of affiliated companies	588,928,154	563,951,368	559,811,697	541,467,389
Other unadjusted debits	174,525,985	248,610,196	97,725,632	197,427,722
Cash	1,044,482,125	1,242,795,643	860,808,725	1,041,792,867
Temporary cash investments	1,367,556,296	1,812,006,393	1,049,756,927	1,438,942,078
Special deposits	199,630,432	292,232,307	187,123,475	281,992,410
Loans and bills receivable	476,239	378,563	470,195	375,653
Traffic & car-service bal.—Dr.	35,893,753	59,040,540	27,412,283	38,291,932
Net balance receivable from agents and conductors	88,829,524	140,375,102	78,685,366	126,320,552
Miscellaneous accounts receiv.	373,655,947	614,537,340	304,414,560	499,729,858
Materials and supplies	608,760,176	605,825,835	529,178,315	526,063,920
Interest & dividends receivable	29,246,315	40,286,065	24,195,665	34,784,516
Accrued accounts receivable	194,526,575	285,241,177	167,498,261	235,210,939
Other current assets	32,422,845	56,130,653	26,463,475	52,857,019
Total current assets	3,975,480,227	5,148,849,618	3,256,007,247	4,276,361,744
Selected Liability Items—				
‡Funded debt maturing within 6 months	127,777,165	131,597,820	120,180,006	106,224,229
§Loans and bills payable	10,854,058	3,985,000	7,000,000	500,000
Traffic and car-service balances—Cr.	104,750,451	176,569,853	90,823,602	150,267,134
Audited accs. & wages payable	516,861,216	491,260,589	451,788,962	424,391,003
Miscellaneous accounts payable	166,235,119	206,776,637	130,639,369	167,931,941
Interest matured unpaid	50,551,856	100,501,994	44,681,393	94,158,095
Dividends matured unpaid	8,779,878	8,313,990	8,502,168	8,036,141
Unmatured interest accrued	59,158,868	61,845,862	58,382,555	60,676,675
Unmatured dividends declared	39,703,490	60,468,212	39,703,490	60,468,212
Accrued accounts payable	225,870,864	221,369,733	186,136,294	171,296,673
Taxes accrued	671,719,332	1,799,669,744	558,045,177	1,549,590,624
Other current liabilities	148,824,901	149,282,669	137,925,648	139,667,861
Total current liabilities	2,003,310,033	3,280,044,283	1,713,628,658	2,826,984,359
Analysis of taxes accrued:				
U. S. Government taxes	542,183,567	1,655,524,979	444,872,441	1,432,941,279
Other than U. S. Gov. taxes	129,535,765	144,144,765	113,172,736	116,649,345
Other unadjusted credits	396,659,857	560,544,038	323,054,180	487,588,681

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: May, 1946, deficit, $27,555,773; May, 1945, $61,948,385; for the five months ended May, 1946, deficit, $19,970,876; five months ended May, 1945, $240,898,583. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. §Includes obligations which mature not more than one year after date of issue. ¶For railways in receivership and trusteeship the ratio was as follows: May, 1946, 0.01; May, 1945, 1.68; five months, 1946, 0.52; five months, 1945, 1.68. **Net railway operating income is affected by accruals for recent wage awards, retroactive to Jan. 1, 1946, in the amount of $1,082,261 for the month of May. ††Deficit. ‡‡Figures include returns of the Chicago, Milwaukee, St. Paul and Pacific which emerged from trusteeship on Dec. 1, 1945 and the Chicago, Indianapolis and Louisville Ry. Co. which emerged from trusteeship on May 1, 1946. §§Excludes Toledo, Peoria and Western RR. road not in operation.

August Portland Cement Output 63% Higher

Production of 16,213,000 barrels of finished portland cement during August, 1946, reported to the Bureau of Mines, United States Department of the Interior, was 63% greater than that reported for August, 1945. Although 79% of capacity was utilized, production did not meet demands and mill stocks continued to decline to an Aug. 31 total of 9,322,000 barrels. This represents a decrease of 42% from that reported in the corresponding month of the previous year. Mill shipments of 17,955,000 barrels were 57% greater than those reported for August, 1945. Clinker production of 16,104,000 barrels in August, 1946, represents an increase of 65% over that reported for August, 1945.

Demand for cement, as indicated by mill shipments, in August 1946, as in the previous months, was higher than the corresponding months of 1945, in all districts of the United States and in Puerto Rico, but was lower in Hawaii. The increases range from 13% in California to a maximum of 112% in Kansas.

PORTLAND CEMENT IN THE UNITED STATES, PUERTO RICO AND HAWAII

	—1945—Month	—1946—	—*1945—8 Mos.	—1946—
Finished cement:				
Production	9,921,000	16,213,000	61,405,000	101,053,000
Shipments	11,467,000	17,955,000	65,432,000	108,165,000
Stocks (Aug. 31)	15,966,000	9,322,000	------	------
Capacity used	49%	79%	38%	63%
Clinker:				
Production	9,743,000	16,104,000	60,978,000	102,357,000
Stocks (Aug. 31)	4,556,000	4,534,000	------	------

*Includes figures for Hawaii from May to August, inclusive. New plant first started reporting in May, 1945.

National Fertilizer Association Recession Is Registered in Commodity Price Index

The wholesale commodity price index compiled by The National Fertilizer Association and made public on Nov. 4, declined in the week ended Nov. 2 to 181.0 from 184.4 (its all-time high level) in the preceding week. A month ago the index stood at 173.8 and a year ago at 141.7, all based on the 1935-1939 average as 100. The Association's report went on to say:

The principal decline during the latest week was registered in the farm products group, which declined 5.8% from the preceding week. The cotton index declined sharply and was almost back to the level of June 22. Grain prices were mixed, with lower prices for corn and wheat more than offsetting higher prices for oats and rye. The livestock subgroup declined substantially, with declines shown in cattle, calves, hogs, lambs, sheep and eggs. The foods group also declined as a result of lower prices for butter, dressed meats, dressed fowl, and cottonseed oil more than offsetting higher prices for potatoes, dried beans, and canned milk. The textile index was moderately lower. The miscellaneous commodities group advanced and reflected higher quotations for feedstuffs. The building materials group advanced due to an increase in linseed oil prices.

During the week 21 price series in the index declined and 12 advanced; in the preceding week 10 declined and 31 advanced; in the second preceding week 9 declined and 22 advanced.

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

Each Group Bears to the Total Index	Group	Latest Week Nov. 2, 1946	Preceding Week Oct. 26, 1946	Month Ago Oct. 5, 1946	Year Ago Nov. 3, 1945
25.3	Foods	201.9	206.2	187.4	144.6
	Fats and Oils	280.1	287.4	193.1	146.6
	Cottonseed Oil	279.2	284.9	202.3	163.1
23.0	Farm Products	224.0	237.7	217.5	172.0
	Cotton	286.4	331.1	368.4	224.2
	Grains	215.6	220.3	216.8	165.8
	Livestock	222.2	233.2	194.2	166.1
17.3	Fuels	154.2	154.2	154.2	129.9
10.8	Miscellaneous commodities	151.1	149.5	143.5	132.8
8.2	Textiles	201.0	207.8	210.8	160.1
7.1	Metals	125.0	125.0	124.5	109.8
6.1	Building materials	184.5	178.5	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	125.1	†125.1	†125.1	119.9
.3	Farm machinery	116.6	116.6	116.5	105.0
100.0	All groups combined	181.0	184.4	173.8	141.7

*Indexes on 1926-1928 base were: Nov. 2, 1946, 141.0; Oct. 26, 1946, 143.6, and Nov. 3, 1945, 110.4. †Revised.

From Washington Ahead of the News

(Continued from first page)

weeks, experience the greatest relaxation that can come to a man. Naturally, it gives him no great kick to know that his party has suffered a serious defeat and that in that defeat, he was considered such a liability as not to be permitted to speak.

But as to his real underlying attitude, we have this from one of his closest friends and advisers:

Ever since he was catapulted into the Presidency, his first thought as to what he should do, was right. But then the forces which he did not set up and over which he had no control, would come pressing him with the argument: "If you don't do this, you are repudiating the great Franklin Delano Roosevelt." After all, Roosevelt had made him Vice-President which resulted in his being President. Truman is an intensely loyal man as witness his loyalty to Boss Pendergast when he was in trouble. It is also a fact that he had voted along with Roosevelt pretty much on his New Deal measures. But in his thinking, these latter were something that were not his particular responsibility; they were over his head, and in carving out his career as a Senator, they were something he ought to go along with rather than try to buck the tide. With other Senators he used to fret over what was being done and with them, agree that oh nuts, the tide is that way, the thing for me to do is to hold my job. Which is, of course, to say that he is not a Big man, whatever that is.

Be that as it may, we are assured by his closest friend that when he entered the White House, he came to feel his great responsibility and in the exercising of that, he wanted to go very differently from the way his predecessor had gone. He did not want to be a crusader for anything; he felt very definitely that the country had gone too far to the left, he had no ambition to tell it so, but he wished very much that it would swing back and his idea was that if he left it alone, it would do just that.

Problems arose, however. When they arose, he encountered the demand from the mob, from the press, that he intervene. And when he prepared to intervene, there was always hanging over him, the argument of the Leftists: "Are you going to repudiate the policies of the great FD?"

We are assured by his closest friend whom we've been representing, that with the elections over, and he has come to relax and forget his personal experience in them, that he can and will take the attitude, that it was not he who repudiated the great FD's principles, such as appeasement of Russia, of strikes whereby men are on strike for three months and then when they return to work, are held out of work because of strikes in supplier plants, but that it was the American people who did the repudiation. Then he can go on from there.

Amazing as it seems, we are assured, he will really welcome a Republican Congress, the stalemate which is talked about. Because he himself, has no crusading program which he wants to put over. He will appreciate the relative calm which will come to American affairs.

New Managing Director Of Netherlands Bank

Advices Oct. 21 from Amsterdam (Netherlands News Agency) stated that Dr. J. R. Van Taalingen, head of the Netherlands Bank's foreign exchange department, will become Managing Director of the bank, as succeeding Dr. Arnold J. D'Ailly, who was recently appointed Mayor of Amsterdam, it was learned. The foregoing advices were reported in the New York "Times" of Oct. 22.

Pope Radios Message To Boston Meeting

The National Congress of the Confraternity of Christian Doctrine, meeting in Boston on Oct. 26, heard an address delivered by radio by Pope Pius XII from his summer residence at Castel Gandolfo, Italy, in which his Holiness declared that "perhaps the greatest sin in the world today is that men have begun to lose their sense of sin." The Pope told his radio audience that the challenge sent from the heart of Christ to the Congress was that the Church "be holy and without blemish." He declared, according to Associated Press advices, that the "growing weakness, the devitalizing process going on in not a few parts of the church is due chiefly to an ignorance, or at best a very superficial knowledge of religious truths." The church is menaced not only from without, "but also by the interior forces of weakness and decline," Pius XII asserted, and added that religious instruction was "indispensable not only for children in Sunday schools and growing youth in higher classes," but should "hold a place of honor in college and university curricular."

The Pope concluded his address to nearly 12,000 assembled delegates of the Congress with the Apostolic Benediction.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Nov. 4 that the tenders for $1,300,000,000 or thereabouts of 91-day Treasury bills to be dated Nov. 7 and to mature Feb. 6, which were offered on Nov. 1, were opened at the Federal Reserve Banks, on Nov. 4.

Total applied for $1,804,814,000.

Total accepted, $1,311,974,000 (includes $29,149,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price, 99.905+; equivalent rate of discount approximately 0.376% per annum.

Range of accepted competitive bids:

High, 99.907, equivalent rate of discount approximately 0.372% per annum.

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

71% of the amount bid for at the low price was accepted.

There was a maturity of a similar issue of bills on Oct. 31 in the amount of $1,315,336,000.

Greeley in Excess Profits Council Post

The Treasury Department announced on Oct. 29 the appointment of Harold Dudley Greeley, New York attorney and accountant, as a member of the Excess Profits Tax Council. Mr. Greeley's appointment completed the roster of the 15-member Council, which recently began its program of administering claims of corporate taxpayers for relief from the wartime excess profits tax, under Section 722 of the Internal Revenue Code. Charles D. Hamel is Chairman of the Council. Mr. Greeley received law degrees from New York University (LL.B.) and the University of Maine (LL.M.) and also took graduate studies at Harvard University. He was admitted to the bar in New York and Connecticut and also qualified as a certified public accountant in New York. He has been engaged in the practice of both law and accounting since 1912, and has also been a Professor of Taxation at the New York Law School and a lecturer on Taxation and Estates at Columbia University, New York University, and other institutions.

Gross and Net Earnings of United States Railroads for the Six Months Ended June 30

During the first six months of the current year, the railroads showed marked decreases in both gross and net earnings. The gross earnings for the first six months of 1946 were approximately 75% of those compiled for the corresponding six months of 1945, and the net earnings were only about one-third of the 1945 period. The gross earnings for this period were the lowest since 1942, and the net earnings were the lowest since 1939.

Gross earnings for the first six months of 1946 were $3,577,307,662 as compared with $4,697,322,658 in 1945. This is equivalent to a decrease of 23.84%. Operating expenses were only silghtly less than in 1945. For the current six-month period they were $3,085,325,344 as compared with $3,194,524,028. The net earnings of $491,982,318 were equivalent to a drop of 67.26% when compared with net earnings of $1,502,798,630 for the corresponding six-month period of 1945. These figures are now presented in tabular form:

Jan. 1 to June 30—	1946	1945	—Inc. (+) or Dec. (—)— Amount	%
Mileage of 131 roads	227,770	228,293	— 523	— 0.23
Gross earnings	$3,577,307,662	$4,697,322,658	—$1,120,014,996	—23.84
Operating expenses	3,085,325,344	3,194,524,028	— 109,198,684	— 3.42
Ratio of exps. to earns.	(86.25%)	(68.01%)		
Net earnings	$491,982,318	$1,502,798,630	—$1,010,816,312	—67.26

Next we shall turn to a month-by-month breakdown of these totals. These figures were presented in our regular monthly articles, and are now presented for comparative purposes. The greatest gross earnings for any month in the current year were recorded in January. The lowest were recorded in May. In net January again shows the largest figures, and the month of March shows the lowest net earnings. A monthy-by-month comparison in both gross and net earnings for the first six months of 1946 and 1945 is presented below:

Month—	GROSS EARNINGS 1946 $	Year 1945 $	Inc. (+) or Dec. (—) Amount $	%	MILEAGE Year 1946	Year 1945
January	640,871,880	750,911,171	—110,039,291	—14,65	227,904	228,322
February	579,136,125	712,806,326	—133,670,207	—18,75	227,799	228,539
March	646,099,474	812,918,455	—166,818,981	—20.52	227,794	228,288
April	566,701,500	778,574,290	—211,872,790	—27.21	227,800	228,290
May	532,553,368	822,568,254	—290,014,886	—35.26	227,742	228,289
June	611,939,411	819,945,586	—208,006,175	—25.37	227,692	228,267

Month—	NET EARNINGS 1946 $	1945 $	Inc. (+) or Dec. (—) Amount $	%
January	150,812,525	220,865,926	— 70,053,401	—31.72
February	128,908,534	213,163,750	— 84,255,207	—39.53
March	18,209,342	268,329,877	—250,120,535	—93.21
April	58,604,019	247,086,865	—188,482,846	—76.28
May	40,351,952	275,114,375	—234,762,423	—85.33
June	95,083,268	278,455,168	—183,371,900	—65.85

Now, we shall turn to a geographical division of the total figures. From a percentage standpoint it may be noted the decreases for all the regions ranged from a low of 15.48% for the New England region to the largest decrease of 28.96% recorded by the Central Western region. In the net earnings category, all the regions showed much more substantial decreases than in gross. The smallest decrease in net earnings was compiled by the Pocahontas region of the Southern district. This decrease of 47.04% is in contrast with the largest percentage drop of 81.05% recorded by the Central Eastern region. These notes are better reflected in the tabulation which follows. The classification presented in this tabulation is in conformity with that of the Interstate Commerce Commission. The territories covered by the various districts and regions are explained in the footnote appended to the table:

SUMMARY BY GROUPS—MONTH OF JUNE

District and Region	Gross Earnings 1946 $	1945 $	Inc. (+) or Dec. (—) $	%
Eastern District—				
New England region (10 roads)	137,200,639	162,330,536	— 25,129,897	—15.48
Great Lakes region (23 roads)	572,452,683	714,386,301	— 141,933,618	—19.87
Central Eastern region (18 rds.)	684,400,033	906,306,169	— 221,906,136	—24.48
Total (51 roads)	1,394,053,355	1,783,023,006	— 388,969,651	—21.82
Southern District—				
Southern region (26 roads)	521,667,618	671,568,330	— 149,900,712	—22.32
Pocahontas region (4 roads)	171,135,111	220,160,544	— 49,025,433	—22.27
Total (30 roads)	692,802,729	891,728,874	— 198,926,145	—22.31
Western District—				
Northwestern region (16 roads)	379,041,323	465,621,208	— 86,579,885	—18.59
Central Western region (14 roads)	794,121,534	1,117,820,865	— 323,699,331	—28.96
Southwestern region (20 roads)	317,288,721	439,128,705	— 121,839,984	—27.75
Total (50 roads)	1,490,451,578	2,022,570,778	— 532,119,200	—26.31
Total, all districts (131 roads)	3,577,307,662	4,697,322,658	—1,120,014,996	—23,84

District and Region—	—Mileage— 1946	1945	—Net Earnings— 1946 $	1945 $	Inc. (+) or Dec. (—) $	%
Eastern District—						
New England region	6,540	6,563	18,072,732	43,831,424	— 25,758,692	— 58.77
Great Lakes region	25,522	25,562	55,504,724	179,304,295	— 123,799,571	— 69.04
Cent. East'n region	23,881	23,882	44,353,731	234,108,211	— 189,754,480	— 81.05
Total	55,943	56,007	117,931,187	457,243,930	— 339,312,743	— 74.21
Southern District—						
Southern region	37,260	37,332	83,394,092	239,776,915	— 156,382,823	— 65.22
Pocahontas region	6,027	6,009	43,826,702	82,756,594	— 38,929,892	— 47.04
Total	43,287	43,331	127,220,794	322,533,509	— 195,312,715	— 60.56
Western District—						
Northwestern reg.	45,538	45,670	36,600,655	129,146,268	— 92,545,613	— 71.66
Cent. West. region	54,529	54,683	145,924,421	415,150,562	— 269,226,141	— 64.85
Southwestern reg.	28,473	28,602	64,305,261	178,724,361	— 114,419,100	— 64.02
Total	128,540	128,955	246,830,337	723,021,191	— 476,190,854	— 65.86
Total all dists.	227,770	228,293	491,982,318	1,502,798,630	—1,010,816,312	— 67.26

NOTE—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

Our final exhibit is the customary summary of the comparisons in gross and net earnings of the railroads of the country for the first six months of each calendar year from 1946 back to and including 1909:

GROSS EARNINGS

Jan. 1 to June 30—	Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$1,172,185,403	$1,051,853,195	+ $120,332,208	+11.44
1910	1,351,570,837	1,172,481,315	— 170,089,522	—15.27
1911	1,310,580,765	1,339,539,563	— 23,958,798	— 2.16
1912	1,365,355,859	1,309,006,353	+ 56,349,506	+ 4.30
1913	1,502,472,942	1,366,304,199	+ 136,168,743	+ 9.97
1914	1,401,010,280	1,486,043,706	— 85,033,426	— 5.72
1915	1,407,465,982	1,447,464,542	— 39,998,560	— 2.76
1916	1,731,460,912	1,403,448,334	+ 328,012,578	—23.37
1917	1,946,395,684	1,741,329,277	+ 205,066,407	+11.78
1918	2,071,337,977	1,889,489,295	+ 181,848,682	+ 9.62
1919	2,339,750,126	2,074,114,256	+ 265,635,870	+12.81
1920	2,684,672,507	2,326,657,150	+ 358,015,357	+15.39
1921	2,671,369,048	2,738,845,138	— 67,476,090	— 2.46
1922	2,602,347,511	2,665,747,212	— 63,399,701	— 2.38
1923	3,086,129,793	2,605,203,228	+ 480,926,565	+18.46
1924	2,865,947,474	3,091,934,815	— 225,987,341	— 7.31
1925	2,887,608,623	2,864,512,167	+ 23,096,456	+ 0.81
1926	3,022,413,801	2,890,965,666	+ 131,448,135	+ 4.55
1927	3,011,796,048	3,020,928,478	— 9,132,430	— 0.30
1928	2,901,379,728	3,018,008,234	— 116,628,506	— 3.86
1929	3,057,560,980	2,905,912,090	+ 151,648,890	+ 5.22
1930	2,737,397,195	3,062,220,645	— 324,823,450	—10.61
1931	2,184,221,360	2,688,007,639	— 503,786,279	—18.74
1932	1,599,138,566	2,183,918,659	— 584,780,093	—26.78
1933	1,430,226,871	1,599,191,879	— 168,965,008	—10.57
1934	1,627,736,490	1,413,361,745	+ 214,374,745	+15.17
1935	1,632,996,080	1,627,736,490	+ 5,259,590	+ 0.32
1936	1,870,196,058	1,632,939,310	+ 237,256,748	+14.53
1937	2,083,250,357	1,869,614,084	+ 213,636,273	+11.43
1938	1,633,218,256	2,082,853,003	— 449,634,747	—21.59
1939	1,800,532,143	1,632,876,801	+ 167,655,342	+10.27
1940	1,991,064,110	1,800,532,143	+ 190,531,967	+10.58
1941	2,420,002,097	1,991,775,776	+ 428,226,321	+21.50
1942	3,280,758,417	2,420,002,097	+ 860,756,320	+35.57
1943	4,346,663,733	3,280,758,417	+1,065,905,316	+32.49
1944	4,636,071,620	4,346,334,591	+ 289,737,029	+ 6.67
1945	4,699,870,508	4,636,071,620	+ 63,798,888	+ 1.38
1946	3,577,307,662	4,697,322,658	—1,120,014,996	—23.84

NET EARNINGS

Jan. 1 to June 30—	Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$371,591,341	$294,951,102	+$76,640,239	+25.98
1910	408,380,483	371,562,668	+ 36,817,815	+ 9.91
1911	378,852,053	404,569,430	— 25,717,377	— 6.36
1912	373,370,171	375,407,648	— 2,037,477	— 0.54
1913	400,242,544	373,442,875	+ 26,799,669	+ 7.18
1914	343,835,677	394,495,885	— 50,660,208	—12.84
1915	394,683,548	347,068,207	+ 47,615,341	+13.72
1916	559,376,894	393,225,507	+166,151,387	+42.25
1917	555,683,025	562,838,773	— 7,155,748	— 1.27
1918	265,705,922	540,911,505	—275,205,583	—50.88
1919	265,007,159	265,324,144	— 316,985	— 0.12
1920	195,582,649	263,029,233	— 67,446,584	—25.64
1921	310,890,365	169,082,335	+141,808,030	+83.87
1922	530,420,651	312,088,627	+218,332,024	+69.96
1923	649,131,565	531,566,924	+117,564,641	+22.12
1924	597,828,199	651,828,563	— 54,000,364	— 8.28
1925	656,663,561	597,855,833	+ 58,807,728	+ 9.84
1926	727,905,072	656,848,197	+ 71,056,875	+10.82
1927	711,888,565	727,923,568	— 16,035,003	— 2.20
1928	700,846,779	713,906,228	— 13,059,449	— 1.83
1929	817,500,221	702,553,020	+114,947,201	+16.36
1930	618,567,281	818,154,445	—199,587,164	—24.39
1931	471,189,438	618,597,371	—147,407,933	—23.83
1932	321,450,701	471,340,361	—149,889,660	—31.80
1933	352,131,926	321,452,887	+ 30,679,039	+ 9.54
1934	417,993,205	346,640,179	+ 71,353,026	+20.58
1935	376,399,748	417,993,205	— 41,593,457	9.95
1936	451,625,515	375,859,793	+ 75,765,722	+20.16
1937	528,201,763	451,648,720	+ 76,553,043	+16.95
1938	304,542,359	528,152,626	—223,610,267	—42.34
1939	403,103,791	304,569,136	+ 98,534,655	+32.35
1940	497,712,078	403,103,791	+ 94,608,287	+23.47
1941	745,400,656	498,179,057	+247,221,599	+49.62
1942	1,123,614,510	745,400,656	+378,213,854	+50.74
1943	1,716,118,241	1,123,614,510	+592,503,731	+52.73
1944	1,558,293,772	1,715,949,906	—157,656,134	— 9.20
1945	1,504,124,607	1,558,293,772	— 54,169,165	— 3.48
1946	491,982,318	1,502,798,630	—1,010,816,312	—67.26

Cotton Ginned from 1946 Crop Prior to Sept. 16

The Census report issued on Sept. 23, compiled from the individual returns of the ginners, shows as follows the number of bales of cotton ginned from the growth of 1946 prior to Sept. 16, 1946, and comparative statistics to the corresponding date in 1945 and 1944.

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

State—	1946	1945	1944
United States	*1,248,545	1,021,517	1,824,262
Alabama	88,841	144,106	185,248
Arizona	11,322	4,457	3,930
Arkansas	72,988	6,394	147,906
Florida	2,770	4,497	6,825
Georgia	141,349	115,760	188,371
Louisiana	91,973	95,295	178,090
Mississippi	149,853	115,968	294,664
Missouri	6,594	3	49,676
New Mexico	6,674	479	189
North Carolina	15,634	5,194	60,095
Oklahoma	3,663	1,247	23,182
South Carolina	145,130	82,884	188,358
Tennessee	1,384	85	39,583
Texas	509,790	445,144	456,841
All other States	80	4	1,304

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

The statistics in this report include 22 bales of American-Egyption for 1946, 20 for 1945, and 175 for 1944; also included are no bales of Sea-island for 1946 none for 1945, and none for 1944. The ginning of round bales has been discontinued since 1941.

The statistics for 1946 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Sept. 1 is 532,762 bales.

Cotton Report As of Aug. 1

A 9,290,000 bale cotton crop for the United States is forecast this year by the Crop Reporting Board of the Bureau of Agricultural Economics. The indicated production is 3.1% or 275,000 bales above the small 1945 crop, but is 3¼ million bales below the 10-year average. This forecast in 500 pound gross weight bales is based on information as of Aug. 1.

Prospective lint yield per acre, computed at 247.9 pounds compares with 251.0 pounds harvested in 1945 and the 10-year average of 243.2 pounds. If abandonment is equal to the 10-year average, the acreage for harvest this season would be around 17,991,000 acres. This is only 4.4% above last year's harvested acreage which was the smallest since 1885. Unfavorable weather during the 1946 planting season limited the acreage in many areas.

Generally favorable weather in June permitted chopping and much needed cultivating which had been delayed by a wet May. Stands, already generally below normal because of poor seed and wet soils, were further thinned in cleaning the fields of excess grass. The crop is later than usual especially in North Georgia, Alabama, Oklahoma and parts of Arkansas. In the latter two States there is a marked variation in plant development.

In Missouri, Arkansas, Tennessee and the Western irrigated States weather during July was favorable and the crop made good progress. In Texas and Oklahoma, July rain was very light and drought conditions were becoming serious toward the end of the month. In those States there was extensive shedding of early planted cotton and a checking of growth of late cotton. In Louisiana, and the States east of the Mississippi River, July rains were frequent and generally heavy. In Louisiana and Mississippi crop prospects were materially reduced.

Boll weevil damage is a serious threat in Central and Eastern parts of the Belt with reports on infestation mostly in excess of any year since 1941. Frequent showers prevented dusting in most of these areas and also favored heavy vegetative growth which increases the threat of weevil damages. In Eastern Texas and Oklahoma, weevils are numerous, but damage has been limited by dry weather.

No estimate of cottonseed production will be made until December. However, if the ratio of lint to cottonseed should be the same as the average for the past 5 years, production would be 3,781,000 tons. Production in 1945 was 3,634,000 tons as compared with the 10-year average of 5,240,000 tons.

The report from the Bureau of the Census shows 161,825 bales of cotton ginned from the crop of 1946 prior to Aug. 1, compared with 132,737 bales for 1945 and 48,182 bales for 1944.

Air Agreement Between U. S. and Lebanon

An air transport agreement between the United States and Lebanon was signed at Beirut on August 11, with Minister George Wadsworth signing on behalf of the U. S. Government, a State Department announcement of Aug. 13 said. The advices added:

"The agreement, which is substantially the same as that signed between the United States and Egypt on June 15, will permit Pan American Airways to make commercial traffic stops at Beirut on its certificated route between the United States and India."

Federal Reserve August Business Indexes

The Board of Governors of the Federal Reserve System issued on Sept. 27 its monthly indexes of industrial production, factory employment and payrolls, etc. The Board's customary summary of business conditions to Sept. 15 appeared in our Oct. 24 issue, page 2134. The indexes for July together with comparison for a month and a year ago follow:

BUSINESS INDEXES

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

	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	1946		1945	1946		1945
Industrial production—	Aug.	July	Aug.	Aug.	July	Aug.
Total	*176	172	186	*178	173	188
Manufactures—						
Total	*182	177	194	*184	178	196
Durable	*206	202	239	*208	203	240
Nondurable	*162	156	157	*165	157	159
Minerals	*143	146	140	*146	149	143
Construction contracts, value—						
Total	†	165	61	†	179	65
Residential	†	161	24	†	162	24
All other	†	168	91	†	193	99
Factory employment—						
Total	*143.4	140.3	147.6	*144.6	140.8	148.7
Durable goods	*165.1	160.7	187.5	*165.4	161.0	187.7
Nondurable goods	*126.4	124.3	116.1	*128.3	124.9	117.9
Factory payrolls—						
Total	---	---	---	†	260.5	267.3
Durable goods	---	---	---	†	286.2	335.4
Nondurable goods	---	---	---	†	235.3	200.6
Freight carloadings	141	139	128	145	143	132
Department store sales, value—	*289	273	200	*242	208	168
Department store stocks, value	†	222	182	†	222	169

*Preliminary. †Data not yet available.

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

Construction contract indexes based on 3-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $184,137,000, and all other by $226,132,000.

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

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	1946		1945	1946		1945
MANUFACTURES	Aug.	July	Aug.	Aug.	July	Aug.
Iron and steel	183	179	155	183	179	155
Pig iron	186	‡178	161	186	‡178	161
Steel	195	190	164	195	190	164
Open hearth	169	168	142	169	168	142
Electric	378	343	319	378	343	319
Machinery	*251	242	310	*251	242	310
Transportation equipment	*245	244	405	*245	244	405
Automobiles	*185	179	142	*185	179	142
Nonferrous metals and products	*146	*143	165	*146	*143	165
Smelting and refining	*137	131	171	*136	130	171
Lumber and products	*131	129	107	*139	137	113
Lumber	*121	121	98	*134	133	108
Furniture	*151	144	124	*151	144	124
Stone, clay and glass products	*193	193	160	*200	193	165
Plate glass	114	129	61	114	129	61
Cement	†	155	97	†	171	110
Clay products	*147	147	110	*152	147	113
Gypsum and plaster products	*183	183	162	*185	183	162
Abrasive and asbestos prod.	*244	234	260	*244	234	260
Textile and products	*159	143	134	*159	143	134
Cotton consumption	*149	127	123	149	127	123
Rayon deliveries	229	233	213	229	233	213
Wool textiles	†	142	127	†	142	127
Leather products	†	103	108	†	101	107
Tanning	†	99	98	†	93	97
Cattle hide leathers	†	117	112	†	110	109
Calf and kip leathers	†	66	75	†	66	79
Goat and kid leathers	†	45	47	†	45	46
Sheep and lamb leathers	†	122	130	†	114	134
Shoes	†	106	114	†	106	114
Manufactured food products	*147	150	138	*164	161	151
Wheat flour	†	*139	130	†	*137	128
Meatpacking	138	165	133	122	154	119
Other manufactured foods	*151	152	139	*172	160	154
Processed fruits and veg.	*150	173	101	*247	225	165
Tobacco products	†	140	150	†	145	155
Cigars	†	99	91	†	99	91
Cigarettes	†	181	195	†	190	204
Other tobacco products	†	72	98	†	72	95
Paper and products	*147	136	131	*147	136	131
Paperboard	169	155	141	169	155	141
Newsprint production	83	84	72	82	82	71
Printing and publishing	129	124	111	123	115	107
Newsprint consumption	123	121	96	111	104	87
Petroleum and coal products	†	†	*240	†	†	*240
Petroleum refining	---	---	---	---	---	---
Gasoline	*145	*141	155	*145	*141	155
Fuel oil	†	†	173	†	†	173
Lubricating oil	†	†	138	†	†	137
Kerosene	†	†	140	†	†	135
Coke	†	160	153	†	160	153
Byproduct	†	155	148	†	155	148
Beehive	*371	331	332	*371	331	332
Chemicals	*235	233	265	*231	229	261
Rayon	*259	255	222	*259	255	222
Industrial chemicals	*390	388	368	*390	388	368
Rubber	*217	211	193	*217	211	193
MINERALS						
Fuels	*150	153	146	*150	153	146
Bituminous coal	*156	159	144	*156	159	144
Anthracite	*120	128	102	*120	128	102
Crude petroleum	*151	*154	152	*151	*154	152
Metals	†	98	105	†	122	124
Iron ore	---	---	---	282	295	289

*Preliminary or estimated. †Data not yet available. ‡Revised.

FREIGHT CARLOADINGS
(1935-39 average = 100)

Coal	152	145	128	152	145	128
Coke	184	177	167	177	172	160
Grain	131	139	163	142	166	176
Livestock	118	166	115	113	135	109
Forest products	157	153	133	165	153	140
Ore	162	164	166	243	263	249
Miscellaneous	145	141	132	146	142	133
Merchandise, l.c.l.	77	78	64	77	78	65

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

Market Value of Stocks on N. Y. S. E. in Sept.

The New York Stock Exchange announced on Oct. 5, that as of the close of business on Sept. 30, there were 1,315 stock issues aggregating 1,750,250,158 shares listed on the New York Stock Exchange, with a total market value of $66,863,605,035. This compares with the figures as of Aug. 30, of 1,309 issues aggregating 1,737,716,634 shares; total market value $74,350,238,520.

In making public the Oct. 5 announcement, the Exchange further said:

As of the close of business Sept. 30, New York Stock Exchange member total net borrowings amounted to $407,924,764 of which $251,041,662 represented loans which were not collateralized by U. S. Gov't issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was, therefore, 0.38%. As the loans not collateralized by U. S. Gov't issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

	Sept. 30, 1946		Aug. 30, 1946	
	Market Value	Av. Price	Market Value	Av. Price
Group—	$	$	$	$
Amusement	990,179,963	24.60	1,149,328,559	28.59
Automobile	4,473,461,629	34.43	5,229,875,613	40.31
Aviation	904,997,714	17.85	1,052,043,184	20.75
Building	960,754,878	39.67	1,051,899,202	43.54
Business and Office Equipment	612,340,948	45.94	668,498,613	50.15
Chemical	8,475,562,267	65.92	9,205,055,405	72.66
Electrical Equipment	1,814,806,638	33.13	2,023,499,000	36.94
Farm Machinery	862,572,571	60.58	964,617,189	67.74
Financial	1,205,494,868	22.74	1,397,399,014	26.22
Food	4,579,594,488	42.66	5,080,888,619	47.33
Garment	73,825,255	31.87	86,183,462	37.21
Land & Realty	63,899,700	10.24	76,233,323	12.19
Leather	300,335,410	29.96	340,293,826	38.03
Machinery & Metals	2,456,623,876	30.17	2,819,351,681	34.79
Mining (excluding iron)	1,876,038,803	29.08	2,060,866,165	32.03
Paper & Publishing	935,852,236	29.69	1,050,289,615	34.10
Petroleum	7,780,079,744	36.90	8,479,723,967	40.21
Railroad	4,742,695,836	41.12	5,549,453,287	48.12
Retail Merchandising	4,760,340,750	39.61	5,131,093,018	42.94
Rubber	774,583,121	65.71	848,306,608	71.97
Ship Building	56,233,681	20.90	67,245,580	24.99
Ship Operating	105,621,152	24.26	125,433,014	28.81
Steel, Iron & Coke	3,000,335,963	53.30	3,435,049,302	61.00
Textiles	1,010,472,731	32.11	1,118,284,365	41.01
Tobacco	1,543,391,169	53.17	1,721,186,113	59.30
Transportation Services	26,253,007	15.22	32,356,740	18.76
Utilities:				
Gas & Electric (Operating)	3,308,620,016	32.66	3,492,920,996	35.65
Gas & Electric (Holding)	1,790,044,648	18.49	2,028,637,761	20.95
Communications	4,344,108,042	98.08	4,617,083,607	104.32
Miscellaneous Utilities	220,796,845	29.45	255,171,371	34.03
U. S. Cos. Operating Abroad	1,107,744,352	27.72	1,256,491,068	31.44
Foreign Companies	1,154,680,799	23.75	1,340,572,691	27.56
Miscellaneous Businesses	551,261,935	35.23	594,906,562	38.39
All Listed Stocks	66,863,605,035	38.20	74,350,238,520	42.79

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange.

	Market Value	Average Price		Market Value	Average Price
1944—	$	$	1945—	$	$
Sept. 30	52,929,771,152	35.75	Sept. 29	67,065,130,865	43.17
Oct. 31	53,086,843,093	35.84	Oct. 31	69,560,968,600	44.23
Nov. 30	53,591,644,063	36.14	Nov. 30	72,729,703,313	46.13
Dec. 30	55,511,963,741	37.20	Dec. 31	73,765,250,751	46.33
1945—			1946—		
Jan. 31	56,585,846,293	37.84	Jan. 31	78,467,733,341	48.61
Feb. 28	59,680,085,110	39.84	Feb. 28	74,164,879,781	45.79
Mar. 31	57,383,487,905	38.15	Mar. 30	77,932,414,601	47.88
Apr. 30	61,496,723,658	40.68	Apr. 30	80,943,361,516	49.22
May 31	62,430,603,026	40.64	May 31	84,043,436,932	50.44
June 30	62,636,685,716	40.68	June 28	80,929,333,989	47.99
July 31	61,242,460,874	39.65	July 31	79,132,265,907	46.04
Aug. 31	64,315,140,586	41.56	Aug. 30	74,350,238,520	42.79
			Sept. 30	66,863,605,035	38.20

Changes in Holdings of Reacquired Stock of N. Y. Stock & Curb Listed Firms

The New York Stock Exchange announced on Sept. 16 that the following companies have reported changes in the amount of stock held as heretofore reported by the Department of Stock List:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Aldens, Inc., cum. pfd. 4¼% ser.	None	100
Atlas Corp., common	107,634	107,648
Borden Co. (The), capital	197,558	197,958
Canada Dry Ginger Ale., Inc., common	10,000	3,600
Cuban-American Sugar Co. (The), 7% cum. pfd.	5,764	5,774
International Minerals & Chemical Corp., common	20,039	19,339
Jewel Tea Co., Inc., common	1,516	1,454
Johnson & Johnson, common	23,345	23,317
Second preferred series A, 4%	1,067	1,066
Kinney Co., Inc. (G. R.), $5 prior pfd.	None	650
Lowenstein (M.) & Sons, Inc., 4¼% pfd.	None	650
Marine Midland Corp., capital	171,631	191,531
National Cylinder Gas Co., common	15,130	15,630
National Distillers Products Corp., common	26	30
Plymouth Oil Co., capital	8,484	11,184
Purity Bakeries Corp., common	10,940	10,590
Sheaffer (W. A.) Pen Co., common	2,604	2,561
Sinclair Oil Corp., common	954,158	954,161

The New York Curb Exchange made public on Sept. 20 the following changes in holdings of reacquired stock as reported to it by issuers of fully listed securities traded on that exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Crown Central Petroleum Corp., common	631	632
Dennison Manufacturing Co., A common	9,521	9,395
Equity Corp., $3 conv. preferred	79,220	80,220
Esquire, Inc., capital	52,663	49,163
Grocery Store Products Co., capital	79	81
Hussmann-Ligonier Co., $2.25 pfd.	275	500
Hygrade Food Products Corp., common	43,070	44,372
International Utilities Corp., common	1,000	None
King-Seeley Corp., common	782	2,182
Merritt-Chapman & Scott Corp., A pfd.	1,245	1,675
Morris Plan Corp. of America, common	159	161
New York Merchandise Co., Inc., common	134,431	134,881
Niagara Share Corp., B common	256,168	256,368
Russeks Fifth Avenue, Inc., common	12,948	None

Popularity of 5c Air Mail

Postmaster Albert Goldman announced on Oct. 25 that the nickel air mail is fast becoming the nation's mailing habit, according to figures received at the Post Office Department from Air Mail Field offices throughout the country. Based on reports from 30 of these offices, which handle 75% of the air mail business, 91,638,840 pieces of mail were handled during the first 15 days of October under the new 5-cent rate, as against 72,454,680 the first half of September, a jump of 19,184,160 or an average increase of 26.48%. Commenting on the rise in air mail business, which he believes will continue, Postmaster General Robert E. Hannegan said:

"From Oct. 27 to Nov. 2 we are celebrating Air Mail Week to bring to the attention of the American people the advantages of air transport. The President of the United States has added to the significance of this event by proclaiming this period as National Air Mail Week.

"The response to 5-cent air mail has been most encouraging and I am sure that in the days ahead we can look forward to an unprecedented growth in this vital and dynamic field of mail transportation."

Ceremonies incident to the reduction in the air-mail postage rate to five cents an ounce in all territories of the United States and to members of the armed forces abroad, were marked on Sept. 25 in Washington, when a new five-cent air-mail postage stamp and an embossed air-mail stamped envelope in five-cent denomination, were placed on exclusive first-day sale at Washington, D. C., post office. A novel "flying mail car" winging over the nation's original coast-to-coast airway, heralded the arrival of nickel air mail on Oct. 1.

Holderness to Retire From St. Louis Bank—Joins Local Aviation Council

Marvin E. Holderness, who will retire Jan. 1, 1947, as Vice-President of the First National Bank in St. Louis, will become associated with the Aviation Council of Metropolitan St. Louis, Inc., as Executive Manager in October, according to a joint announcement made on Sept. 10 by Walter W. Smith, President of the First National Bank, and George B. Logan, President of the Aviation Council. Mr. Smith stated that the bank is contributing the services of Mr. Holderness for his unexpired term as "evidence of the Bank's interest in developing aviation as a great industry in the St. Louis area," and of the bank's "desire to see the St. Louis area take its rightful place as the air center of America." Mr. Holderness, who is Treasurer and Chairman of the Finance Committee of the Municipal Opera Association, has a long record of aviation interests, including service on the Airport Commission appointed by the late Mayor Henry W. Kiel for the construction of Lambert-St. Louis Airport. Mr. Holderness entered the banking business as an Assistant Cashier of the First Savings Bank and Trust Co. of Nashville. In 1914 he became Vice-President of the Third National Bank of St. Louis and continued as Vice-President of the First National Bank when that institution was founded in 1919 through merger of two other banks with the Third National. Mr. Holderness has served as President of the Missouri Bankers Association and has held numerous other offices in that association and in the American Bankers Association. He was a founder of the Financial Advertisers Association of America, which he has also served as President.

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Nov. 5	Stock Exchange Closed								
4	122.20	116.61	121.04	119.20	116.22	110.34	112.37	117.60	120.02
2	122.14	116.61	121.04	119.20	116.22	110.15	112.19	117.60	120.02
1	122.14	116.41	121.04	119.20	116.02	110.15	112.19	117.60	119.82
Oct. 31	122.02	116.41	121.04	119.20	116.02	110.15	112.00	117.60	119.82
30	121.92	116.41	121.04	119.20	116.02	109.97	112.00	117.60	119.82
29	121.83	116.41	121.04	119.20	116.02	106.97	112.00	117.60	119.82
28	121.83	116.41	121.04	119.20	116.02	110.15	112.00	117.60	120.02
26	121.77	116.41	121.04	119.20	116.02	110.15	112.00	117.60	120.02
25	121.77	116.61	121.04	119.20	116.22	110.34	112.19	117.60	120.02
24	121.55	116.61	121.04	119.20	116.22	110.52	112.19	117.80	120.02
23	121.36	116.61	121.04	119.20	116.22	110.52	112.37	117.80	120.02
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	121.45	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	121.08	116.80	121.25	118.80	116.61	110.34	112.37	117.80	119.82
7	121.02	116.80	121.25	119.00	116.61	110.34	112.37	117.80	120.02
5	121.02	116.80	121.25	119.00	116.61	110.52	112.56	117.80	120.02
4	121.05	116.61	121.25	119.00	116.61	110.34	112.56	117.80	119.82
3	120.77	116.80	121.25	119.00	116.61	110.52	112.37	118.00	120.02
2	120.70	116.61	121.25	119.00	116.61	110.34	112.37	118.00	119.82
1	120.83	116.61	121.25	119.00	116.61	110.34	112.37	117.80	119.82
Sept. 27	121.08	116.61	121.04	119.00	116.61	110.15	112.37	117.80	119.82
20	121.14	116.61	121.04	119.00	116.61	110.52	112.75	117.80	119.61
13	121.80	117.20	121.46	119.41	117.00	111.44	113.89	118.00	120.22
6	122.52	118.00	122.29	120.02	117.80	112.19	114.46	118.60	120.84
Aug. 30	122.92	118.40	122.71	120.43	118.00	112.37	114.85	118.80	121.25
23	123.30	118.40	122.92	120.84	118.20	112.37	115.04	119.00	121.46
16	123.49	118.40	122.92	120.63	118.20	112.37	115.24	119.00	121.25
9	123.49	118.60	123.13	120.84	118.20	112.56	115.24	119.00	121.46
2	123.45	118.60	123.13	120.84	118.20	112.56	115.43	119.00	121.25
July 26	123.77	118.60	123.13	121.04	118.40	112.56	115.63	119.20	121.46
19	123.83	118.80	123.34	121.25	118.40	112.37	115.63	119.20	121.46
12	124.14	118.80	123.56	121.25	118.60	112.56	116.02	119.20	121.46
5	124.24	118.80	123.34	121.25	118.60	112.37	115.82	119.20	121.46
June 28	124.11	118.80	123.34	121.25	118.40	112.56	116.02	119.20	121.46
May 31	123.09	118.80	122.92	121.46	118.40	112.56	116.22	119.00	121.04
Apr. 26	124.33	119.00	123.34	121.25	118.40	113.12	116.41	119.41	121.04
Mar. 29	125.61	119.82	123.99	122.29	119.41	114.27	117.40	120.22	122.09
Feb. 21	126.02	120.22	123.34	121.88	119.00	114.27	116.41	120.22	122.09
Jan. 25	126.28	119.00	123.12	121.25	119.00	113.31	115.63	119.41	122.09
High 1946	126.28	120.02	124.20	122.50	119.61	114.46	117.60	120.43	122.50
Low 1946	120.70	116.41	120.84	118.80	116.02	109.97	112.00	117.60	119.61
1 year Ago									
Nov. 5, 1945	123.17	116.61	120.63	119.41	116.61	109.97	113.12	116.61	120.02
2 Years Ago									
Nov. 4, 1944	119.55	112.75	118.40	116.80	112.93	103.47	107.62	113.31	117.20

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Nov. 5	Stock Exchange Closed								
4	1.56	2.82	2.60	2.69	2.84	3.15	3.04	2.77	2.65
2	1.57	2.82	2.60	2.69	2.84	3.16	3.05	2.77	2.65
1	1.57	2.83	2.60	2.69	2.85	3.16	3.05	2.77	2.66
Oct. 31	1.58	2.83	2.60	2.69	2.85	3.16	3.06	2.77	2.66
30	1.59	2.83	2.60	2.69	2.85	3.17	3.06	2.77	2.66
29	1.59	2.83	2.60	2.69	2.85	3.17	3.06	2.77	2.66
28	1.59	2.83	2.60	2.69	2.85	3.16	3.06	2.77	2.65
26	1.60	2.83	2.60	2.69	2.85	3.16	3.06	2.77	2.65
25	1.60	2.82	2.60	2.69	2.84	3.15	3.05	2.77	2.65
24	1.62	2.82	2.60	2.69	2.84	3.14	3.05	2.76	2.65
23	1.63	2.82	2.60	2.69	2.84	3.14	3.04	2.76	2.65
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	2.85	3.17	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									
Nov. 5, 1945	1.54	2.82	2.62	2.68	2.82	3.17	3.00	2.82	2.65
2 Years Ago									
Nov. 4, 1944	1.87	3.02	2.73	2.81	3.01	3.54	3.30	2.99	2.70

*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.

Weekly Coal and Coke Production Statistics

The total production of soft coal showed little change in the week ended Oct. 26, 1946, and, according to estimates by the United States Bureau of Mines, amounted to 12,465,000 net tons, as compared with 12,510,000 tons in the preceding week and 12,215,000 tons in the week ended Oct. 27, 1945. During the calendar through Oct. 26, 1946, the cumulative output of soft coal was approximately 438,876,000 net tons, a decrease of 7% when compared with the 471,788,000 tons mined in the comparable period of 1945 through Oct. 27.

Production of Pennsylvania anthracite for the week ended Oct. 26, 1946, as estimated by the Bureau of Mines was 1,296,000 tons, an increase of 93,000 tons (7.7%) over the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 38,000 tons, or 3.0%. The calendar year to date shows an increase of 8.7% 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. 26, 1946, showed a decrease of 2,100 tons when compared with the output for the week ended Oct. 19, 1946; but it was 51,200 tons more than for the corresponding week of 1945.

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

Bituminous coal and lignite—	Week Ended Oct. 26, 1946	Oct. 19, 1946	Oct. 27, 1945	Jan. 1 to Date *Oct. 26, 1946	Oct. 27, 1945
Total, including mine fuel	12,465,000	12,510,000	12,215,000	438,876,000	471,788,000
Daily average	2,078,000	2,085,000	2,036,000	1,751,000	1,866,000

*Subject to current adjustment.

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

Penn Anthracite—	Week Ended ‡Oct. 26, 1946	§Oct. 19, 1946	Oct. 27, 1945	Calendar Year to Date Oct. 26, 1946	Oct. 27, 1945	Oct. 30, 193[illegible]
*Total incl. coll. fuel	1,296,000	1,203,000	1,258,000	49,933,000	45,938,000	42,658,000
†Commercial produc.	1,246,000	1,157,000	1,210,000	48,008,000	44,169,000	40,525,000
Beehive Coke—						
United States total	112,500	114,600	63,400	3,461,300	4,460,000	2,857,900

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

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

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

State—	Week Ended Oct. 19, 1946	Oct. 12, 1946	Oct. 20, 1945
Alabama	358,000	375,000	400,000
Alaska	7,000	7,000	7,000
Arkansas	35,000	39,000	38,000
Colorado	151,000	150,000	170,000
Georgia and North Carolina	*	1,000	1,000
Illinois	1,428,000	1,378,000	1,478,000
Indiana	597,000	575,000	105,000
Iowa	27,000	26,000	34,000
Kansas and Missouri	114,000	116,000	135,000
Kentucky—Eastern	1,174,000	1,168,000	124,000
Kentucky—Western	392,000	404,000	438,000
Maryland	38,000	30,000	33,000
Michigan	1,000	1,000	2,000
Montana (bituminous and lignite)	82,000	99,000	66,000
New Mexico	25,000	30,000	28,000
North and South Dakota (lignite)	84,000	69,000	62,000
Ohio	823,000	829,000	272,000
Oklahoma	67,000	60,000	66,000
Pennsylvania (bituminous)	2,968,000	2,975,000	1,085,000
Tennessee	137,000	134,000	28,000
Texas (bituminous and lignite)	1,000	1,000	2,000
Utah	135,000	163,000	115,000
Virginia	377,000	390,000	255,000
Washington	19,000	21,000	27,000
†West Virginia—Southern	2,318,000	2,176,000	255,000
‡West Virginia—Northern	958,000	852,000	510,000
Wyoming	194,000	181,000	211,000
§Other Western States	*	*	*
Total bituminous and lignite	12,510,000	12,250,000	5,947,000

†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.

Stocks and Consumption of Bituminous Coal

Stocks of bituminous coal in consumers' hands on Oct. 1 were estimated at 52,367,000 tons, which was an increase of 9.1% over those of one month before, Dan H. Wheeler, Deputy Solid Fuels Administrator announced on Nov. 1. Stocks on Oct. 1 were, however, 10.5% below those on April 1, before the strike in the soft coal mines, when they were estimated at 58,531,000 tons. On Oct. 1, 1945, stocks of soft coal totaled 53,350,000 tons.

At the end of September the average days' supply was approximately 37, as against 36 days' supply on Sept. 1. Electric power utilities had on Oct. 1 an average of 70 days' supply, which was an increase of 2.9% increase over the days' supply on Sept. 1. Average days' supply of by-product coke ovens increased 9.5% during the month of September; that of steel and rolling mills increased 2.9%; of cement mills, 17.1%; of other industrial plants, 1.8%, and of Class I railroads, 7.1%. Retail dealers had an average of 12 days' supply on Oct. 1, a decrease of 14.3% below that of September 1.

Consumption of soft coal during the month of September was estimated at 42,424,000 tons, which was 2.1% greater than the August burn of 41,565,000 tons. There was an increase in retail dealer deliveries of 10.2% in September over those of August.

Truman Thanks Jackson For Nuernberg Role

President Truman on Oct. 17 accepted the resignation of Associate Justice Robert H. Jackson as chief United States counsel of the International Military Tribunal in a letter in which he expressed "my heartfelt thanks and the thanks of the nation for the great service which you have rendered." Saying that he had studied the report submitted by Mr. Jackson on Oct. 7 concerning the prosecution of major Nazi war criminals at Nuernberg, the President said, according to Associated Press advices from Washington, as given in the New York "Sun": "No litigation approaching this, the first international criminal assize in history, ever was attempted.

"For my own part I have no hesitancy in declaring that the historic precedent set at Nuernberg abundantly justifies the expenditure of effort, prodigious though it was. The precedent becomes basic in the international law of the future. The principles established and the results achieved place international law on the side of peace as against aggressive warfare.

"I am convinced that the verdict for which you worked will receive the accolade of civilized people everywhere and will stand in history as a beacon to warn international brigands of the fate that awaits them.

"Although your own part in the dispensing of international justice is at an end, there remains, as you emphasize, the task of meting out justice to the German militarists, industrialists, politicians, diplomatists and police officials whose guilt does not differ from the guilt of the criminals who have already been dealt with except that these remaining malefactors played their miserable roles at lower levels. I note what you say concerning the method through which these remaining criminals are to be brought to justice. The recommendations which you make in this regard, coming as they do out of your experience at Nuernberg, will be given careful consideration."

Sept. Gas Sales 11.8% Higher Than a Year Ago

Sales of the gas utility industry to ultimate consumers in September totaled 1,948,132,000 therms, an increase of 11.8% over sales of 1,743,276,000 therms in the comparable month last year, the American Gas Association reported on Nov. 1. The Association's index of total gas utility sales stood at 179.4% of the 1935-1939 average. For the 12 months ending Sept. 30, 1946, sales of utility gas were about 25,905,475,000 therms, a decline of 0.9% under sales of 26,147,181,000 therms a year earlier.

Manufactured gas sales during September were 150,552,000 therms, a gain of 13.1% over sales of 133,134,000 therms in September, 1945. Sales in the 12 months ended Sept. 30, 1946 amounted to 2,112,273,000 therms, an increase of 1.5% over 2,080,827,000 therms sold in the preceding 12-month period. The Association's index of manufactured gas sales stood at 141.3% of the 1935-1939 average.

Sales of mixed gas in September, 1946 were 78,589,000 therms, a gain of 25.5% over sales of 62,629,000 therms in the same month last year. Mixed gas sales during the 12 months ending Sept. 30, 1946 were 1,218,732,000 therms, compared with 1,171,694,000 therms, an increase of 4.0%. The September, 1946 index of mixed gas sales stood at 173.1% of the 1935-1939 average.

Sales of natural gas to ultimate consumers for September totaled 1,718,991,000 therms, representing a gain of 11.1% over sales of 1,547,513,000 therms in the same month last year. For the 12 months ended Sept. 30, 1946 sales of natural gas were 22,574,470,000 therms, equivalent to a loss of 1.4% from sales of 22,894,660,000 therms in the like month a year earlier. The Association's index of September natural gas sales stood at 184.1% of the 1935-1939 average.

A therm is a unit of measurement of gas supply which takes into account variation in heating value. One therm is approximately equivalent to 190 cubic feet of manufactured gas, 120 cubic feet of mixed gas, or 95 cubic feet of natural gas.

Moody's Daily Commodity Index

Tuesday, Oct. 29, 1946	348.2
Wednesday, Oct. 30	342.2
Thursday, Oct. 31	352.8
Friday, Nov. 1	358.6
Saturday, Nov. 2	356.4
Monday, Nov. 4	357.5
Tuesday, Nov. 5	*
Two weeks ago, Oct. 22	353.5
Month ago, Oct. 5	339.5
Year ago, Nov. 5, 1945	262.8
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Oct. 15	371.6
Low, Jan. 2	264.7

*Holiday

Daily Average Crude Oil Production for Week Ended Oct. 26, 1946, Decreased 2,800 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Oct. 26, 1946, was 4,729,800 barrels, a decrease of 2,800 barrels per day from the preceding week. It was, however, an increase of 456,800 barrels per day over the 4,273,000 barrels produced daily during the week ended Oct. 27, 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 production for the four weeks ended Oct. 26, 1946, averaged 4,734,104 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 4,758,000 barrels of crude oil daily and produced 14,863,000 barrels of gasoline; 2,055,000 barrels of kerosene; 5,710,000 barrels of distillate fuel, and 7,728,000 barrels of residual fuel oil during the week ended Oct. 26, 1946; and had in storage at the end of the week 86,423,000 barrels of finished and unfinished gasoline; 21,607,000 barrels of kerosene; 65,499,000 barrels of distillate fuel, and 60,872,000 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. 26, 1946	Change from Previous Week	4 Weeks Ended Oct. 26, 1946	Week Ended Oct. 27, 1945
**New York-Penna.	48,200		50,600	— 200	51,350	46,700
Florida	----		----	----	4	150
**West Virginia	8,400		8,100	— 550	8,200	8,150
**Ohio—Southeast }	7,600		5.650	+ 150	5,700	4,700
Ohio—Other }			2,450	— 50	2,400	3,300
Indiana	19,000		18,600	— 150	18,750	13,850
Illinois	214,000		204,250	— 300	206,050	211,650
Kentucky	30,000		30,050	— 250	30,400	29,900
Michigan	47,000		45,900	+ 400	47,100	44,250
Nebraska	800		†750	----	750	800
Kansas	264,000	270,000	†280,350	+13,300	271,500	264,950
Oklahoma	384,000	353,625	†355,850	+ 2,200	354,400	367,500
Texas—						
District I			19,450	----	19,450	----
District II			144,800	----	145,200	----
District III			449,300	----	450,950	----
District IV			214,300	----	214,900	----
District V			39,800	----	39,900	----
East Texas			316,000	----	317,100	----
Other Dist. VI			102,450	----	102,600	----
District VII-B			33,500	----	33,400	----
District VII-C			27,450	----	27,400	----
District VIII			484,650	----	485,400	----
District IX			129,700	----	129,600	----
District X			84,950	----	84,950	----
Total Texas	2,120,000	‡2,064,032	2,046,350	----	2,050,850	1,711,700
North Louisiana			88,350	— 850	88,950	68,000
Coastal Louisiana			305,600	----	305,600	285,000
Total Louisiana	383,000	436,000	393,950	— 850	394,550	353,000
Arkansas	77,000	80,284	73,200	— 150	73,500	75,250
Mississippi	60,000		75,950	— 300	75,050	52,450
Alabama	2,000		1,050	----	1,000	100
New Mex.-So. East }	100,000	106,000	99,100	----	99,100	99,500
New Mexico—Other }			450	----	450	400
Wyoming	100,000		109,400	— 1,200	108,850	101,900
Montana	24,000		24,150	— 700	24,250	20,300
Colorado	32,000		38,550	+ 950	37,900	19,100
California	850,000	§842,500	865,100	—15,100	872,000	843,400
Total United States	4,771,000		4,729,800	— 2,800	4,734,104	4,273,000
**Pennsylvania Grade (included above)			64,350	— 600	65,250	59,550

*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. 24, 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. 26, 1946

(Figures in thousands of barrels of 42 gallons each)

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

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	§Gasoline Product'n at Ref. Inc. Nat. Blended	‡Finish'd and Unfin. Gasoline Stocks	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks. of Resid. Fuel Oil
East Coast	99.5	713	85.0	1,982	20,175	9,335	24,239	12,458
Appalachian—								
District No. 1	76.3	95	66.4	301	2,379	517	632	362
District No. 2	84.7	52	83.9	190	755	72	133	257
Ind., Ill., Ky.	87.4	824	94.7	2,907	15,060	2,811	8,877	5,681
Okla., Kans., Mo.	78.3	361	77.0	1,404	8,702	1,325	3,411	1,296
Inland Texas	59.8	231	70.0	894	2,875	476	640	726
Texas Gulf Coast	89.2	1,171	95.5	3,270	13,256	3,875	10,585	8,027
Louisiana Gulf Coast	97.4	361	112.5	1,118	4,778	1,855	3,740	2,280
No. La. & Arkansas	55.9	60	47.6	163	1,684	347	470	218
Rocky Mountain—								
District No. 3	19.0	9	69.2	23	83	15	41	40
District No. 4	70.9	123	74.5	322	1,344	209	546	678
California	85.5	758	76.3	2,289	15,332	770	12,185	28,849
Total U. S. B. of M. basis Oct. 26, 1946	85.8	4,758	85.6	14,863	*86,423	21,607	65,499	60,872
Total U. S. B. of M. basis Oct. 19, 1946	85.8	4,779	86.0	14,874	85,930	21,207	64,761	60,512
U. S. B. of M. basis Oct. 27, 1945		4,791		15,347	†74,514	13,192	44,827	46,547

*Includes unfinished gasoline stock of 8,657,000 barrels. †Includes unfinished gasoline stocks of 8,645,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition there were produced 2,055,000 barrels of kerosine, 5,710,000 barrels of gas oil and distillate fuel oil and 7,728,000 barrels of residual fuel oil in the week ended Oct. 26, 1946, which compares with 1,890,000 barrels, 5,666,000 barrels and 7,509,000 barrels, respectively, in the preceding week and 1,723,000 barrels, 4,919,000 barrels and 8,982,000 barrels, respectively, in the week ended Oct. 27, 1945.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Oct. 30 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 Oct. 12, 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 Oct. 12 (in round-lot transactions) totaled 2,695,231 shares, which amount was 15.54% of the total transactions on the Exchange of 8,676,030 shares. This compares with member trading during the week ended Oct. 5 of 1,754,920 shares, or 15.79% of the total trading of 5,556,880 shares.

On the New York Curb Exchange, member trading during the week ended Oct. 12 amounted to 584,390 shares or 14.44% of the total volume on that Exchange of 2,024,035 shares. During the week ended Oct. 5 trading for the account of Curb members of 421,630 shares was 15.42% of the total trading of 1,367,295 shares.

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

WEEK ENDED OCT. 12, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	352,590	
‡Other sales	8,323,440	
Total sales	8,676,030	
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	894,220	
Short sales	176,180	
‡Other sales	732,550	
Total sales	908,730	10.39
2. Other transactions initiated on the floor—		
Total purchases	140,810	
Short sales	27,100	
‡Other sales	145,630	
Total sales	172,730	1.81
3. Other transactions initiated off the floor—		
Total purchases	252,795	
Short sales	34,430	
‡Other sales	291,516	
Total sales	325,946	3.34
4. Total—		
Total purchases	1,287,825	
Short sales	237,710	
‡Other sales	1,169,696	
Total sales	1,407,406	15.54

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

WEEK ENDED OCT. 12, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	21,965	
‡Other sales	2,002,070	
Total sales	2,024,035	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	215,960	
Short sales	6,555	
‡Other sales	194,140	
Total sales	200,695	10.29
2. Other transactions initiated on the floor—		
Total purchases	20,460	
Short sales	2,300	
‡Other sales	22,500	
Total sales	24,800	1.12
3. Other transactions initiated off the floor—		
Total purchases	78,610	
Short sales	1,100	
‡Other sales	42,765	
Total sales	43,865	3.03
4. Total—		
Total purchases	315,030	
Short sales	9,955	
‡Other sales	259,405	
Total sales	269,360	14.44
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	88,364	
Total purchases	88,364	
Total sales	92,224	

*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."

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of Sept. 30, 1946, and show that the money in circulation at that date (including of course, that held in bank vaults of member banks of the Federal Reserve system) was $28,506,662,707, as against $28,447,643,163 on Aug. 31, 1946, and $27,825,550,737 on Sept. 30, 1945, and compares with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914 the total was $3,459,434,174.

New TVA Head Named

The new Chairman of the Tennessee Valley Authority, who will replace David E. Lilienthal, newly appointed Atomic Energy Commission Chairman, is to be Gordon R. Clapp, formerly TVA General Manager. Mr. Clapp, according to a Washington dispatch of Oct. 28 to the New York "Times," was credited by the President with a large share of the TVA success, and added that "his appointment and service mean a continuation of the superior performance in the public service that has characterized TVA in the past." For the post of General Manager of TVA, to be vacated by Mr. Clapp, the President has named George F. Gant, who has been director of personnel for TVA.

Lend-Lease Report of Total Supplied by U. S.

Figures released by the office of the Lend-Lease Administrator, Chester T. Lane, on Oct. 17, gave a tabulation by nations of the wartime supplies shipped by the United States under the Lend-Lease program, which made a total expenditure up to V-J Day of $49,096,125,000, according to a special dispatch from Washington to the New York "Times." The Soviet Union, which has recently been asked by this government to send a mission here to settle her Lend-Lease account, led in aircraft with a total of 14,505 two-engine and one-engine bombers, pursuit planes and transports. She also far outstripped all other Allies in the number of motor vehicles received, the total being 478,899, or more than half of all vehicles shipped to Allies.

Great Britain was second in aircraft, the "Times" report continued, with 10,658 of all types, including 851 four-engined bombers of which Russia had not received any since she did not engage in strategic bombing. In motor vehicles Britain received a total of 94,912, with 117,300 for India. The "Times" advices continued:

Great Britain headed the list in ordnance and ammunition, having received a total of $1,953,291,000 worth. Russia was second with $814,472,000. Other large recipients were China, $22,972,000; India, $258,653,000; Australia, $114,519,000, and Egypt, $358,265,000.

The United Kingdom was also first in tanks furnished, the total being 12,755, of which 10,412 were mediums. Russia received 7,537, of which 5,797 were mediums. India received 2,201; Egypt, 4,052; French Africa, 1,791; Italy, 2,027; Latin America, 803.

Other aircraft shipment figures showed 1,168 for China; 4,364 for India; 2,741 for Australia; 3,493 for Egypt; 1,266 for South Africa; 2,070 for Canada; and 2,131 for Latin America. In motor vehicles China received 13,597; Egypt, 43,704; Australia, 57,183.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 30 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. 19, 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. 19, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	40,473
Number of shares	1,198,755
Dollar value	$44,140,774
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	424
*Customers' other sales	26,051
Customers' total sales	26,475
Number of Shares:	
Customers' short sales	16,636
*Customers' other sales	795,903
Customers' total sales	812,539
Dollar value	$31,046,222
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	154,940
Total sales	154,940
Round-Lot Purchases by Dealers—	
Number of shares	547,570

*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."

Civil Engineering Construction Totals $109,385,000 for Week

Civil engineering construction volume in continental United States totals $109,385,000 for the week ending Oct. 31, 1946, as reported by "Engineering News-Record." This volume is 98% above the previous week, 25% above the corresponding week of last year, and 15% above the previous four-week moving average. The report issued on Oct. 31, went on to say:

Private construction this week, $75,090,000, is 151% above last week and 11% above the week last year. Public construction, $34,295,000, is 35% above last week and 68% greater than the week last year. State and municipal construction, $30,530,000, 27% above last week, is 200% above the 1945 week. Federal construction, $3,765,000, is 203% above last week and 63% below the week last year.

Total engineering construction for the 44-week period of 1946 records a cumulative total of $4,571,618,000, which is 151% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $2,776,636,000, which is 244% above that for 1945. Public construction, $1,794,982,000 is 77% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $1,236,654,000 to date, is 297% above 1945. Federal construction, $558,328,000, dropped 21% below the 44-week total of 1945.

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

	Oct. 31, 1946	Oct. 24, 1946	Nov. 1, 1945
Total U. S. Construction	$109,385,000	$55,203,000	$87,798,000
Private Construction	75,090,000	29,871,000	67,439,000
Public Construction	34,295,000	25,332,000	20,359,000
State and Municipal	30,530,000	24,090,000	10,192,000
Federal	3,765,000	1,242,000	10,167,000

In the classified construction groups, waterworks, sewerage, earthwork and drainage, bridges, highways, industrial buildings, commercial buildings, public 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: sewerage, bridges, highways, industrial buildings, and earthwork and drainage.

New Capital

New capital for construction purposes this week totals $17,318,000, and is made up of $17,018,000 in State and municipal bond sales and $300,000 in corporate securities. New capital for construction purposes for the 44-week period of 1946 totals $2,954,108,000, 72% more than the $1,718,931,000 reported for the corresponding period of 1945.

Commercial Paper Outstanding on Sept. 30

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of $147,600,000 of open market paper outstanding on Sept. 30, 1946, compared with $141,600,000 on Aug. 30, 1946, and $111,100,000 on Sept. 28, 1946, the bank reported on Oct. 14.

The following are the totals for the last two years:

1946—	$	1945—	$
Sep. 30	147,600,000	Sep. 28	111,100,000
Aug. 31	141,600,000	Aug. 31	110,200,000
July 31	130,800,000	July 31	106,800,000
June 28	121,400,000	Jun. 29	100,800,000
May 30	126,000,000	May 31	102,800,000
Apr. 30	148,700,000	Apr. 30	118,600,000
Mar. 29	171,500,000	Mar. 30	146,700,000
Feb. 28	178,200,000	Feb. 28	157,300,000
Jan. 31	173,700,000	Jan. 31	162,400,000
		—1944—	
1945—		Dec. 30	166,000,000
Dec. 31	158,900,000	Nov. 30	166,900,000
Nov. 30	156,100,000	Oct. 31	141,700,000
Oct. 31	127,100,000	Sep. 29	140,800,000

Non-Ferrous Metals — Foreign Copper Firmer — Strike at Lead Mines Ends — Quicksilver Off

"E. & M. J. Metal and Mineral Markets," in its issue of Oct. 31, states: "Producers and consumers of lead were greatly relieved on receipt of news that the strike at the mines of St. Joseph Lead Co. has been settled. Federal conciliators took a hand in ending the dispute. Producers of zinc concentrate in the Tri-State district again refused to sell on the unchanged basis of $50 per ton, but there was hope that the price situation in that market will be settled in the near future. Zinc smelters may be asked to raise their bids, and OPA may agree to revise quotas under the Premium Price Plan upward. Quicksilver was unsettled on offerings at lower prices from Italian sources, and the price dropped $3 per flask. Refined platinum sold in better volume on the basis of $69 per ounce, wholesale lots." The publication futher went on to say in part as follows:

Copper

The foreign market for copper moved slightly higher on sales made during the last week. Business was placed in fair tonnages at prices ranging from the equivalent of 17.375c to 17.65c per pound, f.a.s. New York. On average, the price became well established at 17.50c, beginning with Oct. 25. Demand was active, particularly for January metal, with offerings light because of the sold-up condition of most producers.

Call for copper from domestic consumers has not diminished. Shortages in certain shapes have not been entirely relieved, but the transportation situation has improved. Total deliveries for October are expected to exceed 110,000 tons, and will include approximately 50,000 tons of foreign copper released by the government.

Stocks of virgin copper held by the British Ministry of Supply and consumers, and including metal in transit to the United Kingdom, in long tons:

January 1, 1944	199,400
January 1, 1945	282,400
January 1, 1946	123,100
February 1, 1946	97,600
March 1, 1946	92,400
April 1, 1946	81,700
May 1, 1946	80,400
June 1, 1946	73,100
July 1, 1946	80,900

Lead

The strike at the Southeast Missouri mines of St. Joseph Lead Co. was settled on Oct. 29, and the workers signified that they would return to their jobs on Nov. 1. The work stoppage, which began Oct. 22, probably reduced the supply of lead available to consumers for November delivery by more than 3,500 tons.

Production of refined lead in the United States in September increased, largely as a result of the receipt of material moved during the period of higher prices that obtained in July. Metal produced on the 9½c basis is not available at prevailing ceiling prices, and consumers did not benefit greatly from the increased rate of production. Shipments of lead by domestic refineries in September amounted to 34,047 tons, against 32,811 tons in August.

The refinery statistics for August and September are summarized as follows, in tons:

	Aug.	Sept.
Stock at beginning	31,396	34,275
Production:		
Primary	33,994	39,012
Secondary	1,696	1,708
Totals	35,690	40,720
Domestic shipments	32,811	34,047
Stock at end	34,275	40,944

Lead scrap receipts at smelters' plants dropped from 56,229 tons in July to 40,102 tons in August, according to the Bureau of Mines. Receipts of battery plates alone dropped from 38,907 tons in July to 25,146 tons in August.

Sales of primary lead during the last week amounted to 2,832 tons.

Zinc

Demand for zinc from galvanizers and die casters was active, and the grades used in these industries are being shipped about as fast as they are being produced. In other words, the tight supply situation in Prime Western and Special High Grade continues. Other grades are in a comfortable supply position.

OPA is expected to announce higher ceiling prices in a day or two for zinc dust, die-casting alloys, and anodes, bringing prices in line with the current market for the metal.

The Tri-State Zinc Concentrate Smelting Industry Advisory Committee met with OPA officials in Washington on Oct. 29 to review the matter of satisfying ore producers who are demanding a higher settlement basis, reflecting 9¼c zinc, or a revision in quotas under the Premium Price Plan. A decision is expected shortly.

Tin

Permitted use of tin in the production of babbitt for bearings has been increased by CPA to provide a substitute for lead and antimony. CPA said the supply of tin has not increased sufficiently to justify the increased use permitted under an amendment to Order M-43, but as the lead and antimony shortages are threatening the bearings industry, it has been decided to draw more heavily on stocks of tin.

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

	Nov.	Dec.	Jan.
Oct. 24	52.000	52.000	52.000
Oct. 25	52.000	52.000	52.000
Oct. 26	52.000	52.000	52.000
Oct. 28	52.000	52.000	52.000
Oct. 29	52.000	52.000	52.000
Oct. 30	52.000	52.000	52.000

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

Platinum

On the same day that the price of refined platinum was reduced to $72 an ounce (Oct. 15), price competition resulted in sales down to $69, wholesale lots. It has been possible to purchase refined platinum at the lower level ever since Oct. 15, and we have revised our quotation accordingly, retroactive to that date. However, all sellers have not come down to that level. Demand last week was moderate, though somewhat better than in recent weeks. Palladium continued unchanged at $24 per ounce. High prices for platinum are expected to result in an expanding market for palladium for jewelry.

Quicksilver

Wide publicity was given to a report that 3,000 flasks of Italian quicksilver had been offered to the trade here on the basis of $63.50 per flask, shipment from abroad, equivalent to about $82.50 duty paid, New York. According to latest information, the bulk of this material has been sold. However, the news served to upset the market, and a state of confusion still prevails in all quarters. A rumor to the effect that the Cartel is to take over the marketing of quicksilver for European producers on Nov. 1 attracted interest but was not taken seriously. Pressure to obtain dollar balances has been a factor in recent low-priced offerings of quicksilver, some observers contend. Spot metal declined to $93@$96 per flask, a reduction of $3 for the week. Demand was inactive.

Silver

The supply situation in silver continues to favor consumers, even thoough current production from domestic mines is moving to the Treasury. The New York official price was unchanged throughout the week at 90⅛c per ounce troy. The London quotation continued at 55½d.

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

	Electrolytic Copper Dom. Refy.	Electrolytic Copper Exp. Refy.	Straits Tin, New York	Lead New York	Lead St. Louis	Zinc St. Louis
Oct. 24	14.150	17.350	52.000	8.25	8.10	9.25
Oct. 25	14.150	17.425	52.000	8.25	8.10	9.25
Oct. 26	14.150	17.425	52.000	8.25	8.10	9.25
Oct. 28	14.150	17.425	52.000	8.25	8.10	9.25
Oct. 29	14.150	17.425	52.000	8.25	8.10	9.25
Oct. 30	14.150	17.425	52.000	8.25	8.10	9.25
Average	14.150	17.413	52.000	8.25	8.10	9.25

Average prices for calendar week ended Oct. 26 are: Domestic copper f.o.b. refinery, 14.150c; export copper f.o.b. refinery, 17.350c; Straits tin, 52.000¢; New York lead, 8.250¢; St. Louis lead, 8.100¢, St. Louis zinc, 9.250¢; 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.

ABA to Promote Bond Sales Savings

Between Armistice Day, Nov. 11th, and Pearl Harbor Day, Dec. 7th, the United States Treasury will carry on a nationwide Savings Bond sales program, and has asked the nation's banks to help in its campaign to sell an extra Savings Bond to every American. To provide for bank participation in Savings Bond sales effort, the Treasury Savings Bond Committee of the American Bankers Association has set up a national organization among the banks, similar to that which proved so successful during the War Bond drives and the Victory Loan, according to H. Frederick Hagemann, Jr., Chairman of the American Bankers Association Committee, who is also president of the National Rockland Bank, Boston, Mass. This national organization includes a committee of bankers with regional representation and also State Chairmen representing commercial banks in each of the states, and State Chairmen representing mutual savings bank associations. These State Chairmen will maintain liaison between the banks in their State and National Bankers Associations and the Treasury's Savings Bond Committee in each state.

To aid the banks in contributing their support to the campaign, the Treasury has distributed window and lobby displays, portfolios of newspaper ads, and other campaign promotion material. The familiar minute-man poster of the war bond drives will reappear as a symbol of security for windows and lobbies, along with placards and window "paste-ons" bearing the lengends "Buy Your Savings Bonds Here" and "We Are Issuing Agents for Savings Bonds." Folders describing all issues of the Treasury's bonds for individual investors will be distributed through the banks, along with special booklets on Series G Bonds, for use by trust officers.

The members of the ABA Treasury Savings Bond Committee are:

H. Frederick Hagemann, Jr., President, National Rockland Bank, Boston, Mass.; George R. Boyles, President, Merchants National Bank, Chicago, Ill.; J. L. Driscoll, President, First Security Bank of Idaho N. A., Boise, Idaho; E. Chester Gersten, President, Public National Bank and Trust Company, New York, N. Y.; Thomas J. Groom, President, Bank of Commerce and Savings, Washington, D. C.; James G. Hall, Executive Vice-President, First National Bank of Birmingham, Birmingham, Ala.; George R. Martin, Vice-President, Security-First National Bank, Los Angeles, Calif.; Allen Morgan, Executive Vice-President, First National Bank of Memphis, Memphis, Tenn.; Henry J. Nichols, Vice-President, National Shawmut Bank, Boston, Mass.; Robert W. Sparks, Vice-President and Treasurer, Bowery Savings Bank, New York, N. Y.; Burr S. Swezey, President, Lafayette National Bank, Lafayette, Ind.; Edward H. Winton, President, Continental National Bank, Fort Worth, Texas; William R. Kuhns, editor of "Banking," New York, Secretary.

Armistice & Thanksgiving Days Proclaimed

In two proclamations issued on Oct. 28, President Truman declared Nov. 11 Armistice Day and Nov. 28 Thanksgiving Day. The President's statements, Associated Press Washington advices reported, asked his fellow countrymen to join in renewed efforts to obtain lasting peace for the whole world. The Armistice Day proclamation directed that the American flag fly from all government buildings on that day.

Revenue Freight Car Loadings During Week Ended Oct. 26, 1946, Increased 10,491 Cars

Loading of revenue freight for the week ended Oct. 26, 1946, totaled 942,257 cars the Association of American Railroads announced on Oct. 31. This was an increase of 87,478 cars or 10.2% above the corresponding week in 1945, and an increase of 25,772 cars or 2.8% above the same week in 1944.

Loading of revenue freight for the week of Oct. 26 increased 10,491 cars or 1.1% above the preceding week.

Miscellaneous freight loading totaled 412,928 cars an increase of 12,304 cars above the preceding week, and an increase of 44,833 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 131,562 cars an increase of 1,207 cars above the preceding week, and an increase of 15,038 cars above the corresponding week in 1945.

Coal loading amounted to 189,782 cars, a decrease of 1,237 cars below the preceding week but an increase of 6,977 cars above the corresponding week in 1945.

Grain and grain products loading totaled 52,409 cars, an increase of 2,172 cars above the preceding week but a decrease of 5,075 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Oct. 26 totaled 34,429 cars, an increase of 1,955 cars above the preceding week but a decrease of 3,180 cars below the corresponding week in 1945.

Livestock loading amounted to 30,793 cars a decrease of 2,706 cars below the preceding week but an increase of 2,788 cars above the corresponding week in 1945. In the Western Districts alone loading of Livestock for the week of Oct. 26 totaled 23,976 cars a decrease of 2,468 cars below the preceding week, but an increase of 905 cars above the corresponding week in 1945.

Forest products loading totaled 47,823 cars, a decrease of 680 cars below the preceding week but an increase of 13,181 cars above the corresponding week in 1945.

Ore loading amounted to 62,725 cars' a decrease of 114 cars below the preceding week but an increase of 4,114 cars above the corresponding week in 1945.

Coke loading amounted to 14,235 cars, a decrease of 455 cars below the preceding week, but an increase of 5,622 cars above the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
5 weeks of March	3,982,229	4,022,088	3,916,037
4 weeks of April	2,604,552	3,377,335	3,275,846
4 weeks of May	2,616,067	3,456,465	3,441,616
5 weeks of June	4,062,911	4,366,516	4,338,886
4 weeks of July	3,406,874	3,379,284	3,459,830
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
Week of Oct. 19	931,766	773,807	906,005
Week of Oct. 26	942,257	854,779	916,485
Total	34,098,911	35,165,284	36,344,310

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Oct. 26, 1946. During this period 97 roads reported gains over the week ended Oct. 27, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED OCT. 26

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	473	340	444	1,731	1,279
Bangor & Aroostook	1,767	1,857	1,986	340	291
Boston & Maine	8,010	7,268	6,819	14,353	12,515
Chicago, Indianapolis & Louisville	1,560	1,265	1,294	2,089	1,818
Central Indiana	44	43	46	49	28
Central Vermont	1,218	1,127	1,055	2,304	2,394
Delaware & Hudson	5,761	5,037	5,144	11,773	9,890
Delaware, Lackawanna & Western	8,376	7,682	7,811	10,006	9,035
Detroit & Mackinac	556	464	385	323	141
Detroit, Toledo & Ironton	2,522	1,700	1,909	1,432	1,172
Detroit & Toledo Shore Line	487	359	403	2,914	1,942
Erie	14,253	12,188	13,785	17,240	13,955
Grand Trunk Western	5,251	3,824	3,960	7,709	6,993
Lehigh & Hudson River	186	172	162	3,033	1,989
Lehigh & New England	2,372	2,453	2,291	1,945	1,301
Lehigh Valley	9,660	8,845	9,057	9,253	7,503
Maine Central	2,849	2,589	2,341	3,654	3,355
Monongahela	6,189	5,691	6,126	304	255
Montour	2,787	2,822	1,670	30	17
New York Central Lines	58,029	46,916	53,414	54,495	43,369
N. Y., N. H. & Hartford	10,843	10,332	9,857	15,555	13,223
New York, Ontario & Western	977	893	1,040	2,327	2,247
New York, Chicago & St. Louis	8,135	6,433	7,029	14,406	11,810
N. Y., Susquehanna & Western	385	357	497	1,653	1,475
Pittsburgh & Lake Erie	5,962	5,988	8,214	10,197	6,440
Pere Marquette	7,438	5,724	5,972	7,600	5,587
Pittsburg & Shawmut	1,152	757	813	35	36
Pittsburg, Shawmut & Northern	255	209	306	135	215
Pittsburgh & West Virginia	1,059	1,133	1,196	1,961	2,089
Rutland	506	438	402	1,355	966
Wabash	7,333	6,656	7,141	12,266	10,190
Wheeling & Lake Erie	6,187	4,873	5,946	4,528	4,086
Total	182,582	156,435	168,515	216,995	177,606
Allegheny District—					
Akron, Canton & Youngstown	635	572	777	1,410	909
Baltimore & Ohio	40,948	46,086	47,681	26,847	21,689
Bessemer & Lake Erie	4,516	4,553	5,662	2,532	1,273
Cambria & Indiana	1,684	1,547	1,634	13	9
Central R. R. of New Jersey	7,083	6,542	6,786	19,318	14,626
Cornwall	529	477	574	54	42
Cumberland & Pennsylvania	289	276	182	12	10
Ligonier Valley	60	47	126	11	10
Long Island	1,998	1,773	1,671	4,948	4,110
Penn-Reading Seashore Lines	2,262	1,730	1,802	2,189	1,624
Pennsylvania System	93,213	82,963	88,453	68,029	53,787
Reading Co.	16,154	14,835	15,623	25,758	23,555
Union (Pittsburgh)	19,291	8,945	19,595	5,288	4,412
Western Maryland	4,272	4,260	3,939	10,886	10,184
Total	192,934	174,606	194,505	167,295	136,240
Pocahontas District—					
Chesapeake & Ohio	34,419	29,672	30,628	16,126	12,367
Norfolk & Western	25,970	21,045	21,789	7,394	6,184
Virginian	3,475	4,818	4,658	1,283	1,715
Total	63,864	55,535	57,075	24,803	20,266
Southern District—					
Alabama, Tennessee & Northern	313	383	383	207	206
Atl. & W. P.—W. R. R. of Ala.	1,075	775	806	2,121	1,583
Atlanta, Birmingham & Coast	†	†	908	†	†
Atlantic Coast Line	15,036	12,641	10,720	9,646	9,895
Central of Georgia	4,039	3,899	3,715	5,246	4,495
Charleston & Western Carolina	532	431	407	1,599	1,514
Clinchfield	1,951	1,697	1,745	3,456	2,597
Columbus & Greenville	447	376	368	276	275
Durham & Southern	141	138	159	906	439
Florida East Coast	1,795	1,580	979	1,745	1,276
Gainesville Midland	94	64	58	71	111
Georgia	1,299	1,344	1,164	2,230	2,024
Georgia & Florida	405	402	522	858	729
Gulf, Mobile & Ohio	4,324	4,463	5,010	4,137	4,017
Illinois Central System	28,243	27,400	31,683	16,530	15,139
Louisville & Nashville	28,770	25,782	26,184	10,322	10,448
Macon, Dublin & Savannah	246	242	210	1,065	929
Mississippi Central	352	224	341	394	496
Nashville, Chattanooga & St. L.	3,486	3,544	3,511	4,530	4,087
Norfolk Southern	1,395	1,142	1,059	1,905	1,684
Piedmont Northern	463	436	444	1,725	1,269
Richmond, Fred. & Potomac	398	470	371	9,060	8,418
Seaboard Air Line	12,896	10,403	9,444	8,929	8,045
Southern System	28,755	26,461	25,174	24,865	21,692
Tennessee Central	750	612	725	823	816
Winston-Salem Southbound	171	162	138	1,009	952
Total	137,376	125,071	126,228	113,655	103,136
Northwestern District—					
Chicago & North Western	23,039	19,816	20,641	16,707	14,633
Chicago Great Western	2,816	2,842	3,083	4,267	3,413
Chicago, Milw., St. P. & Pac.	26,697	23,310	24,252	11,815	10,398
Chicago, St. Paul, Minn. & Omaha	4,622	4,209	3,687	5,364	4,942
Duluth, Missabe & Iron Range	23,146	22,048	25,655	312	274
Duluth, South Shore & Atlantic	1,185	1,262	690	624	443
Elgin, Joilet & Eastern	8,941	6,494	9,332	9,427	7,311
Ft. Dodge, Des Moines & South	497	434	356	139	106
Great Northern	24,984	23,444	22,659	8,120	6,834
Green Bay & Western	683	581	592	918	772
Lake Superior & Ishpeming	1,993	2,232	1,500	58	50
Minneapolis & St. Louis	2,708	2,498	2,509	3,445	3,070
Minn., St. Paul & S. S. M.	8,657	8,813	7,401	3,977	3,315
Northern Pacific	14,895	13,920	13,576	5,438	5,038
Spokane International	240	128	201	530	357
Spokane, Portland & Seattle	2,445	2,146	2,768	2,689	2,502
Total	147,548	134,177	138,902	73,830	63,508
Central Western District—					
Atch., Top. & Santa Fe System	28,459	26,372	28,244	13,612	12,698
Alton	3,100	3,376	4,079	3,595	3,409
Bingham & Garfield	185	245	404	110	64
Chicago, Burlington & Quincy	23,821	23,266	23,981	14,220	12,337
Chicago & Illinois Midland	3,712	3,131	3,070	788	754
Chicago, Rock Island & Pacific	15,553	13,812	13,545	14,092	13,366
Chicago & Eastern Illinois	3,334	2,997	2,998	3,487	3,019
Colorado & Southern	1,325	1,324	1,485	2,263	2,210
Denver & Rio Grande Western	4,900	5,044	5,210	5,650	5,708
Denver & Salt Lake	753	817	746	61	50
Fort Worth & Denver City	1,551	1,114	991	1,755	1,665
Illinois Terminal	2,227	1,735	2,742	2,127	1,709
Missouri-Illinois	1,147	1,524	1,277	527	652
Nevada Northern	1,551	1,250	1,488	138	118
North Western Pacific	1,101	1,108	932	716	731
Peoria & Pekin Union	24	9	27	§	§
Southern Pacific (Pacific)	33,223	32,007	33,586	12,013	11,908
Toledo, Peoria & Western	§	§	288	0	0
Union Pacific System	23,505	22,914	24,098	16,504	16,134
Utah	696	739	280	9	8
Western Pacific	2,411	2,474	2,443	3,693	4,205
Total	152,578	145,258	151,914	95,360	90,745
Southwestern District—					
Burlington-Rock Island	279	348	753	261	548
Gulf Coast Lines	3,577	4,199	5,986	2,352	2,361
International-Great Northern	1,997	2,090	2,675	3,038	3,216
‡K. O. & G.-M. V.-O. C.-A.-A.	1,422	1,196	1,072	1,652	1,576
Kansas City Southern	2,970	2,864	5,637	2,883	2,442
Louisiana & Arkansas	2,301	2,184	3,729	2,328	2,441
Litchfield & Madison	429	293	332	1,540	1,190
Missouri & Arkansas	§	186	159	§	349
Missouri-Kansas-Texas Lines	5,681	5,663	6,730	4,280	3,805
Missouri Pacific	17,708	18,052	19,176	15,235	15,547
Quanah Acme & Pacific	166	102	66	202	196
St. Louis-San Francisco	10,387	9,786	10,669	8,251	8,026
St. Louis-Southwestern	3,318	2,880	3,867	4,874	4,467
Texas & New Orleans	9,588	8,929	12,159	5,693	5,607
Texas & Pacific	5,428	4,833	6,213	6,092	6,559
Wichita Falls & Southern	86	72	84	93	58
Weatherford M. W. & N. W.	38	20	39	17	22
Total	65,375	63,697	79,346	58,791	58,410

†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
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
Oct. 19	155,589	161,534	598,569	98	96
Oct. 26	155,140	175,440	572,188	101	96

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.

NYSE Short Interest to Oct. 15 Reported

The New York Stock Exchange on Oct. 18, reported that the short interest as of the close of business on the Oct. 15, 1946, settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 757,215 shares, compared with 627,964 shares on September 13, 1946, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Oct. 15, 1946, settlement date, the total short interest in all odd-lot dealers' accounts was 71,475 shares, compared with 58,158 shares on Sept. 13, 1946.

The report added:

Of the 1,315 individual stock issues listed on the Exchange on Oct. 15, 1946, there were 46 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—	
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
Oct. 15	757,215

Weekly Lumber Shipments 9.6% Below Production

According to the National Lumber Manufacturers Association, lumber shipments of 426 mills reporting to the National Lumber Trade Barometer were 9.6% below production for the week ending Oct. 26, 1946. In the same week new orders of these mills were 5.3% below production. Unfilled order files of the reporting mills, amounted to 62% of stocks. For reporting softwood mills, unfilled orders are equivalent to 26 days' production at the current rate, and gross stocks are equivalent to 40 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 0.3%; orders were 0.4% below production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 12.8% above; shipments were 4.1% above; orders were 18.9% above. Compared to the corresponding week in 1945, production of reporting mills was 66.1% above; shipments were 61.0% above; and new orders were 70.5% above.

Dedication Day Proclaimed

President Truman on Oct. 30 issued a proclamation dedicating Nov. 19 as the anniversary of Lincoln's Gettysburg address, and drew attention to the words in the closing resolve as having special significance in "world affairs" today: "That this nation under God, shall have a new birth of freedom, and that Government of the people, by the people, for the people shall not perish from the earth."

The President, according to advices from the Associated Press in Washington, called upon the American people to observe the day, to be known as Dedication Day, pursuant to a joint resolution of Congress, by reading the address "in public assemblages throughout the United States and its possessions, on our ships at sea, and wherever the American flag flies."

Items About Banks, Trust Companies

Frank K. Houston, Chairman of the Board of the Chemical Bank & Trust Company of New York, announces that Roy W. Moore, President and Director of Canada Dry Ginger Ale, Inc., was elected to the Advisory Board of the Madison Avenue at 46th Street office of the Bank.

James A. Fulton, President of the Home Life Insurance Co., was elected a director of the Corn Exchange Bank Trust Company of New York at a meeting of the board of directors of the bank held on Oct. 30.

Frank K. Houston, Chairman of the Board of Chemical Bank & Trust Company of New York, announced on Oct. 30 the election of John C. Hughes, President of McCampbell & Company, Inc., and W. C. Langley of W. C. Langley & Company, to the Advisory Board of the 320 Broadway Office of the bank. Each has been identified with the Worth Street Area for a great many years. Mr. Hughes, in addition to heading McCampbell & Company, is a director of the Graniteville Co. and a director and member of the Executive Committee of the Association of Cotton Textile Merchants, Inc. Mr. Langley was formerly one of the principals of W. H. Langley & Co. He is a member of the Board of Goodall-Sanford, Inc. and other textile corporations, as well as several industrial and insurance boards. In addition to his work as Chairman of the Beekman Downtown Hospital Building Fund, Mr. Langley is active in a number of other philanthropic and charitable associations.

At the regular meeting of the board of directors of The National City Bank of New York held on Oct. 29, Louis P. Gallet was appointed an Assistant Cashier.

F. Abbot Goodhue, President of the Bank of the Manhattan Company of New York, announced on Oct. 31 the appointment of Sydney G. Stevens as an Assistant Vice-President. He will be stationed at the main office in the Trust Department. Mr. Stevens is a graduate of Westfield High School and Princeton University. From 1930 to 1933 he was associated with the General Development Company. He then joined the Commercial National Bank and Trust Company where he was elected an Assistant Trust Officer in 1937 and Trust Officer in June, 1946. During the war he served with the Finance Division of the U. S. Army. He left the service with the rank of Major.

Manufacturers Trust Company of New York opened a new office at 47-11 Queens Boulevard near 47th Street on Monday, Nov. 4. At these quarters the bank will offer to residents and businessmen of that community complete banking service including commercial checking accounts, special checking accounts (no minimum balance required), special interest accounts, personal loans, complete gift check service and, in fact, every modern banking service to suit the needs of the community. Safe deposit facilities will be made available by Manufacturers Safe Deposit Company, an affiliate of Manufacturers Trust Company.

The Irving Savings Bank of New York announced the opening on Oct. 30 of its new office at 111th Street and Broadway.

Charles Froeb, Sr., Chairman of the Board of Trustees of the Lincoln Savings Bank, of Brooklyn, and formerly President of the institution for more than 20 years, died on Oct. 30. He was 89 years of age. Mr. Froeb, who was born in Germany, came to the United States when 12 years old. The Brooklyn "Eagle" reporting his death said:

"After several years as a trustee of the Lincoln Savings Bank he was elected President in 1914 and continued in that post until 1940, a period including the merger of the Fort Hamilton Savings Bank with the Lincoln. At a dinner in his honor, Jan. 17, 1938, at the Hotel St. George, 13 savings bank presidents, including the late Philip A. Benson, hailed the career of Mr. Froeb."

Mr. Froeb, who was also a director of the Maufacturers Trust Co., formerly headed his own company, Charles Froeb & Sons, distillery and wholesale liquor dealers, in Brooklyn, which continued in existence until prohibition.

Glenn H. Caley, Vice-President and General Manager of the Delaware & Hudson RR. has been elected a director of the National Commercial Bank & Trust Co. of Albany, N. Y., it was announced on Oct. 24 by Herbert J. Kneip, President of the bank. The Albany "Times-Union" of Oct. 25, from which we quote, also said:

"He [Mr. Caley] succeeds Col. J. Taber Loree, former Vice-President of the D. & H., who recently resigned. Col. Loree is now an officer at the New York Port of Embarkation.

"Mr. Caley came to Albany in 1938 as General Manager of the D. & H. and was made Vice-President in 1941."

The directors of the Stamford Trust Company of Stamford, Conn., have elected Harold E. Rider, formerly of Hartford, to be President and Chairman of the Executive Committee to fill the vacancy caused by the death of Clarence E. Thompson, recently, according to the Hartford "Courant" of Oct. 30. Mr. Thompson's death was noted in the "Chronicle" of Oct. 17, page 1993.

Mr. Rider joined the Stamford Trust Company in 1932 as Trust Officer it was stated in the "Courant," which also had the following to say:

"Mr. Rider began his banking career at the City Bank and Trust Company in Hartford, soon after his graduation from Dartmouth College in 1925, and advanced to the post of Assistant Vice-President.

Mr. Rider is Vice-President of the Underwriters Building Company of New York City and is a member of the trust committee of the Connecticut Bankers Association.

"Stamford Trust Company is capitalized at $700,000 and has total resources of $24 million and administers trust accounts in the amount of more than $21 million."

Purchase of the assets of the Erie National Bank of Philadelphia by The Pennsylvania Company for Insurances on Lives and Granting Annuities was approved on Nov. 1 at meetings of the boards of directors of the two banks. Ratification of the sale will be submitted to the stockholders of the Erie bank at a special meeting scheduled for Nov. 18. The transaction is to become effective at the close of business on Nov. 23, and beginning the following Monday the two offices of the Erie bank, located at Sixth Street and Erie Avenue and Ridge Avenue and Green Lane, Roxborough, will be operated as the Erie Avenue and the Roxborough-Manayunk branches of The Pennsylvania Company. The sale price, reported in excess of $1,800,000, amounts to approximately $62 per share on the Erie bank's outstanding stock.

"Our purpose in acquiring the assets of the Erie National Bank is to enable The Pennsylvania Company to offer the comprehensive banking services and the large resources of our company to the residents and industries in the two sections where the offices of Erie are located," said William Fulton Kurtz, President of The Pennsylvania Company. "Mr. Leof, President, and the other active officers and all the employees of Erie National will continue with us as members of The Pennsylvania Company's organization."

The Erie National, a member of the Federal Reserve System and the Federal Deposit Insurance Corporation, was founded in 1927. Its last statement, it is said, reveals resources of more than $21,000,000, and deposits totaling more than $19,000,000.

Commenting upon the sale, Julius P. Leof, President of the Erie National Bank, said:

"The rapid growth in the business of our bank has taxed its facilities to the limit. This trend has been marked by a sharp increase in commercial accounts from all sections of the city. Our directors approved the sale believing that the additional banking services and larger credit facilities that can be offered by The Pennsylvania Company will enable us to provide a better service to our customers."

The Board of Directors of the Corn Exchange National Bank and Trust Company, of Philadelphia, has announced two promotions in the official staff of the bank, effective Nov. 1. Harry Gottlieb was advanced to Vice-President. He had been an Assistant Vice-President since January 1938, and has been with the bank since 1921. William T. Carey was advanced to Assistant Vice-President from Assistant Cashier. He has been with the bank since 1922, serving as Assistant Manager of the Foreign Department since December 1943.

An increase in the capital stock of the First National Bank & Trust Company of Bethlehem, Pa., from $1,000,000 to $1,100,000 was announced recently by the Comptroller of the Currency. The increase which became operative Oct. 21, was effected through a stock dividend of $100,000.

Stockholders of the American National Bank and Trust Company of Chicago at a special meeting called for Nov. 13 will vote on the issuance of 5,000 common shares as a 25% dividend in stock and the offer of an additional 5,000 shares to stockholders for subscription at par, $100 a share, in the ratio of one new share for each four held, Lawrence F. Stern, President, said on Oct. 31, according to the Chicago "Tribune." The advices in that paper also stated:

"The plans involve an increase in the banks' capital stock from $2,000,000 to $3,000,000. The stock dividend and the subscription offer will be made to stockholders of record on the date on which the increase is authorized.

"Similar action was taken by the bank in December, 1943, when 5,000 shares were issued as a dividend and a similar amount sold at par. The bank's surplus account, which totaled 2½ million dollars in 1943, has increased to $4,000,000. With the completion of the proposed further increase in stock the capital and surplus will total $7,000,000. The deposits total $240,000,000."

The Broadway National Bank of Quincy, Ill., has been granted a National bank charter by the Office of Comptroller of the Currency. The capital of the new bank will consist of $150,000, all common stock. Under the primary organization of the bank Walter Chatten as President and J. E. Kline, Cashier.

Announcement is made by the Federal Reserve Bank of St. Louis that the Bethalto National Bank of Bethalto, Ill., opened for business Oct. 24. The officers of the new bank are: Charles A. Prange, President; Leslie E. Prehn, Vice-President; John T. McGaughey, Cashier, and Mrs. Alma Neubauer, Assistant Cashier.

The Seattle-First National Bank of Seattle, Wash., announced on Oct. 26 the opening of its new Industrial Branch, erected on tideland reclaimed from Elliott Bay. The Seattle "Times" states that the new branch, built at a cost of approximately $200,000, is located at 2764 1st Ave. S.

Howard Bingaman, is Manager of the Industrial Branch; Bart Hooper, Assistant Manager, and George Brandt, Pro Manager. Lawrence M. Arnold is Chairman of the Board of the bank, and Thomas F. Gleed is President.

In the Seattle "Times" of Nov. 1 it was stated that under the first charter that has been issued to an independent banking institution in Seattle since 1928, the new West Seattle National Bank planned to open for business on Nov. 2 at 4203 West Alaska Street. It is indicated that this community-owned institution, starting with a paid-in capital of $100,000, and a surplus of $20,000, will feature all general banking facilities and services. The "Times" also said:

"R. D. Shelton heads the new bank as President and Chairman of the Board of Directors, E. H. Savage is Vice-President, and John B. Gordon, Cashier. Besides Messrs. Shelton and Savage, the board includes William Anderson, Morrison Campbell, L. J. Dowell, F. Clyde Dunn, J. B. George, Frank Holert, Paul Isaacson, Alfred R. Johnson, Bob Jones, Melvin T. Swanson, E. H. Vann, Donald H. Waller and Noble W. White.

The Midland Bank of London announces with regret that, acting on medical advice, G. P. A. Lederer, M.C. retired from the office of Chief General Manager at the end of October. The directors have expressed their appreciation of the value of Mr. Lederer's services to the Bank, extending over nearly 47 years and culminating in a succession of high appointments.

The directors have appointed W. G. Edington and H. L. Rouse, at present Joint General Managers, to be Chief General Managers as from Nov. 1. Mr. Rouse, who for some years has been in charge of administration, will continue to give special attention to such matters.

Mr. Lederer entered the service of the bank at the Dale Street, Liverpool branch in 1899, becoming Assistant Manager of that branch in 1911. Ten years later he went with the Threadneedle Street branch in London, and in 1925 visited the United States on behalf of the Bank. For some years he was responsible for the bank's dealings with the money market, and in 1929 he became a Joint General Manager. He was made Assistant Chief General Manager in 1938 and Chief General Manager five years later. In early years he was a member of the Council of the Liverpool and District Bankers' Institute, and until recently was on the Council of the Institute in London. During the war of 1914-18 he served in France and Belgium with the King's (Liverpool) Regiment, during which he was wounded.

Mr. Edington entered the service of the bank in 1911 and was employed at both the Liverpool and Oldham branches, following which he entered the London office as General Manager's Assistant in 1937, and was appointed a Joint General Manager in April 1945.

Mr. Rouse entered the bank's service at the head office in 1903. He had wide experience—with a three years' interruption on war service—at various London branches and at New Street, Birmingham, later returning to the head office and becoming Chief Accountant in 1930. Shortly afterwards he was appointed Controller of the Bank and in 1936 a Joint General Manager.

ABA Regional Meeting On Savings and Mtgs.

Two of the three Regional Savings and Mortgage Conferences conducted each year by the American Bankers Association will be held in the Middle West during the same week in December, according to an announcement by Fred F. Spellissy, new President of the ABA Savings Division, and Executive Vice-President of the Market Street National Bank, Philadelphia, Pa. Letters of invitation were sent to some 1500 banks in North and South Dakota, Minnesota, and Wisconsin announcing a conference on Dec. 9 and 10 in Minneapolis. Some 3,000 bankers in Illinois, Indiana, Kentucky, Michigan, and Ohio received announcement of a conference in Indianapolis on Dec. 12 and 13. Mr. Spellissy announced that each of the meetings will be "a shirt-sleeve, working conference." The first day at each conference will be devoted primarily to savings management problems. The second day will be given over to mortgage problems, under the guidance of the ABA department of Research Mortgage and Real Estate Finance.

The third Savings and Mortgage Conference to be held during the current fiscal year will be the Eastern Regional Conference, scheduled for New York City in March of next year.

Anniversary for Quarter Century Club

The Guaranty Quarter Century Club, composed of employees, officers and directors of Guaranty Trust Company of New York who have served the company for 25 or more years, held its Fifth Anniversary Dinner on Nov. 4 in the Grand Ballroom of the Waldorf-Astoria, with more than 550 members attending. The Club inducted 77 new members during 1946, bringing the total membership to 843, which includes members in the company's London, Paris, and Brussels offices.

An address was made by A. Nye Van Vleck, Vice-President of the company and a member of the Club, and Miss Frances Alcalde accepted a membership certificate on behalf of this year's new members. Senior officials of the bank who are members of the Quarter Century Club include W. Palen Conway, Chairman of the Executive Committee; Eugene W. Stetson, Chairman of the Board; William L. Kleitz, Vice-President; and Charles E. Dunlap, Cornelius F. Kelley and William C. Potter, Directors.

Charles L. Miller, Assistant Treasurer of the Company, was elected President of the Club for the forthcoming year, succeeding Albert L. Gettman, Assistant Auditor. Membership in the Club is honorary and in addition to membership certificates and service emblems, members are given a month's vacation annually.