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President Orders Price Decontrol

In formal statement, Mr. Truman tells nation continuance of controls, except on rationed products and rents, serves no useful purpose. Removes restrictions on wages, and returns collective bargaining to labor and management. Holds dangers of inflation have been largely removed.

In a statement issued from the White House, on the evening of Nov. 9, President Harry S. Truman ordered all price controls, except on rationed commodities such as sugar, syrup and rice, be immediately removed, and at the same time, abandoned all control over wages and salaries. The motive for this decision, he said, was that continued controls would do the nation's economy more harm than good, but added that the basic reason is the present unworkable Price Control Act. He urged labor and management to cooperate "to produce the maximum amount of goods at the lowest possible price."

President Truman

The text of the President's statement follows:

The general control over prices and wages is justifiable only so long as it is an effective instrument against inflation. I am convinced that the time has come when these controls can serve no useful purpose. I am, indeed, convinced that their further continuance would do the nation's economy more harm than good. Accordingly, I have directed the immediate abandonment of all control over wages and salaries and all control over prices except that necessary to implement the rationing and allocation programs of sugar and rice. Rent control, however, must and will be continued.

On Oct. 14, I reported to the people on the subject of the meat shortage and our general stabilization program. In addition to freeing meat from control I directed that the lifting of other controls be accelerated. As a result, controls have been removed from practically all foods and a long list of other commodities.

The Price Administrator has advised me that, with so much of the economy freed from price controls, clinging to the rest would, in his judgment, lead to distortions in production and diversion of goods to an extent far outweighing any benefit that could be achieved.

There is no virtue in control for control's sake. When it becomes apparent that controls are not furthering the purposes of the stabilization laws but would, on the contrary, tend to defeat these purposes, it becomes the duty of

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Trade Barriers Must Be Reduced

By WINTHROP W. ALDRICH*
Chairman Chase National Bank

Leading banker, noting Europe's current economic progress, states U. S. leadership is indispensable henceforth. Strongly advocates adoption of pending reciprocal concessions to provide general free access to world's raw materials and trade.

Those of us who attended the Council Meeting of the International Chamber of Commerce in Paris this past June were greatly encouraged by our observation of the rapid recovery taking place in Western Europe. The resurgence since the end of hostilities in the economic and social life of the nations of Western Europe is a tribute to the vitality of their people.

W. W. Aldrich

It is also a tribute to the vitality of the ideas and forces which made possible the growth of Western European civilization.

Much progress has been made in overcoming the demoralization which was the inevitable result of occupation by the enemy.

Belgium, France and Holland reflect in their individual ways marked economic recovery and are giving evidence of their former dynamic vigor. No less gratifying is the improvement taking place in Britain's export trade. In order to increase exports, the British have continued their domestic policy of austerity and, in so doing, have shown that staying power and courage which have contributed to their greatness as a people.

At this time all Western European nations look to the United States for leadership. Similarity in traditions, attitudes of mind and political institutions bind us together in close union.

German Economy Still Prostrate

In contrast with the recovery taking place elsewhere, the German economy is still prostrate. This condition will, in all likelihood, continue until Germany, in accordance with the Potsdam agreement, is brought into economic unity. The recent arrangement looking toward economic

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*An address by Mr. Aldrich before the National Foreign Trade Council, Nov. 11, 1946.

Truman Plea for Congress' Cooperation

President, at press conference, issues statement asking Congress put welfare of nation above party. Sees foreign policy unaltered and denounces those who in this field seek opportunity to achieve personal notoriety or partisan advantage by exploitation of the sensational.

At his press conference on Nov. 11, President Truman read a formal statement in which he called for a policy of cooperation between Congress and the Executive and a non-partisan attitude in promoting the nation's welfare. He also expressed assurance of a continuation of the present foreign policy.

The text of this statement follows:

The people have elected a Republican majority to the Senate and to the House of Representatives. Under our Constitution the Congress is the lawmaking body. The people have chosen to entrust the controlling voice in this branch of our government to the Republican party. I accept their verdict in the spirit in which all good citizens accept the result of any fair election.

At the same time and under the same Constitution, the duties and responsibilities of the Chief Executive and of the executive branch of the government are entrusted to me and my associates.

Our government is founded upon the constitutional principle that the three branches of the government are independent of each other. Under this principle our country has prospered and grown great. I should be less than candid, however, if I omitted to state that the present situation threatens difficulties.

Only by the exercise of wisdom and restraint and the constant determination to place the interest of our country above all other in-

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EDITORIAL

Not Nearly So Simple As That

With the general tenor of President Truman's plea for single-minded devotion to the welfare of the country rather than partisan advantage there will be complete agreement. Our constitutional arrangements at intervals place one party in the White House and another in control at the other end of Pennsylvania Avenue. It is an awkward situation, which has not in the past worked out very well. The President, doubtless with the utmost sincerity, would like the next two years to be an outstanding exception to the general historical rule. The Republican Party cannot afford either for its own good or for the sake of the country to ignore or neglect the plea the President now makes.

Not So Simple

But neither the situation nor the problems it presents are nearly so simple as the unthinking might suppose. Numerous and difficult complications greet the eye upon thoughtful examination of the facts. Neither the President's party nor that of the opposition is a homogeneous, closely knit unit unanimously or even overwhelmingly in agreement upon public policies. President Truman since almost the first day of his encumbency has been at odds with Congress. Despite large technical majorities he has been able to persuade Congress to do very little of what he has repeatedly requested, not to say demanded of it. Large elements in his own party, quite possibly now predominant elements, are at heart definitely not in sympathy with a very large part of the program of that party.

The first problem of the President at present is less how he may work harmoniously and constructively with the Republicans, than it is whether he should, or must, modify his own program to bring it into line with the ideas

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From Washington Ahead of the News

By CARLISLE BARGERON

Congress and Labor

A couple of years ago there was a matter of tremendous significance in our midst. It was lost sight of in the general undertaking of winning the war.

Down in Arkansas, a Mr. Fulbright was elected to the Senate in preference to the Widow Caraway who had served several years as successor to her sharp-tongued husband. Not once had the Widow Caraway said nay to Mr. Roosevelt and his New Deal. Through all of the latter's projects, she had gone along 100%, even with the projects leading up to World War II.

Carlisle Bargeron

But in 1944, although there was nothing against her, the Widow fell victim to the demand for learning in the Senate, the demand for people whose thinking went beyond our borders, for those, in fact, who had the global mind. In a State where the political racketeers have only a few thousand dollars to play with in each campaign, this demand was a Godsend. Some $800,000 was poured into the State to elect Mr. Fulbright. The money came from New York. A Senate committee looked into the matter and then decided that if the New Yorkers wanted to spread their wealth in such a way as this, they should not be denied, the members of the committee being predominantly Southern and secretly tickled that so much money should be poured into a Southern State. For men who had been long contending that the South was discriminated against, in the matter of freight rates and otherwise, this seemed to be a break not to be discouraged.

Just why the New Yorkers thought Mr. Fulbright was worth $800,000 as a member of the Senate is something that has baffled Washington commentators no end.

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Simple and Obvious Truths

"The general control over prices and wages is justifiable only so long as it is an effective instrument against inflation. I am convinced that the time has come when these controls can serve no useful purpose. I am, indeed, convinced that their further continuance would do the nation's economy more harm than good. . . .

"We have now reached the point where many of our shortages have disappeared and in many other areas supply is rapidly approaching demand. . . .

"Nevertheless, some shortages remain and some prices will advance sharply when controls are removed. We have, however, already seen what consumer resistance can do to excessive prices. The consumers of America know that if they refuse to pay exorbitant prices, prices will come down.

"Wholesalers and retailers alike are aware of the danger of accumulating inventories at prices so high that they cannot be confident of reselling at a profit. Manufacturers, thinking of their future markets, will hesitate to raise prices unreasonably.

"In short, the law of supply and demand operating in the market place will, from now on, serve the people better than would continued regulation of prices by the Government."—President Truman.

How incredible and how unfortunate that a political upheaval was necessary to teach these simple and obvious truths!

Reports Increase In Small Stockholders

Federal Reserve Bank of New York points out odd-lot transactions reveal increasing public participation in security trading and growing rate of accumulation of equity securities by small investors. Sees large shift of American securities from foreign to American stockholders.

The November issue of the "Monthly Review of Credit and Business Conditions" of the Federal Reserve Bank of New York, in an article entitled "The Stock Market and the Small Investor" traces the relative increase in odd-lot purchases on the New York Stock Exchange and points out that the data indicate an increasing public participation in security trading and a growing rate of accumulation of equity securities by small investors. The article states:

One of the interesting aspects of the trading in stocks on the New York Stock Exchange during the war and postwar periods has been the substantial accumulation of equity securities by small investors. Based on data of the Securities and Exchange Commission, odd-lot transactions of the public (generally transactions of less than a round lot of 100 shares) resulted in net purchases of about 20 million shares of stock between the beginning of 1943 and Oct. 19, 1946. It is noteworthy that these small security holders stepped up their purchases of stocks during the sharp decline of prices in September of this year, while larger traders accelerated their selling.

The data on odd-lot transactions reveal an increasing public participation in security trading and a growing rate of accumulation of equity securities by small investors, especially toward the end of the war and in the postwar period. Net purchases of stocks for the account of odd-lot customers amounted to 2 million shares each in 1943 and 1944, 6 million in 1945, and close to 10 million in the first 10 months of 1946. A sizable portion of this accumulation took place at low levels in the early phases of the bull market, but most of the increase in small investors' holdings has been at the higher price levels prevailing in 1945 and 1946, although a considerable part occurred when prices were falling.

The net purchase of 20 million shares through odd-lot transactions is but a small fraction of the 1¾ billion shares listed on the Exchange on Sept. 30, 1946, and amounts to only 7% of the 279 million share increase between the end of 1942 and Sept. 30, 1946 in the total number of stocks listed, but it should be borne in mind that only a small portion of all listed shares are traded in each year. Consequently it appears that such purchases have had a consistent influence toward higher prices, or toward limiting recessions, for nearly four years.

Demand for equity securities by small investors was met in the main through net sales by members of the Exchange on orders placed off the trading floor and to some extent through net sales by the larger investors and traders. Although the selling orders of members persistently exceeded their purchases, the excess of sales was not large until the summer of 1945. Data on round-lot transactions of the public through the Stock Exchange, however, indicate frequent changes in the position of the large investors. This group made small net purchases in 1942, sold small amounts between early 1943 and February, 1944, again effected moderate net purchases through the middle of 1945, and sold stocks in larger amounts from July, 1945 through Oct. 19, 1946, especially in February, March, and September, 1946. The result over the entire period was some net excess of selling.

Transactions of nationals of foreign countries apparently have been a factor of some importance. Foreign owners of domestic stocks (including stocks not listed on the New York Stock Exchange) made net purchases of $21 million of equity securities in 1942, and then sold $43 and $35 million in 1943 and 1944, respectively, stepping up their sales to $100 million in 1945. No further increase in the rate of foreign selling occurred in the first eight months of 1946, however.

The middle of 1945 seems to be the point when all groups of large traders began or increased their selling through the Exchange at the same time—American and foreign investors, as well as members of the Exchange, mostly in off-the-floor trading. In addition, specialists (members specializing in one or a few stocks) also began to make relatively small net sales at an increasing rate. Selling by the larger traders was accelerated in the early months of 1946, and especially in September. Thus, it would appear that the major immediate factor in the recent stock price decline was the selling of professional and other large traders and that whatever there was in the way of "emotional" or "panicky" liquidation of stocks did not come from the "general public," as represented by odd-lot traders.

The source of the securities so persistently sold by members of the Exchange in off-the-floor transactions is not so clear, since these (net) sales appear to have considerably exceeded the normal portfolios of Stock Exchange firms and their partners. A substantial part of the securities sold by members through the Exchange, therefore, must have been obtained from other sources. Presumably they may have included portions of large blocks of listed securities acquired over the counter by member firms, acting as participants in underwriting or selling syndicates, either from large stockholders (secondary offerings), or from corporations raising additional capital (new issues).

Substantial shifts in the ownership of American corporations seem to have occurred in the war and early postwar periods from foreign to American stockholders and from large to small investors. Since turnover on the New York Stock Exchange represents the bulk of the trading on all organized exchanges as well as over the counter, the accumulation of such a large volume of securities by the odd-lot customers of New York Stock Exchange brokers indicates that for the country as a whole a substantial growth in the total number of small stockholders and of small stock holdings has occurred during and after the war. This does not necessarily mean that the share of small holders in the total of securities outstanding has increased, however, since it is possible that security holders with greater financial resources acquired a larger volume of new stock issues offered over the counter by underwriters and distributors.

President Lauds Religious Program

In a letter to Adolph S. Rosenberg, President of the Union of American Hebrew Congregations, President Truman, according to advices to the New York "Times" on Nov. 4, praised the union for its sponsorship of the American Jewish Cavalcade, which is to stress religion. Describing his pleasure at learning of the plans for the Cavalcade, and declaring his belief in the importance of religion in present day life, the President wrote:

"I earnestly hope that more and more men, Christians as well as Jews, will incorporate within their daily lives the principles of religious living which are basic to mankind."

The cavalcade, sponsored by 340 Reform Jewish congregations of the union, was described by the group's director, Dr. Maurice N. Eisendrath, as seeking "to win not only the unaffiliated but also to impart to the affiliated a truer appreciation of our institutions and our cause through a coordinated religious - emphasis program." Dr. Eisendrath explained that the cavalcade coincided with the 100th anniversary of the arrival in this country of the founder of American Reform Judaism, the late Dr. Isaac M. Wise.

Our Aim—Economic Progress Abroad and at Home

By HON. JOHN W. SNYDER*

Secretary of the Treasury

Secretary Snyder stresses need of restoring economic stability and progress throughout world as basis for lasting peace. Points out U. S. leadership in establishing international institutions and in affording aid for reconstruction and rehabilitation. Says U. S. must supply bulk of needed capital, and warns we must stabilize our domestic economy if we are to fulfill our international obligations. Deplores depression psychology and concludes there need be no interruption of progress.

It is a pleasure to have this opportunity to discuss with you some of the problems that confront this nation in our efforts toward world recovery, prosperity, and lasting peace.

John W. Snyder

The American people, and the world, have cause to be grateful to organizations such as yours dedicated to increased international understanding. Undoubtedly, our own national security, and the salvation of all nations, is dependent upon a full comprehension of world interests.

The winning of a military victory over our enemies was but a milepost along the road to a world of peace and security, and we are fully determined to persist in our course until the final goal is realized.

I believe that we have in our present degree of accomplishment much cause for gratification. Real progress toward writing the peace treaties has been made. Despite the conflicts of interest and of temperament, and of political philosophies, the nations are endeavoring with all sincerity to attain a practical understanding among peoples.

Our own country has a vital stake in the creation of a sound and stable economy throughout the world.

Just as a whole city may be engulfed in an epidemic from disease bred in some blighted slums so the whole world can be engulfed by the germ of strife bred in the environs of a morally or economically blighted people. We have seen it happen before, and we have not been able to save ourselves from its consequences.

For the sake of world peace, and that means for our own sake, we must continue to throw the power and the prestige, and the material force of this nation into the cooperative effort toward world security.

For the prosperity of our own industry and labor, we must bend every effort toward a prosperous world, one in which the interchange of goods and services will benefit all.

In our search for peace and security we must deal with both political and economic stability. President Truman has set forth clearly the policies of this nation in the international political field. These policies, ably pursued by Secretary Byrnes and our other representatives in the United Nations, are above party or faction. They have received, and will continue to receive, the full support of the American people.

Problems of Economic Stability

Today, I should like to deal primarily with the problem of economic stability.

I am convinced that you cannot be stable on the one hand and static on the other. The history of this critical era will contain no brighter chapter than that which details how the great and small nations, in the midst of a war for survival, had the wisdom to plan cooperatively for the difficult days to follow the armistice.

The people of the United States can be proud that our nation took the lead in this program, and that they themselves and a Congress rising above political divisions, gave effect to it.

Nor would I overlook the moral accomplishment that witnessed not one, but all the United Nations assuming each a share of the responsibilities for revival and reconstruction.

We were faced with the necessity of taking immediate, concrete steps to aid a world sick from devastation, hunger and exhaustion. We can be proud of our contribution, greater than that of any other nation, to this obligation.

New life had to be injected into world productive capacity, both industrial and agricultural, that had been crippled through destruction and deterioration. Transportation and shipping facilities had to be restored, and the enormous damage to all types of public and private property had to be repaired. The adoption of such a course was absolutely necessary for the protection of our own economy. America must maintain her merchant marine and she must unfalteringly support her foreign trade.

Extension of Foreign Credits

Initial steps toward foreign rehabilitation were taken by the United States through the extension of credits, directly as in the case of that voted by the Congress to Great Britain; and to other nations through the medium of the Export-Import Bank.

And now, ready to take over the longer range financing of reconstruction, ready because of the serious study given before the end of hostilities, is the International Bank for Reconstruction and Development.

Positive steps are necessary to enable the world to gain its maximum development through a free exchange of trade, and the International Monetary Fund is now preparing to facilitate that development. The trade provisions of the Anglo-American Financial Agreement, and other efforts in the same field, such as the International Trade Organization, will contribute further to the expanding flow of commerce.

These cooperative efforts should not only assist immeasurably in the restoration of our world patient, but should afford real protection against recurring disaster. Certainly, in such a summary we should mention the permanent United Nations Organization which we hope will be the medium for carrying out these same goals in the political realm.

The United States has been in the forefront of the effort at building a stable economic world.

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*An address by Secretary Snyder at a luncheon of the Foreign Policy Association, Philadelphia, Pa., Nov. 9, 1946.

Sees No Early Change In Dollar-Pound Parity

Dean Madden, Director of Institute of Finance of N. Y. University, analyzes conditions that might lead to change in sterling exchange parity, and concludes, because of close financial relationships between U. S. and Great Britain and because prospect for business prosperity in England is favorable for long period, there will be no need for alteration in world's key currencies.

While Great Britain and the United States have recently announced their intention to continue the existing dollar-pound relationship, the long-range outlook for the dollar exchange value of the pound will depend on (1) the movement of commodity prices in the two countries; (2) the international economic and financial position of Great Britain; (3) the fiscal policies of both countries; and (4) the degree of economic and financial cooperation between the two countries, according to a bulletin entitled, "The Relation Between the Pound Sterling and the Dollar," recently issued by Dean John T. Madden, Director of the Institute of International Finance of New York University.

Dean J. T. Madden

The official appreciation of the foreign exchange value of the Canadian dollar and of the Swedish krona on July 5 and 12, 1946, respectively, coinciding with the constant rise in prices of commodities in the United States since July 1, 1946, when the wartime price controls expired, has raised the question of the future relationship between the pound sterling and the dollar. As was to be expected the subject received a great deal of attention in the financial centers of the world and evoked many conjectures and all kinds of rumors. Some contend that the pound is overvalued and therefore is likely to be revalued in the not too distant future, while others claim that, since the rigid wartime price controls in Great Britain are still in effect and are being enforced more efficiently than in the United States, an appreciation of the pound to its previous parity of $4.86 may be expected.

When Is Currency Overvalued?

Ordinarily it is not difficult to ascertain whether a currency is over or undervalued, but at the present time this is practically an impossible task. In the first place subsidies play a much more important role in the price structure of Great Britain than in the United States. The British Government has provided in its budget for the fiscal year ending March 31, 1947, the amount of £334,000,000, i.e., $1,336,000,000 (at the rate of 1£=$4), for subsidies with the object of preventing increases in prices of food and to a smaller extent of utility clothing. In the United States, on the other hand, aid to agriculture including subsidies in the fiscal year 1946-1947 will amount to only $1,200,000,000. The controls over prices as well as rationing in Great Britain are still all-embracing, and consequently money does not constitute a claim on goods. Without the required coupons an individual can use his money freely only in purchasing unrationed goods and in the black markets. In the United States rationing, with few exceptions, has been abolished entirely. Money, therefore, has become again a claim on goods and services and individuals can use it as they see fit. Price controls are being rapidly removed. The process of conversion from war to peace production has progressed further in the United States than in Great Britain. Under these circumstances it is impossible to make a comparison of the purchasing power parity of the two currencies at the present time. Neither is it possible to state with any degree of accuracy what the future course of the pound and of the dollar will be. But, in spite of these difficulties, it is possible to draw certain definite conclusions by taking into account the various factors that will influence the pound and the dollar.

Effect on Commodity Prices

In analyzing the effect of commodity prices on the dollar-pound relationship, the bulletin remarks:

"If commodity prices in the United States should rise sharply from the current levels, then the British Government will appreciate the pound sterling in order to protect its own price structure. An upward-valuation of the pound would prevent increased prices of imported commodities, notably from the dollar block, from forcing upward the cost of living at home and thus remove the danger of setting in motion the spiral of rising prices and wages.

If, on the other hand, after the current upward movement of commodity prices in the United States has run its course and is followed by a sharp break, as occurred in 1920, then the British Government may devalue the pound sterling in terms of the dollar in order to maintain the country's competitive position in the world's markets. Consequently, the first conclusion may be reached that the future of the pound will be determined in the main by the movement of prices and economic conditions prevailing in the United States. This statement applies with equal force to all sterling area currencies as well as to the currencies of a number of countries which are greatly under the influence of economic conditions prevailing in the United States."

British Foreign Trade

In discussing Great Britain's foreign trade as a factor influencing foreign exchange value of the pound, the bulletin states:

"It is obvious that lowering the international value of the pound sterling would make British commodities cheaper in foreign markets and hence foster exports. Great Britain is, however, one of the largest importing countries in the world, since with exception of coal she does not possess natural resources in sufficient quantities to keep her industries going and depends on foreign raw materials, foodstuffs, and semi-manufactured goods. Hence, a low international value of the pound sterling means that Great Britain has to pay more in pounds for imports in so far as they originate in countries outside the sterling area.

"Thus, Great Britain being at the same time a great exporting and importing nation is faced with an irreconcilable conflict between advantages obtained in the export market from devaluating the currency and advantages accruing to an importing country from raising the foreign exchange value of its currency. This clearly indicates that the British Government

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Total Deposits of U. S. Banks June 29

The total deposits of all commercial and savings banks in the United States and possessions on June 29, 1946, amounted to $160,349,000,000, Comptroller of the Currency Preston Delano announced on Oct. 18. This figure, he said, which covers the returns of the 14,626 active banks of all classes, was a decrease of $6,181,000,000, or nearly 4%, in the amount of deposits reported by the active banks on Dec. 31, 1945, but an increase of $8,417,000,000, or 5½%, in the amount reported on June 30, 1945.

Comptroller Delano also stated that the total assets at the end of June 1946 amounted to $172,702,000,000, which was $5,649,000,000, or 3%, less than at the end of December 1945, but $9,675,000,000, or 6%, more than at the end of June 1945. Most of the decline in assets between December 1945 and June 1946 was in holdings of United States Government obligations, due to the retirement of such securities held by the banks, said the comptroller's announcement, which added:

"The banks held obligations of the United States Government, direct and guaranteed, of $96,497,000,000 in June 1946, a decrease of $5,407,000,000 or 5% since December 1945. Obligations of States and political subdivisions held amounted to $4,165,000,000, an increase of $82,000,000, and other securities held amounted to $5,060,000,000, an increase of $531,000,000. The aggregate of all securities held in June 1946 was $105,722,000,000, and represented 61% of the banks' total assets. At the end of December 1945 the ratio was 62%.

"Loans totaled $31,693,000,000 in June 1946, a net increase of $1,227,000,000, or 4%, since December 1945, and an increase of $3,601,000,000, or nearly 13% since June last year. The total of loans on real estate held increased 13% since December 1945, and amounted to $10,146,000,000 in June 1946. Other loans showed a net increase of approximately $60,000,000.

"Cash and balances with other banks, including reserve balances, in June 1946 were $33,461,000,000, a decrease of $2,154,000,000 since December 1945.

"Total capital accounts were $11,177,000,000, an increase of $565,000,000, or 5%, in the first half of the year.

"Deposits of individuals, partnerships, and corporations in June 1946 were $125,386,000, an increase of $6,162,000,000 since December 1945, and United States Government and postal savings deposits were $13,558,000,000, a reduction of $11,221,000,000, or 45% in the period, due principally to the withdrawal of War Loan accounts to provide for Federal debt retirement. Deposits of States and political subdivisions showed an increase of $859,000,000, or nearly 15%, in the first half of the year, being $6,680,000,000 on June 29, 1946. Deposits of banks were $12,364,000,000, a decrease of $1,725,000,000, and other deposits were $2,361,000,000, a decrease of $255,000,000."

Earhart President of San Francisco Reserve

C. E. Earhart has been appointed President of the Federal Reserve Bank of San Francisco, to fill the vacancy caused by the death on Sept. 28 of Ira Clerk. Mr. Earhart entered the service of the Bank in 1917, and has been an officer of the bank since 1920 it was noted in the San Francisco "Chronicle" of Oct. 23. Mr. Clerk, who was born in Australia, came to the United States in 1905, and became a citizen in 1914. He has been with the Reserve Bank since the last named year.

The State of Trade

Out of the National elections on Tuesday of last week came the answer to a questioning American people over their fears concerning the fate of our present social and economic philosophy of government which has produced class strife and economic uncertainty throughout the land.

The immediate effect of the election was the birth of a great feeling of relief and optimism for the future in the knowledge that a period of great industrial confusion and social unrest was about to end. No possible misunderstanding of the people's will could be read in the election results, since they were so definite and far-reaching. The incoming party virtually received a mandate from them to check the growing tide of uncertainty and confusion that has beset us these many years and restore to the country some semblance of economic balance.

On Monday of this week the President accepted the people's action in turning control of Congress over to the Republicans, and in so doing called for the exercise of "wisdom and restraint" by both major parties to avoid the danger of grave consequences for a divided government.

On the same day President Truman advocated anew an armistice in the relations between labor and management in an economy freed from wartime restrictions on prices and wages. With the President's announcement on Saturday ending almost all controls, with the exception of rent, sugar and rice, he had this to say: "Today's action places squarely upon management and labor the responsibility for working out agreements for the adjustment of their differences without interruption of production."

In reviewing the course of business and industry for the past week it was noted that industrial production for the country at large continued at a very high level with fresh weekly postwar peaks in output attained in some industries. For the week ended Oct. 26, total unemployment compensation claims declined 1.0%, while initial claims for the like period declined by 1.7%.

Among the latest weekly business barometers, steel ingot output, electric kilowatt production and daily average crude oil output all rose for the week, with production of steel reaching the highest level since June, 1945. Bituminous coal production on the other hand showed a fractional decline for the week, while carloadings of revenue freight reflected a greater drop of 2.1%, or 922,312 cars from the previous week's 16-year high of 942,257 cars.

Production of automobiles and trucks in the United States rose for the week and was estimated to be at a new high point for this year. It is reported that car makers' inventories continue seriously unbalanced, with sheet steel, lead, copper, zinc and other materials in scarce supply. In an effort to complete 1946 model output at the earliest possible time manufacturers will endeavor to increase the volume, not only for the remainder of November but also during December. For the week ended Nov. 9, according to "Automotive News," passenger car output in the United States totaled 64.071 units and compared with 66.091 units in the week previous.

Retail volume rose moderately in the week under the stimulation of cooler weather and brisk Election Day shopping. Volume continued to be considerably above that of the corresponding week a year ago. Consumer demand was directed toward almost all lines of goods where quality prevailed. The supply of many commodities was slightly larger than in previous weeks. Small gift items, housewares and coats were among the goods currently listed as best sellers.

Wholesale volume last week was down slightly from the high level of the preceding week but compared very favorably with that of the corresponding week a year ago. New order volume generally was limited by some closings on Election Day and future price uncertainties of some commodities. Backlogs of orders remained at a very high level and deliveries improved moderately.

Steel Industry—Despite a production pattern far more intricate and varied than in wartime, the steel industry last 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 metalworking paper, in its weekly summary of the steel trade.

Unless hampered by a coal mine shutdown later this year the industry expects to maintain this unusual output over the next several months. Some sources fear, the magazine states, 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.

The immediate effect of such action would involve major steel companies who because of meager coal stocks would have to begin to curtail blast furnace operations which in turn reduce steel output. 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, the above trade authority observes, would create a national crisis.

Another factor aside from the threat of a coal tie-up which is 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. Factors are building up, "The Iron Age" points out, 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 its action two weeks ago in decontrolling alloy steel which constitutes about 9% of total steel output, continues rife. No steel producer or steel user expects wholesale price advances when carbon steels are decontrolled, the magazine states, but rather looks 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.

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 and the steel industry looks for a sudden change in position on the part of OPA.

The American Iron and Steel Institute announced on Monday of this week the opening rate of steel companies having 94% of the steel capacity of the industry will be 91.2% of capacity for the week beginning Nov. 11, compared

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As We See It

(Continued from first page)

and conceptions of those elements in his own party which have survived the tornado, and which without the slightest question will be dominant in his own party's representation in the next Congress. If he continues to listen to the counsels of Mr. Bowles, Mr. Murray, the PAC or to make weak concessions to Mr. Wallace and the others, he can hardly expect much support from his own party in Congress, to say nothing of the opposition. He has had a hard time of it during the past months because he could not see the hand-writing on the wall. Continuation of the same blindness would now, of course, bring him many more difficulties and frustrations. His position before his own party is a difficult one, but he must find some effective *modus operandi* as respects it, if he is to have a livable existence during the next two years.

An Understanding With His Own

Having once come to some sort of workable understanding with his own party he must then face the Republican majorities in both houses of Congress. Indeed this situation must not be lost to sight for a moment while he is at work finding some ground on which his own party can stand as a unit. It is a practical situation by which the President is faced, and no doctrinaire attitude will serve any good purpose. It is here, of course, that the Republican party also must face and accept a heavy responsibility. It, too, has been about as badly split asunder as the Democratic Party. It has its extremists at both ends of the spectrum. It has its full share of professional politicians, particularly politicians with Presidential bees in their bonnets, who appear to have no strong political convictions or principles.

Governor Dewey, the last Presidential candidate of the party, is, of course, regarded as the titular head of it, but obviously he is in no position to speak for it effectively. He apparently is not particularly eager to try to speak for it, and—if the bald truth is to be told—no one knows precisely what positions he would have it take on current questions even if he had his way. There is an allegedly reactionary "wing" largely under the influence of Senator Taft, but the dispassionate observer studying the Senator's record and analyzing what he has had to say in recent years, finds it a little difficult to place him in the role he is supposed to play. Possibly ex-President Hoover represents the most coherent, candid and constructive element in the party, but who knows how many are in agreement with him? Certainly, there appear few enough with the courage to make public admission of being a follower of that politically unfortunate soul. Then there are the Vandenbergs, the Stassens, and a number of others who constitute the so-called progressive wing of the party.

A Poor Record

The fact is, if the record of the party members, particularly in the House, is carefully studied, it soon appears that none of the figures more conspicuously in the public eye is particularly respected or followed. President Roosevelt in his last three campaigns made telling use of this record. He was not always very fair in his interpretation of it, but the fact remains that there is not a great deal in it of which the party can be proud. There simply is no unity in the Republican Party at this time, and not very much that is constructive in its record in recent years. Deliberately or not, it has played a role of obstructionism. It has now been the beneficiary of a large vote of resentment and rebellion against its political opponents.

Now, the party can continue this type of behavior during the next two years. It can avoid definite responsibility for the formulation of broad, constructive policies and for vigorous efforts to see them take effect; it can content itself with evasive tactics designed to place their opponents in further political difficulties (although not appearing to be designed for that purpose); it can be captious, doctrinaire, and difficult to work with; it can, in short, "play politics" during the next two years. If so, however, it will deserve nothing good at the hands of the voters, and certainly the President will have good cause to complain.

The Republican Party now owes it to itself and to the country to come to some very definite conclusions about what it stands for in this troubled world, and to let its stand be widely and positively known. It will be no easy task. The party is now constituted of men of nearly all political faiths. Doubtless some of its membership, quite probably some of the figures which now stand rather conspicuously before the public, would have to be relegated to back seats in the party councils. Some of them probably would make trouble. Rebellions would occur—no matter what strong constructive program or line of policy were adopted. The temptation will, of course, be very strong to avoid this internal travail. It is, however, seriously to be questioned whether the party can ever really come into its own and remain there until it is able to do some such thing and do it effectively and convincingly. Such is the responsibility for "cooperation" with the President during the next two years.

Sooner or later some way must be found to reshuffle the political deck in this country so that political parties stand for something other than mere patronage and prestige. If the two major parties presently find themselves largely in agreement, let them merge to face an opposition differently minded. If they differ fundamentally, then the people will have an opportunity to make a real choice.

Longer Work Hours Needed, Govt. Says

A report by the Department of Agriculture on Nov. 5 stated that although the nation's economy is running at top peace-time speed, demand for most products remains unsatisfied, and that the only hope of increasing industrial production lay in working harder or longer hours — perhaps both. Announcing that the September index of industrial production stood at 177% of the prewar base, 1935-39, and 5% higher than for Sept. 1945, the report stated, it is learned from the United Press:

"The production of many basic materials is now near capacity; demobilization is virtually completed and unemployment is now at a level generally considered to be close to a practical minimum.

"Further substantial increases in industrial production will have to be attained to a large extent by longer hours of work and by more output per worker."

At the same time as there are acute shortages persisting in various key lines, and supplies of steel and iron scraps are tight, as well as foundry and malleable grades of pig iron, iron castings, copper, lead and wire nails, individual income payments are soaring to new heights, the report continued, it was indicated by the United Press, the latter's advices also stating:

"In August — allowing for seasonal adjustments — the national income hit a new record level of $169,500,000,000. This was 3% above the wartime peak hit in Feb. 1945.

Part of the increase was attributed to the fact that some workers already are working longer hours. The average work week in all manufacturing industries in August was 40.3 hours. Coupled with an average wage of $1.11 an hour, this brought the typical manufacturing paycheck to $44.61 a week, 6% lower than the wartime peak of $47.50 in Jan. 1945, but 9% higher than the $40.87 in Sept. 1945.

Special Libraries Assn. See Television Broadcast

The first fall meeting of the New York Chapter of Special Libraries Association was held at Station WABD in Wanamaker's on Nov. 13, where the members were guests of the Allen B. Du-Mont Laboratories. Samuel H. Cuff, station manager, addressed the group, which was given the opportunity of seeing a "behind the scenes" televised broadcast of "McCracken Comes Through." Men in the audience were invited to remain after the program to see a broadcast of the prize-fights.

Business After World War I and II

First National Bank of Boston recalls effectiveness of buyers' strike after World War I, but cautions that present situation is not entirely similar since there is now much less credit, the farmer is in a stronger financial situation, and corporate and individual savings are considerably larger.

"The most significant feature of the present situation is that we are in an artificial and abnormal period following a great war," says The First National Bank of Boston in its current New England Letter. Continuing the Bank says, "It may be of interest and a possible guide to future developments to note 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. It should be pointed out that comparisons have their limitations and that any analysis to be valid must give consideration to the dissimilarities of present and past business patterns and to the changed role of the Federal Government, particularly in times of depression.

"The full effects of the destruction of wealth and the serious dislocations caused by war do not show themselves immediately after the conflict but are delayed because of the huge vacuum of deferred demand. Commodity prices continue to advance, but the pressure of accumulated stocks, strained credit conditions, and temporary exhaustion of consumer buying power bring about a recession. This was the pattern after the Napoleonic, the Civil, the Franco-Prussian, and the two World Wars.

Comparison with the Postwar Period of World War I

"The year 1919, as is true of 1946, was devoted largely to adjusting business to a peacetime basis. Instead of the end of the war being followed by a slump and heavy unemployment—as was predicted in both periods—labor shortages, strikes, low man-hour output, and high unit costs prevailed. Under the influence of heavy domestic demand and abnormally large exports, commodity prices advanced sharply. At the peak, wholesale commodity prices in the First World War period were 148% above prewar, and in the Second World War period were 71%, while the gains in farm prices were 138% and 168%, respectively. In both periods scarcities prevailed in textiles, sugar, shoes, automobiles, and particularly in housing.

"The wars in each case left the workers with surplus earnings which were used on a spending spree. In 1919 it was featured by expenditures for silk shirts; in 1946 by the purchase of jewelry, diamonds, and antiques, as well as by attendance at night clubs and race tracks. In both periods the cost of living mounted and encroached upon purchasing power. But then, as now, the worker thought in terms of money wages instead of real wages, and this generated a vicious wage-price spiral.

"The buyers' strike developed gradually in the postwar period of World War I with the first 'Buy Nothing' clubs appearing in August, 1919, which were featured by the wearing of old clothes and hats. At first these groups made no headway as a large segment of the population continued to spend freely. By the first quarter of 1920, however, the rise in living costs had become so great that a buyers' strike developed and helped bring about the recession.

"In the summer of 1946 there were sporadic attempts at buyers' strikes in various parts of the country. So far, as an organized movement, they have not been effective, but there is a growing resistance to high prices, and sales in luxury lines have slumped. Should there be another upswing in prices followed by a fresh round of wage demands, the resulting inflationary spiral might be the 'last straw.'

"Following the slump of the market in the fall of 1919, commodity prices continued upward until May, 1920, when they were around 16% above November, 1919, while the cost of living also rose at a rapid pace. Wholesale commodity prices since August, 1939, have advanced by about 71%, with approximately 20% of this gain made since the first of this year, and another upward surge may be under way with the lifting of price controls.

Dissimilarity Between the Postwar Periods of World Wars I and II

"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 upturn as well as the downtrend in the postwar period of the First World War was started by the consumer who in the last quarter of 1920 began to buy again, after six months of restraint, as prices had been brought within the buying range. Consumers' goods industries recovered first, with the heavy industries following from six to nine months later. The construction and automobile industries served as the spearhead for the subsequent vigorous business expansion.

Conclusion

"There are significant points of similarity as well as of difference between the two postwar periods and 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."

Commerce Dept. Opens Los Angeles Field Office

Establishment of a regional headquarters office in Los Angeles, Calif., for the expanded field service of the Department of Commerce was announced on Sept. 11 by Carlton Hayward, Director of Field Service.

Republican Congress to Cut Taxes

Following the elections leading Republicans have gone on record as predicting substantial cuts in taxes and government expenses, with the aim in view of a Federal budget of $25,000,000,000 a year compared to the present $43,000,000,000. For the fiscal year beginning next July 1, Senator Robert A. Taft (R.-Ohio), likely successor to Senator George (D.-Ga.) as Chairman of the Senate Finance Committee, told a news conference on Nov. 7, according to Associated Press advices from Chicago where the Senator had gone to address the American Association of Physicians and Surgeons, that a Federal budget of $25,000,000,000 to $30,000,000,000 would probably be achieved next year as a result of the election of a Republican Congress. The Senator added that taxes "probably" could be cut and that they "should be cut because they now are taking one-third of the national income."

In the House, Representative Harold Knutson, of Minnesota, who is expected to become Chairman of the Ways and Means Committee, forecast on Nov. 6, according to Washington advices to the Associated Press, that a 20% cut in 1947 individual income taxes would be achieved, and that a separate bill would be passed to cut back excise taxes.

It is anticipated that when the new Congress convenes a contest will ensue on tax revisions. The present Chairman of the Senate Finance Committee, Sen. George, told reporters in Columbus, Ga., on Nov. 7, according to the Associated Press, that Republican control of Congress would not mean an immediate sharp reduction in taxes. Mr. George added that he and Senator Taft had agreed that any tax reductions "must be gradual and drawn out over a long period." The Senator went on to express the conviction that President Truman would veto any bill "to provide a national deficit."

Senator Taft is reported to have itemized his proposed budget as follows:

"For the Army and Navy together $10,000,000,000 to $12,000,000,000; for veterans $6,000,000,000, and for Federal departments $2,000,000,000. The balance of the budget, he said, would be required for such items as tax refunds, loans to foreign nations, and "such aid as we may give" to agriculture.

Representative Knutson went into greater detail, according to the Associated Press. He declared:

"Our immediate goal will be to cut expenditures, balance the budget, establish a surplus each year to apply on the national debt and grant as much relief to a tax burdened nation as sound fiscal policies under governmental economies will permit.

"A sane level of taxation has a direct relationship to increased government revenue. This and many other traditionally American approaches to full employment, a high level of business activity and lower prices will again prevail."

Mr. Knutson said the unofficial House Republican Tax Study Committee, headed by Representative Reed, of New York, will meet in Washington later this month to begin drawing the Republican tax legislation.

Banks in N. Y. Favor Saturday Closing

An overwhelming majority of of banks in New York State are in favor of permissive State legislation which would authorize them to close on Saturdays throughout the year, it was announced on Nov. 7 by Chester R. Dewey, President of the New York State Bankers Association, who is also President of the Grace National Bank of New York.

Mr. Dewey's statement was based on the results of a questionnaire on this subject completed by the Association among its member banks. A total of 435 banks, or 84.1% of the 517 banks that answered the questionnaire, reported that they favored year-around Saturday closing on a permissive basis. Eighty-two banks were opposed. The advices from Mr. Dewey also state:

"The results showed a substantial increase in sentiment favoring year-around Saturday closing over what existed a year ago at this time. In a poll of its members conducted by the Association in November, 1945, a total of 269 banks, or 58.4% of the 460 replying to the questionnaire, said that they favored permissive closing on Saturday throughout the year. Last year's poll also asked member banks to express their sentiments on Saturday closing during the summer months—from June to September. On this question a total of 254 banks, or 63.1% of the 402 banks replying, reported themselves in the affirmative.

"Response to the Association's most recent Saturday closing questionnaire was the largest and most representative of its membership ever to be received on this question. The breakdown of results by counties discloses large percentage replies from banks in all areas. The heavy "yes" vote recorded up-State, in agricultural as well as urban territories, was particularly interesting in view of the belief heretofore prevailing that sentiment favoring year-round Saturday closing was concentrated in the larger cities, particularly in New York City. However, Association members in New York City that replied to the questionnaire were unanimously in favor of Saturday closing throughout the year.

"The questionnaire elicited many comments from member banks on the merit or lack of merit of year-round Saturday closing. Many banks that objected to Saturday closing explained that they did so out of regard to the business customs and habits in their individual communities. In numerous up-State areas Saturday is an important business day, and banks in some of these territories feel that to be closed all day Saturday all the year around would work a hardship on their customers."

Among those who recently declared themselves in favor of a 5-day week, was Arthur W. McCain, President of the Chase National Bank of New York, who at a dinner at the Hotel Waldorf-Astoria on Oct. 9, said that the bank had found the five-day week "satisfactory during the summer months" and "the management is favorably disposed toward the five-day week on a year-round basis provided the necessary permissive legislation is passed" by the next Albany Legislature.

According to advices to the "Wall Street Journal" of Nov. 7 from its Boston Bureau, the Massachusetts Bankers Association will ask the State legislature in January to make it legal for banks to close on Saturdays throughout the year. The same advices said:

"The proposed action of the association follows a poll of banks in the State which disclosed that more than 86% favored Saturday closings on a year-round basis.

"Members of the Boston Clearing House Association unanimously voted to support the move for the legislation. At the same time they went on record as agreeing to close on Saturdays throughout the year if the law is enacted."

Death of Three Leaders Conspicuous in ABA Affairs Occur in October

Organized banking lost three of its leaders during the second half of October. Philip A. Benson, President of the American Bankers Association in the year 1938-39, died of a heart attack in Brooklyn, New York, on Oct. 16. Edward F. Swinney, the oldest living past President of the Association, died in Kansas City on Oct. 24. Brigadier General Leonard P. Ayres, Chairman of the A.B.A. Economic Policy Commission, died suddenly of a heart attack in Cleveland on Oct. 29. Mr. Swinney was A.B.A. President in the year 1904-05. He was then President of the First National Bank in Kansas City, and at the time of his death was Chairman of the Executive Committee of that institution.

Mr. Benson, who was associated with the Dime Savings Bank in Brooklyn, New York, since 1917, was President of that institution since 1932. He was one of the outstanding leaders in mutual savings bank activities for many years. He had been President of the Savings Banks Association of New York, and President of the National Association of Mutual Savings Banks, and held many other posts of leadership in savings bank circles both before and after becoming a general officer of the American Bankers Association. At the time of his death he was a member of the State Banking Board of New York. Mr. Benson was elected Second Vice-President of the American Bankers Association at its San Francisco convention in 1936. He was advanced to the post of First Vice-President at the Boston convention in 1937 and he was elected President of the A.B.A. at its convention in Houston, Texas, in 1938.

General Ayres was identified with the economic aspects of the American Bankers Association activity for a number of years, his particular interest being the Research Council and the Economic Policy Commission. In addition to being Chairman of the Economic Policy Commission of the Association, Gen. Ayres was a member of its Research Council and a member of its Advisory Committee on Special Activities.

Gen. Ayres was Executive Vice-President of The Cleveland Trust Company in Cleveland, Ohio. He derived his military title from service in two world wars. During World War I, he was director of statistics. He served as a Colonel on the General Staff, was chief statistical officer of the U. S. Army and chief statistician of the A.E.F. When the war was over, he became chief statistical officer of the American Commission to Negotiate Peace. Subsequently, he was economic adviser to the Dawes Plan Committee in 1924. In Oct. 1940, he was called back to duty to serve in World War II as director of the War Department Statistics Branch and coordinator of all War Department statistics. In July, 1941, he was promoted to the rank of Brigadier General, with which rank he retired later.

Gen. Ayres started his career as a teacher. In 1908 he became director of the departments of education and statistics of the Russell Sage Foundation. In 1920 he joined The Cleveland Trust Company as Vice-President. He was probably best known for his editorship of the "Cleveland Trust Bulletin." He was past President of the American Statistical Association and Vice-President of the American Economics Association and was the author of a number of books. Gen. Ayres represented the A.B.A. on many occasions as a witness before committees of Congress.

OPA Decontrol Activity Continues—Additional Rental Areas Brought Under Control

While the price decontrol movement has daily gained momentum, more and more items being added to the list of those removed from OPA jurisdiction, reports from Washington on Nov. 3 indicated that Paul A. Porter, Price Administrator, has requested the Office of War Mobilization and Reconversion not to order further decontrol of essential products and services still under control until supply and demand have attained a closer balance.

As far as rent controls are concerned, however, it became evident that Price Administration officials would pursue a determined policy of continued surveillance as action was taken to expand IPA's rental staff by an estimated 600 by the end of the month. On Oct. 30 it was made known by the OPA that 88 rental areas with a total population of 3,585,379 in 1940 would be brought under rent control on Nov. 1. At the same time, the Bluefield, W. Va. area was extended to include Boone, Fayette and Summers Counties. The announcement of the OPA said:

"Eighty-one of the areas are being controlled for the first time and controls are being restored in the remaining seven areas.

"The new and recontrolled areas which had a total of 323,549 rental units in 1940, will bring under rent control a total of 650 areas. It is likely that few additional areas will require controls because today's list covers those in which rent pressures have been mounting since the war, OPA said.

"The agency explained that many of these areas have been watched since the end of the war in the hope that pressures and the rising trend of rents would halt. However, the housing shortage throughout the nation has been becoming more acute and an increasing number of local organizations and officials have petitioned the agency for rent control. Moreover, some areas in today's list are from a backlog of the interim period when controls were suspended. Increasing employment by local industries, the return of veterans and defense workers and their families have contributed to the housing shortage in most areas."

The field and national force already working exclusively on rental ceilings numbered 6,114 on Nov. 2. Many other OPA workers spend part of their time on enforcement, accounting and administration.

On Nov. 1, controls were lifted from nearly a hundred additional items including, according to Associated Press advices, paper and wood matches, milking machines an other dairy equipment, certain lighting fixtures, some lumber items, and innumerable industrial products. At the same time as the new list was announced notice was served on local Price Boards, 1,642 in number, to cease operations on Nov. 4, and 10,000 OPA field workers, or about one-third of the remaining staff, were told that their jobs would be discontinued in thirty days.

Coonley Heads New Int'l Standardization

Howard Coonley, Chairman of the Executive Committee of the American Standards Association, has been elected President of the new International Organization for Standardization, the formation of which has just been completed by delegates from 25 nations meeting in London, it was announced by the American group on Nov. 1. Official notification of the completion of the new organization and Mr. Coonley's election, the ASA report said, was received from London recently. The announcement issued by the American Standards Association, also said:

"Gustave L. Gerard, staff President of the Belgian Standards Association will be Vice-President of the new international organization which is expected to be known informally as ISO. Headquarters will be set up shortly in Geneva, Switzerland, which was chosen in a close final ballot of 12 to 11 over Montreal, Canada.

"Formation of the new ISO consolidates into a single organization the work of the old International Federation of National Standardizing Associations (ISA) and that of the war-born United Nations Standards Coordinating Committee. The International Electrotechnical Commission, a third important standardizing agency, is expected to affiliate with ISO shortly as its electrical division. The members of ISO will be the national standards bodies. Its work will be carried out through technical committees upon which any country may be represented, it is so desires.

"The governing body of ISO will be a Council containing representatives from 11 countries. Five of these seats are assigned for a period of five years to China, France, Great Britain, U.S.A. and U.S.S.R. Others represented initially on the Council are Australia, Belgium, Brazil, India, Norway and Switzerland.

"Following long discussions, which started at preliminary meetings in New York in 1945 and in Paris in this year, the ISO finally agreed to use three official languages: English, French and Russian. The Russian delegation has pressed vigorously for official recognition of the Russian language.

"Technically the new ISO organization is 'provisional,' and it will be formally completed when its constitution is ratified by 15 national standards bodies. Actually it is starting active work immediately by reviewing the projects and reports of the two predecessor organizations and considering a number of new proposals. The United Nationals Standards Coordinating Committee will continue in existence and maintain its office in London until the ISO headquarters in Geneva is established."

Mr. Coonley, the new ISO head, is a former President of the National Association of Manufacturers and of the American Standards Association, to which he currently devotes his entire time as Chairman of the Executive Committee. He was for many years Chairman of the Walworth Company and is still a Director of that Company. During the war he served as director of the Conservation Division of the War Production Board and at the appointment of President Roosevelt he became chief adviser of the Chinese War Production Board. Mr. Gerard is President of the government sponsored Institut Belge de Normalisation and was Secretary of its predecessor, the Association Belge de Standardisation which was founded in 1919.

The 25 nations represented in the formation of ISO were: Australia, Austria, Belgium, Brazil, Canada, China, Czechoslovakia, Denmark, Finland, France, Italy, India, Mexico, Netherlands, New Zealand, Norway, Palestine, Poland, South Africa, Sweden, Switzerland, United Kingdom, United States of America, Union of Socialist Soviet Republics, Yugoslavia.

Sees No Early Change In Dollar-Pound Parity

(Continued from page 2523)

has to be exceedingly careful in determining the international value of the pound.

"In contemplating a change in the international value of the pound, Great Britain must consider the possible effect of such action on the sterling area countries. The pound sterling is the key currency of the sterling block. Any change in the value of the pound in terms of the dollar, therefore, will affect the economy not only of Great Britain but also of the countries whose currencies are tied to the pound sterling. While the sterling area may again become a loose organization as it was prior to the institution of foreign exchange control following the outbreak of the war in 1939, it is obvious that any change in the international value of the pound sterling would have to be made in consultation and agreement with the principal members of the sterling block."

As to the international investment position, the bulletin states that Great Britain is not only a large creditor nation but also a large debtor. Part of this debt is expressed in U. S. dollars, including the amounts drawn by Great Britain under the Anglo-American Agreement, and part of it is stated in Canadian dollars. The bulk of the debt, however, is in pound sterling. A decline in the international value of the pound would increase the debt burden as regarding payments of principal and interest on the debt stated in U. S. and Canadian dollars. It would reduce, however, the burden of the sterling debt, because the lower the international exchange value of the pound, the higher commodity prices in Great Britain and the smaller the quantity of goods to be exported in liquidation of these obligations. It would appear, therefore, that as an external debtor in pound sterling Great Britain would benefit from lowering the international value of the pound. On the other hand, since most of the British investments in other countries are sterling claims, it is to Great Britain's interest as a creditor nation to have a high international value of its currency, for the higher the value of the pound the more real income is derived from foreign investments.

Conclusion

In conclusion the bulletin states:

"The Anglo-American Agreement, ratified July 15, 1946, has laid the foundation for close economic cooperation between the two nations. It may be assumed that neither country will take any steps regarding the international value of its currency which may have an adverse effect on the economy of the other. If in the future a change in the external value of one or the other currency becomes necessary, it may be expected that it will be made only after negotiations and mutual agreement. Furthermore, both countries are members of the International Monetary Fund and therefore are restricted in their powers to alter the foreign exchange value of their respective currencies beyond the specified limit without approval of the Fund. In contrast, therefore, to the situation which existed in the past when each country was at liberty to revalue its currency when deemed advantageous, this is no longer the case. The close economic cooperation that has been established between the United States and British governments precludes definitely unilateral action by either country in the main real of economics and finance that might endanger the interests of the other country.

"While it may be taken for granted that no British Government would hesitate to negotiate for a change in the international value of the pound if such step should seem necessary because of declining business activity and increasing unemployment, there is little likelihood that such occasion will arise in the immediate future. For years to come British industry will be kept busy meeting the accumulated domestic demand for all kinds of commodities and repairing the damages inflicted by the war. Until this accumulated demand has been met, industrial activity in Great Britain is bound to be at a high level, and the problem will be not to find employment for people but rather to provide sufficient manpower to operate the various industries. In addition, there will also be a substantial foreign demand for British machinery and equipment, chemicals and other products. In part this demand will be stimulated by the fact that exports from Germany and Japan, two important competitors of Great Britain in the world's markets will be relatively small in the next few years. There will also be a demand for British products from the countries endeavoring to liquidate their frozen sterling balances. It may be stated, therefore, that for a number of years there will be no danger of any prolonged depression in Great Britain, which would be the principal reason for altering the international value of the pound sterling."

New Congress Urged To Work for Drastic Economy

Calling upon the new Congress to work for "drastic economy and maximum efficiency" in Federal Government, the Chamber of Commerce of the State of New York at its monthly meeting at 65 Liberty Street on Nov. 6 adopted a "program for action in a nation-wide campaign" to control and reduce public expenditures. The program, which was drafted by the Committee on Taxation of which Edmond E. Lincoln is Chairman, attacked Government waste and warned that our postwar economy would be bogged down and our standard of living lowered unless Federal peacetime spending was reduced to a minimum.

In setting forth principles to guide reduction of Federal expenditures, the program first urged recognition of the fact that "wasteful, overcentralized government is one of our great domestic problems" and then said:

"Taxes should be regarded as a necessary evil which at all times should be kept at an irreducible minimum, based on the conviction that any kind of public waste is a major crime against every citizen.

"In order to keep government conservative in its expenditures, we should work for a lower peacetime ceiling on all income and estate taxes—in general no tax above 50% should be levied on any portion of an individual or corporate income, or on any portion of an estate.

"We should work for the broadest possible tax base, in order to make everyone acutely conscious of government expenditures and of government waste.

"We should work toward a peacetime ceiling on our Federal Government's budget which, we hope, will be less than half the present budget of almost $43,000,000,000, including taxes and net appropriations for old-age pensions."

The program declared that every current government expense, every proposed new expense, every grant-in-aid should be challenged and that "no local or individual expenditures by the Federal Government which are not clearly in the national interest" should be asked for. It urged that "partisan propaganda carried on at government expense through the use of free postage, free printing and waste of public personnel" should also be challenged.

Calling attention to the fact that the "defense" budget for the fiscal year 1947 is now 45% of the total Federal budget, the program said: "While we definitely favor adequate defense, yet we believe that all military expenditures should now more than ever be carefully scrutinized by civilian authorities."

Regarding further payments to veterans, the Chamber program took this position: "In addition to our GI programs of education, vocational rehabilitation and rehabilitation into civilian life, no soldier not injured directly or indirectly during the war should expect any further payment from his government."

A reexamination of the whole Social Security program, the termination of the emergency and wartime powers of governments as speedily as consistent with the national well being and the return by the Federal Government to the States of all their Constitutional administrative and financial responsibilities and functions were also recommended.

The Chamber program expressed the belief that the Federal Civilian personnel could be reduced below the 1,600,000 level recommended by the Byrd Committee, and in conclusion opposed the use of taxpayers money in peacetime to operate government corporations and industries in competition with private business.

Deering State V-P of Nat'l Bank Auditors

Raymond C. Deering, Deputy Comptroller of Manufacturers Trust Company, N. Y., has been appointed State Vice-President of the National Association of Bank Auditors and Comptrollers for the State of New York. Mr. Deering is a past President of the New York City Bank Comptrollers and Auditors' Conference, a past Chairman of the Bank Management Conference of the New York Clearing House, a member of the Board of Governors of the New York Chapter, American Institute of Banking and a member of the Committee on Bank Management and Research of the New York State Bankers Association.

Bankers Trust Is Agent

Joseph E. Hughes, Chairman of the Board of Trustees, New York State Bankers Retirement System, announced on Nov. 8 that the Board's Executive Committee has unanimously approved a resolution appointing the Bankers Trust Company of New York as agent of the Board of Trustees. The announcement says:

"The agency agreement, effective Oct. 1, provides that the Bankers Trust Company henceforth shall handle administrative routine and assist the System's trustees in the investment of funds. Aside from this, the organization of the System is little changed. Albert L. Muench, who is Secretary of the New York State Bankers Association, continues as Secretary of the System, and has been appointed with power to act as administrative liaison between the Bankers Trust Company and the System's Board of Trustees. F. J. Oehmichen, Assistant Secretary, will continue in that capacity.

Chattanooga Mfrs. Want Balanced Budget

At the annual dinner meeting on Oct. 14 of the Chattanooga Manufacturers Association, with its President, W. A. Jeffords, Vice President and Treasurer of American Lava Corporation, acting as Chairman, taxes were discussed and the need for government economies. H. E. Humphreys, Jr., Chairman of the Finance Committee, United States Rubber Company, and of the tax council of the National Association of Manufacturers, laid before the meeting proposals for reduced expenditures. Declaring that budget balance and tax reductions both are possible in the coming year, Mr. Humphreys outlined a three-way program which would include debt retirement, and which he maintained could be accomplished if the government would cut expenses. The reforms which he proposed for the postwar transition period were:

(1) Reducing individual income taxes by 15% all along the line, and setting a top limit of 50% on taxes on individual incomes; (2) Reducing corporate combined normal tax and surtax to 32%; and (3) Eliminating double taxation on corporate earnings.

Citing the current public debt of about 263 billion dollars, Mr. Humphreys said bank holdings constitute an inflation threat and at the same time curtail bank credit which should enable business to expand. The manufacturer called for a balanced budget, even if it means drastic curtailment of Federal services. Failure to balance the budget and start paying off the National debt will bring on National insolvency, he warned.

WAA Announces Policy

The War Assets Administrator, Robert W. Littlejohn, on Oct. 20 issued orders to regional offices to offer surplus goods on two levels of trade, if normally such goods are distributed through two levels of trade. Discounts will be given to non-priority buyers only for distributive services to small business, and the buyer is to be required to sign a statement certifying that he will actively engage in such service.

A further announcement was made by WAA of the new industry-agent contracts for surplus electronics equipment. These provide, according to Washington advices to the "Journal of Commerce," for a flat commission of from 10% to 35% on amounts actually sold. Replacing the cost-plus-a-fixed-fee system of payment, the commission will cover all of the agent's sales costs from the time material is received from WAA until sales are completed. Not to include repair or conversion costs, it does cover warehousing, advertising, inspection, packaging and mechandising. The same advices continued that the new contract also provides that:

1. The agent will be required to keep a constant inventory of material on hand.

2. Agents will not be given exclusive rights to any particular commodities. They will be required to take slow moving merchandise along with the fast.

3. All sales will be made at prices set by WAA and no reductions from these prices can be made unless authorized by WAA. All sales must be made for cash, except that the agent may grant credit up to 30 days at his own risk.

4. The agent will be required to keep complete records of all sales in accordance with accounting practices prescribed by WAA, and must submit his records to WAA audit.

5. Agents will receive only salable material. All unsalable items will be disposed of at present locations.

6. The amount of compensation provided for in the new contract is subject to review after May 31, 1947.

7. It will not be necessary for agents to tie up large amounts of warehouse space. WAA has set up a central holding warehouse at Akron in a former Goodyear aircraft plant, and supplies will be shipped here from Government warehouses and sent to agents as required.

8. Veterans may buy directly from the agents or from war assets. Priorities will be honored at either place and the price will be the same.

WAA said that its electronics industry-agents are expected in Washington Oct. 23 to sign the new contracts, which have been reviewed by the Department of Justice, the General Accounting Office, WAA's General Review Board, and an advisory committee representing the industry.

Market Transactions in Governments in Sept.

During the month of Sept., 1946, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of $74,053,450, Secretary Snyder announced on Oct. 14.

The following tabulation shows the Treasury's transactions in government securities for the last two years:

1944—	
September	28,100,000 sold
October	*
November	5,900,000 sold
December	12,000,000 sold
1945—	
January	67,475,000 sold
February	48,131,000 sold
March	2,940,000 sold
April	55,600,000 sold
May	34,400,000 sold
June	56,414,050 sold
July	17,000,000 sold
August	150,000 sold
September	12,526,000 sold
October	300,000 purchased
November	No sales or purchases
December	No sales or purchases
1946—	
January	$8,137,000 sold
February	700,000 sold
March	No sales or purchases
April	3,300,000 purchased
May	385,000 purchased
June	69,800,000 sold
July	157,800,000 sold
August	41,211,700 sold
September	74,053,450 sold

*Less than $50,000 sold.

Elk Hills Decision Delayed

Consideration by the House Naval Committee of a proposal by the Standard Oil Company of California, that the contract governing oil withdrawal from the Elk Hills, Calif., reserve be changed to require that the Navy pay two-thirds of the cost of keeping the oil reserve in readiness for a possible emergency, was postponed until at least Nov. 18, according to Washington advices (Associated Press) Sept. 9. The views of independent petroleum experts will be sought. The assertion by a Standard executive that the provision in the present contract, forcing the company to pay the entire amount, about $600,000 yearly, was "inequitable", was challenged by Representative Lyndon Johnson (D.-Tex.) who said that "a pretty good contract" was written in 1944, that apparently both the Navy and Standard Oil took a business risk in accepting the contract, but now the company wants it changed because it doubts the wisdom of its original decision. The Associated Press added:

"Proponents of Standard's proposal said that eventually the cost will be the same to the Government, regardless of which plan is followed, because the contract specifies that the upkeep costs are based on withdrawals."

Steel Production Again Increased — Shift in Political Power to Hasten End of Controls

Price increases made effective early this week in the metalworking industry, following the elimination of OPA price controls, reflected the sober thoughts of management now confronted with the possibility of runaway markets which in turn would create a buyers' resistance strong enough to start a business recession, according to "The Iron Age," national metalworking paper, which, in its issue of today (Nov. 14), further goes on to say:

"In the steel industry no leading steel producer this week made any changes whatsoever in the prices of steel products. Nor is any general across-the-board advance looked for at least until Philip Murray's United Steelworkers Union makes known its wage demands. On the other hand at least one leading steel producer may within the next few weeks or more make a price adjustment for those steel products on which it claims a loss or a low return.

"This steel company, along with others, had been negotiating with OPA for several months previous to the elimination of price controls for an adjustment on products which were showing little or no profit. Because steel companies normally announce steel prices on a quarterly basis a few weeks or a month before the beginning of a quarter, it is expected that an announcement on higher prices for some steel products will be made around the first of December or shortly thereafter.

"Steelmakers were already faced with increased costs this week when the price of iron and steel scrap reacted to the elimination of controls by moving upward. In some major centers the net increase in important openhearth grades of scrap advanced $2.50 a ton, but because of the tight situation most orders being placed were on an open basis—as the broker obtained the material, he delivered it to the steel company. This contrasted to some normal markets where the broker sells at a price a specific tonnage and then attempts to cover on the sale by picking up the material from dealers.

"For the past several months No. 1 heavy melting steel and other similar grades have found their way into classifications carrying a higher price. For this reason the prices being paid today for premium grade scrap will of necessity because of the shortage cause the same No. 1 and No. 2 heavy melting to be applied on current orders. Thus while the statistical increase in scrap prices early this week was more than $2.50 a ton, the actual increase in the price to steel companies from what they were paying a week ago amounted to an average of $2.50.

"Whether the current market prices on steel scrap will remain in effect the balance of this week is problematical. While some scrap is coming out at the new quotations, dealers are in no hurry to fill the orders. It may be at least a week or two before the entire scrap list is clarified and before normal relationships existing between various grades of scrap in prewar periods are re-established.

"The nonferrous market moved upward this week with copper being advanced 3⅛ cents per pound by two major producers to 17½ cents per pound, delivered, Connecticut Valley. Other producers are expected to meet this price. This initial raise, according to authorities, by no means disposes of the possibility of still higher prices in the immediate future.

"A major producer early this week advanced the price of lead 2¼ cents per pound to a quotation of 10½ cents per pound at New York. Other producers are expected to meet this competitive position.

"At New York early this week zinc advanced from 8.69 cents per pound to 10.94 cents. One of the largest increases in the nonferrous field occurred early this week when the sole producers of domestic antimony raised its price from 14½ cents per pound at Laredo, Texas, to 23½ cents per pound. The Office of Metals Reserve was expected to advance the price of pig tin to 69½ cents or 70 cents per pound from a former domestic ceiling of 52 cents per pound.

"The removal of controls will have no drastic effect on the machine tool industry or machine tool prices as the industry shifts back into an era of competition in a virtually free economy. Few across-the-board increases are looked for in this major industry."

The American Iron and Steel Institute this week announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 91.2% of capacity for the week beginning Nov. 11 (a new high level since June, 1945), compared with 91.1% one week ago, 90.5% one month ago and 80.4% one year ago. This represents an increase of 0.1 point or 0.1% from the preceding week. The operating rate for the week beginning Nov. 11 is equivalent to 1,607,300 tons of steel ingots and castings, compared to 1,605,500 tons one week ago, 1,595,000 tons one month ago, and 1,472,600 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the metal working industry, on Nov. 11, stated in part: "Shift in Congressional control in January as a result of the elections is interpreted by many officials in the metalworking industry as hastening the end of wartime economic regulations.

"Various changes may come before the end of 1946 in view of the possible consolidation of agencies and imposition of restrictions on their powers. However, in the absence of any definite statement of policy by the administration steel producers are inclined to discount the possibility of sweeping changes in steel controls until at least the convening of the new Congress.

"Meanwhile, steel demand is being dominated by two conflicting forces: Disposition to mark time on the one hand, pending better balance of consumer inventories; a disposition on the other hand to lay in as much steel as possible because of the beclouded labor outlook in both the coal and steel industries. Still higher wage demands and possibly work stoppages of a devastating character are in prospect.

"On the basis that priorities will continue in effect after the turn of the year, a Nov. 8 deadline for the filing of first quarter priority assistance by those engaged in essential housing work was established by the Civilian Production Administration. Producers already are receiving some rated orders for that period. As heretofore, the emphasis continues on sheets, especially galvanized sheets. Some producers, who have not even opened their books for first quarter, are covered on galvanized sheets on the basis of anticipated arrearages at the end of this year. On uncoated sheets, arrearages probably will average eight to ten weeks' production. Certain sheet producers, not yet knowing what to count on in the way of new rated work, have set up quotas for the first quarter, although the lead time for January is virtually at hand.

"Some hot-finished carbon bar sellers are booked up for the first quarter with quotas confined to their regular customers. To distribute small carbon bars, which are in particularly strong demand, as equitably as possible most producers have limited the amount of such tonnage to a small portion of the quotas. For instance, one large mill has restricted small sized bars to 20% of the full allotment.

"In some instances, where consumers have been hard hit by the termination of war work and are not operating at as high a rate as prior to the war, such as shipyards, bar quotas may prove more than ample, with the possibility that some of this tonnage can later be diverted. However, such instances are expected to be relatively few."

Sept. Loans in Chicago Home Loan Bank Up

"The $3,917,892 which the Federal Home Loan Bank of Chicago advanced to Illinois and Wisconsin savings, building and loan associations in September meant a net income of $1,490,932 in loans outstanding, as compared with a net decrease of $2,522,326 for the same month a year ago," said a report issued on Oct. 14 by the bank. This change in the demand for the bank's funds to supplement local home lending resources was reported to the Federal Home Loan Bank Administration at Washington on Oct. 14 by A. R. Gardner, President. He said that September was the regional bank's second busiest month in 1946 and that it saw more advances made than any September in three years. A further contrast between the demands for the home loan bank's facilities a year ago and now lies in the fact that 195 different savings and loan associations are now using a portion of their credit lines, as against only 128 at the close of September, 1945.

Truman Praises Press

A statement by President Truman on the occasion of National Newspaper Week, Oct. 1 to 8, praised the press again for its part in aiding the nation's war effort, and expressed confidence that it would share the work in solving the problems of peace. Published in "Editor and Publisher," the President's message read, according to the New York "Times" on Sept. 28:

"It is a pleasure to me again to salute the press of the United States on the occasion of National Newspaper Week. The newspapers of the nation did a magnificent job during the war. They threw their full support behind the campaign to salvage and collect needed war materials. They were in the forefront of every drive for the sale of war stamps and bonds.

"They reported the war admirably, operating under a voluntary code of censorship. They strengthened the spirit of the people at home and the morale of our fighting forces abroad. In the words of your slogan, our press is the 'voice of freedom—guardian of liberty.' Upon it now rests a tremendous share of the responsibility for solving the problems of peace. I know well that this responsibility will be met in full."

Christensen Resigns From SEC

John W. Christensen has resigned as special counsel in the Public Utilities Division of the Securities and Exchange Commission, to join a private law firm. The resignation of Milton H. Cohen from the same Division was indicated in our issue of Nov. 7. Page 2361.

From Washington Ahead of the News

(Continued from first page)

But Mr. Fulbright had been a Rhoades Scholar, and was therefore intellectually above the men usually elected to the Senate. He had the global view. We were told that had he not been elected to the Senate with a campaign expenditure unheard of in the State of Arkansas, he would undoubtedly have been made the President of Columbia University.

It may be that in this latter capacity he would have been better fitted to serve his fellow man, for which he had been so highly trained through the beneficence of the famous English imperialist. Because in the Senate he has made no contribution whatsoever except when the other day he came up with the idea that Mr. Truman should name a Republican as Secretary of State and then resign so this Republican would succeed to the Presidency. In this way we could accomplish the British parliamentary form of government, Mr. Fulbright having studied over there and being versed in this form of government, and the American people having gotten along for more than 160 years without this form of government.

It should be of interest to scholars and advocates of higher educators that this highly educated individual came up, after so many years, with this silly idea.

It was not wholly inane. Instead, it fitted right in with the purpose of those who are trying to create confusion by spreading the word that we are now in an awful fix, because we have a legislative branch controlled by a political party in opposition to the President. We are, therefore, in a stalemate.

For the country's business and industry, we can imagine no better condition for the country to be in, though it is really not much different than the position we have been in since the great FD's death. In that period Mr. Truman has sought, or has gone through the motions of seeking, legislation which would be detrimental to business, and the Congress, controlled by conservatives of both Democratic and Republican parties, refused to pass that legislation. That is the situation now, except that Mr. Truman won't even make an attempt to have such legislation passed. That is the sort of stalemate we are in.

Some positive action on the part of Congress is needed. That is tax revision and the end of the President's seizure powers under the war emergency. It is this writer's conviction that both of these will be accomplished with little or no opposition from the President.

There is the question of whether any labor legislation will be enacted. The Republicans most assuredly will not go in for any labor baiting. But if the labor leaders begin acting up again, there will most assuredly be some so-called anti-labor legislation, against which Mr. Truman again would register only feeble opposition.

What is more of a likelihood is that the labor leaders, themselves have learned a lesson from the elections. It must be clear to everybody that it was not the Economic Royalists who wrought Nov. 5's result. There are not enough of them. The way in which the Republicans swept industrial centers, with large turnouts of voters, means that the workers themselves were fed up. Their leaders were repudiated in their efforts to get them to vote the party line. They must be aware of this. They must realize that they have a revolution in their ranks and in the future will conduct themselves accordingly.

There is nothing hard to believe about such an attitude of the workers. They are not Tories and Reactionaries. They have weighed carefully all the benefits bestowed upon them by the New Deal. And they came to the conclusion that the New Deal was a great thing for the labor leaders but not necessarily for them, particularly when it got to the point of their being forever called out on strikes and when their strike was settled, their being thrown out of work because of a strike in a supplier plant, or because of some picket line which had been thrown up by another group.

It is this writer's conviction, as Mr. Dooley once said, that the Supreme Court follows the election returns; so do the mayors and sheriffs and governors — the local authorities generally — and that there will be from now on, a determination on the part of these authorities to enforce order on picket lines. When this is done, most of our strikes will be of short duration. In the Allis-Chalmers strike at West Allis, Wis., today, bona fide employees are trying their best to return to work against the mass picket lines of Commies which the local authorities have contended they are powerless to deal with. They are likely now to find they can deal with them, the people, including the workers, having said they want them dealt with.

Deadline for Data on Netherlands Securities

The Netherlands Embassy in Washington, D. C., announced on Oct. 15 that owners of specified classes of Netherlands securities have been given until Dec. 1, 1946, in which to declare them under penalty of such securities becoming void. This is an extension of the previous deadline of Oct. 15, 1946, for such declarations. The Cleveland Federal Reserve Bank noting this, said:

"Owners of these Netherlands securities may obtain forms and instructions for their declarations from the Netherlands Consul, Henry A. Nelson, 2036 East 22nd Street, Cleveland, Ohio, or from the financial counselor of the Netherlands Embassy at 25 Broadway, New York 4, N. Y.

"The Netherlands' action is part of that government's program for recovery of property directly or indirectly looted by the enemy and for the restoration of such property to its rightful owners. The action also is for the purpose of tracing enemy-owned property, title to which has become vested in the State of the Netherlands."

Drew Dudley Director Of Public Information of International Bank

Eugene Meyer, President of the International Bank for Reconstruction and Development, announced on Nov. 5 the appointment of Drew Dudley as Director of Public Information. Mr. Dudley, who was graduated from Dartmouth College in 1933 with a degree of A.B., recently resigned as Chief of the Media Programming Division of the Office of War Mobilization and Reconversion where he acted as liaison between the United States Government and the advertising industry. During the early days of the war, Mr. Dudley was with the Office of War Information and subsequently in the Office of the Secretary of the Navy serving with the rank of Lieutenant Commander. Prior to the war he was the Consumer Sales Director of the William Wrigley Jr. Company, Chicago, Ill.

The State of Trade

(Continued from page 2523)

with 91.1% one week ago, 90.5% one month ago and 80.4% one year ago. This represents an increase of 0.1 point or 0.1% from the previous week.

This week's operating rate is equivalent to 1,607,300 tons of steel ingots and castings and compares with 1,605,500 tons one week ago, 1,595,000 tons one month ago and 1,472,600 tons one year ago.

Electric Production — The Edison Electric Institute reports that the output of electricity increased to 4,628,353,000 kwh. in the week ended Nov. 2, 1946, from 4,601,767,000 kwh. in the preceding week. Output for the week ended Nov. 2, 1946, was 18.7% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 206,000,000 kwh. in the week ended Nov. 3, 1946, compared with 176,400,000 kwh. for the corresponding week of 1945, or an increase of 16.8%. Local distribution of electricity amounted to 191,500,000 kwh. compared with 175,800,000 kwh. for the corresponding week of last year, an increase of 8.9%.

Railroad Income for September —Class 1 railroads of the United States in September, 1946, had an estimated income, after interest and rentals of about $38,500,000 compared with $8,848,870 in September, 1945, according to the Association of American Railroads. In the first nine months of 1946, estimated net income, after interest and rentals amounted to $96,500,000 compared with $451,565,025 in the corresponding period of 1945.

In September, 1946, the carriers had a net railway operating income, before interest and rentals, of $67,362,490 compared with $43,133,855 in September, 1945. For the first nine months of this year net railway operating income, before interest and rentals, totaled $365,611,041 as against $778,146,722 in the same period of 1945.

Taxes and net earnings for the month of September and for the first nine months of 1946 are after taking credit in the accounts for carry-back tax credits. For the month of August, such credits were $6,640,000, and for the first eight months of 1946 they amounted to $60,326,000. Net railway operating income for September and the nine months would have been reduced, had the carry-back credits not been made.

In the 12 months ended Sept. 30, 1946, the rate of return on property investment averaged 1.59% compared with a rate of return of 3.73% for the 12 months ended Sept. 30, 1945.

Total operating revenues in the first nine months of 1946 totaled $5,621,973,863 compared with $6,926,755,435 in the same period of 1945, or a decrease of 18.8%. Operating expenses in the first nine months of 1946, amounted to $4,713,217,845 compared with $4,611,444,741 in the corresponding period of 1945, or a decrease of 2%. Fifty-four class 1 railroads failed to earn interest and rentals in the first nine months of 1946, of which 24 were in the Eastern District, 11 in the Southern Region and 19 in the Western District.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Nov. 2, 1946, totaled 922,312 cars, the Association of American Railroads announced. This was a decrease of 19,945 cars (or 2.1%) below the preceding week and 70,350 cars, or 8.3% above the corresponding week for 1945. Compared with the similar period of 1944, an increase of 29,243 cars, or 3.3%, is shown.

Paper and Paperboard Production — Paper production in the United States for the week ended Nov. 2, was 107.2% of mill capacity, against 106.8% in the preceding week and 97.5% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 100% against 101% in the preceding week, and 97% in the corresponding week a year ago.

Wholesale Food Price Index Decline, First in 9 Weeks—Marking the first substantial decline since the rollback of food prices at the end of last August, the wholesale food price index, compiled by Dun & Bradstreet, Inc., dropped to $6.14 on Nov. 5, from $6.34 (revised) on Oct. 29, a loss of 20 cents, or 3.2%. The current figure compares with $4.14 on the like date a year ago, an increase of 48.3%.

Advances for the week included wheat, oats, cottonseed oil, cocoa, beans and peas. Declines occurred in corn, barley, hams, bellies, lard, butter, cheese, coffee, eggs, potatoes, steers, hogs, sheep and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index

The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., moved over a fairly wide range last week, reflecting the swift progress of the Government's decontrol program. The index closed at 234.25 on Nov. 4, slightly lower than a week earlier when it stood at 235.56, but up about 4 points over the mid-week low of 230.41. The current level compared with 179.83 on the same date a year ago.

Trade volume in leading grain markets was slightly less than in recent weeks as prices continued to move irregularly. Wheat futures were rather unsettled but the cash market held firm. Strength in the leading cereal reflected continued purchasing by the Government to fill export requirements and an active demand from mills. Country movement of wheat was very light as shipments continued restricted by a shortage of box cars. Exports of wheat showed some improvement following settlement of the maritime strike at Atlantic and Gulf ports. Corn futures were generally lower, influenced by the sharp drop in cash corn, especially the new crop, which developed considerable weakness during the week. Country offerings of corn were affected by unfavorable weather and the lower market values.

Trading in oats was quite active and prices finished higher after showing early weakness. Flour business was spotty with moderate volume of sales reported to large bakers, chiefly for immediate shipment. Hog prices held up fairly well despite more liberal receipts, but cattle and lamb quotations trended steadily downward. Offerings of lard were larger and a slightly easier undertone appeared at the close of the period as a result of consumer resistance to high prices.

Wide and irregular fluctuations marked the course of cotton prices during the past week. The low point was reached on Tuesday of the past week when the New York spot quotation dropped to 29.80 cents per pound. This resulted in the closing of leading cotton exchanges on the following day, Wednesday, for the third time in the past two weeks. On subsequent days, however, trade and mill support lifted prices appreciably and closing quotations were slightly higher than a week ago. Transactions in standard gray carded cotton goods reached a moderate volume last week but a renewed lull is expected as most mills are said to be sold up through February of next year. Activity during the week was centered in staple print cloths and sheetings.

The Boston wool market appeared to be in a waiting attitude during the past week following the heavy buying preceding Oct. 14, when price increases went into effect. However, a moderate volume of trading in domestic wools was noted. Sizable weights of fine territory wools were sold to topmakers and manufacturers on the basis of prices for CCC wools, effective Oct. 14. Sales of wool by the CCC continued in good volume. A total of 5,530,631 pounds of domestic wools were appraised for purchase of the CCC during the week ending Oct. 25. This brings the total of 1946 wools appraised to that date to 256,105,145 pounds, as against 280,911,865 pounds appraised to the same date last year.

Retail and Wholesale Trade—A wave of cool weather through most of the country and the brisk buying that occurred on Election Day were important factors in the increase in total retail volume during the past week, according to Dun & Bradstreet, Inc., in its weekly survey of trade. Dollar volume was estimated to be considerably above that of the corresponding week a year ago. The supply of many goods continued to increase steadily and the trend toward more selectivity among shoppers was very noticeable.

Retail food volume was up slightly last week. The supply of almost all types of food was plentiful and some price declines were noted. The consumer demand for canned foods was moderate. Some resistance was reported to the current price of certain commodities such as lard, canned fish and canned tomatoes.

The arrival of cool weather stimulated consumer interest in heavy outerwear and suits. There was a slight increase in the supply of men's overcoats with selections of suits limited. The demand for women's apparel was high and the number of requests for coats rose sharply after the lull induced by warm weather in the previous week. Sportswear, dresses, lingerie and many main floor items were eagerly sought. The demand for children's wear was up the past week. Shoes continued to attract a large share of the consumer attention.

The sharp increase in the number of requests for small gift items in the week was indicative of the start of the Christmas shopping season. Interest in furniture and bedding remained at a very high level. Housewares continued to be high among the list of best sellers in the durable goods line with the supply of aluminumware adequate.

Retail volume for the country last week was estimated to be from 22 to 26% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England 21 to 25, East 22 to 26, Middle West 18 to 22, Northwest 24 to 28, South 26 to 30, Southwest 23 to 27 and Pacific Coast 20 to 24.

Increased selectivity, resistance toward the price of some commodities, future uncertainties and some Election Day closings were frequently reported as the reasons for a slight decline in wholesale volume during the week. New order volume remained very high despite the small weekly decline and total volume was well above that of the corresponding week a year ago. Deliveries continued to improve generally.

Department store sales on a country wide basis, as taken from the Federal Reserve Board's index for the week ended Nov. 2, 1946, increased by 17% above the same period of last year. This compared with an increase of 23% in the preceding week. For the four weeks ended Nov. 2, 1946, sales increased by 20% and for the year to date by 29%.

Here in New York City the past week retail trade's reaction to the ending of the trucking and United Parcel tie-ups was one of improvement. An increase of about 18% was noted in department store sales but merchants were of the opinion that the volume would have been greater had it not been for the continued warm weather which affected adversely the turnover of seasonal merchandise. The arrival of buyers in the week to attend the spring apparel openings were numerous. Favorable reports were received from wholesale grocers of continued high food sales in most lines, however, some consumer price resistance was noted. It was also recorded that retailers of men's wear purchased practically all available spring merchandise.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Nov. 2, 1946, decreased 7% below the same period last year. This compared with an increase of 3% 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 Nov. 2, 1946, sales declined 1% but for the year to date increased 30%.

Mid-1946 'Real' Wages Higher Than Before War

Wage earners, almost without exception, could purchase more in terms of goods and services in mid-1946 than before the war, according to a study of the wage-cost-price dilemma issued on Nov. 6 by the National Industrial Conference Board.

This situation existed, according to the Board's study, despite the loss of real net spendable earnings or "take home" pay in certain industries since the end of the war. In mid-1946, the average manufacturing worker had approximately $8 more per week in purchasing power at his command than in 1939, and could thereby raise his standard of living by more than a third.

Coal miners, the Conference Board points out, made even greater gains than did manufacturing workers. In June, 1946, the real weekly take-home for anthracite miners was 65.6% above 1939, while the amount for the soft coal miners nearly doubled during the same period. Wage increases granted in other non-manufacturing industries were somewhat less spectacular. The Board also says:

Earnings After World Wars I & II

"Wage-earner income and the cost-of-living index pursued the same general trends in the first peacetime years after both World Wars. The factors underlying the behavior of earnings and living costs were often quite different, but the results were generally the same during the two periods. In both cases, however, actual weekly earnings in manufacturing were relatively stabilized, the cost of living went up, and the real take-home of factory workers declined somewhat from wartime peaks.

"Increases in basic wage rates were the chief causes of the doubling of weekly earnings between 1914 and October, 1918. During World War I, actual hours of work declined. In contrast, the 90% rise in weekly earnings during World War II was largely the result of increases in premium payments for overtime, a longer work week, and a shift to higher-paid munitions and durable goods industries. The increase in basic wage rates was no more than 35%.

"Following World War II, cutbacks of two to six hours in the average work week, with the accompanying elimination of premium payments for overtime, brought demands for hourly rate increases to maintain weekly earnings. Labor unions led the fight, and the government was quick to support the idea. As a result, a reduction of 10.5% in hours worked in mid-1946 was accompanied by a decline of only 2.3% in take-home pay.

"While the earnings parallel between 1946 and 1919 is close, other important economic factors are found to be considerably different. Peacetime productive capacity, for example, now far exceeds 1919 capacity. Current liquid funds are estimated at more than three times those of 1919. The government debt at the end of World War II is almost 10 times that of World War I."

Munitions Board Head Controls Army-Navy Buy'g

A civilian, Richard R. Deupree, Executive Chairman of the Army and Navy Munitions Board, has had final authority over Army and Navy buying since Oct. 15, it was revealed on Oct. 24 by Mr. Deupree in Cincinnati, according to Washington advices from the Associated Press. Mr. Deupree's official status was conferred in an Executive Order of President Truman which the Munitions Board Chairman made public, without comment.

Although there was no official comment on the announcement from the White House or the War and Navy Departments, it was reported that Army officials had said privately that the action was a "step in the right direction" toward unification of the armed services, and added that the move would undoubtedly mean a saving of money and personnel to the government. In its advices the Associated Press also had the following to say:

The Munitions Board was established by the War and Navy Departments in 1922, and was made directly responsible to the President in 1939. Originally it was charged with harmonizing Army and Navy procurement of war materials only, but its scope now has been broadened to cover all the materials which both services use.

The Executive Order, as released by Mr. Deupree, stated that he "is specifically charged with the responsibility for making final decision in matters pertaining to the allocation of joint procurement responsibility between the Army and Navy."

"This includes the assignment of the procurement of any item to either department or to a joint agency," the order said. "It also includes the power of final decision in the event of disputes between the departments arising from the determinations made by him. Such decisions will be binding on both departments."

Previously the Munitions Board's proposals were subject to veto by either service.

The Board members, in addition to Mr. Deupree, are Kenneth C. Royall, Undersecretary of War, and W. John Kenney, Assistant Secretary of the Navy.

Dinner Dance of City Bank Club

Fifteen hundred members of City Bank Club, employees social organization of The National City Bank of New York and City Bank Farmers Trust Company, attended a dinner dance at the Hotel St. George, Brooklyn, on Nov. 8 celebrating the annual election of Club Officers. A new slate of eight officials was chosen to administer Club affairs in 1947. The Club is among the country's oldest in the banking field and was established in 1904.

Our Aim—Economic Progress Abroad and at Home

(Continued from page 2522)

And we must continue to exert that leadership.

It was recently my pleasure to preside, as Chairman, at the annual meeting of the Boards of Governors of the International Bank for Reconstruction and Development and of the International Monetary Fund.

Each of these institutions has distinct functions, but both have the common objective of a balanced world economy.

The International Bank will assume the immediate function of supplying capital for the reconstruction of war-devastated areas, and the more enduring function of stimulating the flow of international capital for development purposes.

Through my personal acquaintance with the Governors, the President, and the executive staff of the Bank, I have become fully confident that its operations will be sound and will produce the maximum of benefits. This is most important, for the trend of private investment in the future, much larger in scope, will necessarily inherit the results of our actions now.

The International Monetary Fund provides one of our principal hopes of promoting common standards of fair practice in the commercial relations of nations.

We have attached the greatest importance to the program of building a sound basis for world trade, since it is the only alternative to uncontrolled currency restrictions and discriminating trade practices, both of which are ruinous to economic stability and world prosperity. Such methods restrict rather than expand the benefits of productivity. They breed distrust and discontent that undermine our whole process of international cooperation and threaten the peace.

No one is inclined to believe that the dollars made available to the world through our contribution to UNRRA, our subscriptions to the Fund and Bank, and our investments in direct credits will, alone, bring us a new world in which every one is prosperous.

We have simply taken the basic steps necessary to permit the orderly development of world economy. The lifeblood of its full development will be, as it has been in the past, free enterprise and private capital venture.

Once the institutions we have helped to create, and our direct advances and relief expenditures have given new life to the productive capacity of the world, and have created fair practices under which its maximum development can be achieved, then we will have the ideal foundation for the free operation of enterprise and capital.

U. S. Major Source of Capital

Obviously the United States must be the major source of such private capital for several years, since virtually all creditor nations have been devastated by war. This prospect offers a challenge to the ability of our capital to function intelligently and flexibly. Unless it avoids the mistakes of the past, we will have wasted not only our resources, but a critical opportunity and responsibility. We must remember that unproductive capital impoverishes both the lender and the borrower.

Our contributions to these international cooperative enterprises for world recovery and progress constitute a beginning, rather than the fulfillment of our aims.

We must guard against that quality of impatience in our American character which might impel us into a "what's the use" psychology. We must not drift into a new isolationism of frustration under which this richest and most powerful nation will let its potential for world leadership be curbed or its influence for world betterment be dissipated.

Impatience for getting on with the job has contributed much to our material progress as a nation. But we should never have any illusions about the extent of time and effort necessary to cure the ills of a war-wrecked universe. We must display forbearance; we must strive for sympathy and understanding with our neighbors. Above all, we must not become discouraged.

Domestic vs. Foreign Problems

Another danger we American people have to combat is the temptation to concentrate our attention, and our energies, on our own domestic affairs, to the exclusion of international responsibilities. It is true that we can meet those responsibilities only if we remain strong and healthy at home. But we must not entirely lose sight of the rest of the world in our preoccupation with political and economic complications here.

No one would deny that we do have problems at home, serious ones, such as those involving labor and management, annoying ones, such as our temporary shortages of this or that.

But along with our amazingly rapid reconversion to peace, in the swelling tide of production, in the record level of employment, and in the greatest material prosperity we or any other nation has ever achieved, we must find time to consider our international responsibilities.

Actually we cannot separate our concern for a stable economy at home from our concern for a stable world economy. A continuing prosperity in these United States in the long run will contribute more decidedly to world health than all the steps we have taken thus far.

There are many elements of strength in our present situation that hold forth a promise of continued full production and wide distribution of goods, and of an expanding trade for a long period ahead. Current record earnings and the accumulated savings of our people represent a tremendous purchasing power. There is the demand for consumer goods, a vast, unsatisfied demand at home and throughout the world. There is the great potential expansion of our facilities for providing products and services for our own country and for export.

As I have said before, I do not believe there is reason for a depression psychology. Most of our so-called obstacles to continuing economic well-being will disappear if we will but submerge immediate self-interests and concentrate on long-range advantages.

If we can match the elements of material stamina that exist in our country with an equal moral stamina, there need be no interruption of our era of progress. Then our American system of democracy and free enterprise will carry us forward to new heights of prosperity at home, and to new heights of opportunity in the community of nations.

I have a firm belief that the same system of free enterprise that made our own country strong and prosperous holds the greatest promise to the world for prosperity and peace.

Trade Barriers Must Be Reduced

(Continued from first page)

unification of the American and British Zones is a desirable step in this direction. Germany must be permitted to produce if she is to become self-supporting and if she is to contribute to the economic life of neighboring nations.

American policy did not foresee a Germany separated into rigid economic zones. This development is contrary to the principle of economic liberalism, which, for a number of years, has been an essential element in American foreign policy. This phase of American foreign policy had its origins in the Reciprocal Trade Agreements program of Secretary Hull, who, as a true economic liberal, recognized that freer trade is essential in providing a suitable economic environment for the forces of peace.

Multilateralism Needed

The great advantage flowing from freer world trade and from multilateralism in trade do not need to be elaborated upon in this group which, through long practical experience, is well aware of the destructive and self-defeating effects of trade barriers.

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

As an important step in the reduction of trade barriers, the Secretary of State, on Dec. 6, 1945, released for the consideration of the peoples of the world a document with which you are all familiar; "Proposals for Expansion of World Trade and Employment." These proposals were endorsed not only by the Executive Branch of the Government of the United States, but on all important points, by the United Kingdom and France.

The International Chamber of Commerce, at its Council meeting in June, gave full endorsement to the fundamental tenets and broad aims of the American Government and submitted resolutions to that effect to the President of the Economic and Social Council of the United Nations. The International Chamber has recently been granted top consultative capacity to this important body. It is the only international business organization which has been granted such status, a fact which makes it possible for business men throughout the world to participate in the deliberations of the Economic and Social Council and of its various subcommittees.

ITO Plans

In line with the proposals and recommendations of the American Government, the Economic and Social Council has already issued a call for an International Conference on Trade and Employment to be held sometime in 1947. In the meanwhile, a preparatory committee is now meeting in London to make tentative plans for this Conference and to review the suggested charter for an International Trade Organization, recently issued by our Department of State.

This charter contemplates that the International Trade Organization, by working in close harmony with the Economic and Social Council of the United Nations, will promote national and international action for the reduction of tariffs and other trade barriers, for the elimination of all forms of discriminatory treatment in international commerce and, in general, for the promoting of economic conditions essential to the maintenance of world peace.

In the near future, the American Government, under the terms of the Reciprocal Trade Agreements Act, will proceed with actual negotiations for the reduction of trade barriers. Reciprocal concessions on the part of the negotiating nations will provide an extensive area in which, in accordance with the Atlantic Charter and the Master Lend-Lease Agreement, nations may have access, on equal terms, to the trade and raw materials of the world.

These are doctrines to which consistent support has been given by the National Foreign Trade Council and by all groups associated with the International Chamber of Commerce. Had the doctrines which we espoused been translated into effective action in the decade of the '20's and '30's, the second World War, which plunged Europe and the rest of the world into frightful economic and political chaos, might not have occurred. The countries of Western Europe are now emerging from that chaos and have staged a substantial recovery. Further recovery and a sustained level of well-being are dependent largely upon the willingness of nations to reduce trade barriers. Their willingness to do so will depend upon our leadership. Continued American leadership is essential if trade restrictions are to be removed and strength is to be given to the forces of economic and political liberalism.

The World Trade Corporation

Before I close I would like to make brief reference to the World Trade Corporation, which was established early this year by Act of the Legislature of the State of New York, and of which I am Chairman of the Board of Directors.

The Act setting up this corporation required that the board of directors make a report to the Legislature of the State of New York, setting forth its ideas as to what action might be taken in the State of New York to encourage the expansion of world trade. The Act requires that any proposed project should have a municipal sponsor, which means that if the project should be developed in New York City, the sponsor would, of course, be the City of New York.

The opportunities for action to aid and promote the flow of international trade through the Port of New York are obviously varied and numerous and the members of the Board of Directors of the World Trade Corporation have been giving a great deal of time and thought to the selection of the steps best calculated to bring about the desired result. It is our hope that we shall be able to render a constructive report to the Legislature covering this entire subject in time for consideration at its next session.

Molotov Calls on Truman

The Soviet Foreign Minister, Vyacheslav M. Molotov, paid a "courtesy" visit to President Truman at the White House on Nov. 7, Associated Press Washington advices reported, and remained with the President, who was suffering from a cold, for about ten minutes. Mr. Molotov, who was in Washington to attend the anniversary party at the Soviet Embassy in celebration of the Russian 1917 revolution, was described by Charles G. Ross, Presidential press secretary, to have had "purely a social conversation" with the President, without the subject of politics entering into it. The Russian Foreign Minister was said to have expressed happiness at his reception in this country, and to have praised the Americans for being "delightful hosts."

Report on Gratuity Fund to Members Of Stock Exchange

The Trustees of the Gratuity Fund of the New York Stock Exchange, reported to members of the Exchange on Oct. 22 that the net worth of the Gratuity Fund is now approximately $500,000 and that, beginning with the current quarter, members will again be billed for assessments, at the rate of $15 each, on the death of a member, to cover the gratuity payment of $20,000 payable to the family of the deceased member under the Constitution of the Exchange. The notice to the Exchange members went on to say:

"In accordance with the provisions of Section 7 of Article VI of the Constitution, the excess over $500,000 of the capital and accumulated income of the Fund has been used since January, 1941 to offset the required contributions of members on the deaths of other members. The net worth of the Gratuity Fund (valuing securities at market prices) at the time of the adoption of this Section of the Constitution was approximately $1,927,000. At the present date the net worth is approximately $519,000. During this five-year and nine-month period there have been 89 deaths of members, the assessments with respect to which have been offset by appropriations out of the Fund. Although the total net amount so appropriated has been approximately $1,780,000, the net reduction in the net worth of the Fund during this period has been only approximately $1,408,000. Appreciation and recoveries totalling approximately $230,000 in the values of securities held in the Fund, and net earnings of approximately $135,000 on the Fund made possible a larger total appropriation than originally anticipated and extended the period during which no net payments by members were required.

"The Trustees will make further appropriations from time to time when at the end of any quarter the excess of the net worth of the Fund above $500,000—which is the amount set forth in the Constitution—equals approximately $15 for each member of the Exchange.

"A full report of the operations of the Trustees of the Gratuity Fund will be included, as usual, in the Annual Financial Report of the Exchange. Inasmuch as the program instituted in 1941 for the reduction of the Fund to $500,000 is now completed, the Trustees are submitting this interim report of the results of this program."

John Rutherford is Chairman of the Gratuity Fund and William D. Scholle is Secretary and Treasurer. The other trustees of the Fund are Thatcher M. Brown, John A. Coleman, Clinton S. Lutkins, Laurence M. Marks and John J. Starkweather.

Suspends Czech Credit

A British Foreign Office spokesman disclosed on Nov. 4 that Great Britain had suspended action on a $10,000,000 credit to Czecho-Slovakia which, like the United States credit of $50,000,000 recently announced as suspended, was to have been in the form of surplus war materials, Associated Press advices stated. One of the factors reported to have influenced the United States, when the State Department requested the Export-Import Bank to suspend credit negotiations, was that the Czechs were planning to sell some of the surplus war goods to Romania at a profit, and the Foreign Office spokesman said that "this factor was borne in mind" when the British Government had the matter under consideration.

Condition Of National Banks

The statement of condition of the National Banks under the Comptroller's call of June 29, 1946, has just been issued and is summarized below. For purposes of comparison, like details for previous calls back to and including June 30, 1945, are included.

CONDITION OF NATIONAL BANKS IN THE UNITED STATES ON JUNE 30, DEC. 31, 1945 AND JUNE 29, 1946
(In thousands of dollars)

	June 30, 1945 (5,021 banks)	Dec. 31, 1945 (5,023 banks)	June 29, 1946 (5,018 banks)
ASSETS	$	$	$
Loans and discounts, including overdrafts	12,389,133	13,948,042	14,498,441
U. S. Government securities, direct obligations	47,230,307	51,459,960	47,465,475
Obligations guaranteed by U. S. Government	25,156	7,746	7,401
Obligations of States and political subdivisions	2,200,505	2,341,725	2,454,265
Other bonds, notes and debentures	1,422,677	1,656,865	1,945,946
Corporate stocks, including stocks of Federal Reserve banks	141,256	145,313	143,654
Total loans and securities	*63,409,034*	*69,559,651*	*66,515,182*
Cash, balances with other banks, including reserve balances, and cash items in process of collection	17,612,951	20,178,789	18,661,851
Bank premises owned, furniture and fixtures	503,793	495,105	495,932
Real estate owned other than bank premises	12,960	10,068	10,038
Investments and other assets indirectly representing bank premises or other real estate	45,937	46,384	46,916
Customers' liability on acceptances outstanding	27,191	41,943	58,049
Interest, commissions, rent and other income earned or accrued but not collected	135,460	147,946	140,255
Other assets	47,507	55,870	64,831
Total assets	81,794,833	90,535,756	85,993,054
LIABILITIES			
Demand deposits of individuals, partnerships and corporations	37,126,500	40,970,935	42,560,021
Time deposits of individuals, partnerships and corporations	14,315,450	15,960,051	17,173,998
Deposits of U. S. Government and postal savings	13,210,056	14,163,153	7,696,306
Deposits of States and political subdivisions	3,153,723	3,487,711	4,006,759
Deposits of banks	8,251,954	9,230,786	7,816,787
Other deposits (certified and cashiers' checks, etc.)	767,854	1,430,311	1,240,887
Total deposits	76,825,537	85,242,947	80,494,758
Demand deposits	*62,093,681*	*68,858,312*	*62,859,192*
Time deposits	*14,731,856*	*16,384,635*	*17,635,566*
Bills payable, rediscounts and other liabilities for borrowed money	5,209	77,969	24,441
Mortgages or other liens on bank premises and other real estate	59	89	325
Acceptances executed by or for account of reporting banks and outstanding	31,776	47,943	71,061
Interest, discount, rent and other income collected but not earned	26,482	31,484	43,367
Interest, taxes and other expenses accrued and unpaid	194,885	209,956	221,003
Other liabilities	238,332	269,631	264,522
Total liabilities	77,322,280	85,880,019	81,119,477
CAPITAL ACCOUNTS			
Capital stock (see memoranda below)	1,624,184	1,658,839	1,683,489
Surplus	1,875,277	2,011,403	2,100,222
Undivided profits	692,146	688,986	788,759
Reserves and retirement account for preferred stock	280,946	296,509	301,107
Total capital accounts	4,472,553	4,655,737	4,873,577
Total laibilities and capital accounts	81,794,833	90,535,756	85,993,054
MEMORANDA			
Par value of capital stock:			
Class A preferred stock	75,296	66,646	44,106
Class B preferred stock	4,360	3,748	3,318
Common stock	1,544,755	1,588,656	1,636,253
Total	1,624,411	1,659,050	1,683,677
Retirable value of preferred capital stock:			
Class A preferred stock	113,019	103,614	59,128
Class B preferred stock	5,608	4,939	4,466
Total	118,627	108,553	63,594
Pledged assets and securities loaned:			
U. S. Government obligations, direct and guaranteed, pledged to secure deposits and other liabilities	17,765,985	19,229,157	14,260,418
Other assets pledged to secure deposits and other liabilities, includ. notes and bills rediscounted and securities sold under repurchase agreement	351,843	353,866	358,046
Assets pledged to qualify for exercise of fiduciary or corporate powers and for purposes other than to secure liabilities	101.277	109,439	107,997
Securities loaned	6,931	4,384	13,409
Total	18,226,036	19,696,846	14,739,870
Secured liabilities:			
Deposits secured by pledged assets pursuant to requirements of law	15,923,659	17,269,578	11,253,323
Borrowings secured by pledged assets, including rediscounts and repurchase agreements	5,209	77,969	24,441
Other liabilities secured by pledged assets	7	10	6
Total	15,928,875	17,347,557	11,277,770
Demand deposits:			
Deposits of individuals, partnerships and corporations	37,126,500	40,970,935	42,560,021
Deposit of U. S. Government:			
War loan and Series E bond accounts	12,868,475	13,841,894	7,431,239
Other accounts	258,145	243,036	187,958
Deposits of States and political subdivisions	2,858,679	3,182,679	3,664,746
Deposits of banks in the United States (including private banks and American branches of foreign banks)	7,669,129	8,586,132	7,121,558
Deposits of banks in foreign countries (including balances of foreign branches of other American banks, but excluding amounts due to own foreign branches)	544,899	603,325	652,783
Certified and cashiers' checks (including dividend checks), letters of credit and travelers' checks sold for cash and amounts due to Federal Reserve banks (transit account)	767,854	1,430,311	1,240,887
Total demand deposits	62,093,681	68,858,312	62,859,192
Time deposits:			
Deposits of individuals, partnerships and corporations:			
Savings deposits	13,731,807		
Certificates of deposit	367,025		
Deposits accumulated for payment of personal loans	27,047	15,960,051	17,173,998
Christmas savings and similar accounts	100,174		
Open accounts	89,397		
Total	14,315,450	15,960,051	*17,173,998*
Deposits of U. S. Government	78,379	75,244	74,217
Postal savings deposits	5,057	2,979	2,892
Deposits of States and political subdivisions	295,044	305,032	342,013
Deposits of banks in the United States (including private banks and American branches of foreign banks)	33,874	35,527	35,644
Deposits of banks in foreign countries (including balances of foreign branches of other American banks, but excluding amounts due to own foreign branches)	4,052	5,802	6,802
Total time deposits	14,731,856	16,384,635	17,635,566
Ratio of required reserves to net demand plus time deposits:			
Total, Central Reserve city banks	18.87%	18.82%	18.72%
Total, Reserve city banks	16.54%	16.47%	16.32%
Total, Country banks	10.99%	11.08%	11.10%
Total, all member National banks	15.04%	14.94%	14.78%

Cotton Crop Report As of October 1

A United States cotton crop of 8,724,000 bales is forecast this year by the Crop Reporting Board of the Bureau of Agricultural Economics based on information reported by farmers and ginners as of Oct. 1. This is 447,000 bales or 4.9% less than the Sept. 1 forecast. The indicated production is less than for any year since 1921 and compares with 9,015,000 bales produced in 1945 and the 10-year average of 12,553,000 bales. Lint yield per acre, computed at 235.6 pounds is the smallest since 1941. The 1945 lint yield per acre was 251.0 pounds and the 10-year average 243.2 pounds.

Decreases in prospective production from a month ago were general throughout the Cotton Belt with Mississippi, Arkansas, and Alabama showing sharp drops. Production in the western irrigated States improved slightly during September.

Drought which prevailed over wide areas of Arkansas during August continued in September and caused considerable premature opening. The drought and low night temperature retarded development of late cotton and reduced prospective production 135,000 bales. The Oct. 1 estimate for Mississippi is down 150,000 bales from a month ago, as frequent rains in June and July caused considerably greater weevil damage than anticipated. In northern Alabama excessive rains and cool weather during September were unfavorable.

In Texas, Alabama, and Georgia frequent rains during the past month delayed picking, and lowered the quality of lint. Throughout eastern States, cool weather in late August and September further retarded maturity of bolls and increased weevil damage. In States where rainfall was very heavy during the growing season the outturn from early picked fields was less than expected Many bolls normally considered safe showed heavy weevil damage.

Although the percentage ginned to Oct. 1, 1946 was higher than for the same period a year ago, it is considerably below the average for this season. The crop is generally later than usual and markedly so in Northwest Texas, Missouri, Tennessee, north Alabama, and Georgia. An early killing frost would make a large crop of "bollie" cotton and further reduce production in some areas.

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 five years, production would be 3,551,000 tons. Such a production would be 3.1% below the 1945 revised production of 3,664,000 tons and 32.2% below the 10-year average of 5,240,000 tons.

The Bureau of the Census reports 2,334,399 bales of cotton ginned from the crop of 1946 prior to Oct. 1, compared with 2,177,768 bales for 1945 and 3,988,150 bales for 1944.

McCaffrey Returns to Post In Commerce & Industry Association

After almost five years in the Army, Col. George H. McCaffrey has returned to his post as Director of Research of the Commerce an Industry Association of New York, it was announced on Nov. 11 by Thomas Jefferson Miley, Association Secretary. A Lieutenant-Colonel in the Infantry Reserve Corps. Col. McCaffrey went on active duty in World War II on Jan. 12, 1942, on leave of absence from the Association. Graduating from the School of Military Government at Charlottesville, he served overseas from May 10, 1943, to Aug. 24, 1946.

Plans to Return Borrowed Silver

Arrangements, it was announced on Oct. 10, have been completed by the Treasury and Office of Defense Plants, Reconstruction Finance Corporation, for the return to the Treasury of approximately 16,300 tons of silver borrowed in 1942 for use in RFC war plants. The Treasury Department in announcing this said:

"The silver was borrowed by the Defense Plant Corporation (now the Office of Defense Plants, RFC) for installation in war plants in the form of electrical conductors, chiefly heavy duty conductors known as bus bars. The installations were made in 13 plants located in 11 states. The plants were engaged in the production of scarce metals such as aluminum and magnesium. In its bus bar role the silver replaced copper, and its use released an equivalent amount of copper for other vital war purposes.

"Since the closing down of the war plants the silver has been in storage, under the protection of RFC guards. The storage points are scattered from coast to coast. The RFC will deliver the silver to the United States Mints at Denver and Philadelphia and the Assay Office in New York City.

"As presently stored, the silver is mostly in the form of slabs cut from bus bar sections, the slabs being eight to 12 inches wide, approximately half an inch thick, and two to six feet long. The two Mints and the Assay Office will recast it into either coinage ingots or commercial bars. About 138 tons of the silver will be recovered from large electrical transformers, in which it was used in place of copper as winding material.

"In most of the war plants, silver loss or damage apparently was neglibile. In some instances there was loss from such causes as oxidation, melting, or the effects of acid. Preliminary estimates are that the total loss will be but a small percentage of the total weight of 474,194,634 fine troy ounces originally delivered to the plants. The war plant silver is carried on the Treasury's books at a total value of about $551,000,000. Most of it is 'monetized' silver, valued at $1.29 per ounce.

"Approximately 14,000 tons of Treasury silver remains on loan to the War Department. It was borrowed for electrical conductor use in the atomic bomb project plant at Oak Ridge, Tennessee."

1946 Savings Bond Sales Pass $6 Billion Mark

Savings bond sales in 1946 passed the six million dollar mark, Secretary Snyder reported on Oct. 10. September sales of E. F. and G Savings Bonds totalled $494,111,000, bringing the year's total to $5,878,784,000 at the end of the month, according to the Treasury's announcement, which also said:

"Sales exceeded redemptions of these series by $1,142,350,000. Total of E. F and G bonds outstanding at the end of September reached $46,200,000,000, including the increase in value of Series E and F bonds during the nine months. This is a gain of $1,500,000,000 for the three series currently on sale.

"Total of E bonds outstanding at the end of September, $30,300,000,000, was 1.46% lower than at the beginning of the year. September E bond sales were $308,846,000.

"As a spur to bond sales in the last quarter, a publicity and advertising campaign will be staged from Armistice Day, Nov. 11, through Pearl Harbor Day, Dec. 7. The last such promotion was followed by a three-quarter billion sales month in July."

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. 12	122.24	116.61	121.25	119.20	116.22	110.34	112.37	117.60	120.02
11	Stock Exchange Closed								
9	122.20	116.61	121.25	119.20	116.22	110.34	112.37	117.60	120.02
8	122.17	116.61	121.25	119.20	116.22	110.34	112.37	117.60	120.02
7	122.17	116.61	121.25	119.20	116.22	110.34	112.37	117.60	120.02
6	122.14	116.61	121.25	119.20	116.22	110.34	112.37	117.60	120.02
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. 25	121.77	116.61	121.04	119.20	116.22	110.34	112.19	117.60	120.02
18	121.43	116.61	121.04	119.20	116.22	110.34	112.37	117.80	120.02
11	121.08	116.41	120.84	119.00	116.22	110.15	112.19	117.60	119.82
4	121.05	116.61	121.25	119.00	116.61	110.34	112.56	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
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. 10, 1945	123.28	116.61	120.63	119.41	116.61	110.15	113.12	116.61	120.02
2 Years Ago Nov. 10, 1944	119.77	112.75	118.40	117.00	112.93	103.30	107.62	113.31	117.40

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. 12	1.56	2.82	2.59	2.69	2.84	3.15	3.04	2.77	2.65
11	Stock Exchange Closed								
9	1.56	2.82	2.59	2.69	2.84	3.15	3.04	2.77	2.65
8	1.57	2.82	2.59	2.69	2.84	3.15	3.04	2.77	2.65
7	1.57	2.82	2.59	2.69	2.84	3.15	3.04	2.77	2.65
6	1.57	2.82	2.59	2.69	2.84	3.15	3.04	2.77	2.65
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. 25	1.60	2.82	2.60	2.69	2.84	3.15	3.05	2.77	2.65
18	1.63	2.82	2.60	2.69	2.84	3.15	3.04	2.76	2.65
11	1.65	2.83	2.61	2.70	2.84	3.16	3.05	2.77	2.66
4	1.65	2.82	2.59	2.70	2.82	3.15	3.03	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
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. 10, 1945	1.53	2.82	2.62	2.68	2.82	3.16	3.00	2.82	2.65
2 Years Ago Nov. 10, 1944	1.86	3.02	2.73	2.80	3.01	3.55	3.30	2.99	2.78

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

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

National Fertilizer Association Commodity Price Index Advances Slightly

The wholesale commodity price index compiled by The National Fertilizer Association and made public on Nov. 12, registered a slight gain in the week ended Nov. 9, 1946, advancing to 181.3 from 181.0 in the preceding week. The index was at its all-time high point two weeks ago when it stood at 184.4. A month ago the index was 174.4, and a year ago 142.0, all based on the 1935-1939 average as 100. The Association's report added:

During the latest week one of the composite groups of the index advanced and two declined. The miscellaneous commodities index was higher with the increased prices for hides and cottonseed meal more than offsetting lower prices for linseed meal, bran and middlings. The farm products index declined slightly. The sharp break in cotton prices resulted in a 7.3% decline in the cotton index. The grains index was lower with prices mixed. The livestock index showd a small gain with higher prices for good cattle, hogs and sheep more than offsetting lower prices for calves, eggs, and live poultry. The textiles index declined slightly. There was no change in the foods index; higher prices for butter, flour, dressed fowl, canned salmon and cottonseed oil offset lower prices for cheese, corn meal, potatoes, meats and lard.

During the week 16 price series in the index advanced and 20 declined; in the preceding week 12 advanced and 21 declined; in the second preceding week 31 advanced and 10 declined.

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

% Each Group Bears to the Total Index	Group	Latest Week Nov. 9, 1946	Preceding Week Nov. 2, 1946	Month Ago Oct. 12, 1946	Year Ago Nov. 10, 1945
25.3	Foods	201.9	201.9	188.8	145.0
	Fats and Oils	279.3	280.1	193.0	146.6
	Cottonseed Oil	284.9	279.2	202.3	163.1
23.0	Farm Products	222.8	224.0	218.2	173.1
	Cotton	265.6	286.4	367.9	226.6
	Grains	214.4	215.6	223.1	167.6
	Livestock	225.1	222.2	193.6	166.8
17.3	Fuels	154.2	154.2	154.2	129.9
10.8	Miscellaneous commodities	154.8	151.1	143.5	132.8
8.2	Textiles	200.5	201.0	211.9	160.5
7.1	Metals	125.0	125.0	124.5	109.8
6.1	Building materials	184.5	184.5	178.3	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	181.3	181.0	174.4	142.0

*Indexes on 1926-1928 base were: Nov. 9, 1946, 141.2; Nov. 2, 1946, 141.0, and Nov. 10, 1945, 110.6.

Electric Output for Week Ended Nov. 2, 1946 18.7% Ahead of That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimates that the amount of electrical energy distributed by the electric light and power industry for the week ended Nov. 2, 1946, was 4,628,353,000 kwh., an increase of 18.7% over the corresponding week last year when electric output amounted to 3,899,293,000 kwh. The current figure also compares with 4,601,767,000 kwh., produced in the week ended Oct. 26, 1946, which was 16.9% higher than the 3,937,420,000 kwh., produced in the week ended Oct. 27, 1945. The largest increases were reported by the Southern States and Pacific States groups which showed increases of 31.0% and 27.3%, respectively, over the same week in 1945.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Georgraphical Division—	Week Ended— Nov. 3	Oct. 26	Oct. 19	Oct. 12	Oct. 5
New England	12.4	8.3	10.9	12.8	9.9
Middle Atlantic	10.0	7.9	9.7	9.7	7.8
Central Industrial	15.0	15.4	13.3	10.1	8.1
West Central	14.0	13.4	14.7	11.7	9.3
Southern States	31.0	31.3	28.4	24.1	19.5
Rocky Mountain	10.3	7.0	7.4	6.5	4.3
Pacific Coast	27.3	19.1	16.5	17.7	12.2
Total United States	18.7	16.9	16.0	14.3	11.2

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1946	1945	% Change Over 1945	1944	1932	1929
Aug. 3	4,351,011	4,432,304	— 1.8	4,399,433	1,415,122	1,729,667
Aug. 10	4,411,717	4,395,337	+ 0.4	4,415,368	1,431,910	1,733,110
Aug. 17	4,422,242	3,939,195	+12.3	4,451,076	1,436,440	1,750,056
Aug. 24	4,444,040	4,116,049	+ 8.0	4,418,298	1,464,700	1,761,594
Aug. 31	4,404,192	4,137,313	+ 6.5	4,414,735	1,423,977	1,674,588
Sept. 7	4,184,404	3,909,408	+ 7.0	4,227,900	1,476,442	1,806,259
Sept. 14	4,521,151	4,106,187	+10.1	4,394,839	1,490,863	1,792,131
Sept. 21	4,506,988	4,018,913	+12.1	4,377,339	1,499,459	1,777,854
Sept. 28	4,517,874	4,038,542	+11.9	4,365,907	1,505,216	1,819,276
Oct. 5	4,478,092	4,028,286	+11.2	4,375,079	1,507,503	1,806,403
Oct. 12	4,495,220	3,934,394	+14.3	4,354,575	1,528,145	1,798,633
Oct. 19	4,539,712	3,914,738	+16.0	4,345,352	1,533,028	1,824,160
Oct. 26	4,601,767	3,937,420	+16.9	4,358,293	1,525,410	1,815,749
Nov. 2	4,628,353	3,899,293	+18.7	4,354,939	1,520,730	1,798,164
Nov. 9	------	3,948,024	---	4,396,595	1,531,584	1,793,584
Nov. 16	------	3,984,608	---	4,450,047	1,475,268	1,818,169
Nov. 23	------	3,841,350	---	4,368,519	1,510,337	1,718,002
Nov. 30	------	4,042,915	---	4,524,257	1,518,922	1,806,225

Truman Plea for Congress' Cooperation

(Continued from first page)

terests, can we meet and solve the problems ahead of us.

The stake is large. Our great internal strength and our eminent position in the world are not, as some may too easily assume, indestructible.

I shall devote all my energy to the discharge of my duty with a full realization of the responsibility which results from the present state of affairs. I do not claim for myself and my associates greater devotion to the welfare of our nation than I ascribe to others of another party. We take the oath of office. We have at one time or another been equally willing to offer our lives in the defense of our country. I shall proceed, therefore, in the belief that the members of the Congress will discharge their duties with a full realization of their responsibility.

Inevitably, issues will arrive between the President and the Congress. When this occurs, we must examine our respective positions with stern and critical analysis to exclude any attempt to tamper with the public interest in order to achieve personal or partisan advantage.

The change in the majority in the Congress does not alter our domestic of foreign interests or problems. In foreign affairs we have a well-charted course to follow. Our foreign policy has been developed and executed on a bipartisan basis. I have done my best to strengthen and extend this practice.

Members of both parties in and out of the Congress have participated in the inner council in preparing, and in actually carrying out, the foreign policies of our government. It has been a national and not a party program. It will continue to be a national program in so far as the Secretary of State and I are concerned. I firmly believe that our Republican colleagues who have worked intelligently and cooperatively with us in the task will do so in the future.

My concern is not about those in either party who know the seriousness of the problems which confront us in our foreign affairs. Those who share great problems are united and not divided by them. My concern is lest any in either party should seek in this field an opportunity to achieve personal notoriety or partisan advantage by exploitation of the sensational or by the mere creation of controversy.

We are set upon a hard course. An effort by either the executive or the legislative branch of the government to embarrass the other for partisan gain would bring frustration to our country. To follow the course with honor to ourselves and with benefit of our country, we must look beyond and above ourselves and our party interests for the true bearing.

As President of the United States I am guided by a simple formula: To do in all cases, from day to day, without regard to narrow political considerations, what seems to me to be best for the welfare of all our people. Our search for that welfare must always be based upon a progressive concept of government.

I shall cooperate in every proper manner with members of the Congress and my hope and prayer is that this spirit of cooperation will be reciprocated.

To them, one and all, I pledge faith with faith and promise to meet good will with good will.

US Urged to Take Lead In Lifting Bans on International Travel

Urging the United States Government to "take the lead" in lifting burdensome restrictions upon international travel, a report made public on Nov. 3 by the Chamber of Commerce of the State of New York advocated regulating such travel with a view to simplifying and standardizing procedures relating to passports, visas and other formal documents. Drawn by the Committee on Foreign Commerce of which H. Harvey Pike is Chairman, the report said in part:

"People can travel freely throughout the United States even though there are 48 different states with widely varying laws. When a resident of the United States travels abroad, however, and when a resident of another country travels in the United States, whether for business or for pleasure, he immediately is confronted with all types of serious obstacles and barriers. These inconveniences in international travel are especially burdensome at the present time to American and foreign business men who find it necessary to travel extensively in war-torn areas. They are endeavoring to place their businesses once more on an efficient and economical operating basis, so that they can contribute their share to the restoration of the world's normal commercial life.

"The Government of the United States is commended on its generally far-sighted attitude in dealing with the overall problem of barriers to international trade and travel. But in this particular field it seems to have been remiss because this country, in common with most of the foreign countries, has erected a number of serious obstacles to international travel. A logical first step might be the calling of a conference of all the United States agencies regulating such travel with a view to elimination of needless restrictions and standardization of procedures."

Moody's Daily Commodity Index

Tuesday, Nov. 5, 1946	*
Wednesday, Nov. 6	355.7
Thursday, Nov. 7	352.0
Friday, Nov. 8	356.1
Saturday, Nov. 9	356.5
Monday, Nov. 11	*
Tuesday, Nov. 12	361.3
Two weeks ago, Oct. 29	348.2
Month ago, Oct. 11	340.5
Year ago, Nov. 10, 1945	263.6
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Oct. 15	371.6
Low, Jan. 2	264.7

*Holiday.

Weekly Coal and Coke Production Statistics

Production of bituminous coal during the week ended Nov. 2, 1946, was estimated by the United States Bureau of Mines at 12,400,000 net tons, compared with 12,500,000 tons in the preceding week and with 12,489,000 tons in the corresponding week of 1945. Cumulative production during the calendar year through Nov. 2, 1946, totaled some 451,311,000 tons, which was a decrease of 6.8% below the 484,277,000 tons mined in the comparable portion of 1945.

Preliminary estimates of soft coal production during the month of October, 1946, show 56,000,000 net tons, compared with 39,192,000 tons produced during October, 1945, when a widespread strike occurred in the soft coal fields.

Celebration of Mitchell Day and a religious holiday in the anthracite fields of Pennsylvania cut production for the week ended Nov. 2, 1946 to 848,000 tons, compared with an output of 1,296,000 tons in the preceding week and with 854,000 tons in the week ended Nov. 3, 1945. Cumulative production of hard coal in the calendar year through Nov. 2, 1946 was approximated at 50,781,000 tons, which was an increase of 8.5% above the 46,792,000 tons produced in the comparable period in 1945.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Nov. 2, 1946, showed an increase of 2,500 tons when compared with the output for the week ended Oct. 26, 1946; and it was 39,100 tons more than for the corresponding week of 1945.

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

	Week Ended			Jan. 1 to Date	
Bituminous coal and lignite—	Nov. 2, 1946	*Oct. 26, 1946	Nov. 3, 1945	†Nov. 2, 1946	Nov. 3, 1945
Total, including mine fuel	12,400,000	12,500,000	12,469,000	451,311,000	484,277,000
Daily average	2,067,000	2,083,000	2,082,000	1,758,000	1,871,000

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
Penn Anthracite—	‡Nov. 2, 1946	§Oct. 26, 1946	Nov. 3, 1945	Nov. 2, 1946	Nov. 3, 1945	Nov. 6, 1937
*Total incl. coll. fuel	848,000	1,296,000	854,000	50,781,000	46,792,000	43,718,000
†Commercial produc.	815,000	1,246,000	821,000	48,823,000	44,991,000	41,532,000
Beehive Coke—						
Uited States total	115,100	112,600	76,000	3,577,000	4,536,800	2,903,500

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

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

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

	Week Ended		
State—	Oct. 26, 1946	Oct. 19, 1946	Oct. 27, 1945
Alabama	391,000	358,000	386,000
Alaska	7,000	7,000	6,000
Arkansas	42,000	35,000	34,000
Colorado	154,000	151,000	173,000
Georgia and North Carolina	1,000	*	1,000
Illinois	1,448,000	1,428,000	1,519,000
Indiana	555,000	597,000	512,000
Iowa	25,000	27,000	57,000
Kansas and Missouri	119,000	114,000	116,000
Kentucky—Eastern	1,157,000	1,174,000	953,000
Kentucky—Western	394,000	392,000	450,000
Maryland	37,000	38,000	40,000
Michigan	1,000	1,000	4,000
Montana (bituminous and lignite)	90,000	82,000	91,000
New Mexico	29,000	25,000	30,000
North and South Dakota (lignite)	86,000	84,000	70,000
Ohio	846,000	823,000	746,000
Oklahoma	60,000	67,000	58,000
Pennsylvania (bituminous)	3,090,000	2,968,000	2,834,000
Tennessee	142,000	137,000	135,000
Texas (bituminous and lignite)	2,000	1,000	1,000
Utah	133,000	135,000	118,000
Virginia	381,000	377,000	387,000
Washington	22,000	19,000	29,000
†West Virginia—Southern	2,262,000	2,318,000	2,112,000
‡West Virginia—Northern	814,000	958,000	1,138,000
Wyoming	212,000	194,000	214,000
§Other Western States	*	*	1,000
Total bituminous and lignite	12,500,000	12,510,000	12,215,000

†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.

Non-Ferrous Metals—Call for Copper, Lead and Zinc Active—Platinum Situation Firmer

"E. & M. J. Metal and Mineral Markets," in its issue of Nov. 7, states: "The Republican sweep at the Nov. 5 election will hasten the end of most wartime controls, operators in non-ferrous metals believe. After OPA finally passes out of existence, the Commerce Department is expected to take over any controls that cannot be discarded quickly, and the Department of Interior may continue operation of the Premium Price Plan in the tapering-off period, Washington advices indicate. During the last week, decontrol orders by OPA came through at a fast rate, but major non-ferrous metals were not disturbed. Silver and iron ore were among the items freed by OPA. In reference to prices, foreign copper became firmly established at 17½c., f.a.s. basis; refined platinum was firmer, advancing to $70 an ounce troy; and quicksilver declined $3 per flask." The publication further went on to say, in part as follows:

Copper

The British Ministry of Supply has purchased a large tonnage of Canadian copper for delivery over the first half of 1947. The tonnage has not been fixed, owing to some uncertainty on the quantity of Canadian metal that will be available, but the settlement basis agreed upon is 17½c., f.a.s. Canadian ports. The foreign market last week was firm but generally unchanged at 17½c., f.a.s. New York equivalent, with buyers again willing to pay a premium on nearby metal.

Conditions in the domestic copper market have not altered. Fabricators are asking for more metal than is readily available, with wire and cable makers particularly active. The Government's stockpile is expected to decline over the remainder of the year.

The strike at Braden Copper, in Chile, has not yet been settled.

Lead

A strong case for decontrol of lead was presented by spokesmen for the industry to OPA officials on Oct. 31, but members of the advisory committee were given no encouragement that those in authority intend to alter their stand. The next move, it was felt in market circles, would have to take the form of an appeal for action to the Decontrol Board.

The supply situation remains tight, with producers holding to the view that relief will not come until controls are removed. Sales of lead last week totaled 3,827 tons.

December distribution of foreign and "kitty" lead will be discussed at a meeting in Washington on Nov. 22.

Stocks of lead at smelters and refining plants in the United States on Oct. 1, 1946, and Sept. 1, 1946, in tons according to the American Bureau of Metal Statistics:

	Oct. 1	Sept. 1
In ore, matte, and in process at smelters	118,037	117,915
In base bullion:		
At smelters and refineries	12,867	14,482
In transit to refineries	3,575	3,749
In process at refineries	16,320	15,392
Refined pig lead	30,867	26,686
Antimonial lead	10,077	7,589
Total stocks	191,743	185,813

Zinc

Producers of primary and secondary zinc base alloys, zinc anodes, zinc dust, wire, and battery cans were permitted by OPA to raise their ceiling prices to the extent of 1c. per pound of zinc contained in these items, effective Oct. 31.

The market situation in zinc was about unchanged last week, with demand for the grades used in galvanizing and die castings described as excellent.

Pend Orielle Mines & Metals Co. has entered a bid of $2,000,000 for the Government-owned aluminum plant in Tacoma, Wash. Should the company obtain the plant it intends to convert the property into an electrolytic zinc refinery.

The Tri-State ore market resumed functioning last week when smelters raised their bids to $54 per ton.

Iron Ore

OPA has decontrolled iron ore shipped on or after Jan. 1, 1947. Alloy steel, comprising about 8% of the total sales of steel, also has been decontrolled, effective on the same day.

Aluminum

With demand for aluminum absorbing an already greatly increased domestic production, the Civilian Production Administration is considering a proposal for Government purchases of ingots from Canadian sources. Requirements for next year will be huge, according to industry estimates, particularly if the metal is to be used extensively in the Government's housing program.

Tin

Price increases are expected for tin and tin-plate, according to Washington advices. The higher prices for tin, when it comes, is expected materially to reduce subsidy losses. However, consumers are obtaining November tin on the basis of 52c. a pound.

RFC has raised the export price of Grade A tin to the basis of 69½c. a pound, ex dock or store, New York, effective Nov. 1. The premiums allowed on small lots remain unchanged.

The supply situation in tin is such that allocation of the metal by CPA is expected to continue for some time.

Straits quality tin for shipment, in cents per pound, was nominally as follows:

	Nov.	Dec.	Jan.
Oct. 31	52.000	52.000	52.000
Nov. 1	52.000	52.000	52.000
Nov. 2	52.000	52.000	52.000
Nov. 4	52.000	52.000	52.000
Nov. 5		—Holiday—	
Nov. 6	52.000	52.000	52.000

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

Platinum

Offerings of refined platinum from "outside" sources have diminished, with the result that the undertone of the market has steadied. Effective Nov. 1, the quotation for wholesale lots became established at $70 an ounce, an advance of $1. However, on sales to consumers the market remained unchanged at $72.

Quicksilver

Business was placed last week in spot metal at $90 per flask, a decline of $3 compared with a week previous. Continued price uncertainty in reference to foreign metal caused most buyers to limit their purchases to small lots. Consumption of quicksilver in this country has been increasing and pressure to sell has been comparatively light.

London reports that the British authorities are about to lower the price to £25 per flask. The current quotation in the British market is £30.

Silver

OPA included silver in its decontrol order that became effective on Nov. 1. In view of the fact that the Treasury virtually controls the price because of its readiness to sell unpledged silver on the basis of 90.5c., the action taken by OPA had no influence on the market. The position of the market was unchanged last week, with consumers obtaining all of the metal they care to purchase at current prices. The New York Official quotation was maintained at 90⅛c. throughout the week. London continued unchanged 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. 31	14.150	17.425	52.000	8.25	8.10	9.25
Nov. 1	14.150	17.425	52.000	8.25	8.10	9.25
Nov. 2	14.150	17.425	52.000	8.25	8.10	9.25
Nov. 4	14.150	17.425	52.000	8.25	8.10	9.25
Nov. 5	Holiday	17.425		—Holiday—		
Nov. 6	14.150	17.425	52.000	8.25	8.10	9.25
Average	14.150	17.425	52.000	8.25	8.10	9.25

Average prices for calendar week ended Nov. 2, are: Domestic copper f.o.b. refinery, 14.150c; export copper f.o.b. refinery, 17.425c.; 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 0.075c. per pound is charged; for slabs 0.175c. up, and for cakes 0.225c. up, depending on weight and dimension; for billets an extra 0.95c. 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.

Loans by N. Y. State Savings & Loan Assns.

Loans made by savings and loan associations in the State of New York during the month of September, 1946 were approximately 130% over loans made by these Associations during the same month last year, according to figures recently made public by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations. During this month these institutions made 4,750 loans for a total volume of $23,797,593 as compared with 2,865 loans amounting to $10,667,054 made in September, 1945. The State's League of Associations added:

"Of the total amount loaned in September this year, $18,790,483 was for the purchase of homes; $2,434,333 was for the construction of new homes, $1,077,198 for refinancing of existing loans, and $1,495,579 was for repairs, modernization and all other purposes.

"Loans to veterans of World War II amounted to $10,737,378 on 1,707 loans amounting to more than 45% of the total loaned in September."

BLS Reports Strike Manpower Losses

The Bureau of Labor Statistics on Oct. 31 released figures showing that idleness in the United States due to strikes in the first nine months of 1946 was more than three times the similar loss in working time during all of 1945, which was the previous record year. From January through September of this year the report stated that 98,225,000 man-days had been lost because of management-labor disputes, the Associated Press reported from Washington. For all of last year the total was 38,025,000. Earlier peaks were 28,425,000 in 1937; 26,219,000 in 1927 and 23,048,000 in 1941. The number of strikes and lockouts for the three-quarter period totaled 3,575, as compared with 3,784 for all of 1945. The Associated Press also said:

"The reason for the big jump in man-days lost, officials said, is that postwar strikes have been bitter and for keeps, hence extended for longer periods. During the war walkouts generally were small, spontaneous and quickly settled."

Securities Exchange Act

The adoption of an amendment to paragraph (a) of Rule X-12D2-2 under the Securities Exchange Act of 1934 was announced on Oct. 8 by the Securities and Exchange Commission which had the following to say:

"Among other things, paragraph (a) of the rule permits an exchange, upon certification of certain facts to the Commission, to remove from listing and registration securities which have been 'retired.' Paragraph (a) is amended by the addition of a new sentence which makes it clear that securities shall be deemed to be retired within the meaning of the rule where all rights pertaining to such securities have been extinguished. Such an event may occur, for example, where a plan of reorganization under the Bankruptcy Act or the Public Utility Holding Company Act of 1935 makes no provision for a junior security, provided that the plan has received whatever final approval or confirmation may be necessary, that all applicable appeal periods have expired, and that no appeals are pending."

Daily Average Crude Oil Production for Week Ended Nov. 2, 1946, Increased 28,750 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 2, 1946, was 4,758,550 barrels, an increase of 28,750 barrels per day over the preceding week and a gain of 440,200 barrels per day over the corresponding week of last year. 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 Nov. 2, 1946, averaged 4,739,600 barrels. The Institute's statement further adds:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,769,000 barrels of crude oil daily and produced 14,594,000 barrels of gasoline; 1,948,000 barrels of kerosene; 5,371,000 barrels of distillate fuel, and 7,434,000 barrels of residual fuel oil during the week ended Nov. 2, 1946; and had in storage at the end of the week 85,930,000 barrels of finished and unfinished gasoline; 21,510,000 barrels of kerosene; 65,943,000 barrels of distillate fuel, and 61,636,000 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 Nov. 2, 1946	Change from Previous Week	4 Weeks Ended Nov. 2, 1946	Week Ended Nov. 3, 1945
**New York-Penna.	48,200		54,350	+ 3,750	52,000	50,550
Florida	----		----	----	----	150
**West Virginia	8,400		7,850	— 250	8,300	7,600
**Ohio—Southeast }	7,600		5,900	+ 250	5,750	4,850
Ohio—Other }			2,650	+ 200	2,450	3,300
Indiana	19,000		18,950	+ 350	18,750	13,650
Illinois	214,000		212,200	+ 7,950	207,500	205,700
Kentucky	30,000		30,150	+ 100	30,300	29,500
Michigan	47,000		48,850	+ 2,950	47,700	46,100
Nebraska	800		†750	----	750	800
Kansas	264,000	270,000	†279,100	— 1,250	274,450	241,850
Oklahoma	384,000	353,625	†362,450	+ 6,600	356,150	362,800
Texas—						
District I			19,450	----	19,450	----
District II			144,800	----	144,800	----
District III			449,300	----	449,300	----
District IV			214,300	----	214,300	----
District V			39,800	----	39,800	----
East Texas			316,000	----	316,000	----
Other Dist. VI			102,450	----	102,450	----
District VII-B			33,500	----	33,500	----
District VII-C			27,450	----	27,450	----
District VIII			484,650	----	484,650	----
District IX			129,700	----	129,700	----
District X			84,950	----	84,950	----
Total Texas	2,120,000	‡2,064,032	2,046,350	----	2,046,350	1,790,000
North Louisiana			90,800	+ 2,450	89,350	73,450
Coastal Louisiana			305,600	----	305,600	288,700
Total Louisiana	383,000	436,000	396,400	+ 2,450	394,950	362,150
Arkansas	77,000	80,284	73,500	+ 300	73,450	75,050
Mississippi	60,000		77,250	+ 1,300	75,850	53,850
Alabama	2,000		1,000	— 50	1,050	150
New Mex.-So. East }	100,000	106,000	99,100	----	99,100	93,800
New Mexico—Other }			450	----	450	400
Wyoming	100,000		109,600	+ 200	109,500	96,350
Montana	24,000		23,350	— 800	24,150	19,500
Colorado	32,000		38,750	+ 200	38,150	20,750
California	850,000	§842,500	869,600	+ 4,500	872,500	839,500
Total United States	4,771,000		4,758,550	+28,750	4,739,600	4,318,350
**Pennsylvania Grade (included above)			68,100	+ 3,750	66,050	63,000

*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.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m., Oct. 31, 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 NOV. 2, 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	707	84.3	1,804	19,638	9,349	24,704	12,423
Appalachian—								
District No. 1	76.3	103	72.0	308	2,467	488	636	379
District No. 2	84.7	60	96.8	203	813	73	147	265
Ind., Ill., Ky.	87.4	828	95.2	3,022	14,965	2,706	8,901	5,714
Okla., Kans., Mo.	78.3	376	80.2	1,412	8,742	1,382	3,374	1,357
Inland Texas	59.8	223	67.6	930	2,982	485	637	826
Texas Gulf Coast	89.2	1,189	97.0	3,231	13,144	3,967	10,785	8,150
Louisiana Gulf Coast	97.4	337	105.0	867	4,595	1,695	3,649	2,394
No. La. & Arkansas	55.9	65	51.6	170	1,500	426	480	216
Rocky Mountain—								
District No. 3	19.0	8	61.5	24	77	15	39	35
District No. 4	70.9	122	73.9	371	1,371	204	544	675
California	85.5	751	75.6	2,252	15,636	720	12,047	29,202
Total U. S. B. of M. basis Nov. 2, 1946	85.8	4,769	85.8	14,594	*85,930	21,510	65,943	61,636
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
U. S. B. of M. basis Nov. 3, 1945		4,749		14,963	†77,417	12,469	45,720	46,651

*Includes unfinished gasoline stocks of 8,456,000 barrels. †Includes unfinished gasoline stocks of 8,797,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 1,948,000 barrels of kerosine, 5,731,000 barrels of gas oil and distillate fuel oil and 7,434,000 barrels of residual fuel oil in the week ended Nov. 2, 1946, which compares with 2,055,000 barrels, 5,710,000 barrels and 7,728,000 barrels, respectively, in the preceding week and 1,636,000 barrels, 4,792,000 barrels and 9,183,000 barrels, respectively, in the week ended Nov. 3, 1945.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Nov. 6 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. 19, 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. 19 (in round-lot transactions) totaled 2,972,900 shares, which amount was 17.43% of the total transactions on the Exchange of 8,532,160 shares. This compares with member trading during the week ended Oct. 12 of 2,695,231 shares, or 15.54% of the total trading of 8,676,030 shares.

On the New York Curb Exchange, member trading during the week ended Oct. 19 amounted to 608,645 shares or 16.11% of the total volume on that Exchange of 1,888,810 shares. During the week ended Oct. 12 trading for the account of Curb members of 584,390 shares was 14.44% of the total trading of 2,024,035 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. 19, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	495,700	
‡Other sales	8,036,460	
Total sales	8,532,160	
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	963,750	
Short sales	266,740	
‡Other sales	752,000	
Total sales	1,018,740	11.62
2. Other transactions initiated on the floor—		
Total purchases	139,900	
Short sales	38,950	
‡Other sales	180,970	
Total sales	219,920	2.11
3. Other transactions initiated off the floor—		
Total purchases	219,410	
Short sales	81,120	
‡Other sales	330,060	
Total sales	411,180	3.70
4. Total—		
Total purchases	1,323,060	
Short sales	386,810	
‡Other sales	1,263,030	
Total sales	1,649,840	17.43

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

WEEK ENDED OCT. 19, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	34,465	
‡Other sales	1,854,345	
Total sales	1,888,810	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	201,260	
Short sales	23,755	
‡Other sales	190,650	
Total sales	214,405	11.00
2. Other transactions initiated on the floor—		
Total purchases	26,435	
Short sales	4,050	
‡Other sales	25,955	
Total sales	30,005	1.50
3. Other transactions initiated off the floor—		
Total purchases	72,590	
Short sales	2,850	
‡Other sales	61,100	
Total sales	63,950	3.61
4. Total—		
Total purchases	300,285	
Short sales	30,655	
‡Other sales	277,705	
Total sales	308,360	16.11
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	79,164	
Total purchases	79,164	
Total sales	100,638	

*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."

High Employment and Increasing Productivity Goal of Research Program of CED

Achieving and maintaining high employment and increasing productivity in the United States is the ultimate goal of the research program of the Committee for Economic Development, Research Director T. O. Yntema stated recently at a meeting of editors and publishers of the midwestern business press. Mr. Yntema outlined the future research studies planned by the CED, dealing with such subjects as the following:

"Ways of encouraging the development of small business; fiscal and monetary policy to combat inflation and deflation.

"Methods of stabilizing the construction industry; ways of bringing about a steady flow of investment in business and industry; actions businessmen can take in the management of their business affairs to help keep employment high and productivity increasing.

"Federal tax policies to encourage production and employment; practices and policies in labor-management relationships to foster increasing productivity and industrial peace; proper wage-price relationships to raise living standards and stimulate production and employment."

In all Mr. Yntema said, some 15 individual research studies and reports by economists are planned. Eventually, a summary report will be issued bringing the findings of all the studies to bear on the central problem of high employment and increasing productivity.

Making use of the findings of the economists, said the Research Director, the businessmen of the Research and Policy Committee will develop and issue statements making specific recommendations for public and business policies designed to promote economic stability and higher living standards for an increasing number of people.

Concerning the labor-management relations study recently approved by the CED trustees, Mr. Yntema stated that its aim is "to find a pattern of policies for management, labor and government which will:

1. avoid interruptions to production while management-labor disputes are being settled; and
2. lead to terms of settlement that serve the general public interest as well as the interests of the immediate parties to disputes."

The original research and preparation of a report has been undertaken by Profs. Douglass V. Brown and Charles Myers of Massachusetts Institute of Technology. They will have the benefit of consultation with a panel of businessmen and an advisory group of economists. The research report will present the findings and conclusions of the authors in accordance with the standard CED practice.

The businessmen members of the Research and Policy Committee will develop recommendations for all concerned in labor-management relations on the basis of the facts presented in the Brown-Myers report and with the aid of suggestions offered by the consulting groups of businessmen and economists.

In concluding his summary of the future research program, Mr. Yntema pointed out that "CED research rejects the idea of a regimented economy as a means of getting high production and employment. We are seeking for policies that will strengthen democratic free enterprise and at the same time bring continuous economic progress without the sharp dips that we have had in the past."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 6 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. 26, 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. 26, 1946

	Total
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	24,248
Number of shares	684,419
Dollar value	$27,640,498
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	194
*Customers' other sales	19,024
Customers' total sales	19,218
Number of Shares:	
Customers' short sales	7,847
*Customers' other sales	562,530
Customers' total sales	570,377
Dollar value	$21,895,529
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	146,600
Total sales	146,600
Round-Lot Purchases by Dealers—	
Number of shares	273,690

*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 $52,958,000 for Week

Civil engineering construction volume in continental United States totals $52,958,000 for the four-day week ending Nov. 7, 1946, as reported by "Engineering News-Record." This volume is 52% below the previous week, 16% above the corresponding week of last year, and 40% below the previous four-week moving average. The report issued on Nov. 7 added:

Private construction this week, $35,179,000, is 53% below last week and 16% above the week last year. Public construction, $17,779,000, is 48% below last week, and 16% greater than the week last year. State and municipal construction, $14,277,000, 53% below last week, is 21% above the 1945 week. Federal construction, $3,502,000, is 7% below last week and 1% below the week last year.

Total engineering construction for the 45-week period of 1946 records a cumulative total of $4,624,576,000, which is 147% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $2,811,815,000, which is 236% above that for 1945. Public construction, $1,812,761,000, is 76% greater than the cumulative total for the corresponding period of 1945, whereas state and municipal construction, $1,250,931,000 to date, is 287% above 1945. Federal construction, $561,830,000, dropped 21% below the 45-week total of 1945.

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

	Nov. 7, '46 (four days)	Oct. 31, '46 (five days)	Nov. 8, '45 (four days)
Total U. S. construction	$52,958,000	$109,385,000	$45,828,000
Private construction	35,179,000	75,090,000	30,452,000
Public construction	17,779,000	34,295,000	15,376,000
State and municipal	14,277,000	30,530,000	11,843,000
Federal	3,502,000	3,765,000	3,533,000

In the classified construction groups, 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: waterworks, sewerage, highways, commercial buildings, and public buldings.

New Capital

New capital for construction purposes this week totals $40,267,000, and is made up of $11,317,000 in state and municipal bond sales and $28,950,000 in corporate securities. New capital for construction purposes for the 45-week period of 1946 totals $2,994,375,000, 74% more than the $1,723,122,000 reported for the corresponding period of 1945.

September Civil Engineering Construction Totals $373,056,000

Civil engineering construction volume in continental United States totals $373,056,000 for September, an average of $93,264,000 for each of the four weeks of the month. This average is 14% below the average for August, and is 59% above the average of September, 1945 according to "Engineering News-Record." The report made public on Sept. 28, added in part:

Private construction for September on a weekly average basis is 15% below last month, but 37% greater than September, 1945. Public construction is 11% below last month and 113% above last September. State and municipal construction, while 8% below last month, is 197% above the average for September, 1945. Federal construction, down 23% from last month is 8% below September, 1945.

Civil engineering construction volume for September, 1946, August, 1946 and September, 1945 are:

	Sept., 1946 (four weeks)	Aug., 1946 (five weeks)	Sept., 1945 (four weeks)
Total U. S. Construction	$373,056,000	$541,325,000	$235,155,000
Private Construction	229,622,000	339,100,000	167,853,000
Public Construction	143,434,000	202,225,000	67,302,000
State and Municipal	118,066,000	160,991,000	39,702,000
Federal	25,368,000	41,234,000	27,600,000

New Capital

Final figures on new construction capital are not available. Due to the truck strike and resultant paper shortage, sale of State and municipal bonds and corporate securities have not yet been published for the last week of September.

Wholesale Prices Dropped 0.8% in Week Ended Nov. 2, Labor Department Reports*

Following a rise of 0.6% in wholesale prices during the week ended Oct. 26, average primary market prices dropped 0.8% during the week ended Nov. 2, largely because of lower prices for agricultural commodities, said the Bureau of Labor Statistics, U. S. Department of Agriculture on Nov. 7. At 134.8% of the 1926 average, the index on Nov. 2 of commodity prices in primary markets prepared by the Bureau was 7.8% above a month earlier and 27.3% above the corresponding week of last year.

The Bureau's further advices regarding prices in the week ended Nov. 2 follow:

"**Farm Products and Foods**—Lower quotations for corn, cotton and eggs were largely responsible for a decline of 2.1% in average market prices of farm products. Increased supplies from the new crop lowered corn prices. Wheat, oats and rye moved up, influenced by the decontrol of cereal and bakery products. Quotations for steers, lambs and live poultry advanced, but hog prices were down, with the largest shipments to market in more than two years. Egg prices continued to decline with increased supplies of meat. Cotton continued the sharp drop begun the previous week. Prices of fresh fruits, including apples, lemons, oranges and bananas rose. Large supplies lowered prices of potatoes and onions. On the average, prices of farm products were 29% higher than in the corresponding week of 1945.

"The drop of 2.4% in the group index for foods was due largely to further price declines for most meats, but quotations for cured pork, still scarce, were higher. Butter prices advanced following the decline of the previous week, and cheese, still in short supply, moved up. The decontrol of cereal products on Oct. 24 was followed by increases in flour quotations averaging 9%, and higher prices for some bakery products. Bread quotations generally remain unchanged. Canners' prices for canned salmon from the new pack were advanced. Prices for corn syrup declined while lard and edible tallow were down, with reports of increased resistance to high prices. Green coffee quotations declined following the advance of the previous week. Food prices on the average were 22.4% above a month earlier and 55.6% above a year ago.

"**Other Commodities**—Average prices of all commodities other than farm products and foods rose 0.8% during the week. Quotations for cotton goods and some woolen dress goods rose, reflecting higher costs of materials. Barytes and linseed oil, not under OPA control, rose sharply and were largely responsible for the 2.4% advance in the group index for building materials. Stock mill work prices moved up to higher ceilings granted earlier. Prices for inedible tallow more than doubled following decontrol on Oct. 29. Cottonseed meal continued to advance but most other fertilizer materials, still under price control, were unchanged. Quotations for butyl acetate and bismuth subnitrate also were higher. Soybean oil prices dropped from the high levels of the previous week. Higher prices followed ceiling adjustments for some furniture and mattresses, and sewing machine prices increased. Contract quotations for newsprint advanced to higher ceilings previously allowed. Prices for tobacco products and cattlefeed, exempt from OPA control, were up."

Inasmuch as the figures for the week ended Oct. 26 have not heretofore been given in these columns (the last referred to were those of Oct. 19, in our Oct. 31 issue, page 2277) we note here that for the Oct. 26 week average primary market prices increased 0.6%, chiefly because of higher prices for livestock which had been removed from OPA control in the previous week. As to the figures for the week ended Oct. 26, the Bureau also said:

"There was a sharp break in cotton quotations from 20 year highs. At 135.9% of the 1926 average, the index of commodity prices in primary markets prepared by the Bureau was 20.6% higher than before temporary suspension of controls at the end of June, and 28.6% above late October, 1945."

Also for the week ended Oct. 26 the Bureau stated:

"**Farm Products and Foods**—Substantial increases for livestock, which more than offset smaller declines for grains and other farm products, raised the group index for farm prodcuts 6.2% during the week. Quotations for hogs were up nearly 50% and steers nearly 40%, and calves and cows rose 16%. Quotations for sheep, live poultry and eggs declined, reflecting reduced demand with record shipments of hogs and steers. Most grain quotations were lower during the week. Liberal supplies of corn, and reduced demand for feed resulted in declines for corn, oats and rye. Wheat quotations were slightly lower as flour millers, still operating under ceilings, resisted higher grain costs. Potatoes, onions and apples were lower in price with good supplies, while prices of oranges increased. Heavy demand for linseed oil resulted in an increase of nearly 75% in flaxseed prices following decontrol. Prices of alfafa also increased because of reduced shipments due to the railroad car shortage. Farm products were 21.2% above the end of June and 33.2% above a year ago.

"Food prices dropped 3.2% during the week largely because of lower prices of meat, butter and lard as consumers resisted last week's high levels. Veal and mutton prices were up. The decline of 6% for butter followed decontrol of other edible oils. Cheese prices continued to advance. There were sharp increases for a number of other commodities recently removed from control, including coffee, oleomargarine and other fats and oils. The group index for foods was 49.8% higher than at the end of June and 60.3% above the corresponding week of last year.

"**Other Commodities**—Average prices of other commodities rose 0.3% during the week. There were sharp increases for fertilizer materials, cattle feed and soybean oil recently removed from OPA control. Natural menthal prices were lower. Uncontrolled prices of India goat skins resumed their advance, sustained by strong world demand. Textile products increased slightly with higher prices of gingham and sisal rope. Higher costs of linseed oil resulting in ceiling adjustments, caused small price increases for hard surface floor covering. Prices of natural gasoline increased. The group index for all commodities other than farm products and foods was 7.3% higher than at the end of June, and 13.0% above a year ago."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED NOV. 2, 1946

(1926=100)

Commodity Groups—	11-2 1946	10-26 1946	10-19 1946	10-5 1946	11-3 1945	Percentage changes to Nov. 2, 1946, from— 10-26 1946	10-5 1946	11-3 1945
All commodities	134.8	135.9	135.1	125.1	105.9	— 0.8	+ 7.8	+27.3
Farm products	166.5	170.1	160.1	158.0	129.1	— 2.1	+ 5.4	+29.0
Foods	165.9	169.9	175.6	135.5	106.6	— 2.4	+22.4	+55.6
Hides and leather products	143.3	143.3	141.5	141.1	119.1	0	+ 1.6	+20.3
Textile products	127.3	126.5	126.3	125.9	100.0	+ 0.6	+ 1.1	+27.3
Fuel and lighting materials	94.8	95.0	95.0	95.0	84.5	— 0.2	— 0.2	+12.2
Metals and metal products	114.4	114.4	114.4	114.2	105.2	0	+ 0.2	+ 8.7
Building materials	137.4	134.2	134.2	134.1	118.2	+ 2.4	+ 2.5	+16.2
Chemicals and allied products	103.5	99.5	98.8	98.6	95.5	+ 4.0	+ 5.0	+ 8.4
Housefurnishings goods	117.3	115.9	115.7	115.1	106.4	+ 1.2	+ 1.9	+10.2
Miscellaneous commodities	105.4	103.7	102.5	102.2	94.6	+ 1.6	+ 3.1	+11.4
Special Groups—								
Raw materials	150.9	153.0	146.3	144.5	118.2	— 1.4	+ 4.4	+27.7
Semi-manufactured	120.6	117.7	117.5	116.9	96.7	+ 2.5	+ 3.2	+24.7
Manufactured products	130.4	131.7	133.7	118.1	101.9	— 1.0	+10.4	+28.0
All commodities other than farm products	127.9	128.5	129.7	117.8	100.8	— 0.5	+ 8.6	+26.9
All commodities other than farm products and foods	114.0	113.1	112.8	112.6	100.1	+ 0.8	+ 1.2	+13.9

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM OCT. 26, 1946 TO NOV. 2, 1946

Increases			
Oils and fats	28.4	Furnishings	1.2
Paint and paint materials	13.2	Dairy products	1.0
Cereal products	5.0	Cotton goods	0.8
Fruits and vegetables	4.4	Hosiery and underwear	0.6
Cattle feed	3.8	Other building materials	0.6
Other textile products	3.3	Livestock and poultry	0.4
Paper and pulp	2.6	Chemicals	0.3
Other miscellaneous	1.6	Fertilizer materials	0.3
Furniture	1.3	Woolen and worsted goods	0.2
Decreases			
Meats	8.6	Grains	2.0
Other farm products	4.0	Other foods	1.5

*Based on the BLS weekly index of prices of approximately 900 commodities which measures changes in the general level of primary market commodity prices. This index should be distinguished from the daily index of 28 basic materials. For the most part, the prices are those charged by manufacturers or producers or are those prevailing on commodity exchanges. The weekly index is calculated from one-day-a-week prices. It is designed as an indicator of week-to-week changes and should not be compared directly with the monthly index.

Life Ins. Payments To Sept. Higher

Payments to American policyholders and beneficiaries by life insurance companies in the first eight months of this year totaled $1,874,135,000, an increase of $81,954,000 over payments in the corresponding period of 1945, the Institute of Life Insurance reported on Oct. 30. The Institute says:

"The increase was entirely in payments to living policyholders, as death benefit payments were $867,121,000 in the eight months, down $11,009,000 from last year. Payments to living policyholders, including maturing endowments, disability payments, annuities, surrender value payments and policy dividends, totaled $1,007,014,000 in the eight months, 54% of total payments by the life companies. This represents an increase of $92,963,000 over the payments to living policyholders during the similar period of 1945.

"August payments by the life companies totaled $216,264,000, an increase of $5,558,000 over payments in August last year, even though the August death benefit payments this year of $101,276,000 were $3,847,000 under the total for August, 1945."

Xmas Club Distributions

The distribution of $635,000,000 to about 8,360,000 Christmas Club members will be made by approximately 5,000 banking and savings institutions and other organizations during National Prosperity Week, starting Monday, Nov. 25, according to an estimate given out on Nov. 6 by Herbert F. Rawll, founder and President of Christmas Club, a Corporation. The announcement from the Christmas Club said:

"The total distribution is 15.7% ahead of last year and represents an all-time high for the 36 years of Club operation. The average per-member distribution is about $100 in large Metropolitan areas and $76 for the entire country, as against $72 last year. The total number of individual members participating this year shows an increase of 760,000 over a year ago.

"A recent cross section survey indicates the estimated funds of $635,000,000 will be used by the recipients approximately as follows: Permanent Savings 32%, $203,200,000; Insurance Premiums 12%, $76,100,000; Debt Retirement 7%, $44,500,000; Year-end Bills 7%, $44,500,000; Taxes 10%, $63,500,000; Christmas Purchases 32%, $203,200,000; total, $635,000,000.

"In the distribution of Christmas Club funds this year, New York State leads the other States with about $176,000,000; the estimates for Pennsylvania are $78,000,000; for Massachusetts $63,000,000, for New Jersey $49,000,000. New York's Metropolitan area will receive about $110,000,000. The Bank of America N. T. & S. A. has about $12,500,000, for 125,000 members in California. The Bank of the Manhattan Company has $6,200,000 for 65,000 members enrolled in 49 offices in Greater New York. The Seamen's Bank for Savings in New York City has an approximate total of $5,550,000; the Dime Savings Bank of Brooklyn, $3,280,000; the Howard Savings Institution of Newark, N. J., $2,800,000; in Hudson County, N. J., the Trust Company of New Jersey and the Hudson County National Bank each have about $2,250,000."

The National Association of Mutual Savings Banks has also given out a tabulation of Christmas funds in Mutual Savings Banks in the Nation.

Revenue Freight Car Loadings During Week Ended Nov. 2, 1946, Decreased 19,945 Cars

Loading of revenue freight for the week ended Nov. 2, 1946 totaled 922,312 cars the Association of American Railroads announced on Nov. 7. This was an increase of 70,350 cars or 8.3% above the corresponding week in 1945, and an increase of 29,243 cars or 3.3% above the same week in 1944.

Loading of revenue freight for the week of Nov. 2 decreased 19,945 cars or 2.1% below the preceding week.

Miscellaneous freight loading totaled 412,355 cars a decrease of 573 cars below the preceding week, but an increase of 43,553 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 131,123 cars a decrease of 439 cars below the preceding week, but an increase of 14,868 cars above the corresponding week in 1945.

Coal loading amounted to 182,235 cars, a decrease of 7,547 cars below the preceding week but an increase of 1,549 cars above the corresponding week in 1945.

Grain and grain products loading totaled 52,165 cars, a decrease of 244 cars below the preceding week and a decrease of 6,905 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Nov. 2 totaled 33,839 cars, a decrease of 590 cars below the preceding week and a decrease of 3,535 cars below the corresponding week in 1945.

Livestock loading amounted to 25,354 cars a decrease of 5,439 cars below the preceding week and a decrease of 2,476 cars below the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Nov. 2 totaled 20,191 cars a decrease of 3,785 cars below the preceding week, and a decrease of 2,858 cars below the corresponding week in 1945.

Forest products totaled 46,804 cars, a decrease of 1,019 cars below the preceding week but an increase of 10,735 cars above the corresponding week in 1945.

Ore loading amounted to 58,457 cars, a decrease of 4,268 cars below the preceding week but an increase of 6,895 cars above the corresponding week in 1945.

Coke loading amounted to 13,819 cars, a decrease of 416 cars below the preceding week, but an increase of 2,131 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 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
4 weeks of October	3,680,314	3,151,185	3,598,245
Week of Nov. 2	922,312	851,962	893,069
Total	35,021,223	36,017,246	37,237,379

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 2, 1946. During this period 98 roads reported gains over the week ended Nov. 3, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED NOV. 2

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Eastern District—					
Ann Arbor	463	383	428	1,620	1,455
Bangor & Aroostook	1,788	1,881	2,006	344	308
Boston & Maine	7,861	6,992	6,939	14,827	13,219
Chicago, Indianapolis & Louisville	1,649	1,340	1,322	2,335	1,984
Central Indiana	39	46	33	35	44
Central Vermont	1,094	1,127	1,100	2,434	2,464
Delaware & Hudson	5,018	4,224	4,875	12,159	10,786
Delaware, Lackawanna & Western	8,078	6,995	7,651	8,860	9,065
Detroit & Mackinac	549	460	411	282	156
Detroit, Toledo & Ironton	2,470	1,914	2,082	1,378	1,159
Detroit & Toledo Shore Line	493	396	383	2,839	2,463
Erie	13,336	11,562	13,820	18,181	14,798
Grand Trunk Western	5,347	4,098	3,935	7,908	8,094
Lehigh & Hudson River	184	190	184	3,611	2,203
Lehigh & New England	2,131	1,609	1,921	1,650	1,809
Lehigh Valley	8,053	7,944	8,249	9,463	8,415
Maine Central	2,706	2,637	2,407	3,803	3,515
Monongahela	6,074	6,488	5,743	285	274
Montour	2,718	2,889	2,070	33	16
New York Central Lines	56,960	48,228	51,572	53,669	49,643
N. Y., N. H. & Hartford	11,110	10,463	9,770	16,706	13,832
New York, Ontario & Western	858	854	1,131	2,449	2,120
New York, Chicago & St. Louis	7,666	6,591	6,753	14,191	13,728
N. Y., Susquehanna & Western	457	367	465	2,318	1,692
Pittsburgh & Lake Erie	6,397	7,008	8,214	9,824	7,209
Pere Marquette	7,114	5,519	5,838	7,492	6,332
Pittsburg & Shawmut	998	764	735	25	43
Pittsburg, Shawmut & Northern	298	194	255	150	219
Pittsburgh & West Virginia	1,065	1,131	1,076	2,456	2,432
Rutland	469	417	376	1,269	1,085
Wabash	7,294	7,104	6,963	12,874	11,392
Wheeling & Lake Erie	5,956	5,581	5,809	3,909	3,748
Total	176,693	157,396	164,416	219,379	195,702
Allegheny District—					
Akron, Canton & Youngstown	662	634	685	1,495	1,041
Baltimore & Ohio	42,708	43,989	46,814	26,048	24,766
Bessemer & Lake Erie	5,363	4,674	5,212	2,741	1,990
Cambria & Indiana	1,446	1,498	1,445	5	9
Central R. R. of New Jersey	6,420	6,037	6,477	19,257	15,646
Cornwall	483	518	527	47	59
Cumberland & Pennsylvania	290	242	167	12	14
Ligonier Valley	118	53	120	6	8
Long Island	1,838	1,706	1,743	4,766	3,962
Penn-Reading Seashore Lines	2,020	1,839	1,821	2,181	1,636
Pennsylvania System	92,250	81,295	85,484	67,217	61,393
Reading Co.	14,429	12,950	15,346	26,319	25,261
Union (Pittsburgh)	19,750	15,285	19,536	5,611	5,339
Western Maryland	4,223	4,153	3,918	11,301	10,669
Total	191,998	174,873	189,295	167,006	151,793
Pocahontas District—					
Chesapeake & Ohio	32,674	31,416	29,733	15,598	14,315
Norfolk & Western	25,293	22,950	21,307	7,326	6,454
Virginian	4,034	5,060	4,385	1,402	1,764
Total	62,001	59,426	55,425	24,326	22,533
Southern District—					
Alabama, Tennessee & Northern	338	431	343	197	198
Atl. & W. P.—W. R. R. of Ala.	935	831	767	2,258	2,129
Atlanta, Birmingham & Coast	†	†	†	†	†
Atlantic Coast Line	14,955	13,381	12,291	9,993	10,048
Central of Georgia	4,064	4,403	3,785	4,476	4,494
Charleston & Western Carolina	506	461	420	1,534	1,398
Clinchfield	2,143	1,808	1,687	3,293	2,586
Columbus & Greenville	478	446	331	350	250
Durham & Southern	142	117	173	693	628
Florida East Coast	1,862	1,830	1,559	1,786	1,189
Gainesville Midland	100	81	61	114	144
Georgia	1,272	1,287	1,294	2,381	2,137
Georgia & Florida	449	386	408	770	783
Gulf, Mobile & Ohio	4,727	5,046	5,007	3,708	4,541
Illinois Central System	29,329	28,682	31,561	16,799	15,631
Louisville & Nashville	29,273	26,911	26,295	10,411	10,050
Macon, Dublin & Savannah	254	242	229	995	868
Mississippi Central	363	291	435	391	420
Nashville, Chattanooga & St. L.	3,579	3,414	3,739	4,418	4,151
Norfolk Southern	1,432	1,244	993	1,850	1,678
Piedmont Northern	486	438	471	1,786	1,500
Richmond, Fred. & Potomac	476	435	429	9,596	8,514
Seaboard Air Line	12,572	10,815	9,911	8,939	8,119
Southern System	29,140	26,427	25,380	25,011	23,245
Tennessee Central	776	560	781	907	883
Winston-Salem Southbound	170	156	166	1,253	938
Total	139,821	130,123	128,516	113,909	106,522
Northwestern District—					
Chicago & North Western	21,721	20,472	19,783	15,690	14,675
Chicago Great Western	2,912	2,747	3,205	4,125	3,507
Chicago, Milw., St. P. & Pac.	25,440	22,672	22,975	11,957	10,527
Chicago, St. Paul, Minn. & Omaha	4,402	3,909	3,376	4,899	4,810
Duluth, Missabe & Iron Range	18,338	18,713	24,520	399	238
Duluth, South Shore & Atlantic	1,021	891	714	643	475
Elgin, Joliet & Eastern	9,356	6,952	9,203	10,895	8,530
Ft. Dodge, Des Moines & South	542	430	407	122	146
Great Northern	22,478	20,124	20,246	7,133	6,313
Green Bay & Western	592	540	536	925	813
Lake Superior & Ishpeming	1,926	2,018	1,931	53	66
Minneapolis & St. Louis	2,503	2,469	2,308	3,384	2,986
Minn., St. Paul & S. S. M.	8,149	8,065	6,960	4,106	3,521
Northern Pacific	13,798	12,719	12,489	5,325	4,944
Spokane International	218	155	163	587	413
Spokane, Portland & Seattle	2,492	2,069	2,670	2,861	2,514
Total	135,888	124,945	131,486	73,104	64,478
Central Western District—					
Atch., Top. & Santa Fe System	27,516	25,622	27,170	13,382	11,773
Alton	3,173	3,542	3,820	3,570	3,314
Bingham & Garfield	431	363	424	52	39
Chicago, Burlington & Quincy	24,057	23,123	23,149	13,986	12,765
Chicago & Illinois Midland	3,624	3,334	3,055	796	789
Chicago, Rock Island & Pacific	15,667	14,018	13,135	13,913	13,056
Chicago & Eastern Illinois	2,982	2,826	3,116	3,465	3,032
Colorado & Southern	1,140	1,288	1,347	2,024	2,107
Denver & Rio Grande Western	4,716	4,656	5,229	5,357	5,304
Denver & Salt Lake	725	790	618	58	35
Fort Worth & Denver City	1,568	1,155	1,057	1,793	1,858
Illinois Terminal	2,237	1,890	2,329	2,039	1,831
Missouri-Illinois	919	1,422	1,307	464	566
Nevada Northern	1,404	1,248	1,289	193	166
North Western Pacific	1,073	782	746	674	720
Peoria & Pekin Union	14	5	17	§	§
Southern Pacific (Pacific)	32,661	28,297	30,833	12,524	11,082
Toledo, Peoria & Western	§	§	403	§	§
Union Pacific System	22,284	21,828	23,301	16,335	15,802
Utah	758	859	486	8	5
Western Pacific	2,456	2,169	2,230	4,132	4,039
Total	149,405	139,217	145,061	94,765	88,283
Southwestern District—					
Burlington-Rock Island	355	353	641	334	385
Gulf Coast Lines	4,633	4,035	5,978	2,369	2,120
International-Great Northern	2,195	2,044	2,605	3,201	3,494
‡K. O. & G.-M. V.-O. C.-A.-A.	1,316	1,269	1,039	1,713	1,536
Kansas City Southern	3,048	2,710	5,443	2,624	2,722
Louisiana & Arkansas	2,242	2,290	3,764	2,266	2,293
Litchfield & Madison	367	343	330	1,413	1,254
Missouri & Arkansas	§	189	220	§	320
Missouri-Kansas-Texas Lines	5,594	5,744	7,071	4,443	4,204
Missouri Pacific	17,454	18,288	18,873	15,182	15,269
Quanah Acme & Pacific	158	160	86	355	155
St. Louis-San Francisco	10,490	10,465	10,290	8,319	7,909
St. Louis-Southwestern	3,253	3,434	4,135	4,770	4,942
Texas & New Orleans	9,701	9,378	12,416	5,934	5,841
Texas & Pacific	5,579	5,179	5,864	6,254	6,554
Wichita Falls & Southern	89	79	76	66	113
Weatherford M. W. & N. W.	32	22	39	11	23
Total	66,506	65,982	78,870	59,254	59,134

†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	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
Nov. 2	205,422	174,752	601,787	100	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.

RR. Employees Drop 0.42% to 1,362,315

Employees of Class I railroads of the United States, as of the middle of Sept. 1946, totaled 1,362,315, a decrease of 3.49% compared with the corresponding month in 1945, and 0.42% under Aug. 1946, according to a report issued by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission.

A decline under Sept. 1945, is shown in the number of employees for every reporting group with the exception of transportation (other than train, engine, and yard) and transportation (train and engine service), which show increases of 1.54% and 0.26%, respectively. The percentages of decreases are:

Executives, officials, and staff assistants, 0.05; professional, clerical, and general, 2.48; maintenance of way and structures, 11.48; maintenance of equipment and stores, 2.94, and transportation (yardmasters, switchtenders, and hostlers), 4.28.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Nov. 8 that the tenders for $1,300,000,000 or thereabout of 90-day Treasury bills to be dated Nov. 14 and to mature Feb. 13, which were offered on Nov. 5, were opened at the Federal Reserve Banks, on Nov. 11.

Total applied for $1,755,891,000.

Total accepted, $1,313,712,000 (includes $21,768,000 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 0.368% per annum.

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

73% of the amount bid for at the low price was accepted.

There was a maturity of a similar issue of bills on Nov. 14 in the amount of $1,313,714,000.

Weekly Lumber Shipments 7.5% Below Production

According to the National Lumber Manufacturers Association, lumber shipments of 406 mills reporting to the National Lumber Trade Barometer were 7.5% below production for the week ending Nov. 2, 1946. In the same week new orders of these mills were 7.2% below production. Unfilled order files of the reporting mills, amounted to 61% of stocks. For reporting softwood mills, unfilled orders are equivalent to 26 days' production at the current rate, and gross stocks are equivalent to 41 days' production.

For the year-to-date, shipments of reporting identical mills were 0.1% below production; orders were 1.0% below production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 11.8% above; shipments were 6.1% above; orders were 10.1% above. Compared to the corresponding week in 1945, production of reporting mills was 76.0% above; shipments were 60.2% above; and new orders were 64.8% above.

Items About Banks, Trust Companies

At a meeting of the board of directors of Guaranty Trust Company of New York on Nov. 6, William L. Kleitz, Vice-President, was elected a director of the company. Mr. Kleitz has been connected with the bank since 1919. He was appointed a Vice-President in 1928 and was promoted to become associated with the general management of the bank in January 1945. He is also a director of Wilson & Co., Inc., and Inspiration Consolidated Copper Co.

The board of directors of the Guaranty Trust Company of New York at its regular meeting November 6 decided to recommend to the stockholders that, at the forthcoming annual meeting, to be held on January 15, the stockholders authorize an increase in the authorized capital stock of the company from $90,000,000, consisting of 900,000 shares of $100 par value to $100,000,000 to consist of 1,000,000 shares of the same par value. If the stockholders authorize such increase, it is contemplated that the additional 100,000 shares will be distributed to stockholders as a stock dividend at the rate of one share for each nine shares held. The advices addressed to the stockholders on Nov. 6 by Eugene W. Stetson, Chairman of the board, and J. Luther Cleveland, President, further said:

"It is also contemplated that following the payment of such stock dividend, the balance in General Contingency Reserve, after certain adjustments, will be transferred to undivided profits and $40,000,000 will be transferred from undivided profits to surplus. After making these transfers the accounts will stand as follows: capital $100,000,000, surplus $200,000,000 and undivided profits approximately $53,000,000."

James T. Lee, President of the Central Savings Bank of New York, announces that the bank's deposits as of November 1 passed the $260,000,000 mark. "This figure," said Mr. Lee, "represents an all-time high in the bank's 87-year-old history." Commenting, at the same time, on the bank's new 1947 Christmas Club, the first in 20 years, Mr. Lee stated: "We're happy to be able to offer this popular service to the public once again. Our overall goal is 10,000 members and we hope to enroll 5,000 at our downtown office, 14th Street and 4th Avenue and 5,000 at our uptown office, 73rd Street and Brodway."

In cooperation with the Children's Book Council, Colonial Trust Company of New York has a display of children's books in the windows of its principal office in Rockefeller Center during "Children's Book Week," November 10 to 16. Over 40 of the leading publishers of the country have contributed books, original sketches and illustrations, making the exhibit one of the most outstanding of its kind. In addition to being of interest to children, it will also be a valuable guide to parents and school teachers in selecting books for boys and girls of all ages. Arthur S. Kleeman, President of the bank, in announcing the exhibit, said: "'Children's Book Week' has for 27 years been observed by schools, libraries, bookstores and leading civic organizations of the United States."

James E. Harmon, Assistant Treasurer of Guaranty Trust Co. of New York, and a resident of Garden City, L. I., died on Nov. 8, at the age of 49, following a long illness. He had been a member of the Guaranty staff for 34 years.

Percy J. Smith, formerly Vice-President of the Lafayette National Bank of Brooklyn in New York, was a guest of honor on Nov. 11 at a dinner given by the directors of the bank at the Towers Hotel, Brooklyn. All directors, officers and branch managers were present. Mr. Smith is retiring after more than 20 years of service as an officer with the Lafayette National Bank.

The Pennsylvania Company for Insurances on Lives and Granting Annuities of Philadelphia announces the opening of a new travel department under the direction of Walter C. Ransom, Manager, formerly associated with Cunard-White Star, Ltd., and Pan American World Airways. Mrs. Henrietta Bryan Jefferis, Assistant Manager, was formerly director of Specialized Travel Service, Inc.

Gustavus Ober, Jr., Vice-President, and for many years a director and member of the executive committee of the Fidelity and Deposit Company of Maryland, died on Nov. 10. Mr. Ober's father was one of the original organizers of the Fidelity and Deposit and served on its board of directors and executive committee until his death, following which his son was elected to succeed him in both capacities. Mr. Ober for many years was head of the firm of G. Ober & Sons Company, fertilizer manufacturers, which had been established by his grandfather, Gustavus Ober, in 1857, and of which his father, Robert Ober was President until his death.

Mr. Ober was born in 1881. After leaving Princeton University he accepted a position with the Fidelity and Deposit Company and three years later joined the firm of G. Ober & Sons. During his connection with the fertilizer industry, he served as a member of the American Committee of the International Agricultural Institute at Rome, Italy, also as President and member of the board of directors of the National Fertilizer Association. In March, 1935 Mr. Ober disposed of his interests in G. Ober & Sons and about a year later was appointed assistant to Charles R. Miller, then President and now Chairman of the board of the Fidelity and Deposit Company. He was elected a Vice-President of the latter company in September, 1938. In addition to his connection with the F&D, Mr. Ober at the time of his death was a director and member of the executive committees of the Fidelity Trust Company and the Mount Vernon-Woodberry Mills, Inc., both of Baltimore; a director of the Savings Bank of Baltimore, the Cumberland Coal Company and Lamman, Kemp, Barclay & Company of New York.

The Colonial Trust Company of Pittsburgh, Pa., on Nov. 6 opened a new branch office in the Bloomfield section of that city. In charge of the new office will be John D. Beswarick, it was announced by C. A. McClintock, President, according to the Pittsburgh "Post Gazette" of Nov. 1.

Mr. Beswarick started with the Colonial Trust Company as a messenger in 1936, and has recently returned after a two and one-half year leave of absence spent in the armed service," the "Post Gazette" advices added.

The Drexel National Bank of Chicago, Ill., increased its capital on Oct. 28 from $500,000 to $600,000 by the sale of new stock, it was reported in the Comptroller of the Currency Bulletin on Nov. 4.

Frank O. Watts, Honorary Chairman of the board of the First National Bank of St. Louis, died on Nov. 5 at a local hospital, where he underwent a major operation. Death was due to heart disease, said the St. Louis "Globe Democrat," from which we also take the following:

He became Honorary Chairman in 1943. Previously he had been active Chairman of the board and before that President of the bank.

He took the leading role in consolidating the First National Bank in 1919 with the Liberty Central Trust Company, bringing the total resources of the merged institutions to more than $218,000,000.

Earlier he had directed the consolidation of the Third National Bank, the Mechanics-American National Bank and the St. Louis Union Bank to form the First National. Mr. Watts was born in Paducah, Ky., Nov. 14, 1867. Following the death of his father, when he was 7 years old, he went to work at 14 years in a drug store in Union City, Tenn., and shortly after secured employment in a nearby bank. When 21 years old he was named Cashier of the First National Bank of Union City. From there he went to Nashville, Tenn., and worked out the merger of the First National Bank and the Fourth National Bank.

Clarence E. Baen, banker and civic leader, has been appointed a Vice-President of the Anglo California National Bank of San Francisco, it was announced on Nov. 4 by Allard A. Calkins, President. A native of Cincinnati, Ohio, where he was admitted to the bar, Mr. Baen went to San Francisco in 1908 after practicing law in his home state and in Colorado. For several years he was Manager of the California and Hawaiian territories for Bradstreet's mercantile credit agency. In 1916 he joined the staff of Anglo Bank, and has been associated with the public relations phases of the bank's activities ever since. In 1918 he was appointed an Assistant Vice-President. For the past ten years Mr. Baen has been President of the San Francisco Convention and Tourist Bureau, and has been instrumental in bringing to San Francisco many of the great national conventions that have met there. He is a past President of the San Francisco Credit Men's Association, a director of the Downtown Association, and a member of the Commercial Club, the California State and San Francisco Chambers of Commerce, and the California State Bar.

William B. Marshall became Manager and Richard H. Burke, Assistant Manager, on Nov. 1 of the Springfield (Ore.) branch of the United States National Bank of Portland, Ore., it was announced by E. C. Sammons, President of the latter, it is learned from Springfield advices to "Portland Oregonian," which also said:

Mr. Marshall followed his profession of banking in Kansas before coming to Springfield as Assistant Manager earlier this year. Mr. Burke, a native of Pennsylvania, was educated in California and Portland, and attended the University of Oregon. He has been with the United States National since 1937, having served as assistant head bookkeeper at the head office in Portland before accepting the new appointment.

The directors of Midland Bank Ltd. announce that Field-Marshal The Viscount Alanbrooke, G.C.B., has been elected to a seat at their board and at the board of the Midland Bank Executor & Trustee Company.

President Orders Price Decontrol

(Continued from first page)

the government to drop the controls.

Problem of Partial Control

The major problem with which we have had to contend is the withholding of goods from the market. As price controls are dropped, one by one, many sellers naturally hold on to their goods in the hope that their turn will come next and that they can obtain a higher price. In addition to those who are holding on to goods merely in expectation of decontrol, there are others whose motive is deliberately to force decontrol by depriving consumers of essential goods or manufacturers of essential materials. This withholding is becoming so serious as to threaten key segments of the economy with paralysis.

The real basis of our difficulty is the unworkable price control law which the Congress gave us to administer. The plain truth is that, under this inadequate law, price control has lost the popular support needed to make it work. At best, the administration of price control is an extraordinarily difficult and complex business and it can work successfully only if the people generally give it their support.

We have now reached the point where many of our shortages have disappeared and in many other areas supply is rapidly approaching demand. In the 15 months since V-J Day the stabilization program has preserved a large measure of general economic stability during a period in which explosive forces would otherwise have produced economic disaster. In fact, the situation is far more favorable for the return to a free economy today than it was when the present badly weakened stabilization law was finally enacted by the Congress.

Nevertheless, some shortages remain and some prices will advance sharply when controls are removed. We have, however, already seen what consumer resistance can do to excessive prices. The consumers of America know that if they refuse to pay exorbitant prices, prices will come down. Wholesalers and retailers alike are aware of the danger of accumulating inventories at prices so high that they cannot be confident of reselling at a profit. Manufacturers, thinking of their future markets, will hesitate to raise prices unreasonably. In short, the law of supply and demand operating in the market place will, from now on, serve the people better than would continued regulation of prices by the government.

Rent Controls Continue

The reasons which impel the lifting of price controls are not applicable to rents. Housing is desperately short and will continue to be short for a long time to come. Tenants are in no position to resist extortionate demands. The fixing of rents by the ordinary processes of bargaining would be hardship and suffering to our people. It may be that some adjustment of rents will be required, but control of rents and control over evictions must be continued.

I wish that it were possible to keep effective price controls on building materials in furtherance of the Veterans' Emergency Housing Program, under which we have seen an unprecedented acceleration both of homebuilding and of the production of building materials. But price control on building materials alone, with no price control on products competing for the same raw materials, would drive these materials away from housing and defeat the objectives of the program. The removal of price ceilings on building materials will obviously necessitate a change in the approach to some of the problems in the housing program. I am asking the Housing Expediter to report to me promptly in this regard. We must continue an aggressive program of building homes and apartments for veterans.

The removal of price controls leaves no basis or necessity for the continuation of wage controls, which have operated, in most industries, only as an adjunct to price controls. Accordingly, I have issued an Executive Order terminating all wage and salary controls under the Stabilization Act of 1942. This does not affect, of course, the statutory provision governing changes in terms and conditions of employment in plants operated by the Government pursuant to the War Labor Disputes Act.

I have asked the Bureau of the Budget, in consultation with the agencies involved, to prepare plans for the reduction of operations resulting from today's action, and to devise the most effective and economical methods for administering the functions which remain.

Return of Free Collective Bargaining

The lifting of price controls and wage controls results in the return to a free market with free collective bargaining. Industry has sought removal of price controls while labor has pressed for removal of control of wages. Both have insisted that removal of these controls would lead to increased production and fewer work stoppages.

High production removes the hazard of inflation and brings prices within the reach of the mass market. Wage rates not justified by labor productivity and prices not justified by manufacturers' costs may bring the illusion of prosperity. In the long run, however, good wages, full employment and sound business profits must depend upon management and workers cooperating to produce the maximum volume of goods at the lowest possible price.

Today's action places squarely upon management and labor the agreements for the adjustment of responsibility for working out their differences without interruption of production.

Polish Govt. to Work Out Plans to Pay Bonds

The Polish Government, in an official announcement published Nov. 12 reaffirmed the recognition of its obligations to American bondholders and announced its firm intention to work out plans with the Foreign Bondholders Protective Council, Inc., and the holders of privately issued bonds for the resumption of payments when conditions affecting Poland's ability to make payments in foreign exchange become more normal.

The announcement continued that the Polish Government believed that "negotiations for the resumption of payments should be possible within the next year." While regretting the need for such delay, the announcement explained that this would "make it possible better to fix conditions fair to creditors and government alike." The notice, issued by the Polish Minister of Finance, and released here by Janusz Zoltowski, Financial Counselor of the Polish Embassy in Washington, was addressed to holders of dollar bonds and coupons of the Republic of Poland; Province of Silesia; City of Warsaw; National Economic Bank, Warsaw, and Land Mortgage Bank, Warsaw.