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Estimating Costs of Economic Changes

By ENDERS M. VOORHEES*
Chairman, Finance Committee, U. S. Steel Corp.

Leading steel company executive, warning American industry is not in as sound a financial position as generally believed, contends reserves set up for economic losses arising out of war may be insufficient, as impact of losses may extend over long period. Cites increased replacement and inventory costs due to higher prices, and maintains customers are final arbiter in determining whether they will pay these higher costs. Urges more publicity of costs and profits on correct accounting basis, and denies "man-hour output" is correct measure of worker's productivity. Sees need for change in some accounting concepts.

I particularly welcome the opportunity to talk with this group because it is our responsibility to keep the books and compile the records that tell where industry is and where it is going. That is a very grave responsibility because those records are the fact basis not only for individual management decisions, but also, and ever increasingly, for public and government decisions. I need not tell you that it a rare accident when right decisions result from contemplation of wrong "facts."

Enders M. Voorhees

The main fact today is that American industry is not in nearly as sound financial position as it is too often prone to think it is. This is complacency that is ominous. It is a common fallacy to suppose that war breeds prosperity. But such a supposition flies in the face of inner convic-

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*An address by Mr. Voorhees before Pittsburgh Chapter of the National Association of Cost Accountants, Pittsburgh, Pa., Nov. 13, 1946.

Some Defects in International Trade Organization's Proposals

By JOHN E. LOCKWOOD*
Partner, Curtis, Mallet-Prevost, Colt & Mosle, New York

International attorney, though supporting general plan of ITO, points out practical difficulties likely to develop from provisions designed to prevent restrictive business practices. Contends these provisions amount to a paradox in that they seek to free international trade through increased regulation. Points out growth of state trading throughout world as menace to American free competitive system in foreign trade transactions, and suggests a commission to afford freedom from anti-trust laws in certain foreign trade operations. Stresses need of flexibility in foreign trade regulations and calls upon American business to meet challenge against free enterprise system throughout world.

When we last met, a year ago, the war was just over. We were greatly preoccupied with the immediate short-term problems of reconversion. For most of us, I think, the longer term problems were not entirely clear. But we had a feeling of optimism. One fact stood out — the enormous need and demand for goods and services all over the world and the ability of American industry and American labor, management and technicians, which had achieved such miracles of production in the war, to help materially in meeting the pressing needs of the people throughout the world. There was work to be done and we were ready to do it.

John E. Lockwood

Today, a year later, as we survey the same scene, the main problems are much clearer, and I think there is much less easy optimism. All over the world there are clashes between the different political and economic systems which prevail among the victor nations. The political and economic differences are opposite sides of the same coin. Although we read more in the press of the political problems of the settlement of the peace, the economic problems are just as fundamental. We know now that settlement of these economic problems is a matter of great difficulty and great

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*An address by Mr. Lockwood before 33rd National Foreign Trade Convention, New York City, Nov. 11, 1946.

Advocates Free Sugar Market

Ody H. Lamborn advocates government announce it will not purchase 1948 crop and urges free and untrammelled market in sugar be permitted. Asks that American sugar supply be retained and not diverted to foreign destinations.

Pointing out that the International Emergency Food Council will meet shortly to deliberate on the question of sugar allocations on an international basis, Ody H. Lamborn, President of Lamborn & Company, Inc., in an address made before the American Bottlers of Carbonated Beverages annual meeting in Miami, Fla., on Nov. 20, declared that every possible pound of sugar from areas of supply for the United States should be retained for the American people.

Ody H. Lamborn

Mr. Lamborn stated that unless new legislation is enacted by the new Congress, convening in early January, sugar rationing can end

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GENERAL CONTENTS

*These items appeared in our issue of Nov. 18, on pages indicated.

As We See It

EDITORIAL

Have We Had Enough of Labor Monopoly?

With price controls for the most part now a matter of history, and with assurances that most of the remaining controls are soon to be greatly reduced or largely eliminated, the business community finds itself face to face with the question of the future attitude of monopolistic labor unionism. It is true, of course, that the plague of government intermeddling will not be wholly absent from the minds of business men until "emergency" power no longer resides in the Chief Executive or any of his subordinates or associates, but the immediate worry must now be whether labor leaders will cooperate in an endeavor to get American business on a safe and sure footing.

The Coal Situation

The present situation in the coal mines, where "confused alarums" may be a prelude to "strife," appears to raise just such a question. It may be that the developments in this situation during the next month or two will go far toward revealing, or even determining, what is to take place elsewhere in the economy. It could be, on the other hand, that we shall have to wait events at other "critical" points such as steel. There is good reason to doubt whether the great rank and file of wage earners really want to engage at this time in costly strikes. They are more sensitive than some of their leaders to the feelings of their immediate neighbors and their own families. They probably sense the doubtfulness of their being able to get enough out of any such struggles to repay the cost of them.

Dictators, Not Leaders

But labor union officials in this country are more nearly dictators than merely leaders. Their organizations often enable them to act without too much regard for the real

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From Washington Ahead of the News

By CARLISLE BARGERON

RFC's Future a Moot Question

There is quite a controversy going on behind the scenes over the RFC, perhaps the most fabulous agency which any government anywhere, ever created. Set up by Hoover as an emergency agency, it was developed by Jesse Jones under Roosevelt. Jesse once made the statement that it could do just about anything imaginable, and at one time or another during its career, it has done pretty much just that.

For example, little or nothing is known publicly of its operations in the immediate pre-Pearl Harbor period when it was spending millions in preparation for war at a time when Roosevelt would not have dared ask Congress for a war appropriation.

Carlisle Bargeron

The question now is what about its future? Should it remain with us or should it be liquidated, or should it be maintained as a standby agency? It is not generally realized but something must be done before June 30 when, without additional legislation, it would expire.

There is an amazing lot of support among Washington high officials, and certainly among Republicans for its liquidation. Privately Jesse Jones believes it should be liquidated though he is not likely to say so publicly. Others like John Snyder think it should be maintained as a standby agency, something which can be promptly activated in the event of another emergency.

In Washington high circles, regardless of what an individual may think should or should not be done, there is a feeling that the organization will not altogether be done away with. No administration, Republican or Democrat, it is felt, would like to see this because of the tremendous powers which

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Lest We Forget!

"The dawn of the great period of prosperity should come with the return of free enterprise. The time to understand the enterprise system, and to make it work, is here now. . . .

"Profit, often a target of the critics of the system of private initiative, is actually the lifeblood of industry's expansion and the welfare of the people. The wage motive will cause a man to take a job, providing the profit motive first creates the job. It required at prewar prices about $5,000 to $6,000 investment in plant facilities and working capital to create one self-sustaining job in our economy. . . .

"An individual competitive enterprise system, relying on thousands and even millions of separate establishments, each anxious to serve and grow, should always be able to out-produce a system of government monopolies under central control of bureaus. . . .

"Now that we have many millions of workers in labor unions there is great danger that wage rates will rise more rapidly than productivity increases and thereby force prices upward. The rise will impair the purchasing power of teachers, ministers, government employees and others whose incomes are more or less fixed. Labor itself suffers when it overprices its services and prices itself out of the labor market."—The Chamber of Commerce of the United States.

It is well to remind ourselves now and again of these elementary truths.

ODT Orders 25% Reduction in Coal-Powered Passenger Trains—Freight May Be Affected

Because of the threatened stoppage of production of bituminous coal, the Office of Defense Transportation on Nov. 18 ordered a 25% slash in railroad passenger service performed by coal-burning locomotives, effective at 11:59 p.m., next Sunday, Nov. 24, according to an Associated Press dispatch from Washington D. C., which added:

The order provides that no railroad shall operate daily coal-burning passenger locomotive mileage in excess of 75% of the total such mileage operated on Nov. 1, 1946, and that the railroads may apply the cuts in passenger services and passenger reservations "at their own discretion."

The order bans circus trains, carnival trains, special passenger trains and any other train which a railroad is not required to transport "as a common carrier."

The agency said the action to reduce passenger service was necessary because railroad bituminous coal stockpiles on the average amount to only a 30-day supply "based on the tonnage being burned as of Nov. 1, 1946."

The ODT also warned that a continued stoppage of bituminous mining operations "would result in the curtailment of freight, parcel post, mail and railway express shipments and all export traffic, except food, clothing and medicine."

[It was stated that the railroads have begun preparations of new train schedules to comply with the order for a 25% reduction in passenger travel.]

Soft Coal Supplies Frozen

Julius A. Krug, Secretary of the Interior and head of the Solid Fuels Administration for War, on Nov. 16 issued three orders in connection with the freezing of soft coal stocks.

One order froze all coal in transit or which might be produced by the mines on Nov. 16. A second held all stocks in shipment on the Great Lakes or other waterways. And the third froze all supplies in retail dealers yards.

These orders provide that no coal can be distributed to consumers without approval of the SFAW. Only those with less than ten days' supply can obtain soft coal.

Court Bars Coal Strike

The Department of Justice on Nov. 18 announced that Federal Judge T. Allan Goldsborough has signed a temporary order designed to restrain a walkout by John L. Lewis' 400,000 soft coal miners, according to an Associated Press dispatch, which further states in part:

The Department said the restraining order bars Mr. Lewis from terminating at Wednesday (Nov. 20) midnight his working contract with the Government Judge Goldsborough's order, the Department said, expires on Nov. 27 at 3 p.m., unless "before such time the order for good cause shown is extended, or unless the defendants consent that it may be extended for a longer period."

A hearing on the Department's request for a preliminary injunction to bar breach of contract was set for hearing Nov. 27 at 10 a.m.

The Court action was taken as thousands of soft coal miners quit work, curtailing bituminous production in advance of the termination deadline given by Mr. Lewis.

The United Press, in a dispatch from Washington on Nov. 19 had the following to say: "In Pittsburgh, Pa., a survey showed that more than 87,000 of the members of the United Mine Workers of America (AFL) were idle. The Solid Fuels Administration, reporting 272 pits shut down, estimated that production losses on Nov. 18 and Nov. 19 at 633,487 tons. Normal daily production is about 2,200,000 tons.

"At the rate in which the soft coal miners were walking out ahead of the deadline, it was apparent that vital bituminous production will be at a dead stop by Thursday morning (Nov. 21) unless Mr. Lewis rules otherwise."

ABA Council Meeting To Be Held in Spring

French Lick Springs Hotel at French Lick, Ind., will be the meeting place for the annual spring meeting of the Executive Council of the American Bankers' Association, it was announced on Oct. 12 by C. W. Bailey, A.B.A. President. Mr. Bailey is President of the First National Bank in Clarksville, Tenn. The dates for the meeting will be April 13-15.

The Executive Council meets twice a year in April and again during the general convention in the fall. It is the governing body of the Association, second only to the general convention, and consists of the officers of the Association, the President and Vice-President of each of its six divisions and sections, the chairmen of the several A.B.A. commissions, representatives elected each year by the Association members in the 49 states, and 12 members at large appointed by the Association president.

In addition to the members of the Executive Council, the gathering will bring together the leaders of the Association's working committees, commissions, and councils and all officers of its divisions and sections, all of whom are the working machinery of the Association. Members of the official family are requested not to seek hotel reservations now since the hotel cannot accept them at this early date. Reservation forms for this purpose will be mailed to them from A.B.A. headquarters later.

New U. S. Senate Includes 13 Wartime Governors

The new U. S. Senate will include 13 wartime Governors, according to Associated Press accounts from Washington on Nov. 13, which said that seven were elected in the general elections and six are holdovers. Eight are Republicans and five are Democrats. The press accounts as given in the New York "Sun" also stated:

Senator Holland (D.-Fla.) recalled today that all knew each other and have worked together before as members of the National Governors Conference. Mr. Holland is now serving by appointment and was elected a week ago to a full term beginning in January. Former Governors chosen with him were: Martin (R.-Pa.), Thye (R.-Minn.), O'Conor (D.-Md.), Bricker (R.-Ohio), McGrath (D.-D.I.) and Baldwin (R.-Conn.).

Wartime Governors already on the Senate rolls include: Saltonstall (R.-Mass.), Hickenlooper (R.-Iowa), Donnell (R.-Mo.), Johnston (D.-S. C.), Mayback (D.-S. C.) and Bushfield (R.-S. D.).

Senator Carvile (D.-Nev.), another wartime Governor, was defeated for renomination by Representative Bunker (D.-Nev.) who, in turn, was defeated in the general election by George W. Malone, Reno Republican.

OPA Trials Continue

Despite anticipation that with the lifting of price controls those already liable for prosecution under the law for infringements would be permitted to escape penalty, announcement was made by the Office of Price Administration on Nov. 13 of its intention to proceed with prosecution of more than 10,000 damage suits and some 1,000 criminal cases involving claims of violations. An OPA official, according to Washington advices from the Associated Press, estimated that cases now in the courts would mean a return of "substantially over $35,000,000 in damages" to the government if prosecutions are successful.

Another 5,000 civil cases are under review and probably will bring the filing of additional suits, the official added.

Industrial Activity to Oct. 15 Reported by Federal Reserve Board

"Industrial production continued with little change in September and the early part of October," according to the summary of general business and financial conditions in the United States, based upon statistics for September and the first half of October, issued on Oct. 28 by the Board of Governors of the Federal Reserve System. "Department store sales have shown no further rise from the high level reached at the end of August," said the Board, "although there is usually a considerable increase at this season. Wholesale prices of livestock and meats advanced sharply after the removal of price controls in the middle of October, while prices of cotton and grains declined," the Board noted, and it added:

Industrial Production

"The Board's seasonally adjusted index of industrial production was maintained in September at the August rate, which was 177% of the 1935-39 average. Following the reestablishment of Federal price controls on livestock at the beginning of September, curtailment in marketings resulted in a sharp drop in activity at meatpacking plants; this decline offset, in the total index, further small gains in output of numerous other manufactured products and minerals. After the middle of October, when controls were removed, slaughter operations showed a sharp increase.

"Output of durable manufactures rose 2% in September, reflecting chiefly further gains in activity in the machinery and transportation equipment industries. Output of nonferrous metals also continued to rise in September and was at the highest level since the end of the war. Iron and steel production was maintained at about the August rate. In the first four weeks of October activity at steel mills advanced slightly, averaging for this period a scheduled rate of 90.3% of capacity. Production of lumber and other building materials continued to increase in September. Except for the sharp drop in meat production, there was little change in the output of nondurable goods.

"Output of minerals rose slightly in September as increased production of coal and of metals more than offset a slight decline in output of crude petroleum.

Construction

"Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, declined further in September. Nonresidential building awards dropped one-fifth to the lowest level since the end of the war, reflecting chiefly a sharp decline in contracts for factory construction. Residential awards were maintained at the high levels prevailing in July and August.

Employment

"Employment in nonagricultural establishments advanced somewhat further in September, after allowing for seasonal changes, reflecting continued gains in industries manufacturing durable goods and in trade and service lines. The number of persons unemployed remained at about two million.

Distribution

"Department store sales, which were in exceptionally large volume in August, increased by less than the usual amount in September and the early part of October. The Board's seasonally adjusted index was 269 in September as compared with 290 in August and an average level of 257 during the first seven months of the year. Since the middle of September sales have been considerably reduced in two important areas by industrial disputes, but sales in most other districts of the country have also shown a smaller rise than is usual during this season of the year.

"Loadings of most classes of railroad revenue freight were maintained at an exceptionally high rate in September and the early part of October. Shortages of freight cars persisted during this period, which is the seasonal high point of the year, limiting to some extent the distribution of commodities.

Commodity Prices

"In the middle of October Federal price ceilings were removed from livestock and meats and it was indicated that the controls remaining over most other commodities would be discontinued. During the subsequent week prices of livestock, meats, and some other agricultural commodities showed sharp advances and exceeded the previous peaks reached reached during the lapse of price control in July. Wholesale prices of various other commodities, including cotton, grains, butter, and eggs, declined but were still above the levels prevailing at the end of June. Wholesale prices of industrial products have generally continued to show relatively moderate advances in recent weeks.

Bank Credit

"Member bank reserve balances in September and the first half of October fluctuated somewhat, reflecting Treasury debt retirement operations and quarterly income tax collections. Required reserves increased somewhat in the first half of September and subsequently showed little change. Reserve Bank holdings of Government securities increased late in September and subsequently declined.

"Commercial and industrial loans at weekly reporting banks in 101 leading cities continued to expand rapidly during September and early October. Real estate and consumer loans increased further, while loans for purchasing or carrying securities continued to decline. Holdings of Government securities were reduced considerably during the period, reflecting largely Treasury cash retirement of certificates on October 1."

Army-Navy Civil Jobs Cut

Army civilian employees must be reduced 73,200 in number, and Navy employees by 20,200 before Jan. 1, 1947, by order of Budget Director James E. Webb on Nov. 13, Associated Press Washington advices stated. A top limit of 892,600 on the number of civilians for military programs was set for the first quarter of 1947.

On Aug. 31, 1945, the pay date immediately following the victory over Japan, the total actual civilian employment by the military services was 1,843,122, including 16,000 persons assigned from the Navy to the Coast Guard at the start of 1946. The War Department's civilian personnel, numbering 1,135,920 at V-J day, is under a job ceiling of 602,000.

Webb ordered a further reduction to 528,800 for the first quarter of 1947. Of that number, 38,800 will be engaged on such civil functions as flood control and river and harbor improvement.

The Navy, down from 707,202 at V-J day to 384,000, was ordered to get under a ceiling of 363,800 for the quarter beginning on January 1. The Budget Bureau indicated that it would have similar word on the reductions of personnel for governmental agencies in the non-military field later this month.

Martin Supports Move for 20% Tax Reduction—Knutson's Pledge on Cuts—Opposition by Snyder

The 20% cut in individual taxes proposed by Representative Harold Knutson (Republican) of Minnesota is supported by Representative Joseph W. Martin, Jr. (Republican) of Massachusetts, who on Nov. 12 was reported as saying that individual income taxes should be cut 20% "across the board." Reporting this on Nov. 12 from its Washington bureau, the New York "Journal of Commerce" said in part:

Slated to be the next Speaker of the House, Mr. Martin said that taxes would be one of the first problems the new Congress would tackle.

"I think we can cut 20% off. We ought to be able to do it this next year," he said in response to a question.

So that taxpayers will know where they stand in 1947, the new Congress should first pass a quick bill making the 20% cut in individual income taxes and should then undertake a "scientific revision" of the entire tax structure, Mr. Martin stated.

The proposed 20% cut, however, has nothing to do with corporate taxes or excise taxes which he did not discuss.

The way to cut taxes is to cut down expenditures of the executive agencies, the former minority leader said. Asked whether this included cuts for the Army and Navy, Mr. Martin said that he did not know and that "I haven't any definite mark yet."

Prior to the new session which starts Jan. 3 the Republican steering committee will appoint a number of "study" committees which will discuss the Republican program for the next Congress and which will report to Mr. Martin and then to the various standing committees which are concerned with the subjects under study.

"The whole purpose of this is to do the preliminary spadework so that we can start some six weeks earlier than otherwise," he explained.

It may be noted here that Secretary of the Treasury Snyder on Nov. 14, indicated his opposition to a general reduction in taxes in a time of prosperity. Advices from Boston in the "Wall Street Journal" of Nov. 15 from its Boston Bureau, quoted Mr. Synder as follows:

"I do, however, favor a reduction in expenses," he told a press conference. "That does not mean that we should not give careful attention to tax inequities. Nor does it mean that we should not provide incentives for stimulation of enterprise. But that can be done without any general reduction in taxes."

Mr. Synder was in Boston to confer with local Treasury officials and to make an off-the-record talk to directors of the Federal Reserve Bank of Boston.

The Treasury Secretary, asked to comment on a statement made earlier this week by Rep. Joseph Martin that individual income taxes should be cut 20%, said:

"I don't think that in this, a time of prosperity, we should start with any general reduction of taxes. We have got to pay off our debt of $262 billion when times are prosperous, if we are ever going to pay it. I certainly believe in very strong reductions in national expenditures, but we must have an excess of revenues for balancing the budget and to apply on the national debt."

Rep. Knutson, who is slated to be in charge of tax legislation as Chairman of the House Ways and Means Committee, made known on Nov. 6 his plans to offer a bill for a 20% reduction in individual income taxes for the calendar year 1947, and later (on Nov. 9) was quoted as saying:

"Republicans contend that tax laws should be enacted for the primary purpose of raising revenue. For two years, at least, we will outlaw the New Deal policy of taxes for punitive reasons and taxes to force social changes." His further views were indicated as follows in Chicago advices Nov. 9 to the New York "Times":

Mr. Knutson said the 20% cut would be retroactive to next Jan. 1 so that the reductions would apply to all 1947 incomes. The first Republican tax bill, he predicted, would be a "quickie," to be passed by March or April.

The bill which he plans to introduce Jan. 5, when the new Congress convenes, will not disturb existing rates, but will provide that after individual rates are computed only 80% need be paid.

Thus, on a tax bill of $100, the taxpayer would pay only $80. Mr. Knutson said a second tax bill then would be taken up. His ideas are that it should give tax relief by dropping many of the Federal excise or "nuisance" taxes now being levied.

"In hearings on the general tax bill we will take up consideration of a number of reforms long overdue," Mr. Knutson said. "We must do something to simplify the involved tax return blanks. And there has been needless prying into the affairs of our people. Complaints of other evils also will be considered."

Under the seniority system, Mr. Knutson will take over the chairmanship of the Ways and Means Committee, which originates all tax legislation. His program, already fully developed, was explained in an interview before he left by train for Washington.

"One of our most important tasks is to get the country into such shape that any recession would be of the shortest possible duration, with the least possible repercussions," he said. "To do that, we must integrate taxing and spending, which heretofore have borne little or no relationship to each other.

"The new general tax bill should give greatest possible incentive to investment of venture capital in new enterprises and expansion of existing enterprises, with the view of creating the greatest possible employment as well as additional markets for raw materials."

Mr. Knutson said that present taxes were expected to yield $41,500,000,000 during the 1947 fiscal year. Representative John Taber of New York, who will be House Appropriations Committee chairman, has promised to cut government expenditures to or below $32,000,000,000.

Rayon Production in Third Quarter Up

Third quarter rayon production, totaling 213,500,000 pounds, has exceeded production of the corresponding period of 1945 by 10%, and set a new record for the industry, according to the compilation made by the textile Economics Bureau, Inc., in its November issue of the "Rayon Organon." Production for the first nine months of 1946, totaling 638,500,000 pounds, also was a new high figure, exceeding the output in similar periods in 1945 and 1944 by 8½ and 19½% respectively.

The Bureau's announcement made available Nov. 9, continued:

October total rayon shipments amounted to 72,200,000 pounds, an increase of 6% over September. Rayon filament yarn shipments in October were as follows: viscose +cupra 42,000,000 pounds and acetate 15,400,000 pounds. Domestic rayon staple shipments in October aggregated 14,800,000 pounds. Total rayon filament yarn stocks in producers' hands at the end of October amounted to 9,000,000 pounds, while rayon staple stocks were 2,600,000 pounds.

Rayon filament yarn (all processes) produced in the third quarter amounted to 167,300,000 pounds, a figure slightly above the second quarter, but 1.1% below the record level established in the first quarter. However, viscose+cupra yarn production in the third quarter hit a new high of 123,500,000 pounds, to exceed the previous record by 1% and the third quarter of last year by 13%.

Due to a three months' strike at one acetate yarn plant, finally settled in October, third quarter acetate yarn production totaling 43,800,000 pounds was at the lowest level since the third quarter of 1945 and 8% below the peak output in the second quarter of 1946.

The production of rayon staple in the July-September period reached a new record total of 46,200,000 pounds, which exceeded the previous record by 2% and third quarter 1945 output by 12½%. The new over-all record is attributed to the increase in the output of viscose process staple, which amounted to 35,300,000 pounds or 3.5% over second quarter output. On the other hand, acetate staple production in the third quarter was slightly below the second quarter peak level. Viscose staple production in the third quarter accounted for 76½% of the total output, the balance of 23½% being acetate staple.

Domestic shipments of rayon filament yarn during the third quarter fell off slightly from the second quarter level. Deliveries amounting to 163,500,000 pounds were 1.1% below those of the preceding quarter but 11.2% over the third quarter of 1945.

Shipments of both textile-type and tire-type yarns in the third quarter were 1% under respective second quarter shipments. But for the first nine months of the year, shipments of textile type yarns were 8½ above shipments in the same period last year, while yarn deliveries to tire manufacturers in the same period were 15½% over those a year ago.

Compared with the April-June period, third quarter distribution of total yarn shipments to the principal consuming trades showed the following percentage changes: full-fashioned hosiery —10.3%; circular knitting +2.7%; narrow weaving +2.5%; broad weaving —1.1%; warp knitting —6%; and tire manufacturers —1.1%. There were no changes in shipments to seamless hosiery and miscellaneous uses.

Exports of rayon yarn by producers during the third quarter totaled 2,600,000 pounds, a decrease of 21% under the previous quarter. Exports for the first nine months of 1946 were 47% under the corresponding period last year. Of the total nine months' yarn exports, 23% comprised tire-type yarns, against 35% in the same period last year.

In the third quarter, production of viscose+cupra textile-type yarn showed an increase as well as viscose tire-type yarns. The total of 68,300,000 pounds of viscose+cupra textile-type yarn represented a 4.1% increase over the preceding quarter. Viscose tire-type yarns at 55,200,000 pounds showed a 2.8% increase. The output of textile-type yarns in the third quarter accounted for 55% of the total viscose+cupra yarn production, the remaining 45% being tire-type yarns.

Average denier of viscose+cupra yarn spun during the third quarter was 219 denier and was unchanged from the preceding three months period. Average denier of acetate yarn production during the third quarter declined slightly below the second quarter, the averages being 95 and 97 respectively.

The State of Trade

Price and wage controls so long a stumbling block to normal peacetime production were for the most part abandoned on Nov. 9, last, and such controls as still remain are presently limited to rents and rice and sugar, which as Mr. Truman stated, are necessary to implement the rationing and allocation programs of these commodities.

With the ending of the war industry's attempt at reconversion was frustrated to a great extent by OPA which through its regulations and restrictions made for an ever-increasing distortion of prices in an economy which in recent months was half-free and half-regulated. In the passing of such bureaucratic control business and industry has been given the freedom to make readjustments which will permit of a natural expansion of output in many fields.

This readjustment can be accomplished with a minimum of inconvenience to all providing whole-hearted cooperation is forthcoming, and, as William K. Jackson, President of the National Chamber of Commerce stated in his remarks on the ending of price and wage controls, the "time has come for government, management and labor leadership to cooperate to make the enterprise system function effectively."

The principal threat to increased production and employment are strikes called or contemplated to force the payment of wage boosts to overcome higher living costs engendered by similar demands met last winter.

At the moment, John L. Lewis, head of the United Mine Workers Union and his 400,000 soft-coal miners have placed themselves in this unenviable position. Mr. Lewis on Friday of last week rejected a personal appeal from the President and ordered the walk-out effective at midnight on Wednesday of this week. Following this action, J. A. Krug, Secretary of Interior and Solid Fuels Administrator, on Saturday signed three orders and the Interstate Commerce Commission another. The orders applied to operators of all bituminous mines, to shippers and forwarders of coal to Great Lakes and tidewater ports and to retail dealers and tidewater commercial dock operators. They were designed to insure that hospitals, utilities and food processing plants have adequate supplies. The Interstate Commerce Commission order duplicated the Solid Fuels Administration order in its application to railroads.

On Monday the government applied greater pressure on Mr. Lewis and his striking miners by having the United States District Court for the District of Columbia issue a restraining order to call off his scheduled nation-wide strike or face a possible jail sentence for contempt of court. The foregoing legal action was resorted to by the government to curtail the tremendous economic power Lewis wields in his position as leader of the soft coal miners. By Tuesday of this week 272 government-operated soft coal mines employing 72,828 men were idle because of the current contract dispute and an estimated loss in production of coal amounted to 463,487 tons compared with 170,000 tons the day before due to idleness, according to the Solid Fuels Administration. At 11:59 p.m., on Sunday next, a 25% reduction in railroad passenger service performed by coal-burning locomotives will become effective by order of The Office of Defense Transportation.

For the past week overall industrial production held close to the high levels of recent weeks and employment and payrolls remained high. Such business barometers as steel ingot output, electric kilowatt production, bituminous coal production and daily average crude oil output all showed advances for the week, while paper production and freight car loadings reflected declines. The spectre of a coal strike hung like a pall over the steel industry both last week and the current week, but according to "The Iron Age," "there were more adherents to the opinion that this crisis might be passed without a sharp drop in steel production."

The production of automobile replacement parts reached an all-time high last week with manufacturers' shipments about double the 1941 level. Output of cars and trucks in the United States and Canada was estimated at 94,640 units, the second highest total since the war ended, Wards Automotive Reports state.

Retail volume increased slightly during the week as brisk week-end buying by many shoppers continued through Armistice Day. The supply of durable goods rose and attracted a large share of consumer attention. Promotions and mark-down sales of women's apparel were received with moderate enthusiasm and interest in men's wear remained high. The over-all supply of food was plentiful and volume rose appreciably.

Wholesale volume, up slightly from that of a week ago, was estimated last week to be about 20% above that of the corresponding week a year ago. Spring apparel shows opened in many cities and attracted a large number of buyers, though buying was cautious and selective. The over-all improvement in deliveries was particularly noticeable in many durable goods lines and new order volume generally was at a high level.

Steel Industry—Price increases made effective early last week in the metalworking industry, following the elimination of price controls, were tempered with the thought of possible 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.

No leading steel producer last week made any changes whatsoever in the prices of steel products and no general across-the-board advance is looked for at least until Philip Murray's United Steelworkers Union makes known its wage demands. However, the magazine states, 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. 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 the past week, "The Iron Age" observes, 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. While some scrap was coming out at the new quotations, dealers were 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 reestablished, the magazine notes.

The nonferrous market moved

(Continued on page 2674)

As We See It

(Continued from first page)

opinions of their membership. Union officials and politicians have vied with one another for years in building up "respect" for picket lines and in putting any "strikebreaker" in the category of human "rats." One of the results is that men walk out en masse when they have no desire to do so and when their own better judgments dictate a different course of action, and remain out so long as their "leaders" direct them to do so. Picket lines take orders not from the rank and file but from the "leaders." It is our judgment, as it is the judgment of the vast majority of business leaders, we are certain, that both labor leaders and labor unions would serve their own ends far better during the next year by forgetting about sweeping demands for higher wages or other "benefits" which come down to the same thing, and concentrate their attention upon effective and efficient production in order that the purchasing power of existing wage rates may rise.

But neither what we think, or what the vast majority of dispassionate observers believe, is likely to govern the action of the union authorities who have their own motives and reasons for their behavior. It is quite possible that the next few months will witness an aggressive campaign for higher wages and all the rest. Would the individual business man or the individual business enterprise find itself wholly helpless in such a situation? Would they be obliged to yield whatever it is that the labor leaders really are prepared to insist upon? Individually and alone, they doubtless would often find themselves in precisely such an unenviable position. It would, however, be a truly terrible state of affairs if this were always true, and if this were the whole story.

Have We Had Enough?

But we do not believe that this is the whole story. The union leaders have elevated themselves to this position of dictatorship with the aid of Federal legislation. Here is a situation which should be corrected with whatever dispatch is consistent with careful, dispassionate statesmanship. It is doubtful, however, if it could be corrected wisely and constructively by legislation hastily drawn or maneuvered through Congress without time for full consideration—which means, of course, that such a course can scarcely be counted upon (except perhaps as a threat over the heads of overly ambitious labor leaders) as a main reliance in any general conflict precipitated during the next few months. That it could not be so relied upon is, however, not so disheartening as it might appear on the surface to be.

The basic difficulty is elsewhere. It is to be found in the attitude heretofore prevailing among the vast masses of the people, who actively supported, were largely in sympathy with, or were apathetic toward most if not all that the labor unions and their leaders were doing. The almost incredible growth in this popular attitude is one of the burdens that the New Deal philosophers laid upon the American people. This strange sort of moon-blindness made possible, not to say inevitable, the mass of unfortunate labor legislation, chiefly Federal but also state and local, which now rises to plague us. It makes possible the mass picket lines and their effectiveness.

Whether or not business generally would be obliged rather weakly to yield to union pressure within the next few months depends, therefore, largely upon the degree in which the scales have fallen from the eyes of the general public in this country. It is now clear that most people have had quite enough of governmentally engineered shortages, various controls and much else in the current scene. It remains to be seen whether the same revolution really has occurred in regard to the behavior of the labor leaders and the inevitable results thereof. If such a change has in fact occurred, local laws henceforth will be enforced against labor unions and their bullying pickets the same as against all other citizens in the community. When that happens, the task of making many of these strikes effective will be vastly greater than it is now.

Fully as important is the fact that, in such an event, it will henceforth be no disgrace to cross picket lines. Of course, it never was any cause for disgrace, but influential popular leaders had managed to make great masses of our people suppose that such was the case. With the public generally feeling quite at liberty to cross a picket line whenever it desires, when a man without shame or danger may return to work (or not leave it) when in his judgment there should be no strike, and when the public does not prejudge any labor dispute in labor's favor—when these things come to pass, we shall be much less at the mercy of John L. Lewis and the many others of his turn of mind than has been the case for some years past.

The big question of the day is: Have these things yet come to pass?

Consumers' Prices Rose 1.2% Between August and September 15, Labor Department Reports

Retail prices to moderate-income city families advanced 1.2% between Aug. 15 and Sept. 15, according to the Bureau of Labor Statistics of the U. S. Department of Labor. Higher prices for food, clothing, and housefurnishings were primarily responsible for this increase, but all major groups contributed to the rise. On Sept. 15, 1946 the consumers' price index was 145.9% of the 1935-39 average, and 48% above the level of prices at the beginning of the war in August 1939, the report added:

Consumers' prices in mid-September were 13.2% higher than a year ago. Prices of living essentials advanced 1.0% between September 1945 and March 1946, 2.4% between March and June 1946, and 9.5% from June 15 to Sept. 15, 1946.

The family food bill for all foods except meats increased 2.2% on the average between mid-August and mid-September. It was impossible in mid-September to obtain sufficient quotations to compute a reliable measure of change in retail meat prices because of the severe shortage of all meats except lamb (in a few cities) and poultry and fish. In order to meet the great demands for overall price indexes for September, August prices for beef, veal, and pork were used in computing the indexes*. On this basis, the average advance in retail food prices in large cities was estimated at 1.7% between mid-August and mid-September. The retail food price index would have dropped 5% if consumers had been able to buy beef, veal, lamb, and pork at the OPA ceilings established on Sept. 10. If this had happened, the total consumer's price index would have declined about 1½% instead of advancing 1.2%.

Between mid-August and mid-September beverage prices rose 28%, reflecting adjustments to new OPA ceiling prices for coffee. Egg prices advanced 11%, and canned fruits and vegetables average 6% higher as new packs of pineapple and tomatoes at higher ceilings became available. Fresh fruit and vegetable prices dropped further by 2.5% after having fallen 8% between mid-July and mid-August. Prices of fats and oils declined 16% after the restoration of ceilings by the Decontrol Board in early September.

Clothing prices advanced 2.9% during the month—the largest monthly increase since early 1942. Higher prices were reported for nearly all clothing and shoes, with cotton garments including work clothing, shorts, and business shirts advancing sharply. In many cities men's overcoats and heavy knit underwear, and women's coats and other wool clothing retailed at generally higher levels as fall lines came into stores.

Fuel, electricity and ice costs increased 0.7% on the average as higher prices for anthracite and bituminous coal offset a reduction in the average cost of electricity to consumers in Kansas City.

The rent index rose 0.1% between Aug. 15 and Sept. 15. Residential rents in the 18 cities surveyed in September were 0.1% higher than in June.

Housefurnishings prices advanced 2.5% over the month as prices for cook stoves, living room and bedroom sets, and sheets and towels increased. Miscellaneous goods and services costs rose 0.6% because of higher prices for household cleaning supplies, gasoline, and some medical services.

Automobiles and a number of household durable goods which had been eliminated from the index during the war, such as sewing and washing machines, refrigerators and vacuum cleaners, were reintroduced into the index in September. These reintroductions and the return of gasoline and motor oil to their full prewar consumption patterns have caused the September indexes for the house-furnishings and miscellaneous groups to be 3.5 and 0.1% higher than the August indexes.

*This is the same type of procedure used during May and June when the meat shortage was also severe. August meat prices will be used in the index again in October if an adequate number of price quotations were not obtained between Oct. 14 and Oct. 18. If supplies are large enough to provide an adequate sample of prices in November, the November index will reflect the over-all change that has occurred in the price of meat between mid-August and mid-November. There are no figures to describe what happened to retail meat prices in the intervening period.

Aldrich to Attend Council Meeting of International Chamber

W. W. Aldrich

Winthrop W. Aldrich, Chairman of the Chase National Bank of New York and President of the International Chamber of Commerce, who sailed on the Queen Elizabeth on Nov. 13 for the meeting of Council of the International Chamber, stated that one of the principal questions to be dealt with at the meeting will be the development of a program to make effective the new relationship between this world-wide organization of business men and the Economic and Social Council of the United Nations.

The International Chamber meeting will be held in Paris, December 3 and 4. It will be preceded by a series of committee meetings at which reports on pressing economic transportation, financial and related international problems will be put into final form for the Council's consideration.

"This session of the Council of the International Chamber will in my opinion be one of the most important meetings in the history of international business groups," Mr. Aldrich said. "Business opinion throughout the world is firmly determined to do all it can to promote the success of the United Nations and of the Economic and Social Council and its affiliated organizations." Mr. Aldrich also said in part:

"That can be accomplished more readily if all will approach this international movement in a spirit of constructive assistance and with the conviction that if offers the best opportunity yet presented for world enlightenment and cooperative action in the cause of peace.

"The Economic and Social Council has awarded a consultative status of the highest category to the International Chamber of Commerce under the provisions of the United Nations Charter. At the Paris meeting we must determine the means by which this new relationship can be implemented and given the greatest practical value to the United Nations.

"It undoubtedly will call for the establishment in New York, and at the permanent site of the United Nations when that is selected, of an office of the International Chamber, which will coordinate its activities with those of the Paris headquarters of the Chamber, and through which the work and research continually being carried on by this organization can be brought to the attention of the members and staff of the Economic and Social Council.

"The official consultative status granted to the International Chamber will extend not only to the commissions and subcommissions of the Economic and Social Council, which cover important fields of international cooperative action, but also to the Specialized Agencies that fall under this broad division of the United Nations. "Among these Specialized Agencies are the International Bank for Reconstruction and Development, the International Monetary Fund, the Food and Agriculture Organization of the United Nations, the International Labor Organization and the Provisional International Civil Aviation Organization. The International Trade Organization will be added when it is established.

"It is our hope that the International Chamber will be able to make contributions of high value to the progress of the Economic and Social Council. Practical assistance already is being extended along several lines. The International Chamber is directing its present efforts toward stimulating production, reestablishing transport, clearing trade barriers and starting the war devastated countries on the road to economic recovery and stability. These are also immediate concerns of the Economic and Social Council.

NYSE Borrowings In October

The New York Stock Exchange announced on Nov. 4, that as of the close of business on Oct. 31, the total of money borrowed from banks and trust companies in the United States amounted to $370,558,761, compared with the figures for Sept. 30 of the $407,324,764. Advices of the Exchange follows:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges, (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, $159,965,099; and (2) on all other collateral, 210,593,662; reported by New York Stock Exchange Member Firms as of the close of business October 31, 1946 aggregated, $370,558,761

The total of money borrowed, compiled on the same basis, as of the close of business Sept. 30, 1946, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, $156,883,102; and (2) on all other collateral $251,041,662; which amounts totaled $407,924,764.

Thorp Promoted

Willard L. Thorp, who has been assistant to William L. Clayton in the State Department, was recently appointed by President Truman to fill the vacancy created by the elevation of Mr. Clayton to Under Secretary of State for Economic Affairs. Mr. Thorp will move into the post of Assistant Secretary of State for Economic Affairs, the Associated Press reported from Washington on Nov. 8. One-time director for the Bureau of Foreign and Domestic Commerce, he served at various times as a member of the Federal Alcohol Control Administration, director of the National Emergency Council consumers' division and Chairman of the National Recovery Administration Advisory Committee.

Review Decisions of U. S. Supreme Court

The United States Supreme Court refused Nov. 12 to rule on a Puerto Rican law, enacted in 1941, which according to its critics permits the Island legislature to employ the power of eminent domain to carry out a program of redistribution of wealth. Reporting this, Washington dispatches of Nov. 12, to the Associated Press, continued:

Eastern Sugar Associates, a Baltimore corporation, owners of 3,070 acres of farm land on the Island of Vieques, asked the Supreme Court to review a decision by the U. S. Circuit Court in Boston. The Circuit Court decided that the Puerto Rican law met the reuirements of the U. S. Constitution.

The Circuit Court decision reversed a ruling by the U. S. District Court in Puerto Rico, which had dismissed land condemnation proceedings against property of Eastern Sugar Associates.

Eastern Sugar Associates, in appealing to the Supreme Court, said the Puerto Rico Government program "has as its declared purpose the complete socialization of the agricultural economy."

The same day the court granted the Ford Motor Company review of a contention that certain automobile financing restraints should be suspended. The controversy arose from government charges that Ford and General Motors had conspired with several finance companies to restrain trade in financing cars. According to the press advices:

General Motors went on trial. But Ford consented to a decree which enjoined practices asserted to have an influence on dealers in the selection of finance companies. The decree also enjoined Ford from purchasing securities of a finance company.

Ford told the Supreme Court that a general verdict of guilty was returned against General Motors. Ford contended, however, that restraints on dealer selection of finance companies were not imposed on General Motors in substantially identical terms with those in the Ford decree. Ford also said no final decree has been entered requiring General Motors to dispose of the General Motors Acceptance Corporation, a car financing concern.

Under terms of the Ford consent decree, Ford contended it was now entitled to lifting of restraints. The company appealed from a decision by the U. S. District Court in Hammond, Ind., which rejected its request.

The court also agreed to review charges brought by Samuel Okin, an owner of 9,000 shares of Electric Bond & Share, that the SEC was without power to regulate that company's subsidiary, American & Foreign Power, since the latter's properties are outside the United States. The Associated Press advices continued:

Okin also protested a Commission order authorizing a refinancing of a $30,000,000 debt owed by Foreign Power to Bond & Share. He said the Commission lacked power to impose conditions postponing payment of renewal notes involved in the refinancing until the status of other creditors was determined.

The U. S. Circuit Court in New York upheld the Commission's action. Justice Douglas, former SEC Chairman, took no part in consideration of Okin's request.

The court also refused to review a Federal Power Commission order requiring Cities Service Gas Co. to reduce its interstates wholesale rates.

The company operates a 4,300-mile natural gas pipeline system extending from production area in Texas, Oklahoma and Kansas to serve a wide area in Northern Oklahoma, Eastern Kansas, Southern Nebraska and Western Missouri.

The Commission in July, 1943, ordered the company to reduce its rates by not less than $4,445,871 below its 1941 operating revenues. The U. S. Circuit Court in Denver upheld the Commission.

The company in asking a Supreme Court review sought to reopen questions involving the inclusion of production and gathering facilities in the rate base and of including expense of production and gathering in the cost of service.

The Supreme Court today agreed to review a Chicago Circuit Court decision which voided National Labor Relations Board orders directing the Keystone Steel and Wire Co. to cease asserted unfair labor practices.

The board held that one company labor organization had "grown out of" a prior company-dominated organization, "without any break in continuity." It ordered the firm to withdraw recognition from the latest organization and to refrain from recognizing the earlier organization if it returned to active existence.

The company was accused of denying to the CIO United Farm Equipment and Metal Workers the same organizing privileges it had given to other groups. The Circuit Court threw out the board's orders on the ground they were not supported by substantial evidence.

The court also agreed to determine whether a government employee fired because of asserted "unsatisfactory services" is entitled to salary after the day of his dismissal.

Territorial Air Bases To Commerce Dept.

By order of President Truman all non-essential military airports outside the Continental United States are to be transferred by the Army and Navy to the Commerce Department, which is to be responsible for administration and maintenance. Provision is made, however, for retaking of the fields by the War and Navy Departments in the event of military necessity. Although no list of airports affected was not available when the order was announced on Nov. 7, advices from Washington to the New York "Herald Tribune" stated that officials had indicated that the new ruling would apply to bases in Alaska, Panama, Puerto Rico, Hawaii and some Pacific islands. Mr. Truman's Executive order did not include United States air facilities constructed by military forces in foreign territory, such as Africa, Italy and Germany.

Some military air officers are said to have expressed reluctance to part with the bases according to the "Herald Tribune" Washington advices. The Commerce Department has indicated its intention, after it has received notification of which airports are to be relinquished and when, of determing "which of these will be necessary for use by the United States and world civic aviation and can best be utilized for the promotion of world air commerce."

Life Insur. Inst. to Meet in N. Y.

The annual meeting of the Institute of Life Insurance will be held Wednesday, December 11 at the Waldorf-Astoria Hotel in New York City. The date has been selected to fit into the schedule of life insurance meetings to be held in the city during the week, which regularly attract company executives from all parts of the country and Canada.

US Treaty with China

A treaty of "friendship, commerce and navigation" was signed at Nanking on Nov. 4 by the United States and China, Associated Press Washington advices stated, adding that State Department officials had laid emphasis on the fact that the agreement has no significance as a move by this country to strengthen the National Government of China in its struggle with the Communist forces. The Associated Press said:

Described by the State Department as "the first post-war comprehensive commercial treaty to be signed by either Government," the 10,000-word document supersedes nine previous pacts, including one drafted in 1844. The press accounts likewise stated:

It will become effective only after ratification by the American Senate and Chinese Legislature.

Among the provisions of the treaty, according to the Associated Press, are the following.

Citizens, business firms and associations of one country can "reside, travel and carry on trade" in all parts of the other country.

They can operate "commercial, manufacturing, processing, scientific, educational, religious and philanthropic activities" within the limits of the laws of the other nation. They can buy or lease buildings and lands for these purposes.

Americans can organize and participate in corporations with Chinese in China. Chinese can do likewise in this country. If the United States grants certain special rights here to any third country it must grant equal rights to China. Under the same circumstances, China must do the same.

In an amendment to this provision, however, the United States reserves the right to grant special treatment in trade to Cuba and the Philippines which China cannot claim. One country is obligated to grant to the other the same rights to explore for minerals and develop them that it gives to any third nation. No specific minerals are listed.

Merchant ships of each country have "freedom of commerce and navigation" in the territorial waters and ports of the other.

The treaty makes plain that it does not modify this country's immigration laws, which sharply restrict the number of Chinese immigrants.

Government "Plans" Sugar Scarcity, GOP Group Says

In a statement accusing the government of "planning" the shortage of sugar, Chairman Thomas A. Jenkins (R.-Ohio) of the Republican Congressional Food Study Committee demanded the termination of the government's policy, declaring that consumers and the incoming Republican Congress would not tolerate its continuance, and citing what he called "self-evident facts" disproving a real scarcity. Representative Jenkins said that his committee had found that areas on which the United States depends for supplies produced more sugar in 1946 than in any other recent year, Associated Press Washington advices of Nov. 14 stated. At the same time, the committee's statement continued, American consumers received 500,000 tons less than during the corresponding period of 1945, and refined sugar exports from the United States are twice as large as last year, while exports of American-owned sugar from Cuba are 168% of the 1945 level.

Steel Output Continues to Increase—Scrap Price Up—Coal Stoppages Affect Operations

A prolonged tieup of the nation's coal mines would produce one of the most serious impacts on the steel industry in recent years and undo a substantial part of the progress made towards the establishment of a normal steel market, according to "The Iron Age," national metalworking paper. "Having had its first chance in the past few months to step up steel output to unprecedented peacetime levels and thus greatly reduce the tremendous unfilled demand from customers, it appears this week that the industry is about to be plunged into the period of hectic hit-and-miss production schedules and shortages which followed the steel and coal strikes earlier this year," continues the "Iron Age," which further states in its issue of today (Nov. 21) as follows:

"Unless the coal crisis is passed quickly and a settlement reached there is the bitter possibility that the steel operating rate will not only sag to a much lower level, but will not regain current levels for two or three months, if then. The unusually high rate of activity has prevented steel firms from building up coal inventories which are now at an exceedingly low point. Complete stoppage of work at the mine pits may within one week reduce the operating rate by 10 points to around 80% of capacity.

"Should the coal impasse with its fundamental issues run into a long period, the industry within a few weeks' time may find its ingot rate down around 65% or 70%. After that the rate would sag much lower. These severe setbacks would be brought about because of the necessity for banking blast furnaces which have been the main support for the currently high steel activity.

"Far more important and apt to be overlooked is the fact that, if the coal strike should last through December, many blast furnace operators might be forced to keep their units out of operation until the outcome of wage negotiations with the United Steel Workers of America is definitely known.

"While the steel industry again faces the prospect of lower operations and maldistribution of its products because of labor difficulties, it was pausing this week to explore on its metallurgical front the possibility of a history-making advance in steel production through the use of oxygen in blast furnaces and openhearths.

"The process is currently being tested at several steel-company plants in this country and the use of oxygen in some openhearth furnaces on a test basis has increased output as much as 40% to 50% an hour. While there are many difficulties to overcome, such as new-type burners and a reduction in the cost of oxygen, high hopes are held that this rejuvenated approach to modern steelmaking may be a lifesaver to the industry over the next several years of high materials and labor costs.

"Although major steel companies last week had still made no move toward increasing steel prices generally, steel consumers were taking some statements of steel officials with a grain of salt. According to steel consumer reaction, steel users fully expect higher steel prices if coal and steel wages are hiked.

"Many small nonintegrated steel companies last week advanced their steel quotations, some by raising base prices and some by adjusting steel extras which resulted in an over-all price increase. In practically all instances these increases were those which OPA had approved before steel price ceilings were removed but which had not been announced under OPA.

"'The Iron Age' scrap composite price advanced 33 cents a ton this week to $24.75 a ton.

"To many scrap consumers the current prices are not a bar to the purchase of as much scrap as possible in order to build up depleted scrap stocks. Furthermore, some of today's current quotations are more realistic than those under OPA control and do not necessarily reflect as great an increase as statistics indicate when such factors as grades and quality are taken into consideration."

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 91.4% of capacity for the week beginning Nov. 18 (highest level reached since June, 1945, for the third consecutive week). This compares with 91.2% one week ago, 90.3% one month ago and 82.4% one year ago. The operating rate for the week beginning Nov. 18 is equivalent to 1,610,800 tons of steel ingots and castings, compared to 1,607,300 tons one week ago, 1,591,400 tons one month ago, and 1,509,300 tons one year ago. Some revisions may be necessary later this week should the coal miners quit at midnight on Nov. 20.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on Nov. 18 stated in part as follows: "Advances in iron and steel scrap and major nonferrous metal prices featured the first week of decontrol. Finished steel prices held unchanged but increases on certain products, which have been regarded as underpriced for a long time, may be announced soon. This action will be selective, at least that is the present prospect.

"What the more distant future holds will depend largely upon the trend in labor costs and in prices of raw materials, notably coal, scrap and pig iron. Hence, the outcome of the soft coal negotiations is being watched with special interest.

"Scrap is buoyant, but it is still too early to gage the full extent of the advance. To date, melting steel has advanced in leading consuming districts $5 a ton above the OPA levels prevailing at time of decontrol. Although in practical effect, the increase amounts to about $2.50 a ton because of the upgrading which had prevailed. Cast grades advanced irregularly with rises of $15 a ton or more reported in some instances.

"With winter approaching and with consumers' inventories small, strength in scrap should continue through to spring, but how high prices will go before they begin to level off and how soon they will begin to become stabilized remains uncertain.

"Scrap sellers at present are reluctant to commit themselves on much tonnage because of the possibility of still higher prices. Meanwhile, collectors are being stimulated into action by higher prices, but it will require time for them to accumulate tonnages, especially in the face of winter weather. That price incentive could not have come sooner, say last summer when the matter was such an issue, is generally regretted by the trade.

"There is little prospect of a change in pig iron prices until the coal miners negotiations are settled, if then. In fact there may be no revision as long as the present premium payment plan, designed primarily to assist the housing program, prevails. However, once premiums come to an end under the present government financing, and should there be an increase in fuel costs, which appears probable, then an overall revision of pig iron schedules would seem likely."

Robert E. Healy, SEC Commissioner, Dies

Last of original members of SEC passes away at home at Germantown, Pa. Reappointed by President Roosevelt three times.

Robert E. Healy, member of the Securities and Exchange Commission, the only Commissioner of the original Commission appointed by the late President Roosevelt, died on Nov. 17 at Germantown, Pa. He was 63.

Robert E. Healy

Judge Healy, who was from Bennington, Vt., studied law in the law office of Orion M. Barber and was admitted to the Vermont State bar in 1904.

After serving as a judge in Vermont, Mr. Healy was made chief counsel for the Federal Trade Commission in 1928 and had an active part in the administration of the Federal Trade Commission Act, the Clayton Act, the Webb Pomerene Act and the Securities Act during 1933 when it was administered by the Federal Trade Commission.

He was appointed to the Securities and Exchange Commission in 1934, reappointed three times thereafter. He served on the National Power Policy Committee, by appointment by President Roosevelt, and was chairman of a subcommittee which proposed a bill to regulate holding companies.

Construction Volume for 1947 Estimated

Construction volume in the 37 states east of the Rocky Mountains will increase approximately 25% over that of this year, it was estimated on Nov. 13 by Thomas S. Holden, President of F. W. Dodge Corporation, a fact-finding organization for the construction industry.

The Dodge executive indicated that 630,000 dwelling units would be built in the states east of the Rockies next year, a gain of 35% in number and 38% in dollar volume over the expected 1946 record. The residential estimates assume, he said, that the present system of priorities and allocations of materials will be out next year.

An anticipated gain of 7% in nonresidential construction, such as commercial, industrial and educational building, and 22% in public works and utilities during the coming year, added to the increased residential volume, would bring the total of all construction in the 37 states to slightly more than $9,500,000,000 against $7,700,000,000 expected this year.

"In the present situation, the general economic conditions surrounding construction activity and the types of stresses and strains likely to prevail within the industry are even more important for appraising the outlook for the coming year than are attempted measures of construction demand," Mr. Holden said.

"Construction activity will not necessarily participate in the expected recession of general business. Odds are that it will not, but will continue on an increasing scale without serious setback. If this turns out to be true, construction may be the principal sustaining activity tending to moderate the impact of price recession on the general business structure," the Dodge executive declared.

"The recent removal of material price controls will stimulate increased production of many scarce items," Mr. Holden said. "It will probably result in numerous price increases over present ceilings, but to levels lower than black market prices. Materials in approximately balanced supply will stabilize quickly. The few items that may show marked price increases will not necessarily count heavily in total construction costs.

"Construction costs will rise somewhat above recent OPA theoretical levels indicated by published index numbers, but will be measurably less than actual costs. Elimination of the numerous abnormal costs engendered by controls will give the industry considerable leeway in adjusting itself to free market conditions.

"Most construction materials will progress from sellers' markets into buyers' markets during the course of next year, and material supply will cease to be the major bottleneck. The major bottleneck will be shortage of skilled labor. While apprentice training has been stepped up, and many building trades unions have recruited new members, recruitment has not kept pace with needs in a number of important trades.

"While the prospect of general business recession has prompted talk of Federal stimulation of public works, there is serious question as to whether such a course would be necessary or desirable. Odds favor continuation of effective private construction demand on such a scale as to make greatly enlarged public works programs unduly competitive for materials and labor in the 1947 market," Mr. Holden declared.

"Residential building is estimated to increase 38% in dollar volume over the final 1946 total. This estimate assumes an approximately uncontrolled market during most of 1947. The large estimated increase in apartments and hotels is predicated on the assumption that new construction will be completely exempted from rent ceilings. Rent ceilings have been and continue to be the principal deterrents to apartment building. It has been conclusively shown that increased supply of rental housing is the most urgent need in the whole housing shortage situation, both as it affects veterans and non-veterans."

Ball Wants Early Labor Legislation

Senator Ball (R.-Minn.), in news conferences since the recent victory at the polls for Republicans, has stated his conviction that the Wagner Labor Relations Act should undergo drastic revisions when the new Congress convenes, according to Associated Press advices from Washington on Nov. 9 and 12. The Senator, who will rank high on the new Education and Labor Committee, has pledged himself to seek an amendment prohibiting making union membership a condition of employment. "I think the closed shop is the most reactionary and illiberal thing we've got in our industrial picture," he said. "There is no real justification for it any more."

Mr. Ball also told reporters that he would like to see an attempt made early in the session to legislate prohibitions against secondary boycotts, regulation of union welfare funds and provisions making unions subject to suit for violation of collective bargaining contracts. Urging outright junking of the National Labor Relations Board, he said that the sooner Congress writes "a statute to permit any one whose rights are affected to go into court directly, the better off we'll be."

Construction Activity In Sept. Drops

Construction activity began to level off in September after climbing steadily since the end of the war, according to preliminary estimates of the Bureau of Labor Statistics, U. S. Department of Labor. "Both employment (2,307,000 workers) and expenditures for work put in place ($1,243 million) were slightly below August levels, and activity on most types of projects either remained the same or declined slightly. August represented the peak of activity for the postwar period to date," said the Labor Department on Oct. 24, its advices also stating:

"This slackening of construction work is not unusual for this season of the year, especially when a high level of activity has been reached. However, material shortages and cost uncertainties probably were retarding influences preventing still further expansion at the present time.

"Construction and repair of private nonfarm homes slackened somewhat from the August high, with employment in September at 720,000 workers and expenditures at $395 million. Although employment was about 65,000 under the figure for the comparable month in 1941 (the best home-building year since the '20's), it was almost four times greater than in September a year ago.

"Private nonresidential building activity in nonfarm areas also remained practically unchanged from August. As shown by expenditure figures, commercial building declined ($11 million) for the second consecutive month in 1946. Offsetting gains in industrial and other types of building, on the other hand, brought to $411 million the amount spent by private builders on nonresidential building as a whole. Employment on this type of construction (795,000) was about the same in August.

"By the end of September, $8.5 billion had been spent for construction (including minor building repairs) during 1946. This was more than double expenditures in the first nine months of 1945. The dollar volume of private work put in place in the first three quarters of this year amounted to $7.1 billion against $2.4 billion for the corresponding months of last year. Expenditures for publicly financed construction were almost the same in the two periods—$1.4 billion in 1946 and $1.6 billion in 1945."

Further Loans Sought From World Bank

The Government of Iran has applied to the World Bank for a $250,000,000 loan, according to advices from the Associated Press in Washington on Oct. 30, which added that the Netherlands had also notified the Bank of an intent to apply for a $500,000,000 loan. Iran is reported to have requested that the $250,000,000 be made available for expenditure during a period of five to seven years in connection with a development and reconstruction program designed to improve the standard of living and "the health and welfare of the people of Iran."

Thus far the Bank has made no loans, but seven nations have now applied for or indicated an intention to apply for loans from the bank which will total approximately $2,290,000,000. The 42 member countries have pledged the Bank subscriptions of more than $8,000,000,000, but it is reported that less than $400,000,000 has thus far been paid. However, it is expected that the total will be brought to $767,000,000 next month by further payments already called for.

U. S. Debt, Public and Private Over 400 Billion

The total net debt in the United States, public and private, amounted to $400.5 billion at the end of 1945, an increase of $35.4 billion from 1944, the Department of Commerce said in an announcement issued by them on Sept. 25.

This compares with a record increase of $62 billion in the total debt in 1944, the last year of full-scale war expenditures, the report of the Department went on.

Although the war-time rate of increase in the Federal Government debt was considerably reduced during 1945, the Federal debt in the year the war was brought to a successful conclusion increased $42 billion. This increase was partially offset by debt reductions in other spheres, notably a decline of $8.8 billion in corporate short-term debt, largely made possible by decreased Federal income tax liabilities. Short-term corporate debt totaled $46.5 billion at the year's end.

Other declines were in state and local government debt, down $349 million to a total of $13.7 billion at the year's end; long-term corporate debt, down $950 million to a total of $39.3 billion; and farm mortgages, down $190 million to a $5.1 billion total, the lowest level since 1915.

The Federal Government debt, however, was not the only debt to increase during 1945. There were notable increases in noncorporate urban mortgage debt, up $162 million; short-term commercial and financial debt, up $2,541 million; and short-term consumer debt, up $957 million. Noncorporate urban mortgages totaled $27.3 billion at the end of the year; short-term commercial and financial noncorporate debt $14.7 billion; and short-term consumer debt $6.7 billion.

In reviewing the changing pattern of public and private debt during the war period, from 1941 to the end of 1945, the Department of Commerce said that the total net debt advanced from $202.4 billion to $400.5 billion. During these years the gross national product or expenditure rose from $120 billion to $199 billion.

During this period (1941-1945), Federal Government net debt increased more than five-fold, noncorporate short-term commercial and financial loans increased nearly one and one-half times, and corporate short-term debt increased moderately. Other classes of debt contracted in varying degrees: urban noncorporate mortgage, 5%; corporate long-term, 10%; state and local government, 16%; farm mortgage, 22%; and noncorporate short-term consumer, 32%.

Noncorporate urban real estate mortgages, which declined from $28.6 billion at the end of 1941 to $27.1 billion at the end of 1944, expanded during 1945, the Department of Commerce said. During 1945, mortgages of this type increased by $162 million as compared with a reduction of $174 million during 1944.

State and local governments reduced their outstanding obligations during the war years. The limited opportunity for capital expenditure, reflecting wartime conditions with respect to supply of materials and labor, plus steadily rising revenues, were responsible for debt retirements by state and local governmental bodies.

In viewing the period ahead, the Department of Commerce said that the downward trend of farm mortgage indebtedness that has been continuous since the early 1920's, may be halted soon. This was indicated in 1945, it was said, when the decline was retarded for the nation as a whole. In 20 states farm mortgages increased in 1945 as compared with only 8 states showing increases in 1944.

The Treasury's debt reduction program, begun in late February 1946, brought to a close a period of public debt expansion such as this country has never before known, the Department of Commerce said. It is expected that the broad trends in indebtedness evident during the war will have been substantially altered by the close of 1946.

U. S. Cool to Food Fund Plan

The $400,000,000 United Nations Emergency Food Fund proposed for next year by UNRRA director general, Fiorello H. LaGuardia, to tide over European countries from the end of 1946 to the end of next year's harvest has found a cool reception on the part of the Administration, special advices of Nov. 12 to the New York "Times" stated. As an indication of this came a statement from Dean Acheson, Acting Secretary of State, who is reported to have indicated that the time has passed for an elaborate international set-up to handle the problem.

Officials have repeatedly said, the same sources continued, that should UNRRA die at the close of the year, as is expected, future funds for relief would have to come from Congress.

Mr. Acheson indicated that America's policy would continue as previously outlined, with consideration given to food needs of foreign nations in particular cases, and then, when it is decided to favor relief for them either by grants or loans, to seek the funds from Congress. UNRRA, he declared, was an emergency, temporary organization entrusted with relief during the immediate post-war period when foreign exchange was in confusion and governments were not on their feet. That period has now passed, he said, and it is no longer necessary to have food supplied through an international agency.

In the case of such countries as Italy, Austria and Greece, which might be unable for a time longer to finance sufficient imports of food, he maintained that arrangements could be made through consultations with them on special programs having the specific approval of Congress.

Robey Sees Slump Unlikely

Dr. Ralph W. Robey, chief economist for the National Association of Manufacturers, at a news conference on Nov. 7 preceding the annual dinner of the Syracuse Manufacturers' Association, predicted that there would be no depression, Associated Press Syracuse advices stated, adding that Dr. Robey had interpreted the Republican victory as a protest by the people against existing conditions. Even as supply increases, the economic expert continued, "we're not going to run out of demand."

"As long as our economy is on a good competitive basis, I don't think there will be a depression," he asserted.

Declaring government controls had been "brought into focus" by the election, Dr. Robey said industrial leaders were ready to meet these and fiscal policy problems on a united front.

Henderson Foresees Business Crisis

Former Price Administrator Leon Henderson, addressing a Rutgers University School of Business Administration luncheon on Nov. 13, was reported by the Associated Press in a dispatch from Newark, N. J., to have predicted a business crisis by the middle of next year, with its tempo and severity dependent on government policies. Other factors involved, Mr. Henderson is said to have continued, are how far "the present boom carries prices and the choices made by labor, government business and individuals."

Estimating Costs of Economic Changes

(Continued from first page)

tion and certain knowledge of the awful wastes of war in lives, wealth and resources. How, then, do people derive the notion from the records we compile that everything is happy, healthy and prosperous? I think the answer is that war breeds a fantasy of figures and the fantasy is too often mistaken for fact. War wrenches the economy as nothing else does; the economic changes wrought are of seismic proportions. On cost accountants rests the responsibility for accounting for the cost of economic change over and beyond their habitual practices, so that management and social decisions, often of a portentous sort, may rest on the facts as they are and the truth as it is.

Our big task is to find out how to use the experience of yesterday and the facts of today in order to perceive the costs of tomorrow, lest we deceive ourselves in measuring our profits and appraising our solvency. This is our challenge.

I do not mean that I am going to talk about forecasts or budgets as such. There is something more fundamental. We must orient our thinking so that in stating where we are and where we are heading we take into account the effects of major economic changes.

War Reserves

Perhaps a specific example will emphasize what I mean about costing economic changes.

None of us could detect all of the economic consequences of World War II. But World War I certainly told us that there would be consequences! So some of us during the war years set up reserves—and the necessary cash to go with them—to meet war costs, some of the expenditures for which might not come for a long period after the cessation of hostilities. The creation of these war reserves was set forth fully in our financial reports, and the policy of full disclosure as to how these reserves are used is even more important.

As an aside, I note that the Committee on Accounting Procedure of the American Institute of Accountants recently issued a bulletin in which it not only defined the class of items chargeable to war reserves but stated that the time had now come to ascertain exactly the type and amount of such future costs. But what does the past tell us about the future? Can anyone say today that we have come already to the end of even the primary costs of World War II? Nothing has occurred so far justifying a conclusion that the postwar patterns of previous wars are basically obsolete. One dissent to the committee report has to me the more enlightened view. It states that "to try to limit the period within which the reserves should be used, or the purpose ignores past experience and is contrary to conservative accounting or good business practice."

In support of this viewpoint, note that many companies are discovering to their dismay that the cash they thought sufficient is now insufficient to cover the increase in requirements for receivables, inventories and building programs. Many companies that thought their cash would be sufficient have been driven to borrow money. Some will even have to go back for more before all the economic costs of war will have been experienced. Persistence in disregarding economic costs as they occur will eventually bankrupt many businesses. We should use our hindsight to improve our foresight.

War Economic Changes

The economic changes caused by war cover broader fields than mere shifts in conventionally recognized cost elements. Take the money supply and flow which touches every one of us in every transaction.

We can start with the fact that since we are all producing or serving in connection with some specialized output we need some common means of exchange. That medium is dollars. It should be emphasized that the medium is only a medium. It is the exchange of goods and services which is the real fabric of our economic life. It is especially important that this be remembered in periods when the power of money to command goods and services is subject to relatively great fluctuation—that is, when wages and prices are saying "me first."

Our money consists of, first, the paper currency and coins issued by the government for use in hand-to-hand circulation; secondly, check deposits in banks. The latter are about four-fifths of the total and to a large extent have been created by commercial bank acquirement of government printed bonds. This monetary process is the modern, if hidden, equivalent of the paper money printing press. The process has been employed greatly to multiply the money supply to the vast encouragement of a vicious wage-price spiral. This is a basic economic change. To ignore it when determining where our businesses will stand in the future is to ignore a principal factor affecting that future. Take fixed assets, for example—that is, the replacement of plant and equipment as they wear out or become obsolete. The multiplied money and prices mean that the number of dollars formerly thought to be sufficient are quite insufficient to cover the dollar costs of installing tomorrow's facilities.

This is so because in the end it is the exchange of the goods and services of one producer for the goods and services of another producer which is controlling. If economic conditions cause one producer's costs to increase, generally the costs of all other producers increase. All of us are customers of each other and what we are willing to exchange depends more on the real things involved than on the numbers labelled as dollars. Manipulating the numbers unbalances the exchange relationships, with boom and bust consequences, and therefore is of tremendous concern to all of us. But the point I wish to make here is that not only must we know today's costs in today's dollars but we must also anticipate tomorrow's costs in tomorrow's dollars in all of our management considerations. Only by such an approach will the proper number of dollars be available to provide the new tools and the return to owners which are the bases for expanding production and exchange.

To think of today's and tomorrow's costs in relation to new tools is not so new as might at first appear. We are accustomed, for example, to recognize in costs the changes in prices where inventories are concerned. The last-in-first-out method currently costs the goods and services used at the last prices paid. It is a realistic approach. It recognizes that to replace material consumed in production while prices are rising more dollars must be recovered than were required previously to purchase that material. Costs are thus kept in pace with depreciating dollars so that profits are not over-stated.

Contrast this with the lack of realism of the early nineteen twenties. Then the crash in commodity prices ruined many companies which had over-stated their war profits by using the average-cost-of-inventory method. This experience, and the agitation which followed, led to the eventual authorization by the Congress of the last-in-first-out principle of costing inventories for tax purposes. That exemplifies intelligent costing of economic change.

Effects of Increasing Costs

I have said that as one producer's costs increase, other producers' costs increase. Let us explore this together. Each of our businesses must buy from others in order to carry on operations. No matter what degree of self-sufficiency a given business may have, it is always necessary to buy substantial quantities of goods and services from others. These range from freight, raw materials and power to fabricated or processed goods of all kinds. The other fellow's prices become part of our costs.

This is easily illustrated by the recent general 18½ cents an hour wage increase. As this wage increase swept throughout America a new cost level was established for industry after industry. Practically everything purchased from others has been increased in price. Some price changes, of course, have been delayed here and there by artificial controls, but that only added unbalance in production to uncertainty in price. Would we not have been of greater service to management and to the public if we had estimated the interwoven costs of this economic change?

Now where are we? As examples of costing economic changes, we have looked at war reserves as a means of allocating the economic costs of war; I have indicated the need of costing the effects of an unstable medium of exchange; and, were you not so well aware of it, I might have expanded my reference to the increasing dollar cost of new tools. I have been pointing out examples of economic changes which were and will be experienced in an inflationary period by indicating their effects upon the dollars needed versus dollars collected. But all of us know that prices travel a two-way street in every business cycle. That does not matter, because the discovery of how to use today's facts in an appraisal of tomorrow's costs will be equally useful in both.

Role of Customer in Pricing

But the discovery and measurement of all economic costs are not the end of the story. Knowing costs and covering costs are not the same thing. There is that "little" matter of the customer—whose littleness is measured by the fact that in the end he bosses the whole show. It is the balancing of today's and tomorrow's costs with the prices the customer is willing to pay that determines whether the production and exchange of goods and services in the end is to walk in step with the depreciation of the dollar. And what is the secret of that balancing act? It rests on the full measurement and prompt disclosure of the basic costs behind the prices.

It is essential that customers—that is, the whole public—be fully informed as to the nature and consequence of basic cost changes. To do so will avoid customer resentment arising from an erroneous view that a seller is making unwarranted price changes. To do so will allow customers to judge the outlook for changes in prices. Management's appraisal of both today's and tomorrow's costs means that all concerned can have an accurate factual basis for determining the effect on costs of increased or decrease volume. I say that only by costing economic changes can that level of prices result which will permit—both today and tomorrow—the optimum employment of manpower and tools and the maximum exchange of ever more and better goods and services.

This is so because it is the customer who eventually determines the exchanges which are to be made, and therefore the things to be produced. The things produced, in turn, determine the work to be done and the tools required for doing it; the work and the tools determine the number and nature of jobs and this comes down to the point I have just made—the balancing of costs and prices through everyone comprehending the consequences of major economic changes. Customers competing with each other determine the price that producers competing with each other shall receive. The price thus arrived at determines the quantity of exchange and the form of production—our national scale of living.

We have just had an interesting lesson in attempts to replace open competition with something else. The moral of that lesson is that the customer cannot be forced—he chooses what he will use. If temporarily persuaded to use something he doesn't want or to pay more in price than he wishes, or to buy more or less than he desires, he quickly rebels. Thus the customer shapes and directs the exchanges in the whole economic system.

Publicity of Costs and Profits

Only by effectively acquainting the customer—the whole public—with basic cost changes can we dispel the existing general confusion concerning prices and profits. This is a larger point than the mere making of word changes in the labels attached to the financial reports we present to the public. Workers, managers and owners of tools are all customers and, as such, constitute the whole public and are therefore united in fare demands. In general these a common interest.

Take the case of so-called welfare costs that have not been separately set out for what they are. It is true that costs of pensions and social security taxes have been recognized and tagged by some of us, but what about the costs of vacations, royalty levies per ton of output for worker benefits, accident and hospital expense, collection of union dues, and similar additions to costs? Have we fully indicated such costs and their dollar amounts for what they are?

It is up to the management to determine the effects of welfare demands or other so-called social benefits. It must set out all of the basic cost changes for the customer to consider and determine if he is willing to pay the bill. In this way management fulfills its obligation to the public. Greater public understanding leads to those national policies which serve the interests of all rather than the interests of special groups at the expense of all.

More and more the accounting of business operations is becoming public property. This is a fact we must not ignore. I perceive a healthy trend developing whereby more and more companies classify their cost elements—employment costs, purchased goods and services, wear and exhaustion of tools, taxes, and the like—in terms of who got what. This is a step forward from the historic method of stating accounts only in technical terms.

Failure to establish and present today's and tomorrow's costs in understandable fashion weakens and may ultimately destroy the ability of a business to continue its job of profitably producing goods and services for exchange. More than that, such failure can cause industry to lose its case at the bar of public opinion.

This is not a discussion of public relations but the moral must be clear. Recent surveys show that the worker wrongly believes that he now gets a much smaller slice of the total receipts from customers than the facts show. He also wrongly believes that owners are getting more than the facts show. Towards our own employes and the public we as accountants have a major responsibilitiy in this regard.

Fallacy of "Man-Hour" Output

Here is another instance of our task of education — within our companies and with the whole public. One of the customary means of measuring the trend of productivity has been a yardstick supplied to management which is appealingly called "output per manhour." This yardstick has been seized upon by some to "prove" the increased productivity of workers. Actually, this yardstick is a device which psychologically assigns to workers all of the gains from better tools and management but which really fails to measure the workers' actual contribution in any sense.

Word battles and "long-haired" conferences as to the use of this deceptive phrase get exactly nowhere because "output per manhour" overlooks the single factor which is the measure of all economic progress and is responsible for more and better jobs for workers. That factor is the supply of improved tools, used in combination with management and worker skills. The tools are supplied by owners whose only incentive is an adequate wage for their use.

To rob the owners of tools of the incentive to continue to supply them by assigning all the production gains to workers, and paying those gains out as wages, is to guarantee a diminished flow of new tools out of which new jobs are created.

With technological advance arising from improved tools comes more and better production of goods and services offered for exchange. With greater production, conditions affecting customers, workers and owners are changed. The changed conditions sometimes are reflected in higher wages, sometimes in lessened physical effort, sometimes in shorter hours, sometimes in lowered prices, sometimes in greater range and improved quality of products and sometimes in increased profits. But no valid case can be made for assigning all the benefits that accrue to any single purpose or group. The maximum social benefit from increased production is always obtained by letting competition balance the gains which go to customers, workers and owners.

I am aware — painfully perhaps at times — that there is inherent resistance to change in accounting methods. Yet I think you will agree that our task of widening the accounting perceptions and of modifying accounting presentations to meet contemporary needs is one from which we cannot shrink. The proper perception, in this period of drastic adjustment, of the costs of economic change is a starting point of cardinal importance to the future of industry. You have the ingenuity and the matured judgment to attack the problem. I am certain you will not be charged with inaction and that public confidence in your work and mine will be increased by the vigor and forthrightness with which we set about the tasks I have described.

So I leave with you the challenge of costing economic changes and the duty of presenting basic cost changes intelligently and effectively. These matters place upon you a high social responsibility.

Lilienthal Sworn in As Chairman of Atomic Energy Comm.

Federal Judge George C. Taylor administered to David E. Lilienthal, on Nov. 1, the oath as Chairman of the United States Atomic Energy Commission, the Associated Press reported from Knoxville, Tenn., adding that the former Tennessee Valley Authority Chairman was sworn in in the presence of his wife, a few TVA officials and friends. The appointment of the Atomic Energy Commission by President Truman was noted in our issue of Nov. 7, page 2386.

Some Defects in International Trade Organization's Proposals

(Continued from first page)

urgency. At the same time, we know only too well that the flow of American goods, American skill and American capital, which could do so much to meet the needs of the vast mass of the people of the world, is just a fraction of what it might be.

There are, of course, a great many reasons why we have accomplished much less than we hoped. Much could be said by way of explanation and criticism which relates to domestic matters. These are not my province. This afternoon I should like to make a few comments on one of the proposals which our government is now making with respect to the future conduct of commercial business enterprise in international trade. My comments will be particularly related to the adequacy and appropriateness of that proposal in relation to the two great problems which face us as a nation today. These problems are, first, to show that our system of private competitive business can do the job which lies ahead of it — and do it better than any other system, and second, to so reconcile and adjust the differences in economic needs and political and economic theory which prevail between the nations of the world that the job can be done — and can be done with peace and collaboration between all the nations.

Defects of Proposed ITO Charter

The proposal about which I am going to speak is that contained in Chapter V of the Suggested Charter for an International Trade Organization. The Charter has been published by our government and is now the subject of preliminary international negotiation in London. It should be clearly understood that my remarks are directed at Chapter V and the other provisions of the Charter related to it. They are not directed at the Charter as a whole.

Much of the Charter is designed to obtain from the participating governments agreement to reduce progressively the restrictions which they have imposed on the free flow of trade. With so much of the Charter, I think we are all in hearty general agreement, although we may have questions or criticisms as to details.

Chapter V, entitled "Restrictive Business Practices" provides that the members agree to take appropriate individual and collective measures to prevent business practices among commercial enterprises which restrain competition, restrict access to markets or foster monopolistic control in international trade. There are then specified six *prima facie* violations in very general terms. These relate to arrangements regarding prices, marketing, production, discrimination, suppression of technology and limitations on the use of industrial property.

The ITO is to receive complaints with regard to these matters, not only from member nations, but also from "persons or business entities." It is to investigate these complaints as a sort of administrative court and make recommendations to the member nations which may include termination of the arrangements in question, dissolution, reorganization, compulsory licensing of patents, etc.

The members are obligated to take enforcement action on these recommendations of the ITO but in accordance with their respective systems of law and economic organization. In addition, each nation is free to take its own enforcement measures whether or not the ITO has acted and apparently even though the ITO has found no violation to exist.

This provision, if adopted, means for the American business man that in his foreign operations he will have to have in mind three risks—first, that the authorities of this country will not like the way he conducts himself and sue him under the Sherman Act; second, that the ITO will not like it and bring an investigation resulting in a recommendation of enforcement proceedings against him by any one of a number of nations; third, that any one of a number of nations may bring such proceedings on their own account. And all of them may follow their own theories and methods of procedure. That is how Chapter V frees our trade from restrictions.

A Too Rigid Proposal

The purpose of this talk is to outline some of the reasons why I have come to the conclusion that this particular proposal as now written, which is entirely negative and punitive, is basically unsound and inappropriate to the problems which we face. In addition, it will be my purpose to indicate some possible alternatives.

One of my major criticisms relates to the negative, rigid and punitive quality of this proposal. It appears to be based on the reasoning that since competition is good any relations between businessmen which fall short of absolute knock-down and drag-out competition are bad and should be prohibited. This grossly oversimplifies the problem. Competition is not an absolute. The terms and extent of competition vary widely between industries and in accordance with circumstances. Most restrictive measures taken by governments or private business are designed to meet some real—or believed in—economic need such as the handling of surpluses, cushioning of price declines, or the protection of home markets, investments or industrial processes. Even in the most fully competitive economy, there must be adjustments and compromise.

But the world today is anything but a fully competitive world. The widening area of state trading and state enterprise poses problems of the greatest complexity for those who believe in and wish to carry on a system of competitive trade. State trading is the very antithesis of competition. It is monopoly in its absolute form. The pressing and urgent problem today is to find workable solutions to the relationships between such state trading and a competitive system. Such solutions must be founded upon flexibility, reconciliation and compromise.

A second criticism relates to the perhaps unintended, but none-the-less apparent discrimination in the treatment of commercial business in the Suggested Charter. On the one hand, the provisions contained in Chapter IV with respect to government-imposed restrictions contain a host of exceptions and escape clauses, and the provisions governing the conduct of state trading are cautious and vague; on the other hand, the prohibitions with respect to commercial business enterprise stated in Chapter V are categorical and punitive. In addition, Chapter VI of the Charter, which deals with Intergovernmental Commodity Agreements, is broad and flexible, and specifically permits governments to do through these agreements many of the things prohibited to commercial enterprise in Chapter V. Many people believe that the result of such discrimination will force commercial enterprise to seek the protection of government, to hasten the already rapid pace by which state enterprise is supplanting private business throughout the world.

Does Not Apply to Present Conditions

I more than half suspect that the authors of this provision have been thinking primarily in terms of its application to the fully functioning, capitalistic and highly cartelized industrial organization of pre-war Europe, rather than to the world of state trading and economic dislocations which prevail today. The preparation of this document was begun many years ago at the beginning of the war. The Proposals which were announced a year ago were substantially the same as the present Suggested Charter except that Chapter V has been made even more rigid. The books, articles and speeches which have been published explaining the Charter and Chapter V display a preoccupation with curing what are deemed to have been the evils of pre-war European industrial organization or preventing their return, almost to the exclusion of any consideration of the vastly altered actual situation prevailing today. One of the basic troubles with this proposal may be that it has never been thought through in terms of its applicability to the current post-war world.

A third criticism of this proposal is that it asks other nations to adopt and apply a peculiarly American legal and economic theory. Our antitrust laws are a manifestation of our American belief in the desirability of enforced competition between private enterprises. The American competitive system is something in which I am sure we all thoroughly believe. Certainly nothing would please me more than to see it prevail throughout the world. But the competitive system as such exists in only a limited number of countries in the world and the theory of enforced competition through antitrust laws is a purely American theory. It is based on premises which are the absolute antithesis of those which prevail in the nations which have adopted one form or another of socialism. Even in the non-socialist countries, with a few minor exceptions, there is nothing comparable to our American antitrust system of theory and practice. I am not at all sure that this system is adapted to the needs of countries with limited markets and a limited industrial establishment or to countries grappling with the problems of reconstruction or the beginnings of industrialization.

Assuming that this Chapter were agreed to, it is very difficult to conceive how this provision would work out in practice. Our antitrust laws are based on decades of experience, tradition and interpretation through judicial decisions. How would other nations, with totally different legal and economic systems and traditions, and no background of experience, interpret and enforce this undertaking? The possibilities for differences, misunderstandings, overlapping and conflicts seem to me to be almost endless.

One possibility which gives me particular concern is that many nations may accept this proposal and attempt to enforce it on the theory that it applies primarily to American business. The possibilities of its discriminatory use against our business enterprises, particularly by countries where a competitive economy does not prevail, give me considerable pause. I can see where state trading nations might find it greatly to their advantage to compel the fullest competition on the part of American business enterprises in dealing with their state monopolies.

Antitrust System Not Applicable to Foreign Trade

My fourth comment on the proposal is that there is grave question in my mind whether our antitrust system is a workable method of regulating our own foreign trade let alone asking other nations to join in it. In essence, our system is to state certain rather broad general principles and then enforce them by police action through the courts. Although the language used is different, this is essentially the system proposed in Chapter V of the Charter for general adoption.

The complexity of foreign trade is so great that our system does not seem a particularly suitable form of regulation. We know from our own experience that, over the years, the general provisions of the Sherman Act have been interpreted very differently and that all too often men and companies have been subjected to retroactive changes in policy and interpretation. The interpretations which may be put on these laws are almost impossible to predict. In our own time we have seen first a rule of reason, then the NRA, then the current crusading drive. There is no place to go to obtain an authoritative interpretation. The businessman — or his lawyer—can never be sure where he stands today — or will stand tomorrow.

We also know that a court trial of these complex questions may last for years and require thousands of pages of testimony and exhibits. When the decision finally is handed down and the appeals are over, the subject matter is old and stale. The ultimate decision may have little relationship to current problems or practices.

Furthermore, our system is a piecemeal system enforced by a branch of the government without responsibility for the formulation of foreign economic policy. It takes in one company or industry and one set of transactions at a time and laboriously grinds out a legal interpretation of the generally stated prohibitions of the Sherman Act which does not take into account the laws, policies or economic needs of the other nations affected.

The fact that foreign trade inevitably affects the policies and laws of more than one nation, makes it seriously questionable whether it can properly be regulated by each nation enforcing its own laws and policies without regard to the laws and policies of the other nations affected. Yet that is our system. We apply our antitrust laws to transactions all over the world wherever it can be shown that our trade is affected by those transactions and without regard to the policies and practices of the other nations interested.

If we find so much to criticize in the provisions of Chapter V, what do we suggest as an alternative. This is a fair question, my answer to which I will sketch briefly.

First of all, the proposed ITO appears to me to be an admirable institution for whose prompt acceptance and establishment we should all hope. It should be the forum for the consideration and adjustment of the different needs and policies of the members to the end that there may be economic peace, not economic warfare, and to the end that each nation, whatever its system, may contribute the maximum to a steadily expanding and stable world economy. This is an immense task. It is a positive task. It should be its primary task.

Positive Measures Should Be Stressed

There should also, I believe, be in the Charter greater emphasis upon the positive measures which need to be taken to promote an expanding economy with maximum employment and to avoid depressions and unemployment. This is the heart of the problem. Unless there is a world economic system which will contribute to prosperity, stability and higher standards of living, the ITO and the member nations will have failed in their task and all our efforts to free trade will have been in vain.

Within this framework the Charter should contain a provision calling for the progressive elimination of those restrictive business practices which unreasonably restrain international trade. This provision should be flexible in terms and should call for agreement between the nations affected as to the reasonableness or unreasonableness of the restraint. The question of reasonableness should be determined on the basis of the overall situation with the elimination of restraints as a goal, but not the only consideration. The needs and economic policies of all the nations affected are factors of the greatest importance which must be taken into account. The problem must be approached at the highest level of foreign economic policy.

The Charter should not obligate members to take enforcement measures except where the interested nations are in agreement. No member should be permitted to take enforcement measures except with respect to transactions taking place in or having a substantial effect within its territory. Unless such limitations are included in Chapter V it seems to me that there is grave danger that an aggressive enforcement policy by one nation seeking to make effective its legal and economic theories will clash with the policies of other countries whose interests may be directly affected.

Most important of all is the policy and attitude of our own government.

If I am right in the suggestion which I have made that those who drafted Chapter V have been thinking far more in terms of prewar Europe than of the present day world, then I think the first thing which needs to be done is to re-think the problem with particular reference to the spreading area of state enterprise and state trading. In all of these cases, there is a fundamental issue posed by the fact that on one side of the transaction there is competition and on the other side there is none.

It seems to me that we must recognize that this problem will be a continuing one, however much we may hope for a reduction of the area of state trading and however much we may use our influence to accomplish its reduction. We can no longer think and act as if state trading affected so small a proportion of world trade that we did not need to pay much attention to it. We must also recognize that there probably is no formula which will solve the problem on a universal basis. It must be the subject of continuing negotiation and compromise—probably on an ad hoc basis.

U. S. Must Assert Positive Leadership

Above all, the key to our foreign economic policy should be a recognition that we must, as a nation, assert a positive leadership towards an expanding world economy and world trade. Our ability to maintain a prosperous and stable economy at home and to make our full contribution towards prosperity and stability abroad will be the acid test of all the things for which we as a nation stand. Unless we meet this test, it will be idle to seek to obtain or to enforce agreements with regard to restrictive measures and state interferences with the flow of trade.

We must also recognize that under our system our American business enterprise must do the largest share of the job. Our government must therefore adopt those policies and seek those adjustments abroad which will be necessary to permit American business enterprise to make its maximum contribution to the expansion of world trade.

All agencies of our government should recognize that American busines enterprise is not some inanimate object against which to conduct a vendetta. It is a complex aggregate of cooperating American labor, white collar, management, stockholders and the men who go to all parts of the world to represent it. It consists of people working together in a common enterprise which is producing goods or offering services which are the life blood of the world economy. The American tractor, truck or radio going to foreign lands is a vital contribution of American Foreign Trade to the expanding economy and improved standard of living throughout the world. American business can do a tremendous job to meet the needs of the world today if given a fair opportunity to do so.

What American business enterprise needs and should receive from our government are broadly conceived, consistent and understandable expressions of our foreign economic policy plus diplomatic representation in the ITO and elsewhere which will seek to make that foreign economic policy effective through negotiation and adjustment of differences in policy and needs on the part of other nations.

The formulation and representation abroad of such foreign economic policy is the primary responsibility of the Department of State. It should develop that policy in cooperation with the other appropriate agencies of our government. But once determined and announced, this policy should be applied consistently by all agencies of our government. The present system under which enforcement of our antitrust laws, as applied to foreign trade, is the task of an agency of our government which has no responsibility for foreign economic policy and is not required to temper its enforcement action and adjust it to broader considerations of policy does not meet the needs of our time.

A Commission to Determine Application of Antitrust Laws

In order to carry out these suggestions, there would be needed certain changes in the terms and present administration of our anti-trust laws. Tentatively, I would like to suggest very briefly for your consideration that provision should be made for an administrative agency in our government with authority to grant exemptions from our anti-trust laws with respect to the conduct of foreign trade. Such exemptions should be granted if and to the extent that such agency deems that they are required, either to carry out the terms of some agreement reached with one or more other nations through the ITO or otherwise, or to adjust our laws and policies to those of other nations, or to permit American business to deal on equal terms in one or more foreign markets. The agency should be empowered to grant such exemptions either by general rules and regulations or by specific decisions with respect to particular transactions. The exemptions should be revocable but not with retroactive effect. The agency itself should be subject to the policy direction of the Department of State.

It is my thought that such an agency must be formally constituted and the exemptions provided for by statute. It does not appear to me that any system of informal discussion of problems with unenforceable clearances is adequate to the needs of those who must take the risks.

I will confess that I do not find this suggestion wholly satisfactory. But it is difficult to suggest any perfect solution of the problem created for American business enterprise by the presence of the anti-trust laws on one side and state monopolies on the other. The whole question calls for more thought than it seems to have received and both business and government must feel their way and work out solutions through experience in the years that lie immediately ahead. The advantage of the foregoing proposal is that it provides the flexibility to make the necessary adjustments, which flexibility does not exist under the anti-trust laws as they are now written and enforced.

I will close with a few words about the responsibility of American business in these post-war years. On the one hand American business enterprise has a gigantic opportunity. The world-wide demand for its products and its skills is enormous. At the same time, the American system of free competitive enterprise is challenged all over the world, and in many countries the trend is away from our system toward the system of state enterprise.

The first responsibility of American business enterprise would appear to be to do its job to produce the goods and services and distribute them all over the world. But I do not think this is the end of the responsibility of American business. Its responsibilities today are measured not only in terms of production and profit but in terms of political, economic and social values. The leaders and representatives of American business must recognize that in all they do they are representatives of our democratic system of free competitive enterprise in a world which is challenging the validity of that system. The challenge is not that American enterprise does not produce goods and make money. The challenge is that American enterprise is not able to rise to the level of its responsibilities. It is stated that the American economic system is a boom and bust system; that the American enterprise system is so intent upon profits that it ignores its social responsibilities to its employees and to the people of those countries within which it operates. I believe that if Ameriacn enterprise is to survive in the modern world it must meet these challenges head on. It must demonstrate that it can so organize its affairs as to produce both wealth and stability, that it is aware of and carries out its social responsibilities and that it does not seek to dominate but to serve. If our country is going to do the job which is its responsibility, its businessmen must make it a part of their task to give the finest possible example of the things for which we stand and the advantages which we and our system have to offer.

This great organization, the National Foreign Trade Council, and other similar organizations, are performing a great task in representing the voice of American business in foreign trade. The work of formulating the policies of American business and giving them expression to the public and to our government is as important as any to which we can devote ourselves. It calls for the best thought and efforts of our ablest and most farsighted leaders. I hope that its work will ever grow so that its voice may increasingly be the voice of business statesmanship.

David World Air Aide

The United States representative on the Air Transport Committee of the International Civil Aviation Organization will be Paul T. David, whose appointment by President Truman was announced on Nov. 6, according to a special dispatch from Washington to the New York "Times." Mr. David is at present Assistant Chief of the Fiscal Division of the Bureau of the Budget.

Wants Free Market for Sugar

(Continued from first page)

at any time between now and March 31, 1947, and price control may be terminated under the law by the President or Congress before June 30, 1947. He said, "it is entirely too early to judge what the temper or policy of the Republican majorities in Congress may be when it convenes and that it is impossible to state with certainty what the President's attitude may be on the sugar question."

Mr. Lamborn emphasized that it is of the greatest importance that the Government should state immediately that it will not permit the shipment of any sugar from our sources of supply to foreign destinations (other than pre-war normal destinations and in as modest amounts as possible) except for proved famine relief, and that the Government should announce as quickly as possible that it will not purchase any 1948 sugar crop anywhere. He declared:

"Such action would provide the opportunity to set the machinery in motion to create a free and untrammelled market in sugar. Such an action would have advantages for all trades interested, as follows: (a) a year's grace to get their houses in order (assuming that sugar is not decontrolled in 1947) and to become adjusted to a free and uncontrolled market; (b) during that year of grace values of sugar, for 1948 delivery, as expressed in the free markets, would probably fluctuate widely but would, after the 'shakedown cruise,' stabilize at around the proper value of sugar for 1948 as determined by the play of all the factors involved; (c) provide an orderly transition from control to decontrol.

"In pre-war times there were two great markets in the world for the trading in future positions in sugar. One was the New York Coffee & Sugar Exchange and the other was the London Terminal Market. Buyers and sellers of all kinds met in those free markets to trade. Those markets were vital mechanisms in every phase of the sugar business. Those markets made possible, in addition to other intricate phases, the sound financing of sugar production."

He further stated:

"That the New York Coffee & Sugar Exchange cannot be opened for trading until buyers and sellers have something in which they can trade. It would be folly to open the Exchange for trading without sugars being available for delivery. Sugars cannot be made available for delivery if they are controlled by the Government or if every phase of the sugar situation is managed by the Government. Therefore, it will be seen that the first step must be for the Government to declare that it will not purchase crops or maintain control of the business in 1948.

"The Exchange when opened would act as the greatest kind of safety valve, protecting buyer and seller alike, as well as the public of the United States from a runaway market. If prices should run up too high on sugars for delivery in 1948 the producers of sugar not only in the Western Hemisphere but all over the world would be quick to offer sugar. This would act as a safeguard against unwarrantedly high prices.

"Given freedom for the buying and selling of 1948 deliveries, on the Sugar Exchange, sugar will find its proper level. We will then find out, and only then, what the true value of sugar is. And of course we must find out sooner or later. Then we will know whether we are afoot or horseback. We cannot postpone that day forever."

From Washington Ahead of the News

(Continued from first page)

the organization has acquired and which a President, Republican or Democrat, might like to invoke on occasions.

That its activities will be sharply circumscribed, however, is little open to doubt. Congressman Jesse Wolcott, who will be the new Republican Chairman of the House Banking and Currency Committee, is already in town conferring with various officials preliminary to a committee study of the RFC's future.

When the matter is opened up there is likely to be a battle of the Titians. The American Bankers' Association is sharply on record that the organization's policy of signing up banks to provide for RFC's participation in the banks' loans up to 75%, is inflationary. Snyder is understood to be in agreement. On the other hand, there are those who argue that to prohibit this participation would return the small banks to the mercy of the correspondent banks. All in all, there is likely to be a merry battle as to who is to control the country's credit system, whether it should be returned to the banks or the RFC retained as a lever, and if so, to what extent.

Those who insist that the organization should be reduced to the blue print stage contend that as long as it is permitted to function actively, its personnel will always be looking for new business, for new ways to expand. It is ever thus with a bureaucracy. The current insistence of Housing Administrator Wilson Wyatt, that the RFC finance a prefabricated housing enterprise to the tune of some $50,000,000, with the enterprisers putting up only $36,000 of their own money, is being cited as an abuse to which it can be put. Anyhow, its operations are in for a raking over the coals.

It is probably not an amazing statement to say that the Republicans will show a lot of inconsistencies. One of the very first undoubtedly will be that, notwithstanding their prating about free enterprise and against regimentation, they will seek to pass the FEPC bill. This highly controversial measure, purportedly seeking to prevent discrimination in employment on the grounds of race or creed, is really another attack on the employer. Its provisions are aimed at him, not at the labor unions where the greatest discrimination exists. Under the bill the employer who most likely is not concerned about the nature of his labor so long as it will do the work, is subjected to the harassments of law suits and bureaucratic administration.

Heretofore the Southerners on the House Rules Committee have kept the bill from the floor. The Republicans will most certainly get it to the House floor and the Senate Republicans will seek passage in their body. However, the Southerners in the Senate are expected to prevent its passage through filibuster.

Much of the present labor legislation is predicated upon the investigation in 1933 by the LaFollette committee of employer abuses. Watch now for an investigation, aimed at evening the labor-management scales, of labor abuses, highlighted by a looksee into the Allis-Chalmers six-months old strike at West Allis, Wis.

For several weeks bona fide employees of this company, disillusioned by revelations that they were communist led, have been trying to go back to work and they have been prevented by mass, terroristic tactics which the local authorities claim they are powerless to check.

The Republicans are not being quite frank when they say their victory will not affect our foreign policy. It will affect it to the extent of stopping the billions we have been scattering abroad. And that is one of the main ways in which they plan to reduce taxes, which despite the skeptics will be cut from 10 to 20%.

McKenzie Takes Fire Prevention Post

Superintendent of Insurance Robert E. Dineen of New York, in his capacity as President of the National Association of Insurance Commissioners, has announced the appointment of Jack G. McKenzie, Insurance Commissioner of Arkansas, as Chairman of the Fire Prevention Committee, in place of James M. McCormack, Insurance Commissioner of Tennessee. Commissioner McCormack is assuming the Vice-Chairmanship, exchanging posts with Commissioner McKenzie on this committee. The announcement, issued Nov. 13, also said:

"Commissioner McCormack was one of those primarily responsible for the organization of the Fire Prevention Committee and had served as Chairman prior to his election as President of the National Association of Insurance Commissioners in 1945. He has declined reappointment to the Chairmanship in the belief that, as immediate past President, he should not assume such responsibilities. The appointment of Commissioner McKenzie to the Chairmanship continues him in the position in which he served during the past year.

AAF Plans Increased Aircraft Production

The Army Air Forces on Nov. 2 disclosed plans which are still in the formative stage envisaging an annual expenditure of $900,000,000 by the Army and Navy on airplane production which, with the $100,000,000 expected for civilian airline and private plan production, would result in an annual production rate for the nation's aircraft industry of $1,000,000,000. In addition to this, United Press advices stated from Washington, the industry would be expected to keep itself ready to go quickly into mass production of bombers and fighters if an emergency demanded sudden increases.

In production, the aircraft industry now ranks only 16th in this counrty, with 200,000 persons employed now compared to 2,080,000 during the war.

The AAF plans to spend $347,000,000 in the 1947-48 fiscal period on research and development. In addition, it is seeking $48,000,000 for a new type of industrial preparedness calling for a pilot line of production tools for a bomber and a fighter, each of the latest type.

The AAF believes the plan will save six to 12 months in getting into production if the nation were attacked. Production of bombers could be increased to 100 a month and of fighters to 500 to 600.

Machine tools, dies and jigs would be kept ready for mass production until the plane type became obsolete, when other tools would be prepared for the next model.

The AAF plans also to spend $5,000,000 a year on design and engineering contracts that would produce blueprints on current operational models.

The State of Trade

(Continued from page 2667)

upward last week with copper being advanced 3⅛c per lb. by two major producers to 17½c per lb. delivered Connecticut Valley. Other producers were 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. One major producer early in the week advanced the price of lead 2¼c per lb. to a quotation of 10½c per lb. at New York. At New York zinc advanced the fore part of last week from 8.69c per lb. to 10.94c.

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 91.4% of capacity for the week beginning Nov. 18, compared with 91.2% one week ago, 90.3% one month ago and 82.4% one year ago. This represents an increase of 0.2 point or 0.2% from the previous week.

This week's operating rate is equivalent to 1,610,800 tons of steel ingots and castings and compares with 1,607,300 tons one week ago, 1,591,400 tons one month ago and 1,509,300 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to 4,682,085,000 kwh. in the week ended Nov. 9, 1946, from 4,628,353,000 kwh. in the preceding week. Output for the week ended Nov. 9, 1946, was 18.6% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 203,000,000 kwh. in the week ended Nov. 10, 1946, compared with 176,200,000 kwh. for the corresponding week of 1945, or an increase of 15.2%. Local distribution of electricity amounted to 189,900,000 kwh. compared with 175,800,000 kwh. for the corresponding week of last year, and increase of 8.0%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Nov. 9, 1946, totaled 913,345 cars, the Association of American Railroads announced. This was a decrease of 8,967 cars (or 1.0%) below the preceding week and 75,127 cars, or 9.0% above the corresponding week for 1945. Compared with the similar period of 1944, an increase of 73,841 cars, or 8.8%, is shown.

Paper and Paperboard Production — Paper production in the United States for the week ended Nov. 9, was 106.8% of mill capacity, against 107.2% in the preceding week and 97% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 102% against 100% in the preceding week, and 97% in the corresponding week a year ago.

Business Failures Continue Increase—Numbering 28 in the week ending Nov. 14, commercial and industrial failures continued for the eighth consecutive week to exceed those in the comparable weeks of both 1945 and 1944, reports Dun & Bradstreet, Inc. Up slightly from the 25 in the previous week, concerns failing were more than twice as numerous as in the corresponding week a year ago when only 12 were reported.

The increase occurred entirely among large failures with liabilities of $5,000 or more. The number of concerns failing in this size group rose from 21 a week ago to 24 in the week just ended, almost five times as many as the 5 occurring in the same week of 1945. In fact, 7 of the 24 large failures reported this week had liabilities ranging above $100,000. Small failures, on the other hand, remained at 4, the same as last week and 3 short of the 7 small concerns failing a year ago.

Retail trade and manufacturing accounted for 20 of the week's 28 failures. Retailers failing, at 12, were the most numerous. This represented a sharp rise from the 4 retail failures occurring both last week and in the 1945's comparable week. While concerns failing in manufacturing fell off from 13 a week ago to 8 this week, they remained more than two times as numerous as last year. Commercial service failures increased to 5 in the week just ended, while failures in wholesale trade and construction remained low, at 1 and 2 respectively.

Only 1 Canadian failure was reported as compared with 5 in the preceding week and 5 in the corresponding week of 1945.

Building Permit Volume In October — Although the decline was slight, the volume of building construction for which permits were issued in October continued to recede for the fourth straight month. The total, however, again exceeded that for the same month a year ago. October permits for 215 cities totalled 170,491,125, a drop of 3.4% from the $176,492,394 for September, but a gain of 5.3% over the $161,851,437 recorded in October last year, according to the latest compilation by Dun & Bradstreet, Inc. New York City permits for October amounted to $13,889,555, off 21.0% from the previous month, and 32.2% below the corresponding 1945 month.

Wholesale Food Price Index Moves Upward — Advances outnumbered declines this week and the wholesale food price index, compiled by Dun & Bradstreet, Inc., rose quite sharply to $6.29 on Nov. 12, from $6.14 a week earlier. The current level compares with $4.15 on the corresponding date last year, an increase of 48.0%. Higher quotations for the week were noted for flour, hams, bellies, butter, cocoa, potatoes, currents, prunes, steers, hogs, sheep and lambs. On the down side were wheat, corn, oats lard, cheese, cottonseed oil and eggs. 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 narrow range most of the past week. The lifting of controls on most commodities over the week-end came too late to exert any appreciable effect on the index, which closed at 235.34 on Nov. 12, as compared with 234.25 on Nov. 4. At this time last year it stood at 181.56.

Trading in grain futures on the Chicago Board of Trade was smaller last week due largely to the Election Day holiday. Wheat futures showed some recession but cash wheat remained strong as the result of competition between the mills and the government for the limited available supplies of that grain. The outlook for the new winter wheat crop is reported good to excellent, aided by recent heavy rains. Cash corn prices were irregular and somewhat lower for the week. Demand was active and the movement of new corn was much improved, with farmers showing more disposition to sell their surplus stocks. Liquidation in oats carried both cash and futures prices sharply lower for the week. Rye continued in good demand with prices stronger. Due to previous heavy bookings, flour mill offerings were greatly restricted. Prices were higher aided by the strength in cash wheat. Cocoa remained firm as a result of high asking prices in primary markets and a steady lessening of spot supplies. Livestock markets held firm under good demand. Cash lard prices trended slightly easier with demand fair.

The cotton market suffered sharp setbacks on Wednesday and Thursday of last week which carried values to the lowest levels in the past five months. Friday saw a moderate recovery, stimulated by active mill buying and replacement purchases. Despite the upturn, prices at the close were still off around 170 points for the week. Strength in the final sessions also reflected the prospect of a short crop this year and the reported withholding of cotton by southern farmers. The Nov. 1 report of the Department of Agriculture placed total cotton production for this year at 8,487,000 bales. This was a decline of 237,000 from the Oct. 1 estimate, and represented the smallest yearly outturn in the past twenty-five years. The report also showed that 5,724,926 bales, or more than two-thirds of the crop, had been ginned up to Nov. 1, as compared with 5,151,873 bales ginned to the same date a year ago.

Quietness marked the Boston wool market last week. Business in both domestic and foreign wools was very light. Demand for the latter was good, but trading was restricted by a lack of offerings. Imports of apparel wools at the ports of Boston, New York, and Philadelphia during the week ending Nov. 1, increased to 6,347,800 pounds, clean basis, from 4,293,100 in the week preceding. Sales of wool by the CCC during the week ending Nov. 2 amounted to 6,901,854 pounds, making a total of 261,034,914 pounds sold since the price reduction on Nov. 27, 1945.

Retail and Wholesale Trade — Encouraged by Armistice Day shopping retail volume rose moderately the past week continuing to be well above that of the corresponding week a year ago, according to Dun & Bradstreet, Inc., in its weekly survey of trade. The demand for durable goods rose appreciably and centered largely on housewares and home appliances. A slight decline was noted in consumer interest in some apparel and luxury items.

Retail food volume was slightly above that of the previous week. Stocks of most foods were ample though the supply of dairy products continued to decline seasonally but remained adequate. The supply of canned and fresh fruits was large and fresh vegetables were plentiful. The current supply of pepper was estimated to be less than 5% of the pre-war level. Meat generally appeared in ample quantities on retail shelves although bacon was often difficult to obtain.

Mark-down sales and promotions of women's apparel evoked a moderate response from consumers. Interest in almost all lines of men's apparel remained at a very high level with shirts, suits and pajamas frequently sought. The demand for women's coats and furs was stimulated by cool weather in some sections of the country. A rising interest in accessories was apparent last week.

Interest in durable goods continued to rise the past week. The consumer demand for hardware and household goods was very high. Despite a slight decline in the number of requests for luxury items, novelty jewelry attracted much attention. The demand for passenger car tires continued to exceed the available supply in almost all parts of the country.

Retail volume for the country last week was estimated to be from 17 to 21% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following perecntages: New England 20 to 24, East 21 to 25, Middle West 17 to 21, Northwest 23 to 27, South 24 to 28 and Pacific Coast 19 to 23. Volume in the Southwest fell sharply as the result of adverse weather; the percentage estimate was from 13 to 17 above a year ago.

Wholesale volume rose moderately during the week and was estimated to be from 18 to 22% above that of the corresponding week a year ago. Wholesale shows of apparel and durable goods throughout the country generally were well attended and buying was brisk at many of these markets. The supply of many goods rose slightly and deliveries continued to improve.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Nov. 9, 1946, increased by 20% above the same period of last year. This compared with an increase of 17% in the preceding week. For the four weeks ended Nov. 9, 1946, sales increased by 21% and for the year to date by 29%.

Retail trade in New York City last week was featured by a sharp rise in sales volume which was accompanied by speedy price decontrol adjustments. Wholesale purchasing remained strong with most merchandise disposed of at firm prices. Leading producers of major home appliances put price advance into effect. Christmas buying got off to an early start with sales for department stores registering on increase of 30% over last year. Advances were noted in wholesale food prices, especially on scarce items along with retail increases in bottled-in-bond liquors. Purchases of men's clothing were heavy with dealers taking all suits available. Ordering in furniture lines on the part of department store buyers and independent merchants ceased following decontrol because of consumer resistance.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Nov. 9, 1946, increased 21% above the same period last year. This compared with a decrease of 7% in the preceding week. For the four weeks ended Nov. 9, 1946, sales rose 5% and for the year to date increased to 30%.

U. S.-Philippine Air Pact Initialed

Technicians of the United States and Philippine Governments, who have been working out the details of an international air transport agreement between the two countries for the past several months, have finally completed a rough draft of a suitable pact which has been initialed, according to advices from Manila on Nov. 4 to the New York "Times." Under the treaty, mutual recognition will be accorded each country's licenses, certificates and regulations. Provision is made for equality of treatment insofar as possible in all matters affecting trans-Pacific and local air traffic. From the advices to the "Times" we also quote:

"The United States Embassy announcement said that there was considerable discussion during the negotiations over the wording of an annex to the agreement describing the routes to be flown initially by United States-Philippine airlines. The Philippine lines will have the specific right to use both the San Francisco and Honolulu airports.

"A lucrative traffic in passengers and mail is expected between Hawaii and the Philippines. The right of the Philippine airlines to follow established trans-Pacific routes, using service stops on American-held islands is also granted."

It is also stated that proponents of the agreement between this country and the Filipinos hope it will implement the long-held dream of making the Philippines the hub of transocean air travel between the Occident and Orient.

Alaska Highway Pact

The Alaska Highway, built during the war for military purposes, may with connecting roads be used for the shipment of goods by truck in bond from the United States to Alaska under an agreement between this country and Canada which was announced in Washington on Nov. 7, according to advices from the Associated Press. The pact is not expected to bring greatly expanded highway traffic immediately, but lays down the broad, general conditions for such use of the road when general civilian traffic can be accommodated. At present only limited traffic can be allowed over the road, but as soon as Canada has improved and increased the highway's facilities, goods can be shipped between the United States and Alaska without payment in Canada of import duties and transit or similar charges. The Associated Press added:

"Under the recent agreement Canada designated three frontier ports of entry and exit through which trucks from the United States and Alaska may pass. They are Kingsgate, B. C., opposite Eastport, Idaho; Coutts, Alberta, opopsite Sweetgrass, Mont., and Snag Creek, in the Ykon territory. As the highway is improved and its facilities expanded, Canada will consider designation of additional entry and exit ports, the announcement said.

"Canada thus far has permitted civilian traffic on a limited basis by individual permit only, although it has given American civilian traffic equal opportunities in this request with Canadian traffic."

Sir John Orr to Leave FAO?

According to a London newspaper report, Sir John Boyd Orr, Director-General of the Food and Agricultural Organization, is being considered for a post in Britain. The "Observer" (London) of Nov. 3 carried the following item:

Sir John Boyd Orr remains in the running for the Chancellorship of Glasgow University. A show of hands on the General Council has put him a little behind Sir Iain Colquhoun of Luss, Chairman of the National Trust for Scotland and a former popular Lord Rector of the University, but well ahead of the other two nominees, the Duke of Hamilton and the Duke of Montrose. A postal vote is now demanded, so it rests with as many of the 27,000 or so graduates who can be reached to decide the matter and, incidentally, to decide who is to be the representative head of the University at the celebration in 1950 of the its quincentenary.

Truman Leads Armistice Day Observance

Armistice Day was observed throughout the nation and by U. S. forces in Europe and the Pacific on Nov. 11 with the traditional two-minute period of silence and other ceremonies honoring the country's war-dead. Observance of the 28th anniversary of World War I was led by President Truman, who laid a wreath at the tomb of the Unknown Soldier in Arlington Cemetery in the national capital and addressed the thousands attending the ceremony. Stressing that peace is the primary goal of the United States, Mr. Truman said: "What we are trying to do now is to create a peace which will prevent the necessity of our grandchildren fighting a third world war for the same principles for which we stand now and have always stood." . . . "The welfare of the United States and the welfare of the world are wrapped up in one package."

Weekly Coal and Coke Production Statistics

Production of bituminous coal during the week ended Nov. 9, 1946, was estimated by the United States Bureau of Mines at 12,800,000 net tons, an increase of 365,000 tons, or 2.9% over the preceding week. Output in the corresponding week of 1945 was estimated at 12,490,000 tons. Cumulative production during the calendar year through Nov. 9, 1946, totaled some 464,146,000 net tons, which was a decrease of 6.6% below the 496,767,000 tons mined in the comparable period of 1945.

Output of Pennsylvania anthracite for the week ended Nov. 9, 1946, as estimated by the Bureau of Mines, was 1,274,000 tons, an increase of 426,000 tons, or 50.2%, over the preceding week and a gain of 95,000 tons, or 8.1%, over the corresponding week of 1945. Cumulative production of hard coal in the calendar year thorugh Nov. 9, 1946, was approximated at 52,055,000 tons, which was an increase of 8.5% above the 47,97,000 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. 9, 1946, showed an increase of 2,300 tons when compared with the output for the week ended Nov. 2, 1946; and was 40,300 tons more than for the corresponding week of 1945.

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

Bituminous coal and lignite—	Week Ended Nov. 9, 1946	*Nov. 2, 1946	Nov. 10, 1945	Jan. 1 to Date †Nov. 9, 1946	Nov. 10, 1945
Total, including mine fuel	12,800,000	12,435,000	12,490,000	464,146,000	496,767,000
Daily average	2,133,000	2,073,000	2,082,000	1,767,000	1,875,000

*Revised. †Subject to current adjustment.

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

Penn Anthracite—	Week Ended ‡Nov. 9, 1946	§Nov. 2, 1946	Nov. 10, 1945	Calendar Year to Date Nov. 9, 1946	Nov. 10, 1945	Nov. 13, 1937
*Total incl. coll. fuel	1,274,000	848,000	1,179,000	52,055,000	47,971,000	44,720,000
†Commercial produc.	1,225,000	815,000	1,134,000	50,048,000	46,124,000	42,484,000
Beehive Coke—						
United States total	117,800	115,500	77,500	3,695,200	4,614,300	2,944,900

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

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

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

State—	Week Ended Nov. 2, 1946	Oct. 26, 1946	Nov. 3, 1945
Alabama	400,000	391,000	404,000
Alaska	7,000	7,000	6,000
Arkansas	42,000	42,000	39,000
Colorado	156,000	154,000	170,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,479,000	1,448,000	1,518,000
Indiana	574,000	555,000	534,000
Iowa	38,000	25,000	48,000
Kansas and Missouri	111,000	119,000	129,000
Kentucky—Eastern	1,108,000	1,157,000	1,066,000
Kentucky—Western	420,000	394,000	437,000
Maryland	37,000	37,000	38,000
Michigan	1,000	1,000	1,000
Montana (bituminous and lignite)	86,000	90,000	88,000
New Mexico	12,000	29,000	31,000
North and South Dakota (lignite)	92,000	86,000	72,000
Ohio	815,000	846,000	755,000
Oklahoma	56,000	60,000	67,000
Pennsylvania (bituminous)	2,987,000	3,090,000	2,823,000
Tennessee	135,000	142,000	156,000
Texas (bituminous and lignite)	2,000	2,000	2,000
Utah	151,000	133,000	128,000
Virginia	364,000	381,000	397,000
Washington	21,000	22,000	28,000
†West Virginia—Southern	2,224,000	2,262,000	2,243,000
‡West Virginia—Northern	870,000	814,000	1,097,000
Wyoming	225,000	212,000	211,000
§Other Western States	1,000	*	*
Total bituminous and lignite	12,435,000	12,500,000	12,489,000

†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.

Civil Engineering Construction Totals $112,491,000 for Week Ending Nov. 14

Civil engineering construction volume in continental United States totals $112,491,000 for the five-day week ending Nov. 14, 1946, as reported by "Engineering News-Record." This volume is 112% above the previous four-day week, 47% above the corresponding week of last year, and 38% above the previous four-week moving average. The report issued on Nov. 14, continued as follows:

Private construction this week, $44,847,000, is 27% above last week and 10% below the week last year. Public construction, $67,644,000, is 280% above last week, and 234% greater than the week last year. State and municipal construction, $37,149,000, 160% above last week, is 216% above the 1945 week. Federal construction, $30,495,000, is 771% above last week, and 259% above the week last year.

Total engineering construction for the 46-week period of 1946 records a cumulative total of $4,737,067,000, which is 143% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $2,856,662,000, which is 220% above that for 1945. Public construction, $1,880,405,000, is 79% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $1,288,080,000 to date, is 284% above 1945. Federal construction, $592,325,000, dropped 17% below the 46-week total of 1945.

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

	Nov. 14, 1946 (five days)	Nov. 7, 1946 (four days)	Nov. 15, 1945 (five days)
Total U. S. Construction	$112,491,000	$52,958,000	$76,318,000
Private Construction	44,847,000	35,179,000	56,070,000
Public Construction	67,644,000	17,779,000	20,248,000
State and Municipal	37,149,000	14,277,000	11,762,000
Federal	30,495,000	3,502,000	8,486,000

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

New Capital

New capital for construction purposes this week totals $6,003,000, and is made up of State and municipal bond sales. New capital for construction purposes for the 46-week period of 1946 totals $3,000,378,000, 73% more than the $1,737,749,000 reported for the corresponding period of 1945.

Electric Output for Week Ended Nov. 16, 1946 18.0% 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. 16, 1946, was 4,699,935,000 kwh., an increase of 18.0% over the corresponding week last year when electric output amounted to 3,984,608,000 kwh. The current figure also compares with 4,682,085,000 kwh., produced in the week ended Nov. 9, 1946, which was 18.6% higher than the 3,948,024,000 kwh., produced in the week ended Nov. 10, 1945. The largest increases were reported by the Southern States and Pacific States groups which showed increases of 28.3% and 26.5%, respectively, over the same week in 1945.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Georgraphical Division—	Week Ended Nov. 16	Nov 9	Nov. 2	Oct. 26	Oct. 19
New England	10.6	11.7	12.4	8.3	10.9
Middle Atlantic	9.0	9.7	10.0	7.9	9.7
Central Industrial	16.0	16.7	15.0	15.4	13.3
West Central	11.3	14.5	14.0	13.4	14.7
Southern States	28.3	28.2	31.0	31.3	28.4
Rocky Mountain	13.9	15.3	10.3	7.0	7.4
Pacific Coast	26.5	26.0	27.3	19.1	16.5
Total United States	18.0	18.6	18.7	16.9	16.0

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	4,682,085	3,948,024	+18.6	4,396,595	1,531,584	1,793,584
Nov. 16	4,699,935	3,984,608	+18.0	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

National Fertilizer Association Commodity Price Index Advances to New High Level

Wholesale commodity prices advanced on a broad front according to the commodity price index compiled by The National Fertilizer Association and made public on Nov. 18, with the index advancing to the new high level of 189.8 in the week ended Nov. 16, 1946 from 181.3 in the preceding week. The increase amounted to 4.7% and reflected the general rise due to the decontrol, announced Nov. 9, 1946, of all commodities except sugar and rice. This rise took the index 2.9% above the previous high point of 184.4 reached Oct. 26. A month ago the index stood at 178.4 and a year ago at 142.0, all based on the 1935-1939 average as 100. The Association's report continued as follows:

Nine of the 11 composite groups of the index advanced during the latest week and there were no declines. Some of the largest percentage gains were in the chemical and drugs group, which rose 13.8%; building materials group, which increased 10.2%; and the miscellaneous commodities group which increased 6.7%. The foods group advanced; as did the farm products group, with higher prices for cotton and livestock but lower prices for grains. Advances were also registered in the textiles, metals, fertilizer materials and fertilizer groups. Among the industrial commodities that advanced the sharpest increases were for denatured and grain alcohol, glycerine, lumber, oak flooring, cement, lime, hides, leather, steel scrap, lead and zinc.

During the week 41 price series in the index advanced and 13 declined; in the preceding week 16 advanced and 20 declined; in the second preceding week 12 advanced and 21 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. 16, 1946	Preceding Week Nov. 9, 1946	Month Ago Oct. 19, 1946	Year Ago Nov. 17, 1945
25.3	Foods	216.1	201.9	192.6	145.2
	Fats and Oils	293.8	279.3	245.6	146.6
	Cottonseed Oil	302.0	284.9	213.7	163.1
23.0	Farm Products	230.3	222.8	230.9	173.1
	Cotton	298.7	265.6	329.0	228.3
	Grains	201.3	214.4	218.0	167.2
	Livestock	233.7	225.1	224.0	166.6
17.3	Fuels	154.2	154.2	154.2	129.9
10.8	Miscellaneous commodities	165.1	154.8	144.7	132.8
8.2	Textiles	205.5	200.5	206.0	160.8
7.1	Metals	126.8	125.0	125.0	109.8
6.1	Building materials	203.4	184.5	178.5	154.7
1.3	Chemicals and drugs	145.9	128.2	128.2	126.2
.3	Fertilizer materials	123.3	122.5	122.5	118.2
.3	Fertilizers	125.3	125.1	125.1	119.9
.3	Farm machinery	116.6	116.6	116.5	105.0
100.0	All groups combined	189.8	181.3	178.4	142.0

*Indexes on 1926-1928 base were: Nov. 16, 1946, 147.9; Nov. 9, 1946, 141.2, and Nov. 17, 1945, 110.6.

Income Payments to Individuals in Sept. Below August Peak

Total income payments to individuals during September declined from August's peak rate but remained substantially above earlier months of this year, the Department of Commerce announced on Nov. 12.

The Department's index of income payments to individuals, which makes allowance for seasonal influences, fell to 246.4 in September from 252.1 in August (1935-39=100). Despite this sharp decline, the September index was above the war-time peak of 245.2 reached in Feb. 1945.

The Department's announcement continued:

Income payments to individuals include wages and salaries, net incomes of unincorporated business (both farm and non-farm), dividends and interest, net rents received by landlords, and other types of individual incomes. Agricultural income, the dominant element in the September decline, contracted as marketings of crops and livestock, after seasonal adjustment, reached the lowest level since 1941. However, agricultural income was as large as last year since substantially higher prices raised the value of farm products.

Other factors responsible for the September decline in total income payments were military payments and Federal civilian pay rolls, which fell as a result of further personnel cuts. Unemployment compensation payments to both veterans and non-veterans also declined in September. From June to September the major movements of income payments were determined by two components, wages-and salaries and agricultural income. Over this period wage-and-salary payments by private industry have increased from an annual rate of $87.0 billion to $91.7 billion, with the increase occurring mainly in manufacturing and trade pay rolls.

Fluctuations in agricultural income have been influenced to a great extent by livestock marketings. During July and part of August heavy marketings at high prices were responsible for large increases in agricultural income, while in September diminished marketings resulted in a decline of agricultural income below the June level.

Income payments during September were equivalent to an annual rate of $165.5 billion compared with the record annual rate of $169.3 billion in August and the full year total of $160.8 billion in 1945.

Weekly Lumber Shipments 6.8% Below Production

According to the National Lumber Manufacturers Association, lumber shipments of 415 mills reporting to the National Lumber Trade Barometer were 6.8% below production for the week ending Nov. 9, 1946. In the same week new orders of these mills were 0.1% below production. Unfilled order files of the reporting mills, amounted to 64% of stocks. For reporting softwood mills, unfilled orders are equivalent to 26 days' production at the current rate, and gross stocks are equivalent to 39 days' production.

For the year-to-date, shipments of reporting identical mills were 0.5% above production; orders were 0.2% above production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 20.0% above; shipments were 24.8% above; orders were 33.6% above. Compared to the corresponding week in 1945, production of reporting mills was 73.5% above; shipments were 71.8% above; and new orders were 76.2% above.

Wholesale Prices Unchanged for Week Ended Nov. 9, 1946, Labor Department Reports*

Average primary market prices were unchanged during the week ended Nov. 9, 1946, which preceded President Truman's general decontrol directive, said the Bureau of Labor Statistics of the U. S. Department of Labor on Nov. 14. Lower prices of livestock, meats and some dairy products offset sharp advances for some industrial products. The index of commodity prices prepared by the Bureau stood at 134.8% of the 1926 average, 7.0% higher than in mid-October and 27.0% above a year ago.

The Bureau's announcement of Nov. 14 added:

"Farm Products and Foods—Average market prices of farm products declined 0.3% chiefly because of lower quotations for most livestock. Hog prices increased with reduced shipments. Corn quotations decreased with large shipments, but wheat, oats and barley were higher, reflecting scarcity due in part to the continued box car shortage. Egg prices declined further. Prices of sweetpotatoes, apples and lemons increased while oranges were lower. Higher prices were reported for hay and seeds which were exempt from OPA control, and cotton quotations advanced following the sharp decline late in October. The group index for farm products was 3.6% higher than a month ago and 28.2% above last year.

"Lower prices for meats, butter and cheese were largely responsible for a decline of 2.0% in average prices of foods. Meat prices have dropped nearly 20% from the peak level of three weeks ago immediately following decontrol. Prices of cured bacon and smoked hams, still scarce, increased. Higher milk prices were allowed under marketing agreements in Chicago and New York. Cereal products, exempt from price control, average slightly higher, with sharp price increases for hominy grits and corn meal and smaller advances for wheat flour. Prices of some canned fruits and vegetables increased, and there were advances for a number of other foods exempt from OPA control, including oleo oil, edible tallow, cocoa beans, grape juice and soda water. Prices of lard and refined corn oil were lower. On the average food prices were 18.0% higher than four weeks ago and 51.9% higher than for the corresponding week of last year.

"Other Commodities—Sharp price advances for hides and leather, some fats and oils and fatty acids, following decontrol of these items, and for paints, were chiefly responsible for a rise of 1.3% in the group index for all commodities other than farm products and foods. Domestic hide quotations, which had been below world prices, more than doubled. Prices of cocoanut oil and stearic acid jumped sharply and there was a further advance for inedible tallow. Increases for paints followed substantial ceiling adjustments to cover higher costs of linseed oil. There were further advances for shop lumber under increased ceilings. Prices of some cotton and woolen products increased, reflecting earlier ceiling adjustments. Quotations for raw jute rose sharply with higher prices in India and burlap, removed from OPA control, was up more than 75%. Prices of cattle feed dropped with increased supplies of corn. Price declines were reported for gasoline and mercury. Dinnerware prices were higher.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED NOV. 9, 1946

(1926=100)

Commodity Groups—	11-9 1946	11-2 1946	10-26 1946	10-12 1946	11-10 1945	Percentage changes to Nov. 9, 1946, from— 11-2 1946	10-12 1946	11-10 1945
All commodities	134.8	134.8	135.9	126.0	106.1	0	+ 7.0	+27.0
Farm products	166.0	166.5	170.1	160.2	129.5	— 0.3	— 3.6	+28.2
Foods	162.5	165.9	169.9	157.7	107.0	— 2.0	+18.0	+51.9
Hides and leather products	158.7	143.3	143.3	141.3	119.1	+10.7	+12.3	+33.2
Textile products	130.2	127.3	126.5	126.1	100.5	+ 2.3	+ 3.3	+29.6
Fuel and lighting materials	94.7	94.8	95.0	95.0	84.5	— 0.1	— 0.3	+12.1
Metals and metal products	114.4	114.4	114.4	114.2	105.3	0	+ 0.2	+ 8.6
Building materials	140.0	137.4	134.2	134.1	118.6	+ 1.9	+ 4.4	+18.0
Chemicals and allied products	110.2	103.5	99.5	98.8	95.5	+ 6.5	+11.5	+15.4
Housefurnishings goods	117.5	117.3	115.9	115.3	106.4	+ 0.2	+ 1.9	+10.4
Miscellaneous commodities	104.9	105.4	103.7	102.2	94.6	— 0.5	+ 2.6	+10.9
Special Groups—								
Raw materials	152.2	150.9	153.0	146.3	118.6	+ 0.9	+ 4.0	+28.3
Semi-manufactured	122.4	120.6	117.7	117.1	96.8	+ 1.5	+ 4.5	+26.4
Manufactured products	129.5	130.4	131.7	118.6	102.2	— 0.7	+ 9.2	+26.7
All commodities other than farm products	128.0	127.9	128.5	118.4	101.0	+ 0.1	+ 8.1	+26.7
All commodities other than farm products and foods	115.5	114.0	113.1	112.6	100.2	+ 1.3	+ 2.6	+15.3

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM NOV. 2, 1946 TO NOV. 9, 1946

Increases			
Hides and skins	48.9	Other farm products	1.0
Oils and fats	34.7	Cereal products	0.7
Other textile products	17.4	Cotton goods	0.4
Paint and paint materials	9.4	Lumber	0.4
Leather	6.5	Furnishings	0.2
Clothing	2.5	Iron and steel	0.2
Woolen and worsted goods	1.7	Fruits and vegetables	0.1
Chemicals	1.0	Other foods	0.1
Decreases			
Cattle feed	4.9	Petroleum and products	0.4
Meats	4.8	Agricultural implements	0.1
Dairy products	2.6	Grains	0.1
Livestock and poultry	1.9	Nonferrous metals	0.1

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

Moody's Common Stock Yields

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

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
January, 1946	3.4	4.5	3.8	3.4	2.9	3.5
February, 1946	3.6	5.1	4.0	3.7	3.0	3.8
March, 1946	3.4	5.1	4.0	3.6	3.0	3.6
April, 1946	3.3	5.1	3.9	3.6	3.0	3.5
May, 1946	3.2	4.5	3.7	3.7	3.0	3.4
June, 1946	3.4	4.8	3.9	3.7	3.1	3.5
July, 1946	3.5	5.2	3.9	3.7	3.2	3.7
August, 1946	3.8	5.6	4.2	3.8	3.2	3.9
September, 1946	4.1	6.5	4.6	4.0	3.6	4.4
October, 1946	4.3	6.3	4.7	3.9	3.5	4.4

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. 19	121.95	116.61	121.25	119.20	116.22	109.97	112.19	117.60	120.02
18	121.89	116.61	121.25	119.20	116.22	110.15	112.37	117.60	119.82
16	121.99	116.61	121.46	119.20	116.22	110.15	112.37	117.60	120.22
15	122.05	116.61	121.46	119.20	116.41	110.15	112.37	117.80	120.02
14	122.17	116.61	121,46	119.20	116.41	110.15	112.37	117.80	120.02
13	122.24	116.61	121.25	119.20	116.41	110.34	112.37	117.60	120.22
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. 19, 1945	123.45	116.80	120.84	119.61	116.80	110.52	113.50	117.00	120.22
2 Years Ago Nov. 18, 1944	119.97	112.93	118.60	117.20	113.12	103.64	107.80	113.50	117.60

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. 19	1.58	2.82	2.59	2.69	2.84	3.17	3.05	2.77	2.65
18	1.59	2.82	2.59	2.69	2.84	3.16	3.04	2.77	2.66
16	1.58	2.82	2.58	2.69	2.84	3.16	3.04	2.77	2.64
15	1.58	2.82	2.58	2.69	2.83	3.16	3.04	2.76	2.65
14	1.57	2.82	2.58	2.69	2.83	3.16	3.04	2.76	2.65
13	1.56	2.82	2.59	2.69	2.83	3.15	3.04	2.77	2.64
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. 19, 1945	1.51	2.81	2.61	2.67	2.81	3.14	2.98	2.80	2.64
2 Years Ago Nov. 18, 1944	1.84	3.01	2.72	2.79	3.00	3.53	3.29	2.98	2.77

*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.

Bank Debits for Month of October

The Board of Governors of the Federal Reserve System issued on Nov. 13 its usual monthly summary of "bank debits" which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	Oct. 1946	Oct. 1945	3 Months Ended Oct. 1946	Oct. 1945
Boston	4,096	3,610	11,422	10,144
New York	36,861	37,346	103,834	99,657
Philadelphia	3,968	3,457	11,269	9,559
Cleveland	5,830	4,667	16,752	13,624
Richmond	3,757	3,082	10,651	8,657
Atlanta	3,620	2,694	9,894	7,582
Chicago	13,257	10,870	37,093	31,090
St. Louis	2,867	2,254	7,765	6,189
Minneapolis	2,096	1,689	5,970	4,778
Kansas City	3,213	2,539	9,097	7,581
Dallas	2,956	2,198	8,408	6,332
San Francisco	8,795	7,203	25,135	20,801
Total, 334 centers	91,315	81,616	257,295	225,993
*New York City	33,913	34,984	95,526	92,917
*140 other centers	47,670	39,006	134,507	111,491
193 other centers	9,733	7,626	27,262	21,585

*Included in the national series covering 141 centers, available beginning in 1919.

Congress Steering Committees Map Plans

The House Republican Steering Committee, presided over by Representative Joseph W. Martin, Jr., of Massachusetts, who is slated to become House Speaker in the new Congress, met on Nov. 14 to plan policy and legislative action for the incoming Republican-controlled legislative body, according to a dispatch from Washington by the Associated Press. Foremost in the program agreed upon was a reduction of 20% in individual income taxes, a limitation of eight years upon the President's tenure of office and "constructive" labor legislation. The group also called for:

"Substantial savings on a practical basis.

"Elimination of governmental controls and termination of Presidential war powers as rapidly as 'practicable.'

"Investigation of the housing program and removal of 'restraints now holding up proper progress.'

"'The quickest possible comprehensive recommendation' for relief from shortages in sugar, soap, fats, oils and foods.

"Close adherence to the Congressional Reorganization Act 'with appreciation of the fact that it might demand clarification and improvement.'"

Other tax rates to be readjusted, besides the individual income tax, will be studied by the Ways and Means Committee after Congress convenes, Representative Martin stated.

The committee directed other regular standing committees of the House to make studies and prepare all legislation necessary to put its remmendations into effect.

The following remarks were issued by the committee regarding labor legislation:

"The committee was in full agreement that labor legislation which will be constructive, but emphatically not punitive, is an early necessity in the 80th Congress. The first consideration must be the welfare of the whole nation, which will necessarily embrace the welfare of both labor and management."

The steering committee went on to say that early next year legislation will be introduced to limit to two four-year terms the tenure of any individual in the Presidency.

In the Senate, Chairman Robert A. Taft (R.-Ohio) of the steering committee reported that "progress" had been made during an inconclusive three-hour session, but without any actual decisions.

Moody's Daily Commodity Index

Tuesday, Nov. 12, 1946	361.3
Wednesday, Nov. 13	370.5
Thursday, Nov. 14	373.5
Friday, Nov. 15	374.1
Saturday, Nov. 16	373.9
Monday, Nov. 18	375.1
Tuesday, Nov. 19	376.1
Two weeks ago, Nov. 4	357.5
Month ago, Oct. 19	348.7
Year ago, Nov. 19, 1945	263.8
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Nov. 18	375.1
Low, Jan. 2	264.7

Hulten Named Deputy

During the absence from the United States of Assistant Secretary of State William Benton, who is to attend the forthcoming meeting in Paris of the United Nations Educational, Scientific and Cultural Organization, Charles M. Hulten, will serve as his deputy. Mr. Hulten, whose appointment was announced on Nov. 14, according to a dispatch from Washington to the New York "Times," has been deputy director of the Office of International Information and Cultural Affairs in the State Department.

Daily Average Crude Oil Production for Week Ended Nov. 9, 1946, Increased 20,900 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 9, 1946, was 4,779,450 barrels, or a gain of 20,900 barrels per day over the preceding week and an increase of 328,250 barrels per day over the corresponding week of 1945. The daily average figure, as estimated by the United States Bureau of Mines as the requirement for the month of November, 1946, was 4,730,000 barrels. Daily output for the four weeks ended Nov. 9, 1946, averaged 4,750,100 barrels. The Institute's statement follows:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,714,000 barrels of crude oil daily and produced 15,001,000 barrels of gasoline; 1,901,000 barrels of kerosine; 5,401,000 barrels of distillate fuel, and 7,503,000 barrels of residual fuel oil during the week eded Nov. 9, 1946; and had in storage at the end of the week 86,963,000 barrels of finished and unfinished gasoline; 21,651,000 barrels of kerosine; 67,286,000 barrels of distillate fuel, and 61,340,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements November	State Allowables Begin. Nov. 1	Actual Production Week Ended Nov. 9 Week	Change from Previous Week	4 Weeks Ended Nov. 9, 1946	Week Ended Nov. 10, 1945
**New York-Penna.	48,200		48,900	— 5,450	51,150	46,250
Florida			----	----	----	150
**West Virginia	8,400		7,700	— 150	8,100	7,700
**Ohio—Southeast }	7,600		5,950	+ 50	5,750	4,200
Ohio—Other }			2,200	— 450	2,450	3,300
Indiana	19,000		19,400	+ 450	18,950	13,900
Illinois	212,000		206,800	— 5,400	206,950	207,200
Kentucky	29,000		30,150	----	30,150	28,900
Michigan	46,000		45,000	— 3,850	46,300	47,200
Nebraska	800		†750	----	750	750
Kansas	263,000	270,000	†267,400	—11,700	273,500	243,800
Oklahoma	383,000	362,825	†363,250	+ 800	358,800	390,150
Texas—						
District I			19,000	— 450	19,350	----
District II			147,200	+ 2,400	145,400	----
District III			464,300	+15,000	453,050	----
District IV			226,350	+12,050	217,300	----
District V			36,850	— 2,550	39,050	----
East Texas			324,000	+ 8,000	318,000	----
Other Dist. VI			105,050	+ 2,600	103,100	----
District VII-B			35,300	+ 1,800	33,950	----
District VII-C			29,500	+ 2,050	27,950	----
District VIII			512,750	+28,100	491,650	----
District IX			121,400	— 8,300	127,650	----
District X			80,550	— 4,400	83,850	----
Total Texas	2,090,000	†2,108,166	2,102,250	+55,900	2,060,300	1,894,200
North Louisiana			91,500	+ 700	89,950	74,150
Coastal Louisiana			309,350	+ 3,750	306,550	293,650
Total Louisiana	382,000	440,000	400,850	+ 4,450	396,500	367,800
Arkansas	77,000	79,804	73,950	+ 450	73,500	76,100
Mississippi	60,000		77,300	+ 50	76,700	53,500
Alabama	2,000		1,000	----	1,050	550
New Mexico—So. East }	99,000	108,000	100,500	+ 1,400	99,450	93,800
New Mexico—Other }			500	+ 50	450	400
Wyoming	97,000		106,150	— 3,450	108,950	95,500
Montana	24,000		23,550	+ 200	23,950	19,550
Colorado	32,000		35,800	— 2,950	37,650	21,400
California	850,000	§843,700	860,100	— 9,500	868,750	834,900
Total United States	4,730,000		4,779,450	+20,900	4,750,100	4,451,200
**Pennsylvania Grade (included above)			62,550	— 5,550	65,000	58,150

*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 November. 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., Nov. 7, 1946.

‡This is the net basic allowable as of Nov. 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 5 to 10 days, the entire State was ordered shut down for 5 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 5 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. 9, 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	720	85.8	1,769	19,935	9,481	24,884	12,550
Appalachian—								
District No. 1	76.3	98	68.5	323	2,377	505	617	397
District No. 2	84.7	54	87.1	203	796	64	137	257
Ind., Ill., Ky.	87.4	798	91.7	2,919	15,122	2,650	8,804	5,715
Okla., Kans., Mo.	78.3	376	80.2	1,345	8,363	1,409	3,511	1,339
Inland Texas	59.8	227	68.8	986	3,048	497	619	862
Texas Gulf Coast	89.2	1,146	93.5	3,401	13,779	4,050	11,221	7,598
Louisiana Gulf Coast	97.4	326	101.6	1,178	4,190	1,678	3,927	2,321
No. La. & Arkansas	55.9	64	50.8	166	1,752	380	493	201
Rocky Mountain—								
District No. 3	19.0	11	84.6	32	79	15	41	40
District No. 4	70.9	114	69.1	391	1,420	194	546	643
California	85.5	780	78.5	2,288	16,102	728	12,486	29,417
Total U. S. B. of M. basis Nov. 9, 1946	85.8	4,714	84.8	15,001	*86,963	21,651	67,286	61,340
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
U. S. B. of M. basis Nov. 10, 1945		4,696		15,338	†78,978	12,470	46,143	46,193

*Includes unfinished gasoline stocks of 8,552,000 barrels. †Includes unfinished gasoline stocks of 8,830,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 1,901,000 barrels of kerosine, 5,401,000 barrels of gas oil and distillate fuel oil and 7,503,000 barrels of residual fuel oil during the week ended Nov. 9, 1946, which compares with 1,948,000 barrels, 5,371,000 barrels and 7,434,000 barrels, respectively, in the preceding week and 1,726,000 barrels, 4,732,000 barrels and 8,761,000 barrels, respectively, in the week ended Nov. 10, 1945.

Federal Reserve September Business Indexes

The Board of Governors of the Federal Reserve System issued on Oct. 25 its monthly indexes of industrial production, factory employment and payrolls, etc. The Board's customary summary of business conditions was made public at the same time. The indexes for September together with comparison for a month and a year ago follow:

BUSINESS INDEXES

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

	Adjusted for Seasonal Variation 1946 Sept.	Adjusted 1946 Aug.	Adjusted 1945 Sept.	Without Seasonal Adjustment 1946 Sept.	Without 1946 Aug.	Without 1945 Sept.
Industrial production—						
Total	*177	177	167	*182	179	171
Manufactures—						
Total	*183	183	173	*188	185	177
Durable	*211	207	194	*212	208	195
Nondurable	*161	163	156	*168	166	161
Minerals	*145	143	134	*148	147	137
Construction contracts, value—						
Total	†	158	69	†	164	70
Residential	†	157	26	†	155	26
All other	†	158	104	†	171	105
Factory employment—						
Total	*145.5	143.8	127.8	*146.3	145.0	128.5
Durable goods	*168.8	165.8	144.8	*169.0	166.1	144.9
Nondurable goods	*127.1	126.5	114.5	*128.4	128.4	115.6
Factory payrolls—						
Total	---	---	---	†	277.8	224.2
Durable goods	---	---	---	†	306.0	246.2
Nondurable goods	---	---	---	†	250.3	202.6
Freight carloadings	138	141	127	149	145	137
Department store sales, value—	*269	290	202	*277	242	209
Department store stocks, value	†	221	166	†	237	184

*Preliminary. †Data not yet available.

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

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

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

INDUSTRIAL PRODUCTION

(1935-39 average = 100)

MANUFACTURES	Adjusted for Seasonal Variation 1946 Sept.	Adjusted 1946 Aug.	Adjusted 1945 Sept.	Without Seasonal Adjustment 1946 Sept.	Without 1946 Aug.	Without 1945 Sept.
Iron and steel	184	183	163	184	183	163
Pig iron	184	186	166	184	186	166
Steel	195	195	171	195	195	171
Open hearth	172	169	154	172	169	154
Electric	359	381	296	359	381	296
Machinery	*257	251	230	*257	251	230
Transportation equipment	*247	241	273	*247	241	273
‡Automobiles	*188	182	105	*188	182	105
Nonferrous metals and products	*160	154	139	*160	154	139
Smelting and refining	*144	138	150	*145	138	150
Lumber and products	*135	134	98	*145	143	104
Lumber	*127	126	89	*142	140	98
Furniture	*152	150	115	*152	150	115
Stone, clay and glass products	*201	196	161	*208	203	166
Plate glass	161	114	79	161	114	79
Cement	†	159	97	†	179	112
Clay products	*150	150	110	*155	155	114
Gypsum and plaster products	*212	212	172	*215	213	176
Abrasive and asbestos prod.	*224	240	220	*244	240	220
Textile and products	*165	162	144	*165	162	144
Cotton consumption	153	149	138	153	149	138
Rayon deliveries	236	233	215	236	233	215
Wool textiles	†	173	142	†	173	142
Leather products	†	120	119	†	119	118
Tanning	†	101	112	†	100	110
Cattle hide leathers	†	119	125	†	115	123
Calf and kip leathers	†	70	97	†	73	95
Goat and kid leathers	†	49	52	†	47	52
Sheep and lamb leathers	†	124	151	†	127	148
Shoes	†	132	123	†	132	123
Manufactured food products	*134	146	144	*161	164	166
Wheat flour	*128	131	127	*140	130	139
Meatpacking	*39	138	141	*38	122	134
Other manufactured foods	*148	151	146	*183	173	176
Processed fruits and veg.	*134	157	109	*295	258	242
Paper and products	†	148	143	†	147	144
Paperboard	172	169	165	172	169	165
Newsprint production	87	83	81	87	82	81
Printing and publishing	*126	129	109	*126	123	110
Newsprint consumption	117	123	93	119	111	94
Petroleum and coal products	†	†	184	†	†	184
Petroleum refining						
Gasoline	*145	149	132	*145	149	132
Fuel oil	†	164	151	†	164	151
Lubricating oil	†	152	119	†	151	119
Kerosene	†	162	116	†	155	115
Coke	†	165	152	†	165	152
Byproduct	†	159	150	†	159	150
Beehive	*361	368	224	*361	368	224
Chemicals	*234	236	239	*235	232	239
Rayon	*263	259	237	*263	259	237
Industrial chemicals	*403	398	386	*403	398	386
Rubber	*222	219	172	*222	219	172
MINERALS						
Fuels	*151	150	139	*151	150	139
Bituminous coal	*163	156	148	*163	156	148
Anthracite	*125	120	114	*125	120	114
Crude petroleum	*149	151	138	*149	151	138
Metals	†	103	106	†	129	123
Iron ore				†	282	281

*Preliminary or estimated. †Data not yet available.

‡This series is currently based upon man-hour statistics for plants classified in the automobile and automobile parts industries and is designed to measure work done during the month in connection with assembly of passenger cars, trucks, trailers, and buses; production of bodies, parts and accessories, including replacement parts; and output of non-automotive products made in the plants covered. Recently the level shown by this series has been much higher relative to prewar than the level shown by factory sales of new passenger cars and trucks. The difference is accounted for in part by a sharp increase in production of replacement parts and by other changes in the composition of output. It appears, however, that the series overstates the current level of total output in these industries. Study is being made of production and man-hour statistics in an endeavor to arrive at a more accurate measure of overall production in these industries.

FREIGHT CARLOADINGS

(1935-39 average = 100)

Coal	160	152	143	160	152	143
Coke	183	184	155	181	177	154
Grain	125	131	§145	140	142	163
Livestock	91	118	114	120	113	150
Forest products	154	157	125	166	165	135
Ore	164	162	174	245	243	261
Miscellaneous	139	145	126	150	146	136
Merchandise, l.c.l.	75	77	66	79	77	69

§Revised.

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

Unemployment Insur. Called Depress'n Brake

Estimates of the Social Security Administration conclude that various state funds have enough money to pay 63.5% of the 28,000,000 workers insured under the system the full amount of benefits their state laws allow. Arthur J. Altmeyer, Social Security Commissioner, while pointing out that no one expects that that number of workers, two out of three, would ever become jobless at the same time, declared on Nov. 12 that "we have a system ready and functioning to meet any situation which might arise." The country's employment insurance fund of nearly $7,000,000,000, Mr. Altmeyer asserted, according to Washington advices from the Associated Press, would serve as an effective brake against any widespread depression.

With that amount of emergency purchasing power available to workers, Altmeyer told a reporter he doubts that any post-war economic shakedown could mushroom into the proportions of the 1929-33 break.

While emphasizing that he is siding neither with those economists who look for at least a temporary recession next year nor with those who say the country is in for a long period of prosperity, the social security chief said that he believes "the healthy accumulation of reserves in the fund" will:

1. Tend to help prevent a depression from occurring, because people know the money is there waiting for workers who lose their jobs.
2. Prevent any really serious depression, because payments from the fund will tend to bolster purchasing power just when it begins to decline dangerously.

Jobless payments helped many workers tide themselves over the early reconversion hump last winter. From a low of $8,296,000 in June, 1945, these payments jumped month by month after V-J day to a peak of $135,621,000 in February, 1946. Then they began falling again rapidly as employment bounced back to near wartime peaks.

Wool Talks Start, US Delegates Confirmed

The American delegates to the International Wool Talks commencing in London Nov. 11, at which 13 wool producer and consumer nations besides Great Britain are represented, were approved by President Truman on Nov. 4, according to an announcement by Secretary of State Byrnes which was reported from Washington in a dispatch to the New York "Times." The dispatch stated that this country's delegates are:

Chairman — Donald Kennedy, chief, International Resources Division, State Department. Advisers —Floyd Davis, acting head, Division of Livestock and Wool, Office of Foreign Agricultural Relations, Agriculture Department; Clarence Nichols, assistant chief, International Resources Division, State Department; Paul Nyhus, Agricultural attache, American Embassy, London; Preston Richards, assistant director, Livestock Branch, Production and Marketing Administration, Agriculture Department; Robert Schwenger, special assistant to the director, Office of Foreign Agricultural Relations, Agriculture Department.

The countries represented in addition to the United States and Great Britain are Argentina, Australia, Belgium, Canada, China, France, India, Italy, New Zealand, Russia, South Africa, and Uruguay.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Nov. 13 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. 26, 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. 26 (in round-lot transactions) totaled 1,787,555 shares, which amount was 17.67% of the total transactions on the Exchange of 5,061,450 shares. This compares with member trading during the week ended Oct. 19 of 2,972,000 shares, or 17.43% of the total trading of 8,532,160 shares.

On the New York Curb Exchange, member trading during the week ended Oct. 26 amounted to 335,565 shares or 15.52% of the total volume on that Exchange of 1,080,790 shares. During the week ended Nov. 19 trading for the account of Curb members of 608,645 shares was 16.11% of the total trading of 1,888,810 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. 26, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	210,290	
‡Other sales	4,851,160	
Total sales	5,061,450	
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	610,110	
Short sales	113,050	
‡Other sales	442,610	
Total sales	555,660	11.52
2. Other transactions initiated on the floor—		
Total purchases	95,240	
Short sales	14,400	
‡Other sales	115,600	
Total sales	130,000	2.23
3. Other transactions initiated off the floor—		
Total purchases	162,870	
Short sales	30,830	
‡Other sales	202,845	
Total sales	233,675	3.92
4. Total—		
Total purchases	868,220	
Short sales	158,280	
‡Other sales	761,055	
Total sales	919,335	17.67

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

WEEK ENDED OCT. 26, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	21,825	
‡Other sales	1,058,965	
Total sales	1,080,790	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	119,385	
Short sales	15,485	
‡Other sales	94,170	
Total sales	109,655	10.60
2. Other transactions initiated on the floor—		
Total purchases	12,300	
Short sales	1,800	
‡Other sales	13,030	
Total sales	14,830	1.25
3. Other transactions initiated off the floor—		
Total purchases	42,120	
Short sales	800	
‡Other sales	36,475	
Total sales	37,275	3.67
4. Total—		
Total purchases	173,805	
Short sales	18,085	
‡Other sales	143,675	
Total sales	161,760	15.52
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	63,253	
Total purchases	63,253	
Total sales	55,643	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Non-Ferrous Metals — Decontrol Order Lifts Prices of Domestic Copper, Lead and Zinc

"E. & M. J. Metal and Mineral Markets," in its issue of Nov. 14, states: "The decontrol order on prices, issued by President Truman on Nov. 9, involving all commodities excepting sugar and rice, was unexpected so far as major non-ferrous metals were concerned, but sellers of copper, lead, zinc, tin, and antimony lost no time in raising prices to a more realistic level with a view toward eventually balancing production and consumption. Though prices are free to move, most metals have not yet returned to a normal trading basis, owing to inventory controls and allocation of supplies. As mandated in the OPA renewal Act, the government is ceasing all subsidizing of imports, tin excepted, upon removal of ceiling prices. Government imports of copper and lead, waiving duty, will continue temporarily. The Premium Price Plan will be continued on the basis of meeting the difference between production costs and market prices." The publication further went on to say in part as follows:

Copper

Kennecott advanced its domestic price of cooper on Nov. 12 to the basis of 17½c Valley. Other producers soon followed, and business was placed in good volume beginning Nov. 12 at the higher level, or at an advance of 3⅛c above the old ceiling. In effect, the new price brings the domestic quotation up close to that already established outside of this country. In the absence of the OPA ceiling, metal to be released by the government to domestic consumers will be sold hereafter on the basis of the market price obtaining on date of shipment. The government is expected to withdraw from the market entirely after the turn of the year.

So far, producers have experienced no consumer resistance to the higher price and the undertone of the market was generally viewed as firm.

Export copper showed little change, with demand for nearby metal still in excess of available supplies.

Lead

News of decontrol brought swift action by St. Joseph Lead Co. to bring the price of lead in line with the foreign market, less duty. The company announced on Nov. 11 that it had raised its quotations to 10½c, New York, and 10.35, St. Louis. The American Smelting & Refining Co. announced on the following day, Nov. 12, that its published quotation has been raised to 10½c, New York. Monday was a legal holiday in New York, with the result that the higher price did not become generally known in market circles until early on Nov. 12. Lead products were advanced by fabricators to absorb the higher cost of pig lead.

Zinc

The American Zinc, Lead & Smelting Co. raised its price of Prime Western zinc on Monday to the basis of 10½c, East St. Louis. In view of the fact that Nov. 11 was generally recognized in the local market as a holiday, other producers did not take any price action until Nov. 12. However, business was booked at the higher level, an advance of 1¼c over the former ceiling. All producers were not happy over the extent of the rise in prices, but under prevailing unsettled conditions it was accepted as a level for trading that would have to stand or fall by the verdict of the market place. The 10½c basis is virtually the equivalent of the going export market for ordinary zinc.

Cadmium

The market was strong throughout the week, but important producers maintained their selling basis at $1.25 per pound for commercial sticks. Some sellers raised their views to $1.50 per pound, and in one direction as high as $2 was asked.

Platinum

Demand for refined platinum was described as fair and quotations continued at $70 to $72 per ounce troy, the top figure ruling on sales to consumers. Most sellers regarded the market as firm. Selling pressure from outside sources has disappeared.

Antimony

Sellers of antimony lost no time in adjusting prices upward to the level obtaining in foreign markets. The leading interest, effective Nov. 12, established his quotation on the ordinary grade of antimony at 23½c, bulk basis, f.o.b. Laredo; packed in cases 23⅞c per pound. The warehouse quotation, Jersey City, was advanced to 24⅞c, for antimony packed in cases, no quantity differential.

Tin

Unlike other metals, the principal source of all tin sold in the United States under prevailing conditions is the government. Some producers of secondary tin indicated that they would sell "Grade A" tin at 70c if the consumer can get an allocation certificate from CPA. This more-or-less nominal quotation was accepted as the market price in tin circles here, beginning Nov. 12. Quite recently, it will be recalled, Metals Reserve raised its export quotation to 69½c.

On forward tin quotations were nominally as follows:

	Nov.	Dec.	Jan.
Nov. 7	52.000	52.000	52.000
Nov. 8	52.000	52.000	52.000
Nov. 9	52.000	52.000	52.000
Nov. 11		—Holiday—	
Nov. 12	70.000	70.000	70.000
Nov. 13	70.000	70.000	70.000

Chinese, or 99% tin, was nominal.

Quicksilver

Quicksilver has been in a state of price decontrol for a long time and the market's chief worry at present is whether the European producers intend to come to an understanding on merchandising their output without disrupting the industry pricewise. The foreign group met during the last week, and it was reported that an agreement has been reached. However, no word has come through on the price level at which sales will be made. This news served to steady the market, and quotations held at $90 to $94 per flask.

Silver

There were no price developments in silver during the last week. Consumers believe that they can obtain the metal from the Treasury at a shade above the prevailing open-market quotation in the event that offerings should dry up because of the general upward trend in prices of other metals. Supplies that came into the market were sufficient to satisfy current demands. The New York Official quotation continued at 90⅛c an ounce troy. London reported a quiet and unchanged market at 55½d.

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

	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
Nov. 7	14.150	17.425	52.000	8.25	8.10	9.25
Nov. 8	14.150	17.430	52.000	8.25	8.10	9.25
Nov. 9	14.150	17.430	52.000	8.25	8.10	9.25
Nov. 11	Holiday	17.425		—Holiday—		
Nov. 12	17.275	17.425	70.000	10.50	10.35	10.50
Nov. 13	17.275	17.425	70.000	10.50	10.35	10.50
Average	15.400	17.427	59.200	9.150	9.000	9.750

Average prices for calendar week ended Nov. 9, are: Domestic copper f.o.b. refinery, 14.150¢; export copper f.o.b. refinery, 17.427¢; 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.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 13 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 Nov. 2, 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 Nov. 2, 1946

	Total
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	40,671
Number of shares	1,170,750
Dollar value	$44,278,240
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	408
*Customers' other sales	25,567
Customers' total sales	25,975
Number of Shares:	
Customers' short sales	15,493
*Customers' other sales	784,501
Customers' total sales	799,994
Dollar value	$30,000,411
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	160,930
Total sales	160,930
Round-Lot Purchases by Dealers—	
Number of shares	533,650

*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."

Business Failures in Oct.

Business failures in October were higher in number and amount of liabilities involved than in September and in October, 1945. Business failures in October, according to Dun & Bradstreet, Inc., totaled 123 and involved $6,400,000 as compared with 96 in September involving $4,877,000 liabilities and 62 involving $3,114,000 in October a year ago.

Only manufacturing and wholesale groups had more liabilities in October than in September, the Commercial Service Group had the same number while the remaining groups had fewer liabilities in October than in September. When the amount of liabilities is considered all groups with the exception of the manufacturing and wholesale groups had fewer failures in October than in September.

Manufacturing failures in October increased to 60 from 32 in September and liabilities were up to $4,975,000 in October from $2,510,000 in September. Wholesale failures in October numbered 17 with liabilities of $426,000 against 8 in September with liabilities of $321,000. Retail failures in October were down to 21 from 28 in September and liabilities were down to $352,000 from $367,000 in September. Construction failures in October numbered 14 with liabilities of $500,000 as compared with 17 with liabilities of $1,368,000 in September. Commercial Service failures in October numbered 11, the same as in September, but liabilities were down to $147,000 in October from $311,000 in September.

When the country is divided into Federal Reserve Districts, it is found that the Cleveland, Richmond, Dallas and San Francisco Reserve districts had fewer failures in October than in September and that the St. Louis Reserve District had the same number while the remaining districts had more failures in October than in September. When the amount of liabilities involved is considered it is seen that only the Cleveland, Richmond, Dallas and San Francisco Reserve Districts had less liabilities involved in October than in September.

Revenue Freight Car Loadings During Week Ended Nov. 9, 1946, Decreased 8,967 Cars

Loading of revenue freight for the week ended Nov. 9, 1946 totaled 913,345 cars, the Association of American Railroads announced on Nov. 15. This was an increase of 75,127 cars or 9.0% above the corresponding week in 1945, and an increase of 73,841 cars or 8.8% above the same week in 1944.

Loading of revenue freight for the week of Nov. 9 decreased 8,967 cars or 1.0% below the preceding week.

Miscellaneous freight loading totaled 401,504 cars, a decrease of 10,851 cars below the preceding week, but an increase of 35,169 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 131,209 cars, an increase of 86 cars above the preceding week, and an increase of 14,716 cars above the corresponding week in 1945.

Coal loading amounted to 188,788 cars, an increase of 6,553 cars above the preceding week and an increase of 5,104 cars above the corresponding week in 1945.

Grain and grain products loading totaled 49,424 cars, a decrease of 2,741 cars below the preceding week and a decrease of 7,916 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Nov. 9 totaled 32,122 cars, a decrease of 1,717 cars below the preceding week and a decrease of 4,154 cars below the corresponding week in 1945.

Livestock loading amounted to 23,876 cars, a decrease of 1,478 cars below the preceding week and a decrease of 2,078 cars below the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Nov. 9 totaled 19,118 cars, a decrease of 1,073 cars below the preceding week, and a decrease of 1,703 cars below the corresponding week in 1945.

Forest products loading totaled 46,256 cars, a decrease of 548 cars below the preceding week but an increase of 12,530 cars above the corresponding week in 1945.

Ore loading amounted to 58,279 cars, a decrease of 178 cars below the preceding week, but an increase of 16,136 cars above the corresponding week in 1945.

Coke loading amounted to 14,009 cars, an increase of 190 cars above the preceding week, and an increase of 1,466 cars above the corresponding week in 1945.

All districts reported increases compared with the corresponding weeks in 1945 and 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
Week of Nov. 9	913,345	838,218	839,504
Total	35,934,568	36,855,464	38,076,883

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 9, 1946. During this period 91 roads reported gains over the week ended Nov. 10, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED NOV. 9

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	487	463	403	1,613	1,459
Bangor & Aroostook	2,174	2,293	1,814	467	317
Boston & Maine	7,961	7,019	6,382	13,706	12,926
Chicago, Indianapolis & Louisville	1,619	1,389	1,241	2,155	1,907
Central Indiana	33	42	34	53	36
Central Vermont	1,173	1,116	1,031	2,237	2,391
Delaware & Hudson	5,306	4,785	5,002	11,111	10,251
Delaware, Lackawanna & Western	8,425	7,453	7,771	9,718	8,747
Detroit & Mackinac	533	505	369	332	[illegible]
Detroit, Toledo & Ironton	2,569	1,931	1,932	1,331	1,198
Detroit & Toledo Shore Line	451	375	339	3,088	2,556
Erie	13,182	11,724	13,286	16,199	14,671
Grand Trunk Western	5,104	4,166	3,828	7,608	8,356
Lehigh & Hudson River	201	197	167	3,321	2,252
Lehigh & New England	2,385	2,304	1,491	1,803	1,565
Lehigh Valley	9,260	8,464	7,808	8,821	7,987
Maine Central	2,785	2,741	2,022	3,306	3,476
Monongahela	7,571	6,313	5,745	312	281
Montour	3,068	3,064	2,281	38	18
New York Central Lines	56,799	46,126	47,797	50,890	48,240
N. Y., N. H. & Hartford	10,723	9,922	9,347	15,435	13,914
New York, Ontario & Western	977	865	1,101	2,561	2,091
New York, Chicago & St. Louis	7,667	6,466	6,715	13,843	13,776
N. Y., Susquehanna & Western	323	448	356	1,897	1,879
Pittsburgh & Lake Erie	6,258	6,720	7,253	10,867	7,688
Pere Marquette	7,108	5,846	5,500	7,141	6,339
Pittsburg & Shawmut	924	902	878	21	13
Pittsburg, Shawmut & Northern	289	185	306	144	197
Pittsburgh & West Virginia	953	965	1,094	1,853	1,920
Rutland	446	330	308	1,225	1,014
Wabash	6,903	6,972	6,082	11,441	11,149
Wheeling & Lake Erie	6,077	5,131	5,531	3,913	3,630
Total	179,734	157,222	155,214	208,450	192,364
Allegheny District—					
Akron, Canton & Youngstown	740	636	731	1,432	1,113
Baltimore & Ohio	43,860	43,988	44,313	25,269	24,494
Bessemer & Lake Erie	5,592	4,654	4,686	2,147	1,790
Cambria & Indiana	1,518	1,669	1,503	9	12
Central R. R. of New Jersey	6,580	6,360	6,178	18,103	15,742
Cornwall	471	500	580	56	62
Cumberland & Pennsylvania	392	289	172	9	13
Ligonier Valley	151	50	101	12	8
Long Island	1,802	1,604	1,788	4,489	4,373
Penn-Reading Seashore Lines	2,105	1,756	1,855	2,125	1,638
Pennsylvania System	91,274	82,580	82,161	64,909	62,304
Reading Co.	16,666	14,426	15,407	24,587	25,780
Union (Pittsburgh)	18,901	16,207	19,411	6,714	4,792
Western Maryland	3,981	4,401	3,924	10,985	10,419
Total	194,033	179,120	182,810	160,846	152,540

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Pocahontas District—					
Chesapeake & Ohio	33,217	30,681	25,361	14,591	13,885
Norfolk & Western	23,672	22,058	18,541	7,850	6,843
Virginian	4,443	5,023	3,581	1,448	1,850
Total	61,332	57,762	47,483	23,889	22,578
Southern District—					
Alabama, Tennessee & Northern	260	448	442	131	168
Atl. & W. P.—W. R. R. of Ala.	963	786	714	2,249	2,061
Atlanta, Birmingham & Coast	†	†	†	†	†
Atlantic Coast Line	14,594	13,368	13,253	10,478	10,614
Central of Georgia	4,240	4,216	3,775	4,739	4,360
Charleston & Western Carolina	499	449	425	1,406	1,290
Clinchfield	1,892	1,436	1,647	3,283	2,496
Columbus & Greenville	424	423	345	258	254
Durham & Southern	142	114	149	693	423
Florida East Coast	2,503	2,313	2,239	1,877	1,263
Gainesville Midland	98	66	55	104	155
Georgia	1,298	1,269	1,271	2,489	2,039
Georgia & Florida	416	441	513	757	694
Gulf, Mobile & Ohio	4,891	4,907	5,060	3,890	4,429
Illinois Central System	29,652	28,354	28,003	16,132	15,426
Louisville & Nashville	28,890	24,913	23,230	10,489	10,116
Macon, Dublin & Savannah	276	226	198	870	859
Mississippi Central	365	284	416	380	404
Nashville, Chattanooga & St. L.	3,690	3,612	3,441	4,501	4,036
Norfolk Southern	1,513	1,157	1,053	1,815	1,508
Piedmont Northern	395	414	521	1,749	1,469
Richmond, Fred. & Potomac	525	443	408	9,240	8,477
Seaboard Air Line	12,665	11,218	9,940	9,018	8,177
Southern System	27,730	26,508	23,973	24,388	23,906
Tennessee Central	713	566	617	792	782
Winston-Salem Southbound	187	143	154	1,068	899
Total	138,821	128,074	121,842	112,796	106,303
Northwestern District—					
Chicago & North Western	20,481	20,043	17,958	14,956	14,040
Chicago Great Western	3,042	2,783	2,831	3,854	3,660
Chicago, Milw., St. P. & Pac.	25,476	21,769	21,448	10,844	10,167
Chicago, St. Paul, Minn. & Omaha	4,219	4,035	3,181	4,739	4,278
Duluth, Missabe & Iron Range	20,369	13,815	20,707	584	225
Duluth, South Shore & Atlantic	762	579	645	672	453
Elgin, Joliet & Eastern	8,829	7,695	9,319	10,526	9,171
Ft. Dodge, Des Moines & South	509	444	404	123	99
Great Northern	21,443	15,860	18,593	7,338	5,758
Green Bay & Western	525	579	477	911	820
Lake Superior & Ishpeming	1,648	1,888	1,090	76	55
Minneapolis & St. Louis	2,557	2,383	2,064	2,950	2,398
Minn., St. Paul & S. S. M.	7,915	7,232	6,686	3,729	3,148
Northern Pacific	14,219	11,185	11,572	5,451	4,484
Spokane International	216	184	217	571	303
Spokane, Portland & Seattle	2,027	1,798	2,503	2,584	2,577
Total	134,237	112,272	119,695	69,908	61,636
Central Western District—					
Atch., Top. & Santa Fe System	24,896	25,097	25,555	12,898	11,556
Alton	2,894	3,251	3,837	3,425	3,371
Bingham & Garfield	288	273	372	70	58
Chicago, Burlington & Quincy	22,691	22,444	21,245	13,159	11,735
Chicago & Illinois Midland	3,354	3,375	2,605	713	850
Chicago, Rock Island & Pacific	14,476	13,646	13,153	12,770	12,232
Chicago & Eastern Illinois	2,950	2,763	2,793	3,574	3,182
Colorado & Southern	705	1,455	1,256	1,779	1,769
Denver & Rio Grande Western	4,424	4,213	5,108	5,218	5,232
Denver & Salt Lake	487	845	635	54	35
Fort Worth & Denver City	1,089	1,118	1,000	1,645	1,644
Illinois Terminal	2,026	1,882	2,256	2,091	1,894
Missouri-Illinois	1,240	1,285	1,167	458	531
Nevada Northern	1,464	1,225	1,083	175	122
North Western Pacific	1,017	893	669	611	723
Peoria & Pekin Union	21	10	5	0	0
Southern Pacific (Pacific)	32,319	28,715	28,547	11,692	10,583
Toledo, Peoria & Western	§	§	493	§	§
Union Pacific System	21,548	21,367	21,652	15,766	14,598
Utah	771	842	475	6	4
Western Pacific	2,550	2,262	1,872	3,969	3,965
Total	141,215	136,971	135,778	90,073	84,084
Southwestern District—					
Burlington-Rock Island	218	289	624	280	112
Gulf Coast Lines	4,589	4,159	6,220	2,317	2,118
International-Great Northern	2,095	2,042	2,619	3,223	3,242
‡K. O. & G.-M. V.-O. C.-A.-A.	1,073	1,314	952	1,462	1,664
Kansas City Southern	2,742	2,628	4,602	2,807	2,545
Louisiana & Arkansas	2,417	2,567	3,791	2,232	2,216
Litchfield & Madison	396	331	272	1,379	1,185
Missouri & Arkansas	§	198	205	§	355
Missouri-Kansas-Texas Lines	5,389	5,860	6,660	4,365	3,873
Missouri Pacific	16,666	18,411	17,765	14,685	15,051
Quanah Acme & Pacific	154	171	77	248	178
St. Louis-San Francisco	10,041	10,676	10,177	7,773	7,917
St. Louis-Southwestern	3,000	3,270	3,886	4,885	4,818
Texas & New Orleans	9,637	9,742	12,636	6,165	5,404
Texas & Pacific	5,435	5,031	6,072	6,386	6,493
Wichita Falls & Southern	89	91	73	53	76
Weatherford M. W. & N. W.	32	17	51	21	19
Total	63,973	66,797	76,682	58,281	57,266

†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
Nov. 9	185,047	175,906	613,752	102	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.

Labor Group Opposes Forced Arbitration

A Labor Department advisory committee, created at President Truman's labor-management conference a year ago to advise the Labor Department on worker-employer relations techniques, expressed itself as favoring the improvement of collective bargaining approaches to strikes and threatened strikes, Associated Press Washington advices stated on Nov. 14. Industry members joined with labor spokesmen in opposing compulsory arbitration as a method of handling disputes.

Edgar L. Warren, director of the U. S. Conciliation Service, is reported to have said that the committee "unanimously feels we should attempt to work out on a voluntary basis the necessary procedures for handling labor disputes."

It was also stated that the committee is opposed to establishment by Congress of any new Federal agency armed with compulsory powers.

Both industry and labor members of the committee were represented as feeling that the procedure of "fact finding" by Federal boards in labor disputes has been "discredited" by the results in the steel and General Motors strikes last spring.

It was reported that while the advisory committee's industry members oppose compulsory arbitration they favor changes in the Wagner Act to improve the position of employers in the functions of the National Labor Relations Board.

The advisory committee members include Frank Fenton, of the American Federation of Labor; Clinton S. Golden, of the CIO Steel Works; Vincent P. Ahearn, executive secretary of the National Sand and Gravel Association, Inc., and Louis Ruthenberg, President of Servel, Inc.

Debit Balances on NYSE in September

The New York Stock Exchange indicated that as of the close of business on Sept. 30, member firms of the New York Stock Exchange carrying margin accounts reported as follows:

Total of customers' net debit balances of $632,282,599 on Sept. 30, against $723,233,792 on Aug. 30. This figure includes all securities, commodity and other accounts, and does not include debit balances in accounts held for other firms which are members of national securities exchanges, or "own" accounts of reporting firms, or accounts of general partners of those firms.

The Exchange's report continued: Credit extended to customers on U. S. Government obligations was $81,805,758 in Sept. against $99,075,444 in Aug. (This amount is included in the net debit balance total.)

Cash on hand and in banks in the United States amounted to $496,513,658 on Sept. 30, compared with $403,052,816 the month before.

Total of customers' free credit balances was on Sept. 30, $729,313,360, against $647,288,432 on Aug. 30. These figures include free credit balances in regulated commodity accounts, and do not include free credit balances held for other firms which are members of national securities exchanges, or free credit balances held for the accounts of reporting firms or of general partners of those firms.

The Exchange also announced that, the figures for net debit balances on the exchange during June and July were $815,078,360 and $745,457,816, respectively.

Items About Banks, Trust Companies

Frank K. Houston, Chairman of the Chemical Bank & Trust Company, announced on Nov. 14 the appointment of Marinus J. Topp as Assistant Vice-President. Mr. Topp will be associated with the bank's office at Fifth Avenue and 29th Street.

Mr. Houston also announced on Nov. 15 the appointment of Robert O'Brien as Assistant Vice-President of the bank. Mr. O'Brien was formerly Assistant Secretary of the Central Hanover Bank & Trust Company and will be associated with I. B. Grainger, Vice-President, in handling the Chemical's business in the Western territory.

The New York State Banking Department on Nov. 15 authorized the President and directors of Manhattan Co., 40 Wall Street, New York, to open a branch on the east side of 75th Street, between Roosevelt Avenue and 37th Road, Queens.

Frederick Gretsch, President and Trustee of the Lincoln Savings Bank of Brooklyn, was elected to the Board of Directors of the Manufacturers Trust Company at a meeting held Nov. 12. Mr. Gretsch is also Chairman of the Executive Committee of Group V Savings Banks Association of the State of New York; a member of the Board of Directors of the Brooklyn Chamber of Commerce, and a member of the Real Estate Board of Brooklyn, and was formerly President of the Fred Gretsch Manufacturing Company of Brooklyn.

The New York State Banking Department announced on Nov. 15 the granting of authority to Manufacturers Trust Co., 55 Broad Street, New York, to open a branch at 446 McDonald Avenue, Brooklyn.

E. Chester Gersten, President of the Public National Bank and Trust Company of New York, announces the appointment of Hilbert Rauscher as an Assistant Manager of the Foreign Department at Main Office.

National City Safe Deposit Co., 17 East 42nd Street, New York, was authorized by the New York State Banking Department to open a branch at 28-15 Bridge Plaza North, Long Island City, Queens, it was announced on Nov. 15.

Edward E. Anderson has been elected a member of the Board of Trustees of the East River Savings Bank of New York City, it was announced on Nov. 18. Mr. Anderson is Vice-President of the Discount Corporation of New York.

At a meeting of the Board of Trustees of Central Savings Bank of New York on Nov. 12, Raymond C. Hague was appointed Assistant Manager of the bank's 14th Street Office. Mr. Hague became associated with the bank in February, 1921, and has held the positions of Head Teller and Chief Clerk.

The Seamen's Bank for Savings in the City of New York announces that over $5,500,000, including interest, is being distributed this week to the members of its 1946 Christmas Club. With more than 60,000 members this year, the bank's Christmas Club is the largest of any savings bank in the United States.

For the first time in the 112-year history of the Bowery Savings Bank, of New York, two women employees were promoted to officers at a meeting of the Board of Trustees on Nov. 12. Two other women were raised to executive rank. The promotions are:

Hilda M. Hoffman, from executive assistant to Assistant Secretary and Statistician. Miss Hoffman has been the statistician of the bank since 1927. She served as regional Vice-President of the Association of Bank Women from 1940 to 1942 and was Chairman of the Savings Bank Women of Metropolitan Area from 1943 to 1945.

Myrtle M. Hunt, from principal executive assistant to Assistant Secretary. Miss Hunt has been assistant to the President since 1931. She was Chairman of the Savings Bank Women of Metropolitan Area from 1933 to 1935.

Edith J. Stephenson and Bozena Valenta were named principal executive assistants. Other promotions made by the board follow: William H. Switzer, from Deputy Controller to Assistant Vice-President and Deputy Controller; William Lumsden, from Deputy Controller to Assistant Vice-President; Donald H. Ewing, from Principal Executive Assistant to Deputy Controller, and Kenneth E. M. Hall, Edwin W. Goat and Montague T. Smith, to Principal Executive Assistants.

The Union Dime Savings Bank, of N. Y. City, announces an additional service in the reopening of its Christmas Club in December. During the war years, the Christmas Club was discontinued to make room for the Payroll Savings War Bond Department. This department is being continued as a Payroll Savings Department, whereby employees by payroll allotment may accumulate savings or purchase U. S. Savings Bonds, or both.

As additional space is needed for both the Payroll Savings Department and the Christmas Club, the bank is expanding its quarters on West 40th Street, taking over part of the ground floor of the Tilden Building. The new quarters will be ready for occupancy the first week of December, at which time the Christmas Club is scheduled to open.

George H. Sibley, Vice-President, General Attorney and Director of E. R. Squibb & Sons, has been elected a trustee of the Greenwich Savings Bank, of New York City, Earl Harkness, President, announced on Nov. 15.

Louis Komarek was appointed Comptroller of the Lafayette National Bank of Brooklyn in New York, according to an announcement made by Walter Jeffreys Carlin, President. Mr. Komarek has been employed by the Manufacturers Trust Company for the past 23 years and prior to his resignation was a Supervisor in the Comptroller's Department. For the past four years he was engaged in making surveys of internal operations for out-of-town banks.

Frank P. Plunkett has been appointed Manager of the Personal Loan Department of the Lafayette National Bank of Brooklyn, it is announced by President Carlin. Mr. Plunkett has been an employee of the bank since 1937 and has worked in many departments. From 1943 to 1945 he served overseas with the U. S. Army.

The bank also announced on Nov. 15 the election of Louis Segal as a member of its board of directors.

Mr. Segal is President of Segal Lock & Hardware Co., Inc.; President of Norwalk Lock Company; President of Segal Safety Razor Corporation and President of Straus Fastener Company Inc.

In the one year, ending Nov. 16, since the inception of the Family Life Insurance Club Plan, the Lincoln Savings Bank of Brooklyn has written over $3,000,000 in Savings Bank Life Insurance—an increase of 200% above the previous year's sales.

Mr. Fred Gretsch, President of the bank, also reported this business represents 3,700 policies. Advertising in connection with the plan produced 15,000 inquiries and resulted in over 3,000 savings accounts being opened.

Staten Island Savings Bank, Stapleton, S. I., was authorized by the New York State Banking Department, on Nov. 15, to open a branch at 255-259 New Dorp Lane, New Dorp, Staten Island.

Approval was given by the New York State Banking Department on Nov. 15, to an increase of capital stock of Genesee Valley Trust Co., 45 Exchange Street, Rochester, N. Y., from $1,250,000, consisting of 50,000 shares of the par value of $25 each, to $1,562,500, consisting of 62,500 shares of the par value of $25 each.

Robert R. Calpass has been named a trust officer of the Fidelity Trust Company, of Pittsburgh, it was announced on Nov. 14. He became associated with the bank in 1920 and was made an assistant trust officer in 1939.

Acquisition of control of the Workingman's Savings Bank & Trust Company, of Pittsburgh, Pa., by New York interests, was announced on Nov. 15, according to the Pittsburgh "Post Gazette" of Nov. 16, from which the following was also taken:

The East Ohio Street institution has resources in excess of $20,000,000.

J. D. Swigart, operating executive of the bank, said one of the affiliates of the Equity Corporation group of investment companies acquired from the estate of Emil Winter 4,051 shares of stock of the bank out of 8,000 shares outstanding.

The purchase, Mr. Swigart said, was made for investment only and the transfer in ownership will not involve any substantial changes in the management and direction of the bank.

Frederic A. Potts was elected a member of the board of directors of The Philadelphia National Bank at a meeting on Nov. 18. Pursuant to resolutions adopted at the meeting, the directors announce that action will be taken at the organization meeting of the board on Jan. 20, 1947, to elect Mr. Potts as President and Chief Executive Officer of the bank, and J. William Hardt, Executive Vice-President and Chairman of the board of directors.

Evan Randolph, President of the bank, has advised the board of directors that, having reached the age which permits retirement under the retirement plan of the bank, he is not willing to be considered for re-election for another year. The board of directors has acquiesced with regret in his decision to retire from the responsibilities which he has no ably carried for the past six years.

The National Bank & Trust Company, of South Bend, Ind., announces the election of Delos M. Coen as President. The bank states:

Mr. Coen brings to the Presidency of this institution 34 years of experience and service as a South Bend banker and civic leader. He has been Vice-President and Cashier since the formation of The National in 1944 by a merger of two of the city's largest banks, The Merchants National and The City National. At present, Mr. Coen is President of the South Bend Clearing House Association and a member of the bank operations committee of the Indiana Bankers' Association.

The National Bank & Trust Co. has a capital of $1,000,000, surplus of $510,000 and undivided profits of $173,429. Its deposits Sept. 30 were reported as $25,847,913.

At a special meeting on Nov. 13 of the stockholders of the American National Bank and Trust Co., of Chicago, plans to increase the bank's capital from $2,000,000 to $3,000,000 were approved. The plans provide for the issuance of 5,000 shares of common stock as a stock dividend and the sale of an additional 5,000 shares to be offered to present stockholders at par of $100 per share. Both the stock dividend and the stock offered for subscription would be on the basis of one new share for each four shares held by stockholders of record at the date of the meeting. As was indicated in our issue of Nov. 7, page 2400, similar action was taken in December, 1943, at which time the bank's common stock was increased from $1,000,000 to $2,000,000 through the issuance of 5,000 additional shares as a stock dividend and the issuance of rights to stockholders for the purchase of 5,000 additional shares at par. The surplus account of the bank, which totaled $2,500,000 at the time of the 1943 increase in capital, has since increased to $4,000,000. With the completion of the proposed further increase in capital stock, the capital and surplus of the bank will aggregate $7,000,000. Deposits of the bank, which totaled $140,000,000 in December, 1943, have since increased to $210,000,000. In making known the plans to increase the capital, Lawrence F. Stern, President of the bank, said that the step was taken in keeping with the bank's growth and also to enable the bank to meet the expanding credit needs of its customers. He said it is expected that the dividend to be declared on the increased stock in January, 1947, will be at the present rate.

The Midland National Bank of Minneapolis added three new officers to its staff, it was announced on Nov. 13 by the bank's President, Arnulf Ueland. The new appointments are Robert E. Towey, elected Vice-President and Trust Officer, and John S. Irons and John P. Knutson, named Assistant Cashiers.

Towey, who will head Midland's trust department, has had long experience in the trust field. He was manager of the trusts and estate division of the Chase National Bank, New York. He was later assistant trust officer of the Lincoln Alliance Bank & Trust Co., of Rochester, N. Y., and more recently trust officer of Tradesmen's National Bank & Trust Co., Philadelphia.

Irons, who came to the Midland Bank in 1935, became assistant manager of the instalment loan department on his return to the bank and will also serve as Assistant Cashier. He is a graduate of Washburn High School and the American Institute of Banking.

Knutson joined the bank in 1930. He returned from military service last March and was Assistant Manager of the credit department and was promoted to Manager of the department with the added title of Asst. Cashier.

The Mercantile-Commerce Bank and Trust Company, of St. Louis, has announced the appointment of Leon G. Fox as Asst. Cashier.

Election of William H. Veeneman, Jr., as a director of the United States Trust Company, Louisville, Ky., was announced on Nov. 15 by A. B. Comstock, President of the institution.

First National Bank of Memphis, Tenn., on Nov. 12 announced the promotion of four of its officers by its Board of Directors.

Advanced from Assistant Vice-President to Vice-President were E. R. Crockett and William W. Mitchell, while Wright W. Bailey and Henry H. Haizlip, Jr., were elevated from Assistant Cashier to Assistant Vice-President, announced the Memphis "Appeal" of Nov. 13.

Godfrey L. Wakeman, former Manager of the Seattle branch of the Bank of California, died on Nov. 7, it was announced by the bank. Mr. Godfrey, who retired in 1945, was connected with that bank for almost 50 years, said advices from the San Francisco "Chronicle" of Nov. 10.

Appointment of C. Henri Labbe, Assistant Cashier of the First National Bank of Portland, Ore., to the post of manager of the new uptown Portland branch, to be opened in February at S. W. 14th Avenue and Alder Street, was announced on Nov. 2 by the bank management. The Portland "Oregonian" from which the above was quoted also said in part:

"Mr. Labbe joined the bank in 1935, and recently was made a loan officer in the main branch."

The Midland Bank, of London, announces that L. P. Bullett, Manager of the Overseas Branch, retired on Oct. 31 after service in the bank extending to more than 45 years. He is succeeded by H. H. Thackstone, hitherto Deputy Manager.

Burgess Chairman of ABA Economic Comm.

W. Randolph Burgess, President of the American Bankers Association in the year 1944-1945 and Vice-Chairman of the Board, of the National City Bank of New York, has accepted appointment as Chairman of the Economic Policy Commission of the ABA to succeed the late Brig.-Gen. Leonard P. Ayres, who died on Oct. 29, it is announced by ABA President C. W. Bailey. General Ayres had been reappointed to this post by Mr. Bailey for the current year. Mr. Burgess, who has agreed to serve out General Ayres' term, is a former Chairman of the Commission, having held that post from 1940 to 1944. The ABA advices also state:

W. R. Burgess

"In the affairs of the American Bankers Association, Mr. Burgess has served as a member of the Executive Council; Chairman of the Economic Policy Commission; Vice-Chairman of the Research Council; member of the Special Committee on Treasury War Borrowing and the Advisory Committee on Special Activities; and Vice-President and President of the Association. He has been a member of the faculty of the Graduate School of Banking since 1937."

The death of General Ayres was noted in our issue of Oct. 31, page 2264, and a further reference to his death and those of Philip A. Benson and Edward F. Swimmey, all active in ABA affairs appeared in these columns Nov. 14, page 2525.