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Planning for Progress—A Community Challenge

By ALFRED SCHINDLER*
Under Secretary of Commerce

Retiring Department executive contends economic planning is a local problem and should not be superimposed from above. Points out dangers of devising broad, all-inclusive plans by central agency and calls for cooperation of Federal, State and community in promoting regional planning. Tells of work of Commerce Dept. along these lines and urges study of regional marketing possibilities

There are many people to whom planning is synonymous with regimentation—the kind of regimentation that embodies all that is alien to our tradition and all that is destructive of our finest accomplishments.

Alfred Schindler

It would be utter folly to close our eyes to this opposition. Wisdom demands that we recognize that the term generally is in bad repute. Wisdom also demands that all planners assiduously guard against contributing, through errors of omission or errors of commission, to this suspicion.

I believe that the immediate task is that of dissipating this illusion about planning. From here on out, we must never force upon those in subordinate positions a blueprint which has sprung full grown from the minds of those who sit in the seats of the powerful.

Planning, if it is to occupy the position which it should rightfully command, must grow from below—not be superimposed from above. Unless any plan is integrated into the common experience, as well as the economic pattern, of the individual communities affected, it will face resistance. Local habits, local characteristics, yes, even local prejudices, must be fully weighed and accounted for. The only method which will assure that these factors will be considered is by starting at the grass roots, by making

(Continued on page 2944)

*An address by Mr. Schindler before meeting of Representatives of the Planning and Development Agencies of the Northeastern States, Hartford, Conn., Nov. 25, 1946.

Re-appraising the Gold Standard

Philip Cortney and W. Craven-Ellis, in a further exchange of correspondence, disagree on importance of gold, and on its relevance to the foundations of Anglo-American collaboration.

The two subjoined communications follow correspondence, previously published in the "Chronicle," between Mr. W. Craven-Ellis of London and Mr. Philip Cortney, economist and President of Coty, Inc. of New York. This discussion seems important to publish because of the importance of the underlying points of view which they clearly express. They authoritatively set forth the conflicting approaches toward the fundamental premises of Anglo-American cooperation, and toward the present importance of the gold standard. —Editor.

Communication From Mr. Craven-Ellis

Philip Cortney, Esq., Economist and President of Coty, Inc.,
423 West 55th Street,
New York 19, N. Y., U. S. A.

Dear Mr. Cortney,

Since receiving your letter dated July 1st the loan from the U. S. A. to Britain has become an accomplished fact. Although I strongly disapprove of this arrangement, more particularly with the conditions attached thereto, our respective Parliaments have approved, therefore it is up to both countries to work out the arrangement in the best possible interests of the world as a whole. There are, however, a few points in your letter upon which I respectfully submit my observations:

1. You state, "Your great bugaboo is the gold standard." You are right. My great bugaboo IS the gold standard. The U. S. together with France, made the gold standard unworkable by accumulating and sterilizing such a large proportion of the world's monetary gold that there was not sufficient left to finance international commerce. A montary standard liable to succumb to such attacks is a bugaboo.
2. You state, "Do you know of any totalitarian country without exchange control?" I regard this as an unmeaning piece of rhetoric. I might equally well ask, "Do you know any totalitarian country without food or clothes or houses?" The fact that a totalitarian country uses exchange control does not prove that is is either good or bad.
3. You state, (i) "Economic liberalism cannot live without an automatically functioning international montary system." and (ii) "But exchange control has no place in a democracy in time of peace." In the first place, the U. S. is one of the greatest users of exchange control. The blocked loans of the Export and Import Bank prohibiting their exchange into other countries is an extreme

(Continued on page 2942)

Objectives of CIO

By PHILIP MURRAY*
President, Congress of Industrial Organizations

In accepting Presidency of CIO, Mr. Murray stresses purpose of organization "to carry ever high banner of true American democracy and remain steadfast in loyalties to the flag and to country." Says people are living better today than before CIO was formed and wages are higher. Pledges CIO to continued fight for a better life for all people.

Chairman Rieve and fellow delegates, I find it extremely difficult to express in my own words the kind of an appreciation that beats within my bosom at this moment.

Philip Murray

I know that you have thrust upon my shoulders a great and a grave responsibility. I feel it my duty, as the President of your organization, to carry forward in your spirit and in your determination towards the attainment of your goals, which I believe to be the goals of the common people of America.

In accepting this mantle of responsibility, my eyes must necessarily go beyond the confine of

(Continued on page 2943)

*Acceptance speech of Mr. Murray after his re-election as President of CIO, at the Eighth Constitutional Convention of the Congress of Industrial Organizations, Atlantic City, N. J., Nov. 19, 1946.

GENERAL CONTENTS

As We See It

EDITORIAL

Wages, Profits and Prices

Within the past few weeks there has been a marked recrudescence of the old issue as to whether employers can raise wages without increasing prices. In most circles there is an apparent acquiescence in the tacit assumption that whenever it is possible for an employer to pay his workmen more, without asking his customers more for his products, and still show a "fair" profit, some sort of moral obligation requires that wages be increased. This assumption is very plain in the arguments of most of the unions. Indeed it is often an outspoken postulate of their arguments. Here is a dangerous fallacy which many commentators who must know better appear to be hesitant to challenge.

It was, of course, at the heart of the President's support late last year, and early this, of generally higher wages—at the time politely termed the Administration's "wage pattern." The fact that the estimates and the conclusions of fact then made by the wiseacres among the New Dealers proved so wide of the mark has tended to obscure the circumstances that the conclusion would have been equally vulnerable even if their statistics had been unassailable. Recently Mr. Murray and his cohorts in the CIO have come forward with the same line of argument, and with it undertaken to defend a forthcoming list of demands for further increases in wage rates.

Profit Guesses

The CIO presents with great assurance, estimates of corporate profits for the current year and guesses at such earnings for next year. Heaven knows what sort of crystal ball these gentlemen use for this purpose, but whatever it is they seem to have exclusive use of it. No one else, so far as we are aware—certainly no one whose opinion is worthy of much respect—has had the temerity to go this far. It

(Continued on page 2940)

From Washington Ahead of the News

By CARLISLE BARGERON

Whenever we see the great psychologists of Washington at work we always get disturbed. They usually constitute two or three high officials and five or so columnists. Of course, beneath the former are lots of little figures working like busy bees but they are of little consequence. Essentially, the two or three high officials have got the five or so columnists to agree with them, or vice versa, and together with their propaganda they attempt to mould the thinking of some 140 million people. For weeks on weeks they drum their point into our heads and those of us in Washington and the near-by East, through sheer weakness, if nothing else, accept it as a fact. We live in total ignorance, seemingly, of the vast spaces which make up the rest of the country, and those of us who occasionally get out of Washington are amazed that the order of thinking we have laid down is unaccepted and that the people are going along wholly unmindful of the alarums we have shouted, or the postulates we have stated.

Carlisle Bargeron

Back in 1942, for example, two or three conservative influences in Congress thought it would be a 10-strike to make the proletariat tax conscious. Make them feel just what Roosevelt's spending meant to them. Out of this came the payroll tax deductions. Each week the wage earner's pay envelope was shy so much and in box car letters was the explanation that the deduction went to Uncle Sam. Hah! this would make the wage earners do some thinking!

The tax bill was finally passed by both houses of Congress, after months of agitation, on the eve of the Congressional elections of that year. The newspapers pretty generally carried tables on Page 1 explaining just what your deduction would be. There is evidence that this had some effect on

(Continued on page 2941)

A Problem Well Stated

"The mere passing of pious resolutions, such as the one at present proposed here, the conclusion of pacts of friendship, the solemn signature on our own Charter of the United Nations is not enough. It was, I think, Hitler at the very moment that he had concluded a pact of friendship, which enabled him the more easily to embark upon war, who said at one of his secret staff conferences, talking about the vast armies that he had built up: 'Do not suppose that I created this great army in order that it shall not fight.'

"And the existence of vast armed forces such as do exist at the present time is a constant threat to the peace. The burden of maintaining such forces cripples the countries of the world in the great task of economic reconstruction.

"This war-wracked world cries out for relief from these threats and burdens in order that it may enter at last into a golden age of liberty, peace and prosperity.

* * *

"My country, which for the first time in its history is compelled to introduce conscription in peacetime because of the maintenance of vast and, I believe, in some cases even increasing forces in other parts of the world, is most anxious to secure and to secure quickly a large and progressive measure of armament limitation.

"But we are certainly not willing to disarm unilaterally. We are not prepared to reduce our armies to negligible proportions while other powers retain vast forces of which they can dispose."
—Sir Hartley Shawcross of the United Kingdom before the United Nations' Political and Security Committee.

A problem well stated!

But we suspect the root of the trouble lies deeper than the maintenance of over-large armies.

Rules on Income Segregation of Investment Cos.

William W. Werntz, SEC chief accountant, discusses problem facing management investment companies in complying with recent revisions of Article 6 of Regulation S-X, which governs form and content of required financial statements.

The Securities and Exchange Commission recently announced the issuance of a release in its Accounting Series discussing a problem that may face management investment companies in complying with the requirements of the recently revised Article 6 of Regulation S-X which governs the form and content of financial statements filed with the Commission by management investment companies. The release outlines certain procedures which may be followed in allocating past dividends so as to arrive at (1) the balance of undistributed net income (excluding gain or loss on investments); and (2) accumulated net realized gain or loss on investments. The release, prepared by William W. Werntz, Chief Accountant, follows:

"Inquiry has been made as to the procedure to be followed where a management investment company has not heretofore shown separately in its accounts (1) the balance of undistributed net income (excluding gain or loss on investments); and (2) accumulated net realized gain or loss on investments. Subdivision into these two categories is required of management investment companies by Rule 6-03-21(a) (2) and (3) of the recently revised Article 6 of Regulation S-X, governing the form and content of financial statements filed by such companies. A principal problem in such segregation relates to dividends heretofore paid without any designation as between these two sources of income.

"Sec. 19 of the Investment Company Act of 1940 requires such segregation to be made in connection with dividends declared after the effective date of that Act. In connection with the promulgation on Feb. 21, 1941 of Rule N-19-1 which implements Sec. 19, there was simultaneously published an interpretive letter* dealing with the treatment of past dividends.

"In my opinion, it would be appropriate to employ the methods and principles set forth in that letter in arriving at the segregated balances required by the new Rule 6-03-21(a) (2) and (3) of Regulation S-X. The pertinent portion of the letter reads as follows:

"'In connection with Section 19 of the Investment Company Act and the recent Rule N-19-1 adopted pursuant to it, you have raised some questions of interpretation.

"'Section 19 provides in effect that dividend payments made by a registered investment company must be accompanied by written statements adequately disclosing the source of the dividend if the dividend is paid wholly or partly from any source other than—

"'(1) such company's accumulated undistributed net income, determined in accordance with good accounting practice and not including profits or losses realized upon the sale of securities or other properties; or

"'(2) such company's net income so determined for the current or preceding fiscal year.

"'Rule N-19-1, among other things, provides in effect for the segregation of certain designated sources of dividend payments for the purpose of disclosure.

"'Your first inquiry, as I understand it, relates to the problem of ascertaining the presently available balances of the sources designated in Section 19 and Rule N-19-1. You point out that, prior to the time the Investment Company Act went into effect, an investment company may not have segregated its income and surplus in a way contemplated by that Section and the recently adopted rule; therefore, dividend payments in the past may not have been allocated according to the sources designated therein. You are concerned as to the method companies in this situation may use in determining *now* the sources against which past dividends are to be charged in order to determine the balances of "accumulated undistributed net income" and other sources available for the purpose of Section 19.

"'Where, prior to Nov. 1, 1940 (the effective date of the Investment Company Act) any legal allocation of dividend payments has been made on the books or by resolution of the board of directors, or in some other appropriate manner, to one of the sources set out in Rule N-19-1, in my opinion, such allocation need not be changed. As to past dividends not so allocated, it is my opinion that the following allocation should normally be followed: The total amount of such dividends accrued and declared in any fiscal year should be charged first to the accumulated undistributed net income, if any, at the close of such year, and any excess should be charged to the accumulated net profits from the sale of securities or other properties, if any, at the close of such year, and any excess thereafter should be charged to paid-in surplus or other capital source. The determination of accumulated net profits from the sale of securities or other properties should be made in accordance with the company's financial accounts rather than its tax accounts.

"'Your second inquiry bears on the same problem. In examining the past to make the necessary determination of available balances now, transactions must be reviewed in the light of "good accounting practice," the standard set up in Section 19. Your problem is whether that standard is the good accounting practice of the present day or that of the date of any particular transaction. In my opinion, it is the latter'."

*The letter dated February 21, 1941, signed by David Schenker, then Director, addressed to Paul Bartholet, then Executive Director, National Committee of Investment Companies.

October Construction Contracts Awarded

Declines in residential building were indicated in October on the basis of construction contracts awarded in the 37 states east of the Rocky Mountains, it was reported today by F. W. Dodge Corporation, a fact-finding organization for the construction industry.

On the basis of reports from its field staff, the Dodge corporation revealed that October contracts for home building totaled $235,068,000 against $293,831,000 in September. It was reported that 33,440 dwelling units are to be erected under provisions of last month's awards.

Increases in non-residential awards were reported in October, the gains being especially pronounced in buildings used for manufacturing purposes. Total non-residential building awards were $225,355,000 against $169,627,000 in the preceding month. Total of all building contract awards in October was $573,206,000 against $619,857,000 in September.

Pronounced gains earlier in the year brought the total for the first 10 months to $6,528,699,000 as compared with $2,598,531,000 in the corresponding 10 months of 1945. Twenty-three per cent of the dollar volume of all contracts awarded during the first 10 months of this year was for projects classified as publicly owned.

25% Tax Cut for Individuals Urged By U. S. Chamber With Drop in Corporate Levy

Substantial reductions in taxes on both individual and corporate incomes, effective in 1947, were proposed by the Committee on Federal Finance of the United States Chamber of Commerce on Nov. 25 in a report approved for publication by its Board of Directors. The report supplements separate recommendations previously issued for reductions in expenditures. The Committee, of which Ellsworth C. Alvord of Washington, D. C., is Chairman, suggested a 25% cut in rates on individual incomes and a reduction from 38 to 33% in the rate on corporate income in 1947, to 30% in 1948, and to less than 25% in 1949.

Other proposals for a lightening of the tax burden included immediate repeal of war excise tax increases, the tax on property transportation and levies of a nuisance type, lowering of estate and gift taxes and eventual relinquishment of these sources of revenue to the states, and a reduction in the present effective rate on capital gains from 25 to 12½%.

The report urged immediate diminution and eventual elimination of double taxation on earnings of corporations and dividends to stockholders, without resort to a tax on undistributed profits. Retention through 1947 of the carryback and carryforward of net operating losses of corporations and a new provision, applicable in 1948 and thereafter, for a seven years carryforward in lieu of the right to carry back such losses was recommended. This proposal was presented as intended to provide "some equalization of the burden between businesses having periods of feast and famine and those which have greater regularity of income."

Discussing basic tax policies, the Committee said:

"Immediate substantial reductions in Federal taxes must be made, looking toward balancing the fiscal 1948 budget at as will permit adequate debt retirement. Relatively heavy taxation and expenditures, when viewed from pre-war standards, will be unavoidable but early achievement of a balanced budget at a level which will permit less oppressive taxes and adequate debt reduction is vital to economic stability.

"The raising of even $20 billion in Federal taxes as a continuing peacetime objective, will present dangers to our economy. Such a volume of Federal taxes, combined with state and local levies, will mean oppressive rates, with severe restraints upon enterprise and thrift.

"Extensive improvements in the Federal revenue system, as well as substantial reductions in taxes, are essential to a healthy economy. A stable, equitable and workable system, which permits replenishment of the wellsprings of enterprise, must be devised. The large revenues which are necessary should be sought from all sections of the public and all forms of economic activity, with a minimum of braking effect upon incentives to production and trade. There should be full recognition of the principle that the continued burden of taxes upon business undertakings and investors therein should not prohibit a fair return, after taxes, commensurate with the risks involved."

In its recommendations the Committee also said in part:

"There should be reasonable differentiation between earned income and other income to the end that earned income, without limitation as to amount, be taxed at lower rates than those applicable to other income.

"The individual income tax rates, and the methods of applying them, are so severe as to be a bar to progress, thrift and prosperity and, therefore, to a sustained yield of revenue. In their effects, they comprise a short-sighted method of raising revenue, a penny-wise and pound-foolish policy. The individual income taxes in the current fiscal year are estimated to produce nearly one-half of the total net receipts of the government of about $40 billion, by contrast with 1939 when they represented less than one-fifth of total net receipts of about $5 billion.

"It is apparent that the government is now plowing the tax field of individual incomes too deeply, with danger of sudden and severe drops in revenue. The difficulty is primarily in the steep graduation of the surtaxes. For the government to attempt to maintain the highest surtax schedules would result at best in a comparatively small volume of revenues, since, for the entire nation, all of the income taxable in brackets above $10,000 is about $6 billion, more or less.

"If all of the taxable income above $10,000 were taken from individuals it would produce a little more than the annual interest on the national debt. As it is, some two-thirds of this income is now taken by the Federal Government.

"Taxable incomes of $10,000 or less comprise about 90% of total taxable individual income and produce about three-fourths of the government receipts from the individual income tax.

"The answer to the problem of prudent use of individual income tax obviously does not lie in striking at high incomes on any 'soak the rich' theory. No more does it lie in applying steep rates to lower incomes. Moderation of rates is needed. In reducing the higher surtaxes the government stands to gain, not lose revenues. In lowering the other brackets, the government will be nurturing the production of larger incomes and stable revenues. Curtailment of the government expenditures will permit the reductions in rates of income tax which can and should be made. The immediate reductions, applicable to 1947 incomes, should equal at least 25% of the tax computed under present provisions."

McDowell and Wright Again Dir. of Cleve. Res.

Harry B. McDowell, President of the McDowell National Bank of Sharon, Pa., and Ross Pier Wright, Secretary-Treasurer of the Reed Manufacturing Co., of Erie, Pa., were re-elected to the board of directors of the Federal Reserve Bank of Cleveland for three-year terms ending Dec. 31, 1949, it was announced Nov. 20 by Board Chairman George C. Brainard. Both directors were re-elected, unopposed, by member banks in the Fourth Federal Reserve District in Group 2, composed of banks having a capital and surplus of between $200,000 and $2,000,000.

Mr. McDowell, now completing his ninth year as a member of the Board, continues as a Class A director representing medium-size banks in the District. A banker since 1900, Mr. McDowell long has been active in the American Bankers Association. He is Chairman of the Research Council of the ABA and is a member of the Postwar Small Business Credit Commission of that organization.

Mr. Wright, a Class B director since 1917, is a representative of industry, commerce and agriculture on the board, and Chairman of the Pennsylvania Historical Commission.

How Much Profit Do You Think American Business Makes on Each Dollar of Sales?

A survey of public opinion was recently made in connection with the following question:

"Out of each dollar taken in by American business corporations from sales of their products, how much do you think is left as net profit after paying for wages, materials, all other expenses and income taxes?"

Most people answered that the net profit was 25¢ or more on a dollar — and a large number guessed that it was 50¢ to 75¢.

This survey showed: (1) the effect upon public thinking created by labor leaders', oft-reiterated claim that corporations make exorbitant profits, and (2) the generally poor public relations job done by business management in acquainting the public with the facts.

Because there is such an obvious and urgent need that the facts be publicized, we are presenting below some pertinent figures. For 22 large corporations whose names and products are widely known these figures show the number of cents of net profit made on each dollar of sales during the war years 1942/1945 and the peace years 1935/1939.

In order to give every advantage in the argument to the proponents of the "exorbitant profits" school of thought, we have purposely used figures only for years of good to satisfactory business volume. However, it would be more accurate and more fair to American business to present average profits for a period which included both prosperous and *depression* years—in other words, the average profits earned under what should properly be called our "profit *and loss* system."

What do you think is a fair profit margin for private enterprise when business is good?

And what do you think the profit margin has been? Look below for the answer.

	Net Profit Per Dollar of Sales	
	Peace Yrs. 1935/1939	War Yrs. 1942/1945
Montgomery Ward	5.0¢	3.4¢
J. C. Penney	6.2	3.4
Woolworth	10.4	5.1
Procter & Gamble	10.2	6.5
Armour & Co.	1.0	0.9
Safeway Stores	1.2	0.8
Borden	3.0	2.5
General Foods	10.0	5.0
General Motors	13.2	5.3
Goodyear Tire & Rubber	4.2	2.5
Standard Oil of N. J.	8.4	9.0
U. S. Steel	3.4	3.3
Du Pont	17.6	8.0
Celanese	10.8	7.5
General Electric	14.5	4.5
Allis-Chalmers	5.8	2.7
American Tobacco	10.0	7.6
American Can	10.0	6.0
Eastman Kodak	15.0	9.0
National Distillers	12.0	4.0
Loew's (Metro-Goldwyn-Mayer)	10.0	9.5
Underwood	11.6	6.5
Average	8.8¢	5.2¢

Profit margin figures for each year were taken from Moody's Industrial Manual and were then averaged for each period. All computations were based on independently audited annual financial statements of the companies involved.

Legislation Proposed to Curb Labor Racketeers

Sponsoring of a 10-point program of labor legislation in the new Congress designed to control "labor racketeers" was promised on Nov. 30 by Senator Alexander Wiley, Republican, of Wisconsin. In making this known, Senator Wiley, it was indicated in a United Press account from Washington, said that John L. Lewis, United Mine Workers chief, is "advancing the Communist cause" by refusing to call off the soft-coal strike, and Mr. Wiley asserted that "milions will die in Europe" if Mr. Lewis persists in the walkout.

Senator Wiley's further declarations, as reported by the United Press advices appearing in the New York "Herald Tribune," follow:

"All his life Lewis has denounced the Communists," Senator Wiley said. "But he is hitched up clean to the belt with them now. He is advancing their cause here and in Europe."

Senator Wiley said his program of labor "reform" is based on compulsory arbitration of labor disputes in public utility and other key industries.

"There must be no future interruptions in electric service, telephone service, gas, water, transportation, coal nor in any other key nation-wide industry," he said.

Senator Wiley said his program of labor-reform legislation was based on compulsory arbitration as the only answer to strikes in industries whose operation is vital to the public welfare.

He proposed that when a strike is threatened in any such industry, labor and management be required to select arbitrators who would consider the issues and "deliver a fair decision" that would be binding on both parties.

The other nine points in Senator Wiley's proposed legislative program were:

1. Outlaw jurisdictional strikes.
2. Make unions liable for breach of contract.
3. Make unions liable under anti-trust laws.
4. Outlaw the closed shop to protect "the free American's right to work wherever he pleases."
5. Outlaw union expenditures "for political purposes."
6. Require unions to report their finances.
7. Suspend labor's privileges under the National Labor Relations Act when employees "strike against the government."
8. Give employers "free speech" in discussing unionism with employees.
9. Ban secondary boycotts, mass picketing and "other goon tactics."

FIC Banks Place Debs.

A scccessful offering of an issue of debentures for the Federal Intermediate Credit Banks was made last month by Charles R. Dunn, New York, fiscal agent for the banks. The financing consisted of $13,395,000 1% consolidated debentures dated Dec. 2, 1946, and due Sept. 2, 1947. The issue was placed at par. The proceeds, together with cash in the treasury were used to retire $38,340,000 debentures, maturing Dec. 2, 1946. As of Dec. 2, 1946, the total amount of debentures outstanding was $291,620,000.

Supplement to ABA Manual "Veteran Training for Banks"

"The Committee on Service for War Veterans of the American Bankers Association, of which Chester R. Davis, Vice-President and Trust Officer, of the Chicago Title & Trust Co., Chicago, Ill., is Chairman, has mailed to banks the first supplement to the manual, "On-The-Job Veteran Training For Banks." The manual was published last June, and the supplement covers revised standards embodied in Public Law 679 approved Aug. 8, 1946. This supplement service is abailable to ABA member banks.

Wisc. Banks May Not Invest in Int'l Bank

The Wisconsin State Banking Commission has refused to permit State banks, savings banks and trust companies in the State to invest in any securities to be issued by the International Bank for Reconstruction and Development set up under the Bretton Woods agreement. Announcement of this decision by the Commission was made at Madison, Wis. on Nov. 27 by its Chairman, James B. Mulva. Stating that the Commission voted unanimously to bar the sale in Washington of bonds the International Bank plans to issue to raise money for reconstruction loans because of the guarantee by foreign nations. Madison advices in the Milwaukee "Journal" of Nov. 28 added:

Mr. Mulva said the record of most foreign nations in meeting their financial obligations is "not good" and the Banking Commission wants "to safeguard banks in this State from being caught as they were after World War I." Wisconsin banks lost about 63% of the money they had invested in foreign securities after World War I, he claimed.

The midwest District of the State Bank Supervisors' Association, of which Mr. Mulva also is Chairman, showed unfavorable reaction at a recent convention to purchase by banks of foreign guaranteed bonds, he said, and added that the District Association would meet in Chicago in January to take a stand on the question.

Mr. Mulva said he also would raise the question at a meeting of the American Bankers Association in Minneapolis Dec. 9.

Industrial Social Ins. Plan Sought by UAW

Details of what is termed a comprehensive, employer-financed social insurance program being sought in all plants where the contracts of the United Auto Workers—a Congress of Industrial Organizations affiliate—can be reopened, were disclosed by the union on Nov. 30, acording to Associated Press advices from Detroit given in the New York "Herald Tribune," which also had the following to say:

Adopted by the UAW executive board at its meeting in Cleveland last month, the program calls for an employer contribution amounting to 3% of the employees' gross earnings.

This would provide hospital, surgical, medical and maternity benefits amountig to not less than 50% of average earnings for a maximum of 52 weeks in the case of any one disability.

The program also embraces death and total and permanent disability benefits of at least one year's average earnings.

Walter P. Reuther, UAW President and Chairman of its Social Security Committee, asked local unions not to sign any social insurance or pension agreements without the Committee's approval. The request was made, he said, to "preserve minimum standards in the industry."

Mr. Reuther said a retirement plan also was being formulated "to supplement present inadequate provisions of the Federal Social Security Act," which he said gives the average pensioner in the Detroit area only $28 a month.

"These benefits become increasingly inadequate as the cost of living continues to soar," he declared.

The State of Trade

Notwithstanding the coal strike overall industrial production last week continued at a very high level. In some basic industries, however, sharp declines were recorded for the week. The steel industry, as was to be expected, suffered severely by the strike and its steel ingot output the past week was reduced to the third lowest point of the year. It is not beyond the realm of possibility that should the walk-out of the bituminous miners run into the third or fourth week the industry may experience the same condition that prevailed earlier in the year, when the striking steel workers caused output to decline to about 5%. For the current week beginning Dec. 2, the operating rate of the steel companies having 94% of capacity of the industry will be 60.2%, representing a decrease of 4.1% below the previous week.

One of the effects of the coal strike has been to give fresh impetus to requests from various quarters that the Big and Little Inch pipelines, surplus property of the government, be utilized to alleviate the fuel shortage. It may well prove to be a factor for John L. Lewis and his United Mine Workers to reckon with both in present and future bargaining. Harold L. Ickes, the former Secretary of Interior, testifying before a House Committee on Tuesday last, concerning these lines said that the government could have used the pipelines long ago to set up a competitive situation in fuels that might have discouraged the coal strike. On the same day John L. Lewis and his miners were held "guilty of contempt of court" for not heeding a governmental order which would have prevented the strike. Federal Judge T. Alan Goldsborough, who handed down the court's decision deferred sentence until Wednesday, at which time penalties in fines or jail sentences, which are within the discretion of the court, will be meted out.

In finding Lewis guilty both individually and as President of the U.M.W. and the U.M.W. separately guilty, Judge Goldsborough said, he considered the question of sentence "of course very important," and made the request that the "court would like to have the views of counsel for the defendants and counsel for the government as to what these sentences should be."

One other action which could hardly be said to be unexpected also occurred on Tuesday when the railroads were directed to consider only the vital and essential needs of the country by the Interstate Commerce Commission which ordered a general embargo on railroad freight shipments as a result of the coal strike. Effective at 12:01 a.m. on Friday, Dec. 6, the order also cut railroad passenger mileage by coal-burning locomotives by another 25%, making for a reduction of 50% in the pre-strike level.

The Post Office Department within a space of only minutes had previously put into effect drastic limitations on the size and weight of parcel post packages. In addition, a complete ban, except for service personnel, on international parcel post also became effective.

Aside from coal and steel production, where a reduction in output was looked for, electric power output last week reached a new all-time high for the third straight week. Freight car loadings, however, decreased for the week ended Nov. 23, by 12.1% below the preceding week, but reflected an advance of 12.6% above the corresponding week in 1945. Scrap metals were more easily available the past week, but copper and lead scrap supplies generally remained very low. Paper production for the period ended Nov. 23, advanced from 104.9 to 106.6% of mill capacity, while bituminous coal output, alluded to above, dropped 49.1% to 6,390,000 net tons from 12,550,000 net tons.

On Monday last, car and truck production again got under way in the Ford, Chrysler, Hudson and other plants following the extended Thanksgiving Day holiday designed to conserve their waning coal stocks. It is the considered opinion of the automotive industry, however, that notwithstanding the fact that most car manufacturers are in production this week, total output will not approach the post-war high record set in the week ended Nov. 23. The aggregate for that full five-day period, according to authoritative sources, exceeded the 96,000 mark for the first time since the last week in November, 1941.

The industry for the most part was on a three-day basis last week and output in the United States as a result slumped to an estimated 48,568 passenger cars and 18,698 trucks, the "Automotive News" reports, while total car and truck output for the United States in November was placed at 257,658 cars and 96,811 trucks.

With respect to the financial markets, it is interesting to note that their reaction to the government's course in the coal situation was very heartening, since the markets took on added strength at the week-end and reflected a higher trend in prices for the first time in well nigh on to a month. Special year-end dividend disbursements also aided the market to some extent.

Retail volume rose appreciably during the past week with pre-Thanksgiving Day buying brisk and volume with well above that of the corresponding week a year ago which was a post-holiday week. There was a noticeable increase in consumer interest in durable goods, gift items and food. Luxury goods attracted much attention. Men's suits and overcoats and women's formal dresses, lingerie and accessories were among the best sellers in the apparel line.

Wholesale volume in the week was slightly below that of the preceding week but compared very favorably with that of the corresponding week a year ago. Order volume was moderate and the usual pre-holiday decline in the number of buyers registered at many wholesale centers was apparent.

Steel Industry — Steel mills, which had been operating at peak peacetime levels have small coal stockpiles on hand compared to their position during the last coal walkout when some were able to run full blast for the duration of the strike. Hence the effect of this coal strike is far more serious and immediate, The "Iron Age" national metalworking paper, states in its summary of the steel trade for the past week.

Perhaps more serious than the immediate effect of the loss of steel production and wages is the long-range effect on fabricators and inventories. Latest government data show manufacturers' inventories at a new high with one prime factor in this figure being the shortage of critical steel items, which has been holding millions of dollars worth of goods off the market, the magazine points out.

Steelmakers had just begun to make some order out of the chaos of top-heavy backlogs by persuading their customers to cut these backlogs and thus enable them to schedule deliveries on a

(Continued on page 2945)

As We See It

(Continued from first page)

would seem to us that in the existing circumstances corporate profits during 1947 are about as unpredictable as the weather, and if there is any one capable of confident and clear understanding of the meaning of an overall figure of corporate profits this year we have not had the pleasure of meeting him—so bedeviled are the accounts with reversed reserves, tax "carry-backs," tax refunds and the like. Moreover, whatever the total figures of earnings may be, it is perfectly evident that there is extraordinary variation among the industries and among individual corporations. It is, accordingly, a little difficult to understand how such statistics can be put forward sincerely as a warrant for any general increase in wages at this time.

But much more fundamental objections to arguments of this sort obtain. Let it be supposed that corporate profits are running as high as Mr. Murray and his associates assert. Assume that these profits are about normally distributed among the industries and individual enterprises so that there is no more than the usual variation among them. Stipulate that such profits are real in the sense that they do not in any unusual degree reflect mere accounting or bookkeeping transaction. What then? Does it follow that economic justice requires that a substantial part of these profits be distributed among the members of the unions?

Non Sequitur

Certainly no such conclusion follows as a matter of course. For one thing it would wholly ignore the claims of the customers of the enterprises in question (that is to say, consumers generally, who are only in part the employees). One of the great advantages of the free enterprise system as envisaged by our forefathers—and all the others who have given the matter careful thought — is that it, through competitive forces, tends at all times to pass on to the ultimate consumer the goods he demands at prices which reflect the utmost humanly attainable in efficiency of production and profits no larger than are necessary to production in required volume.

Are we now to ignore the consumer at least so far as one of the chief elements of production costs — labor — is concerned? Under New Deal leadership "soak the rich" became a popular type of action if not a popular slogan. Are we now to enter a period in which our public policy is to be based upon a "soak the consumer" philosophy? It would in the end be a period fully as barren of constructive results as the "soak the rich" era ever was—and one with as little economic or social justice. It is possible in point of fact to go a good deal further. Any social or economic structure resting upon the foundation of monopoly in any segment of production, monopoly which is in a position to ignore even for a limited period the claims of the consumers, is not likely to prove a sound and enduring one.

Yet it is precisely in this direction that we appear to be moving today. Mr. Lewis and his associates are proving how completely monopolistic is the labor situation in the coal mines of the country. To be sure no one needs similar action by other unions — which the appropriate union masters in various other fields, such as steel, rubber, motors, and many more are fully able to take at will—to be convinced of the existence of monopolies in many other segments of our economy. Ordinarily — that is under conditions in which no monopoly existed either among consumers or among the various elements or factors of production, competition would arbitrate such basic issues as those involved in current wage arguments—and settle them with at least some reference to the contributions made by wage earners to any increase that takes place in the production process. In the circumstances obtaining for a good many years past in this country it has been evident enough that, neither the unions nor their leaders for the most part, were concerned with any contribution wage earners might make to increasing productivity, but were, on the contrary, content with the argument that wage earners were always underpaid, or at least that they are at all times entitled to all that monopoly position can be made to bring them in.

Dangerous Doctrine

This is a highly dangerous philosophy, any any line of policy resting upon it is more or less certain to cause the economic system to function with impaired efficiency. At one time or another, moreover, it can scarcely fail to reduce the volume of goods and services to proportions far below that which ought to obtain and would otherwise obtain. For one thing, this line of thought and this type of policy, far from placing a premium upon effective work on the part of the workman, often places a penalty upon it. At times curtailed productivity has been deliberately employed as a means of exacting higher pay. At others restrictions upon production have become a part and parcel of union policy for various other reasons. Higher real wages have of late years come, not as a result of great contributions on the part of the wage earner, but despite the opposite tendency. They have been made possible by reason of technological progress and by inability of the consumer to command his full share of the benefits of such progress.

But the consumer is not always completely helpless. He is unorganized for the most part, and long suffering. His resistance often lacks the dramatic touch of the strike.

But he can not with impunity be ignored as every business man knows. Union leaders would do well not to forget this simple fact when they are dividing up profits not yet earned.

Future Trading Starts On Commodity Exchg.

Futures trading in hides on the New York Commodity Exchange, Inc., was resumed on Nov. 19 after four-and-a-half years of suspension of free market in this raw material due to wartime restrictions.

Philip B. Weld, President of the Exchange, speaking from the rostrum on the trading floor in the ceremony preceding renewal of trading, referred to the long period of suspension as a lesson in the paralyzing effect of war upon all forms of free enterprise and business, including commodity futures trading. "This international market for the raw material of the great leather and leather-products industries," he said, "again is unshackled. May it serve well its useful purpose in a free and peaceful world of ever-broadening commerce."

Jerome Lewine, partner of H. Hentz & Co., who was the first President of Commodity Exchange, Inc., described the reopening in hide futures trading as another forward step to the restoration of a free American economy. "Although OPA ceiling prices have been lifted," he said, "in respect of all the six other commodities formerly traded on this Exchange—rubber, silk, copper, lead, zinc and tin—certain remaining governmental controls prevent resumption of trading at this time." He gave assurance that as soon as these controls were lifted trading in the other listed commodities would be restored.

Floyd Y. Keeler, partner of Orvis Bros. & Co., Treasurer of the Exchange and President of the Hide Clearing Association, pointed out that all expenses of the Exchange during the period of wartime suspension had been met by interest on the Exchange's holdings of government bonds plus the nominal annual membership dues. Finances of the Exchange, he said, were in excellent condition.

While trading on re-opening day was confined to June and September deliveries, the December, 1947 delivery of hides started trading on the Exchange next on Nov. 22. The proposed reopening of future trading was referred to in our Nov. 14 issue, page 2477. The hide contract is for 40,000 pounds (approximately a carload lot) of wet salted light native cow hides, Chicago packer-type. Argentine and other South American hides meeting the Exchange's inspection for grade, are deliverable on the contract. A number of brokers, bankers, dealers and officials of other exchanges were on hand to witness the reopening of Commodity Exchange, Inc.

Argentine Bill Would Provide Conscription

Under a pending bill embodying conscription provisions all Argentine men and women from 12 to 50 years of age may soon be made subject to peacetime military service, it is learned from special advices from Buenos Aires Nov. 29 to the New York "Times" by Frank L. Kluckhohn, who reported that the men would serve in the armed forces at least two years during this period under the terms of a Peron Administration measure that was passed by the Chamber of Deputies on Nov. 29 and sent to the Senate. According to Mr. Kluckhohn the only persons exempted would be the physically unfit, those holding essential Government positions and persons who are the sole support of unemployables. As given in the dispatch to the "Times" Mr. Kluckhohn advices went on to say:

The provision covering conscription was slipped into the National Aeronautical Organization Bill. It makes boys and girls of the nation from the ages of 12 to 20 subject to Army or Navy training at President Juan Peron's personal discretion. The measure is reminiscent of the methods Hiter, Mussolini and Tojo used to provide for the military training of the very young before the last war.

Two years of obligatory military service is provided for ages 20 to 22. Post-conscripption service, at Senor Peron's discretion, also is provided for. "Pre-conscription is that part of service that begins at 12 years and ends on the initating of conscription," the bill states. "Conscription is that part of service that begins on the first January following the year when the males of each class complete 20 years of age. It ends a maximum of two years later. Post-conscription is that part of military service that commences on the ending of conscription and ends upon the attaining of 50 years of age."

The measure also provides that the auxiliary feminine service is that part of the national defense that Argentine women will complete during peacetime when the President deems it necessary for national defense."

Although the measure is general in so far as it specifically applies to the Air Force, it is stated that "the service of aeronautical preconscription has as its objective the training of Argentine males under the age of 20 to carry out aerial functions."

Pre-conscription is defined as "completing the required military service before 20 years, the conscription age."

It is emphasized that "all Argentine males and females in time of peace are obliged to serve" when President Peron orders. It is thought here that one of its objectives is to indoctrinate Argentine youth with the Government's national socialistic ideology while they are still in their formative years.

Opponents of the measure maintain that under the almost unlimited powers granted to Senor Peron he can induct anyone he regards as an enemy or does not like, or put his or her children into the armed forces and send them anywhere in Argentina he desires.

Argentina long has had military conscription for those of military age for a maximum of one year in the Army and two in the Navy.

This new measure was first proposed by Senor Peron in a speech before Germany had been crushed and before Argentina had swung into the Allied camp. Its chief feature, besides the provisions for the military training of the very young of this Catholic country with its great family tradition, is the great power granted to the President for this militaristic plan.

"The personnel of the reserve incorporated during the pre-conscription period can have military status or be subject to military jurisdiction in accord with what the President decides," says one blunt passage that seems to permit President Peron to keep youngsters who have had youth training in the army if he so desires, despite the fact that they had completed their two years of "peacetime" training.

Priests and those in holy orders are the only special group exempted from service "whatever their religion." Besides, "workers" are to receive one-half their civilian pay when they are away from jobs while in the service.

The United States apparently is prepared to arm Argentina if the Ambassador, George S. Messersmith, decides that the Peron regime has, in his judgment, complied with the Chapultepec Act. It is understood, in fact, that certain promises have been made.

Remove Wage, Salary Controls in Canada

Abolition in Canada of wartime wage and salary controls, effective at midnight Nov. 30 was announced on that day by Prime Minister Mackenzie King. Canadian Press advices from Quebec in the Toronto "Globe and Mail," reporting this, said:

The Government's action means a return to the normal peacetime collective bargaining and negotiations between employers and employees. Only exception to the order is cases already pending which, Mr. King said, would be dealt with "expeditiously."

The announcement came in a prepared statement issued by the Prime Minister while he was in Quebec to attend a testimonial dinner for Rt. Hon. Louis St. Laurent, minister of justice and external afairs.

The wage and salary regulations, which dated back to 1941, were an integral part of the anti-inflation program and required approval of Government bodies before wages or salaries were increased. In general the wages order, administered by the Labor Department, applied to workers paid on an hourly basis and lower-paid white-collar workers. The salaries order, under the finance department, applied to higher-paid employees and executives.

The various boards controlling wages and salaries will remain in existence until cases pending have been dealt with. After that they will be disbanded.

Mr. King in his statement was also quoted as saying:

"The removal of wage and salary control involves no change in the government's policy respecting price control and the control of rentals. It is the policy of the Government to maintain these controls as long as they may be required to protect the people from a sudden and drastic rise in the cost of living. The experience of other countries has increased the determination to see that the removal of controls shall take place in a gradual and orderly manner so as to protect the standards of living and the value of the war savings of the people."

Mr. King said the orders, as part of the anti-inflation program, had been effective in keeping down the monetary cost of the war effort and distributing the burden more equitably among the people. While the fight against inflation was being continued "with unabated vigor" wartime methods were too rigid for the period of transition when the object was expansion rather than reduction of peacetime production.

From Washington Ahead of the News

(Continued from first page)

the elections of that year. The Republicans made appreciable gains. By the time of the '44 Presidential election, however, this spreading of the tax had ceased to have any effect.

The wage earners' pay had already been increased to offset it. The wage earners had long since ceased to look upon the tax deduction as part of their pay at all. At war's end, "take home pay" had become a slogan. It reflected the attitude of the worker that he didn't care what his weekly rate was. How much did he take home? The employer has long since come to pay that increase in tax.

The wage earner is not the only one of this attitude. We know of any number of men with salaries of $1,000 a month who think only in terms of what the monthly check calls for. We know of some $100,000 a year men in this state. The $1,000 a month men, at least, have ceased to be tax conscious. They are becoming interested now, of course, in the talk of tax reduction, but it is surprising how many of them argue that we should go very slow in reducing taxes, that we should reduce the national debt first. Of course, there will be no appreciable reduction in that debt in their time.

This story of how the psychologists went wrong bears now on the handling of the coal strike. Master minds seem really to have been at work here. For more than 10 days nothing has been done to persuade the miners to go back to work. Everybody has been waiting for the decision in the contempt trial of John L. Lewis. As this was written no one believed he was to go to jail. Oh no, to put him in jail would be to make a martyr of him. Neither was it expected that he would pay any fine. The fine levied against him would be kept in litigation for years, long after the present crisis has passed.

We are assured by lawyers generally, that there has never been any question that Lewis was in contempt of court and that this was something that the court should have been able to determine within 30 minutes. In other words, the Court told Lewis to do something. He didn't do it. Therefore, he was in contempt. The question of whether the Court was right in so ordering him was a matter to be settled later. One of the country's outstanding criminal lawyers, who has represented Lewis in the past, advised him to this effect, and refused to represent him when Lewis ignored his advice.

Yet the trial has dragged along and in the meantime, the coal operators and the government have marked time about steps which either of them could take. The government has made no attempt to invoke the Smith-Connally act under which all of the little henchmen out in the fields could be prosecuted.

We are told that the government expects the contempt conviction against Lewis will have a profound effect on the miners. The effect would be tremendously profound on them to see the quarterbacks, the fellows who are running around browbeating them to remain on strike, thrown in jail. Maybe that step will come later but why not at the outset?

Aside from the prosecution of Lewis for contempt, the government has been telegraphing industrialists all over the country asking them to report on what the strike means to them. The government has been somewhat annoyed that some industrialists have reported that it didn't mean a damn thing.

The purpose here has been to put the heat on Lewis. It is doubtful if it has worked. Instead it has exalted his ego. He had assumed he was pretty important. The government's energies so far have been devoted to proving it. It doesn't take the facilities of the government to make Lewis think he is powerful. What is needed is to show him how small he or any other mortal man is.

Study Ordered on U. S. Employees' Loyalty

In an executive order issued by President Truman on Nov. 25 a special commission, to be known as the President's Temporary Commission on Employee Loyalty, composed of representatives of six key Federal agencies under a Department of Justice Chairman, was created to study the government's methods for testing the loyalty of its more than 2,000,000 employees. This Commission, a special dispatch from Washington to the New York "Times" stated, was instructed to draw up recommendations for any legislation thought necessary to keep disloyal and subversive persons out of the Civil Service. The "Times" advices also said:

Under the Executive Order signed by Mr. Truman the new Commission will determine standards for judging loyalty of the employees and applicants for Federal employment and study ways and means of removing or disqualifying from employment "any disloyal or subversive person."

The Commission is to be made up of one representative each of the Justice, State, Treasury and War Departments and of the Civil Service Commission. The Justice Department representative will serve as Chairman. All members will serve without compensation, and the Commission will go out of existence when it submits its report to the President by next Feb. 1.

The President directed that the report contain any recommendations that the Commission thinks appropriate, but he called for suggestions particularly on the following points:

1. Whether existing security procedures in the Executive Branch of the government furnish adequate protection against the employment or continuance of employment of disloyal or subversive persons, and what agency or agencies should be charged with prescribing and supervising security procedures.
2. Whether responsibility for acting upon investigative reports dealing with disloyal or subversive persons should be left to the agencies employing them or whether a single agency should handle it.
3. What procedure should be established for notifying allegedly disloyal or subversive employees or applicants for employment of the charges made against them, and what procedures should be established to guarantee a fair hearing on such charges.
4. What standards are desirable for judging the loyalty of employees of the government and applicants for such employment.
5. Whether further legislation is necessary for the adequate protection of the government against the employment or continuance in employment of disloyal or subversive persons.

Under date of Nov. 25, Associated Press advices from Washington stated:

Attorney General Clark today appointed A. Devitt Vanech as the Justice Department representative on the new Loyalty Commission. Mr. Vanech automatically becomes Chairman. A native of Stamford, Conn., he has been a special assistant to the Attorney General since 1933.

Spellman Urges U. S. To Demonstrate Principles of Democracy

At a dinner given in his honor by the Catholic Club of New York, on Nov. 25, Cardinal Spellman, Archbishop of New York, addressed 800 leading members of the Catholic clergy and laity, and urged the American people to demonstrate to the world that democracy and its principles are "a workable formula and device that respond to the desires of peoples and the needs of nations," according to the New York "Times."

In the New York "Herald-Tribune" the Cardinal was reported as saying:

"Let us resolve to do our part that this nation under God shall have a new birth of freedom," Cardinal Spellman said. "Let us resolve that the United Nations, one and all, shall find in the United States and in the great neighbor states to the north and south working models of nations at peace, one in race—the human race; one in following the principle of the first and greatest commandment, living and working in harmony with our fellow men.

"Thus we shall contribute to the well-being of the body and soul of America and to the world's well-being. We shall help promote the general welfare and make prevail the collective will of the people with due consideration and proper protection of the rights of all individuals for whom the State exists and to whom the State owes protection and help, and from whom the State may exact loyalty and service.

"Democracy, American democracy, derives its legitimacy from the consent of the governed. This is the democracy we believe in and trust, the democracy whose purpose is man's freedom and not man's enslavement, man's freedom that demands respect and safeguards for the rights of other men."

Messages were received from President Truman and Governor Dewey of New York, congratulating the organization both upon its anniversary and its choice of Cardinal Spellman as guest of honor. The dinner marked the 75th anniversary of the club.

Yohalem Named Head of Utilities Div. of SEC

The Securities and Exchange Commision announced on Nov. 20 the appointment of Morton E. Yohalem as Director and of Robert F. Krause as Associate Director of the Public Utilities Division. Mr. Yohalem succeeds Milton H. Cohen, who resigned as Director effective Dec. 31, as was indicated in our issue of Nov. 7, page 2361.

The Commission also announced the appointment of Philip R. Friend to the position of Assistant Director formerly held by Mr. Krause.

Appointed to the staff of the Commission in August, 1938, as a senior attorney in the New York Regional Office assigned to work on reorganization proceedings under Chapter X of the Bankruptcy Act, Mr. Yohalem was transferred to the Commission's Washington office in October, 1941, where he became a supervising attorney. In August, 1942, he was transferred to the Public Utilities Division where he served first as its Special Adviser and then as Special Counsel, becoming Division Counsel in February, 1944. He was appointed Associate Director in May, 1946.

Mr. Krause has served in various legal capacities in the Public Utilities Division since his appointment in May, 1938. Mr. Friend was first appointed to the staff of the Public Utilities Division in November, 1935, and after serving in various Engineer-Analyst positions became a Division Section Chief in December, 1942.

Morgenthau, Sr. Dead

The death of Henry Morgenthau, Sr. father of the former Secretary of the Treasury, occurred on Nov. 25. Mr. Morgenthau, who was 90 years old, and, as noted in the New York "Times," had been an attorney, real-estate developer, philanthropist, author and diplomat. He was formerly United States Ambassador to Turkey, and as a founder of the American National Red Cross was chosen by the League of Nations as Chairman of the Greek Refugee Settlement Commission in 1923. As such he had at his disposal vast sums to be applied solely for the purpose of the productive settlement of the 1,500,000 refugees who were obliged to leave Asia Minor and Eastern Thrace to find shelter somewhere within Greek territory. Mr. Morgenthau's knowledge of Near East conditions made him eminently fitted for the humanitarian work for which he had been chosen. He later recorded his experiences in his book, "I Was Sent to Athens." Mr. Morgenthau was born in Mannheim, Germany, in 1856.

A director of the Institute of International Education, Mr. Morgenthau, said the "Times," also was a director of the Underwood Typewriter Company and from 1915 to 1919 of the Equitable Life Assurance Society of the United States, and President of the Herald Square Realty Company. He was also a member of the New York County Lawyers Association. The "Times" added:

"He was made a Grand Officer of the Legion of Honor and Honorary Knight of the Grand Cross, Civil Division, Order of the British Empire, and decorated with the the Order of the Holy Saviour of Greece. Mr. Morgenthau held honorary degrees from Constantinople College for Girls, Oberlin College, Ohio and Temple Universities and the University of Athens."

Services for Mr. Morgenthau, at Temple Emanu-El on Nov. 27 were attended by many prominent in banking and government circles.

South Trimble Dies

South Trimble, veteran Clerk of the House of Representatives, died at his home in Chevy Chase, Md. on Nov. 23. He was 82 years of age. Mr. Trimble served as Clerk of the House for 12 terms of Congress, it was noted in the Washington, D. C. "Post" of Nov. 24, from which we also quote the following:

The Clerk's office files House documents, handles the payroll records bills and does the House's other clerical chores. It also furnishes Congressmen's offices.

As Clerk through two World Wars, Mr. Trimble claimed the distinction of having signed more appropriations than any other Clerk. The Clerk signs all legislation passed.

Born in Hazel Green, Ky., he entered the House originally as a Democratic Representative from Kentucky in 1901 and served three terms. He was elected Clerk in 1911 and served until 1918.

When the Democrats regained control of the House in 1931, he was again named Clerk and has remained in the position. On the occasion of his 80th birthday on April 13, 1944, several Representatives made speeches on the House floor praising his record.

A farmer by occupation, his political career began when he was elected to the Kentucky House of Respresentatives in 1898 and again in 1900, serving as speaker the last year.

A son of Mr. Trimble, South Trimble, Jr., is Chairman of the Advisory Board of Inland Waterways.

Morse World Labor Aide

David A. Morse, Assistant Secretary of Labor, has been designated as spokesman for the Department on all international matters, under a general order issued on Nov. 28 by Secretary of Labor Lewis B. Schwellenbach. It will also be Mr. Morse's task to coordinate the work of all bureaus in the Department where the work touches international affairs. The order, according to advices from Washington to the New York "Times" gave the following as the main provisions of the international program which Mr. Morse, who served in the Army during the war and was later general cousel of the National Labor Relations Board, will coordinate and supervise:

Formulation of policy, representation in delegations and continuing technical work in connection with United States participation in the International Labor Organization.

Representation on and formulation of policy in United States delegations for meetings of the Economic and Social Council and relevant commissions and sub-commissions such as the Economic and Employment Commission, the Social Commission, the Statistical Commission, the Human Rights Commission and the Sub-Commission on Devastated Areas.

Representation on and formulation of policy in United States delegations for meetings of other specialized international agencies the activities of which affect employment and social policy, such as the proposed International Trade Organization and Food and Agriculture Organization.

Planning and administrative responsibilities connected with the United States International Social Policy Committee, to be established with State Department chairmanship and Assistant Secretary Morse as operating vice chairman, for the purpose of developing basic principles and policies in the international labor, health, welfare, education and information fields.

Implementation of the Labor Department's agreement with the War Department on labor policies, personnel and administration in occupied countries.

Representation and administrative responsibilities attaching to membership on the Inter-agency Committee on Scientific and Cultural Cooperation through which funds are allocated to departments for exchange of persons and information with South American republics.

A continuing program of research and analysis of labor legislation, labor conditions, and comparative living costs in foreign countries as an assistance to our foreign representatives and a service to the Congress, Federal agencies, trade unions, business organizations and the public at large.

Family Savings Above Prewar Years

Current savings of American families, while considerably below the record totals of the war years, are well above the prewar level, the Institute of Life Insurance reported on Nov. 27. In the first 12 months of peace, net increase in equity in just the three basic media of U. S. Savings Bonds, life insurance and savings deposits, was approximately $12 billions, which compares with less than $4 billions in 1940. Related to national income, the current savings are 7.5%, compared with less than 5% in 1940. The Institute added that the total set aside in these three media on the first anniversary of V-J Day was approximately $140,000,000,000, which compares with an aggregate of $55,600,000,000 at the end of 1940.

Re-appraising the Gold Standard

(Continued from first page)
form of exchange control. So are the exchange limitations on the American loan to Britain prohibiting its use to unblock sterling. Dollars are, in fact, much more stringently blocked than sterling. The U. S. practises exchange control much more than Britain.

4. You state, "I fully realize that Great Britain could get rid of exchange control only if she is helped to do so by the United States." I regard this as being unfortunately expressed, and respectfully submit that it should read, "Great Britain could get rid of exchange control if the United States had the capacity to keep dollars in international circulation." Exchange control is imposed on Britain by the scarcity of international dollars. One cannot convert sterling into non-existent circulating dollars.

5. You state, ". . . it is not the gold standard which is responsible for the great depression, but the great depression which engulfed the gold standard." The great depression, in my opinion, was caused by two international deflations, (a) a deflation of ten billion dollars of gold for which the United States and France were jointly responsible; (b) a deflation of five billion dollars for which the U. S. was solely responsible (see "The U. S. and World Economy" published by the U. S. Department of Commerce). I suggest you will have to agree that the deflation came before the depression.

6. You state, (i) "Great Britain was forced off the gold standard in 1931 because of the monetary inflation during the war of 1914-1918." and (ii) "It is not true that Great Britain went off the gold standard due to the fact that 'American economy sucked the gold of the world into her country'." I think the simple answer is that Britain left the gold standard because the U. S. and France between them had deflated the international currency by withdrawing and sterilizing ten billion dollars worth of gold.

7. You state, "While it is true that Great Britain could not help leave the gold standard in 1931, the relative deflation she underwent in the period between 1925 and 1931 was one factor which helped her to recover from the effects of the world crisis which started in 1929." I suggest that upon examination of what happened between 1925 and 1931, it will be shown that deflation was not responsible for Britain's recovery. Her return to prosperity between 1933 and 1937 was due almost entirely to her adoption of a commodity standard; a form of currency which experience has shown is far superior to a gold standard.

8. You ask, "What is money?" The simple answer is: "Money is purchasing power."

9. You state, ". . . it is not gold which is unstable." The wide fluctuation which takes place in the value of gold is surely a clear indication that gold is unstable. To a large extent this is brought about because it is subject to intense hoarding demand. The two principal contributors to this demand are the U. S. A. and the people of India. France used to hoard gold too, but her present financial difficulties have limited her appetite in this direction.

Yes, the loan is through, but British press reports of what was said in the Senate and the House of Representatives clearly show there was much confused thinking on the question of whether the sterling bloc was or was not to be dissolved. Mr. Vinson, U. S. Secretary of the Treasury, said, "Britain's alternative if the loan were refused—intensification of the sterling bloc system—would be a body blow to our whole economy." And further, Mr. Clayton, U. S. Assistant Secretary of State, said, "Without the loan the sterling economic bloc would continue." Here is where confusion lies: the only interpretation which can be put upon these statements must be that, the loan having been approved, the sterling economic bloc will be dissolved. Britain has no intention of doing anything of the kind and she has never given such an undertaking. It may be that this confusion arises due to misinterpretation of Section 7 of the Washington Financial Agreement. There is nothing in the Agreement resembling, or even suggesting, such an interpretation. I regard the interpretation which the U. S. A. and Britain will put upon the meaning of the several Sections of the Washington Financial Agreement as one of the major rocks upon which the Bretton Woods monetary plan will founder. In any event, the Bretton Woods plan is largely dependent on the outcome of the proposed International Conference on Trade and Employment. I regard the acceptance of Bretton Woods before agreement is reached at the Trade Conference as "putting the cart before the horse."

Your letter refers to "the avalanche of paper money." Let us not forget the Napoleonic wars, the American Civil War and World War No. 1 were financed on paper money, but the mistake which was made after these three great wars was that the supply of money was contracted and the currency given a fixed gold value; the result was falling prices, unemployment and prolonged trade depression. The policy should have been one of expanding production, so making goods available upon which the avalanche of paper money could have been expended. This would not only have avoided deflation but could have resulted in the living standards of the people being improved. World War No. 2 was also financed on paper money, and the acceptance of the Bretton Woods proposal, which provides that the par value of currency shall be expressed in terms of gold as a common denominator, or in terms of United States dollars of the weight and fineness in effect on July 1, 1944, is a return to a form of gold standard, the result of which, in my opinion, will be that in the not distant future history will repeat itself. The only safeguard will be the existence of the sterling area, which is now more vigorous than ever.

Sweden, which left the sterling group after Munich in 1938, is back again and is eating up sterling balances. Spain is negotiating to buy £12 million worth of sterling balances. Italy, Czecho-Slovakia and the Western European nations will all be in the sterling bloc in the near future. There is now approximately £4,000 million worth of sterling in international circulation and Britain is not going to ruin the world by deflating it. Having regard to the change in value of commodities it might well be that £4,000 million of sterling would be insufficient. If so, it will be increased and I respectfully submit will more than hold its own against Bretton Woods currency.

My view of the position is that the U. S. A. has three alternatives:

1. To make loans (which ultimately become unpayable debts) to foreign countries so that they may consume American goods;
2. erect factories in Britain to enable the U. S. A. to get the full benefit of the markets of the Empire and other countries who have voluntarily become members of the sterling bloc, which has £4,000 million worth of international money waiting to be spent on goods;
3. to join the sterling bloc and thereby co-operate with her allies in creating the largest area ever, in which the freest convertability between nations could be enjoyed, and assure a healthy expansion of world trade.

Sincerely yours,
W. CRAVEN-ELLIS.

London, England
August 12, 1946.

Reply By Philip Cortney

Mr. W. Craven-Ellis
Estate House
Dover Street
London, W.1., England

Dear Mr. Craven-Ellis:

Please accept my apologies for not having answered sooner your letter of the 12th of August. A trip to France on one side and a crowded schedule which I found on my return have prevented me from attending to this correspondence before this.

As in your previous letter, you manage to raise so many issues that to reply to them adequately would require a book. Some of the points you make in your letter can be most properly discussed between Britishers. In point of fact, I find that R. F. Harrod has answered, in his booklet "A Page of British Folly," many of your objections against the international montary fund and the British loan. I have fought for the British loan and for the international monetary fund, and therefore you will not be surprised that I share the views of Mr. Harrod against yours. I shall limit my answer to the questions which were responsible for our correspondence at the beginning, namely, the gold standard and exchange control. I hope that meanwhile you have had a chance to read my essay on "The Economic and Political Consequences of Lord Keynes' Theories" and my article on "The Dollar Mystery" which were written to fight against the kind of prejudiced judgments you are using in your letters.

My essay on Keynes was mainly written with the purpose of showing that the gold standard is not responsible for the great depression. I thought that this demonstration was necessary, because I wished to clear the ground for an objective and realistic diagnosis of the 1929 depression. I am afraid that unless this is done we are going to repeat some of the same mistakes, with the same dreadful results and ominous consequences.

My article on the "dollar mystery" was mainly written with the purpose of showing that the western world is confronted with two problems in monetary and economic matters: the dollar problem and the sterling problem; and I endeavored to explain why the solution of one of these problems is not necessarily a solution of the other (as you seem to imply in your letters).

Before I begin to tackle your last letter I wish to draw your attention to the fact that you are confusingly speaking sometimes of the period before the great depression, and sometimes of the period after the great depression. As said above, my main concern in the essay on Keynes was to prove that the gold standard is not responsible for the great depression and therefore my attention is focused on facts before 1929. This being said, I will answer each one of your paragraphs:

1. Of whatever else one may accuse the United States, it is not true that it accumulated and sterilized a large proportion of the world's monetary gold before the great depression. If you check the figures you will find that between 1924 and 1934 the stocks of gold in the United States remained unchanged. Furthermore, the period of 1924 to 1929 was a period where the gold exchange standard was extensively used, thus fostering credit expansion. It is true that France accumulated, between 1924 and 1927, a huge amount of foreign exchange (not in the form of gold, but in the form of deposits in American and English banks), but this was possible only *because France was not on the gold standard.* As far as I know there was no scarcity of credit anywhere in the world before 1929 (not even in Great Britain, despite her return to pre-war gold-parity), and, if anything, there was a super-abundance of credit, particularly in the United States.

I have stated elsewhere that one cannot expect the gold standard to take care of all human follies and stupidities. The incontrovertible fact is, that whatever faults the gold standard may have, it is not responsible for the great depression.

2. If it be established, and I think it is, that all totalitarian countries have exchange control, I can't see how we can escape the conclusion that there is a necessary and organic relationship between totalitarian forms of government and exchange controls. I share the view that we cant' have democracy without an individual competitive free enterprise system. Furthermore, free trade is incompatible with exchange controls.

3. I am really shocked by your statement that the United States is one of the greatest users of exchange control, unless we wish to play on words, as the Russians are in the habit of doing regarding democracy, free press, etc. The fact that conditions are attached to loans granted by the United States regarding the use of these loans does not mean that the United States has exchange control. This has been a practice even in times when the gold standard was the accepted international monetary system. Exchange control means that a citizen or a foreigner is not free to exchange a national monetary asset into foreign exchange at his will. Exchange control means that such exchange is subject to government approval, which in fact means practically always prohibition of changing the national monetary currency into foreign currency.

4. You state that exchange control is imposed on Britain by the scarcity of international dollars. First of all, I do not know what you mean by international dollars because I know only United States dollars. While the meaning of your paragraph 4 is not completely clear to me, I believe that the complete answer to your argument has been given by me in the article "The Dollar Mystery." I stated therein and tried to prove the following:

"It is impossible to grasp the bottom of the Anglo-American economic struggle (with its inevitable social and political repercussions) if one does not understand the following: *the solution of the problem of the balance of payments of the United States does not necessarily constitute a solution of the British problem.*"

I have to refer you to my article if you wish further elaboration on this point.

5. I beg to submit that your diagnosis of the great depression is completely erroneous, not based on fact, and besides confusing the causes of the depression with the results of the depression. I do not know exactly what you mean by a "deflation of $10 billion of gold for which the United States and France were jointly responsible." When did this occur? Before or after 1929? The second cause of the depression you mention is "a deflation of $5 billion for which the United States was solely responsible (see 'The U. S. and World Economy' published by the U. S. Department of Commerce)." If there is one government study of which any American has reason to be proud, it is the document you mentioned, published by the U. S. Department of Commerce. It is completely objective and void of any obnoxious influence of narrowly or stupidly conceived "national interests." Therefore I submit that this document makes it a duty to anyone who uses it, to do so for a good cause and in the same spirit in which it was written. In fact, you are referring to the chapter in the U. S. document "Strains and Adjustments *During* the Great Depression," (and, as I have repeatedly said, I am concerned with facts before 1929). The curtailment in the supply of $5 billion over the short space of three years (from 1929 to 1932) was a result of reduced imports and the cessation of investment activity by the United States, *both due to the great depression* which had taken the United States in its grip. You cannot therefore state that this curtailment in the supply of dollars was the cause of the great depression. It was unmistakably a result of the great depression. It was the great depression which engulfed the gold standard, and not the gold standard which brought about the great depression.

6. I am afraid that you, like many others, are not aware of the consequences of monetary inflation and the rise in prices during the great war, and the results therefrom. Great Britain returned in 1925 to pre-war parity of the pound in relation to gold without regard to her huge monetary and debt inflation during the war, and without regard to the increase in prices and wages. This was possible only because of the great credit inflation in the United States and the use of the gold exchange standard. It wouldn't have been for the great credit expansion in the United States and the concomitant sham prosperity, I think that Lord Keynes would have been right in his admonition of 1924 against a return of the pound sterling to the pre-war par. It is a fact that when the United States is prosperous (even when an an unsound basis), the level of world prices is mainly influenced by the United States. This explains why the pound sterling has been able to maintain itself on the pre-war gold parity as long as the United States was prosperous. Once the great depression had started and the credit bubble was prickled, the prices in the world were bound to go down, and therefore the pound sterling was forced off the gold standard, the easier as it also paid the penalty for unwise and bad loans extended to Germany and Austria before 1929.

7. You state that Great Britain's return to prosperity after 1931 was due almost entirely to her adoption of a commodity standard. I do not know what you mean by a commodity standard, because what Great Britain did was to adopt a paper currency, or what is called a managed currency. In his last book Sir William Beveridge emphatically asserts that the real recovery of the British export industries from the great depression was not due to the departure of Britain from the gold standard in September 1931. Sir William Beveridge states that a detailed examination of the causes of the cycles of fluctuation in the export industry shows that the recovery had begun before Great Britain left

the gold standard. You assert that a commodity standard is far superior to a gold standard. Underneath many of our different opinions is your belief that nations could go along with managed currencies, while it is my belief that without the limitations put up by the gold standard, governments indulge in monetary debauchery, which finally wrecks any democratic and liberal social system.

8. You say that money "IS" purchasing power. Like many others, you have a misconception of what money really is, and therein one might find the cause of many of your erroneous ideas. Metallic money (like gold or silver) IS purchasing power. Paper money (contrary to metallic money) merely HAS the power to buy, or is legal tender. But paper money IS NOT purchasing power, it is simply a means of exchanging goods.

9. The wild fluctuations which take place in the value of gold are due either to war or to political phenomena which have nothing to do with the gold standard, or the merits of gold as a monetary standard. I have never contended that the gold standard was a perfect international monetary sys em, but neither should one expect from the gold standard to be able to correct all the mistakes due to human folly or stupidity. Regardless of what its slanderers may say, the gold standard has served the cause of peace and has been an admirable instrument of international cooperation. It has coordinated the movements of prices in the different countries and it has thus unified the international monetary system. It is thanks to the gold standard that the good functioning of the international monetary system has been spared the evil influences of the doctrine of national sovereignty. It is the gold standard which has made possible the expansion of international commerce and the distribution throughout the world of the benefits that are derived from the international division of labor. It is gold and its general acceptance which permits each individual to buy what he wants and to sell the fruit of his labor any place in the world, thereby spreading the benefits of competition. It is gold which assures the individual his independence and which is the best shield of the small states against the arbitrariness of the large ones. Contrary to what a superficial judgment would indicate, gold and the gold standard are not the weapons of oppression of the well-to-do, but rather the weapons of defense of the weak and the disinherited. It is the stability of gold, its general acceptance and its liberty of movement which have made possible the development of backward countries by the savings of the capitalist world (which means privations and individual risks!). It is gold, to sum up, which has been the best weapon against economic nationalism and its dangers.

As already said before, the other comments in your letter have been adequately answered by a Britisher, Mr. Harrod, in his "A Page of British Folly." I wish, however, to comment on your sentence: "There is now approximately £4,000 million worth of sterling in international circulation and Britain is not going to ruin the world by deflating it." You seem to be unaware that this £4,000 million worth of sterling is a British debt to foreign countries, the counterpart of which is, for all practical purposes, blocked sterling accounts in British banks. (See "Economic Rebirth" by R. G. Hawtrey.) What you in fact request is the continuance of a monetary inflation in which we had to indulge during the war. I doubt that the £4,000 million worth of sterling is a blessing to Great Britain and its people. I have no hesitation to call it a curse on the British people.

I do not wish to become facetious in commenting on your third alternative left to the United States. What do you mean exactly by the U.S.A. "to join the sterling bloc"? What we free traders ask is that sterling should become freely exchangeable into dollars and other currencies as dollars are freely exchangeable into pounds. If this is accomplished (as was intended by the loan to Great Britain), then the dollar will have joined the sterling just as the sterling will have joined the dollar. Exchage control means economic nationalism, and is incompatible with democracy and human liberties.

Sincerely yours,
(Signed) PHILIP CORTNEY.
New York, N. Y.,
Nov. 26, 1946

Clarification of Foreman Issue Asked

In support of the request of the Packard Motor Car Co. for a review of a decision directing it to bargain with the Foreman's Association of America, the National Labor Relations Board on Nov. 26 filed a memorandum with the United States Supreme Court urging the tribunal to settle, once and for all, the long-standing dispute over the unionization of foremen. The Board's statement, according to a special dispatch from Washington to the New York "Times," said that it "welcomes and desires a final adjudication of the position of supervisory employees under the Wagner Act. Because of the importance of the question, review by the United States Supreme Court is desirable, and we gladly cooperate with company counsel to obtain such review." In its Washington advices the "Times" also said:

In its memorandum to the court, the Board pointed out that while it believed the lower court decision was correct, "it presents an important question which has not been but should be decided" by the Supreme Court.

The Board has sought enforcement of its order in the Sixth Circuit Court of Appeals in Cincinnati in December, 1945, within two weeks of its issuance. Last Aug. 12, the Circuit Court enforced the Board's order, which directed Packard to bargain with the Foreman's Association as the representative of the company's supervisory employees.

The questions which the Supreme Court is asked to answer, and to all of which the lower court answered affirmatively are:

Are supervisors "employees" within the meaning of the Wagner Act? If so, can they properly be included within a unit for the purpose of collective bargaining? Did the Board properly group them within a unit in this case?

Under date of Dec. 2 Associated Press advices from Washington said:

The National Labor Relations Board trial examiners ruled in an intermediate report today that the Foremen's Association of America (Independent), Chapter 254, is a labor organization within the meaning of the Federal law, and recommended that the plant of the Aluminum Company of America at Edgewater, N. J., cease and desist from refusing to bargain collectively with the association.

The ruling, by Horace A. Ruckel, trial examiner, stated that, by refusing to bargain collectively with the association, the company "has engaged in and is engaging in unfair labor practices."

The ruling arose from a charge filed Aug. 19 by the association. A complaint dated Oct. 16 against the Aluminum Company of America was issued by the NLRB regional director for the second region in New York, alleging unfair labor practices affecting commerce within the meaning of the National Labor Relations Act.

A hearing was held Nov. 4 at New York before Mr. Ruckel with both sides represented.

The examiner's ruling recommended that the company, upon request, bargain collectively with the foreman's association as an appropriate unit and, if an understanding is reached, embody such understanding in a signed agreement.

Objectives of CIO

(Continued from first page)

this great auditorium, out into the homes, the domiciles of the multitudes of men, women and children dependent upon both you and me.

I believe that I have a keen sense of the load which has been imposed upon me here this morning, and as I stand before you in the spirit of complete humility I ask that God in His infinite wisdom guide me in the direction of your work and my work, because without that guidance I am quite sure that most of us, if not all, might fail.

No man can be sufficient unto himself. He must rely upon His spiritual guidance and the support of his people. He must have the united support of his people. That is essential.

Our actions, our deeds and our words are weighed heavily in the homes of all Americans, and I might add weighed heavily in the homes of millions of other peoples throughout the entire universe.

This mighty institution of labor has come to be regarded as the beacon light of the common man. It is the torch bearer, it is the organization that is required to militantly carry forward that great crusade for the universal application of democratic suffrage all over the world.

In the course of your deliberations throughout this week, through the crucible of discussion and intelligent debate you have arrived at decisions and you have legislated wisely. I feel it incumbent upon myself to see to it that such legislation as you may have enacted in this convention is carried forward in the interests of this organization, in the interests of our great membership, and in the interests of our great country.

You are a young organization in the sense, you are only a little over 10 years old, but you are a wise organization in the sense that you give constructive and intelligent consideration to all major problems which present themselves to you from time to time, and you are a unified organization determined to carry forward the will of the people whom you are privileged to represent, because no man acts wisely who does not reflect the will of the people.

You are a democratic organization in that whatever you may have to say regarding major problems of common interest you take recourse to the public forum, to the councils of your own organizations, and there through the processes of debate and discussion you make your own determinations. I know of no institution in the United States of America that has contributed more to the well-being of the American people than has this great institution, and it has done so through the democratic processes.

So we face the future with our eyes towards the sun and our heads high, prepared to meet the issues, whatever they may be, carrying ever, ever high that banner of true American democracy.

In the course of our travels it may become necessary for us to meet an occasional enemy; but we shall overcome this opposition because we are united in our determination to achieve these God-given legitimate goals to which the common people of America aspire.

It is not for me to recount here the manifold accomplishments of this mighty institution in the course of the past 10 years. It is enough for me to say that the people of the United Sttaes are living better today than they were before this mighty organization came into being.

Children are acquiring greater cultural and educational advantages. Housewives have derived the benefits of the mighty contributions you have made, and the provider of the family has had his conditions of employment greatly improved and his wages also increased.

You have acted wisely in the field of legislation and in the kindred political activities to which you have given your support in the course of the past 10 years. You have been ever mindful of the needs of the people, the men, the women and the children who are dependent upon you and me. And when you take action to deliberate and discuss the problems of the people, your hearts, your minds, yes, your very souls are living with the people. You feel their pulses, you know their needs and you strive to acquire for them accordingly a better life. You are forever inspired by an essential Divine Guidance, because not only is your heart and mind in the work which you are doing, by your very soul as well.

Every single, solitary man and woman in this room representing an organization affiliated with the Congress of Industrial Organizations feels the pulse beats of the common people—the people, the men, the women and the children that God created, and in their creation, if I am to judge religious philosophy correctly, they were created as human beings to enjoy equal rights and equal opportunities—all of them.

And so this morning, like many other mornings, I feel that great, keen sense of responsibility that goes with the leadership of this mighty organization of yours and mine. I shall strive with your assistance to attain your objectives. I shall stand by your side fighting by day and fighting by night for a better life for all of the people. That is my code, that is my creed, that is what I believe, so help me God.

Striving toward the attainment of these objectives, therefore, I do not believe it to be necessary to ask this convention to support its President. I know, because I believe you will, I am sure you will. You have contributed much to the well-being of this nation in the course of the present week. You are without doubt the greatest parliament of labor in the entire world. You demonstrate that in the course of your conventions, because you give intelligent appraisal to all of the major questions which are presented to you while you are deliberating in conventions.

An so, my good friends, I know you and I know your enemies. After this convention adjourns pay no attention to the muck-raking and scandal mongering of those whose only interest in life is to undermine and to destroy you. Give little heed to them; go forward in the promotion and execution of your program and your policies, and let no one hinder you in the course of that great and noble adventure.

Since your convention opened at the beginning of the present week a great many misrepresentations have appeared in the public prints concerning the CIO. I suppose that no matter what anyone may have to say regarding these misrepresentations they will continue—yes, they will continue and they must increase in their ferocity, these vicious attacks against this mighty movement. But let not that deter you in your determination to move forward. Let no one create conflict within this movement. It has a God-given task to perform for the men, the women and the children of America.

So, carry forward, my friends; demonstrate, as you have demonstrated in the course of this convention, that spirit of accord, that spirit of unity so essential to the well-being of the people whom you are privileged to represent, and to the well-being of all the people of the United States.

Remain steadfast in your loyalties to this flag here, the flag of the United States.

Let no one misunderstand, not a single, solitary individual in the United States of America understand where you, you—and when I talk to you I now talk to the Congress of Industrial Organization—let no one misunderstand where you stand in the matter of your allegiance to this flag and to this land.

Your answer has already been provided in your statement of policy enunciated by the committee appointed for that purpose. Your answer must not be misunderstood. I am sure there is a common understanding as to what it is you say.

We shall march forward together, unitedly toward the attainment of the program developed in the course of this convention's deliberations, ever mindful of our loyalties to these unions affiliated with the Congress of Industrial Organizations and to the Congress of Industrial Organizations itself; ever mindful of the needs of the people we shall march forward toward the attainment of our common goal.

I appreciate perhaps a little more than many people understand the warmth of your hearts and the warmth of your cooperation with me, your leader. I cannot help but express to you, as I have before, my heartfelt appreciation for the many, many countless nice things you have done to help me in my work. You have indeed been gracious, ofttimes extremely considerate, and I cannot but yield to you in the spirit of reciprocity the same kind of support given to you from the same kind of a warm heart.

Your heart and mine beat for a better America—yes, for a better world for all of the peoples throughout the universe to live in. Those are your common aspirations. Those are the things you seek to attain.

Robinson Named to Post In State Department

The Acting Secretary of State at Washington announced on Nov. 20 the appointment of Hamilton Robinson as Director of the Office of Economic Security Policy to fill the position made vacant by the resignation on Sept. 15 of J. K. Galbraith. This Office is responsible for advising the Secretary of State concerning economic policies in Occupied Areas, namely, Germany, Austria, Japan and Korea, and for the Department's activities relating to economic security controls.

During the war Mr. Robinson served as a Colonel on General Somervell's staff in the Army Service Forces. Prior to that he had served as Assistant to the Deputy Lend Lease Administrator. Before entering Government services, Mr. Robinson practiced law in New York City.

Planning for Progress—A Community Challenge

(Continued from first page)

sure that the plan is deeply rooted in the soil of the local community.

The danger in attempting to devise broad, all-inclusive plans at the higher levels of government is that the resulting program frequently fails to meet the immediate needs of the areas affected. Such plans also frequently lose sight of inherent community differences. Nor can you resolve local differences through the application of mere averages. The application of the "average concept" may result in either over-estimating or under-estimating the needs of particular areas. Planning, therefore, should and must start at the community level, and, moreover, possess sufficient flexibility to adjust to the many variations which characterize each community.

State and Community Cooperation

It would be a mistake, however, to infer that every State should hold all "top-side" planning in abeyance, awaiting the development of community planning. On the contrary, every State must vigorously push its planning, develop its over-all blueprint. But when making its plans, the State must be ever watchful that its program stems from the needs of the individual communities as well as the over-all requirements of the State. If this is done, then the planners are in a stronger position to give guidance to the efforts of the component parts of the State.

It means that more work must be done to familiarize the communities with the objectives of the State. It means that more thought must be given to methods for inspiring community cooperation and initiative. It means a readiness to assist each community in methods and procedures for identifying and appraising their resources, and the needs of their people. It means good coordination at the State level so that the planning and development be at least adequate to the potentials inherent in each community. All of this adds up to hard work and a sensitivity to delicate human relations.

All of this hard work is necessary if each community is to achieve the full utilization of all its resources — natural resources, developed resources, and human resources—if it is to be protected against the dissipation of its energies in activities in which it suffers a comparative disadvantage with some other community.

Planning should seek out the "trouble-spots," those areas where the exhaustion of natural resources is dooming people to perennial poverty. Poverty and disease cannot be contained within an affected depressed area. Invariably and inevitably surrounding areas are contaminated.

The solution of this type of problem is a challenge to our best minds, and a broad field of opportunity to you planners. You must seek out and develop the necessary kind of leadership within the depressed community who will, through your assistance, find new economic opportunities.

There are other sore spots, aggravated by the shortsightedness and neglect of man. An industry to thrive must be ever alert to new techniques, to new methods. When businessmen grow complacent and close their eyes to the changes which the stern battle of competition creates, they saddle their factories with outmoded and obsolescent equipment. This easy path which they indifferently have elected to follow, leads ultimately to the depression of the community dependent upon the obsolete factory. New England has tasted this bitter experience. This problem too can be solved—solved through aggressive action—action that enlists every type and phase of the community interests. But to rejuvenate this type of community calls for leadership. Yes, knowing leadership, the type of leadership that you men have been trained to provide.

However, leadership restricted to remedial activities will not suffice to advance the position of your State. No matter how effective rear guard action may be, it always involves the loss of ground. Planners must be in the vanguard, ever pushing forward the interests of their communities, striving always to promote their potentials to the maximum.

The wealth inherent in each State has been planted there by the hand of God. It is up to man to exploit it. Most States already enjoy a high reputation for at least one product. It might be its fruits, its dairy products, its maple syrup and sugar, its forest resources, its mineral resources, or its climate and topography. These features of the State may be well known to its own people. The significant question is, however: Are they known to the people of other States?

It is interesting to note that Florida turned blue water, sunshine, and sand into a great winter resort. In short, a carefully conceived and continuing promotional plan succeeded in attracting a great flow of people to this State each year. Any businessman will tell you that attractive packaging and effective sales techniques will go far in selling any commodity. Why, then, gentlemen, cannot planners take a leaf from the book of business, and merchandise the products which are native to their State.

For example, a State rich in forest resources could hold an annual "forest festival" that would be looked forward to with great anticipation by many people from many other areas. Such a festival, held in the autumn, could capitalize on the beauties of that season, and the festival itself could be tied in with the furniture, paper, and woodworking industries of the State. Moreover, this promotional activity could rest upon a sufficiently broad basis so as to permit the participation of such allied industries as hotel, transportation companies and recreational interests.

The foundation of wealth is based on resources and enterprise, not on illusion. As a State sows, so shall it reap. Men cannot exploit resources nor develop markets unless they have access to them. Improved means of transportation and communication, particularly into the under-developed rural areas, must stand high on the list of any State's plans for development.

Not the least of an all-out, all-State program should be a thorough study of existing tax structure, financing opportunities, trade restricting regulations or laws, and other burdens upon established industries or handicaps to new ones. It should be remembered that any challenge to interstate commerce is a challenge to the prosperity of the State which imposes barriers to the free flow of trade.

Commerce Department Assistance

Although it is recognized that the development of the community is the primary responsibility of the State, the Federal Government has a continuing responsibility to use its resources to promote the wholesomeness of the nation's entire economy. And, as you are aware, the Department of Commerce of the United States is specifically charged by organic law with the responsibility of fostering and developing the domestic and foreign commerce of the country. In the fulfillment of this obligation, the Department has an Area Development Division, under the supervision of its Director, Mr. C. S. Logsdon, whose activities are directly related to the work upon which you are engaged. Also the Secretary has appointed Dr. Black as his Special Assistant to coordinate the work of the Department as it relates to the field of area development.

Now I wish to make it clear so that there will be no misunderstanding that the Department of Commerce shall not usurp those activities which rightfully belong to the States. We merely desire to be of every possible assistance to each State in the development of its programs. Nor is it our intention to limit our interest and assistance only to the so-called under-developed areas. We are just as fundamentally interested in aiding the areas of industrial concentration where adjustments are necessary in the face of altered resources and market opportunities.

Within the broad objectives of stimulating national production and employment through assistance to state and community programs, we have never been, nor do we intend becoming, a "broker" engaged in bringing together towns looking for migratory plants or businesses interested in new or additional locations. We have no desire to serve one state at the expense of another. Our concern is the prosperity of all states.

We are, and shall continue to be, your clearing house—a clearing house which assembles basic information on resources, industries, markets and industrial organizations; a clearing house to which all development organizations can turn for assistance and information. Charged as we are, by basic law we collect vast amounts of statistical and economic data, which constantly flows to us from innumerable and widely scattered sources. Hence we are in a position to render a highly purposeful service. For each state to attempt to duplicate this elaborate work is as unnecessary as it is wasteful and prohibitive in cost. Our doors stand open; you are always welcome, and I am certain that you will find in the Department a wealth of pertinent information.

For a number of years, the Department has been engaged in research in the field of area development. From this experience we have acquired a facility in the handling and evaluation of these matters, and have perfected techniques that have given us a "know-how" that is neither easily nor readily acquired. Thus, we are in a position to advise on those procedures which can most successfully be used for surveying, cataloging and appraising the natural, developed and human resources of your community.

The Department does not accept, nor does it intend to seek the responsibility of sending its personnel into the field to do the spade work. That properly falls to the state development organization. The Department of Commerce does stand ready to offer its trained personnel to assist in perfecting the techniques best suited to resolve your particular problems.

Market Opportunities

The greatest efforts we make toward developing our resources will be wasted if they are not related to potential market opportunities. A state which expends time and effort on developing its resources, only to find that markets are non-existant, has labored in vain. The characteristics of the markets must first be determined in order to ascertain the desirability of producing any given product. Those channels of trade already employed or available for the distribution of goods, and those methods most likely to prove effective in securing initial market acceptance, must be determined. The Department of Commerce has available for you its knowledge, its experience, and its rich storehouse of information.

In the days ahead, when economic activity in these United States swings from the role of satisfying deferred demand to that of satisfying replacement demand, it will be organized community activity that will call the turn of the cards. For only such activity will keep replacement demand from becoming static. Only such organized activity will sustain a high level of productivity. Only such organized activity will assure a continuing expansion of all services which give health, convenience, richness, and fulfillment to everyday living.

The challenge confronting every community in America is that the progress which has been ours in the past shall be assured to us and our posterity. We must go forward with courage, confident in the knowledge that once the problem has been defined, we possess the ability, the willingness and the ingenuity necessary for its successful solution. A greater America is ours to build if we but will it so.

Construction Activity Downward in October

Construction activity declined slightly in October, according to preliminary estimates of the Bureau of Labor Statistics, U. S. Department of Labor. Expenditures for construction actually done during the month (including building repairs) dropped $32 millions to a total of $1,215 millions. Construction employment, at 2,246,000 workers, was 56,000 below the September level. The advices of the Labor Bureau added: "Private residential building and repair continued to edge down from the August peak, but this decline was nearly offset by a further advance in the National Housing Agency's re-use home building program. During October, $427 millions were spent for construction and repair of non-farm homes, and residential site employment averaged 685,000.

"Despite restraining orders, privately - financed nonresidential building maintained the 1946 high mark set in August. For the third consecutive month, the decline in commercial building was counterbalanced by a rise in industrial building. Expenditures for private nonresidential building as a whole (including repairs) totaled $410 millions in October, and 674,000 workers were employed at the site of this type of construction.

"Expenditures for highway construction ($100 millions), conservation and development work ($24 millions), utilities projects, such as pipe lines, railroads, etc. ($86 millions), construction on farms ($100 millions), community buildings ($79 millions)—all were slightly below September figures.

"Construction emlpoyment is still at a very high level, however. The employed construction labor force in October was only 153,000 below that of the corresponding month of 1942—the year when our huge war construction program was at its height. In addition, October was the fifth successive month this year in which the number of workers employed on construction exceeded 2 millions.

"Construction expenditures for the first 10 months of 1946 totaled $9.7 billions, compared with $4.6 billions in the same months of 1945. Better than four-fifths of the total this year was spent for private work, against three-fifths last year."

Overhauling of Wage And Hour Law Urged By Chamber Committee

A thorough overhauling of the Fair Labor Standards Act popularly known as the Wage and Hour Law, was proposed on Nov. 23 by the Labor Relations Committe of the Chamber of Commerce of the United States. Reporting to the Chamber's board of directors, holding its November meeting at Washington, the Committee asserted that the provisions of the law are unclear and uncertain in their meaning and application. "Moreover," said the Committee, "the latitude given expressly to the Administrator and that assumed by him have resulted in the constantly expanding application of the law, both with respect to its coverage and its requirements respecting compensation of employees."

The Committee pointed out that as a result of interpretation by the courts, employers are faced with unforeseen financial liabilities of uncertain amounts, and which are so great many employees will be unable to meet them and remain solvent. The Chamber's board authorized a referendum vote of the membership on the following declaration contained in the report:

"The Fair Labor Standards Act fails to meet the fundamental requirement that laws should be clear and certain, so that all persons affected may be fully advised of their rights and responsibilities. Constantly broadened administrative and judicial interpretations respecting the applications of this law has now reached the point where it is imposing upon nearly all business wholly unlooked-for threats of financial liability far beyond industry's ability to pay.

"It is vital to the public interest that this law be revised so as to remove its uncertainties and inequities and to make definite the areas of its applicability. To this end the Congress should undertake a thorough-going study of the entire law and its economic effects."

Swanson Navy Surg'n Gen.

As successor to Vice Admiral Ross T. McIntire, President Truman on Nov. 27 named Capt. Clifford A. Swanson of Marquette, Mich., Surgeon General of the Bureau of Medicine and Surgery in the Navy, according to a special dispatch from Washington to the New York "Times". Admiral McIntire, whose present appointment expired Nov. 1, is due to retire; no announcement was made of his future assignment. The "Times" stated:

Capt. Herbert L. Pugh of Batesville, Va., was appointed assistant chief of the Navy Bureau of Medicine and Surgery with the rank of Rear Admiral.

The Navy also announced today that it would seek Congressional authority to establish a Medical Allied Science Corps whereby war-skilled temporary officers would get Regular Navy commissions.

Under the present personnel system, officers fully qualified in sciences allied to medicine cannot transfer to the Regular Navy Medical Corps as they are not medical officers. The new corps would solve the problem, the Navy said.

The Navy proposes to appoint some 200 such officers as specialists in the fields of acarology, bacteriology, biology, chemistry, entomology, epidemiology, genetics, malacology, nutrition, parasitology, physics, physiology, psychology, malariology, zoology, public health (industrial hygiene), virology.

The State of Trade

(Continued from page 2939)

reasonable basis. Now this careful planning has been upset The "Iron Age" observes and in its place has been substituted further uncertainty.

Some steel companies began the job of cutting back operations on Monday of last week, though some of the smaller firms planned to hold operations at pre-strike levels for the balance of the week. Led off by a drop of 59 points in the Pittsburgh district, where Carnegie-Illinois Steel Corp. cut back to 35% of rated capacity; the national operating rate began a downward spiral which will soon hit metalworking plants throughout the country. It was estimated that within two weeks fabricating operations would be cut to about 50%, and some sources predicted that many of them would be out cold within a month, if the strike continues that long.

The threat of a nation-wide freight embargo, which many railroad men predicted would come at the close of this week, posed a further threat to all industry. Usually, the reserve banks of coal have permitted a gradual shutdown of blast furnaces and steel mills with decreased shipments possible for weeks after the strike was called. This time the magazine adds, no substantial coal stocks are available to industry and the cutbacks have come more sharply.

Many producers are not forgetting the fact that they will come up against Philip Murray's steelworkers union before present contracts expire in February. For this reason, the above trade authority states, some steel sources believe that if the coal strike is a protracted one many furnaces which have now been banked and set to fanning will not be started up again until the outcome of the negotiations with the USWA-CIO is known.

Steel companies, through the breather the coal strike may afford, will continue a study of their price structures. The inequalities of price to cost on many steel items will undoubtedly be first corrected through a general revision of extras. Then if costs due to the coal and steel strike require it, further changes will be made later.

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 60.2% of capacity for the week beginning Dec. 2, compared with 62.8% one week ago, 91.1% one month ago and 82.8% one year ago. This represents a decrease of 2.6 points or 4.1% from the previous week.

This week's operating rate is equivalent to 1,061,000 tons of steel ingots and castings and compares with 1,106,800 tons one week ago, 1,605,500 tons one month ago and 1,516,600 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to 4,764,718,000 kwh. in the week ended Nov. 23, 1946, from 4,699,935,000 kwh. in the preceding week. Output for the week ended Nov. 23, 1946, was 24.0% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 218,000,000 kwh. in the week ended Nov. 24, 1946, compared with 173,900,000 kwh. for the corresponding week of 1945, or an increase of 25.4%. Local distribution of electricity amounted to 200,000,000 kwh. compared with 173,200,000 kwh. for the corresponding week of last year, an increase of 15.4%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Nov. 23, 1946, totaled 806,583 cars, the Association of American Railroads announced. This was a decrease of 110,541 cars (or 12.1%) below the preceding week and 90,027 cars or 12.6% above the corresponding week for 1945. Compared with the similar period of 1944, an increase of 38,245 cars, or 5%, is shown.

Paper and Paperboard Production—Paper production in the United States for the week ended Nov. 23, was 106.6% of mill capacity, against 104.9% in the preceding week and 91.4% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 100% against 101% in the preceding week, and 91% in the corresponding week, a year ago.

Business Failures Remain High—Although the week was shortened by the Thanksgiving Holiday, commercial and industrial failures in the week ending Nov. 28 continued above the 1945 level, reports Dun & Bradstreet, Inc. Concerns failing numbered 24, the same as in the previous week, but exceeded the 15 recorded in the comparable week of last year. For some ten straight weeks now, failures have been more numerous than a year ago.

Large failures with liabilities of $5,000 or more were almost four times as heavy as small failures with liabilities under $5,000. These large failures at 19 fell off a little from the 21 occurring a week ago but were considerably more numerous than in the same week last year when 11 were reported. Five small failures occurred with liabilities under $5,000, as compared with 3 last week and 4 in the corresponding week of 1945.

Manufacturing and retailing with 10 failures each accounted for all except 4 of this week's failures. The number of manufacturers failing although up only 1 from the previous week's level, was twice as large as a year ago. In retail trade, on the other hand, the uptrend was sharp not only from the 1945 record but from last week as well. The 10 retailers failing in the week just ended doubled the 5 reported a week ago and the 4 reported in the comparable week last year. No other industry or trade has more than 2 failures in the week just ended; wholesale trade did not have any failures.

Wholesale Food Price Index Moderately Lower—Declines in individual food commodities outnumbered and outweighed advances and the wholesale food price index, compiled by Dun & Bradstreet, Inc., dropped 6 cents from last week's peak point of $6.49 to stand at $6.43 on Nov. 26. This represented an increase of 54.5% over the corresponding 1945 figure of $4.16.

Moving upward during the week were flour, wheat, rye, oats, cocoa, eggs, rice, and lambs. Recessions took place in corn, hams, lard, butter cheese, coffee, beans, potatoes, steers, and hogs. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—Fluctuations in the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., were considerably narrower during the past week. The index registered 240.36 on Nov. 26, compared with 240.15 a week earlier, and with 181.88 at this time a year ago.

Grains were more active and firmer last week, led by sharp advances in wheat which reached the highest prices in twenty-six years. The rise was stimulated by heavy buying of wheat and wheat flour for both domestic use and export. Oats were irregular and slightly lower, while cash corn offerings were larger.

Sales increased and prices turned upward, aided by large export buying for shipment overseas. A declining interest in lard weakened the market's undertone, resulting in a drop of 4 cents a pound to the lowest prices since that commodity was freed from controls in mid-October. Hog receipts increased last week but a broad demand held values steady. Choice steers were also quite steady but other grades displayed a lower trend.

Sales activity in leading cotton markets increased considerably last week as prices fluctuated over a fairly wide range. The trend was lower during the first half of the week as a result of the threatened coal strike and uncertainties resulting therefrom, and the proposals to revise credit and margin requirements in cotton futures trading. A firmer undertone developed in the latter part of the period with prices moving upward on improved trade and mill demand, based on prospects of a tight supply situation by next Spring. About 80% of the indicated crop was reported ginned to Nov. 15, with less than 2,000,000 bales remaining unsold. Advices from the textile trade indicated that some mills were selling goods as far ahead as next May and June at November ceilings. Registered sales under the government export program remained in good volume, totaling 44,107 for the week ended Nov. 16, or about 633,000 bales for the season to date.

Quiet ruled in the Boston wool market. Demand for medium and low grades of domestic wools was slow with buying limited to immediate needs. Finer grades of domestic held at the recently advanced levels though trading continued limited. Desired types of choice domestic wools were in demand at strong prices. Foreign wools remained very firm but there were few spot offerings of desirable selections. Imports of apparel wools received at Boston, New York and Philadelphia during the week ending Nov. 15 amounted to 7,784,100 clean pounds, as against 6,170,600 in the previous week.

Trading in hides was less active last week. Prices were off 1 to 3 cents from last week's quotations as buyers moved more cautiously and showed increasing resistance to the higher levels which marked initial trading in a free market. Another factor in the decline was the resumption of trading in hide futures last week at prices ranging from 2 to 3 cents below the current spot market. Leather prices also showed signs of leveling off following three weeks of decontrol.

Retail and Wholesale Trade—Spurred by Christmas displays, seasonal promotions and generally favorable weather, retail volume continued to rise last week. It was considerably above that of the corresponding week a year ago with luxury items more eagerly sought than during many previous weeks, according to Dun & Bradstreet, Inc., in its review of trade.

Retail food volume rose appreciably the past week. There was a large increase in the consumer demand for poultry, fruit and fancy foods. The supply of vegetables and fruit was abundant with ample supplies of meat and poultry available, though sugar and cooking oils frequently were difficult to obtain.

Selections of men's apparel were generally larger than they have been in previous weeks with interest high and some slight increase in volume. The consumer demand for women's fall and winter apparel was moderate but above that of a year ago. Interest in accessories and formal dresses increased considerably last week; main floor items were frequently listed among the current best sellers in the apparel line. Lingerie attracted much attention, though selections usually were limited. The consumer demand for shoes remained very high despite reports of price resistance by many shoppers and the volume held close to the high levels of previous weeks.

Housewares continued to attract much attention and were frequently named among the best sellers in the durable goods group. Many cities reported an increase in the available supply of large electrical appliances such as washing machines and refrigerators. Gift items such as costume jewelry, toilet articles and stationery were in high demand. Interest in sporting goods increased appreciably.

Retail volume for the country in the week ended this Wednesday was estimated to be from 26 to 30% above that of the corresponding holiday-shortened week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England 20 to 24, East 30 to 34, Middle West 23 to 27, Northwest 22 to 26, South 25 to 29, Southwest 24 to 28 and Pacific Coast 26 to 30.

Wholesale volume declined fractionally the past week. It was well above that of the corresponding week a year ago which included the Thanksgiving holiday. Deliveries were regular and almost unchanged from a week ago.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Nov. 23, 1946, increased by 41% above the same period of last year which by reason of the earlier Thanksgiving Day had one less day. This compared with an increase of 24% in the preceding week. For the four weeks ended Nov. 23, 1946, sales increased by 26% and for the year to date by 29%.

Retail trade in New York last week was given fresh impetus as a result of the Christmas shoppers, notwithstanding the brownout affecting window displays and the unseasonably warm weather. Sales volume it was estimated increased by 10% over last year, although the week had only five shopping days against six a year ago because of the earlier Thanksgiving in 1945.

It was reported that rayon goods still on allotment were moving at a slow pace into manufacturers' hands. A sharp upturn was noted in sales of used machine tools while prices of new tools are expected to advance in the next 60 days.

In food lines holiday buying marked the week's activity.

According to the Federal Reserve Bank's index department stores sales in New York City for the weekly period to Nov. 23, 1946, increased 48% above the same period last year. This compared with an increase of 28% in the preceding week. For the four weeks ended Nov. 23, 1946, sales rose 24% and for the year to date increased to 30%.

Gift Parcels to French Zone of Germany

Postmaster Albert Goldman announced on Sept. 30 that ordinary (unregistered and uninsured) gift parcels not exceeding 11 pounds in weight will be accepted for mailing when addressed for delivery in the French Zone of Germany, except the French sector of Berlin. The parcels will be subject to the same conditions as those addressed to the American and British zones, that is, to the conditions which were in effect prior to the suspension of the service and also to the following restrictions:

(1) Only one parcel per week may be sent by or on behalf of the same sender to or for the same addressee.

(2) Contents are limited to such essential relief items as nonperishable foods, clothing, soap, mailable medicines, and other similar items for the relief of human suffering. No writing or printed matter of any kind may be included.

Flood Grant Increased

With the announcement on Nov. 26 by Budget Director James E. Webb that he was allowing an additional $70,000,000 for flood control and river and harbor projects, another setback to the Administration's aim for public works economies was suffered, according to advices to the New York "Herald-Tribune" from Washington. President Truman was said to have given his approval to the increase after it had been recommended by Mr. Webb and Reconversion Director John R. Steelman upon studying cash requirements of the Army Corps of Engineers. The action raises the limit for river and harbor improvements to $105,000,000, and the ceiling for flood control projects to $130,000,000. The following was reported in the "Herald-Tribune" to be some of the effects expected:

It will enable the engineers to go ahead with contracts already made. It had been feared many would have to be canceled because of the balance-the-budget drive.

Some additional work on some urgent projects can be started.

The engineers will be able to proceed with some advanced planning.

Routine maintenance work such as that performed in New York Harbor can be continued without curtailment and lay-offs of key personnel will no longer be necessary.

A spokesman for the Army Engineers Civil Projects Division said that in New York Harbor for example, it had been planned to lay off one of the two hopper dredges which are in continuous operation removing accumulated debris. Now both dredges will be kept in operation, saving time and money in the long run by preventing progressive shoaling which is difficult to correct.

In regard to the urgent Connecticut River Valley Flood-Control Project, the new ceiling means that planning can be done on new work for next year.

Taylor Returns to Vatican

Myron C. Taylor, President Truman's personal representative to the Vatican, was directed by the President on Nov. 23 to return there and resume, for about 30 days, his "mission in behalf of peace," according to Associated Press Washington advices. Mr. Truman described Mr. Taylor's duties in a statement issued by the White House as designed to "obtain for my guidance the counsel and cooperation of all men and women of good will whether in religion, in government, or in the pursuits of everyday life." The press advices continued:

Mr. Taylor has served as personal Presidential representative to the Vatican for both Mr. Truman and the late President Roosevelt. "As in the past, he and I will, in our labors of peace, continue to welcome the advice of leaders in religion of all convictions and loyalties, however diverse, not only in this country but throughout the world," the statement added:

"Mr. Taylor also will continue his efforts in reorganization of the Italian Red Cross and as Chairman of American Relief for Italy.

"He has been visiting in the United States for some time. Some Protestant organizations have protested to the President against Mr. Taylor's retention as a premanent American representative to Pope Pius XII. The President has indicated that Mr. Taylor's mission would be terminated when he deems the time appropriate."

On Nov. 26 Mr. Taylor was received by Pope Pius XII in a private audience. Items regarding Mr. Taylor's mission to the Vatican appeared in our issues of June 6, page 3119; June 20, page 3394; and June 27, page 3539.

Steel Production Paralysis Threatened by Coal Strike—Price Changes Expected Soon

A considerable quantity of steel is still flowing from the country's open hearths and rolling out of its mills, according to "The Iron Age," which, in its issue of today (Dec. 5) further states: This week the nation's steelmakers set their operations at 61% of rated capacity, equal on an annual basis to 63,000,000 tons of steel. Except for 1929 when 63,205,490 tons of steel for ingots and castings were produced this is more steel than the industry ever made in its history prior to the war.

"But because it comes at a time when demand is heavy and when some balance between that demand and available supply was actually in sight, the coal strike is dealing a nasty blow to the metal-working industry. The loss of more than a million tons of steel will find many fabricators with unbalanced inventories. Despite the fact that they have steel on hand, the shortage of some critical items will force shutdowns soon.

"Early this week no major steel producer had announced any price changes, but changes there will be and they are due soon, in the opinion of several industry sources. A number of the smaller mills announced changes in extras during the past three weeks, and no matter what they are called they mean higher costs to the fabricators and eventually to the ultimate consumer. Further indication of the price trend was the revision of extras and an increase in the base price of steel sheets announced by at least one company early this week.

"A second producer of merchant pig iron, this one in Pittsburgh, has moved his price up by $2 a ton. Faced with higher 'extra' costs, bolt prices were also advanced and an increase on tinplate is reported to be in the air. The rise in nickel announced last week may be reflected in higher base prices for those steel alloys using nickel, including stainless steel, although the bulk of the price rises expected in the very near future will most probably be in the form of a revision of extra charges. A survey of steel consumers made by one of the larger mills is reported to show little unfavorable customer reaction to a price increase. Higher prices are now regarded as almost inevitable.

"Steel officials predict a sharp decline in output if the coal strike lasts a few more weeks. Bars and plates, they indicate, will be the first items to go out of production but mills will strive to maintain output of light gage flat-rolled products, including tinplate and galvanized sheets, as well as cold-finished bars and pipe.

"The steel pipelines are pretty well filled on sheets, cold-finished bars and pipe, and they show a higher profit return to producers. However, some operators have pointed out that tin mills consume too much gas and some tin mill schedules will have to be slashed if the crisis lasts another week.

"The rail freight embargo this week would practically stop shipments from the finishing mills. Steelmakers would then continue to run their melting and semi-finishing operations in an attempt to stock as much metal as coal supplies will permit. However, many mills would soon reach the saturation point on this, exhausting available storage for semi-finished steel within two weeks.

"Present plans call for further gradual shutdowns this week and drastic cutbacks next week if no signs of a settlement appear. It appears that the freight embargo would have hit last week had it not been for some disagreement in Washington on the prescribed method for enforcing it.

"Mr. Lewis and the operators may be closer to agreement than appears on the surface. It is reported that only the running time of a new contract between the operators and the union is still under discussion. Mr. Lewis, it is said, wants it to run until April, 1948; the operators would settle for 48 hour pay for 40-hour week, but the contract would expire at the end of 1947.

"While Philip Murray was carefully adding bricks to his steel wage structure, John L. Lewis was cutting the ground out beneath one corner of it. Mr. Murray announced plans to "go all out" for higher wages on the basis of excessive corporate profits, and the guaranteed annual wage issue was taken out for another airing. But steel company profit sheets are certain to reflect the costs of a long coal strike and Mr. Murray's main argument may be considerably weaker next year."

The American Iron and Steel Institute this week announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 60.2% of capacity for the week beginning Dec. 2, compared with 62.8% one week ago, 91.1% one month ago and 82.8% one year ago. This represents a decrease of 2.6 points, or 4.1% from last week. The operating rate for the week beginning Dec. 2 is equivalent to 1,061,000 tons of steel ingots and castings, compared to 1,106,800 tons one week ago, 1,605,500 tons one month ago and 1,516,600 tons one year ago. Current operations are the lowest since the week of June 3, and it was added that the nation will have lost 1,053,000 tons of steel by the end of this week as a result of the coal strike.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry on Dec. 2 stated in part as follows:

"Paralyzing effect of the coal strike has reduced steel production to the third lowest point of the year, and if continued for another week will force the ingot rate below the 43% capacity level experienced in the coal strike last spring.

"Further, should the mine tie-up continue a few weeks longer, steel output may be curbed as effectively as it was early in the year, when the steel strike forced production down to around 5%.

"While steel operations are tobogganing rapidly, metalworking and industrial production in general also are undergoing marked curtailment. Many plants are either being forced to suspend completely or will be forced to do so in the near future. The whole industrial economy of the country is receiving a jolt, which may prove disastrous, unless some break in the coal deadlock occurs.

"As sheet steel consumers press for tonnage already due them, almost frantically in some instances in an effort to keep their plants from shutting down completely, their interest in future buying is lagging. Immediate problems are too urgent. Further, they realize the mills cannot possibly know where they stand under present chaotic conditions. Some orders are being issued, but in most cases they are being returned by the mills.

"Although the large steel producers continue to hold prices unchanged, additional upward revisions in quotations on a number of products were effected by smaller interests last week.

"Some of the smaller independent plate mills have been able to sustain production fairly well since the coal strike. However, the overall average is down appreciably, and the outlook for next week is for a further and more drastic curtailment.

"Shape production has been hit sharply by the coal strike, and the general unsettlement has reduced structural demand further. Fabricators however, have substantial backlogs and also sufficiently rounded inventories to warrant active operations.

"In the scrap market, prices firmed in the steelmaking grades at a level about $5 a ton above the old OPA ceilings. Due to the sharp drop in steel production, mills hope to build up stocks of scrap but will be hampered if an embargo on railroad freight shipments is effected."

Balanced Federal Budget With Debt Cut Urged

Balancing of the Federal budget for the fiscal year 1948 with an expenditure total, including curtailment of the public debt, of less than $25 billion was proposed on Nov. 24 by the Committee on Federal Finance of the Chamber of Commerce of the United States.

The proposals, contained in a report, "Federal Expenditure Policies," were made public by the Committee with the approval of the Chamber's Board of Directors. Ellsworth C. Alvord, Washington, D. C., is Chairman of the Committee. Recommendations on taxation were contained in a report issued separately. The Committee asserted that "fiscal problems of a magnitude unprecedented in any peacetime year" will confront the new Congress and that "supremely critical decisions of policy must be made upon taxes, expenditures, and debt." With respect to basic expenditure policies, the Committee said:

"A balanced budget, with definite provision for curtailment of the debt, should be the normal procedure. There should be no temporizing with this basic policy. Relatively large expenditures and heavy taxes, when viewed from prewar standards, will be unavoidable, but immediate achievement of a balanced budget at a level which will permit less oppressive taxes and adequate debt reduction is vital to economic stability.

"There should be rejection of proposals that the budget be balanced or debt reduced only in years of an expanding and prosperous economy.

"Congress should now make clear its determination to end the deficit financing which has proceeded for 16 years.

"Now is the time to end the deficit financing. This, however, raises questions as to the level at which the Federal budget should be balanced. Balancing the budget by maintenance of the oppressively high taxes of the war period should win no great applause. The objective should be to obtain the lowest possible level of expenditures which will suffice for indispensable public services and adequate curtailment of debt."

Referring specifically to the fiscal year 1948, the Committee said:

"For the fiscal year 1948, the expenditure schedule should be less than $25 billion and a balanced budget achieved wtih provision for some curtailment of the debt. There should be requirement that the official budget proposed for the fiscal year 1948 be supplemented with schedules of expenditure estimates ranging from $20 billion to $25 billion. The current budget, for the fiscal year ending June 30 next, anticipates expenditures of $41.5 billion, receipts of $39.6 billion, a deficit of $1.9 billion. It would appear possible to achieve a balanced budget this fiscal year, 1947. It is, however, upon the budget for the next fiscal year, 1948, that Congress will concentrate with a view to enforcing major economies.

"It must be recognized that, without any reduction of tax rates, receipts may not hold to as high a level as the $39.6 billion estimated for this fiscal year.

"Even with no reduction in taxes a drop of some $3 billion to $5 billion, to a level of $35 billion to $37 billion, may be a reasonable expectation. This possibility in itself will argue for reduction of expenditures below the current level—much below it should there be provision for curtailment of the debt.

"If, however, there is to be reduction in the income and excise taxes by as much as is now advisable, the expenditures, including some debt retirement, should be planned on a maximum level of $25 billion.

"Of the nearly $42 billion of expenditures scheduled for the current year, it would appear that some $10 billion are for transitory or non-recurring items. Savings of another $7 billion or more to bring the budget total for the next year below $25 billion seem quite possible of attainment, without impairment of essential activities.

"Should the budget officially submitted next January exceed the total of $25 billion, Congress should require the preparation of estimates showing the make-up of a budget in a range of from $20 billion to $25 billion. Such estimates would aid the Congress in determining the points at which expenditures might most readily be reduced."

The committee said that it appeared obvious that careful scrutiny of national defense expenditures will be necessary. It was declared to be a reasonable assumption that, with curtailments due to non-recurring items, reductions in personnel and an easing of the international situation, very substantial reductions in defense expenditures for 1948 are feasible.

In connection with expenditures for veterans it was asserted that a spirit of fair treatment of veterans should be manifested, with generosity to those who suffered injuries in line of duty, but that there should be a critical examination of all programs of allowances and benefits in order that reported abuses may be eliminated and actual requirements of efficiency and economical operation determined."

The announcement from the Chamber also said:

"The Committee recommended a strengthening of the fiscal provisions of the Legislative Reorganization Act, a better integration of the borrowing and lending activities of all agencies with the Treasury Department, an early liquidation of all war and emergency corporations and statutory specification of powers of such corporations as are provisionally continued by Congress, re-examination of the entire program of Federal subsidies and grants-in-aid with a view to a reduction in costs, a more rapid reduction of government personnel, and continuance of the Byrd Committee on Non-essential Federal Expenditures.

"The Committee urged that business organizations refrain and use their influence to persuade others, including state and local authorities, to refrain from exerting pressure upon members of Congress for the appropriation of funds for the benefit of individual states and local communities."

Unfreezes Swiss Assets

The unfreezing of blocked assets of Switzerland and Liechtenstein was announced on Nov. 29 by Secretary of the Treasury Snyder. The Treasury Department states that "this step was made possible by the satisfactory conclusion of negotiations between the Treasury Department and the Swiss Federal Political Department concerning the investigation of the ownership of property held in the United States in the name of nationals of Switzerland and Liechtenstein for the purpose of identifying any such property in which there has been an enemy interest." The Department announcement added:

"By amending General Licenses Nos. 94 and 95, to include Switzerland and Liechtenstein, the controls over current transactions with those two countries are now removed and provision is made for the release of blocked Swiss and Liechtenstein accounts under the certification procedure of General License No. 95. The Swiss Compensation Office has been designated as the certifying agent for both Swiss and Liechtenstein assets. Treasury officials called attention to the fact that the blocked accounts of financial institutions in Switzerland and Liechtenstein remain subject to the provisions of General Ruling No. 17 until they are certified under General License No. 95.

"Copies of the letters exchanged between Secretary Snyder and Dr. Max Petitpierre, Chief of the Federal Political Department, are available at the Federal Reserve Banks of New York, Chicago and San Francisco."

Associated Press advices from Washington on Nov. 29 said in part:

When European-owned wealth in this country was frozen in June, 1941, to keep it out of the hands of the Germans, Swiss assets here were valued at $1,210,600,000—third highest of all—and those of Liechtenstein at $2,300,000.

Treasury officials said there were no precise figures on the current value of the holdings, but added it was unlikely there had been any great change during the more than five years that the freeze was in effect.

The unfreezing action followed negotiations between the countries involving an investigation of the ownership of property to identify any in which there was German ownership.

Some 9,112 persons had an interest in the Swiss holdings here, but only 5,237 were Swiss. Of the others, 370 were United States nationals, 381 were enemy nationals, 983 friendly or neutral owners, and 2,141 of nationality "unknown."

To obtain the unfrozen assets of both countries claimants must be certified by the Swiss Compensation Office. This procedure was set up to insure against any release to former enemies.

This unblocking action left under freeze the United States assets of only four countries, apart from the former enemy nations. These and the value of their frozen assets were listed by the Treasury as: Sweden: $366,000,000; Spain, $60,000,000; Portugal, $60,000,000, and Tangier, $10,000,000.

RFC Director Allen To Address N. Y. Chamber

George E. Allen, a director of the Reconstruction Finance Corporation, will speak at the monthly meeting of the Chamber of Commerce of the State of New York, 65 Liberty Street, at noon today (Dec. 5). Preceding the speaking, two important reports —one dealing with the prevention of strikes which affect the national well-being, and the other with the Federal tax structure—will be acted upon. President Peter Grimm will preside.

Wholesale Prices Rose 1.1% in Week Ended Nov. 23, Labor Department Reports*

"Price increases for many agricultural commodities and sharp increases for some industrial goods, following decontrol, raised average primary market prices 1.1% during the week ended Nov. 23," it was indicated on Nov. 29 by the Bureau of Labor Statistics, U. S. Department of Labor, which said that "the index of commodity prices prepared by the Bureau reached 137.3% of the 1926 average, the highest level since late 1920, and 21.8% higher than at the end of June, 1946." The Bureau's advices further stated:

Farm Products and Foods—Average prices of farm products rose 2.9% with increases in all groups. Higher livestock quotations reflected strong bidding. Quotations for steers were up nearly 11% and for hogs nearly 4%. Live poultry quotations also increased, as a result of light receipts. Grain quotations were up with additional government buying, particularly for export. Prices of potatoes were up seasonally with improved quality. Prices of apples advanced with good holiday demand. Smaller sizes caused a decline in average prices of citrus fruits. Egg prices were up seasonally. The world scarcity of fine wools caused price advances for Australian wools. Cotton quotations were higher. The group index for farm products was 1.2% above a month ago and 30.3% higher than the corresponding week of last year.

Food prices averaged 0.5% higher than a week ago, largely because of increases in quotations for butter. Cheese prices were lower. Holiday demand, particularly for heavy birds, caused a sharp increase for dressed poultry. Beef and mutton quotations were higher while pork and veal prices declined. Sugar prices, still under OPA control, rose 5 to 6% with increases allowed under the Cuban sugar contract. There were advances for black pepper and Brazilian coffee. Improved supplies caused substantial declines for lard and edible tallow. Food prices were 2.9% lower than in late October and 51.8% above a year ago.

Other Commodities—The group index for all commodities other than farm products and foods rose 0.6% with sharp increases for soap, non-ferrous metals and paint materials, reflecting scarcities. Prices for some soaps nearly doubled. Increases for non-ferrous metals were reflected in substantial advances for some processed articles, including lead and zinc paint materials, lead pipe, copper sheets, and copper sulfate. There also were increases for steel scrap, pig iron and several iron and steel products. Substantially higher prices were reported for turpentine and ethyl acetate, poplar and cypress lumber and concrete blocks. Certain chemical products, including chlorine, sodium ash, caustic soda and soybean oil, increased in price, and wood pulp and box board were higher. Prices of domestic hides declined from recent high levels while there were increases for goat skins. Prices of cotton goods and hard surface floor coverings advanced reflecting earlier OPA ceiling adjustments. Cattle feed quotations continued to decline. On the average, prices of all commodities other than farm products and foods were 16.6% higher than a year ago.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED NOV. 23, 1946

(1926=100)

Commodity Groups—	11-23 1946	11-16 1946	11-9 1946	10-26 1946	11-24 1945	Percentage changes to Nov. 23, 1946, from— 11-16 1946	10-26 1946	11-24 1945
†All commodities	137.3	135.8	134.8	135.9	106.7	+ 1.1	+ 1.0	+28.7
Farm products	172.1	167.3	166.0	170.1	132.1	+ 2.9	+ 1.2	+30.3
Foods	165.0	164.1	162.5	169.9	108.7	+ 0.5	— 2.9	+51.8
Hides and leather products	158.6	159.2	158.7	143.3	119.1	— 0.4	+10.7	+33.2
Textile products	129.6	129.5	130.2	126.5	100.5	+ 0.1	+ 2.5	+29.0
Fuel and lighting materials	94.9	94.8	94.7	95.0	84.6	+ 0.1	— 0.1	+12.2
†Metals and metal products	117.2	116.3	114.4	114.4	105.3	+ 0.8	+ 2.4	+11.3
Building materials	142.0	140.4	140.0	134.2	118.7	+ 1.1	+ 5.8	+19.6
Chemicals and allied products	123.1	122.3	110.2	99.5	95.6	+ 0.7	+23.7	+28.8
Housefurnishings goods	118.0	117.6	117.5	115.9	106.4	+ 0.3	+ 1.8	+10.9
Miscellaneous commodities	106.1	104.6	104.9	103.7	94.6	+ 1.4	+ 2.3	+12.2
Special Groups—								
Raw materials	155.3	152.6	152.2	153.0	120.2	+ 1.8	+ 1.5	+29.2
Semi-manufactured articles	128.2	125.9	122.4	117.7	96.8	+ 1.8	+ 8.9	+32.4
†Manufactured products	131.1	130.4	129.5	131.7	102.3	+ 0.5	— 0.5	+28.2
All commodities other than †Farm products	129.7	129.0	128.0	128.5	101.1	+ 0.5	+ 0.9	+28.3
All commodities other than †Farm products and foods	116.9	116.2	115.5	113.1	100.3	+ 0.6	+ 3.4+	+16.6

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM NOV. 16, 1946 TO NOV. 23, 1946

Increases			
Livestock and poultry	4.4	Brick and tile	0.8
Nonferrous metals	4.1	Furnishings	0.7
Paint and paint materials	3.8	Other building materials	0.7
Other miscellaneous	3.3	Mixed fertilizers	0.6
Grains	3.0	Meats	0.4
Other textile products	2.9	Bituminous coal	0.3
Dairy products	2.2	Cement	0.3
Other farm products	1.6	Iron and steel	0.3
Paper and pulp	1.4	Lumber	0.3
Chemicals	1.2	Oils and fats	0.2
Cotton goods	1.2	Other foods	0.2
Leather	0.9	Cereal products	0.1
Decreases			
Silk	7.5	Hides and skins	2.5
Cattle feed	3.1	Fruits and vegetables	0.4

*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.

†The Bureau of Labor Statistics in computing its wholesale price index, currently is carrying motor vehicle prices at the level prevailing in April, 1942. During the war motor vehicles were not produced for general civilian sale and the Bureau has carried the April, 1942, price forward in each computation through Nov. 23, 1946. Since production in recent weeks has exceeded the average rate of civilian production in 1941 (the basis for reintroduction previously announced by the Bureau), current prices of motor vehicles will be reintroduced in the weekly wholesale price index beginning with the week ended Nov. 30. This reintroduction will raise the metals and metal products group index about 12% and the all-commodities index about 1½%, with proportionate increases for other groups of which motor vehicles is a component.

Electric Output for Week Ended Nov. 30, 1946 10.0% 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. 30, 1946, was 4,448,193,000 kwh., an increase of 10.0% over the corresponding week last year when electric output amounted to 4,042,915,000 kwh. The current figure also compares with 4,764,718,000 kwh., produced in the week ended Nov. 23, 1946, which was 24.0% higher than the 3,841,350,000 kwh., produced in the week ended Nov. 24, 1945. The largest increases were reported by the Pacific Coast and Southern States groups which showed increases of 21.7% and 20.9%, respectively, over the same week in 1945.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended— Nov. 30	Nov. 23	Nov. 16	Nov. 9	Nov. 2
New England	0.1	21.9	10.6	11.7	12.4
Middle Atlantic	*0.1	15.6	9.0	9.7	10.0
Central Industrial	6.8	21.2	16.0	16.7	15.0
West Central	6.7	16.3	11.3	14.5	14.0
Southern States	20.9	32.1	28.3	28.2	31.0
Rocky Mountain	8.3	18.8	13.9	15.3	10.3
Pacific Coast	21.7	35.7	26.5	26.0	27.3
Total United States	10.0	24.0	18.0	18.6	18.7

*Decrease.

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	4,764,718	3,841,350	+24.0	4,368,519	1,510,337	1,718,002
Nov. 30	4,448,193	4,042,915	+10.0	4.524,257	1,518,922	1,806,225

Statutory Debt Limitation as of July 31, 1946

The Treasury Department made public on Aug. 7 its monthly report showing that the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on July 31, 1946 totaled $267,642,660,737, thus leaving the face amount of obligations which may be issued subject to the $275,000,000,000 statuory debt limitation at $7,357,339,263. In another table in the report, the Treasury indicates that from total gross public debt and guaranteed obligations of $268,603,250,082 should be deducted $960,589,345 (outstanding public debt obligations not subject to debt limitation). Thus the grand total of public debt obligations outstanding as of July 31, 1946 amounted to $267,642,660,737.

The Treasury Department's announcement follows:

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

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$275,000,000,000
Outstanding July 31, 1946—			
Obligations issued under Second Liberty Bond Act, as amended:			
Interest bearing:			
Treasury bills	$17,023,001,000		
Certificates of indebtedness	37,719,535,000		
Treasury notes	20,020,015,800		
		$74,762,551,800	
Bonds—			
Treasury	$119,322,902,450		
Savings (current redemp. value)	49,319,636,544		
Depositary	410,184,500		
		169,052,723,494	
Special funds—			
Certificates of indebtedness	$10,949,500,000		
Treasury notes	12,095,517,000		
		23,045,017,000	
Total interest-bearing		$266,860,292,294	
Matured, interest ceased		307,042,250	
Bearing no interest:			
War savings stamps	91,988,106		
Excess profits tax refund bonds	50,110,266		
		142,098,372	
Total		$267,309,432,916	
Guaranteed obligations (not held by Treasury)—			
Interest bearing:			
Debentures: FHA	42,642,736		
Demand obligations: CCC	281,342,885		
		$323,985,621	
Matured, interest ceased		9,242,200	
		$333,227,821	
Grand total outstanding			267,642,660,737
Balance face amount of obligations issuable under above authority			$7,357,339,263

RECONCILEMENT WITH STATEMENT OF THE PUBLIC DEBT—JULY 31, 1946

(Daily Statement of the United States Treasury, Aug. 1, 1946)

Outstanding July 31, 1946:	
Total gross public debt	$268,270,022,261
Guaranteed obligations not owned by the Treasury	333,227,821
Total gross public debt and guaranteed obligations	$268,603,250,082
Deduct—Other outstanding public debt obligations not subject to debt limitation	960,589,345
Grand total public debt outstanding	$267,642,660,737

Tobacco Credit To Czechoslovakia

William McChesney Martin, Jr., Chairman of the Board of Directors, announced on Sept. 19 that the Export-Import Bank and the Prague Credit Bank (Prazska Uverni Banka) together with the Czechoslovakian Government as guarantor have signed an agreement establishing a credit of $2,000,000 in favor of the Prague Credit Bank. The credit is to be used for the purchase of tobacco in the United States by the Czechoslovak Tobacco Monopoly. The advices from the Export-Import Bank also said:

"Under the terms of the credit agreement, United States commercial banks, at the request of Prague Credit Bank and under the guaranty of Export-Import Bank, will issue letters of credit to tobacco sellers. Drafts under the letters of credit will be negotiated without recourse to the sellers. They will be payable 26 months from date and will bear interest at the rate of 2½% per annum.

"The tobacco credit to Czechoslovakia is designed to assist that country in returning to normal levels of domestic processing and distribution of tobacco products. Utilization of the entire amount of the credit will make possible the export to Czechoslovakia of larger quantities of tobacco than were supplied by the United States before the war."

USO 1947 Campaign

Henry C. Brunie, President of the Empire Trust Company, was named Treasurer of the USO campaign, in which $2,750,000 is being sought in New York City toward continuing USO through 1947. Frederick Osborn is New York City Chairman of the campaign. The campaign started Oct. 2nd, continuing through that month, and November, and in some independent campaigns in New York City through December. "We are living in a perilous world," said Mr. Brunie in accepting the appointment. "One of the important reasons why USO must stay on the job through 1947 is that for a strong Army and Navy we need a strong USO." Mr. Brunie also said:

"The war is not over yet for a soldier or sailor in a hospital who has sacrificed an arm, a leg or his eyesight. It is for such men and for the new army of impressionable youths, and for the men overseas, that General Eisenhower and Admiral Nimitz have requested USO to continue to serve the 1,500,000 who will still be in the service. The USO will be operating close to 500 clubs next year. In this country the majority of them will be near hospitals. Others will be near training camps and overseas. The USO plans to disband on Dec. 31, 1947. Until that date it must carry on. The national goal for this campaign is $19,000,000, which will enable USO to carry on next year on a greatly reduced budget."

Koch Director of Pittsburgh Reserve Branch

Josiah M. Koch, Vice-President and Director of the Quaker State Refining Corporation of Oil City, Pa., has been appointed by the Board of Governors of the Federal Reserve System to the Board of Directors of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland, it was announced on Nov. 20 by President Ray M. Gidney. Mr. Koch, a graduate of the Carnegie Institute of Technology at Pittsburgh, 55 years of age, is a member of the Society of Automotive Engineers and spends much of his spare time at his farm near Plummer, Venango County, Pa.

National Fertilizer Association New High Level Reached in Commodity Price Index

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Dec. 2, advanced to a new high level for the third consecutive week when it rose to 191.9 in the week ended Nov. 30, 1946 from the revised index of 191.3 in the preceding week. A month ago the index stood at 181.0 and a year ago at 141.2, all based on the 1935-1939 average as 100. The Association's report continued as follows:

Six of the composite groups of the index advanced during the latest week and three declined. The principal increases occurred in the groups other than foods and farm products with the metals group registering the largest percentage gain; advances were shown in steel scrap, brass sheets and rods, copper sheets and copper. The textiles group advanced reflecting further increases in cotton cloths and hemp; burlap declined. The chemicals and drugs group advanced with higher prices for creosote oil, castor oil, soda ash and caustic soda. The building materials index was again higher with advances in brick and linseed oil. Farm machinery registered a fractional gain. The farm products group advanced; cotton prices advanced; the grains subgroup declined with most grains lower; the livestock subgroup advanced with higher quotations for cattle, hogs, lambs, sheep and eggs but lower quotations for calves; wool prices were again higher. The foods group declined with lower prices for butter, cheese, meats, lard, dried beans, corn meal and potatoes more than offsetting higher prices for sugar, cocoa, coffee, and oranges. A small decline took place in the fuels group with slightly lower prices for petroleum. The miscellaneous commodities group was lower with declines in feedstuffs more than offsetting higher prices for leather and cigarettes.

During the week 32 price series in the index advanced and 25 declined; in the preceding week 33 advanced and 21 declined; in the second preceding week 41 advanced and 13 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. 30, 1946	Preceding Week Nov. 23, 1946	Month Ago Nov. 2, 1946	Year Ago Dec. 1, 1945
25.3	Foods	216.9	220.6	201.9	144.7
	Fats and Oils	273.5	294.5	280.1	146.6
	Cottonseed Oil	307.7	307.7	279.2	163.1
23.0	Farm Products	235.1	231.4	224.0	170.3
	Cotton	295.2	286.1	286.4	229.1
	Grains	205.2	207.9	215.6	167.3
	Livestock	240.9	236.1	222.2	162.0
17.3	Fuels	156.9	†157.0	154.2	129.5
10.8	Miscellaneous commodities	162.8	163.1	151.1	132.8
8.2	Textiles	210.4	204.4	201.1	160.9
7.1	Metals	136.4	132.4	125.0	110.2
6.1	Building materials	207.0	†205.7	184.5	154.7
1.3	Chemicals and drugs	149.5	145.9	128.2	127.5
.3	Fertilizer materials	123.3	123.3	122.5	118.2
.3	Fertilizers	125.6	125.6	125.1	119.9
.3	Farm machinery	116.7	116.6	116.6	105.0
100.0	All groups combined	191.9	†191.3	181.0	141.2

*Indexes on 1926-1928 base were: Nov. 30, 1946, 149.5; Nov. 23, 1946, †149.0; and Dec. 1, 1945, 110.0. †Revised.

Civil Engineering Construction Totals $32,574,000 for Week

Civil engineering construction volume in continental United States totals $32,574,000 for the four-day week ending Nov. 28, 1946, as reported by "Engineering News-Record." This volume is 58% below the previous five-day week, 45% below the corresponding four-day week of last year, and 63% below the previous four-week moving average. The report issued on Nov. 28 went on to say:

Private construction this week, $20,835,000, is 38% below last week, and 54% below the week last year. Public construction, $11,739,000 is 73% below last week, and 17% less than the week last year. State and municipal construction, $7,572,000 72% below last week, is 10% above the 1945 week. Federal construction, $4,167,000, is 75% below last week, and 43% below the week last year.

Total engineering construction for the 48-week period of 1946 records a cumulative total of $4,847,443,000, which is 136% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $2,911,364,000, which is 200% above that for 1945. Public construction, $1,936,079,000, is 79% greater than the cumulative total for the corresponding period of 1945, whereas state and municipal construction, $1,322,760,000 to date, is 278% above 1945. Federal construction, $613,319,000 dropped 16% below the 48-week total of 1945.

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

	Nov. 28, '46 (four days)	Nov. 21, '46 (five days)	Nov. 29, '45 (four days)
Total U. S. Construction	$32,574,000	$77,802,000	$59,622,000
Private Construction	20,835,000	33,867,000	45,444,000
Public Construction	11,739,000	43,935,000	14,178,000
State and Municipal	7,572,000	27,108,000	6,893,000
Federal	4,167,000	16,827,000	7,285,000

All of the classified construction groups dropped this week from the previous week. Three of the nine classes recorded gains this week over the 1945 week as follows: bridges, highways, and public buildings.

New Capital

New capital for construction purposes this week totals $77,050,000, and is made up of $67,270,000 in corporate securities and of $9,780,000 in state and municipal bond sales. New capital for construction purposes for the 48-week period of 1946 totals $3,093,123, 76% more than the $1,752,637,000 reported for the corresponding period of 1945.

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
			Corporate by Ratings*				Corporate by Groups*		
Dec. 3	121.52	116.22	120.84	119.00	116.02	109.79	111.81	117.60	119.61
2	121.36	116.22	120.84	119.00	116.02	109.60	111.81	117.60	119.61
Nov. 30	121.49	116.22	120.84	119.00	116.02	109.60	111.81	117.60	119.61
29	121.55	116.22	121.04	118.80	116.02	109.60	111.81	117.60	119.61
28	Stock Exchange Closed								
27	121.58	116.22	121.04	119.00	116.02	109.60	111.81	117.60	119.61
26	121.67	116.22	121.04	119.00	116.02	109.60	111.81	117.60	119.61
25	121.64	116.41	121.04	119.00	116.02	109.79	112.00	117.60	119.61
23	121.77	116.41	121.04	119.00	116.02	109.79	112.00	117.60	119.82
22	121.80	116.41	121.04	119.00	116.02	109.79	112.00	117.60	119.82
21	121.89	116.41	121.25	119.00	116.02	109.97	112.00	117.60	119.82
20	121.92	116.41	121.25	119.00	116.22	109.97	112.19	117.60	119.82
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	116.22	120.84	118.80	116.02	109.60	111.81	117.60	119.61
1 year Ago									
Dec. 3, 1945	123.92	117.00	120.84	119.41	117.00	110.88	113.50	117.00	120.22
2 Years Ago									
Dec. 2, 1944	119.97	113.31	118.80	117.80	113.50	104.14	108.16	113.89	118.00

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
			Corporate by Ratings*				Corporate by Groups*		
Dec. 3	1.62	2.84	2.61	2.70	2.85	3.18	3.07	2.77	2.67
2	1.63	2.84	2.61	2.70	2.85	3.19	3.07	2.77	2.67
Nov. 30	1.62	2.84	2.61	2.70	2.85	3.19	3.07	2.77	2.67
29	1.62	2.84	2.60	2.71	2.85	3.19	3.07	2.77	2.67
28	Stock Exchange Closed								
27	1.61	2.84	2.60	2.70	2.85	3.19	3.07	2.77	2.67
26	1.61	2.84	2.60	2.70	2.85	3.19	3.07	2.77	2.67
25	1.61	2.83	2.60	2.70	2.85	3.18	3.06	2.77	2.67
23	1.60	2.83	2.60	2.70	2.85	3.18	3.06	2.77	2.66
22	1.60	2.83	2.60	2.70	2.85	3.18	3.06	2.77	2.66
21	1.59	2.83	2.59	2.70	2.85	3.17	3.06	2.77	2.66
20	1.59	2.83	2.59	2.70	2.84	3.17	3.05	2.77	2.66
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	2.58
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	2.84	2.61	2.71	2.85	3.19	3.07	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									
Dec. 3, 1945	1.48	2.80	2.61	2.68	2.80	3.12	2.98	2.80	2.64
2 Years Ago									
Dec. 2, 1944	1.84	2.99	2.71	2.76	2.98	3.50	3.27	2.96	2.75

*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.

World Friendship Dinner Acclaimed by Truman

The first World Friendship Dinner, arranged by the World Education Council, was held at the Waldorf-Astoria Hotel in New York on Nov. 27, and was attended by 1,000 persons. Sixteen children who had been selected to represent the student body of the New York Public Schools were hosts and hostesses, advices to the New York "Times" stated. A letter from President Truman, addressed to Representative Helen Gahagan Douglas, who presided at the dinner, was read to the assemblage. "I commend your far-sighted program to break down the barriers of mistrust and suspicion," the President had written. "May God give you the strength, the courage, and the growth in wisdom, to build that better world we all so fervently desire."

Among the speakers at the dinner were Paul-Henri Spaak, President of the General Assembly of the United Nations; Mrs. Franklin D. Roosevelt, Field Marshal Jan Christian Smuts, Prime Minister of the Union of South Africa; Jan Masaryk of Czechoslovakia, and P. C. Chang of the Chinese delegation. Mrs. Roosevelt according to the "Times" said that she knew her husband would have been happy to hail the determination of young people to achieve peace. Mr. Masaryk declared that we could make every week one of thanksgiving, if we did our duty. Field Marshal Smuts said that the United Nations was a pilgrimage of the whole human race, that the world was seeking a utopia, where there would be no more war.

"Farm Loans to Veterans" Booklet Issued by ABA

Incident to its services to banks in connection with their lending activities under the provisions of the Servicemen's Readjustment Act, the Advertising Department of the American Bankers Association has sent to country banks a new 16-page booklet outlining the factors involved which should be considered by veterans when seeking GI Loans for the purpose of buying or equipping a farm or making repairs or improvements on a farm. The new booklet, "Farm Loans for Veterans," which is a companion piece to the ABA Advertising Department's earlier booklet, "Home Loans for Veterans," was written by Dr. Van B. Hart, Extension Professor of Farm Management at the New York State College of Agriculture at Cornell University, Ithaca, N. Y., in collaboration with the ABA Committee on Service to War Veterans and the ABA Agricultural Commission. It is addressed to "veterans interested in farming or a home in the country," and is designed as an information piece to answer the questions in their minds and inform them fully in regard to their rights, their opportunities, and their responsibilities under the farm loan provisions of the Servicemen's Readjustment Act, and the procedure involved in securing GI Loans. Space is provided on the back cover for the name of the using bank.

Moody's Daily Commodity Index

Tuesday, Nov. 26	374.1
Wednesday, Nov. 27	375.7
Thursday, Nov. 28	Holiday
Friday, Nov. 29	377.8
Saturday, Nov. 30	376.7
Monday, Dec. 2	374.7
Tuesday, Dec. 3	374.7
Two weeks ago, Nov. 19	376.1
Month ago, Nov. 2	356.4
Year ago, Dec. 3	264.4
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Nov. 29	377.8
Low, Jan. 2	264.7

Daily Average Crude Oil Production for Week Ended Nov. 23, 1946, Increased 17,350 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 23, 1946, was 4,809,650 barrels, a gain of 17,350 barrels per day over the preceding week and an increase of 340,350 barrels per day over the corresponding week of 1945. The daily average figure 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. 23, 1946, averaged 4,785,000 barrels. The Institute's statement further adds:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,621,000 barrels of crude oil daily and produced 15,014,000 barrels of gasoline; 1,907,000 barrels of kerosine; 5,609,000 barrels of distillate fuel, and 7,838,000 barrels of residual fuel oil during the week ended Nov. 23, 1946; and had in storage at the end of that week 87,446,000 barrels of finished and unfinished gasoline; 20,766,000 barrels of kerosine; 66,543,000 barrels of distillate fuel, and 60,065,000 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. 23, 1946	Change from Previous Week	4 Weeks Ended Nov. 23, 1946	Week Ended Nov. 24, 1945
**New York-Penna.	48,200		49,600	— 1,150	50,900	43,850
Florida			----	----	----	100
**West Virginia	8,400		7,700	— 1,300	8,050	7,350
**Ohio—Southeast }	7,600		5,300	— 950	5,850	3,800
Ohio—Other }			2,450	+ 200	2,400	3,300
Indiana	19,000		18,850	— 450	19,100	13,400
Illinois	212,000		202,100	— 1,750	206,250	207,300
Kentucky	29,000		30,000	+ 150	30,050	28,750
Michigan	46,000		48,200	+ 3,700	46,650	46,300
Nebraska	800		†750	----	750	750
Kansas	263,000	270,000	†280,700	+10,800	274,250	260,200
Oklahoma	383,000	362,825	†366,900	+ 1,700	364,450	383,600
Texas—						
District I			19,000	----	19,100	----
District II			147,200	----	146,600	----
District III			464,300	----	460,550	----
District IV			226,350	----	223,350	----
District V			36,850	----	37,600	----
East Texas			324,000	----	322,000	----
Other Dist. VI			105,050	----	104,400	----
District VII-B			35,300	----	34,850	----
District VII-C			29,500	----	29,000	----
District VIII			507,250	----	503,000	----
District IX			121,400	----	123,450	----
District X			80,550	----	81,650	----
Total Texas	2,090,000	‡2,108,166	2,096,750	----	2,085,550	1,894,200
North Louisiana			92,400	+ 600	91,650	74,650
Coastal Louisiana			309,350	----	308,400	293,650
Total Louisiana	382,000	440,000	401,750	+ 600	400,050	368,300
Arkansas	77,000	79,804	73,350	+ 150	73,500	76,300
Mississippi	60,000		79,050	+ 400	78,050	53,150
Alabama	2,000		1,000	— 100	1,000	550
New Mexico—So. East }	99,000	108,000	100,500	----	100,150	93,800
New Mexico—Other }			500	----	500	450
Wyoming	97,000		105,250	+ 250	106,500	97,250
Montana	24,000		23,200	— 250	23,400	19,500
Colorado	32,000		38,550	+ 3,250	37,100	21,300
California	850,000	§843,700	877,200	+ 2,100	870,500	845,800
Total United States	4,730,000		4,809,650	+17,350	4,785,000	4,469,300
**Pennsylvania Grade (included above)			62,600	— 3,400	64,800	55,000

*These are Bureau of Mines calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecasts. They include the condensate that is moved in crude pipe lines. The A. P. I. figures are crude oil only. As requirements may be supplied either from stocks or from new production, contemplated withdrawals from crude inventories must be deducted, as pointed out by the Bureau from its 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. 21, 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. 23, 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	735	87.6	1,905	19,218	9,055	24,313	11,615
Appalachian—								
District No. 1	76.3	101	70.6	304	2,432	507	616	406
District No. 2	84.7	64	103.2	228	811	54	121	247
Ind., Ill., Ky.	87.4	754	86.7	2,873	15,212	2,493	8,481	5,325
Okla., Kans., Mo.	78.3	386	82.3	1,492	8,579	1,286	3,522	1,378
Inland Texas	59.8	223	67.6	963	3,330	445	598	842
Texas Gulf Coast	89.2	1,096	89.4	3,368	13,785	3,637	10,996	7,822
Louisiana Gulf Coast	97.4	330	102.8	1,122	4,051	1,925	4,234	2,333
No. La. & Arkansas	55.9	59	46.8	153	1,859	382	481	203
Rocky Mountain—								
New Mexico	19.0	10	76.9	35	78	15	36	41
Other Rocky Mt.	70.9	112	67.9	384	1,598	173	514	633
California	85.5	751	75.6	2,187	16,493	794	12,631	29,220
Total U. S. B. of M. basis Nov. 23, 1946	85.8	4,621	83.1	15,014	*87,446	20,766	66,543	60,065
Total U. S. B. of M. basis Nov. 16, 1946	85.8	4,716	84.9	14,682	†88,007	21,512	67,221	60,552
U. S. B. of M. basis Nov. 24, 1945		4,563		15,214	¶83,823	12,688	45,843	46,199

*Includes unfinished gasoline stocks of 8,481,000 barrels. †Includes unfinished gasoline stocks of 8,275,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 1,907,000 barrels of kerosine, 5,609,000 barrels of gas oil and distillate fuel oil and 7,838,000 barrels of residual fuel oil in the week ended Nov. 23, 1946, which compares with 1,699,000 barrels, 5,555,000 barrels and 7,644,000 barrels, respectively, in the preceding week and 1,814,000 barrels, 4,705,000 barrels and 8,965,000 barrels, respectively, in the week ended Nov. 24, 1945. ¶Revised in Indiana-Illinois-Kentucky area due to error by reporting company.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Nov. 27 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 Nov. 9, 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 Nov. 9 (in round-lot transactions) totaled 2,615,389 shares, which amount was 18.56% of the total transactions on the Exchange of 7,048,030 shares. This compares with member trading during the week ended Nov. 2 of 3,145,680 shares, or 17.7% of the total trading of 8,883,720 shares.

On the New York Curb Exchange, member trading during the week ended Nov. 9 amounted to 523,380 shares or 16.66% of the total volume on that Exchange of 1,570,415 shares. During the week ended Nov. 2 trading for the account of Curb members of 611,450 shares was 14.07% of the total trading of 2,172,245 shares.

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

WEEK ENDED NOV. 9, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	373,190	
‡Other sales	6,674,840	
Total sales	7,048,030	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	899,260	
Short sales	192,380	
‡Other sales	687,410	
Total sales	879,790	12,62
2. Other transactions initiated on the floor—		
Total purchases	152,170	
Short sales	33,200	
‡Other sales	179,080	
Total sales	212,280	2,59
3. Other transactions initiated off the floor—		
Total purchases	223,950	
Short sales	37,180	
‡Other sales	210,759	
Total sales	247,939	3.35
4. Total—		
Total purchases	1,275,380	
Short sales	262,760	
‡Other sales	1,077,249	
Total sales	1,340,009	18.56

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

WEEK ENDED NOV. 9, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	24,160	
‡Other sales	1,546,255	
Total sales	1,570,415	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	183,635	
Short sales	15,770	
‡Other sales	159,200	
Total sales	174,970	11.42
2. Other transactions initiated on the floor—		
Total purchases	24,325	
Short sales	3,100	
‡Other sales	24,910	
Total sales	28,010	166
3. Other transactions initiated off the floor—		
Total purchases	61,290	
Short sales	500	
‡Other sales	50,650	
Total sales	51,150	3.58
4. Total—		
Total purchases	269,250	
Short sales	19,370	
‡Other sales	234,760	
Total sales	254,130	16.66
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	64,158	
Total purchases	64,158	
Total sales	71,898	

*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."

U. S. Chamber Finds Our Productive Potential Enormous — Warns Against Socialism

Americans were called upon on Nov. 17 by the Chamber of Commerce of the United States to take "careful thought" before indorsing any socialization since "a little socialism may lead to a little more" and ultimately to collectivism. The admonition was contained in a report on the American Competitive Enterprise System, prepared by the Chamber's Economic Research Department, which warned that "a mixed economy, part free and part controlled, probably cannot long endure" because further government intervention always is invited.

The foregoing is from United Press accounts from Washington Nov. 17 appearing in the Philadelphia "Inquirer" of Nov. 18, which further stated:

It noted that many people are "a little socialistic" but said that few Americans are willing to scrap the country's economic system "in favor of some unknown, nebulous over-all planning or socialist system."

In a statement accompanying the report, William K. Jackson pointed to the results of the recent Congressional election as proof of this statement. He said that "never was a more emphatic verdict registered at the polls in favor of competitive enterprise."

"The productive potential of this country is enormous," he said. "What industry needs now is opportunity to realize this potential and to produce at full capacity without interruption. Given this opportunity, together with the elimination of price and other controls, shortages will become a memory."

The report noted that there is a direct tie-in between political freedom and private enterprise. Once the government takes over most of the means of production, it said, conflicts over production, distribution, wages and income will be too great for the democratic method.

It said that many foreign governments were forced to take over the press and radio when they took over major industries, because a centrally-planned and operated economic system cannot function effectively "without controlling thought and ideas."

Analyzing the place of trades unions within the American system, the report said that labor itself suffers when it overprices its services and prices itself out of the labor market.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 27 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. 16, 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. 16, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	20,565
Number of shares	600,131
Dollar value	$23,914,872
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	298
*Customers' other sales	17,660
Customers' total sales	17,958
Number of Shares:	
Customers' short sales	11,770
*Customers' other sales	524,639
Customers' total sales	536,409
Dollar value	$20,047,688
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	148,950
Total sales	148,950
Round-Lot Purchases by Dealers—	
Number of shares	228,510

*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."

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Dec. 2 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated Dec. 5 and to mature March 6, which were offered on Nov. 29, were opened at the Federal Reserve Banks on Dec. 2.

Total applied for $1,768,931,000.

Total accepted, $1,315,534,000 (includes $25,861,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

High, 99.907, equivalent rate of discount approximately 0.368% per annum.

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

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

There was a maturity of a similar issue of bills on Dec. 5 in the amount of $1,309,005,000.

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended Nov. 23, 1946, as estimated by the United States Bureau of Mines, was 6,400,000 net tons, a decrease of 6,240,000 tons from the preceding week and 3,940,000 tons less than in the corresponding week of last year. This decline was due to the strike of the soft coal miners, which went into effect on Nov. 21. Cumulative production during the calendar year through Nov. 23, 1946, totaled some 483,086,000 net tons, which was a decrease of 6.9% below the 518,625,000 tons mined in the comparable period of 1945.

Production of Pennsylvania anthracite for the week ended Nov. 23, 1946, as estimated by the Bureau of Mines, was 1,190,000 tons, a decrease of 7,000 tons (0.6%) from the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 236,000 tons, or 24.7%. Cumulative production of hard coal in the calendar year through Nov. 23, 1946, was approximated at 54,442,000 tons, which was an increase of 8.9% above the 49,972,000 tons produced in the comparable period of 1945.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Nov. 23, 1946 showed a decrease of 32,300 tons when compared with the output for the week ended Nov. 16, 1946; but was 2,400 tons more than for the corresponding week of 1945.

ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE

(In Net Tons)

	Week Ended			Jan. 1 to Date	
Bituminous coal and lignite—	Nov. 23, 1946	*Nov. 16, 1946	Nov. 24, 1945	†Nov. 23, 1946	Nov. 24, 1945
Total, including mine fuel	6,400,000	12,640,000	10,340,000	483,086,000	518,625,000
Daily average	1,067,000	2,218,000	2,068,000	1,761,000	1,882,000

*Revised. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn Anthracite—	‡Nov. 23, 1946	§Nov. 16, 1946	Nov. 24, 1945	Nov. 23, 1946	Nov. 24, 1945	Nov. 27, 1937
*Total incl. coll. fuel	1,190,000	1,197,000	954,000	54,442,000	49,972,000	46,706,000
†Commercial produc.	1,144,000	1,151,000	917,000	52,343,000	48,048,000	44,371,000
Beehive Coke—						
United States total	77,500	109,800	75,100	3,882,000	4,765,800	3,016,700

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

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

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

	Week Ended		
State—	Nov. 16, 1946	Nov. 9, 1946	Nov. 17, 1945
Alabama	344,000	408,000	338,000
Alaska	7,000	7,000	7,000
Arkansas	41,000	35,000	36,000
Colorado	157,000	117,000	138,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,310,000	1,466,000	1,276,000
Indiana	537,000	533,000	458,000
Iowa	32,000	30,000	35,000
Kansas and Missouri	125,000	113,000	136,000
Kentucky—Eastern	1,240,000	1,093,000	1,080,000
Kentucky—Western	471,000	400,000	392,000
Maryland	53,000	44,000	38,000
Michigan	1,000	1,000	2,000
Montana (bituminous and lignite)	85,000	90,000	96,000
New Mexico	33,000	24,000	26,000
North and South Dakota (lignite)	76,000	84,000	68,000
Ohio	787,000	867,000	692,000
Oklahoma	63,000	52,000	61,000
Pennsylvania (bituminous)	2,944,000	3,165,000	2,573,000
Tennessee	132,000	144,000	149,000
Texas (bituminous and lignite)	2,000	1,000	2,000
Utah	146,000	150,000	132,000
Virginia	398,000	386,000	380,000
Washington	22,000	24,000	26,000
†West Virginia—Southern	2,442,000	2,249,000	2,140,000
‡West Virginia—Northern	956,000	1,009,000	1,016,000
Wyoming	234,000	207,000	220,000
§Other Western States	1,000	*	*
Total bituminous and lignite	12,640,000	12,700,000	11,518,000

†Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason and Clay counties. ‡Rest of State, including the Panhandle District and Grant, Mineral and Tucker counties. §Includes Arizona and Oregon. *Less than 1,000 tons.

Non-Ferrous Metals — Domestic Copper and Lead Prices Up—Foreign Market Also Rises

"E. & M. J. Metal and Mineral Markets," in its issue of Nov. 28, stated: "The price situation in domestic copper remained confused until Nov. 23, when the leading domestic producer withdrew the 17½¢ quotation and moved up to the 19½¢ basis. With consumption at record peacetime levels, sellers found most consumers eager to buy copper at the new price. The foreign market moved into a firmer position, folowing the rise in prices here. Nearby foreign metal was scarce and little obtainable this side of February. The RFC has decided to pay the duty on copper and lead imported after Jan. 1 and sell 'at the market.' The situation in both lead and zinc was unchanged. The tin program will be continued throughout the first quarter." The publication further went on to say in part as follows:

Copper

Price confusion existed in domestic copper on Nov. 21 and 22, but as Kennecott moved to 19½c, Valley basis, on Nov. 23, the market became established at the new level in all quarters. Several sellers sold freely at the higher level on the first day of the E.&M.J. week, resulting in an average price for the day of 19.400c, Valley. On the following day, however, the average was somewhat below 19c.

Foreign copper was firmer, under the influence of the higher domestic price. Sales booked abroad during the week showed a wide range. The government has purchased Chilean copper for first quarter 1947 delivery on the basis of 17c, f.o.b. port of shipment.

Consumption of refined copper in October, measured in terms of disappearance of metal at fabricating plants, amounted to 130,191 tons.

October deliveries of brass products amounted to approximately 225,000,000 lb., which compares with 221,000,000 lb. in September, CPA reports. Preliminary estimates place deliveries of wire mill products for October at 105,000,000 lb., against 102,000,000 lb. in September.

Lead

With the market firmly established on the basis of 11.80c per pound, New York, producers are confident that tonnages available to consumers from various sources will gradually increase. Lifting of price controls ended the agreement with Great Britain on allocation of foreign production. Unfortunately, car shortages continue to restrict the movement of metal from Mexico, which may result in a temporary shrinkage in offerings from that source for December delivery.

Sales of lead for the week that ended Nov. 27 totaled 4,625 tons.

CPA liberalized the use of secondary lead for production of replacement batteries, cable covering, and lead chemicals in the fourth-quarter period.

Production of refined lead in the United States in October was 43,062 tons, against 40,720 tons in September, according to the American Bureau of Metal Statistics. Shipments by domestic refineries in October amounted to 41,008 tons, against 34,047 tons in September. Production and shipments by the domestic industry, excluding lead released from Metals Reserve's stocks, since the beginning of the year, in tons:

	Production	Domestic Shipments
January	51,054	44,806
February	41,643	48,257
March	25,336	28,702
April	23,766	23,941
May	19,530	21,720
June	18,584	25,173
July	34,029	35,591
August	35,690	32,811
September	40,720	34,047
October	43,062	41,008

October production of refined lead consisted of 41,217 tons of primary metal and 1,845 tons of secondary treated by primary refineries and some secondary plants producing soft lead.

Stocks of refined lead in the hands of refiners at the end of October totaled 42,992 tons, against 40,944 tons a month previous.

Lead allocated from the Metals Reserve's stocks in October totaled 17,197 tons, against 16,072 tons in September.

Consumers obtained (shipments) 466,280 tons of refined lead in the first ten months of 1946, of which 336,056 was supplied by domestic refiners and 130,224 tons by Metals Reserve.

Zinc

The price situation in Prime Western was unchanged last week, producers holding to the 10½c East St. Louis basis.

St. Joseph Lead Co. raised its premium on Bunker Hill Special High Grade zinc to 1¼c., or ¼c above the previous differential. So far, other producers of this grade have not altered their selling basis. In announcing the change, St. Joe declared that the increase in the premiums should encourage a greater use of Regular High Grade zinc, of which there appears to be an ample supply. A higher selling basis should also stimulate production of Special High Grade, it is claimed.

Cadmium

Leading producers report that the price of cadmium, commercial sticks, will advance to $1.50 per pound, effective on business booked for December shipment. This represents an advance of 25c over the current quotation on November business. Some sellers moved up to $1.50 per pound earlier in the month.

Platinum

Demand was quiet and prices were unsettled. Refined platinum was quotable throughout the week at $67 to $72 per ounce troy, depending on quantity. Iridium was easier at $110. Ruthenium was unchanged at $70, and palladium was maintained at $24.

Nickel

Effective Nov. 25, International Nickel raised its contract price for nickel to 35c per pound, or to the same level that has prevailed for some time on spot business. The new price includes the existing 2½c import duty. General contract customers previous obtained nickel at 31½c.

A new product, nickel oxide sinter, is being developed for alloy steel manufacture, the company announced. A plant for producing the sinter is expected to be completed during 1947. Prices on sinter, a cheaper product, have not been announced.

Tin

CPA announced that the public purchases program, together with the controls on consumption, will continue throughout the first quarter of 1947.

Bolivia exported tin concentrates in October, containing 3,018 metric tons of tin, which compares with 3,407 tons in September. Exports during the first ten months of 1946 contained 30,863 tons of tin, against 35,475 tons in the same period last year.

"Grade A" tin continued at 70c per pound. Forward quotations were nominally as follows:

	Nov.	Dec.	Jan.
Nov. 21	70.000	70.000	70.000
Nov. 22	70.000	70.000	70.000
Nov. 23	70.000	70.000	70.000
Nov. 25	70.000	70.000	70.000
Nov. 26	70.000	70.000	70.000
Nov. 27	70.000	70.000	70.000

Chinese, or 99% tin, 69.125c.

Quicksilver

In the absence of any important business, sellers of quicksilver continued to mark time and prices were maintained at $89 to $93 per flask. Uncertainty over the sales policy of foreign producers is hanging over the market.

The quarterly statistics of the Bureau of Mines placed consumption for the July-Sept. period in this country at 7,300 flasks, against 8,400 flasks in April-June. Domestic production in the third quarter totaled 6,500 flasks, and general imports amounted to 8,002 flasks in the July-Sept. period.

Silver

Reduced offerings of silver from domestic sources are being offset by larger imports and increased supplies of scrap. The market was unchanged, the New York Official continuing at 90⅛c an ounce troy. London reports the market as steady at 55½d.

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

	Electrolytic Copper		Straits Tin,	Lead		Zinc
	Dom. Refy.	Exp. Refy.	New York	New York	St. Louis	St. Louis
Nov. 21	19.175	17.750	70.000	11.800	11.650	10.500
Nov. 22	18.600	18.050	70.000	11.800	11.650	10.500
Nov. 23	19.275	17.750	70.000	11.800	11.650	10.500
Nov. 25	19.275	17.925	70.000	11.800	11.650	10.500
Nov. 26	19.275	17.925	70.000	11.800	11.650	10.500
Nov. 27	19.275	18.050	70.000	11.800	11.650	10.500
Average	19.146	17.908	70.000	11.800	11.650	10.500

Average prices for calendar week ended Nov. 23 are: Domestic copper f.o.b. refinery, 18.338¢; export copper f.o.b. refinery 17.679¢; Straits tin, 70.000¢; New York lead, 11.800¢; St. Louis lead, 11.650¢; St. Louis zinc, 10.500¢; 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.

U. S. Must Pay for Indian Lands

A five to three ruling of the United States Supreme Court on Nov. 25 held that the Tillamook Indians and other tribes are entitled to compensation for lands in Oregon taken by the United States, it was reported in Washington advices of that date to the Associated Press. The opinion was written by Chief Justice Fred M. Vinson, and was the first delivered by him as presiding officer of the Court. A dissenting opinion written by Justice Stanley F. Reed was concurred in by Justices Rutledge and Burton. The Associated Press also said:

"Tribes or bands of the Tillamook, Coquille, Too-Too-To-Ney and Chetco Indians sued for payment on the grounds that they had possessory rights because of original Indian title. The lands involved are between the Pacific Ocean and the coast range of mountains.

"The United States Court of Claims decided the Indians were entitled to payment because of exclusive occupation of the lands from time immemorial. It decided that the amounts involved be determined in later proceedings.

"The Department of Justice appealed from this decision, asserting the United States had not recognized that the Indians had any right of occupancy in the areas they claimed. These areas were not listed in briefs filed with the court.

"Justice Vinson's opinion stated that the Indian tribes 'have satisfactorily proved their claim of original Indian title and an involuntary taking thereof.'

"'They are entiled to compensation under a jurisdictional act (of Congress) of 1935,' he added. 'The power of Congress over Indian affairs may be of a plenary nature; but it is not absolute.'

"The Chief Justice then cited a decision by the Supreme Court years ago. It asserted the power of Congress does not 'enable the United States to give the tribal lands to others, or to appropriate them to its own purposes, without rendering, or assuming an obligation to render, just compensation for them.'

"Justice Reed's dissenting opinion said he and Justices Rutledge and Burton believe their are 'no legal or equitable claims' growing out of the taking of the Indian lands involved.

N. Y. Savings Banks Continue Growth

A net gain in savings deposits of $39,247,397 for October was reported on Nov. 26 for the 131 mutual savings banks of New York State by Robert M. Catharine, President of the State Savings Banks Association. The total number of depositors served increased by 13,521 for a continuing high of 6,912,302.

The announcement of the Savings Banks Association further stated:

"Total deposits are maintaining their steady growth and are the highest with $8,958,383,259. At the same time, deposits and withdrawals during the first 10 months of 1946 have increased 34% over 1945. The gain in new accounts, totaling 13,521 for the month, exceeds the 9,201 gain in October a year ago. Deposits of the mutual savings banks gained $39 million during October as compared to $74 million in October, 1945. This represents the 53rd consecutive month in which savings banks have experienced a net gain in savings.

"Sales of United States Savings Bonds and Stamps during October amounted to $10,530,570. Redemptions at redemption value were $10,453,510."

Revenue Freight Car Loadings During Week Ended Nov. 23, 1946 Decreased 110,541 Cars

Loading of revenue freight for the week ended Nov. 23, 1946 totaled 806,583 cars, the Association of American Railroads announced on Nov. 29. This was an increase of 90,027 cars or 12.6% above the corresponding week in 1945, and an increase of 38,245 cars or 5% above the same week in 1944.

Loading of revenue freight for the week of Nov. 23 decreased 110,541 cars or 12.1% below the preceding week.

Miscellaneous freight loading totaled 407,213 cars, an increase of 9,579 cars above the preceding week, and an increase of 82,691 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 131,421 cars, an increase of 370 cars above the preceding week, and an increase of 25,213 cars above the corresponding week in 1945.

Coal loading amounted to 97,338 cars, a decrease of 93,776 cars below the preceding week and a decrease of 53,926 cars below the corresponding week in 1945, due to coal strike.

Grain and grain products loading totaled 50,710 cars, an increase of 1,800 cars above the preceding week, but a decrease of 62 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Nov. 23 totaled 33,256 cars, an increase of 2,233 cars above the preceding week but a decrease of 797 cars below the corresponding week in 1945.

Livestock loading amounted to 23,932 cars, a decrease of 2,800 cars below the preceding week but an increase of 2,539 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Nov. 23 totaled 19,033 cars, a decrease of 2,588 cars below the preceding week, but an increase of 2,268 cars above the corresponding week in 1945.

Forest products loading totaled 42,382 cars, a decrease of 5,136 cars below the preceding week but an increase of 14,515 cars above the corresponding week in 1945.

Ore loading amounted to 41,020 cars, a decrease of 18,630 cars below the preceding week but an increase of 19,167 cars above the corresponding week in 1945.

Coke loading amounted to 12,567 cars, a decrease of 1,948 cars below the preceding week and a decrease of 110 cars below the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
5 weeks of March	3,982,229	4,022,088	3,916,037
4 weeks of April	2,604,552	3,377,335	3,275,846
4 weeks of May	2,616,067	3,456,465	3,441,616
5 weeks of June	4,062,911	4,366,516	4,338,886
4 weeks of July	3,406,874	3,379,284	3,459,830
5 weeks of August	4,478,446	4,100,512	4,473,872
4 weeks of September	3,517,188	3,255,757	3,527,162
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
Week of Nov. 16	917,124	800,534	863,992
Week of Nov. 23	806,583	716,556	768,338
Total	37,658,275	38,372,554	39,709,213

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 23, 1946. During this period 99 roads reported gains over the week ended Nov. 24, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED NOV. 23

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	454	269	272	1,406	1,355
Bangor & Aroostook	2,073	2,294	1,838	461	329
Boston & Maine	7,717	6,136	6,245	13,934	12,368
Chicago, Indianapolis & Louisville	1,352	1,091	1,223	2,015	1,848
Central Indiana	29	17	31	31	39
Central Vermont	1,100	862	966	2,427	2,211
Delaware & Hudson	5,401	4,123	4,806	11,097	10,500
Delaware, Lackawanna & Western	7,777	6,442	6,909	9,335	8,346
Detroit & Mackinac	422	366	251	238	122
Detroit, Toledo & Ironton	2,435	1,577	1,616	1,746	983
Detroit & Toledo Shore Line	475	332	305	2,821	2,500
Erie	13,723	10,677	12,186	15,525	13,950
Grand Trunk Western	4,971	3,225	3,302	7,560	7,876
Lehigh & Hudson River	196	141	129	3,038	2,128
Lehigh & New England	2,700	1,543	1,758	1,414	1,197
Lehigh Valley	8,839	7,579	7,134	8,416	8,024
Maine Central	2,917	2,124	2,196	4,011	3,911
Monongahela	4,223	4,945	5,722	230	332
Montour	1,074	2,262	2,322	22	28
New York Central Lines	51,736	39,994	43,941	45,698	45,361
N. Y., N. H. & Hartford	10,859	9,307	8,469	15,639	13,991
New York, Ontario & Western	1,004	849	893	2,336	2,251
New York, Chicago & St. Louis	7,195	5,314	6,114	13,335	12,049
N. Y., Susquehanna & Western	385	381	413	1,470	1,964
Pittsburgh & Lake Erie	5,501	6,707	7,631	8,273	6,346
Pere Marquette	7,059	4,727	5,082	7,053	6,110
Pittsburg & Shawmut	667	700	769	18	19
Pittsburg, Shawmut & Northern	199	220	318	122	208
Pittsburgh & West Virginia	484	797	856	2,326	1,793
Rutland	432	351	312	1,349	1,034
Wabash	6,874	5,338	5,687	11,487	9,818
Wheeling & Lake Erie	4,747	3,970	5,249	4,187	3,444
Total	165,020	134,660	144,945	198,750	182,435
Allegheny District—					
Akron, Canton & Youngstown	773	544	705	1,305	1,079
Baltimore & Ohio	38,715	37,696	40,541	23,976	23,478
Bessemer & Lake Erie	3,719	2,927	3,568	1,825	1,937
Cambria & Indiana	741	1,173	1,510	5	7
Central R. R. of New Jersey	6,708	5,391	6,305	17,400	14,819
Cornwall	477	380	439	39	55
Cumberland & Pennsylvania	228	229	162	11	7
Ligonier Valley	120	36	89	18	5
Long Island	1,632	1,368	1,441	5,028	4,216
Penn-Reading Seashore Lines	2,179	1,567	1,661	2,055	1,774
Pennsylvania System	79,774	69,853	75,077	56,883	56,833
Reading Co.	16,846	12,846	13,950	22,346	23,343
Union (Pittsburgh)	18,909	17,471	19,408	5,619	4,311
Western Maryland	3,513	3,311	3,613	9,460	10,096
Total	174,334	154,792	168,469	145,970	141,960
Pocahontas District—					
Chesapeake & Ohio	17,623	24,989	27,673	12,208	12,713
Norfolk & Western	13,284	17,693	20,529	6,945	6,631
Virginian	1,596	3,997	4,646	1,309	1,662
Total	32,503	46,679	52,848	20,462	21,006
Southern District—					
Alabama, Tennessee & Northern	285	407	327	187	190
Atl. & W. P.—W. R. R. of Ala.	935	723	684	2,221	1,927
Atlanta, Birmingham & Coast	†	†	†	†	†
Atlantic Coast Line	15,977	12,969	13,349	11,096	10,239
Central of Georgia	4,295	3,453	3,274	4,802	4,470
Charleston & Western Carolina	495	385	384	1,367	1,350
Clinchfield	1,545	1,287	1,659	2,835	2,845
Columbus & Greenville	412	364	274	258	244
Durham & Southern	130	83	122	712	669
Florida East Coast	3,096	2,467	2,498	2,124	1,347
Gainesville Midland	80	57	33	83	110
Georgia	1,287	1,026	1,044	2,563	2,074
Georgia & Florida	437	375	476	757	790
Gulf, Mobile & Ohio	4,382	4,097	4,356	3,759	3,840
Illinois Central System	24,100	24,242	26,258	15,073	13,853
Louisville & Nashville	18,534	22,453	24,534	10,352	9,428
Macon, Dublin & Savannah	223	221	177	970	934
Mississippi Central	365	257	416	356	377
Nashville, Chattanooga & St. L.	3,223	3,008	3,332	4,368	3,965
Norfolk Southern	1,550	1,020	921	1,793	1,367
Piedmont Northern	487	339	366	1,547	1,432
Richmond, Fred. & Potomac	532	341	456	10,099	8,336
Seaboard Air Line	13,379	10,464	9,867	8,856	8,209
Southern System	26,994	23,174	23,168	23,785	22,755
Tennessee Central	656	489	635	858	705
Winston-Salem Southbound	151	127	179	1,093	889
Total	123,550	113,828	118,789	111,914	102,345
Northwestern District—					
Chicago & North Western	18,628	15,466	15,421	14,834	12,531
Chicago Great Western	2,704	2,621	2,294	3,729	2,983
Chicago, Milw., St. P. & Pac.	23,381	18,868	19,863	10,680	8,989
Chicago, St. Paul, Minn. & Omaha	3,745	3,609	2,920	4,123	3,655
Duluth, Missabe & Iron Range	14,057	2,610	796	271	230
Duluth, South Shore & Atlantic	500	369	447	533	443
Elgin, Joliet & Eastern	9,394	7,329	8,643	9,675	9,054
Ft. Dodge, Des Moines & South	465	390	310	118	94
Great Northern	16,408	14,757	11,926	5,804	4,920
Green Bay & Western	521	391	424	824	759
Lake Superior & Ishpeming	1,640	727	795	54	50
Minneapolis & St. Louis	2,345	2,062	1,924	2,787	2,106
Minn., St. Paul & S. S. M.	6,455	5,493	4,335	3,797	3,130
Northern Pacific	10,784	10,357	10,516	4,682	4,495
Spokane International	156	113	218	419	346
Spokane, Portland & Seattle	2,667	1,788	2,282	2,585	2,281
Total	113,850	86,950	83,114	64,915	56,066
Central Western District—					
Atch., Top. & Santa Fe System	27,607	21,241	23,243	12,919	10,163
Alton	2,036	2,665	3,547	2,363	3,122
Bingham & Garfield	380	183	379	68	52
Chicago, Burlington & Quincy	19,341	19,478	20,004	12,584	10,429
Chicago & Illinois Midland	207	2,619	2,795	677	747
Chicago, Rock Island & Pacific	14,351	12,272	11,970	10,322	11,324
Chicago & Eastern Illinois	2,375	2,473	2,649	3,291	2,984
Colorado & Southern	1,883	1,023	911	1,827	1,795
Denver & Rio Grande Western	3,663	3,963	4,747	4,800	4,735
Denver & Salt Lake	611	703	544	54	46
Fort Worth & Denver City	1,578	1,017	855	1,797	1,509
Illinois Terminal	2,124	1,617	2,106	1,639	1,307
Missouri-Illinois	1,336	1,103	1,247	520	455
Nevada Northern	1,536	1,319	1,783	174	145
North Western Pacific	850	568	7[illegible]	622	629
Peoria & Pekin Union	17	9	0	0	0
Southern Pacific (Pacific)	29,252	25,494	27,982	11,283	9,630
Toledo, Peoria & Western	§	§	348	§	§
Union Pacific System	21,254	18,709	19,998	15,037	13,130
Utah	546	769	485	5	5
Western Pacific	1,931	1,996	1,876	3,426	2,952
Total	132,878	119,221	128,212	83,408	75,159
Southwestern District—					
Burlington-Rock Island	295	259	317	434	336
Gulf Coast Lines	4,844	4,537	5,844	2,204	2,082
International-Great Northern	2,253	1,786	2,531	3,637	3,507
‡K. O. & G.-M. V.-O. C.-A.-A.	1,206	1,240	902	1,700	1,727
Kansas City Southern	3,215	2,515	5,027	2,742	2,728
Louisiana & Arkansas	2,183	2,278	3,340	2,209	2,633
Litchfield & Madison	406	309	277	1,293	1,243
Missouri & Arkansas	§	196	182	§	395
Missouri-Kansas-Texas Lines	5,924	5,298	6,083	4,370	3,546
Missouri Pacific	15,536	15,932	17,123	15,180	14,270
Quanah Acme & Pacific	174	133	64	287	115
St. Louis-San Francisco	9,647	9,530	9,159	7,465	7,346
St. Louis-Southwestern	3,124	2,832	3,630	5,372	5,048
Texas & New Orleans	10,110	8,927	11,840	5,980	5,231
Texas & Pacific	5,407	4,536	5,539	7,007	6,156
Wichita Falls & Southern	87	78	73	70	71
Weatherford M. W. & N. W.	37	40	30	22	17
Total	64,448	60,426	71,961	59,972	56,451

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

NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORT—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1946—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
Aug. 3	215,730	167,192	620,354	98	95
Aug. 10	156,766	163,034	610,459	96	95
Aug. 17	158,304	166,363	600,674	98	95
Aug. 24	146,057	168,120	578,276	100	95
Aug. 31	160,074	173,064	564,299	100	95
Sep. 7	192,978	138,189	615,865	83	95
Sep. 14	151,407	172,476	593,213	101	95
Sep. 21	156,822	169,143	579,500	100	95
Sep. 28	160,969	170,970	569,409	101	95
Oct. 5	223,117	172,354	619,581	100	95
Oct. 12	158,176	169,988	605,059	99	95
Oct. 19	155,589	161,534	598,569	98	96
Oct. 26	155,140	175,440	572,188	101	96
Nov. 2	205,422	174,752	601,787	100	96
Nov. 9	185,047	175,906	613,752	102	96
Nov. 16	138,100	170,411	580,331	101	96
Nov. 23	145,507	170,533	554,982	100	96

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

Oct. Gas Sales Up 9.7%

Continuing their rising trend, sales of utility gas to ultimate customers in October, 1946, totaled 2,041,981,000 therms, an increase of 9.7% over sales of 1,861,458,000 therms in October, 1945, the American Gas Association reported Nov. 29. The Association's index number of total gas utility sales stood at 174.7% of the 1935-1939 average. For the 12-month period ending Oct. 31, 1946, sales amounted to 26,022,092,000 therms, a decrease of 0.4% under the like period a year earlier when sales were 26,133,231,000 therms.

Natural gas sales for October 1946 amounted to 1,795,848,000 therms, a gain of 9.8% over October, 1945, when sales totaled 1,636,173,000 therms. This gain occurred despite the fact that total degree days in the natural gas territory were 23.9% lower this year than in October, 1945. The Association's index of October natural gas sales stood at 180.0% of the 1935-1939 average. For the 12 months ending Oct. 31, 1946, sales of natural gas were 22,648,935,000 therms, a decline of 0.9% compared with last year when sales were 22,865,257,000 therms.

Sales of mixed gas in October totaled 85,711,000 therms, an increase of 7.7% over a year earlier when sales were 79,617,000 therms. Total degree days in the mixed gas territory were 46.2% lower this year than in October 1945. The October 1946 index of mixed gas sales stood at 154.2% of the 1935-1939 average. For the 12-month period ending Oct. 31, 1946 sales of mixed gas were 1,230,565,000 therms, a gain of 4.1% over the like period a year earlier when sales amounted to 1,182,650,000 therms.

Sales of manufactured gas in October, 1946 amounted to 160,422,000 therms, a gain of 10.1% over sales of 145,668,000 therms in October last year. Total degree days in the manufactured gas territory this year were 43.7% lower than in October, 1945 and 40.6% lower than the October average during 1935-1939. The Association's index of manufactured gas sales on Oct. 31, 1946 stood at 137.7% of the 1935-1939 average. For the 12 months ending Oct. 31, 1946, manufactured gas sales gained 2.7%, totaling 2,142,592,000 therms against 2,085,324,000 therms sold in the comparable period a year earlier.

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

Weekly Lumber Shipments 7.9% Below Production

According to the National Lumber Manufacturers Association, lumber shipments of 431 mills reporting to the National Lumber Trade Barometer were 7.9% below production for the week ending Nov. 23, 1946. In the same week new orders of these mills were 15.8% below production. Unfilled order files of the reporting mills, amounted to 56% of stocks. For reporting softwood mills, unfilled orders are equivalent to 24 days' production at the current rate, and gross stocks are equivalent to 42 days' production.

For the year-to-date, shipments of reporting identical mills were 0.02% above production; orders were 0.8% below production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 30.6% above; shipments were 26.4% above; orders were 5.9% above. Compared to the corresponding week in 1945, production of reporting mills was 102.1% above; shipments were 89.6% above; and new orders were 43.7% above.

Items About Banks, Trust Companies

Frank K. Houston, Chairman of the Chemical Bank & Trust Company of New York announced on Nov. 27 the appointment of Charles F. Hennett and Herbert W. Nannen as Assistant Treasurers of the Bank. Mr. Hennett was formerly Assistant Branch Supervisor and Mr. Nannen was Assistant Branch Manager.

Williamson Pell, President of the United States Trust Company of New York, announced on Nov. 29 that the Board of Trust has appointed Archibald C. Curry, Russell H. Johnson, Jean Mauze and Joseph Pickard, Assistant Secretaries of the Company. The trustees at the same time declared a regular quarterly dividend, No. 235, of $8.75 per share, payable Jan. 2, 1947 to stockholders of record at the close of business Dec. 16, 1946.

The directors of The Public National Bank and Trust Company of New York, at a meeting held on Nov 27 declared a regular quarterly dividend of 50 cents per share payable Jan. 2, 1947 to shareholders of record, Dec. 20, 1946. The bank thus raises its quarterly dividends having this year previously, made 3 quarterly payments of 41¼% each on April 1, July 1 and Oct. 1.

Manufacturers Trust Company of New York announces that it has completed mailing to 103,623 Christmas Club members checks totaling $11,500,000. According to the company this is believed to be the largest Christmas Club distribution in New York City and the second largest in the United States.

Jacob Wohnsiedler, former Vice President of The National City Bank of New York, who retired in June of this year, died on Nov. 28 at the Methodist Hospital in Brooklyn, N. Y. after a brief illness. Mr. Wohnsiedler who was 67 years of age became a member of The National City Bank's staff in May 1900, and was for several years Secretary to a Vice-President. He was later assigned to the Telegraph Department, the work of which he thoroughly systemized. In 1906 he went to the Credit Department and from that position was advanced to Assistant Cashier in Feb. 1915. In Jan. 1919, he was appointed Assistant Vice-President and in Oct. 1920, when he had been with the institution twenty years, he was appointed a Vice-President. Mr. Wohnseidler had always been active in affairs of The City Bank Club, employees' organizaton of the Bank. He was a charter member of the Quarter Century Club.

Directors of the Lafayette National Bank of Brooklyn on Dec. 3 announced that, on Dec. 11, the bank will pay a 5% bonus to all officers and employees, with the exception of the two Senior officers. During the year, salaries of many employees, receiving up to $5,000 were increased approximately 10%. It was also announced that, starting Jan. 1, 1947, all bank salaries will be paid to employees weekly instead of semi-monthly.

The Brooklyn Trust Company of Brooklyn, N. Y. announced that its banking facility at the United States Maritime Service Training Station, in the Sheepshead Bay region of Brooklyn, will be discontinued on Dec. 16, at the request of the United States Treasury Department. The facility was opened on Jan. 8, 1945, at the request of the Treasury Department and the War Shipping Administration, and its services have been restricted to the personnel of the Training Station.

The Dime Savings Bank of Brooklyn, N. Y. long a pioneer in the field of low-cost amortized home loans, offers a new service to its mortgage-borrowers — a Mortgage Cancellation Plan designed to assure the families of home owners and home buyers a debt-free home should the borrower die before the debt is paid. The advices in the matter state:

"This plan, announced by George C. Johnson, President of The Dime Savings Bank of Brooklyn, will enable mortgage borrowers, at a minimum cost, to arrange for insurance which will automatically cancel the remaining mortgage debt in the event of their death. Mortgage-Cancellation insurance is now available, in conjunction with any of The Dime's' economical monthly-payment mortgage plans. Those seeking this type of mortgage loan may apply, as well as home owners who wish to refinance their old-fashioned fixed mortgage loans. For a borrower (at age 35), with a $5,000 mortgage, payable monthly over 20 years, the cost of this insurance is only $2.85 per month, in addition to his rent-like payment of $31.65, which includes interest and principal. One monthly payment includes them all.

"The Dime Savings Bank of Brooklyn and The Prudential Insurance Company of America, through the brokerage firm of Dunn and Fowler, have worked out this new Mortgage-Cancellation insurance for home owners and home buyers who wish to protect their families, and provide them a debt-free home."

The New York State Banking Department announces that on Nov. 15 approval was given to the of Adirondack Trust Company of Saratoga Springs, N. Y. to a Certificate of increase of capital stock from $250,000, consisting of 2,500 shares of the par value of $100 each, to $500,000, consisting of 5,000 shares of the par value of $100 each.

Merger of the Bank of Attica, Attica, N. Y. into the Marine Trust Company of Buffalo, effective on Dec. 2, has been approved by stockholders of both institutions, President Charles H. Diefendorf of the Marine and President John B. Ulmer of the Attica bank on Nov. 26.

The Buffalo "Evening News" advices of Nov. 27 also point out that:

"The Bank of Attica will be operated as a branch of the Marine and will be managed by Mr. Ulmer, who will become a Vice-President of the Marine, the announcement said. Fred J. Schreiber, now Cashier, will become an Assistant Secretary.

"A new Advisory Committee will consist of Mr. Ulmer, W. E. Hopkins and A. L. Young, both of whom have been directors of the Bank of Attica for more than 40 years.

"The Bank of Attica, in which a controlling interest was acquired recently by Marine Midland Corporation, was established in 1856. Its capital, surplus and undivided profits are more than $300,000 and its deposits above $3,000,000, Mr. Ulmer said."

The Genesee Valley Trust Company of Rochester, N. Y. on Nov. 14, received approval from the New York State Banking Department to increase the capital from $1,250,000, consisting of 50.000 shares (par $50) to $1,562,500, consisting of 62,500 shares, par $25 each.

Plans for opening of a branch bank in West Hartford, Conn. by the Hartford National Bank & Trust Company of Hartford, were announced on Nov. 26, by Robert B. Newell, President. The Hartford "Courant" of Nov. 27 making this known said it will be designated as the West Hartford Center Branch of the Hartford National Bank & Trust Company and will be located at 956 Farmington Avenue.

J. Aubrey Anderson, President of the Montgomery Trust Company, Norristown, Pa. died on Nov. 24, at the age of 64. The Philadelphia "Inquirer" of Nov. 25 stated that Mr. Anderson entered the banking field first in 1921 when he was appointed President of the Bridgeport National Bank, Bridgeport, Pa. In 1924 he became head of the Norristown Trust, a position he held until his death. He was formerly District Attorney of Montgomery County.

Robert C. Downie, President of the Peoples First National Bank and Trust Company of Pittsburgh, Pa. announced on Nov. 21, the reelection (following a brief withdrawal) of George H. Bucher as a director of the bank. The Pittsburgh "Post Gazette" notes that, Mr. Bucher, is Vice-Chairman of the Westinghouse Electric Corporation.

Stockholders of the Altoona Trust Co. of Altoona, Pa. will meet on Jan. 14 to vote on retiring the remaining $238,390 preferred stock owned by the Reconstruction Finance Corporation; through increasing the common stock from $275,000 to $525,000 by payment of common stock dividend and sale of 11,250 common shares, to be offered present stockholders at $16 a share. Information to this effect was contained in Altoona advices to the Philadelphia "Inquirer" of Nov. 21.

The office of the Comptroller of the Currency announces that on Nov. 5 a charter was issued for the First National Bank of Middletown, Ohio. The capital $400,000 consists of all common stock. The President is Calvin Verity; Cashier, J. F. Mulligan. The bank represents a conversion of The First-American Bank & Trust Company, of Middletown.

By the declaration of a $300,000 stock dividend, the Merchants National Bank of Muncie, Ind. has raised its capital stock from $450,000 to $750,000, it is learned from the Nov. 25 bulletin of the Comptroller of the Currency.

The Central National Bank in Chicago announced on Nov. 30 a stock dividend of 10,000 shares and an offering for sale of another 10,000 according to the Chicago "Tribune" of Dec. 1, which added:

"The shares were provided recently when stockholders voted to increase the capital stock by 20,000 shares.

"The dividend, second such payment in two years, will be distributed on the basis of one share for each seven held. The distribution will be made immediately after the new stock is issued, said Carl F. Kuehnle, President.

"The stock to be sold will be subject to stockholders' rights to buy one new share for each six now held. The new $10 par value stock will be priced at $30 a share."

John H. Hart and Benjamin G. Vernor, veteran Detroit bankers, will retire Jan. 1, it was stated in the Detroit "Free Press" of Nov. 27 which added, both have been Vice-Presidents of the Manufacturers' National Bank since its opening in 1933.

Mr. Hart started his career with the Commercial National Bank of Detroit in 1893. Mr. Vernor first joined the Detroit National Bank in 1890.

The office of the Comptroller of the Currency reports that the National Bank of Jackson, at Jackson, Mich. increased its capital on Dec. 6 from $300,000 to $400,000 by a stock dividend of $100,000.

In the Louisville "Courier Journal" of Nov. 19 Donald McWain, Financial Editor of that paper stated that announcement of the retirement of John L. Dodd, Vice-President, Secretary and director of the Bank of Louisville, was made on Nov. 18 by Jesse Streng, President, Mr. Dodd has held these positions since the founding of the organization as the Morris Plan Bank in 1925. He will continue as a director.

A reference to the change in the name of the Morris Plan Industrial Bank of Louisville to the Bank of Louisville appeared in our May 2 issue, page 2428.

The First National Bank of Shreveport, La. announced an increase in its capital and surplus effective Nov. 19; the capital has been increased from $1,000,000 to $1,500,000 and its surplus from $2,000,000 to $2,500,000, the capital and surplus thus totaling $4,000,000. The bank was established on July 2, 1877, as the private banking house of E. and B. Jacobs, with a cash investment of $50,000. On Nov. 2, 1886, a National Charter was granted in the name of The First National Bank of Shreveport. Its capital in 1886 was increased to $200,000, and in 1946 has grown to the figures indicated above. At the end of 1887 the total resources were $381,020; at the end of 1945 they were $96,595,307.

Oct. Life Ins. Purchases 47% Over Year Ago

Life insurance purchases in the United States in October showed an increase of 47% over purchases in the corresponding month of last year and were 71% over the aggregate reported for October in prewar 1941, it was reported on Nov. 20 by the Life Insurance Agency Management Association of Hartford, Conn. Total purchases in October were $1,796,548,000 compared with $1,221,831,000 in October of last year and $1,051,569.000 in October, 1941. The Institute said:

"Purchases of ordinary life insurance in October were $1,250,627,000, up 45% over October a year ago and nearly twice the total in October, 1941. Industrial life insurance purchased in October amounted to $347,220,000, an increase of 29% over the corresponding month last year and 16% over October, 1941.

"Group life insurance purchases were $198,701,000 in October, an increase of 123% over October a year ago and 113% over the figure for October, 1941. These purchases represent new groups set up and do not include additions of insured personnel under group insurance contracts already in force.

"In the first 10 months of the year total life insurance purchases were $17,731,564,000, an increase of 54% over the first 10 months of 1945 and 88% over the corresponding period of 1941. Purchases of ordinary life insurance accounted for $12,752,418,000 of the 10 months' aggregate, an increase of 60% over last year and well over twice the 1941 total. Industrial life insurance purchases represented $3,336,805,000 of the current year's total, an increase of 30% as compared with last year, while group life insurance purchases amounted to $1,642,341,000, an increase of 67% as compared with the first 10 months of last year."

Byrnes Reports on Shooting of Ukrainian Delegate

An official reply to the charges of Dmitri Z. Manuilsky, Ukrainian Foreign Minister, that a premeditated attempt had been made on the lives of two Ukrainian delegates and that the shooting of a member of his delegation, Gregory Stadnik on the night of Nov. 20 had political connotations, was made to Mr. Manuilsky on Nov. 27 by Secretary of State James F. Byrnes, who had received a full report of the incident from Arthur W. Wallender, Police Commissioner of New York, where the shooting occurred.

Adding his personal regrets to those of the U. S. Government already expressed by the Acting Secretary of State, Mr. Byrnes enclosed with his letter to Mr. Manuilsky a copy of the Police Commissioner's report which had been sent to him by New York's Mayor William O'Dwyer, according to advices to the New York "Times" on Nov. 29. Mr. Byrnes pointed out that the Police Commissioner did not believe that, based upon the evidence, the shooting was a premeditated attempt to kill two members of the Ukrainian delegation, but had occurred during a hold-up of a delicatessen store which Mr. Stadnik and his companion had entered.

The Secretary of State assured the Ukrainian Foreign Minister that everything possible would be done to apprehend the robbers and punish them for their crime and expressed the hope of Mr. Stadnik's early recovery.

Soviet newspapers on Nov. 22 had displayed accounts of the shooting prominently and Associated Press dispatches from Moscow on that day indicated that indignation among the Russians was widespread because better protection had not been afforded a delegate. However, the reports added that the Russians appeared certain to expect that the United States would show good faith by doing all possible to apprehend those responsible for the attack.

War Surplus Sales Criticized by Byrd

In a statement, as Chairman of the Joint Congressional Committee on Reduction of Nonessential Federal Expenditures, on Nov. 26, Senator Byrd (D.-Va.) declared that much war surplus was "being sold for only a fraction of what should and could be received in the open market," according to Associated Press advices from Washington. Stating that the War Assets Administration has obtained about $21.5 billions worth of surplus property so far and sold $6.3 billions worth for $2.1 billion, the Senator, whose Committee is conducting an over-all survey of disposal of war surpluses, asserted that the rate of sales is now decreasing while thousands of new employees are being added to war assets payrolls. From the Associated Press we also quote:

"The Senator reported that the first surplus sales showed a loss of 52% of original cost, while in more recent sales the loss has increased to 66%. He said the War Assets Administration payroll increased from 27,426 in March of 1946 to 53,641 on Sept. 30.

"There has been some improvement in surplus disposals under the newest administration, he said, but added that 'much still remains to be done before it will be placed on a sound business-like basis.'"