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Procedure in Merging US-UK Zones in Germany

Preparations leading to bizonal agreement revealed to the "Chronicle" by General Draper. Joint action contemplates common living standard; cooperative use of available resources; common import and export policies.

WASHINGTON, Dec. 6, 1946.—On Dec. 2 Secretary of State James F. Byrnes and British Foreign Secretary Ernest Bevin announced the agreement of the two governments concerning the financing of the merger of the American and British zones of occupation in Germany, the pooling of the resources of the two zones, and related matters.

Wm. H. Draper, Jr.

While in Berlin some weeks ago the "Chronicle's" correspondent obtained from Brigadier General William H. Draper, Jr., an account of the various steps which had been taken in preparation for the merger, starting in July 1946, when Secretary Byrnes, despairing of any early quadripartite agreement on the economic unification of Germany, offered to join the American zone with that of any of the other three occupying powers willing to do so. That offer, of course, was accepted by the United Kingdom.

As related by General Draper, preparations for the establishment of bizonal executive agencie were well advanced by the end of September in the fields of economics, food and agriculture, transportation, and finance. Basic agreements had been negotiated by German officials on the basis of broad structures outlined by the U. K. and U. S. military governments. The development of these agencies naturally will influence the operations of the military government in both zones.

Nine days after Secretary Byrnes' open invitation mentioned above in the quadripartite Allied Control Council in Berlin, General McNarney, the United States representative, extended the formal invitation on behalf of the U. S. Government to enter into administrative arrangements which would assure the economic unification of the zones entering into such arrangements. The General stated that the proposed arrange-

(Continued on page 3130)

Women's Role in Industrial Peace

By MRS. La FELL DICKINSON*
President, National Federation of Women's Clubs

Calling upon labor and management to speak each other's language, Mrs. Dickinson urges women be given more representation and voice in settling industrial disputes. Lays inability to effect industrial peace to: (1) unwillingness of management to share profits or dividends with labor; (2) lack of mutual understanding by both management and labor of each other's viewpoints; and (3) failure of both labor and management to take women into their councils. Urges getting rid of John L. Lewis.

Some years ago Yale University decided to give the Swedish Ambassador an honorary degree. When President Seymour gave the citation he presented it in Latin. And much to the surprise of everyone present, including President Seymour, the Swedish Ambassador replied in Latin—whereupon one Yale professor was heard to say to another, "I didn't know Seymour knew the Swedish language, did you?"

LaFell Dickinson

It is very important that we understand the language we are speaking in.

Certainly, management and labor think they speak each other's language. They are very honest in their opinions. But women in this country wonder if they really do.

One of the great puzzles to women is why management and labor cannot get together—with the best brains of the country represented in the two groups. When I talk with my labor friends, I am given the impression that all managament wears horns. When I talk with management, I am convinced that labor is led by unscrupulous ruffians who lead unwilling workers far astray and that labor is the disturbing element in our life today. Nobody seems to think of the great part of the public that belongs neither to one group nor the other.

While I do not believe in self-pity, I do feel that women in this country who cannot be classed in either group are very much up against it—being squeezed in between the two. I almost believe

(Continued on page 3129)

*An address by Mrs. Dickinson at the 51st Annual Congress of American Industry conducted by the National Association of Manufacturers, New York City, Dec. 5, 1946.

What May Be Expected from Washington

By ROGER W. BABSON

Mr. Babson forecasts changes in Wagner Act, but foresees President Truman still holding to the left in belief that this is his only opportunity for reelection. Predicts World War II will end officially on June 30, and that U. S. foreign policy will be unchanged. Looks for an increase in minimum wages.

My "Prediction of Things to Come" will appear in this paper last week in December, but in the meantime the following suggestions as to what may be expected from Washington will be interesting: A Republican House should amend the Wagner Act, reduce prices and be fairly liberal to the farmers. The President, however, will still hold to the left believing this is his only opportunity of ever being reelected.

Roger W. Babson

When Will World War II End?

World War II will formally be ended before the close of the fiscal year June 30, 1947. This means that the President's power to draft men, seize plants, and control prices, rents, etc. may continue throughout 1947. This, likewise, applies to priorities on building materials. The few subsidies which remain will go out the window June 30, 1947. Farm

(Continued on page 3129)

GENERAL CONTENTS

Editorial

*Omitted this week.

As We See It

EDITORIAL

John L. Lewis, as always wholly unpredictable, has sent his miners back to work. What effect this maneuver will have upon wages and working conditions under which the diggers of coal will work or upon the movement toward another general rise in wages throughout industry remains for the future to disclose. It is unlikely that it will halt the plans of Congress to go to work early next year on some sort of program of labor legislation, even if it in some degree "takes the edge off" the vigor and enthusiasm with which these tasks are undertaken. No one whose opinion is worthy of much respect doubts for a moment that Congress should go to work on existing labor laws, or indeed, that action of this sort is "long overdue."

Thoughtful observers everywhere, however, fully understand that hasty action on the part of our national lawmakers might well leave the situation worse than it found it. It is universally agreed that Congress—and the political party which controls the actions of Congress—must act wisely as well as vigorously. Legislation designed to reach some particular group or individual whose conduct has been especially obnoxious, or action which has the effect chiefly of affording emotional satisfaction to the millions now grown tired of abuses which have developed as a part of the so-called "labor movement" is certain to do more harm than good. On all this careful students of the situation are unanimous.

Fundamental Approach Needed

It is much less easy to say precisely what ought to be done in the premises, and one of the greatest hazards in the situation stems from what appears to us to be quite general, failure to get at fundamentals. It has long appeared to us that many from whom we have the right to expect better

(Continued on page 3124)

From Washington Ahead of the News

By CARLISLE BARGERON

Well sir, the American people seem to have conquered another crisis. In a way, it is amazing that they do these things—conquer crises—but it makes them a very conquering people, indeed. Apparently when they put their shoulders to the wheel, they are unbeatable.

Being the hardy and resourceful people that we are, it was a foregone conclusion that when we were confronted with the problem of John L. Lewis, that we should be able to rise in our might and challenge him.

Carlisle Bargeron

Yet, you can't escape the manner in which we arose to this emergency. When you realize it, you shudder and think that a false step would have let us in for disaster, for totalitarianism or something of the sort. Your correspondent shakes to think what might have happened had not Mr. Truman gone to the annual dinner of the White House Photographers' Association just shortly after John L. had acted up.

You can understand just why John L. acted up. It has been widely advertised that he is a Republican. Your correspondent wonders just what John L. is, but in his role of being a Republican, he knew just what was in the offing for labor leaders, not labor who voted plenty Republican in the last campaign, but labor leaders to whom Roosevelt gave great power just as he did to all political bosses who would play ball with him.

Lewis' idea was to jump ahead of the shape of things to come. It was to be his last accomplishment. In the spring, your correspondent understands, industry is prepared to meet the exorbitant demands of labor leaders with a "Go to Hell!" But John, having been highly embraced of recent months by industrialists as a "labor statesman," or also having

(Continued on page 3127)

Labor Policy on Productivity Gains

By SOLOMON BARKIN*
Director of Research, Textile Workers Union, CIO

Labor economist attacks lack of coordination in our economy of individualism, and contends we must evolve new forms of social direction. Says agreement must be reached as to methods of distributing benefits of increased productivity and that major form of distribution should be higher wages rather than higher profits and more invested capital, which, he claims, "aggravates our economic imbalances." Calls on management to furnish proof it transmits benefit of higher productivity in form of lower prices.

This is a propitious moment for a discussion of the distribution of the benefits of industrial efficiency. We passed through one crisis in the years 1945-46 and failed to wrestle rationally with our basic problems. The agencies dedicated to the development and enforcement of a concerted economic policy were frustrated by large pressure groups, representing employer and property interests and then hastily destroyed. Again, we are listlessly moving toward the familiar economic pattern of a competitive society in which private price, production and other monopolistic controls go hand in hand with protective legislative supports. The insistent demand for the release from controls whipped up in part by the National Association of Manufacturers and similar organizations left us with few benefits from our wartime experience. The desire for open economic conflict based on power was so great that few stopped to consider which of the wartime institutions and controls would be necessary in our civilian economy.

Solomon Barkin

Because we scrapped hastily, we must start over again to find solutions for economic problems which baffled us before the war. That is why public discussions are now increasingly returning to the issues current during the thirties. The major problem of the day is when and how deep will be our recession which is politely referred to as a price correction. But we are aware that somehow we have passed beyond the stage when we can merely discuss these matters. Solutions and action are urgent. We cannot enjoy the luxury of free experimentation with policies and practices. Economic conflict is costly. National industrial strikes by labor; by producers who sabotage our economy by failing to utilize full capacity and set prices at low break-even points; by sellers who withhold goods or who overcharge, all are challenges to which we cannot remain indifferent. All of them are sanctioned, if not encouraged, by our legal and economic system. We know how they dampen production; how they create cleavages; how they undermine our influence in the world; and how they threaten to precipitate another depression with catastrophic international results. They are estranging the rest of the world.

The other countries are creating nationally coordinated states directed toward defined national objectives, free we hope of aggressive nationalistic intentions. They are husbanding their meager energies and capital to create this economy. We, on the other hand, are returning to an economy where power is supreme. We are relying on uncoordinated individual acts to shape our pattern. But we find serious new problems of power. The older position of capital and management is now in question. A new cooperative relationship of the older and newer economic interests must be evolved. We are doing little however to provide constructive channels for their cooperation. Can we afford these contests of power to be resolved freely without direction?

Must Evolve New Forms of Social Direction

This shift in emphasis from national policy to our traditional economic pattern of uncoordinated activities emphasizes the importance of the economic decisions at the plant and industrial level. Until we evolve new forms of social direction, we must assure ourselves that the policies pursued by these economic units promote a sound, progressive and stable economy. We know from the past that left to their own devices and self-interest, these units will willy-nilly bring us to depression and economic calamity. Possibly we may find a way out by having the different economic groups voluntarily accept policies necessary for our national well-being, and secure their observance through self-discipline. Such shaping of common policies constitutes our present hope for orderly economic progress.

The agenda for such policy declarations would be quite a long one. Foremost among the subjects would be the distribution of national income. One phase of this problem relates to allocating the benefits of increases in productivity. This challenge is particularly pressing as the magnitude of these benefits is likely to assume gigantic proportions in the near future. The commodities and services produced per man-hour doubled during the first four decades of this century. There is every indication that the rate is likely to be speeded by organized research, management engineering methods and the growth of scientific knowledge and increase of materials. The decisions concerning the distribution of these benefits therefore assume tremendous importance. They will determine whether increased productivity will precipitate personal tragedy, as it certainly has in the past; whether it will be followed by economic expansion; whether the benefits will be shared by the people as a whole; whether it will aggravate the uneven distribution of income and thereby hasten the oncoming of depressions; and whether social unrest will be intensified.

Distributing Benefits of Increased Productivity

An agreement on the distribution of the benefits of increased productivity is vital to a peaceful solution of our problems of industrial relations. We are constantly seeking objective guides to assist collective bargaining. Prior to the war, the need was not so acute since mass unionism had just appeared. Unionism had first proved its capacity to survive.

During the war, we had such guides through a national agreement on economic stabilization which were more honored in the breach than in the observance.

(Continued on page 3128)

*An address by Mr. Barkin before the American Society of Mechanical Engineers, New York City, Dec. 3, 1946.

Council Issues 1945 Report on Default Status Of Foreign Bonds

Foreign Bondholders Protective Council, Inc., releases 1945 report covering $4.5 billions of publicly offered dollar bonds, of which 45.8% are in default. Acceptance of Brazilian and Canadian adjustments reduced default ratio by 3.6%. Most European issues in default, while Latin America defaulted issues exceed 60%.

Foreign Bondholders Protective Council, Inc., 90 Broad Street, New York 4, N. Y., on Dec. 9, announced publication of its 1945 Report covering approximately $4.5 billions of publicly offered dollar bonds issued or guaranteed by foreign governments and their political subdivisions.

Default Status

The Council reports that of the $4,456,817,071 foreign dollar bonds outstanding at the end of 1945, $2,041,111,686 were in default. This figure, representing 45.8% in default, is a reduction of about 3.6% over 1944, mostly accounted for by acceptances of the Brazilian and the Canadian provincial and municipal adjustment plans. If Canadian dollar bonds were excluded from the 1945 figure, the percentage of remaining outstanding dollar bonds in default would exceed 69.3%. The 1945 figures show defaults on dollar bonds of Europe at 86.8%, of Latin America at 60.1%, of the Far East and Africa at 56.3%, and Canada at 0.3%. Canada had no default as to her national or guaranteed issues. The greatest percentage of defaults were as heretofore, on national issues, with municipal, government guaranteed, and provincial issues following in that order.

Status of Service by Areas

Europe—Of the $1,095,743,676 dollar bonds outstanding at the end of 1945, full service was being made on $144,798,700, or 13.2%, while there were defaults on $950,944,976, or 86.8%, as to current service of interest, sinking fund or principal. Of the amount in default, national and guaranteed issues accounted for over 78.9%. **Finland, France,** and **Ireland** were the only European countries in which there was no default whatsoever on any issue of outstanding dollar bonds. **Belgium** paid full service on certain numbered national bonds, and while Antwerp was in default at the end of 1945, interest service was resumed and several years of arrears paid off early in 1946. The sinking fund is still in default. **Czechoslovakia,** in complete default at the end of 1945, offered adjustments on her State and Prague bonds during 1946, reducing interest to 6% for the future. **Denmark** was paying full interest on all issues, but had sinking fund and principal defaults. **Norway** continued to meet full service on its national and guaranteed bonds, but had defaults in sinking fund on departmental and municipal issues. There were complete defaults on all dollar bond issues of 13 countries—**Austria, Bulgaria, Danzig, Estonia, Germany, Greece, Hungary, Italy, Lithuania, Poland, Roumania, Russia,** and **Yugoslavia.** Since going to press, Poland has expressed the hope that negotiations for resumption of payments may be possible within the next year.

Latin America—Of the $1,317,089,249 dollar bonds outstanding at the end of 1945, full service was being made on $525,955,788, or 39.9%, while there were defaults on $791,133,461, or 60.1%, as to current service of interest, sinking fund or principal. National government issues—direct and guaranteed—accounted for over 82% of these defaults. **Guatemala** continued to fully serve all her outstanding dollar bonds. Full service was made on **Argentine** national bonds, as well as the readjustment issues of the provinces, and late in 1946, all national dollar bonds were called for redemption, together with those of the Provinces of Mendoza and Santa Fe. **Cuba** maintained full current service on all issues, except the Public Works bonds not yet exchanged under the readjustment plan of 1938. **Dominican Republic** paid full service on its bonds accepting the readjustment plan and paid full interest on the balance, but was in default as to principal on those bonds not accepting the plan. **Panama** paid full service on national issues, except those not accepting the 1941 adjustment offer, and except, also, as to the corporate guaranteed issues redeemed, however, early in 1946. **Uruguay** paid full service on her readjustment and conversion bonds, having defaults only as to those issues of the nation and Montevideo not yet accepting the debt offers. **Haiti,** while meeting full interest, had not paid full contract sinking fund for eight years. Approximately 76% of **Brazilian** national, state and municipal dollar bonds had accepted the 1943 debt plan to the end of 1945 and were being fully served, the unassenting bonds in default, therefore, amounting to 24.4%. One national and one municipal issue of **Colombian** bonds were being fully served, but all others were in default, including all departmental issues. **Ecuador** and **Mexico** had default records of 31½ years on some issues, and of 23 and 16½ years on others. **Mexico** made an offer in 1942 on one national and one guaranteed dollar issue, but the state bonds and the expropriated railway bonds continued in complete default, as did also 48% of the national and guaranteed issues, whose holders had not accepted the offer calling for a principal reduction of approximately 80%, and service in pesos with an option to receive dollars. All outstanding dollar bonds of **Bolivia** and **Peru** had default periods running 15 and 14 years, respectively. None of the **Chilean** bonds was paying current service, but Chile has been offering some small interest during the past 11 years for coupons in arrears under a unilateral debt plan. All dollar bonds of **Costa Rica** had been in default since 1941. **El Salvador,** at the end of 1945 was in default—eight years as to some bonds and 14 years as to others, but made an adjustment offer to its bondholders in 1946.

Far East and Africa—Of the $522,161,409 dollar bonds outstanding at the end of 1945, full service was made on bonds of **Australia** and **Liberia** totaling $228,177,000, or 43.7%, while there were defaults on all bonds of **China** and **Japan** totaling $293,984,409, or 56.3%.

Canada—Dollar bonds outstanding totaled $1,521,822,737, of the Dominion, the provinces and the cities—direct and guaranteed—with full service made on all issues excepting $5,048,840, or 0.3%, which were provincial or municipal obligations.

Annual Contract Interest

Interest on dollar bonds outstanding at the end of 1945, if met at full contract rates, would call for payments of approximately $219,800,000 annually. This computation was based on original contract rates as to $3,887,000,000 bonds, and at adjusted rates accepted by bondholders as to $570,000,000 bonds.

By areas this annual interest payment would be divided as follows:

$65,300,000 from Europe
65,100,000 from Latin America
28,900,000 from Far East and Africa, and
60,500,000 from Canada.

The average annual contract interest rate on all outstanding foreign dollar bonds was shown to be 4.93% as of 1945, the rates by areas being 5.96% for Europe, 4.95% for Latin America, 5.53% for the Far East and Africa, and 3.98% for Canada.

U. S. Study Urges Guaranteed Yearly Pay

In an interim report released on Nov. 30 recommendations were made under a government study that a guaranteed annual wage for workers be considered an aid to stabilizing the economy and maintaining enduring prosperity, according to Associated Press Washington advices. The findings were given by Murray W. Latimer, former Chairman of the National Railroad Retirement Board, who is director of the study which was made at White House direction.

Opposition has long been expressed in many industrial quarters to the guaranteed wage idea on the ground that much money would be lost if wages had to be paid for a year to workers laid off. Mr. Latimer's report held that even in most seasonal industries wage guarantees can be greater without increasing costs to employers by more than 6% if coordinated with the existing system of State unemployment compensation. Associated Press advices further stated:

The report urged that the Federal and State Governments take steps by broadening present unemployment compensation benefits and extending special tax exemptions to encourage more widespread acceptance of the guaranteed wage plan. The report continued:

"The study has recognized that the guaranteed wage system is not a panacea for the insecurity of our economic system, that it cannot in and of itself eliminate the fluctuations in the economic system.

"On the other hand, it is quite clear that widespread wage guarantees can make a substantial contribution to the stabilization of the economy through the stabilization of wage earner income and hence of consumer expenditures."

The report recognized that other factors must be considered "beyond the immediate expenditures for consumer goods of the recipients of guaranteed wages." It disclosed that a companion survey—as to the plan's "over-all economic influence"—is being completed.

This phase of the study is being done by Professors Alvin H. Hansen of Harvard, former Economic Adviser to the Federal Reserve Board, and Paul A. Samuelson of the Massachusetts Institute of Technology.

In connection with Mr. Latimer's study, the Congress of Industrial Organizations reiterated today that Mr. Latimer had been ordered by the Office of War Mobilization and Reconversion to wind up his work by Dec. 31. The CIO, which has long been encouraging the government study, said in its weekly newspaper that OWMR's action would cause the study to be abandoned before "certain vital aspects" are satisfactorily completed.

Mr. Latimer told a reporter he had "received no such orders" and the study group still has sufficient funds remaining from its $250,000 allocation to "run for several months additional."

The report said that reserves in the State Unemployment Compensation funds are large enough to warrant increasing the benefits a jobless worker may receive, both as to amount and duration of payments. It suggested $25 to $30 a week for 26 to 30 weeks.

Ultimate Objectives

"The union as well as the employer should be obligated, by law, to bargain collectively in good faith, provided that a majority of the employees in the appropriate unit wish to be represented by the union. . .

"The union as well as the employer should be obligated by law, to adhere to the terms of collective bargaining agreements. Collective bargaining agreements should provide that disputes arising over the meaning or interpretation of a provision should be settled by peaceful procedures. . . .

"Monopolistic practices in restraint of trade are inherently contrary to the public interest, and should be prohibited to labor unions as well as to employers. . . .

"No strike should have the protection of law if it involves issues which do not relate to wages, hours or working conditions, or demands which the employer is powerless to grant. . . .

"No individual should be deprived of his right to work at an available job, nor should anybody be permitted to harm or injure the employee, or his family, or his property, at home, at work or elsewhere. Mass picketing and any other form of coercion or intimidation should be prohibited. . . .

"No employee or prospective employee should be required to join or to refrain from joining a union, or to maintain or withdraw his membership in a union, as a condition of employment. . . .

"The preservation of free collective bargaining demands that government intervention in labor disputes be reduced to an absolute minimum. The full extent of government participation in labor disputes should be to make available competent and impartial conciliators."—Industrial Relations Committee of the NAM.

We doubt if even intelligent labor leaders would quarrel much with the ultimate objectives sought here. If there is rather too much inclination to resort to the familiar "there-ought-to-be-a-law" philosophy, it is in that respect in accord with established American custom.

Railroads Awarded 17.6% Freight Rate Rise—Passenger Fare Boost of 10% Made Permanent

The Interstate Commerce Commission on Dec. 6 authorized freight rate increases for railroad and water carriers of nearly $1,000,000,000 a year, effective Jan. 1, 1947, and made permanent the 10% increase in passenger fares which was originally granted on Feb. 10, 1942, and which was to have expired six months after the legal termination of the war, according to an Associated Press dispatch, which further states in part as follows:

The present order increasing freight rates an average of 17.6% supersedes that handed down last June which granted increases averaging 6.5%, effective July 1, 1946.

For the Eastern carriers the aggregate increase will approximate 17.9% of the basic rates, compared with 17.4% for the remainder of the country.

The new rates compare with an average 19.6% rate rise requested by the Class I railroads on all traffic.

The rail carriers' original proposal was for a general 25% increase but with numerous specific exceptions for which lesser percentage or maximum amounts were proposed.

In applying for the increases the carriers contended that the combination of prewar freight rates and postwar costs would almost wipe out all net railway operating revenue and produce "an enormous deficit" in net income this year.

The Commission, in its Dec. 6 report, said "substantial increases in the basic freight rates and charges" (of rail and water carriers) and continuation of the increased passenger fares are "requisite" for these purposes:

1. "For the carrying out of the national transportation policy and the development, coordination and preservation of a national transportation system adequate to meet the needs of commerce, the postal service and the national defense,"

2. "In order that freight rates and charges shall be such as to move the greatest volume of traffic while providing adequate and efficient transportation at the lowest cost consistent with the furnishing of such service."

All members of the Commission participating concurred in the decision Chairman George M. Bernard, who was absent, and Commissioner J. Monroe Johnson, who is serving as Director of the Office of Defense Transportation, did not take part.

The Commission's announcement said a majority of the Committee of State Commissioners who sat through the consideration of the case in a cooperative capacity agreed "in general" with the results.

Increases authorized for long-haul services are on a general basis of 20% for commodities other than those specially treated and 15% for the basic products of agriculture (except fruits and vegetables) and livestock.

However, an elaborate system of maximum increases was approved for various important commodities, such as fruits and vegetables. This, the Commission said, is intended to preserve "competitive relations that a uniform percentage increase would disrupt."

On coal, blocks of flat increases, varying with the basic rates, were authorized. The railroads' proposals were increased on iron and steel products, but no increase was approved in the upper Lake Superior rail rates on iron ore.

In analyzing the railroads' financial positions, the Commission said the trend of wages and the prices for materials and supplies they must pay are "of great importance."

"General increases in railroad wages in 1941, 1943 and in 1946 amounting on an annual basis to $1,382,000,000, and increases resulting from vacations with pay granted to employees, amounting to $75,000,000, have had the effect . . . of increasing operating costs $1,457,000,000 annually," . . . the Commission said.

Increased pay-roll taxes on the higher wages are computed at $82,920,000 a year, it said, and effective Jan. 1 the additional payroll tax resulting from the Crosser Act will cost the railroads $90,000,000 or more a year.

"On the basis of 1946 purchases, increased costs due to increases, since 1939, in the prices of materials and supplies, including fuel, are estimated to be $537,000,000 a year," the Commission said, adding:

"The cumulative effect of the increases for wages, vacations, pay-roll taxes, materials and supplies, as estimated by the petitioners (the railroads), that have occurred in the period from 1939 to 1946, as applied to the 1946 operations, is at the rate of $2,166,920,000 per year."

Tarleau New President Of Tax Institute

Other Officers and Directors Chosen at Annual Meeting

At their annual meeting held at the Hotel Commodore, Dec. 6, the

Thomas N. Tarleau

members of the Tax Institute chose the following officials for 1947:

Officers: President, Thomas N. Tarleau, Willkie, Owen, Otis, Farr & Gallagher; First Vice-President, Carl Barker, Shell Oil Co., Inc.; Second Vice-President, Roy G. Blakey, University of Minnesota; Treasurer, Leslie Mills, O. F. Taylor & Co.

Board of Directors, 1947-1949: Alfred G. Buehler, University of Pennsylvania; Alvin A. Burger, New Jersey State Chamber of Commerce.

The following were elected to the **Nominating Committee for 1947 Election:** Chairman, James W. Martin, University of Kentucky; Mark Eisner, Olvany, Eisner & Donnelly, and Luther Gulick, Institute of Public Administration.

Denny Named FCC Chairman

The appointment by President Truman of Charles R. Denny, Jr., of Baltimore, to be Chairman of the Federal Communications Commission was announced on Dec. 4, according to an Associated Press dispatch from Washington. Mr. Denny had been Acting Chairman since the post was left by Paul A. Porter when he became OPA administrator. The permanent appointment was made after Mr. Porter had expressed his decision a week earlier not to continue in Government service.

The State of Trade

On the industrial front the most important news of the week came on Saturday, last, telling of the lifting of the nation's coal strike which had gone far toward jeopardizing the nation's economy through wide spread curtailment of production and the essential services which make for sustained employment and provide the necessary equilibrium in promoting the country's economic well-being.

In a rather unexpected move, John L. Lewis, President of the United Mine Workers of America, AFL, called off the nation-wide soft coal strike and ordered all the miners to return to the pits immediately. He directed them to resume work under the conditions prevailing before the walkout until April 1, and at the same time served notice that the union would enforce the existing terms of employment at each mine. In setting forth his position, Mr. Lewis told the miners that the issues of the coal dispute which are fateful for our Republic were before the Supreme Court of the United States and that it may be presumed the verdict of the Court when rendered, would affect the life of every citizen. In view of this, Mr. Lewis stated:

"These weighty considerations and the fitting respect due to the dignity of this high tribunal imperatively require that, during its period of deliberation, the Court be free from public pressure superinduced by the hysteria and frenzy of an economic crisis. In addition, public necessity requires the quantitative production of coal during such period."

President Truman, who was scheduled to speak to the Nation over the radio Sunday evening concerning the strike, ceased preparation of his address and thereafter orders governing coal consumption and rail transportation were modified.

The Supreme Court on Monday of the present week acquiescing in the Government's petition that the appeal of the case by the miners be direct, instead of being heard first by the Federal Court of Appeals, has taken over jurisdiction in the conviction of the United Mine Workers and its President, John L. Lewis, for contempt of court and has set the arguments for Jan. 14. The union was in agreement with the Government for a speedy and final determination of the case.

Up to the time of the lifting of the strike order, business and industry had already begun to lay off workers and to curtail important services. In the course of the 17-day stoppage in the bituminous mines, over 300,000 employees, excluding the miners themselves, in diversified industries, faced the prospects of a rather gloomy Christmas and for many of them the prospects still obtain until industry is able to replenish its stockpiles of coal, coke and pig iron.

The week afforded the long-suffering, yet patient railroads, cheerful news when the Interstate Commerce Commission on Friday last, made known its decision which granted the nation's railroad and domestic water carriers increases in freight rates and charges averaging 17.6%. It is estimated that the return to the transportation industry as a result of the increase would amount to $1,000,000,000 annually, beginning Jan. 1. The interim increases which went into effect on July 1, last, are being superseded by the Commission's decision.

The railroads requested a general rate increase of 19.6% to counteract revenue loss stemming from declining traffic and higher labor replacement costs, while the water carriers were seeking a higher revenue level to promote the return of this traffic to commercial operators.

As a result of the Commission's action, it is reported that it will mean a net increase of approximately 6% in the East and 11% elsewhere from existing freight rates, with increases varying for certain commodities.

Overall industrial production and total employment declined as a result of the coal strike from the peace-time peak levels reached during the previous weeks. Declines in general were moderate, though reports indicated some wide variations.

The customary weekly business barometers such as steel ingot production, electric power output, freight car loadings, crude oil output and bituminous coal production all naturally reflected decreases, with the latter dropping 68.7% to an estimated 2,050,000 tons from the 6,470,000 tons of the previous week. Production of soft coal since last June has run about 12,000,000 tons a week. In step with the times, automobile production also declined for the week and plans were undertaken for the closing of the nation's major automotive plants as a result of depleted stocks of materials due to the coal strike and the then contemplated freight embargo.

Retail volume continued to rise during the week ending on Wednesday, and as a result volume was noticeably above that of the preceding 6-day week and well above that of the corresponding week a year ago. Housewares and gift items remained high among the best sellers reflecting the enthusiastic reception of Christmas promotions by many shoppers. Food volume, too, was up and interest in apparel, high. The consumer insistence upon quality of goods in almost all lines was very apparent.

Wholesale volume increased moderately in the week, being well above that of the corresponding week a year ago. The threatened rail freight embargo resulted in many buyers pressing for early deliveries of back orders. Shipments were somewhat larger than those of the preceding week. Selectivity and caution were characteristics frequently displayed by buyers critical of quality and apprehensive of price developments.

Steel Industry—The steel industry last week contrary to some popular opinion was not wholly prostrate since a considerable quantity of steel continued to flow from the country's openhearths and was rolling out of its mills, according to "The Iron Age," national metalworking paper. Last week the nation's steelmakers set their operations at 61% of rated capacity, equal on an annual basis to 63 million tons of steel. Except for 1929 when 63,205,490 tons of steel for ingots and castings were produced, this was more steel than the industry ever made in its history prior to the war.

But because it came at a time when demand was heavy and when some balance between that demand and available supply was actually in sight, the coal strike (which ended on Saturday last) dealt 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, the magazine stated.

Early the past week no major steel producer had announced any price changes, but changes will occur and are due soon, in the opinion of several industry sources. A number of the smaller mills announced changes in extras

(Continued on page 3130)

As We See It

(Continued from first page)

things were failing not only to give thorough study to the means by which selected goals might be reached, but were perhaps even more in a muddle about the ends which they wished labor legislation to reach. Now that extended discussion of new legislation of this sort is under way, and since some sort of action by the next Congress appears to be generally regarded as little less than a certainty, it appears appropriate, nay essential, that we as a people sit down quietly and formulate our ideas as to what we are really "driving at" in this matter of labor relations.

It seems to us that if we follow such a course, it can not be long before the conclusion is reached that many, if not most of the proposals now being made are fundamentally wrong. They, many of them, are basically unwise because they would undertake to apply a hair of the dog that has been biting us for a good many years past. They are unworthy of support because they would leave monopolies intact and undertake to render them harmless by governmental action or control. What we need in this, as in many other fields, is not more but less governmental interference. If our coal difficulties of the past few weeks, of which we venture the opinion that we have not yet heard the last, has made anything plain as a pikestaff, it is that government seizure of private property accompanied by "smart" maneuvering to make workmen appear guilty of "insurrection," "treason," or some other crime closely akin to these if they struck or continued to strike after the seizure is definitely not the remedy we seek for labor difficulties.

Labor Monopolies

The drift of "progressive" thinking during the past decade or more—and with reluctance we must say that the same trend is observable elsewhere in all too many cases—has been toward "unification" of labor unions. The net result so far, in most instances, is to place a labor monopoly over against a divided industry, but in the coal situation which has been so much in the headlines of late we have a clear case of an industry the individual units of which were entitled to and did act in concert over against a labor monopoly. When the two became deadlocked last spring the Federal Government stepped in to take the place of one of these monopolies in order to "protect" the public. It protected the consumer by granting the union what it demanded, but soon found that it, too, had to face further demands by the monopoly on the other side. After two or three harrowing weeks during which the country was brought close to the brink of disaster it has succeeded in getting the miners to work again at least temporarily, but, obviously enough, no real solution has been found.

We have had one more demonstration that a labor monopoly is an evil thing, and a destructive thing even when face to face with government itself on the other side of the "bargaining table." It seems to us, therefore, that our whole approach to this question is badly in need of reversal. The first objective of any future labor legislation must be not merely to curb or restrain labor monopoly or to offset its power by removal of some of the restraints which have been placed upon employers. It must be nothing short of putting an end to labor monopoly itself — at least so far as that monopoly extends over an entire industry. If the assertion be made that in some industries, such as coal, employers also enjoy the privilege of concerted action in dealing with labor, the reply is that this situation, too, is in need of careful reappraisal. Monopoly is evil no matter by whom practiced or enjoyed.

Radical Treatment Essential

Such considerations as these obviously place a new aspect upon the entire situation. They likewise indicate plainly enough that our problems in these connections are much more fundamental and much more difficult of solution than many have supposed—or at least they require much more radical treatment than has been commonly supposed. Yet what is the alternative? None, so far as we are able to see, save the impossible one of giving up in large degree, if not altogether in the long run, our traditional American system of free, competitive industry. It is patently futile to expect vigorously competing individual enterprises to be effective and to flourish when they must at all times face the exactions of a labor monopoly, which like any other monopoly can be counted upon to be both greedy and capricious.

It is bad enough when a business enterprise — never mind how large or otherwise powerful—must at all times compete in a labor market where the sellers are combined into a tight monopoly, or where any disagreement with any small segment of its employees may result in all employees quitting work and preventing any possible replacement of any of the men who have thus left their jobs. It is still more unbearable when all members of an essential industry must agree to the terms laid down by the labor monopoly before any of them are permitted to proceed to supply the needs of the public. The precise terms of legislation which would bring an end to this situation without at the same time introducing other evils are not easy to formulate, but such a solution must be found.

It is this elementary truth about the current situation which appears to be so much in need of understanding.

McAllister Pres. of U.S. Savs.-Loan League

Walter W. McAllister, San Antonio, Texas, was elected President of the United States Savings and Loan League, at the 54th annual convention at the Hotel Schroeder in Milwaukee, Nov. 20. He succeeds Henry P. Irr, Baltimore, Md., as head of the nationwide organization of the $10,000,000,000 savings and loan and cooperative bank business. Mr. McAllister is President of the San Antonio Building and Loan Association in his home city and was Vice-President of the League this past year.


W. W. McAllister

Elected to the Vice-Presidency of the League was Ralph M. Smith of West Somerville, Mass., President of the Middlesex Federal Savings and Loan Association of that city.

Directors were elected in four of the League's 12 districts as follows:

District two comprising New York, New Jersey, Puerto Rico and the Virgin Islands, Ralph H. Davies, Executive Vice-President of the Homestead Savings and Loan Association of Utica, N. Y.; District five which is the State of Ohio, E. J. Rupert, President of the Broadview Savings and Loan Company, Cleveland; District eight, comprising Iowa, Nebraska, North Dakota, Minnesota, South Dakota and Wisconsin, E. L. Hevelone, Secretary-Treasurer of the States Savings and Loan Company, Beatrice, Neb.; District 11, comprising Idaho, Montana, Oregon, Utah, Washington, Wyoming and Alaska, Thomas T. Taylor, President of the Prudential Federal Savings and Loan Association, Salt Lake City, Utah.

Nonfarm Real Estate Foreclosures Reported

Nonfarm real estate foreclosures during the first nine months of this year totaled 8,600, or an average of less than 1,000 per month for the United States as a whole, it was reported by the Federal Home Loan Bank Administration, which on Nov. 6, also said:

"The downward trend of foreclosures has continued from the already-nominal rates established in 1945. During the first quarter of 1946 somewhat over 1,000 foreclosures were completed per month; the rate dropped slightly below this figure in the second quarter, and were at a point under 900 cases per month during the reporting period."

Nonfarm foreclosure statistics are estimated on the basis of reports received from 1,600 communities which in 1940 contained 70% of the nonfarm residential structures in the United States.

Industrial Activity to Nov. 15 Reported By Federal Reserve Board

"Output and employment at factories were maintained at record peacetime levels in October," according to the summary of general business and financial conditions in the United States, based upon statistics for October and the first half of November, issued on Nov. 29 by the Board of Governors of the Federal Reserve System. The Board reports that "the total value of goods distributed was maintained at a high level but below the level of production, and inventories increased further." "Prices in wholesale and retail markets generally advanced considerably following the lifting of controls," said the Board, which continued:

Industrial Production

"Output at factories and mines, as measured by the Board's seasonally adjusted index, increased slightly further in October and was at a level of 182% of the 1935-39 average as compared with 180% in September. Production was maintained at this level in November up to the beginning of work stoppages in bituminous coal mines.

"Production of non-durable manufactures in October was at a postwar peak rate of 169% of the 1935-39 average. Output of manufactured food products rose sharply, reflecting chiefly the exceptionally large volume of meat production after the middle of October when Federal price controls were removed. The number of animals slaughtered under Federal inspection declined somewhat from late October levels during the first half of November. Output of textile products advanced in October to a level of 170% of the 1935-39 average and there were also small gains in activity in some other non-durable goods industries.

"Output of durable manufactures increased slightly in October as activity in the non-ferrous metals and machinery industries continued to advance. The number of passenger cars and trucks produced increased further to a rate 14% above the 1935-39 average and continued to advance in the first two weeks of November. Activity in most other durable goods industries was maintained at about the September level. During the first three weeks of November steel output rose slightly to an average scheduled rate of 91% of capacity, but in the fourth week output dropped sharply owing to a cessation of operations at most bituminous coal mines on Nov. 21 as a result of work stoppages.

Construction

"Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, declined further in October to level two-fifths below the May peak, but they were still about double the 1939 average. Awards for residential building decreased by one-fifth in October, more than offsetting an increase in the value of contracts awarded for factory construction.

Distribution

"Department store sales, which usually increase from September to October, showed little change this year, and the Board's seasonally adjusted index declined to 258% of the 1935-39 average as compared with 269 for September and 290 for August. Sales increased seasonally, however, in the first half of November and were 22% larger than a year ago. Department store stocks continue to rise in October and the Board's seasonally adjusted index reached a new high of 235% of the 1935-39 average, notwithstanding a further marked decrease in stocks in the New York City area as a result of a trucking strike.

"During October and the early part of November railroad carloadings of livestock were in exceptionally large volume and shipments of most other classes of railroad revenue freight were also maintained at high levels.

Commodity Prices

"Following the initial sharp increases in prices of many basic commodities in October and the early part of November, after the lifting of controls, prices of some agricultural products, like cotton, corn, and poultry products, declined, while prices of wheat, flour, and sugar advanced. Initial advances in prices of non-ferrous metals, steel scrap, and rayon were maintained, and in the latter part of November prices of some of these industrial materials advanced further. There were also reported in this period substantial increases in wholesale prices of a number of finished manufactured products.

"Retail prices of foods and numerous miscellaneous products increased considerably further in October and November. Most of the increases occurred after the middle of October, at which time the consumers' price index was 2% higher than in September and 15% above the level at the end of the war.

Bank Credit

"Commercial and industrial loans at reporting banks in 101 leading cities showed further sharp increases in October and the first three weeks of November. Real estate and consumer loans also continued to increase steadily. Government security holdings declined further, reflecting principally Treasury debt retirement. Deposits of businesses and individuals have shown little further change.

"Member bank reserves showed little over-all change during October and the first three weeks of November. Losses of funds by member banks as a result of an outflow of currency and a transfer of deposits from member banks to Reserve Banks due to Treasury operations were about equal to the funds banks obtained by borrowing at Reserve Banks and from an inflow of gold. Government security holdings at Reserve Banks fluctuated considerably in October but were little changed over the period."

1946 Strikes in U. S. To Set New Record

A Government report showed on Nov. 29 that the number of strikes in 1946 will set a record eclipsing the mark established in 1919, Washington Associated Press advices on that date, reporting this, added:

"The Bureau of Labor Statistics announced that 4,095,000 workers were involved in strikes for the ten-month period through October.

"Add to this the 400,000 members of the United Mine Workers, an affiliate of the American Federation of Labor, now engaged in the crippling coal strike, and the total already far exceeds the 4,160,000-strike record of 1919.

"The Bureau estimated mandays lost by strike idleness through October this year were 102,525,000, or 1.6% of the total available working time of the nation's workers.

"The full 1946 total of mandays lost may be close to triple the previous record of 38,025,000 man-days lost due to strike idleness, set in 1945."

Soft Coal Strike Ended—Restrictions Lifted

Following the order of John L. Lewis to the 400,000 members of the United Mine Workers of America (AFL) on Dec. 7, soft coal mining was resumed on Monday, Dec. 9, and restrictions affecting railroad movements, including the general freight and express embargo and the 50% reduction in passenger service by coal-burning railroads, and parcel post, were immediately lifted. The "brown-out" regulations in 18 States east of the Mississippi and in the District of Columbia, Iowa, Minnesota and Missouri were ended, as was the railroads' own ban on all freight shipments, except food and fuel, bound for export. The "freeze" order on 3,000,000 tons of soft coal stocks, imposed early in the strike, was relaxed, and movements began with preference given to essential users until the coal pipelines are filled again.

Mr. Lewis, in his order to the miners, said in part: "All mines in all districts will resume production of coal immediately until 12 o'clock midnight, March 31, 1947. Each member is directed to return to work immediately to their usual employment, under the wages, working hours and conditions of employment in existence on and before Nov. 20, 1946."

The United States Supreme Court agreed on Dec. 9 to take jurisdiction in the conviction of the United Mine Workers and Mr. Lewis, its President, for contempt of court. It set arguments for Jan. 14, 1947. The court's decision was on the petition of the government that the appeal of the case by the defendants be direct, instead of first going to the Federal Court of Appeals. The importance of the case was cited and the union joined in the wish for a speedy final determination.

The appeal is from the decision last week by Judge T. Alan Goldsborough in the United States District Court for the District of Columbia, in which he found Mr. Lewis and the union guilty of defying a restraining order which sought to prevent the soft coal strike which began on Nov. 21. Judge Goldsborough fined the union $3,500,000 and Mr. Lewis $10,000.

Gross Earnings of Class I RRs. in October Up $12,946,673 — Net Income Rose $36,775,745

The Class I railroads of the United States in October, 1946, had an estimated net income, after interest and rentals, of about $57,000,000, compared with a net income of $20,224,255 in October, 1945 according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads and made public on Dec. 3. Net railway operating income, before interest and rentals, amounted to $85,118,939, compared with a net railway operating income of $52,414,331 in October, 1945. The Association further reported as follows:

In the first ten months of 1946, these roads, which represent a total of 227,702 miles, had an estimated net income, after interest and rentals, of $155,000,000, compared with a net income of $473,196,438 in the corresponding period of 1945. Net railway operating income, before interest and rentals, totaled $450,730,009, compared with $830,561,052 in the same period of 1945.

Taxes and net earnings for the month of October and for the first ten months of 1946 are after taking credit in the accounts for carry-back tax credits. For the month of October, such credits were approximately $13,000,000, and for the first ten months of 1946 they amounted to $85,000,000. Both the net railway operating income and the net income for October and the ten months would have been correspondingly reduced, had these carry-back credits not been made.

In the 12 months ended Oct. 31, 1946, the rate of return on property investment averaged 1.70%, compared with a rate of return of 3.57% for the 12 months ended Oct. 31, 1945.

The earnings reported above as net railway operating income represent the amount left after the payment of operating expenses and taxes, but before interest, rentals and other fixed charges are paid. Property investment is the value of road and equipment as shown by the books of the railways including materials, supplies and cash.

Total operating revenues in the first ten months of 1946 totaled $6,331,911,885, compared with $7,623,746,789 in the same period of 1945, or a decrease of 16.9%. Operating expenses in the first ten months of 1946 amounted to $5,271,642,098, compared with $5,538,109,054 in the corresponding period of 1945, or a decrease of 4.8%.

Forty-nine Class I railroads failed to earn interest and rentals in the first ten months of 1946, of which 22 were in the Eastern District, ten in the Southern Region and 17 in the Western District.

Eastern District

The Class I railroads in the Eastern District in the first ten months of 1946 had an estimated net income, after interest and rentals, of $9,000,000 vobjafew with a net income of $185,891,656 in the same period of 1945. For the month of October alone, their estimated net income after interest and rentals, was $19,000,000, compared with a deficit of $4,296,497 in October, 1945.

The same roads in the first ten months of 1946 had a net railway operating income, before interest and rentals, of $145,590,564, compared with $345,175,194 in the same period of 1945. Their net railway operating income before interest and rentals in October amounted to $32,994,248, compared with $7,297,131 in October, 1945.

Operating revenues of the Class I railroads in the Eastern District in the first ten months of 1946 totaled $2,822,908,251, a decrease of 11.9% compared with the same period of 1945, while operating expenses totaled $2,421,124,758, or a decrease of 2.5% below 1945.

Southern Region

The Class I railroads in the Southern Region in the first ten months of 1946 had an estimated net income, after interest and rentals, of $15,000,000, compared with a net income of $66,224,781 in the same period of 1945. For the month of October alone, they had an estimated net income, after interest and rentals, of $6,000,000, compared with a net income of $4,918,367 in October, 1945.

Those same roads in the first ten months of 1946 had a net railway operating income, before interest and rentals, of $62,113,556, compared with $118,987,659 in the same period of 1945. Their net railway operating income, before interest and rentals, in October amounted to $9,652,339, compared with a net railway operating income of $9,894,242 in October, 1945.

Operating revenues of the Class I railroads in the Southern Region in the first ten months of 1946 totaled $878,175,743, a decrease of 16.6%, compared with the same period in 1945, while operating expenses totaled $732,936,488, or an increase of 1.9% above 1945.

Western District

The Class I railroads in the Western District in the first ten months of 1946 had an estimated net income, after interest and rentals, of $131,000,000, compared with $221,080,001 in the same period of 1945. For the month of October alone, they had an estimated net income, after interest and rentals, of $32,000,000, compared with a net income of $19,602,385 in October, 1945.

Those same roads in the first ten months of 1946 had a net railway operating income, before interest and rentals, of $243,025,889, compared with $366,398,199 in the same period of 1945. Their net railway operating income, before interest and rentals, in October amounted to $42,472,352, compared with a net railway operating income of $35,222,958 in October, 1945.

Operating revenues of the Class I railroads in the Western District in the first ten months of 1946 totaled $2,630,827,894, a decrease of 21.9% compared with the same period of 1945, while operating expenses totaled $2,117,580,852, a decrease of 9.3% below 1945.

CLASS I RAILROADS—UNITED STATES

Period Ended Oct. 31—	1946—Month	—1945	1946—10 Months	—1945
Total operating revenues	$709,938,026	$696,991,353	$6,331,911,885	$7,623,746,789
Total operating expenses	558,424,255	626,664,312	5,271,642,098	5,538,109,054
Operating ratio—percent	78.66	89.91	83.26	72.64
Taxes	53,287,217	4,838,968	483,458,905	1,105,851,790
Net railway operating income (before charges)	85,118,939	52,414,331	450,730,009	830,561,052
Net inc., after chgs. (est.)	57,000,000	20,224,255	155,000,000	473,196,438

Earnings Rose in Sept. Recouping Postwar Losses — Says Conference Board

All postwar losses in employment and payrolls have now been recovered in the 25 manufacturing industries surveyed monthly by the National Industrial Conference Board, a report issued by the Board on Dec. 9, said. September, 1946, was the eleventh month in which hourly earnings of production workers topped the previous month's average, the announcement added, and the eighth in which a new all-time peak was reached.

Weekly earnings, employment, man hours, and payrolls were all greater in September than in August, 1946. Conference Board on Dec. 9 went on to say:

"The September hourly earnings average ($1.231) was 14.1% above the level of October, 1945 (low point of the decline caused by the end of the war). Actual weekly earnings rose slightly from August to September, and real weekly earnings (or the payroll dollar adjusted for changes in consumers' prices) rose 3% over the month. Real weekly earnings, however, were 0.4% lower this September than in the same month last year.

The Conference Board's summary of employment statistics for the 25 manufacturing industries for September, 1946 (with comparisons with earlier figures) follows:

Hourly Earnings — September average: $1.231. A rise of 1.2% from August to September, 1946. Other comparisons with earlier dates: 13.5% greater than September, 1945, 62.2% more than January, 1941—base date of both "Little Steel" formula and the cost of living formula (Executive Order, February, 1946); 71% greater than August, 1939 (month before outbreak of war in Europe); 108.6% more than 1929 ("Prosperity Peak").

Weekly Earnings — September, 1946: $49.21. Represents a rise of 1% from August to September, 1946. Were 7.6% above the September, 1945, average. Since 1929, they have increased 72.4%. Other comparisons with earlier dates: 60.8% greater than January, 1941; 80.3% higher than August, 1939.

Real Weekly Earnings — (Also defined as: actual weekly earnings adjusted for changes in the consumers' price index in terms of 1923 dollars.) Were 3.0% greater than in August, 1946. They have declined 0.4% since September, 1945. Comparisons with earlier dates follow: 20.6% greater than January, 1941; 32.1% greater than August, 1939.

Hours Per Week — Dropped 0.2% from August to September, 1946. They have declined 5.4% since September, 1945. Other comparisons: 13.4% shorter than January, 1945 (War Peak Period); 5.5% (2.1 hours) longer than August, 1939.

Employment — An increase of 1.5% over the month (August to September, 1946). An increase of 18.4% over the year (since September, 1945). Other comparisons are: 20.3% below the October-November, 1943, peak level; 43.7% greater than August, 1939; 21.7% greater than 1929.

Man Hours—Were 1.2% greater in September than in August, 1946. Since a year ago (September, 1945), they have risen 11.9%. They were 0.7% greater than in 1929.

Payrolls—Increased 2.4% over August, 1946. They were 27.4% greater than in September, 1945. Since 1929, they have increased 109.6%. Other comparisons: 17.6% less than November, 1943 (peak for the series); 159.1% greater than August, 1939.

U. S. Foreign Credit Commitments Total $9 Billions

United States Government foreign credit commitments now total about $9 billions, the Department of Commerce said on Nov. 30. This does not include $500 millions in financial aid extended to China and $64 millions in similar aid granted to American Republics, said advices from the Department, which added:

"Less than half of the $9 billions in commitments have been drawn upon, but large cash disbursements and actual deliveries of surplus and other goods will undoubtedly be made before the end of the 1947 fiscal year, according to a report by the Clearing Office for Foreign Transactions. However, the extent to which these credit commitments can be utilized depends upon a number of factors including the rate of production for export in this country. Thus it may be that substantial unused credits will be carried over into the 1948 fiscal year.

"At the close of the 1946 fiscal year on June 30, 1946, United States foreign credits outstanding, exclusive of those made during World War I, totaled $2,461 millions and there was an additional $3,291 millions in authorizations that had not been drawn upon. The United Kingdom line of credit totaling $3,750 millions was approved by Congress on July 15, but through Oct. 31 actual disbursements had totaled only $600 millions. A $75 millions loan to the Republic of the Philippines was authorized by the Congress on Aug. 7, 1946, but no disbursements had been made through Oct. 31.

"Since the beginning of the war emergency in 1940, the United States Government has granted four broad types of credits to foreign countries—loans, advances, financial aid and property credits. Loans represent direct and guarantee obligations; advances are credits granted against delivery of such commodities as sugar, copper, rubber, copra and fibers. Financial aid consists chiefly of a $500 million credit to China granted in 1942 without any specification as to the extent and nature of repayment. Property credits arise chiefly from the settlement of lend-lease accounts and from the sale of surplus property abroad.

"As of June 30, 1946, outstanding loans amounted to $989 millions, advances $27 millions, financial aid $564 millions, and property credits $881 millions. Undisbursed commitments amounted to $1,988 millions available for loans, $2 millions for advances, $17 millions for financial aid, and $1,284 millions for property credit. These totals do not include any activity under the $3,750 millions United Kingdom line of credit or the $75 millions Philippines credit, both of which were approved after the start of the 1947 fiscal year.

"The lending capacity of the Export-Import bank is now reduced to about $800 millions, of which $500 millions is tentatively allocated for possible Chinese credits. Future international loans appear to be largely up to the International Bank.

"However, additional property credits may be extended in lend-lease settlements still remaining to be negotiated, principally with China, the Netherlands, Norway and the U.S.S.R. as well as in further sales of surplus property.

The Department of Commerce estimates that additional credit agreements amounting to approximately $350 millions will be negotiated by the Office of Foreign Liquidation Commissioner in the fiscal year 1947, bringing the total to approximately $950 millions. Actual utilization of these credits will probably total about $600 millions by the close of the 1947 fiscal year."

In comparing current foreign debts with debts owed to the United States following World War I, the Department of Commerce said that almost two-thirds of the original World War I debts of $10,350 millions (exclusive of Germany) represented cash loans prior to the armistice, whereas during World War II lend-lease took care of this type of war financing. The substitution of lend-lease in World War II for the pre-armistice loans of World War I is the outstanding difference in the method of financing the two wars. It is further stated that cash loans after the November, 1918 armistice and credit sales of surplus and relief supplies amounted to $3,273 millions, compared with $1,389 millions of similar credits reported as actually utilized in the year ended June 30, 1946, and an additional maximum of about $4,000 millions estimated for the current (1947) fiscal year.

Home Loans in Ill. Wisc. District

An increase of $2,059,605 in the loans outstanding at the Federal Home Loan Bank of Chicago took place in October as a 25% larger gain than had been chalked up the previous month and a contrast to the $2,012,213 decrease in the bank's credit outstanding which took place in October, 1945. This report made (on Nov. 19) to the Federal Home Loan Bank Administration in Washington by A. R. Gardner, president of the Chicago Bank, showed 209 savings, building and loan associations in Illinois and Wisconsin using their credit lines with the Reserve bank as of Oct. 31, compared with 112 a year before. The amount which the Bank lent to these local home mortgage institutions in October was, it is stated, the largest in four months, $5,115,155 and the second largest volume for any month of 1946.

Revision of Federal Tax Structure Urged By N. Y. Chamber of Commerce

An outline of suggested Federal taxation policies and principles for the consideration of the new Congress, drawn by the Committee on Taxation of the Chamber of Commerce of the State of New York, came before the membership of the Chamber at the monthly meeting on Dec. 5 and the report embodying the recommendations was adopted at the meeting.

Edmond E. Lincoln, Chairman of the Committee, presented the report which emphasized the necessity of thorough revision and simplification of the Federal tax structure to minimize "all grounds for misunderstanding and dispute based on ambiguous or obscure phraseology." Urging wide distribution of the tax load, the report recommended that personal income tax exemptions be kept "relatively low" and said that increased military expenses and financing the national debt burden would compel a "normal" rate of personal income taxes "substantially higher than in the prewar period." The committee expressed the hope that the general corporate rate before long could be reduced to 25% or less of the net taxable income, adding "but we do not at this time favor any merely nominal corporate rate, to be offset by the continuance of the steeply progressive and enterprise-destroying individual surtax rates."

On the subject of balancing the budget, the committee said:

"Tax rates should be kept high enough to balance a frugally planned and administered budget and to meet minimum debt retirement in years of fair business activity, and to provide a balance for further debt reduction in average and in better than average years.

"We do not believe that sound finance necessarily requires that the budget be balanced in every year of depression, since the very imposition of heavier taxes in such periods may tend to accentuate and to prolong the depression. However, a reasonable and definite program of debt retirement is essential to the prudent management of our public finances.

"Once the country has returned to a postwar 'normal' and our Federal tax system is set up on a sound, clear, and conservative basis, then we urgently recommend reasonable stability in rates and procedures over a considerable period of time, so that business concerns and individuals can plan their operations and affairs accordingly."

The report opposed in principle any combined Federal tax rate (normal plus surtax) exceeding 50% of the top bracket of an individual's taxable income and urged the same limit on gift taxes and, in aggregate, for combined Federal and state taxes on estates. Condemning the capital gains tax as unsound and arbitrary, the report said that if it were not now feasible to remove it, the tax liability should be reduced because of capital losses to the same extent that the tax liability is increased because of capital gains, and the effective tax rate on "long-term" capital gains should be reduced to 12½%.

The report took a stand against the taxing of undistributed profits of legitimate publically-owned corporations; "incentive" taxation "in its various forms and disguises"; and double taxation of dividends received by individuals from business corporations and recommended "as a first move in the right direction" that all such dividends be exempted from the normal tax and first surtax bracket on individuals.

The tax on inter-corporate dividends and the penalty tax on consolidated returns, both of which the report said were "bothersome" and inconsequential as revenue producers, were also opposed.

Mtg. & Security Holdings of Life Cos.

Aggregate holdings of mortgages and securities by all United States life insurance companies reached $42,414,000,000 on Sept. 30, the Institute of Life Insurance reported on Nov. 30. These holdings represent an increase of $2,691,000,000 since the first of the year and $3,743,000,000 since the end of the third quarter of 1945, reflecting the large increase during the past year in total life insurance owned and consequently in policy reserves available for investment. The Institute further reported:

"The first three quarters have seen material changes in the distribution of additions to the holdings, due to the changing financial requirements in the country since the end of the war. While U. S. Government securities accounted for the entire increase in holdings in 1945, they accounted for only 43% of the increase in the first nine months of this year. Greater financing has been extended to business and industry this year and in the three quarters, the holdings by the life companies of the securities of business and industry have increased by $1,179,000,000. Of this increase, $736,000,000 was accounted for by industrial and miscellaneous bonds and $221,000,000 by stocks, which now stand at $1,054,000,000."

Gardner Ambassador To Great Britain

Oliver Max Gardner, Under Secretary of the Treasury, was appointed by President Truman on Dec. 3 as U. S. Ambassador to Great Britain. As envoy to the Court of St. James, Mr. Gardner will succeed W. Averell Harriman who resigned the British post to become Secretary of Commerce. Mr. Gardner was born in Shelby, N. C. in 1882. A Treasury Department announcement Dec. 3 said in part:

Mr. Gardner practiced law continuously in Shelby and Western North Carolina until he was elected Governor in 1829, appearing in practically every important case in his judicial district for many years.

In 1908 he was appointed as State organizer of Democratic clubs; in 1910 was elected to the North Carolina State Senate without opposition, reelected in 1914 and was made President pro tem of that body without opposition in the Assembly of 1915. In 1916 he was unanimously nominated by his party for Lieutenant Governor, and served in this capacity during Governor Bickett's war administration.

At the age of 37, Mr. Gardner suffered the only political defeat of his career when he lost the Democratic nomination for Governor to Cameron Morrison in the primaries of 1920 by a very close vote.

As Chairman of the North Carolina delegation to the National Democratic Convention in Chicago in 1932, Mr. Gardner supported the nomination of Franklin D. Roosevelt for the Presidency. He tendered his resignation as Democratic National Committeeman from North Carolina in 1933 when he was named General Counsel for the Cotton-Textile Institute and for the Rayon Producers Group. With the enactment of the National Recovery Act, he moved his law offices from North Carolina and New York to Washington where he served the textile industry during the existence of the act. He is now senior member of the law firm of Gardner, Morrison & Rogers, with offices in the Woodward Building, Washington.

Mr. Gardner was a director of the First National Bank of Shelby, N. C., was a director of numerous textile plants in his home state, and was until the early part of this year President-Treasurer and principal owner of the Cleveland Cloth Mill at Shelby, a rayon weaving plant.

President Roosevelt offered Mr. Gardner the appointment as Assistant Attorney General to conduct the investigation of the American Telephone and Telegraph Co. He later refused a Presidential appointment as General Counsel of the Office of Price Administration, and rejected the office of Alien Property Custodian. His only Federal appointment was as member and later Chairman of the Advisory Board on War Mobilization and Reconversion, having served in this capacity with Directors Byrnes, Vinson, and Snyder. In 1945 he was appointed by President Truman as a member of the British-American Committee on Palestine.

Nominated for Under Secretary of the Treasury on Feb. 19, 1946, Mr. Gardner was confirmed by the Senate on Feb. 26. This was the third time he had received the unanimous confirmation of that body, similar action having been accorded his nominations for membership on and Chairmanship of the Advisory Board on War Mobilization and Reconversion. He took the oath of office as Under Secretary of the Treasury on March 4.

Mr. Gardner is a member of the American Bar Association, and the North Carolina Bar Association.

WAA Liquidation Seen Before 1949

Addressing a luncheon of the Sales Executives Club in New York on Dec. 3, Major General Robert M. Littlejohn, head of the War Assets Administration, predicted that his agency should be able to liquidate its affairs before the close of 1948, and that with the exception of real property, all war surpluses should be declared in the next 13 months. General Littlejohn, advices in the New York "Times" continued, estimated that the entire surplus disposal job entails selling property costing the government $34,000,000,000. From the "Times" we also quote:

The Army, Navy, Maritime Commission, Reconstruction Finance Corporation, and other government agencies have already turned over $22,000,000,000, he said, and forthcoming declarations will amount to an additional $12,000,000,000.

A new sales program for surplus goods will be brought out before the end of December, according to General Littlejohn. A very high goal has been set for sales of goods now being inventoried by the end of January to the extent of some $4,000,000,000 of personal property.

"Just how much of that goal will be accomplished is contingent upon a number of factors," he pointed out. "Personally," I feel strikes will stimulate sales for war assets due to reduced production in industry."

An agreement was reached last week with the principal owning agencies, General Littlejohn stated, for cut-off dates for declaration of surpluses to be fixed six months after appropriate legislation has been enacted on the size of the standing army and the future of selective service.

N. Y. Commerce Group Urges Study of Anti-Strike Procedure

With a view to preventing strikes which paralyze the national economy and cause widespread public suffering, the Special Committee on Industrial Problems and Relations of the Chamber of Commerce of the State of New York in a report adopted at the Dec. 5 meeting of the Chamber, urged that "pressure of moral forces" be exerted to end "the present uncivilized methods" used by labor unions to secure redress of grievances.

The Committee declared that the present practice of organized striking "has brought grave distress to innocent people." It pointed out that the world generally does not approve of injury to the innocent even as an incident to war and is now seeking to control the use of modern war machines, such as the atom bomb, and resort instead to reason. Calling upon union labor leaders, employers and legislators to follow this course and explore its possibilities as a means of preventing paralyzing strikes, as the Committee urged that in seeking this end they give consideration to six questions:

"1. Is there an absolute right to strike at any time, any place, anywhere?

"2. Are agreements to settle disputes by arbitration to be disregarded in sympathy strikes and the like?

"3. Are 'picket lines' to be treated as lines of warfare, or should picketing be limited to the persuasion of non-strikers to refuse to take the place of the strikers?

"4. Is public service an occupation in which the worker agrees to stay at his post and to submit to disposition of his grievances by negotiation, presentation of arguments to the public officials involved, but not at the expense of breaking down the public services?

"5 Are contracts made to avoid strikes to be observed?

"6. Should not breaches of fair methods be made the subject for legal relief from the courts and subject to lawful penalties and damages?

"Since no law can be drawn which will be effective unless it is supported generally by public opinion," the Committee said in its report, "we seek to secure by the pressure of the moral forces of the community the abandonment of the present uncivilized methods of using the coercive impairment of public health and arbitrary disregard of contracts, and even of the government itself, as a means of securing redress of grievances —even legislative ones."

Plan for Steel Wage Guarantee

The steel industry could institute a limited wage guarantee program next year at moderate cost which would result in greatly stabilized employment in the industry according to findings announced Nov. 14 by the Office of War Mobilization and Reconversion, and reported in dispatches of that date from Washington to the New York "Journal of Commerce." The same advices also said in part:

Limited liability of 10% (or for 5.2 weeks out of the year) would cost the industry less than 6% of the payroll, the report declared, while if it committed itself to a full year wage guarantee, the cost probably would run as high as 20%.

Even the limited plan, however, would tend greatly to reduce turnover in the labor force, it was claimed, since workers would be encouraged by the guananteed benefits to stay put long enough to be eligible for them.

Prepared only as part of a general study of the guaranted annual wage for the use of the President's OWMR advisory committee in formulating recommendations for legislation, the report derived immediate significance from the fact that the United Steelworkers Union-CIO intends to press for that type of contract in negotiations due to begin early next year.

"It is clear," the report said, "that in establishments having . . . a high degree of employment stability, a guarantee can be formulated which, taking into account an appropriate co-ordination with unemployment insurance, and allowing for the vacation . . . customarily provided, will result in costs of less than 6% per year."

In attempting to determine the applicability of a 10% liability guarantee in the steel industry (amounting to 5.2 weeks a year) the report dealt with estimates of manpower requirements for 1947.

The level of employment in basic steel next year probably will be "higher than any level attained since early in 1944," it stated. It was assumed that the industry would continue to operate during the year at an average of 90% of capacity, and an increase in output per manhour of more than 8% was foreseen.

It was specified however, that the researchers were not attempting to measure productivity and that much of the increase in output undoubtedly stemmed from technological advances in the industry.

Turnover in the labor force traceable to voluntary worker action is the most significant labor factor in considering cost reductions in wage guarantee plans, the report said, since an employer must be able to make accurate estimates of the nature of his employee force before entering into guarantees.

"A guaranteed annual wage agreement implies the existence of certain mutual obligations between employer and employe," the study said. The management must assure a certain length of employment to the workers under a wage guarantee.

The employes, on the other hand, must guarantee that they will be available as part of the labor force at all times, "to perform (their) work in a satisfactory manner," and if laid off, "to hold himself available for re-employment by the guarantor . . . ."

If a worker quits his job, he forfeits his right to the wage guarantee, it was pointed out, and if he is discharged for cause he also "forfeits all benefits."

Hoover Heads Greek Relief

William Helis, President of the Greek War Relief Association, announced the acceptance by former President Herbert Hoover of the national Chairmanship of the Association's campaign to raise $12,000,000. Mr. Hoover's statement in accepting the post, according to advices to the New York "Herald-Tribune," emphasized the obligation that the well-fed nation of America owes to Greece, described by him as the starving outpost of democracy. The relief association, formed shortly after invasion of Greece in 1940, has sent $26,000,000 worth of food, clothing and medicine to the suffering people of Greece, the same advices continued, and at present maintains nearly 500 medical clinics and supplies more than 1,000,000 children with a meal a day.

Steel Production Begins to Rise After End Of Coal Strike—Wage Negotiations Impending

Staging a quick comeback following the end of the coal strike, the steel industry this week raised its operating rate 9½ points to 70.5% of rated capacity, according to "The Iron Age," national metalworking paper, which in its issue of today (Dec. 12) further states: "There is every indication that activity next week will rebound 10 to 15 points more with the probability that three weeks after the end of the coal strike, the industry will be almost back to the pre-strike ingot rate of 91.5%.

"With every steel plant straining its equipment this week to regain lost ground as rapidly as possible, steel customers were faced with the sad news that irreparable loss in steel production because of the coal strike will ultimately amount to more than 1,700,000 tons. Equally serious to steel users will be the time-consuming process of realigning delivery schedules in an attempt to reach the normal shipping level.

"With the threat of a coal shutdown definitely postponed until April 1, 1947, the probable outcome of steel wage negotiations again takes the spotlight. While the steel union is expected to shape its militant activity on a basis which is expected to be made clear when the Supreme Court rules on the government-UMW contract, there are many in the steel trade who continue to be apprehensive over the possibility of an interruption in operations if the union and major steel producers reach a stalemate in wage negotiations.

"The steel workers union, unlike the UMW, is in a position to call a strike providing a vote is taken and the proper notification to the steel companies is made. Demands by the USWA are expected to be substantial, and the wage increase may start at 25c an hour as a bargaining factor. In addition to the demand for wage increases the steel union is expected to extend every effort towards obtaining some type of a health and welfare fund and also make a move to obtain some form of a guaranteed annual wage. Union security will also be a part of the negotiations.

"Failure to obtain health and welfare and guaranteed annual wage provisions would hardly be a sufficient reason for a national steel strike. On the other hand, despite the experience of the coal miners and their union recently, the failure of the USWA to negotiate quickly a substantial wage increase before present contracts expire on Feb. 15 could conceivably bring about a national tieup in steel production.

One optimistic factor now present in the impending steel wage negotiations which was absent last January is the freedom of steel companies to adjust their steel prices to any point necessary to absorb higher labor costs. For this reason the meeting between Philip Murray of the USWA and the U. S. Steel Corp. will represent for the first time in recent years an attempt at free collective bargaining without the interference of the government. Whether or not steel companies would be willing to boost steel prices the amount necessary to absorb a substantial wage increase is questionable in view of the inflationary aftermath which would follow such a steel price increase into other industrial price structures.

"Within the past week practically all producers of pig iron have advanced their prices $2 a ton. At Provo, Utah the advance was $4 a ton. This recent advance bring 'The Iron Age' composite price of pig iron to $30.14 a gross ton which compares to a composite price of $23.61 a ton in 1941 when controls were instituted. Higher labor costs and higher prices for coal were given as the major reason for the most recent advance.

"Many steel companies last week announced price changes which had the effect of readjusting base prices on some flat-rolled items as well as making substantial increases in the extra charges for these products. In most cases the base prices which represent the f.o.b. price at the mill without extra and freight charges were changed but little, but because of the adjustments in the extra charges and the rearrangement of base gauges the net increases to steel consumers ranged from $2 to $5 a ton on some products.

"It is understood that some steel companies are now negotiating with major can companies on the price of tinplate for the contract year 1947. It is understood that the price under question this week ranges from $5.65 to $5.75 a base box, with the latter figure the most likely.

"'The Iron Age' composite price for finished steel this week was 2.72122c per lb. compared to last week's quotation of 2.70711c per lb. Most steel companies this week had posted substantial increases in export prices. These increases, it was claimed, were made to bring domestic prices in line with world prices of various steel products. Some of the more important quotations on steel items for export are as follows: Tinplate $6.60 a 100 lb. base box f.a.s. (freight along side ship); reinforcing bars $3.10 per 100 lb. f.a.s.; ingots $44 a gross ton; hot-rolled strip $2.85 per 100 lb.; hot-rolled sheets $3.18 per 100 lb.; and hot-rolled bars $3.25 per 100 lb. These export prices represent an average of more than 10% above current domestic prices, and it was claimed that while the new quotations bring American prices closer to world levels, it was argued that they are still lower than foreign prices on most of the items involved."

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 69.8% of capacity for the week beginning Dec. 9. This represents an increase of 9.6 points or 15.9% over the preceding week, and is equivalent to 1,230,100 tons of steel ingots and castings. For the week beginning Dec. 2, operations were estimated at 60.2% of capacity, equal to 1,061,000 tons, a month ago at 91.2% or equal to 1,607,300 tons, and one year ago at 82.9% equal to 1,518,400 tons. On the basis of the latest figure, the Institute estimates that the coal strike will have caused a loss of 1,350,000 tons of steel production, through this week.

The Institute further states: "As at the end of the two previous major strikes which affected the steel industry in 1946, the restoration of pre-strike operations will require time. Coal must be mined and brought to the plants, coke oven operations must be built up, blast furnaces started and various other steps taken. Before the recent miners' strike began, the steel industry was operating at 91% of capacity, producing approximately 1,605,000 tons per week."

CPA Chief Resigns, Agency Merging

John D. Small, Administrator of the Civilian Production Administration, set up to facilitate industry's reconversion, tendered his resignation of President Truman on Dec. 5, which the President accepted effective at the close of business on Dec. 6, according to Associated Press advices from Washington. Stressing his belief that there are further problems to be solved through "the machinery of your agency," the President told Mr. Small that he did not however "feel it fair to urge you to remain when you so long desired to return to private industry." Stating that the nation is at "a peak of production never before attained in time of peace," the President went on to say that Mr. Small's work, "as originally assigned, therefore has been virtually completed."

Speaking of the recent coal strike, Mr. Small, in a farewell news conference, said that a period of two to three weeks would be needed before factories would be able to resume production, with those nearer the mines able to get under way more quickly. "But," he added, "it will take at least 45 days, and possibly 60, to get back to anywhere near normal production." The Associated Press added:

In departing from the CPA, Mr. Small predicted that most of the agency's controls still in effect would be "out of the picture" within the next three or four months. However, he excluded from this description controls over inventories, which he felt should be retained for some time.

He indicated that the retention of inventory controls would be among his recommendations to the President on the number and character of controls to be continued. His report to the Chief Executive, which is expected to be used by Mr. Truman in his recommendations to the Congress, will be filed within the next day or two.

Charles G. Ross, the President's press secretary, told newsmen that Mr. Truman had more readily acceded to Mr. Small's desire to leave because the remaining functions of the CPA, the Office of Price Administration and other emergency agencies were to be consolidated into an over-all liquidating agency.

Mr. Ross stated that progress toward the formation of the new agency was proceeding rapidly.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on Dec. 9 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated Dec. 5 and to mature March 13, which were offered on Dec. 6, were opened at the Federal Reserve Banks, on Dec. 9.

Total applied for $1,817,059,000.

Total accepted, $1,314,809,000 (includes $27,594,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price, 99.905+; equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids:

High, 99.908, equivalent rate of discount approximately 0.364% per annum.

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

70% of the amount bid for at the low price was accepted.

There was a maturity of a similar issue of bills on Dec. 12 in the amount of $1,305,337,000.

From Washington Ahead of the News

(Continued from first page)

been the subject of a purported statement, in private, by Mr. Truman, that he was a labor leader apart, and a good fellow—it was natural for him to want to establish something before the great Roosevelt labor order, was declared at an end.

A probable mistake he made was that Mr. Truman went to the Photographers' dinner that night. There he was acclaimed. A completely repudiated man, just experienced a political disaster, the photographers and their guests appreciated a sportsman. As such they ovated for him. It impressed him tremendously.

Thus fortified, he said to himself on the way back to the White House "to hell with Lewis." In this mood he called in his advisers—at midnight—and decreed it was to be a battle to the finish. That was Lewis' end.

Thus it was, that we with the same resources, the same ingenuity, vigor and skill that have made us the great unconquerable people that we are, arose in all our might. In the ensuing battle, John L. called for mercy behind the scenes many a time. He tried to communicate with Mr. Truman several times; he tried to communicate with Schwellenbach. Not to have been able to communicate with the latter must have really been a severe shock, because he is an understanding mind when these labor leaders get their back up against the wall and very easily communicated with in such circumstances.

The question arises as to what the whole episode means in regard to the forthcoming big labor disputes—in Steel, in Motors.

Those with whom we have talked think it will be a very salutary lesson, indeed. Not only must the labor leaders now be cognizant of an aroused public opinion and a determination on the part of the government, but also of the bitterness of their own men. The labor leaders have been shouting that there is a tremendous reactionary trend on to destroy the unions, but they must have knowledge of the fact that their men are saying that this is just splendid, they would like nothing better than to get from under the yoke of men who have been browbeating and using them as no industrialist ever did.

The labor leaders too, undoubtedly are cognizant of the fact that the Republicans came to victory through the votes of wage earners. If this writer had one experience, to sell to their minions. But in pressing their disgust at being thrown out of jobs because of strikes, and saying: "Just wait until the Republicans come in."

This makes for excitement among the labor leaders, a sort of hysteria about new demands. They are thinking feverishly of things to sell to their minions. But in their hearts and minds they are becoming increasingly reluctant to call a strike.

The plain facts are that John L.'s miners were breaking ranks. There should never have been any doubt that this would be the case.

Consumers' Prices Up 1.7% Sept. 15 to Oct. 15 Labor Dept. Reports

Retail prices of living essentials used by moderate-income city families advanced 1.7% between mid-September and mid-October according to an announcement issued by the Bureau of Labor Statistics of the U. S. Department of Labor, which states that "food prices went up 3.4%; prices of consumers' goods and services other than food and rent rose 0.6%. Rents were not surveyed in October." The consumers' price index prepared by the Bureau was 148.4% of the 1935-39 average on Oct. 15, 1946, and 15.1% higher than a year ago. The report also said:

"In mid-October until prices of goods and services used by moderate-income city families were 50.5% higher than in mid-August 1939. The family food bill had risen 92.5%, clothing and housefurnishings costs each advanced more than 66% during the same period. Residential rents, however, had increased only 4.3%.

"Retail food prices in large cities advanced 3.4% between mid-September and mid-October as prices of eggs, dairy products, and sugar and sweets increased sharply. Butter prices rose almost 13 cents per pound during the month; in mid-October butter was 96 cents per pound as compared with 35 cents in October 1939 and 61 cents in June 1946. Poultry and egg prices—each in demand as meat substitutes in September and early October—increased 17 and 11%, respectively. The cost of sugar to consumers jumped 20% as retailers were allowed to raise their prices to cover increases in prices given to sugar producers.

"Fresh fruit and vegetable prices declined further by 1.3% with prices of spinach, lettuce, cabbage, and potatoes dropping 4 to 9%. It is estimated that meat prices increased 1.2% over the month. (See technical notes.) Food prices in mid-October were 29.2% higher than a year ago, and 23.6% above mid-June. They were obtained in the period October 14-17; meat price controls were removed effective October 15.

"Average costs of clothing again advanced and were 0.7% higher in mid-October than in mid-September. The sharp increases in the prices of raw cotton during the summer were reflected in October in higher prices for many essential cotton garments including underwear, shirts, socks, and denim work clothing. Prices for all types of leather footwear advanced as a result of higher ceiling prices granted to manufacturers in recent months to offset the rising cost of leather. Prices for sweaters were somewhat lower in many stores as supplies increased.

"Housefurnishings prices rose 1.2% during the month as higher price lines replaced those previously available and retailers adjusted their prices in accordance with price increases granted by OPA before all price controls were removed. Prices of sheets, mattresses, cook stoves, sewing machines, radios, electric refrigerators, vacuum cleaners and washing machines advanced in many of the 21 cities surveyed. Average costs for bedroom furniture were also higher, although somewhat lower prices were reported in a few cities.

"Miscellaneous goods and services rose 0.7% because of higher prices for cigarettes, beauty shop services, motion picture admissions and motor oil. Electricity costs declined 7% in New Orleans as lower rates became effective on Oct. 1."

Crocker, Johnson Dirs. Of San Francisco Reserve

Henry F. Grady, Chairman of the Board of Directors of the Federal Reserve Bank of San Francisco, announced on Dec. 3 that William W. Crocker, President of the Crocker First National Bank of San Francisco, has been elected a class A director of the Federal Reserve Bank of San Francisco for a term of three years beginning Jan. 1, 1947. Walter S. Johnson, President of the American Box Corporation of California, has been reelected a class B director, also for a term of three years beginning Jan. 1, Mr. Grady said.

Labor Policy on Productivity Gains

(Continued from page 3122)

In the first reconversion period, organized labor, following a program accepted by the government, demanded the maintenance of weekly earnings and current prices and urged industry to shoulder the costs and losses of reconversion through the carry-back tax provisions, the repeal of the excess profits tax or the huge profits rolled up during the war. But management refused to adopt this policy. The dispute was solved in a way satisfactory to none of the parties—lost production; higher wages; higher prices.

What Policies?

What policies shall we follow now? Certainly we need an agreement on basic economic tenets if we are to have orderly collective bargaining. Management must be prepared to discuss these issues with the leaders of organized labor and bargain, yes, bargain on general policies with the same determination that is being shown in most labor disputes and now in the Council of Foreign Ministers. We must bargain until we reach an agreement, though it be subject to annual revision. We need direction for the daily processes of collective bargaining. Such national agreements on policy are indispensable.

Today, we have one general guide which is apparently widely accepted in collective bargaining, during periods of rising prices. Wages must be lifted to compensate for price rises. The standard of living of workers must be maintained if we are to assure adequate purchasing power and preserve the values of our system. However, organized labor and our economy dictate that the workers' standard of living shall be raised. How shall organized labor be guided in realizing such a goal? When its membership was more circumscribed, it could boost its rates and be assured of a higher standard since the union workers' income could be shot ahead of other workers. Now that the great mass of American workers belong to unions, some other guide is necessary.

In the search for a new guide, we have one outstanding item of experience. In 1938, organized labor achieved its first significant reversal of economic trends. It prevented wage reductions in a period of business recession and price reductions. What should be its policy in other periods? Financial statements might provide a clue. When presented honestly and adequately, they are a record of past performance. bargains and margins. They furnish a clue for the projection of a company's or industry's ability to absorb increases in labor income without affecting prices under specifically defined assumptions as to company policies on prices, markets and demands. But these statements are too conglomerate and summarize both cost and bargaining determinants. We need, for the purposes of analysis, separate information on both these factors. In connection with cost, we must be aware of the dynamic nature of this phase of the problem. Costs are changing; the productivity potential is constantly rising. Data concerning this aspect of a business can provide a sound floor for collective bargaining. On the basis of such data we can pursue realistic negotiations and shape responsible policies to add to those cited above.

Wants More Financial Data

We are, however, handicapped by the absence of data in pursuing this course of developing labor's wage and economic program along constructive lines. Our interest in financial data is high-handedly dismissed as irrelevant. Our inquiry concerning economic policies respecting production, sales, prices, etc., is frowned upon. Why is American industry so lukewarm to a Census of Manufactures and Business? Why has it remained aloof from every effort to assure the collection of such vital information necessary for calculations of our most elementary national statistics?

American labor has little data to guide it in its analysis of these substantial problems. And, this paucity of information is frequently coupled with irresponsible statements, purportedly based on objective studies, designed to blame workers for conditions for which they are not responsible.

Man-Hour Output

Such information as there is, is of limited scope and bears on only one phase of productivity: namely man-hour output. Current data suffer from definite limitations as the recent Washington Conference on productivity fully unfolded. Incidentally, one of its greatest shortcomings is due to the absence of a census. True, it may be noted that the present governmental series on man-hour output also requires more exacting care and greater skill in its construction. At best these are superficial indices of increases in man-hour output already achieved. They do not reflect the total potential.

A second phase of productivity is not now measured. Yet it is as significant a source of additional income as the first. It is the reduction in in-put per unit of output. This includes savings due to the reduction of material waste in a plant; reduction in space requirements due to better lay-outs; reduction in light and fuel costs due to better lighting systems and methods of fuel consumption; reduction of overhead costs through higher volume. A less typical example is the stabilization of an industry which reduces capital losses. We have no measure of these savings independent of the conglomerate profit and loss statement.

The third phase is the increased productivity resulting from the economic of vertical integration, particularly as stages in production and distribution are combined. These savings are not now measured.

Our direct suggestion therefore is that all those concerned with a constructive program of economic peace must devote themselves to making these facts available. The facts on the potential and attained changes in productivity must be forthcoming.

This subject must be carried further to examine the principles which seemed to determine the distribution of these benefits of increased productivity. This is a necessary part of a national wage program. We are generally agreed that increased productivity is a means of raising our standard of living. It must be translated into lower prices and higher earnings. The grave question is whether the mechanics of our type of economic system demands that significant proportions of these savings shall be siphoned off in the first place in the form of higher profits, i.e., higher business surpluses and larger dividends.

Before examining the general problems, it is well to realize that technical change occurs at numerous levels; namely the job; plant; company; industry; national and international levels. It is safe to conclude that the parties immediately concerned should enjoy part of the savings. The workers on a job who are immediately affected must benefit in part through higher earnings and in part through allowances for retraining and adjustment to other jobs. The cost of change for the benefit of the whole community must be borne by workers. It is a sound industrial relations policy since it facilitates the making of the change and exhibits directly to the worker the rationale of technological advances; namely, improvements in his standard of living. Despite all claims of job evaluators to the contrary, companies which fail to observe this principle inevitably invite trouble.

Benefit of Improvements Must Be Shared

In referring to increases in productivity at the job level, we are embracing more than merely higher output resulting from greater worker effort. This latter concept of productivity, common to most incentive wage systems, is too limited. We are considering increases in output on a specific job resulting from all sources whether the direct worker, other workers, management, the material supplied or conditions of employment. These improvements should all be shared. Current incentive wage systems are frowned upon by workers partly because they attempt to restrict the workers' share in increased productivity merely to those increases which result from higher worker application. All improvements resulting from all other causes are quickly recaptured by management through its over alert engineering departments. This concept is being widely resented in labor's ranks and cannot serve as a base for a permanent system of sound collective bargaining.

In determining the distribution of these benefits of increased productivity, there appear to be two guides for our decision. First is that our economic society normally suffers from a tendency to oversave in relation to its opportunities for investment. During the thirties this conclusion was often presented by spokesmen for the contention that we live in a so-called "mature society." Irrespective of this position, the factual conclusion still holds and has been offered by such a conservative non-Keynsian economist as Harold G. Moulton of Brookings Institution (The Formation of Capital—Chapter X).

The funds now being collected by corporations in the forms of depreciation and other reserves, the Federal Insurance programs, and other forms of savings are reaching proportions which exceed the needs of most ambitious programs for foreign investment, housing and industrial expansion. It is therefore vital that as small a proportion as possible of the benefits of increased productivity shall go to the capital. Incidentally, there is little relation generally between changes in labor productivity and capital per worker.

The second guide is that it would be desirable to shift as large a proportion as possible of these benefits to the general population including wage-earners, employers and self-employed persons, in the form of lower prices, better quality and more services. Unfortunately both the willingness of industry to do so and the effectiveness of this procedure needs substantial proof. We know that during the twenties the gain in consumer services was only about one-half of the increase in productivity in the best industries and in the thirties it was two-thirds. During the twenties only those industries which "made large gains in technology made material increases in services rendered per dollar. In each case, however, there were some industries with large productivity gains (tobacco and electricity in the 1920s and cotton, mining and automobiles in the 1930s) which passed on much less to the consumers than did other industries with corresponding gains in productivity." (M. Ezekiel, Productivity Wage Rates & Employment, "American Economic Review" September, 1940, p. 512.)

Tardiness of Price Reductions

Management's tardiness in translating productivity gains into price reductions is further attested by the experience during the twenties and thirties. A comparison between productivity increases and wholesale price changes shows that "changes in raw material and other costs outside the industry and capital costs, largely blot out the effect of changes in labor efficiency within the industry. The fairly close correlation between productivity and labor costs per unit thus almost disappears by the time it gets through to wholesale prices." (Ibed p. 514.)

These statistical conclusions from the past are borne out by current experience. Price increases have been announced by many industries which are already registering unprecedently high profits. For example, one industry known to the speaker with such enormously inflated profits that it might well have considered a price reduction, recently announced a price increase. What could be the rationale for such a move? The most gracious reason would of course be that the demand for its products is so large that it raised its price as a means of selection of customers. Price setting according to this principle can give us no assurance that industry is now willing to transmit benefits to the consumer.

Industry is inclined to use the increases of productivity for its own coffers. It was so in the twenties when management passed little of the benefits on to labor or the consumer. It was only less true in the thirties because of active government intervention and the organization of labor. Current pricing policies suggest that the experience of the twenties may be repeated if management does not awaken to the dangers of its own decisions.

Management is reluctant to move prices down voluntarily even when justified. Our competitive system is at best too slow and does not affect substantial areas. When fully in operation, it is not discriminating, since it frequently brings competitive chaos and low wages in its wake. Many look to the coming recession as a cover for breaking the business code of not reducing prices. But such a course only invites disaster. In any event, management does not freely transmit the savings of productivity to the consumer.

Potency of Higher Wages

These two guides definitely lead us to the conclusion that the safest procedure for passing these savings to the American people in a way which will increase demand is through higher wages. Management is still on trial as to the degree to which it can be trusted to pass on these savings in the form of lower prices. Or would management prefer that these substantial benefits be set aside for governmental uses?

Finally, we may add that these procedures for sharing in savings must be as continuous as is the process of making improvements. They must not await the termination of the yearly contract. They must be continuously made as they arise; it may well be that a wage system which automatically increases earnings with total gains in productivity not merely increased worker effort, would be administratively most suited for these purposes. In any event these should be transmitted as quickly as possible in order to release this vast amount of additional consumer demand. By withholding such savings for industrial reserves, we are building up an imbalance in our national economy.

Conclusion

Labor and management must agree on basic principles to guide the processes of local collective bargaining in order to assure stable relations and to promote a progressive stable economy. Essential to formulating such principles is an agreement on the methods of distributing the benefits of increased productivity, and this in turn is in part dependent upon the development of adequate data. It is apparent from our evidence that the benefits must be so distributed as to recompense those immediately affected and instrumental in effecting higher productivity and that the major form of distribution should be higher wages. It is most undesirable for it to go to capital in any significant proportion since it will aggravate our economic imbalances. Management has yet to furnish adequate proof that it will substantially transmit these benefits to the public in the form of lower prices, as it has not done so in the past.

AIB 1947 Convention To Be Held in Detroit

The 1947 convention of the American Institute of Banking, educational section of the American Bankers Association, will be held in Detroit, Mich., June 2 to 6, it has been announced by George J. Greenwood, Jr., national President of the Institute, who is also Assistant Manager of The Bank of California N. A., Portland, Oregon. The Book-Cadillac and the Statler Hotels have been selected as headquarters for the convention. The last AIB convention in Detroit was held in 1927. While in Detroit, the delegates representing the 350 chapters and study groups from all parts of the United States will be guests of Detroit Chapter AIB. The national program committee, working closely with representatives of Detroit Chapter to arrange interesting activities for the five days include: Garnett A. Carter, Assistant Vice-President, The Fulton National Bank, Atlanta, Ga., Chairman; Earl J. Failor, Vice-President, National Bank of Detroit, Detroit, Mich.; Floyd W. Larson, National Secretary, AIB, New York, N. Y.; and J. L. Dart, President of the Florida National Bank, Jacksonville, Fla. Mr. Dart was national AIB President, 1940-41, and has been appointed by President Greenwood as Chairman of the important committee in charge of the departmental conferences which will be a feature of the convention.

The Chairmen of committees which will represent Detroit Chapter include: Earl J. Failor, General Chairman; Keith G. Cone, Industrial National Bank; Albert O. Werner, Industrial National Bank; John R. Wilt, Manufacturers National Bank, General Vice-Chairmen; L. George Bott, Manufacturers National Bank, entertainment committee; Clifford H. Hyett, Detroit Bank, hotels committee; J. Ralph Wagner, National Bank of Wyandotte, finance committee; Kenneth S. Patton, National Bank of Detroit, halls and meeting places; Walter Urch, Bankers Trust Company, information committee; Ernest C. Harris, Federal Reserve Bank, personnel committee; Alex R. Blacklock, Commonwealth Bank, publicity committee; Walter C. Leonhardt, Manufacturers National Bank, public speaking and debate committee; Harold P. Carr, Detroit Bank, reception committee; Arthur S. Greiner, National Bank of Detroit, registration committee; Edwin Anderson, United Savings Bank, transportation committee; Walter Shinkath, Wabeek State Bank, utility committee; Mrs. Bonnie Matches, Detroit Bank, women's committee; Helen L. Hicks, National Bank of Detroit, convention committeee secretary.

Women's Role in Industrial Peace

(Continued from first page)

that the time has come for women to "strike,"—as much as I dislike strikes—(even in industry against the OPA).

In the last few years the New Deal and the press (I like to blame everything on the press) have been very bad in insinuating that management is totally selfish and unprincipled, thinking only of larger profits. Now I have spent all my life in association with management and could talk for hours on the magnificent men I know—what they have done for those in their employ, what they have done for communities in which they live and for society generally. I could cite many names, but you all know them. I recall in my college days that when I lived in a hall contributed by one of the great philanthropists of the day I was almost made to feel that it was wicked to live in a building given by a man who had accumulated a large fortune through his own efforts in industry. When I think of the countless good all these generations of industrial leaders have done, not alone with their money but with their leisure time and through personal effort, I feel very grateful to management.

I have not known the labor leaders as well. But I have met most of the well-known men of the labor organizations, and they—with the exception of one—seem to me to be men of kindness and good will.

Reasons for Industrial Disputes

Why is it that men such as these cannot get together? We women cannot understand it. Why is it that the most intelligent men in this country who are in management and labor cannot solve the problems of industrial peace?

I'd like to mention three possible reasons.

First, management is not willing, to any great extent, to share profits or dividends with labor. There are as you know notable examples of profit-sharing, and as far as I can ascertain these firms have outstanding records of industrial peace. I know profit-sharing is not as simple as that. All firms could not follow one or two distinguished examples. But I believe that the great minds in industry are capable of working out plans that will apply successfully in many instances,—if they are willing to approach the program openmindedly. I do not mean a program that smacks of paternalism. That humiliates labor—just as it humiliates supposedly free people when applied by imperialistic governments. The laborer is a free man. He wants to feel that he has earned that which he gets or shares. He wants to be important. Is he made to feel important in your concern?

The second reason I wish to mention is that management and labor rarely seem to actually get each other's point of view. You will recall that last year in Washington there was a conference from which we hoped much would come. You met, and talked and talked, and never came to any real understanding of the other's point of view—I mean a deep understanding of why labor acts as it does and why management often will not relent. Sometimes I wonder if labor leaders are drunk with power and if management is getting arrogant and set and unable to change!

Understanding will be achieved only through progress. I believe labor is making progress when a labor leader writes to members of the Watch Workers Union, "Are we going to be as unfair to our employers as they once were to us? Or are we going to show some sense? . . . We've got to help our employers make good profits. . . . Sure I'm company-minded. I'm union-minded too. . . . I think management has only a half-mind and labor has only a half-mind till they come together to make one complete American mind. . . . American free enterprise now has to be saved by unions as well as by managements."

I believe management is making progress when it creates Labor-Management Committees to deal with such problems as waste, absenteeism, safety and production short-cuts; when it seeks suggestions, and even gives awards for them, from labor—and puts the worthy suggestions into action. Naturally, the man on the job can see things that management can't see—the little wastes that add into big losses. Accepting, using, and giving credit for such suggestions make the worker a part of the enterprise. Many working men want more than full-time employment, a fair wage and even a share in the profits. They want to be a part of something. They want an outlet, even a very tiny one, for individual initiative. They too want responsibility even though they realize full well that all men can't be bosses.

The other day I read that the International Ladies Garment Workers Union is celebrating its 20th anniversary of labor peace in this city of New York, and the outstanding note, in my way of thinking, was cooperation—a long record of cooperation from both sides "with union leaders giving attention to efficiency and production rates and employers seeing the evil of sweatshop conditions." The article also mentioned the anniversary raise—the third of this year, in accordance with a cost-of-living clause in the contract.

When I visited factories in the Soviet Union this summer,—as is the custom, our party was escorted around the plant by the superintendent of the factory and the head of the labor union. Now, I am not trying to sell Russia to you. I don't want Communism nor Communists in the United States. But I think it's very good business to take the good points from a system working so well that it's spreading all over Europe and into other parts of the world.

In my opinion, we should never go back. We've got to go forward—in one direction or another. Labor unions are here to stay. And American free enterprise has got to be saved by labor unions and management working together. It's up to management to make a stepping-stone of something it once may have thought a handicap. Management has got to be *company-union* minded, and labor *union-company* minded.

Third Point

Now for my third point. I understand that women have played an important part in policy-making of the International Ladies Garment Workers Union. This speaks pretty well for the "ladies."

I am wondering if by any chance you should take women into your councils, let them in on the ground floor, and if labor should do the same—would women be able to help? Someone has said that women are wiser than men—they know less but they understand more.

I know that labor organizations do not consider women particularly. My organization has longed to work with the women of the labor groups, but we find that these women cannot attend meetings for they have no money to work with. I have noticed that management is a step ahead. You send a bright, attractive woman to our meetings to learn what we are doing, and you send us very interesting and helpful program material. But even you have not taken us into the inner parts of your business councils. Naturally, we cannot give you specific help and suggestions until you do. During the war women were not given any real part in planning,—even in housing or food conservation. They could have saved much money even for the Army had they been asked.

Women do not ask for more consideration. You have always been considerate of us. But we ask, as the sharers of the good and ills of this country, to be given an equal chance in solving the problems. Many men do not realize that legally we do not have equal rights. We know that labor is against the Equal Rights Amendment; we are not sure how management feels. We do not want special privileges. We want the right to work where and when we please. We want good working conditions for both men and women. Why not help us get the Equal Rights Amendment? Opponents refer to the confusion that will result through its adoption; but we feel that the interim between passage and ratification by the states will be ample time to bring state laws into line.

Importance of Women in Economics

You can't make a speech without some statistics. (Remember! Gracie Allen said the only statistics that interested her were that a marriage was made up of 50% male and 50% female.)

According to 1946 Census estimates there are 1,171,948 more women 21 years and over in the United States than men. You know also "they say" that in the United States women own:

Over 70% of the nation's private wealth.

Over 65% of the nation's savings accounts.

Over 50% of the stock of the nation's industrial corporations.

Over 1/3 of all industry.

Over 44% of the nation's public utilities.

Over 40% of the real estate.

They pay over 80% of inheritance taxes.

They are beneficiaries of about 80% of the life insurance policies.

They disburse over 85% of family incomes.

They buy over 80% of the nation's consumer goods.

They even buy over 63% of men's neckties!

Women have tremendous stake in economic affairs. They are willing to take more responsibility if they can have the chance. We have had only one Cabinet member. Everyone said terrible things about her. But now I frequently notice that she gets credit for doing a difficult task well. I do not think any man could have endured the criticism this woman took. She longed to resign, but a sense of duty and loyalty kept her on the job.

Dangers of Government in Business

If management and labor cannot run the great utilities of this country, eventually the government will take over. This means socialism, and who knows what next? Before we get to this point, let women try to help.

As one great genius, Thomas A. Edison, said, "There is far more danger in public monopoly than there is in private monopoly, for when the government goes into business it can always shift its losses to the taxpayers. If it goes into the power business, it can pretend to sell cheap power and then cover up its losses. The government never really goes into business for it never makes ends meet and that is the first requisite of business. It just mixes a little business with a lot of politics and no one ever gets a chance to find out what is actually going on."

I've left out telling about your magnificent advancement since the old sweatshop days. But you know we women are proud of that! I've left out severe criticism of unions. I'm saving that for a speech to labor.

But I'd like to say right here that women of the country expect the government to do something about John L. Lewis. And do it quickly. Time and again the government has restrained industry. Now it's time to stop some of the monopolistic practices of labor. The United States is still a democracy, and we're not going to tolerate a czar in government, in management or in labor.

Possibly you gentlemen cannot see your way to consider my three suggestions. But I am bold enough to ask that you do consider the third one. I know it will work. I know the capabilities of women of this country—3,000,000 of whom are under the banner of my organization, the General Federation of Women's Clubs.

The other day a woman from Honolulu called on me. She told me that this fall when the unions called a strike paralyzing the utilities of Honolulu, the women took a hand. They met with the heads of the union and were able to stop the strike.

Take women into your councils. The men who dug the Panama Canal all those years ago had a song:

Got any rivers you say are not crossable?
Got any mountains you can't tunnel through?
We specialize in the wholly impossible
Doing the task no one else can do.

We, the women of this country, ask for a chance to help make industrial peace.

What May Be Expected From Washington

(Continued from first page)

price supports must continue until Dec. 31, 1949. Hence, the Republicans can make no sudden changes.

Minimum wages may be increased from the present 40 cents per hour to possibly 55 cents per hour but this is not probable. On the other hand, Old Age Insurance and Unemployment Insurance may be broadened. The payroll tax for Social Security will remain at 1% for both employers and wage workers. The President will make his usual appeals for health insurance, military training, etc., but they will receive no attention.

Republican Foreign Policy

Our foreign policy will not be changed as a result of last month's voting. Russia will continue to work for a control of Europe and the chances are 50-50 that she will ultimately succeed although the United States and England will do their best to head it off. General MacArthur's program in Japan will be backed to the limit and all treaties, acceptable by Senator Vandenberg and Secretary Byrnes, will be ratified. Dollar loans will be freely discussed and some will be granted.

The Democrats will try hard to develop some national figure other than Mr. Truman to lead them in 1948; but they have not yet decided who it shall be. It may be some famous general of the late war. Apparently Tom Dewey has the lead among the Republicans, but he is closely followed up by Senators Bricker, Taft and Vandenberg. The Republicans will not dare to pass any severe "anti-legislation in 1947. They will do their best to have fairly good business during the next two years although consumer spending is likely to drop.

In view of the above, I am optimistic on 1947 and do not look forward to the "depression," about which so many people talk, coming upon us before 1950. Yet, it should be realized that the country is now operating on a very high volume of business—almost double what it was before World War II. Of course, this cannot continue indefinitely and there will be price recessions and an overproduction of goods in many lines.

Watch Labor Leaders

The most uncertain problem of the next two years will be how labor will act. Will labor kill the goose that is now laying the golden eggs? Will labor be willing to have wages reduced as the cost-of-living declines, as it has insisted on wage increases as the cost-of-living has increased? Labor leaders must have sense enough to realize that, irrespective of money wages, what they get in food, clothing and shelter is absolutely proportional to what labor produces. No group can long continue to benefit by producing less per day. Only as more is produced is there more to divide.

This means that the years ahead depend more on the spiritual condition of the country—and of the world for that matter—than upon either wages or profits. When a majority of the people want to "ride in the cart instead of pull the cart" we are headed for a business recession. When most people desire to give "full measure, well pressed down and running over," as Jesus talked about, then better times are ahead. Even Washington merely reflects the character, intelligence and desires of the nation's people as a whole. The only way to have a better Washington is to be better people ourselves.

Rumors of Swiss Franc Revaluation

While it was stated in the New York "Times" of Nov. 28 that prospects that the Swiss franc will be revalued at an official 30-cent rate, incident to the unfreezing of Swiss Funds by the Treasury (recently announced) the "Times" observed:

Unfreezing of the balances, however, is likely to cause a heavy flow of dollars to Switzerland, already "embarrassed" by the size of its foreign currency holdings resulting from the accumulations piled up during the war. Under the circumstances, the Swiss authorities would probably have no other choice than revaluation since the influx would force a higher rate for the franc. Anxious to meet the situation realistically, the Swiss officials, it is expected, will revalue at the 30-cent figure, the rate at which United States dollars are now being sold in Switzerland.

Meanwhile, it was pointed out in other financial quarters, the Swiss in their own country have been reluctant to take the step. Foreign trade is still restricted by shipping difficulties, and the authorities are unwilling to stimulate the inflationary tendencies there.

In other quarters the rumored Swiss revaluation was reported as regarded as unlikely, and in the New York "Herald Tribune" it was stated:

The Swiss decision to change or not to change is complicated by the fact that the franc is definitely tied to gold and any change in the rate would involve an alteration of the currency's gold value.

For a number of technical reasons, Swiss francs have been extraordinarily strong in the New York market for some time. With a good many Swiss assets frozen, New York banks heretofore operated under what is known as a "trading license" which restricted each individual bank's position to a limit of around $100,000.

Hence, the supply of Swiss francs in this market has been extremely limited, and in times of heavy demand the shortage was acute. As a result, Swiss franc currency notes have been selling at a substantial premium, demanding between 31 and 32 cents a franc, against an official transfer rate of 23.44 cents a franc. Most other currency notes are at a discount.

Procedure in Merging US-UK Zones in Germany

(Continued from first page)

ments, with the support of all occupying powers, could develop into Central German Administrative Departments as agreed in the Potsdam Protocol. At the next meeting of the Control Council on July 31, Air Marshal Sir Sholto Douglas, British Military Governor, stated that his government had authorized him to accept in principle General McNarney's offer. The British were the only ones to accept.

British Agreed Promptly

Immediately upon the British acceptance of the economic amalgamation of British and U. S. Zones, negotiations between British and U. S. military governments was started with regard to organization and functions of the bizonal agencies. In a number of conferences, preliminary understandings were reached on the subject of executive agencies mentioned in the Potsdam Agreement and it was decided to add agriculture to those mentioned in the Protocol.

On Aug. 9 a joint U. S.-U. K. meeting on economic unity agreed upon a statement of "General Principles of Agreement for the Economic Unification of U. K. and U. S. Zones of Germany." It represents the fundamental structure on which the union of zones will proceed. These principles provide that:

(1) There be established in the two zones as nearly as practicable a common standard of living to include a common ration.

(2) In order that this may be accomplished, the resources available in both zones be utilized to the common advantage of both zones, to wit:

a. All indigenous resources essential to the agreed standard of living will be shared on basis of need among the German population of both zones, except for those commodities which are subject to quadripartite agreement for allocation to all zones.

b. Surplus resources or agreed percentages of other resources will be made available for inter-zonal trade or for export.

(3) A common import policy be followed by both zones, and imports into either zone be limited to agreed items and quantities to supplement indigenous resources so as to provide the agreed common standard of living.

(4) A common export policy be followed for both zones, with exports limited to agreed items and quantities.

Minimum Change in Organization Intended

It was agreed that the organizational structure and procedures already established in the two zones should be disturbed as little as possible by the new arrangements, General Draper informed the "Chronicle." This was necessary because of the diverse structures and degrees of authority of German administrations in the two zones. When the negotiations began, German economic administration in the U. S. Zone was concentrated in the three Laender and coordinated through the Laenderrat. Circumstances, however, had forced the Laenderrat to progress from the function of negotiating agreements among the Laender to the establishment of certain zonal offices having limited executive functions such as the Food Commissioner, the Price Commissioner, the Interzonal- and Foreign-Trade Commissioner, and finally the Economics Council.

In the British Zone German administration was largely in the hands of central agencies appointed by and deriving their power from Military Government. These agencies were beginning to develop from advisory bodies to central executive agencies when the negotiations for zonal amalgamation started. The German agencies in the British Zone had less authority but larger staffs; those in the U. S. Zone had much more authority, but did not yet have a sufficient apparatus to implement central administration.

During the negotiations the future Land structure of the British Zone began to take shape, through the establishment of the three Laender North Rhine Westphalia, Hanover and Schleswig-Holstein.

From the beginning, it was decided that there would be no joint capital city for the two zones. Unification of the zones was to be limited to economic unification. Therefore, it was agreed that some of the agencies would be located in the British Zone and some in the U. S. Zone. It was also decided that implementation of the structure, organization and functions of the new agencies should be left to negotiations of the Germans and that the Military Governments would limit themselves to establishing broad outlines of structure and terms of reference, General Draper stated.

On August 12 General Adcock and General Draper went to Stuttgart in the U. S. Zone to give the Directorate of the Laenderrat an outline of the basic agreement with the British Military Government on the basis of which German delegations from the two zones were to work out agreements for the establishment of bizonal agencies. Food and agriculture negotiations started immediately in Stuttgart, while the economics delegations met a week later in Minden in the British Zone.

To that meeting from the U. S. Zone there went the three ministers of economics and three of their leading aides. The German delegation from the British Zone consisted entirely of the members of the Central Office for Economics in Minden, the so-called GEAB. There was unanimous agreement among the Germans from the start that they preferred to set up a combined agency for trade and industry instead of separate agencies.

Germans Participated in Preparatory Work

This agreement, General Draper continued, together with the drafts for transportation, finance, and food and agriculture, were then considered by the Laenderrat, which suggested a number of changes. With these changes made, the agreements were then coordinated so that the basic structure of the various agencies would be approximately the same in each case, and the final documents were presented to the first meeting of the new Bipartite Board, consisting of the Generals Robertson and Clay, and approved by them.

The Agreement for the establishment of a German Bizonal Economic Administration was termed preliminary to emphasize that it is only an interim solution pending economic unification of Germany, and that it is free to other zones to join in this agreement. The "Executive Committee for Economics" as it is now officially called consists of the three ministers of economics of the three Laender in the U. S. Zone and of three representatives of the British Zone, who for the time being are nominated by British Military Government. Each member has an alternate. The seat of the organization is Minden.

Functions of Economics Ministry

The Executive Committee for Economics will deal with basic principles of German economic law, foreign and domestic trade, production and distribution of goods, prices and price control, and related functions such as economic statistics.

The Committee decides issues by simple majority. The minority, if any, has the right to state a divergent opinion to the military governments. In such cases no action will be taken without the approval of the Military Governments. The Executive Committee for Economics appoints a chairman and deputy chairman, who, at the same time, acts as head and deputy head of the administrative agency attached to the committee. The Chairman presides at the meetings, but has no vote. The committee can delegate to the Chairman the necessary executive authority for the exercise of his responsibilities.

General Draper in his interview pointed out that the Laender or corresponding agencies are obliged to carry out the decisions of the Executive Committee, which controls the execution of its decisions and regulations through its administrative agency. However, laws and legal orders will be issued by the Laender with reference to the decisions of the Executive Committee, the General said.

Within the limits of its powers, the Executive Committee for Economics deals directly with the highest economics authorities of the participating Laender and other administrative units and has the right to establish control agencies to check on the execution of its decisions, but these control agencies have no right to give instructions of their own.

Pending the general decisions on the financing of Central German Agencies, the cost of the administration was to be borne equally by the British and U. S. Governments.

In September the Executive Committee assembled in Frankfurt, in the U. S. Zone, and adopted by-laws. The Committee is composed of the following three representatives from the U. S. Zone: Dr. Rudolf Mueller, Minister of Economics for Greater Hesse, Dr. Ludwig Erhard, Minister of Economics for Bavaria, and Dr. Heinrich Koehler, Minister of Economics for Wuerttemberg-Baden; and from the British Zone: Dr. Victor Agartz, Head of the Central Office for Economics in Minden, Dr. Erik Noelting, Minister of Economics for North Rhine Westphalia, and Dr. Hans Kuhnert, Head of the Economics Administration of Schleswig-Holstein. Thus, the greater number of members of the Committee represents specific regions of the combined area.

Subdivisions Planned; Site of Headquarters

According to the preliminary draft adopted at the first committee hearing, there will be eight major divisions in addition to the office of the Chairman and Deputy Chairman. These will be (1) General staff sections such as economics, coordination with other agencies, problems of expellees, and others; (2) Planning and statistics; (3) Basic industries; (4) Capital goods industries; (5) Consumer goods industries; (6) Foreign trade; (7) Price formation and price control; and (8) Public utilities.

By January 1 General Draper expected that the agency would be in full operation. In the interim period, the Central Office for Economics in Minden and the Economics Council of the Laenderrat were to continue to function, but gradually merge into the new agency. The greater part of the personnel of the new agency were to come from those two leading institutions in the two zones, as well as from Land ministries and regional agencies. While no rigid yard stick was to be applied, it was expected that both zones would be fairly evenly represented on this staff.

It was not easy for the German officials to agree on the temporary location for the agency. From the standpoint of rail communications, the best choice of location might have been somewhere near the Frankfurt area, but there were no places available with facilities to permit an early start of operations. Likewise in the British Zone the only place with proper facilities is Minden, which was finally agreed upon as the temporary seat. The agency will be housed in separate quarters from those of the GEAB. A German working party was charged with investigating other localities for the selection of a final seat. Military Governments of the two zones would, meanwhile, assist the Germans in improving rail communications and in providing other necessary facilities, General Draper told the "Chronicle."

A small joint staff of British and U. S. Military Officers works with the new agency. Its main functions are interpretation of Military Government economic policy to the German organization; approval of routine decisions of the Executive Committee or transmittal of decisions and recommendations of the Executive Committee to Berlin for decision in matters of basic policy; assisting the German organization in screening personnel; and performing liaison between the German organization and military government in general, whenever and wherever contact with the German organization is necessary. It was planned to staff this group, called the Bipartite Economic Office, with personnel of sufficient seniority to make routine decisions without referring them to Berlin.

As a rule, decisions will be made by the Bipartite Board in Berlin on matters such as overall economic problems, basic proposals concerning production or allocation of basic commodities, export-import policies, broad programs for interzonal trade between the combined area and other parts of Germany, and basic recommendations concerning division of production between military requirements and the German economy. The joint staff will consist primarily of overall economics personnel, with sufficient representation of major fields such as industry, foreign trade, and price control.

The State of Trade

(Continued from page 3123)

during the previous three weeks which mean higher costs to the fabricators and eventually to the ultimate consumer. Further indications 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 last week, the above trade authority reported.

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 two weeks ago 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, "The Iron Age" observes. A survey of steel consumers made by one of the larger mills is reported to show little unfavorable customer reaction to a price increase and higher prices are now regarded as almost inevitable.

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 69.8% of capacity for the week beginning Dec. 9, compared with 60.2% one week ago, 91.2% one month ago and 82.9% one year ago. This represents an increase of 9.6 points or 15.9% from the previous week.

This week's operating rate is equivalent to 1,230,100 tons of steel ingots and castings and compares with 1,061,000 tons one week ago, 1,607,300 tons one month ago and 1,518,400 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to 4,448,193,000 kwh. in the week ended Nov. 30, 1946, from 4,764,718,000 kwh. in the preceding week. Output for the week ended Nov. 30, 1946, was 10.0% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 197,500,000 kwh. in the week ended Dec. 1, 1946, compared with 190,300,000 kwh. for the corresponding week of 1945, or an increase of 3.8%. Local distribution of electricity amounted to 181,400,000 kwh. compared with 189,200,000 kwh. for the corresponding week of last year, a decrease of 4.1%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Nov. 30, 1946, totaled 660,911 cars, the Association of American Railroads announced. This was a decrease of 145,672 cars (or 18.1%) below the preceding week due to the coal strike and the Thanksgiving Day holiday and 142,863 cars or 17.8% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 146,925 cars, or 18.2%, is shown.

Railroad Income for October—Class 1 railroads of the United States in October, 1946, had an estimated net income, after interest and rentals, of about $57,000,000, compared with $20,224,255 in October, 1945, according to the Association of American Railroads.

In the first 10 months of 1946, estimated net income after interest and rentals, amounted to $155,000,000 compared with $473,196,438 in the corresponding period of 1945.

Net railway operating income of the carriers, before interest and rentals, totaled $85,118,939 in October, 1946 as against $52,414,331 in October, 1945. For the first 10 months of this year net railway operating income before interest and rentals, declined to $450,730,009 from $830,561,052 in the like period of 1945.

Taxes and net earnings for the month of October and for the first 10 months of 1946 are after taking credit in the accounts for carry-back tax credits. For the month of October, such credits were approximately $13,000,000, and for the first 10 months of 1946 they amounted to $85,000,000. Both the net railway operating income and the net income for October and the 10 months would have been correspondingly reduced, had these carry-back credits not been made.

In the 12 months ended Oct. 31, 1946, the rate of return on property investment averaged 1.70%, compared with a rate of return of 3.57% for the 12 months ended Oct. 31, 1945.

Total operating revenues in the first 10 months of 1946 totaled $6,331,911,885 compared with $7,623,746,789 in the same period of 1945, or a decrease of 16.9%. Operating expenses in the first 10 months of 1946 amounted to $5,271,642,098 compared with $5,538,109,054 in the corresponding period of 1945, or a decrease of 4.8%.

Increase in Business Failures—Rising in the week ending Dec. 5, commercial and industrial failures reached the highest level recorded for any week since May, 1944. Up from 24 in the previous week to 37, concerns failing were two and a half times as numerous as in the corresponding week of 1945 when only 14 failures occurred. This represented the eleventh consecutive week this year that failures exceeded those in the comparable weeks a year ago.

Both large and small failures showed an increase in the week just ended, but large failures with liabilities of $5,000 or more continued to account for over two-thirds of the week's total. At 28, these large failures increased from 19 last week and were twice as high as in the same week of 1945 when 12 were reported. Small failures with losses under $5,000 numbered nine this week, as compared with five a week ago and two in the same week last year.

One half of the week's failures were concentrated in manufacturing. Concerns failing in this group were three times as numerous as in any other trade or industry groups. Eighteen manufacturers failed, showing an increase, from last week's 10 and last year's six. While no other industry or trade had more than six concerns failing, an increase from the previous week's level appeared in all groups except retailing. Declining from 10 a week ago to six in the week just ended, retail failures nevertheless outnumbered the four reported in the comparable week of 1945. The Middle Atlantic and Pacific States accounted for 26 of the week's 37 failures.

Five Canadian failures were reported as compared with two in the previous week and one in the corresponding week of 1945.

Food Price Index Continues to Decline—The wholesale food price index, compiled by Dun & Bradstreet, Inc., went moderately lower for the second successive week, bringing the Dec. 3 figure to $6.39. This represented a drop of 1.5% from the record high of $6.49 recorded two weeks previous, but it was still 54.0% above the comparative 1945 index of $4.15.

During the week, hams, cocoa, eggs, steers, hogs and lambs moved upward, while declines occurred in flour, wheat, corn, rye, oats, barley, lard, butter, cheese, potatoes and sheep. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., moved irregularly in the past week following the levelling off movement noted in the preceding period. The index finished at 240.39 on Dec. 3, as compared with 240.36 on Nov. 26, and with 181.55 a year ago.

Grain markets turned sharply downward in the latter part of the week as the result of general liquidation induced largely by official reports that there would be ample supplies of grains to meet all domestic and export requirements. Wheat led in the decline as mill demand for cash wheat subsided and Government buying continued inactive. Corn was lower as farmers offered more freely for deferred shipment. Oats and rye declined in sympathy with the reaction in other grains. The drop in wheat was also reflected in lower flour prices. Offerings of flour continued limited although Government restrictions on domestic milling operations were removed last week. Livestock markets displayed a strong tone with hogs advancing 50 cents to $1 per hundredweight and receipts for the week totaling 396,800 head, against 527,300 during the same period last year.

Cotton was steady to firm during most of last week but continued unsettlement of the coal strike situation with the prospect that mills would soon begin to curtail operations resulted in a sharp recession in values on Monday of this week. Although activity in spot markets decreased, buying was sufficient to absorb the limited offerings until the closing session when selling pressure increased, aided by weakness in other markets. Other supporting factors included the favorable statistical position of the staple and the possibility that exports for the season will run higher than earlier anticipated. Reports from the South indicated a continuance of the holding movement, while entries into the Government loan, though still not large, were said to be increasing. Forward sales of cotton cloth and yarn were reported in good volume, with prices trending upward as the result of active bidding for the more desirable constructions for nearby delivery.

Buyers showed little interest in domestic wool offerings in the Boston market last week. Foreign spot wools were quiet with holders reporting considerable difficulty in establishing a level of prices for doing business, due to recent sharp advances in foreign primary markets. The larger wool textile mills are said to have enough raw stock on hand to take care of their needs for 30 days. Appraisals of domestic wools for purchase by the CCC in the week ended Nov. 22 totaled 3,986,935 pounds, bringing the total for the year to date to 274,472,612 pounds. This compared with 302,573,178 pounds appraised to the same date last year.

Hides moved downward in both spot and future markets. The decline was largely attributed to growing resistance on the part of buyers to the high level of prices and to increased offerings of stocks which had been accumulated by packers since the removal of controls.

Retail and Wholesale Trade—Despite dim-out regulations and a 5-day shopping week, retail volume rose appreciably in the week ended last Wednesday and was considerably above the corresponding 6-day week a year ago, according to Dun & Bradstreet, Inc., in its weekly review of trade. Clearance sales of Fall goods were well received in some cities and many consumers were very selective with respect to quality, brand names and price.

Food volume rose slightly above the very high level of the preceding week. There was an abundance of almost all kinds of food, with beef, lamb and veal generally plentiful, but in the case of pork it was frequently difficult to obtain. Scarcities were largely limited to sugar, pepper and oils.

Winter suits and coats attracted much attention the past week. Items suitable as Christmas gifts were eagerly sought. In addition to the very high demand for men's suits and coats, there was a rising interest in men's shirts, neckties, scarfs and gloves.

There were some clearance sales of women's Fall apparel with promotions of coats and suits well received and it was also noted that retail volume of furs showed a slight increase. Hosiery and lingerie were among the best sellers in the apparel line. Millinery, handbags and other main floor items attracted numerous shoppers. The demand for shoes increased moderately and was well above that of a year ago.

The large supply of toys was an attraction that few shoppers ignored and dollar volume ran very high. Compacts, costume jewelry and other gift items sold well. The consumer demand for many durable goods was further increased with the easing of government restrictions on instalment purchases. Housewares, carpeting, hardware and paint were frequently requested.

Retail volume for the country in the 5-day shopping week ended last Wednesday was estimated to be from 26 to 30% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England 21 to 25, East 29 to 33, Middle West 25 to 29, Northwest 24 to 28, South 27 to 31, Southwest 25 to 29 and Pacific Coast 24 to 28.

Wholesale volume rose during the week ended last Wednesday after the usual Thanksgiving week decline and volume compared very favorably with that of the corresponding week a year ago. Buyers pressed for immediate deliveries and a moderate increase in shipments was noted for the week. Order volume, too, continued at a generally high level.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Nov. 30, 1946, increased by only 2% above the same period of last year. In these weeks changes from the corresponding week a year ago reflect in part the fact that this year Thanksgiving Day was on Nov. 28 whereas last year it was on Nov. 22. This compared with an increase of 41% in the preceding week. For the four weeks ended Nov. 30, 1946, sales increased by 21% and for the year to date by 28%.

Notwithstanding the coal strike and its effect on business and industry in general, Christmas shopping here in New York maintained its strong pace with department store volume reflecting a 30% increase over the like week of 1945. Neighborhood retail stores, however, were affected somewhat by the brown-out, since a substantial part of their business is transacted at night.

Activity in the garment markets on spring apparel proved fair, but much caution was exercised in the placement of volume orders. Sales of cotton goods for early delivery ran heavy and offerings of rayon piece goods for the first quarter of 1947 are being taken up.

According to the Federal Reserve Bank's index department store sales in New York City for the weekly period to Nov. 30, 1946, increased 5% above the same period last year. This compared with an increase of 48% in the preceding week. The same reason as noted above for the country as a whole for the small increase over a week ago was likewise applicable to New York. For the four weeks ended Nov. 30, 1946, sales rose 25% and for the year to date increased to 29%.

Weekly Lumber Shipments 8.8% in Excess of Output

According to the National Lumber Manufacturers Association, lumber shipments of 402 mills reporting to the National Lumber Trade Barometer were 8.8% above production for the week ending Nov. 30, 1946. In the same week new orders of these mills were 3.6% above production. Unfilled order files of the reporting mills, amounted to 58% of stocks. For reporting softwood mils, unfilled orders are equivalent to 24 days' production at the current rate, and gross stocks are equivalent to 41 days' production.

For the year-to-date, shipments of reporting identical mills equalled production; orders were 0.7% below production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 2.7% above; shipments were 8.9% above; orders were 3.4% below. Compared to the corresponding week in 1945, production of reporting mills was 43.0% above; shipments were 39.9% above; and new orders were 47.6% above.

Wholesale Prices Declined 0.1% in Week Ended Nov. 30, Labor Department Report*

"Average primary market prices, excluding motor vehicles, declined 0.1% during the week ended Nov. 30, as lower prices of meats and livestock more than offset higher prices of industrial commodities," it was stated on Dec. 5 by the Bureau of Labor Statistics of the U. S. Department of Labor, which added that "however, introduction of current motor vehicle prices† raised the index of commodity prices prepared by the Bureau to 139.1% of the 1926 average, 1.3% above the previous week and 23.4% higher than at the end of June 1946." The advices from the Bureau continued:

"Farm Products and Foods—Prices of farm products dropped 1% largely because of declines for livestock. Quotations for calves, cows and steers decreased substantially and there were smaller declines for sheep and heavy weight hogs. Most grain quotations advanced with anticipatory buying, due to the coal strike and the box car shortage. Sharply higher prices were reported for dried beans and sweet-potatoes. Prices of lemons advanced and there were seasonal declines for apples and oranges. Quotations for eggs generally were higher although there were declines late in the week. Domestic prices of foreign wools increased following recent sharp advances in foreign markets. Cotton quotations declined. The group index for farm products was 2.3% higher than 4 weeks ago and 29.0% above the level of a year ago.

"Average primary market prices of foods declined 0.8% mainly because of decreases for meat. Prices of fresh pork loins, mutton and beef were lower but continued scarcity caused further advances for bacon. Prices of butter, cheese and powered milk declined. Cooler weather resulted in improved demand and higher prices of oatmeal. Wheat flour prices were generally higher. Prices of corn meal and rye flour declined. There were substantial price increases for baked beans, salt mackerel, cocoa beans and raisins reflecting scarcity. Prices of lard and edible tallow continued to decline, with reports of adequate supplies. There also were decreases for black pepper and coffee. On the average, food prices were 1.4% below the level of early November but 50.8% higher than last year.

"Other Commodities. All other major commodity groups showed advances during the week. Current motor vehicle prices† were introduced into the index at levels 31.6% above April, 1942, when civilian production was discontinued. Factory prices of leather footwear, calf leather, clothing and artificial leather moved up, reflecting earlier increases in raw material costs. Quotations for hides declined further. Nonferrous metal prices rose sharply. Higher costs caused advances for lead pigments, copper sheets and copper wire, some iron and steel products and a number of scarce chemicals. Average lumber prices rose 2.6% with sharp increases for some grades as mills began adjusting price relationships between grades. There also were price increases for box board, some petroleum products, soap, dinnerware, and some durable goods.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED NOV. 30, 1946
(1926=100)

Commodity Groups—	11-30 1946	11-23 1946	11-16 1946	11-2 1946	12-1 1945	Percentage changes to Nov. 30, 1946 from— 11-23 1946	11-2 1946	12-1 1945
All commodities	†139.1	137.3	135.8	134.8	106.8	+ 1.3	+ 3.2	+30.2
Farm products	170.3	172.1	167.3	166.5	132.0	— 1.0	+ 2.3	+29.0
Foods	163.6	165.0	164.1	165.9	106.5	— 0.8	— 1.4	+50.8
Hides and leather products	165.0	158.6	159.2	143.3	119.4	+ 4.0	+15.1	+38.2
Textile products	130.7	129.6	129.5	127.3	100.6	+ 0.8	+ 2.7	+29.9
Fuel and lighting materials	95.8	94.9	94.8	94.8	85.1	+ 0.9	+ 1.1	+12.6
Metals and metal products	†131.8	117.2	116.3	114.4	105.3	+12.5	+15.2	+25.2
Building materials	144.3	142.0	140.4	137.4	118.7	+ 1.6	+ 5.0	+21.6
Chemicals and allied products	123.7	123.1	122.3	103.5	96.1	+ 0.5	+19.5	+28.7
Housefurnishings goods	118.3	118.0	117.6	117.3	106.4	+ 0.3	+ 0.9	+11.2
Miscellaneous commodities	106.7	106.1	104.6	105.4	94.6	+ 0.6	+ 1.2	+12.8
Special Groups—								
Raw materials	154.8	155.3	152.6	150.9	120.1	— 0.3	+ 2.6	+28.9
Semi-manufactured articles	130.2	128.2	125.9	120.6	96.8	+ 1.6	+ 8.0	+34.5
Manufactured products	†134.1	131.1	130.4	130.4	102.5	+ 2.3	+ 2.8	+30.8
All commodities other than Farm products	†132.3	129.7	129.0	127.9	101.2	+ 2.0	+ 3.4	+30.7
All commodities other than Farm products and foods	121.1	116.9	116.2	114.0	100.4	+ 3.6	+ 6.2	+20.6

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
NOV. 23, 1946 TO NOV. 30, 1946

Increases			
Motor vehicles	31.6	Other farm products	0.9
Shoes	9.6	Other miscellaneous	0.9
Nonferrous metals	7.7	Grains	0.8
Fruits and vegetables	4.8	Cereal Products	0.7
Clothing	2.9	Chemicals	0.6
Lumber	2.6	Cement	0.5
Leather	2.5	Cotton goods	0.5
Petroleum and Products	2.5	Furnishings	0.5
Other building materials	2.4	Oils and fats	0.3
Drugs and pharmaceuticals	1.9	Paint and paint materials	0.3
Paper and Pulp	1.1	Woolen and Worsted goods	0.1
Decreases			
Livestock and poultry	4.1	Cattle feed	0.6
Meats	3.7	Fertilizer materials	0.6
Hides and skins	2.7	Other foods	0.2
Dairy products	0.8	Other textile products	0.1

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

†Includes motor vehicles at current prices. During the war, motor vehicles were not produced for general civilian sale and the Bureau 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 previously announced by the Bureau) current prices of motor vehicles were introduced in the weekly wholesale price index beginning with the week ended Nov. 30. If April, 1942 motor vehicle prices had been used in computing Nov. 30, 1946 indexes, the indexes for groups of which motor vehicles is a component would have been: all commodities, 137.2; metals and metal products, 118.5; manufactured products, 131.1; all commodities other than farm products, 130.1; all commodities other than farm products and foods, 118.2.

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Dec. 10	121.89	116.41	120.84	119.00	116.41	110.15	112.37	117.40	119.61
9	121.89	116.41	120.84	119.00	116.22	109.97	112.19	117.40	119.82
7	121.89	116.41	120.84	119.00	116.22	109.79	112.19	117.40	119.61
6	121.74	116.22	120.84	119.00	116.22	109.60	111.81	117.40	119.61
5	121.67	116.22	120.84	118.80	116.22	109.60	111.81	117.40	119.61
4	121.64	116.22	120.84	119.00	116.22	109.60	111.81	117.40	119.61
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. 29	121.55	116.22	121.04	118.80	116.02	109.60	111.81	117.60	119.61
22	121.80	116.41	121.04	119.00	116.02	109.79	112.00	117.60	119.82
15	122.05	116.61	121.46	119.20	116.41	110.15	112.37	117.80	120.02
8	122.17	116.61	121.25	119.20	116.22	110.34	112.37	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
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	117.40	119.61
1 year Ago Dec. 10, 1945	124.06	117.00	120.63	119.41	117.00	111.07	113.50	117.00	120.22
2 Years Ago Dec. 9, 1944	120.09	113.31	119.00	117.80	113.31	104.14	108.34	113.70	118.20

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Dec. 10	1.59	2.83	2.61	2.70	2.83	3.16	3.04	2.78	2.67
9	1.59	2.83	2.61	2.70	2.84	3.17	3.05	2.78	2.66
7	1.59	2.83	2.61	2.70	2.84	3.18	3.05	2.78	2.67
6	1.60	2.84	2.61	2.70	2.84	3.19	3.07	2.78	2.67
5	1.61	2.84	2.61	2.71	2.84	3.19	3.07	2.78	2.67
4	1.61	2.84	2.61	2.70	2.84	3.19	3.07	2.78	2.67
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. 29	1.62	2.84	2.60	2.71	2.85	3.19	3.07	2.77	2.67
22	1.60	2.83	2.60	2.70	2.85	3.18	3.06	2.77	2.66
15	1.58	2.82	2.58	2.69	2.83	3.16	3.04	2.76	2.65
8	1.57	2.82	2.59	2.69	2.84	3.15	3.04	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
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	2.78	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. 10, 1945	1.47	2.80	2.62	2.68	2.80	3.11	2.98	2.80	2.64
2 Years Ago Dec. 9, 1944	1.83	2.99	2.70	2.76	2.99	3.50	3.26	2.97	2.74

*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.

Moody's Common Stock Yields

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

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
January, 1946	3.4	4.5	3.8	3.4	2.9	3.5
February, 1946	3.6	5.1	4.0	3.7	3.0	3.8
March, 1946	3.4	5.1	4.0	3.6	3.0	3.6
April, 1946	3.3	5.1	3.9	3.6	3.0	3.5
May, 1946	3.2	4.5	3.7	3.7	3.0	3.4
June, 1946	3.4	4.8	3.9	3.7	3.1	3.5
July, 1946	3.5	5.2	3.9	3.7	3.2	3.7
August, 1946	3.8	5.6	4.2	3.8	3.2	3.9
September, 1946	4.1	6.5	4.6	4.0	3.6	4.4
October, 1946	4.3	6.3	4.7	3.9	3.5	4.4
November, 1946	4.4	6.9	4.8	4.0	3.6	4.6

Civil Engineering Construction Totals $105,388,000 for Week

Civil engineering construction volume in continental United States totals $105,388,000 for the five-day week ending Dec. 5, 1946, as reported by "Engineering News-Record." This volume is 224% above the previous four-day week, 31% above the corresponding five-day week of last year, and 53% above the previous four-week moving average. The report issued on Dec. 5 added:

Private construction this week, $71,109,000, is 241% above last week, and 30% above the week last year. Public construction, $34,279,000, is 192% above last week, and 34% greater than the week last year. State and municipal construction, $28,688,000, 279% above last week, is 33% above the 1945 week. Federal construction, $5,531,000, is 34% above last week, and 42% above the week last year.

Total engineering construction for the 49-week period of 1946 records a cumulative total of $4,952,831,000, which is 132% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $2,982,473,000, which is 190% above that for 1945. Public construction, $1,970,358,000, is 78% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $1,351,448,000 to date, is 264% above 1945. Federal construction, $618,910,000, dropped 16% below the 49-week total of 1945.

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

	Dec. 5, 1946 (five days)	Nov. 28, 1946 (four days)	Dec. 6, 1945 (five days)
Total U. S. Construction	$105,388,000	$32,574,000	$80,341,000
Private Construction	71,109,000	20,835,000	54,844,000
Public Construction	34,279,000	11,739,000	25,497,000
State and Municipal	28,688,000	7,572,000	21,554,000
Federal	5,591,000	4,167,000	3,943,000

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

November Civil Engineering Construction Totals $275,825,000

Civil engineering construction volume in continental United States totals $275,825,000 for November, an average of $68,956,000 for each of the four weeks of the month. This average is 29% below the average for October, and is 9% above the average of November, 1945, according to "Engineering News-Record." The report issued on Dec. 5, continued in part as follows:

Private construction for November on a weekly average basis is 42% below last month, but 27% less than November, 1945. Public construction is 10% below last month and 111% above last November. State and municipal construction, while 39% below last month, is 121% above the average for November, 1945. Federal construction, up 258% from last month, is 97% above November, 1945.

Civil engineering construction volume for November, 1946, October, 1946, and November, 1945 are:

	Nov., 1946 (four weeks)	Oct., 1946 (five weeks)	Nov., 1945 (five weeks)
Total U. S. Construction	$275,825,000	$488,457,000	$315,709,000
Private Construction	134,728,000	292,441,000	232,067,000
Public Construction	141,097,000	196,016,000	83,642,000
State and Municipal	86,106,000	177,805,000	48,786,000
Federal	54,991,000	18,211,000	34,856,000

New Capital

New capital for construction purposes for the four weeks of November, 1946 totals $139,005,000. On a cumulative basis, new construction capital in 1946 totals $3,093,123,000, 76% greater than the 1945 11-month totals of $1,752,857,000.

Electric Output for Week Ended Dec. 7, 1946 14.1% 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 Dec. 7, 1946, was 4,672,712,000 kwh., an increase of 14.1% over the corresponding week last year when electric output amounted to 4,096,954,000 kwh. The current figure also compares with 4,448,193,000 kwh., produced in the week ended Nov. 30, 1946, which was 10.0% higher than the 4,042,915,000 kwh., produced in the week ended Dec. 1, 1945. The largest increases were reported by the Pacific Coast and Southern States groups which showed increases of 27.8% and 22.1%, respectively, over the same week in 1945.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended— Dec. 7	Nov. 30	Nov. 23	Nov. 16	Nov. 9
New England	10.1	0.1	21.9	10.6	11.7
Middle Atlantic	3.9	*0.1	15.6	9.0	9.7
Central Industrial	11.3	6.8	21.2	16.0	16.7
West Central	9.3	6.7	16.3	11.3	14.5
Southern States	22.1	20.9	32.1	28.3	28.2
Rocky Mountain	9.7	8.3	18.8	13.9	15.3
Pacific Coast	27.8	21.7	35.7	26.5	26.0
Total United States	14.1	10.0	24.0	18.0	18.6

*Decrease.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1946	1945	% Change Over 1945	1944	1932	1929
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
Dec. 7	4,672,712	4,096,954	+14.1	4,538,012	1,563,384	1,840,863
Dec. 14		4,154,061		4,563,079	1,554,473	1,860,021
Dec. 21		4,239,376		4,616,975	1,414,710	1,637,683
Dec. 28		3,758,942		4,225,814	1,619,265	1,542,000

U. S., Britain to Merge German Zones

An agreement between the United States and Great Britain, providing for the economic merger of the American and British zones of occupation in Germany, was signed on Dec. 2 by Secretary of State Byrnes and British Foreign Secretary Ernest Bevin, according to advices to the New York "Herald-Tribune". The plan envisages making the combined zones self-sustaining within a three-year period, with the cost estimated to be about $1,000,000,000. The program will be financed by the two governments equally, but in the fourth year it is expected to reduce occupational costs.

The present agreement it is stated is the the result of a decision by this country and Britain to proceed with the economic fusion of their zones without Russian and French participation. Drafted in Washington by Lieutenant General Lucius D. Clay, Deputy Military Governor of the American zone; his political adviser, Ambassador Robert D. Murphy, and British experts, the plan is to reduce the costs of food requirements and raw materials in the two zones and is based on the theory that these costs should be carried not by the United States and British Governments but from the proceeds of German exports. The "Herald-Tribune" account added:

The United States is now paying $200,000,000 a year and the British $400,000,000 for occupation expenses, exclusive of military items. It is expected that within three years the two zones will be able to support themselves.

The agreement provides for the establishment of five German administrative agencies—for finance, economics, communications, agriculture and trade and commerce. It also provides for the establishment of a joint import-export agency to develop in the German economy those products which can be exported and to supervise their sale to obtain dollar credits to pay for essential imports.

The German machinery will operate in the following manner: On the agency for economics, for example, there will be six men, three from the American zone and three from the British zone. The representatives from the American zone will be the ministers of economics in the three states of the American zone—Bavaria, Wuerttemberg-Baden and Hesse. The six will elect a managing director.

It is not the intention of the American and British Governments to create a unified zone which will exclude participation by the Soviet Union and France. Both governments have been asked to join in the economic unification plan and may join at any time. The French government has indicated its willingness to participate as soon as the problem of Germany's western frontiers has been solved.

Moody's Daily Commodity Index

Tuesday, Dec. 3, 1946	374.7
Wednesday, Dec. 4	372.0
Thursday, Dec. 5	368.5
Friday, Dec. 6	368.6
Saturday, Dec. 7	369.3
Monday, Dec. 9	370.7
Tuesday, Dec. 10	371.5
Two weeks ago, Nov. 26	374.1
Month ago, Nov. 9	356.4
Year ago, Dec. 10, 1945	264.6
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. 30, 1946 Decreased 15,076 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 30, 1946, was 4,794,574 barrels, a decrease of 15,076 barrels per day from the preceding week. It was, however, 346,424 barrels per day higher than the output in the week ended Dec. 1, 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 production for the four weeks ended Nov. 30, 1946, averaged 4,794,019 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 4,707,000 barrels of crude oil daily and produced 15,145,000 barrels of gasoline; 1,896,000 barrels of kerosine; 5,258,000 barrels of distillate fuel, and 7,672,000 barrels of residual fuel oil during the week ended Nov. 30, 1946; and had in storage at the end of that week 88,371,000 barrels of finished and unfinished gasoline; 20,458,000 barrels of kerosine; 66,062,000 barrels of distillate fuel, and 58,647,000 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. 30, 1946	Change from Previous Week	4 Weeks Ended Nov. 30, 1946	Week Ended Dec. 1, 1945
**New York-Penna.	48,200		49,000	— 600	49,550	48,200
Florida			74	+ 74	19	100
**West Virginia	8,400		7,150	— 550	7,900	7,400
**Ohio—Southeast }	7,600		5,900	+ 600	5,850	4,550
Ohio—Other }			2,500	+ 50	2,350	3,250
Indiana	19,000		19,600	+ 750	19,300	13,450
Illinois	212,000		203,700	+ 1,600	204,100	205,700
Kentucky	29,000		30,000	----	30,000	29,150
Michigan	46,000		43,250	— 4,950	45,300	43,800
Nebraska	800		†750	----	750	750
Kansas	263,000	270,000	†275,500	— 5,200	273,400	241,500
Oklahoma	383,000	362,825	†367,500	+ 600	365,700	385,800
Texas—						
District I			19,000	----	19,000	----
District II			147,200	----	147,200	----
District III			464,300	----	464,300	----
District IV			226,350	----	226,350	----
District V			36,850	----	36,850	----
East Texas			324,000	----	324,000	----
Other Dist. VI			105,050	----	105,050	----
District VII-B			35,300	----	35,300	----
District VII-C			29,500	----	29,500	----
District VIII			507,250	----	508,600	----
District IX			121,400	----	121,400	----
District X			80,550	----	80,550	----
Total Texas	2,090,000	‡2,108,166	2,096,750	----	2,098,100	1,894,200
North Louisiana			92,650	+ 250	92,100	75,600
Coastal Louisiana			309,350	----	309,350	293,650
Total Louisiana	382,000	440,000	402,000	+ 250	401,450	369,250
Arkansas	77,000	79,804	73,550	+ 200	73,500	76,000
Mississippi	60,000		80,050	+ 1,000	78,800	52,250
Alabama	2,000		1,000	----	1,000	700
New Mexico—So. East }	99,000	108,000	100,500	----	100,500	93,800
New Mexico—Other }			500	----	500	400
Wyoming	97,000		105,550	+ 300	105,500	98,700
Montana	24,000		24,450	+ 1,250	23,650	19,550
Colorado	32,000		39,200	+ 650	37,200	20,750
California	850,000	§843,700	866,100	—11,100	869,600	838,900
Total United States	4,730,000		4,794,574	—15,076	4,794,019	4,448,150
**Pennsylvania Grade (included above)			62,050	— 550	63,300	60,150

*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. 28, 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. 30, 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	739	88.1	2,124	19,300	8,935	24,180	11,029
Appalachian—								
District No. 1	76.3	100	69.9	286	2,430	495	581	405
District No. 2	84.7	65	104.8	227	886	47	121	233
Ind., Ill., Ky.	87.4	772	88.7	2,839	15,104	2,296	8,229	5,156
Okla., Kans., Mo.	78.3	375	80.0	1,390	8,739	1,215	3,483	1,354
Inland Texas	59.8	217	65.8	960	3,416	446	581	885
Texas Gulf Coast	89.2	1,123	91.6	3,358	13,945	3,796	11,381	7,588
Louisiana Gulf Coast	97.4	330	102.8	1,055	4,566	1,859	4,185	2,379
No. La. & Arkansas	55.9	50	39.7	141	1,778	388	508	161
Rocky Mountain—								
New Mexico	19.0	11	84.6	36	81	15	37	41
Other Rocky Mt.	70.9	122	73.9	395	1,677	162	495	617
California	85.5	803	80.8	2,334	16,449	804	12,281	28,799
Total U. S. B. of M. basis Nov. 30, 1946	85.8	4,707	84.7	15,145	*88,371	20,458	66,062	58,647
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
U. S. B. of M. basis Dec. 1, 1945		4,609		14,786	†86,540	12,141	44,562	45,932

*Includes unfinished gasoline stocks of 8,325,000 barrels. †Includes unfinished gasoline stocks of 8,449,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 1,896,000 barrels of kerosine, 5,258,000 barrels of gas oil and distillate fuel oil and 7,672,000 barrels of residual fuel oil in the week ended Nov. 30, 1946, which compares with 1,907,000 barrels, 5,609,000 barrels and 7,838,000 barrels, respectively, in the preceding week and 1,755,000 barrels, 4,663,000 barrels and 8,932,000 barrels, respectively, in the week ended Dec. 1, 1945.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Dec. 4 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. 16, 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. 16 (in round-lot transactions) totaled 1,790,839 shares, which amount was 18.33% of the total transactions on the Exchange of 4,883,340 shares. This compares with member trading during the week ended Nov. 9 of 2,615,389 shares, or 18.56% of the total trading of 7,048,030 shares.

On the New York Curb Exchange, member trading during the week ended Nov. 16 amounted to 342,410 shares or 15.43% of the total volume on that Exchange of 1,109,270 shares. During the week ended Nov. 9 trading for the account of Curb members of 523,380 shares was 16.66% of the total trading of 1,570,415 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. 16, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	222,270	
‡Other sales	4,661,070	
Total sales	4,883,340	
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	621,860	
Short sales	117,360	
‡Other sales	440,750	
Total sales	558,110	12.08
2. Other transactions initiated on the floor—		
Total purchases	112,739	
Short sales	18,280	
‡Other sales	92,750	
Total sales	111,030	2.29
3. Other transactions initiated off the floor—		
Total purchases	209,328	
Short sales	17,150	
‡Other sales	160,631	
Total sales	177,781	3.96
4. Total—		
Total purchases	943,918	
Short sales	152,790	
‡Other sales	694,131	
Total sales	846,921	18.33

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

WEEK ENDED NOV. 16, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	14,245	
‡Other sales	1,095,025	
Total sales	1,109,270	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	125,305	
Short sales	9,315	
‡Other sales	98,035	
Total sales	107,350	10.49
2. Other transactions initiated on the floor—		
Total purchases	18,175	
Short sales	1,900	
‡Other sales	12,000	
Total sales	13,900	1.44
3. Other transactions initiated off the floor—		
Total purchases	51,220	
Short sales	900	
‡Other sales	25,560	
Total sales	26,460	3.50
4. Total—		
Total purchases	194,700	
Short sales	12,115	
‡Other sales	135,595	
Total sales	147,710	15.43
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	46,634	
Total purchases	46,634	
Total sales	49,948	

*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."

Motor Carriers' Loadings in October Higher

Recovering from the temporary slump in September caused by strikes, the volume of freight transported by motor truck in October established two new records, according to American Trucking Associations, Inc., which further announced:

The ATA truckloading index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period 1938-1940 as representing 100, climbed to 204 in October.

According to W. A. Bresnahan, ATA's Director of Research, this was the highest October index that has been recorded since ATA began keeping records in 1937.

Moreover, the 204 index in October, following an identical 204 index for August, makes 1946 the first year of record in which the index has exceeded 200 in more than one month. The index has equalled or exceeded 200 on only two other occasions. The first was the 200 index recorded in April, 1943, and the other was the record 205 in March, 1945.

The average index for the first 10 months of 1946 was 182, exceeded only by the average 187 recorded in the first 10 months of 1943. The average for the first 10 months of 1945 was 179.

The October volume represented an increase of 16.9% over September, and 14.0% over October of last year.

Comparable reports received by ATA from 199 carriers in 39 states showed these carriers transported an aggregate of 2,231,671 tons in October, as against 1,908,227 tons in September and 1,957,514 tons in October, 1945.

Approximately 83% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category increased 18.4% over September and 13.2% over October, 1945.

Transportation of petroleum products, accounting for about 11% of the total tonnage reported, showed an increase of 6.8% over September and 18.6% over October, 1945.

Carriers of iron and steel hauled about 2% of the total tonnage. Their traffic volume increased 13.5% over September and 40.0% over October, 1945.

About 4% of the total tonnage reported consisted of miscellaneous commodities, including tobacco, textiles, groceries, motor vehicle parts, motor vehicles, chemicals, school supplies, rubber goods, pelts and packing house products. Tonnage in this class increased 18.1% over September and 6.0% over October, 1945.

The October tonnage of carriers reporting from the Eastern District represented an increase of 18.8% over September and 14.6% over October of 1945.

Carriers in the Southern Region reported an increase of 16.4% over September and 8.0% over October, 1945.

Tonnage reported from the Western District revealed an increase of 13.2% over September and 14.7% over October of last year.

Navy to Visit Ports In Mediterranean

Various eastern Mediterranean ports will be visited by powerful units of the United States Fleet during November and December, according to Associated Press advices from Washington, Nov. 8. Describing the program as incidental to training exercises, the Navy Department's announcement stated that arrangements for the calls had been completed by the State Department. Ports will be visited in Turkey, Greece, Lebanon, Egypt, Saudi Arabia and Crete. The State Department had previously requested the War Department to postpone plans for a flight of B-29s to the same area.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 4 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. 23, 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. 23, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	29,497
Number of shares	831,598
Dollar value	$31,836,816
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	266
*Customers' other sales	25,540
Customers' total sales	25,806
Number of Shares:	
Customers' short sales	10,767
*Customers' other sales	756,231
Customers' total sales	766,998
Dollar value	$27,564,887
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	230,200
Total sales	230,200
Round-Lot Purchases by Dealers—	
Number of shares	268,960

*Sales marked "short exempt" are reported with "other sales."

†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Nov. 30, 1946, the first full week of the strike (which ended on Dec. 7), was estimated by the United States Bureau of Mines at 2,050,000 net tons, as compared with 6,470,000 tons in the preceding week and 12,390,000 tons in the corresponding week of last year. Cumulative output during the calendar year through Nov. 30, 1946, totaled some 485,206,000 net tons, which was a decrease of 8.6% below the 531,015,000 tons mined in the comparable period of 1945.

Production of Pennsylvania anthracite for the week ended Nov. 30, 1946, as estimated by the Bureau of Mines, was 1,163,000 tons, a decrease of 27,000 tons (2.3%) from the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 25,000 tons, or 2.2%. Cumulative production of hard coal in the calendar year through Nov. 30, 1946, was approximated at 55,605,000 tons, which was an increase of 8.8% above the 51,110,000 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. 30, 1946, showed a decrease of 69,100 tons when compared with the output for the week ended Nov. 23, 1946, and was 81,400 tons less than for the corresponding period 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. 30, 1946	*Nov. 23, 1946	Dec. 1, 1945	†Nov. 30, 1946	Dec. 1, 1945
Total, including mine fuel	2,050,000	6,470,000	12,390,000	485,206,000	531,015,000
Daily average	‡410,000	1,078,000	2,065,000	1,737,000	1,886,000

*Revised. †Subject to current adjustment. ‡Average based on 5 days.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn Anthracite—	‡Nov. 30, 1946	§Nov. 23, 1946	Dec. 1, 1945	Nov. 30, 1946	Dec. 1, 1945	Dec. 4, 1937
*Total incl. coll. fuel	1,163,000	1,190,000	1,138,000	55,605,000	51,110,000	47,555,000
†Commercial produc.	1,118,000	1,144,000	1,094,000	53,461,000	49,142,000	45,177,000
Beehive Coke—						
United States total	9,000	78,100	90,400	3,891,600	4,856,200	3,052,400

*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. 23, 1946	Nov. 16, 1946	Nov. 24, 1945
Alabama	131,000	344,000	319,000
Alaska	7,000	7,000	7,000
Arkansas	24,000	41,000	38,000
Colorado	89,000	157,000	133,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	396,000	1,310,000	1,288,000
Indiana	208,000	537,000	431,000
Iowa	21,000	32,000	33,000
Kansas and Missouri	83,000	125,000	128,000
Kentucky—Eastern	542,000	1,240,000	886,000
Kentucky—Western	275,000	471,000	343,000
Maryland	21,000	53,000	34,000
Michigan	1,000	1,000	2,000
Montana (bituminous and lignite)	67,000	85,000	89,000
New Mexico	19,000	33,000	27,000
North and South Dakota (lignite)	90,000	76,000	74,000
Ohio	464,000	787,000	548,000
Oklahoma	56,000	63,000	64,000
Pennsylvania (bituminous)	1,978,000	2,944,000	2,417,000
Tennessee	70,000	132,000	131,000
Texas (bituminous and lignite)	2,000	2,000	2,000
Utah	94,000	146,000	133,000
Virginia	143,000	398,000	318,000
Washington	13,000	22,000	23,000
†West Virginia—Southern	876,000	2,442,000	1,772,000
‡West Virginia—Northern	660,000	956,000	902,000
Wyoming	139,000	234,000	197,000
§Other Western States	*	1,000	*
Total bituminous and lignite	6,470,000	12,640,000	10,340,000

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

Stocks and Consumption of Bituminous Coal

Stocks of bituminous coal in consumers' hands on Nov. 1, 20 days before the soft coal strike began, were estimated at 55,076,000 tons, which was an increase of about 5% over those of one month before, Dan H. Wheeler, Deputy Solid Fuels Administrator, announced on Dec. 8. By the time the strike began industrial stocks and those in retail yards were estimated at 57,000,000 tons. On Nov. 1, 1945, following the supervisors' strike in September, they totaled 48,015,000 tons.

The available coal supply at the beginning of the current work stoppage consisted of 8,000,000 tons in transit, 2,000,000 tons frozen at the mines, 1,000,000 tons at tidewater loading ports, 7,100,000 tons at Great Lakes commercial docks, and 750,000 tons at tidewater commercial docks, a total of 18,850,000 tons, which when added to the 57,000,000 tons in industrial and retail yards, makes a total of 75,850,00 tons. An estimated 10,000,000 tons in household bins is not included in these calculations.

At the end of October the average days' supply was 37 days, approximately the same as at the end of September. Electric power utilities had on Nov. 1 an average of about 72 days' supply, an estimated 2.9% increase over that of the preceding month. Average days' supply of by-product coke ovens picked up 13% during October, steel and rolling mills 8.6%, cement mills 17.1%. The figure for Class I railroads remained the same, while general industrial plants decreased 5.2%, and retail dealer stocks decreased 8.3%.

Consumption of soft coal during October was estimated at 46,646,000 tons, which was 10% greater than the September burn of 42,424,000 tons. Retail dealer deliveries increased 19% over those of the preceding month.

Non-Ferrous Metals Industry Threatened by Freight Embargo—Foreign Copper Again Up

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 5, stated: "The coal strike caught up with the non-ferrous metals industry as dwindling reserves of fuel and a freight embargo threatened to disrupt production and deliveries. Consumers came into the market with a rush on Dec. 4 for December metal, urging producers to speed up shipments before the freight embargo on non-essential commodities took effect at 12:01 a.m. Dec. 6. Except that foreign copper agains moved slightly higher, and three producers of Special High Grade zinc now have lifted the premium on this grade, the price situation in major metal was unchanged. Cadmium moved up to $1.50 a pound." [The coal strike was ended Dec. 7 and the freight embargo was subsequently lifted. Editor.] The publication further went on to say in part as follows:

Copper

In view of possible shipping complications, the industry paid comparatively little attention to prices. The domestic market for copper appeared to be firmly established at 19½ cents, Valley basis, with no visible consumer resistance to this price. Fabricators were eager for December metal, and, unless the rail embargo cuts into the movement of copper, deliveries this month promise to be high.

Refiners have increased the premium on cakes to 0.25 cents and up.

The foreign situation was strong, with sales in the last three days of the week at prices ranging from 18.25 cents to 18.625 cents per pound, f.a.s. New York equivalent. Noranda, Canadian producer, has been shut down by a strike. The Braden property of Kennecott remains strikebound.

Lead

Pending further developments in connection with the coal strike, some producers started limiting their sales. Demand for lead continued active, and the situation throughout December is expected to remain tight, owing to unavoidable delay in moving Mexican metal. There was no news from Washington in reference to the monthly set-aside of 25% of current production of common lead for allocation to consumers in the hardship category. Producers believe that this carry-over from the control period should be dropped under prevailing conditions.

Sales of lead for the week totaled 5,791 tons. Prices were unchanged.

Australia exported 19,835 long tons of refined lead in August, of which 19,161 tons was consigned to the United Kingdom. Exports of lead ore and concentrate in August totaled 2,297 tons, all of which was shipped to the United States.

Zinc

Sellers report a firm market for zinc, with consumers extremely nervous over prospects of obtaining their December commitments on time. Quotations continued on the basis of 10½ cents per pound for Prime Western, East St. Louis. In regard to Special High Grade, the American Zinc, Lead & Smelting Co. and the National Lead Co. have raised the premium one-quarter cent, following similar action taken by St. Joseph Lead Co. in the preceding week. Consumers appear to be satisfied with this move, believing that the higher settling basis will bring out increased production of this grade for die-casting purposes.

Cadmium

Effective Dec. 2, the first business day of the month, leading producers established their selling basis at $1.50 per pound on commercial sticks, December delivery, or 25 cents higher than in the preceding month. Patented shapes moved up to $1.55 on the same day. Producers are wondering whether the new price will cause some platers to switch to zinc to a greater extent than in the past.

The London market has advanced to 8s 6d for minimum 1-cwt. lots. On the Continent 11s 4d is being done.

Antimony

Removal of restrictions on imports of antimony was announced by the Civilian Production Administration on Nov. 29, effective at once. The RFC has been instructed to discontinue public purchases of antimony from foreign sources, except for commitments already undertaken.

Demand for antimony continues in excess of available supplies, but at current prices the supply situation is expected to improve, perhaps slowly until China again becomes a factor in the market.

Tin

Under the direction of the Office of Metals Reserve, the Tin Sales Corporation is issuing contracts to eligible consumers for December tin. The metal is being sold on the basis of 70 cents per pound.

The Combined Tin Committee has increased the tonnage of pig tin allocated to the United States for the July-December period from 6,400 long tons to 7,280. Proportionate increases were made to other tin-consuming countries. The committee is composed of representatives from China, Belgium, France, the Netherlands, United Kingdom, and United States.

"Grade A" or Straits quality tin continued at 70 cents per pound. Forward quotations were nominally as follows:

	Dec.	Jan.	Feb.
November 28		Holiday	
November 29	70.000	70.000	70.000
November 30	70.000	70.000	70.000
December 2	70.000	70.000	70.000
December 3	70.000	70.000	70.000
December 4	70.000	70.000	70.000

Chinese, or 99% tin, 69.125c.

Platinum

Sellers report a quiet market in refined platinum, with the price situation still unsettled. On wholesale business most operators are asking $67, with sales to consumers at prices ranging from $70 to $72 an ounce troy. Iridium was unchanged at $110.

Quicksilver

A rumor to the effect that the European producers, excepting Yugoslavia, have come to a sales agreement made some sellers more cautious. The price named in unconfirmed reports was $80 per flask, European ports. Sales in the domestic market during the last week were restricted almost entirely to small lots. Quotations continued at $89 to $93 per flask on spot metal. Nearby quicksilver sold at $88.

Silver

The market situation in silver was unchanged last week, the New York official price continuing at 90⅛ cents.

London reports a quiet market at 55½d an ounce troy.

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. 28	Holiday	18.050	Holiday			
Nov. 29	19.275	18.050	70.000	11.800	11.650	10.500
Nov. 30	19.275	18.050	70.000	11.800	11.650	10.500
Dec. 2	19.275	18.300	70.000	11.800	11.650	10.500
Dec. 3	19.275	18.175	70.000	11.800	11.650	10.500
Dec. 4	19.275	18.300	70.000	11.800	11.650	10.500
Average	19.275	18.154	70.000	11.800	11.650	10.500

Average prices for calendar week ended Nov. 30 are: Domestic copper f.o.b. refinery, 19.275¢; export copper, f.o.b. refinery 18.008¢; 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.

Greater New York Fund Distributes in 1946

The Greater New York Fund, which, since 1938, has conducted an annual campaign among business concerns and employee groups for "business's share" of the contribution needs of local hospitals, health and welfare services, has increased the distribution from its 1946 campaign to a grand total for the year of $4,209,619, as contrasted to $3,895,630 as of the corresponding date in 1945. This took place as checks totaling $3,397,918, supplementing an earlier distribution of $811,701, were signed by Arthur A. Ballantine, Fund President, and placed in the mails for the 415 local organizations and institutions which are the beneficiaries of this year's appeal. Mr. Ballantine pointed out that the Fund's books do not close until Dec. 31, and indicated that an additional distribution from 1946 campaign proceeds is anticipated. He said that gifts had already been received from more than 26,000 business concerns and employee groups, including many unions, as compared to 22,875 for the entire twelve months of 1945, but that there were still many previous givers to be heard from. He expressed belief that most could be counted on for renewed support.

Among the 415 agencies sharing distribution were virtually every type of local health and welfare service including such organizations as Catholic Charities of New York and Brooklyn, Federation of Jewish Philanthropies, United Hospital Fund, Community Service Society, The Salvation Army, Boy Scouts and Girl Scouts, YMCA's and YWCA's, Visiting Nurse Service of New York and Travelers Aid Society. Each agency, according to Mr. Ballantine, was sent a grant which bears the same relationship to its total need for contribution support as the entire allocation bears to the total contribution needs of all the agencies.

Revenue Freight Car Loadings During Week Ended Nov. 30, 1946, Decreased 145,672 Cars

Loading of revenue freight for the week ended Nov. 30, 1946 totaled 660,911 cars, the Association of American Railroads announced on Dec. 5. This was a decrease of 142,863 cars or 17.8% below the corresponding week in 1945, and a decrease of 146,925 cars or 18.2% below the same week in 1944.

Loading of revenue freight for the week of Nov. 30 decreased 145,672 cars or 18.1% below the preceding week due to the coal strike and Thanksgiving Day Holiday.

Miscellaneous freight loading totaled 355,752 cars, a decrease of 51,461 cars below the preceding week, and a decrease of 6,177 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 117,599 cars, a decrease of 13,822 cars below the preceding week, but an increase of 694 cars above the corresponding week in 1945.

Coal loading amounted to 52,563 cars, a decrease of 44,775 cars below the preceding week and a decrease of 127,201 cars below the corresponding week in 1945.

Grain and grain products loading totaled 46,848 cars, a decrease of 3,862 cars below the preceding week and a decrease of 11,962 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Nov. 30 totaled 31,303 cars, a decrease of 1,953 cars below the preceding week and a decrease of 9,650 cars below the corresponding week in 1945.

Livestock loading amounted to 17,566 cars, a decrease of 6,366 cars below the preceding week and a decrease of 7,512 cars below the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Nov. 30 totaled 13,778 cars, a decrease of 5,255 cars below the preceding week, and a decrease of 5,333 cars below the corresponding week in 1945.

Forest products loading totaled 39,258 cars, a decrease of 3,124 cars below the preceding week but an increase of 6,247 cars above the corresponding week in 1945.

Ore loading amounted to 22,327 cars, a decrease of 18,693 cars below the preceding week but an increase of 7,560 cars above the corresponding week in 1945.

Coke loading amounted to 8,998 cars, a decrease of 3,569 cars below the preceding week and a decrease of 4,512 cars below the corresponding week in 1945.

All districts reported decreases compared with the corresponding weeks in 1945 and 1944.

	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
Week of Nov. 30	660,911	803,774	807,836
Total	38,319,186	39,176,328	40,517,049

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 30, 1946. During this period only 44 roads reported gains over the week ended Dec. 1, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED NOV. 30

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	393	367	341	1,282	1,345
Bangor & Aroostook	1,786	2,842	2,202	314	264
Boston & Maine	6,913	6,697	6,632	13,310	12,210
Chicago, Indianapolis & Louisville	1,133	1,189	1,205	1,844	1,932
Central Indiana	27	30	26	26	42
Central Vermont	974	1,171	1,065	2,592	2,280
Delaware & Hudson	4,710	4,670	4,803	10,240	10,598
Delaware, Lackawanna & Western	7,249	7,183	7,592	9,013	8,313
Detroit & Mackinac	395	400	293	233	152
Detroit, Toledo & Ironton	2,001	1,727	1,778	936	1,086
Detroit & Toledo Shore Line	411	343	354	1,769	2,476
Erie	11,440	11,541	12,843	12,599	13,397
Grand Trunk Western	4,449	3,032	3,884	6,870	7,142
Lehigh & Hudson River	154	177	140	2,574	2,124
Lehigh & New England	2,369	2,016	1,834	1,425	1,287
Lehigh Valley	8,108	8,405	8,149	7,619	7,394
Maine Central	2,589	2,338	2,153	3,443	3,941
Monongahela	1,024	5,919	5,802	221	274
Montour	166	2,881	2,659	25	20
New York Central Lines	42,475	45,181	48,272	35,998	46,949
N. Y., N. H. & Hartford	9,358	9,969	9,892	15,440	13,300
New York, Ontario & Western	1,005	826	1,077	2,455	2,164
New York, Chicago & St. Louis	6,226	6,301	7,157	11,176	13,255
N. Y., Susquehanna & Western	365	436	426	1,348	1,974
Pittsburgh & Lake Erie	5,030	7,571	8,083	5,119	7,061
Pere Marquette	6,537	5,227	5,313	5,792	6,348
Pittsburg & Shawmut	224	775	561	34	13
Pittsburg, Shawmut & Northern	151	160	238	139	203
Pittsburgh & West Virginia	170	976	894	2,488	1,738
Rutland	406	386	319	1,172	875
Wabash	5,674	6,008	5,846	10,133	10,248
Wheeling & Lake Erie	2,765	4,860	5,228	3,518	3,226
Total	136,677	151,604	157,061	171,147	183,631
Allegheny District—					
Akron, Canton & Youngstown	508	560	758	1,003	1,141
Baltimore & Ohio	32,097	42,579	42,303	21,282	22,209
Bessemer & Lake Erie	2,568	2,405	2,329	1,230	1,395
Cambria & Indiana	1	1,434	1,403	5	9
Central R. R. of New Jersey	5,955	6,162	6,362	16,583	14,008
Cornwall	288	512	401	27	48
Cumberland & Pennsylvania	83	275	180	20	6
Ligonier Valley	62	35	111	12	1
Long Island	1,263	1,676	1,744	5,195	3,689
Penn-Reading Seashore Lines	1,953	1,832	1,846	1,465	1,742
Pennsylvania System	62,388	74,434	80,908	45,988	54,761
Reading Co.	14,990	14,237	15,176	21,773	22,263
Union (Pittsburgh)	13,642	18,222	19,632	4,385	2,783
Western Maryland	1,976	3,818	4,175	9,698	10,434
Total	137,774	168,181	177,328	128,666	134,489
Pocahontas District—					
Chesapeake & Ohio	8,276	29,600	27,838	8,819	12,159
Norfolk & Western	6,484	21,617	20,514	6,168	6,366
Virginian	494	5,109	4,111	1,082	1,618
Total	15,254	56,326	52,463	16,069	20,143
Southern District—					
Alabama, Tennessee & Northern	329	428	307	239	159
Atl. & W. P.—W. R. R. of Ala.	857	854	627	2,158	1,925
Atlanta, Birmingham & Coast	†	†	†	†	†
Atlantic Coast Line	14,437	14,890	13,270	10,031	10,272
Central of Georgia	4,176	4,012	3,359	4,582	4,652
Charleston & Western Carolina	520	426	379	1,312	1,463
Clinchfield	707	1,556	1,551	2,444	2,787
Columbus & Greenville	390	421	338	259	256
Durham & Southern	98	93	180	560	756
Florida East Coast	2,886	2,557	2,665	2,053	1,402
Gainesville Midland	96	64	34	110	143
Georgia	1,150	1,105	1,087	2,148	1,948
Georgia & Florida	389	454	428	749	700
Gulf, Mobile & Ohio	4,255	4,992	4,743	3,686	3,788
Illinois Central System	21,073	27,760	28,263	13,746	14,697
Louisville & Nashville	14,698	26,429	24,929	9,930	9,526
Macon, Dublin & Savannah	262	242	173	972	936
Mississippi Central	347	280	295	395	379
Nashville, Chattanooga & St. L.	3,262	2,992	2,956	4,522	3,908
Norfolk Southern	1,286	1,150	797	1,579	1,362
Piedmont Northern	385	439	474	1,331	1,208
Richmond, Fred. & Potomac	435	460	357	9,537	8,746
Seaboard Air Line	11,848	11,546	9,215	8,318	7,860
Southern System	23,717	24,675	23,429	21,204	22,423
Tennessee Central	582	497	638	763	806
Winston-Salem Southbound	140	79	166	716	1,004
Total	108,325	128,399	120,660	103,344	103,106
Northwestern District—					
Chicago & North Western	14,853	17,564	15,561	12,903	12,314
Chicago Great Western	2,502	2,972	2,615	3,611	3,116
Chicago, Milw., St. P. & Pac.	19,221	21,775	22,006	9,218	9,054
Chicago, St. Paul, Minn. & Omaha	3,141	4,048	3,906	4,112	3,971
Duluth, Missabe & Iron Range	5,629	1,687	913	302	234
Duluth, South Shore & Atlantic	443	520	508	606	393
Elgin, Joliet & Eastern	7,815	8,479	8,432	6,982	9,349
Ft. Dodge, Des Moines & South	359	457	396	124	111
Great Northern	12,464	14,873	12,622	6,148	4,163
Green Bay & Western	413	514	456	725	719
Lake Superior & Ishpeming	1,569	187	301	61	68
Minneapolis & St. Louis	1,752	2,330	2,123	2,813	2,155
Minn., St. Paul & S. S. M.	4,999	5,970	5,040	3,639	3,090
Northern Pacific	11,166	11,179	11,596	4,997	4,746
Spokane International	166	111	242	465	486
Spokane, Portland & Seattle	1,995	1,878	2,692	2,551	2,233
Total	88,487	94,544	89,409	59,257	56,202
Central Western District—					
Atch., Top. & Santa Fe System	25,894	26,244	25,288	11,895	9,418
Alton	2,486	3,105	3,610	3,138	2,970
Bingham & Garfield	150	306	456	68	47
Chicago, Burlington & Quincy	16,049	22,560	20,616	12,802	11,106
Chicago & Illinois Midland	186	3,185	2,805	1,048	720
Chicago, Rock Island & Pacific	12,231	14,681	12,798	12,368	11,859
Chicago & Eastern Illinois	2,107	2,789	3,131	3,009	3,086
Colorado & Southern	811	1,045	1,093	1,727	1,834
Denver & Rio Grande Western	2,371	4,075	4,824	4,285	4,269
Denver & Salt Lake	208	850	669	68	42
Fort Worth & Denver City	1,235	1,025	918	1,560	1,474
Illinois Terminal	2,120	1,825	1,879	1,556	1,400
Missouri-Illinois	1,150	1,057	1,248	392	410
Nevada Northern	1,418	1,324	1,651	62	153
North Western Pacific	735	630	756	643	622
Peoria & Pekin Union	9	11	23	0	0
Southern Pacific (Pacific)	27,744	27,498	31,033	10,796	9,966
Toledo, Peoria & Western	§	§	420	§	§
Union Pacific System	18,035	21,318	19,853	13,513	12,414
Utah	11	851	515	6	11
Western Pacific	1,892	2,113	2,208	3,298	2,932
Total	116,842	136,492	135,794	82,234	74,733
Southwestern District—					
Burlington-Rock Island	286	345	384	403	457
Gulf Coast Lines	4,354	5,518	6,155	2,357	2,151
International-Great Northern	2,031	2,194	2,540	3,845	3,693
‡K. O. & G.-M. V.-O. C.-A.-A.	1,350	1,345	886	1,743	1,515
Kansas City Southern	2,948	2,794	4,974	2,873	2,710
Louisiana & Arkansas	1,995	2,651	3,708	2,164	2,483
Litchfield & Madison	264	355	334	1,161	1,116
Missouri & Arkansas	§	174	114	§	344
Missouri-Kansas-Texas Lines	5,037	5,999	6,301	4,608	3,731
Missouri Pacific	13,824	17,542	17,544	14,730	14,518
Quanah Acme & Pacific	160	136	53	304	130
St. Louis-San Francisco	7,904	10,609	10,483	7,256	7,825
St. Louis-Southwestern	2,815	3,073	3,560	4,898	5,326
Texas & New Orleans	9,067	9,787	11,916	6,067	5,688
Texas & Pacific	5,412	5,591	6,047	6,941	5,915
Wichita Falls & Southern	76	75	88	62	72
Weatherford M. W. & N. W.	29	40	34	18	13
Total	57,552	68,228	75,121	59,430	57,687

†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
Nov. 30	153,574	162,353	545,042	94	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.

Wyatt Resigns, Krooth Succeeds Him As Housing Head

The resignation on Dec. 3 of Wilson W. Wyatt as National Housing Expediter, "reluctantly" accepted on Dec. 4 by President Truman, has created the impression among housing officials, according to advices to the "Wall Street Journal," from its Washington bureau, that the government's Emergency Housing Program will shortly collapse, despite the President's assurances that Mr. Wyatt's resignation does not mean "any major modification" in the veterans' program. The government has indicated that its general housing control policy will be eased and it is assumed that the $10,000 cost ceiling, already pushed by rising building material costs, will be eliminated. The "Wall Street Journal's" advices also stated that housing officials conceded that all of the emergency program would not be ditched at once, but they indicated that the extreme measures taken to speed up veterans' home building would be dropped little by little.

Named to succeed Mr. Wyatt, as acting National Housing Administrator, is David L. Krooth of Chicago, Associated Press Washington advices stated on Dec. 5. In announcing the appointment President Truman made known that Mr. Krooth had also been designated housing expediter. Mr. Krooth was formerly Acting Commissioner of the Public Housing Authority.

Mr. Wyatt, at his final press conference at the housing agency, presented his November report on the progress of the veterans' emergency housing program, which, according to Washington advices to the New York "Journal of Commerce" on Dec. 5, noted that the National Housing Agency has received scattered reports of leveling in both sales volume and price of homes during recent months, indicating that it is possible that a contraction in sales and increasing buyer resistance has already developed for houses at present prices.

From the account to the "Journal of Commerce" from its Washington bureau, we also quote:

"Mr. Wyatt reiterated his opinion that the present system of housing controls is 'enmeshed' and interdependent and that once premium payment, priorities or price ceilings on houses are lifted the entire government housing program will begin to crumble.

"Stating that the peak of the emergency need for housing—'The number one domestic problem'—is just now being reached with cold weather setting in, Mr. Wyatt reviewed the ten months of his program and October housebuilding as follows:

"1. Approximately 1,000,000 housing units are expected to be started by the end of 1946, compared with the original 1946 goal of 1,200,000.

"2. October completions of 84,300 brought the ten-month total to 500,400.

"3. In the first ten months of the year 882,300 units were put under construction, 579,900 of them new permanent houses.

"4. More HH priorities were issued in October than in any month since May and the ten months' total of housebuilding authorizations is now over 1,000,000.

"5. October materials production was the highest of the year in almost all items and five blast furnaces have been reopened or converted to pig iron under the premium payment plan, which are expected to increase production more than 60,000 tons a month."

Items About Banks, Trust Companies

Following the meeting of the Board of Trustees of The New York Trust Company of New York, on Dec. 10, John E. Bierwirth, President, announced the following changes in the bank's official staff:

"Albert W. Olsen, Assistant to the President and Fletcher E. Nyce, Assistant Treasurer were elected Vice-Presidents in the Banking Division and V. Arnold Wilson, Assistant to the President was elected Vice-Presidents in the Administrative Division.

"Harvey A. Basham, Jr., Assistant Treasurer was promoted to Assistant Vice-President in the Banking Division and Henry J. Gertcher, Jr., Assistant Secretary was promoted to Assistant Vice-President in the Personal Trust Division. Alfred Hayes, Assistant Secretary was promoted to Assistant Vice-President in the Investment Division. Charles B. Eddy, Jr., and George Schleich were appointed Assistant Secretaries."

Following a meeting of the Board of Directors of the Bank of the Manhattan Company of New York on Dec. 10, F. Abbot Goodhue, President, announced the following promotions:

"O. G. Alexander, Jesse Harvey and Carl E. Meyer, former Assistant Vice-Presidents, were appointed Vice-Presidents; Francis E. Curran and Franklin B. Kellogg, former Trust Officers, were appointed Assistant Vice-Presidents; Alexander McHardy, Minor L. Wheaton, William J. Plant, Walter T. Hanrahan, James McCron and John H. Squires, former Assistant Treasurers, were appointed Assistant Vice-Presidents; Gilbert C. Pabst and Mortimer J. Palmer were appointed Assistant Secretaries; John L. Berg, William Bauer, William A. Euler, R. Halgin Greene, George F. Putscher, Anthony F. Grace, Donald Tourtellotte, Henry A. Gray, Mark McDonnell, William L. Tuck, Ernest E. Keith, Matthew T. Palmer and John J. Ross were appointed Assistant Treasurers.

One hundred and twenty orphans and underprivileged children will be made happy at the annual Christmas Party to be given for them by the employees of the Bank of Savings, of New York at its main office, Fourth Avenue at 22nd Street, on Dec. 19. In addition to refreshments and entertainment, each child will receive a doll dressed by feminine members and friends of the bank's staff. This children's Christmas Party marks the resumption of a long standing custom of the bank's employees which was interrupted by the war. At the last prewar party, Al Smith was Master-of-Ceremonies and personally presented the dolls to the children.

Leo Gaudier has been appointed head of the Foreign Exchange and Remittance Department of the Colonial Trust Company, of New York located in the bank's Rockefeller Center office. Mr. Gaudier was previously associated for 19 years with the Guaranty Trust Company in its Foreign Department. He is a native of Mayaguez, Puerto Rico.

The Erie National Bank of Philadelphia, Pa., (capital $750,000) was placed in voluntary liquidation on Nov. 25, having been absorbed by the Pennsylvania Company for Insurances on Lives and Granting Annuities, also of Philadelphia. The liquidated bank operated a branch in the Roxborough section of Philadelphia—The Philadelphia "Inquirer" in an issue of its paper early in November (Nov. 2) made known the sale of the assets of the Erie National Bank to the Pennsylvania Co. at a reported price of more than $1,800,000, the "Inquirer" stated that the sale was approved on Nov. 1 at meetings of the boards of the directors of both banks, effective at the close of business Nov. 23, the proposal having been placed before the Erie bank stockholders for ratification at a special meeting Nov. 18.

William Fulton Kurtz, President of the Pennsylvania Co., said the Erie officers and employees would continue as members of the Pennsylvania Co. organization.

The Corn Exchange National Bank and Trust Company of Philadelphia announced on Dec. 4 the election of Edward L. McGarrigan and Ellis B. Ridgway, Jr., as Assistant Cashiers, according to the Philadelphia "Evening Bulletin."

The merger of the Mid-City Bank & Trust Co. of Philadephia with the Broad Street Trust Company of that city became effective on Dec. 9 — the 25th anniversary of the Broad Street Bank, with the enlarged bank reporting deposits of over $48,000,000 and resources in excess of $51,000,000. From the Philadelphia "Inquirer" we quote:

Main office will be at Broad and Market Sts. with former Broad St. headquarters at Broad and Stiles Sts. becoming branch. Hubert J. Horan, Jr., President, and Raymond M. Rau, executive Vice-President of Broad St., continue in those posts. James D. Henderson, Mid-City executive Vice-President, will be a director and Vice-President; Thomas P. Cleary, Secretary, and Frank W. Harvey, Treasurer, Mid-City, will hold same posts with Broad St. Allen C. Mueller, Secretary, and Louis E. Mill, Treasurer of Broad St. Bank both become Vice-Presidents. Raymond F. Tyson, W. Carlton Harris, Francis E. Walter, and M. J. Burnstine were added to Broad St. Bank board.

Frank H. Martin, Jr., has joined the Real Estate Trust Company of Philadelphia as Assistant Vice-President it was stated in the "Evening Bulletin" of that city, which noted that Mr. Martin resigned as chief of the loan application division of the Reconstruction Finance Corporation.

From the Pittsburgh "Post Gazette" of Dec. 3 it is learned that Elbert L. Frank, formerly of the Cleveland Trust Company of Cleveland, Ohio, has joined the Farmers Deposit National Bank of Pittsburgh as an Assistant Vice-President in the commercial banking department. The announcement in the matter was made on Dec. 2 by John S. Smith, President of the Farmers Deposit National.

Mr. Frank, who has had 24 years of banking experience, was an Assistant Vice-President in the loan administration division in the Cleveland bank, the item in the "Post Gazette" stated.

Steps were recently taken by the Peoples National Bank of Cumberland, Md., which will result in a capital structure of the bank of $400,000, which in the opinion of the Directors, will be sufficient to provide adequate capitalization for years of future growth. $200,000 would be represented by common stock, the remaining $200,000 being surplus. In advices to the stockholders on Nov. 20, with regard to plans to accomplish this, President H. R. Fletcher, said:

"During the period of 1935-1946, your bank has grown from an institution with resources of $1,000,000 to $5,000,000. During this period the capital structure of the bank consisted of $100,000 in common stock and $100,000 of debentures of the Reconstruction Finance Corporation. The surplus account of the bank has grown from $25,000 to $100,000, excluding undivided profits and other reserves which have been established by your Board of Directors from earnings. The bank has retired the $100,000 of R.F.C. debentures, of which $50,000 was taken from the bank's earnings and $50,000 received from the issuance of 3% cumulative preferred stock. The bank has established a reserve account of $50,000 from earnings to retire the preferred stock on Dec. 16, 1946, but the retirement will diminish the capital structure of the bank proportionately, which reduction is not considered prudent by your Board of Directors and Supervisory Agencies.

"In accordance with sound banking practices, the capital structure of an institution should equal at least 6% of the resources. Applying this principle to your bank, our capital structure should amount to not less than $300,000. Subsequent to retirement of the preferred stock, our capital account would be reduced to $200,000. Considering the increased growth of the bank's resources and the advisability of retiring the present preferred stock, it is considered sound banking by your Directors and Supervisory Authorities that the bank's capital structure be revised in the following manner:

"1. Retirement of the $50,000 3% cumulative preferred stock at $25.00 per share on Dec. 16, 1946.

"2. That the bank increase its present common stock by 4,000 shares at $25.00 per share.

"One thousand shares of the new stock would be distributed to the stockholders of record as of Nov. 20, as a special stock dividend on the basis of one-fourth of one share for each share now owned. The present stockholders would also be given the privilege to purchase three-fourths of one share for $30.00. Present stockholders of record, by using their stock dividend in the purchase of new stock, would be enabled to double their present share of stock at a cost of $30.00 per share. This purchase privilege is being extended to stockholders of record as of Nov. 20, 1946."

The latter stated that the plan had been unanimously approved by the Directors, the State Banking Commissioner, and the Federal Deposit Insurance Corporation, and that a special meeting of the stockholders would be held on Dec. 5, to ratify the proposals.

The 35th anniversary of the Central National Bank of Richmond, Va., occasioned special attention in the November issue of the "Magazine of Virginia"—"The Commonwealth"—In part the article stated:

"The Central National Bank's 35th anniversary on Sept. 20 provided an opportunity for the institution and its 30,000 clients to review some of the principles upon which the bank was founded and under which its deposits and resources have reached this year a total of more than 180 times those of 1911.

"Richmond quickly accepted the formula of banking introduced by the Central National in 1911. At the end of the first day of business, on Sept. 21, 1911, the bank had deposits amounting to $326,567, total resources of $477,905, and capital in the amount of $125,000. As of Sept. 30, 1946, the figures were: total resources, $65,298,177.52; deposits, $61,503,462,61; capital, $1,000,000; surplus, $1,500,000; and undivided profits $604,144.77.

"Before the end of the bank's first year it became apparent that the institution's quarters at 303 East Broad Street would soon be outgrown. In June, 1912, the directors approved the purchase of the building at the northwest corner of Broad and Third, and in August of that year the shareholders approved an increase in the capital stock.

"The bank outgrew its second home and, in 1930, moved across Broad Street into its present home building, a distinguishing landmark in the Richmond skyline.

"Because of its central location, the Central National Bank operates no branches, but provides complete commercial, savings, and trust departments in its building at Third and Broad Streets.

"The advantages of this site were not quite so apparent in 1911, when the bank was organized, as they are today, but anticipation of the growth and of the needs of the community was one of the factors enabling the Central National to achieve the position it holds as one of the leading banks in Virginia and in the South, without the benefit of consolidations or mergers with other institutions.

"With the vigorous teamwork of a corps of capable officers and directors, under the able leadership of President William H. Schwarzschild, Sr., the Central National Bank is looking forward to increasing its usefulness in the expansion of business and opportunity in Virginia and the South."

The First National Exchange Bank of Roanoke, Va., on Nov. 14 increased its capital stock value from $1,000,000 to $1,200,000 by the declaration of a stock dividend, it was announced in the Nov. 18 bulletin of the Comptroller of the Currency.

The number of directors on the board of the Manufacturers Bank & Trust Company of St. Louis, Mo. has been increased from 11 to 13, by the election of Louis A. Hager, Vice-President and General Manager of the Hager Hinge Co., and Fred J. Blum, Secretary and Treasurer of the Midwest Piping and Supply Company; advices to this effect were contained in the St. Louis "Globe Democrat," of Dec. 1.

The election of a Vice-President, two Assistant Cashiers and a Controller were announced on Dec. 7 by the Traders Gate City National bank of Kansas City, Mo., it was stated in the Kansas City "Star" of Dec. 8, which further reported:

"Linwood O. Neal, former Bank Commissioner of Oklahoma and recently resigned as Assistant Vice-President of the Mississippi Valley Trust company of St. Louis, will join the bank tomorrow as Vice-President.

"Erskin Good, former officer of Central Surety and Insurance and until recently director of personnel for Continental Casualty Co. of Chicago, has been elected Assistant Cashier.

"H. A. Larberg, who has been with the bank since 1920, was elected Assistant Cashier in charge of personal loans and savings. Theodore M. Hutsler, former Assistant Auditor for City National Bank and Trust, was elected controller. He joined the bank early this year."

The election of Arnold A. Sherwood as a director of the Traders Gate City National Bank was announced on Nov. 30 by Robert L. Dominick, President of the bank. Mr. Sherwood is head of Sherwood & Co., distributors of solvent and Secretary and Treasurer of the Chemical Products Company of Kansas City.

Major General John C. Persons, President of The First National Bank of Birmingham, Ala. who commanded the 31st (Dixie) Division during World War II, has been honored by the Governors of Alabama, Florida, Louisiana and Mississippi with award of a citation expressing the gratitude of the peoples of the four Southern states whose sons largely composed the division which was trained and led in battle under his command. The honor was bestowed in a ceremony on the grounds of the Alabama State Capitol in Montgomery Nov. 28. Governors of Alabama, Florida, Louisiana and Mississippi were officially represented by their Adjutants. The citation paid tribute to General Persons' "superb leadership of the 31st Division and for the care, devotion and personal attention which he gave to the men of our states."

A distinguished civilian soldier of both World Wars, Major General Persons is one of the few men in the history of the American army to receive the Distinguished Service Cross and the Distinguished Service Medal. During World War I he was Captain and later Major in the 47th Infantry Division. He was awarded the Distinguished Service Cross for rescuing a wounded soldier while under heavy enemy machine gun fire. Subsequently to his return to the States, when he resumed the Presidency of The First National Bank of Birmingham, General Persons was awarded the Distinguished Service Medal by Chief of Staff George C. Marshall in ceremonies at the national capital. The DSM was awarded for "exceptionally meritorious service to the government in a position of great responsibility."

The First National Bank of Pomona, Cal. it is learned from a recent bulletin of the Comptroller of the Currency increased its capital stock on Nov. 13 from $300,000 to $500,000 by the sale of $200,000 of new stock.

Robert E. Gross, President of Lockheed Aircraft Corp., has been appointed a director of the Security-First National Bank of Los Angeles, according to an announcement released recently. The Security-First National has assets of over one and a half billion dollars. The appointment of Mr. Gross was announced in connection with changes resulting from the death this fall of J. P. Sartori, former board Chairman. Mr. Gross has been President of Lockheed since shortly after a group headed by him purchased the company in 1932. Under his leadership the aircraft company has grown from a total employment of 64 to a wartime peak of more than 90,000.

The election of Huntly R. Drummond as Honorary President of the Bank of Montreal was announced on Dec 2 by George W. Spinney, President of the bank, following the annual meeting of the stockholders and directors of the institution. The Montreal "Gazette" of Dec. 3, from which the foregoing advices are quoted, further said:

"Mr. Drummond's election to this position follows four years as Chairman of the Board, to which office he went following the election of Mr. Spinney as President in Dec., 1942. Mr. Drummond was elected to the Board of Directors in 1912 and became Vice-President of the bank in 1927. In 1939 he assumed the Presidency. In announcing, at the annual meeting, Mr. Drummond's retirement from active direction of the bank, Mr. Spinney read a resolution of appreciation passed by the Directors. The resolution paid tribute to the high quality of Mr. Drummond's leadership and judgment, and expressed the deep appreciation of the directors for his services and the warmth of their affection for him."