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President Announces Housing Program Changes

In statement from White House, he relaxes restrictions on new homes for personal occupancy, and on rental projects. Restrictions on non-residential construction and on priorities are eased, but veteran preferences are still retained.

On Dec. 14, President Harry S. Truman released a statement on the Federal Housing Program, in which he revised a number of existing restrictions on both residential and non-residential construction. The text of the President's statement and the proposed program follows:

President Truman

In my recent statement on housing I made it clear that there would be no major modification in the objective of rapidly and adequately housing our veterans. At the same time I emphasized the great need to stimulate rental housing for veterans and pointed out that the overall program must be within the framework of the government's announced policy of relaxing controls.

I am determined that a vigorous housing program will continue to be carried out in 1947.

The techniques we will use are those that will work today. I am interested in results and I am convinced that this 1947 program will produce results.

The main point of emphasis for 1947 is rental housing. Within the total number of homes to be built, it is of major importance that a maximum number of rental units be provided. We are planning financing and other aids that will encourage builders to produce units for rent.

In 1947 we will continue, at least for some months, the basic limitation order on non-residential construction and the allocation of certain raw materials for the production of housing items. But these will be relaxed or dropped as rapidly as the situation permits. The priority rating system for builders and individuals is being discontinued.

We are also planning to carry through on certain special programs already underway: apprentice training; technical research; and above all steps to reduce permanently the cost of housing, most

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"Decide Atomic Bomb—Then Disarm": Byrnes

Secretary of State tells United Nations disarmament must start with major weapons of mass destruction, and that, without any veto, international control should be effective against violations or evasions. Cites failure of nations to meet the Post-World War I Disarmament Agreement, and asserts we desire to prevent and not to win the next war. Furnishes data on U. S. armed forces abroad, and links race for armaments to a race for power.

Secretary of State, James F. Byrnes on the evening of Dec. 14, delivered a formal address in the United Nations Assembly at Flushing Meadows, New York City, in which he stated the position of the United States on general disarmament. The Secretary vigorously defended the principle of general disarmament when backed up by full international control and inspection, but insisted that effective outlawing of the atomic bomb and other weapons of mass destruction must precede any scheme of general disarmament, and he affirmed the position taken by Bernard Baruch, the Chairman of the Atomic Control Commission that, once the outlawing is adopted, there should be no further use of the veto power in the execution of its plan.

James F. Byrnes

The full text of Secretary Byrnes' speech follows:

The United States supports wholeheartedly the proposed resolution which has as its objective a general reduction of armaments with effective safeguards to ensure complying states against the hazards of violations and evasions.

Ever since the close of hostilities it has been the policy of the United States to hasten the return of conditions of peace. We want to enable the fighting men of the United Nations to return to their homes and their families. We want to give the peoples of all lands the chance to rebuild what the war has destroyed.

The tasks of reconstruction require all the human, material and spiritual resources that can be made available.

There need be no concern about the willingness of the American people to do everything within their power to rid themselves and

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Responsibilities Of the New Congress

By HON. HARRY F. BYRD*

U. S. Senator from Virginia

Senator Byrd urges early abolition of war powers, a simplification of Administrative functions of Federal Government; and a return to road of economy. Holds tax reductions in 1947 unwise and concludes settlement of the labor situation is most serious problem facing the nation. Advocates revision of Wagner Act and outlawing the closed shop.

This is certain: What the next Congress does or does not do may well determine whether we will preserve our institutions of democracy and our American way of life. I think I am not overstating the case in saying that except when in the midst of desperate war, America is faced today with the greatest problems in her history. The solutions we desire can come only from a constructive program supported by the highest order of statesmanship.

Harry F. Byrd

For the first time in 14 years the Republican party has emerged

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*An address by Sen. Byrd prepared for delivery before the 51st Congress of American Industry conducted by the National Association of Manufacturers, New York City, Dec. 5, 1946.

GENERAL CONTENTS

As We See It

EDITORIAL

"Now we shall see what private enterprise can do," advocates of a controlled economy darkly assert after each decontrol step taken by the Administration. "Private enterprise must not fail to show what it can do," business leaders who make public speaking a habit are warning themselves and their colleagues almost daily.

Government has to date fallen far short of really placing business "on its own" in this country, popular ideas to the contrary notwithstanding. A number of important war restrictions remain, and, what is of great importance, vast war powers galore still reside in the executive branch of the Federal Government. Furthermore, New Deal legislation antedating the war and still on the statute books of the nation place business under many serious handicaps.

Some important steps however, have been taken in the direction of freeing private enterprise from the shackles about its wrists, and doubtless more will come along as time passes. We are moving toward a free economy, and the public is being given the impression that it must now look more and more to private enterprise for what it desires—and that it will be quite right and proper to hold private enterprise responsible for whatever the future may bring of an undesirable sort.

What May Be Expected

It is accordingly none too soon to set our thinking aright concerning what may be reasonably expected of free enterprise, and what must be regarded as beyond the reach of any economic system as it is beyond the reach of any government. The greatest harm could result from misconceptions in this respect, or from failure to grasp fully the nature and extent of limitations imposed by human frailty upon all human endeavor. Should the impossible be ex-

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From Washington Ahead of the News

By CARLISLE BARGERON

The attitude of the conservative Democrats in Washington these days constitutes something of a political phenomenon. You would expect them to be dejected. In the Senate and House they lose their committee chairmanships which aside from the patronage they carry, also influence, in many instances, the power to write the laws. These men will not be sought after, wined and dined, looked up to, as they have in the past. Take a man like Alben Barkley, or Walter George, for example. One gives up the Senate leadership, the other the chairmanship of the committee which will have a powerful say in the new tax law.

Carlisle Bargeron

Uptown, the situation is a little different. Mr. Truman, John Snyder, George Allen remain in the seats of power but only temporarily and during their remaining tenure their power will be circumscribed. Under the circumstances you would expect naught but gloom from them.

Just the contrary is true. It is difficult to escape the conviction from talking with these gentlemen that they are as happy, as light-hearted and gay as the incoming Republicans.

The only people downcast, seemingly, in Washington these days are the New Dealers. Apparently they are the only ones who have lost. Their party associates, the conservative Democrats, talk of Nov. 5 as their victory as if they were the Republicans. A man like Harry F. Byrd, Senator from Virginia, who loses the powerful Senate Rules Committee, feels no pain. He is elated.

You would like to think it is sheer patriotism that makes these men feel this way. But that is not the complete answer.

Under the 14-year sway of the New Deal they enjoyed higher estates than they will in the future, but they did not enjoy the estates they were entitled to. The New Dealers subordinated them. Had the former continued to expand they would come completely

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Crude—To Say the Least

"The danger signs are clear. Production in recent months has begun to level off at an annual rate substantially below what is needed to utilize our greatly expanded capacity and to meet our peoples' increased requirements for goods and jobs.

Philip Murray

* * *

"We are at a turning point in our economic life, in the midst of a boom-and-bust economic psychology. There is not an economist in America who does not predict a bust to follow our present boom. It is purely a question of when the bust will occur.

"The estimates range from the third quarter of 1947 to the early part of 1948. How long the boom will last, or whether the bust can be prevented, depends upon an intelligent and sound economic approach to the problem.

"It is generally agreed that the bust will occur mainly for two reasons: (1) the level of consumer income is not sufficient to support high demand and high production; (2) prices and profits are at inflated levels.

* * *

"The Council of Economic Advisers is charged with the responsibility of maximizing production and employment to provide sufficient purchasing power in the hands of the mass of American consumers. If this present distorted profits picture continues, an economic collapse is bound to occur. The inequitable distribution of our national income which has occurred during the first postwar year must be altered."—Philip Murray to the President's Council of Economic Advisers.

It is almost incredible that such crude reasoning as this could possibly help convince the public that Mr. Murray's men should have higher wages.

Yet . . . . .

The Government's Case for Reducing Cotton Futures Speculative Limits

Ronald C. Callander, Commodity Exchange Authority official, traces changes in commodity exchange procedure since 1939; and adduces data supporting Government's proposals for further limiting individual positions and trading. Cites holdings of large speculative commitments and effect of their liquidation on prices. Explains improvement in trading statistics during past decade.

Following is the Government's case for reducing the existing limits on speculative positions in cotton futures trading; as presented in the hearing before the Commodity Exchange Commission, Washington, Dec. 10, 1946, by Ronald C. Callander. Mr. Callander is Acting Chief of the Trading Section of the Commodity Exchange Authority.

1. By way of introduction my comments will refer to certain changes that have occurred in trading procedure on the exchanges since the last hearing in 1939 and will introduce certain tables of comparative data that have a direct bearing upon the subject of this hearing.

2. The present limitation on speculative positions and trading became effective on Sept. 5, 1940. At that time trading on the New York Cotton Exchange covered a 12-month period; that is trading was permitted 11 months in advance of the spot month. Although there was no definite rule as to the trading period on the New Orleans Cotton Exchange trading for the most part followed the trading months of the New York exchange. Trading on the Chicago Board of Trade also followed the New York exchange.

3. On Oct. 18, 1944, the New York Cotton Exchange extended trading to 18 months so that trading now is permitted 17 months in advance of the spot month. Trading on the New Orleans and Chicago exchanges for the most part follows this pattern.

4. This change in the number of months from 12 to 18 is a 50% increase in the number of futures that can be traded in. As a result of this change it is apparent that the maximum positions and trading permissible under the present limitation of 30,000 bales in any one future has been increased by 50%. It is also obvious that with the present limit applicable to only one future there is no over-all maximum limit, except one based upon the number of futures that can be traded in, and this is determined by exchange rules. Therefore, at the present time the over-all maximum for speculative trading and positions in cotton can be changed by exchange action and not by the Commodity Exchange Commission as provided in the Commodity Exchange Act.

5. The proposal of the Commission to limit positions and trading of one person to 30,000 bales in all futures combined on one market is not a new principle. At the present time a maximum permissible limit for all futures combined is applicable to grains. This limit is 2,000,000 bushels for wheat, corn, oats, and 500,000 bushels for rye.

6. At the time of the first limitation hearing in 1939, the records of the Commodity Exchange Authority relative to trading in cotton futures were considerably limited since compilation of trading statistics only had been started in October, 1937. In this period before the first hearing there were no specific examples of large speculative lines or speculative trading. Evidence was submitted in the first hearing, however, demonstrating that large trades had a definite effect upon price and price relationships.

Improved Statistics

7. At the present time we have almost 10 years of trading statistics. Statistics compiled by the Commodity Exchange Authority are based on individual trade reports required by law from clearing members, futures commission merchants and from traders subject to reporting requirements.

8. It is from reports submitted by individual traders that the Commodity Exchange Authority follows the trading and commitments of such traders. In cotton any trader holding 5,000 bales or over in any future on one market is required to submit Form 303 reports daily to the Commodity Exchange Authority. In addition to reporting trading and commitments on this form the reporting trader is also required to classify his commitments as to whether speculative, straddling or hedging.

9. I should like to introduce Form 303 as part of this record.

10. I would now like to submit a table entitled, "Cotton futures: open contracts and speculative commitments of large traders on all markets, speculative commitments of over 30,000 bales in New York and New Orleans markets, and comparative prices, for specified dates, January-October 1946."

11. The period covered by this table is from January 1946 through October 1946. This period was selected for several reasons—
    - (a) It reflects the rise of open contracts to high levels; it shows that the increase in aggregate speculative commitments of large traders reached the highest level of any like period since the CEA reports of large traders have been compiled. These figures extend back to 1937.
    - (b) It includes the rise in speculative holdings of certain traders to levels never before reached by any individual speculator since the beginning of our statistics in 1937.
    - (c) Also in this period cotton prices rose to the highest levels since the early 1920's and then had the sharpest and most extensive decline in recent cotton history in the last half of October.

12. Data are shown on a semi-monthly basis, that is on the 15th and last day of each month from January through September 1946 and daily for October 1946, the month in which cotton prices declined so sharply.

A 10-Month Price History

13. Price history for this 10-month period is included in this table.
    - (a) Prices showed an almost continuous advance from January to early October, a net rise of over 14 cents a pound for futures and approximately 14½ cents for spot cotton.
    - (b) On Oct. 16, futures prices broke, abruptly declining 2 cents a pound, the maximum decline allowed by the price fluctuation limit fixed by the exchanges.
    - (c) On Oct. 17, futures prices declined 2 cents, again reaching the low limit and on Oct. 18, prices also dropped 2 cents to the low limit, the third consecutive day of maximum price decline.
    - (d) In the week following Oct. 18, prices were very erratic, reflecting the uncertainty of traders as to the stability of the price level of cotton.
    - (e) On Oct. 28, futures prices turned downward again, falling 2 cents a pound. On Oct. 29, the same thing happened—prices fell 2 cents a pound, the maximum limit allowed.
    - (f) Thus, in a 15-day period, Oct. 15-31, prices fell from 38.31 cents on Oct. 15, to 30.15 cents on Oct. 31, a net decline of over 8 cents a pound.

14. Open futures contracts on all markets combined are also included in this table. Open contracts increased from 2,424,600 bales on Jan. 15, to a peak of 4,086,600 bales on Oct. 16. Under the impact of the price decline open contracts by Oct. 31 had declined to 3,470,600 bales. This decline is contrary to the usual trend of open contracts for they ordinarily increase during October, reflecting the marketing of cotton by producers which reaches a peak in October.

15. Commitments classified as speculative by reporting traders are also shown in this table. It will be noted that speculative commitments of large traders in general showed a marked increase from January until the period of the price break, Oct. 15-31. This is true for both long and short commitments, but the long side increased on a much larger scale than the short side of the market.

16. The proposal of the Commission is to limit speculative positions to 30,000 bales in all futures on one market. With this in mind, those speculative accounts of reporting traders of over 30,000 bales in all futures combined are shown in this table. It should be noted that there were no reported short speculative commitments over 30,000 bales in all futures combined. Those accounts that exceeded 30,000 bales were on the long side and are so indicated. Early in the year there was one account whose long speculative position exceeded 30,000 bales in all futures combined. This number was increased to two in August and to three accounts by Oct. 15, the eve of the price break. Futures holdings of these accounts increased from 54,000 bales on Jan. 15 to 226,300 bales on Oct. 16. Two of these accounts were abruptly liquidated as a result of the price break, leaving one account with 30,900 bales speculatively long on Oct. 31.

17. We have also shown in this table the excess of speculative positions over and above 30,000 bales in all futures combined. On Jan. 15, this excess amounted to 24,000 bales. On Oct. 16, this excess amounted to 136,300 bales, the peak. This is the amount of futures contracts that would have been eliminated from the market had the proposed limitation of the Commission been in effect. The subtraction of this amount from the market could scarcely impair the hedging facilities of the market when it is compared to a total of 4,086,600 bales of futures contracts open on Oct. 16

18. By Oct. 31, after the period of sharp decline, the excess over 30,000 bales amounts to only 900 bales.

Speculators' Liquidation

19. The facts are that the entire liquidation of two large speculative lines in the three days of price decline on the 16-18, could not be absorbed by the cotton futures markets, and this together with the liquidation of part of these accounts contributed to the drastic price decline.

20. Not only was the existence of these large lines initially a threat to price stability, but once liquidation was touched off the concentrated selling needed to liquidate these accounts greatly accelerated the price decline. Prices responded directly to the selling by these accounts.

21. By the close of the market on Oct. 18, these accounts still were not entirely liquidated.

22. The cotton exchanges were closed on Oct. 19, because of the continued threat of liquidation by these accounts to the price structure, and to give the markets time to determine what to do with the remainder of these large lines. The immediate problem was solved by another cotton firm taking over these lines into their own account.

23. I should like to read a statement which appeared as part of an article in the "Journal of Commerce and Commercial" of New York on Oct. 21, and which I understand was issued to the press on Saturday afternoon, Oct. 19, by the New York Cotton Exchange . . . I now would like to submit this article as part of the record.

24. The fact that the market had to absorb the liquidation of these large lines, and it appeared to be common knowledge that one large speculative line was in distress, also influenced selling by many other accounts. This is another danger of large speculative lines in a market, in that the liquidation of such lines causing a sharp decline impairs other accounts in the market and results in still a larger volume of selling which the market must absorb with still further price effect.

Effect of Liquidation on Futures Prices

25. Let me sum up the effect of the liquidation of these large lines upon the futures markets and upon prices:
    - (a) Prices broke to the full limit of 2 cents a pound on three consecutive days.
    - (b) The threat of unliquidated lines closed the exchanges on Oct. 19.
    - (c) After three days the markets still had not absorbed all of the liquidation of the two large lines.
    - (d) There is no way to determine how much further prices would have declined if the remainder of a large line had not been taken over by another concern to keep further selling from the market that would have been necessary to liquidate this account.
    - (e) The effect of the liquidation of these large lines impaired margins of other accounts in the market resulting in further selling that forced prices downward. The repercussions of the three day price break were felt in the market for the remainder of October. The uncertainty engendered is reflected by the further price de- -es on Oct. 28 and 29,

and the closing of the cotton exchanges on Oct. 26 and Oct. 30.

26. The previous data and comments have dealt with the holding of large speculative commitments and the effect of the liquidation of these commitments upon prices. The reduction in limits now being proposed would also apply to speculative transactions permitted within one trading session.

27. As in the case of net positions the limit on transactions would apply to all futures combined in any one market and would permit maximum transactions of 30,000 bales bought and 30,000 bales sold in any one market during one trading session. Also as in the case of net positions this limit would only apply to speculative transactions. Straddling and hedging operations would not be affected.

28. From some points of view it might be considered that the proposed limit permits too large a volume of speculative operations by one person during one trading session. In all previous discussions relating to reductions, however, it has been pointed out that a trader should not be placed in a situation where it is impossible for him to liquidate or to cover his entire line during one trading session.

29. Therefore, it is believed that the proposed limitation on trading is consistent with the proposal which would permit the holding of 30,000 bales long or short. It might be pointed out that this proposal, while permitting the liquidation of 30,000 bales long, would not permit the same trader to then go 30,000 bales short. He could, however, at least theoretically, liquidate a long position of 30,000 bales and then reinstate that position by the purchase of 30,000. Observation of general practice in markets indicates that only few traders have ever taken full advantage of the proposed permissible volume.

Counters Statement Against Monopoly

Alden A. Potter takes exception to "Chronicle" editorial statement that in any segment of production, monopoly which ignores claims of consumers is not sound or enduring. Points to patent and other "property" monopolies and says argument supports trades union's monopoly position.

Editor, Commercial and Financial Chronicle:

The problem which civilization has made so complex, and so urgent today, is an old one — the problem of property and its protection by government in such a way as to maintain a maximum of incentive to efficiency. As a saver and investor in property, I beg to raise an issue with your editorial for Dec. 5, centered on the following sentence therein:

Alden A. Potter

> Any social or economic structure resting upon the foundation of monopoly in any segment of production, monopoly which is in a position to ignore even for a limited period the claims of consumers, is not likely to prove a sound and enduring one.

If this statement will "hold water" then it follows that our patent laws, and the constitutional provision for them, should be repealed, for nothing could be more certain than that these laws do establish a legal "monopoly which is in a position to ignore for a limited period the claims of the consumer" with respect to the patented "segment of production." A patent does exactly as the labor union does under such laws as the Wagner Act, that is, to cover monopoly costs, it holds prices higher than they otherwise would be; and it does this without "pricing itself out of a market." Any attempt to remove all monopoly positions from the economy is precisely in line with what our "liberals" propose when they urge compulsory licensing of patents and even write that plan into the law, as was done in the Atomic Energy Act.

From your statement it would also follow that the Henry George doctrine is correct so that title to land and its rental income is not merely immoral; it is also uneconomic in that full and balanced production and consumption cannot be developed while land is monopolized by "vested interests." If "the claims of consumers" are a valid consideration in an economic argument over the distribution of "income" (production), then there can be no property incomes—no "unearned" dividends—and the Reds are right when they propose production according to ability and consumption according to need; whereupon we encounter the simple fact that, for lack of incentive, this leaves out competition—the very life of trade and industry—because no competition can be developed unless there is something to compete for! Monetary "profits" are of no avail—witness Russia, where property is taboo. In the hope and expectation that intelligence, industry, and thrift will afford a position of security which will not be available to stupidity, indolence, and improvidence, lies the whole moral basis for the system of capitalistic rewards for the cardinal virtues as against the system of communistic "incentives" which are driven to take the form of punishments for the cardinal vice of "sabotaging" production as organized for the sake of "the claims of the consumer," which is to say, of the proletariat!

In fine, your argument precisely supports, instead of gainsaying as it is intended to do, the union's monopoly position. It fails to refute the New Dealers when they say that to avoid the "crises" or depressions of capitalism we must follow the very explicitly stated philosophy of Judge Goldsborough that the Unions are an essential accessory to the "capitalist" system which, otherwise, will be guilty of over-saving and resultant collapse into more or less chronic depression. His argument, upon which the current labor position has been based, is the typically Keynesian one, not of morals (as you state their position), but of economics. It takes a thief to catch a thief, say the judge and his disciples (including Joseph C. Harsh of CBS); that is, we need a labor monopoly to offset a capital monopoly and establish a workable equilibrium in purchasing power as against saving and investment in a "mature" economy, that is, in one that presents only limited opportunity for expansion and cannot be transformed into an "endless frontier" by "saving and investment."

This is precisely the argument set forth by the Administration in its immediate postwar policy which was so closely coupled with Walter Reuther's assertion that in serving itself by striking to reduce GM's profits and transfer them to the wage fund, the CIO was performing a very necessary public service in preventing a postwar depression. What he was saying and the CIO still says, is just what "The Chronicle," following the dominant majority of the NAM, is saying, to wit, that only "perfect competition" will work and that therefore, whenever it is possible for an employer to pay his workmen more through the bargaining of "free enterprise" without asking his customers more for their product, and still show a "fair" profit on the cost of actual investment, some sort of economic necessity (not "moral obligation") requires that wages be increased to prevent over-saving beyond the offsets afforded in the investment market. Great profits hang like a Sword of Damocles over our Democracy, says Philip Murray; and the obvious remedy is to distribute them into the wage fund in order to prevent capitalism from being stymied by its own "greed" for profits.

Ordinarily—that is, under conditions in which specific fields of monopoly exist in certain factors of production held as property—competition could not arbitrate such issues as those involved in current wage arguments because these are concerned, not with the real contributions made by wage earners in the production process, but rather with the inflationary abrogation of contracts by which wages have been set to correspond with those contributions so as to have the purchasing power to buy them. The attempt to keep down collective bludgeoning by labor with what must prove to be a hypocritical plea for a quite impossibly "perfect" competition, has proceeded dangerously far along the "road to serfdom," that is, to abrogation of private property in means of production (other than labor) when it invades the very citadel of the stock market, "The Commercial and Financial Chronicle"! Let me urge that you keep this argument alive in your columns; for ultimately it must be settled in favor of monopoly, i.e., of private property incomes such as are typified in corporate securities, or even in "cartels."

True, "securities" are not too secure in the presence of the "business cycle"; they suffer from the same insecurity as does the wage earner. (Incidentally, the "cycle" is not the worldwide, fateful event that it is alleged to be, but characterizes "sterlingaria" or any similarly organized financial system.) But it is a grave mistake to burn down a house just to roast a pig. Securities can be made more secure, not by fireproofing them, but by preventing the fire and thus serving to secure labor also in its struggle against unemployment on the one hand and inflation on the other.

Bethesda, Md.
Dec. 10, 1946.

ALDEN A. POTTER

[We are glad to open our columns to this valued reader who finds himself unable to agree with us. We are not quite sure that we understand precisely what his position is at all points, but we are certain that the reader will find what he has to say stimulating.

Of course, we were not using the word "monopoly" in so broad or pervasive sense as he suggests, and the term "segment of production" was not intended to denote a single individual's (or firm's) property—of which the owner naturally has a monopoly in one sense of the word.—Ed.]

The State of Trade

Total industrial production advanced the past week above that of the week previous, but remained slightly below the high levels that prevailed during the first half of November. Bituminous coal output rose 9% in the week that ended on the day the strike terminated with production showing a rise of 2,235,000 net tons from 2,050,000 net tons. Steel ingot rate for the week beginning Dec. 9, jumped to 69.8% from 60.2% the week before and the scheduled rate of operations for the present week are placed at 83.9% of the industry's capacity by the American Iron and Steel Institute.

With the ending of the coal strike, many workers who had been on furlough because of it, were recalled and total unemployment compensation claims, it was noted, fell 8.5% in the week ended Nov. 30, to reach a new 1946 low. Initial claims also dropped, registering a decline of 7.4%.

The return of more normal conditions was likewise reflected in output of electricity for the week ended Dec. 7, resulting in electric kilowatt production rising 5% to 4,672,712,000 kwh. from 4,448,193,000 kwh. the week before. Carloadings of revenue freight for the same week showed noticeable improvement following the removal of the freight embargo and increased to 729,084 cars from 660,911 cars, or 10.3% above the preceding week. Paper and paperboard production, too, showed gains for the period, while daily average crude oil output receded to 4,694,750 barrels from 4,794,574 barrels, representing a decline of 2.1%.

The automotive industry the past week witnessed an appreciable increase percentage-wise in automobile production, the rise being 29%, according to Dun & Bradstreet, Inc. to a new postwar high. Turning to Ward's Automotive Reports, physical volume the past week was estimated at 97,860 units, which included 68,970 passenger cars and 24,480 trucks built in this country, and 2,305 cars and 2,105 trucks turned out in the Dominion of Canada.

On Monday of the current week the Automobile Manufacturers Association made public its customary review on the progress of the industry during the past year and due to adverse conditions prevailing throughout the year it was impelled to report little progress. The industry's high hopes last December of output approximating between five and six million units for the first full postwar year fell far below expectations and on the basis of present computations, according to Ward's, the year's end may show a total of 3,288,700 units produced by the industry. This figure would include 2,175,200 cars and 941,300 trucks as United States volume and 91,500 cars and 80,700 trucks for Canada.

Strikes in its major plants, material shortages, government controls and suppliers' strikes, coupled with tie-ups in the coal and steel industry all contributed in a greater or lesser degree to throttle the industry's earnest attempt to return to full production and employment and in its stead losses in the place of profits have been recorded for the year on the balance sheets of the car makers.

Looking ahead in an effort to determine what the prospects for production will be the coming year, the report of the Automobile Manufacturers Association points out:

"Mounting production in 1947 seemed possible until this year's second coal strike of 17 days forced cutbacks of steel production and dislocation of distribution, whose after effects will be felt in 1947.

"Beyond midyear, 1947, the outlook is more optimistic, provided another 'round of strikes' is not experienced during the year in basic industries, the automobile industry and its suppliers, and if shortages and limitations on the use of materials by allocation or import controls are discontinued."

Production in the construction field the past week found building materials still on the uptrend, though output of some goods such as heating and plumbing equipment, clay and cast iron pipes and some grades of lumber were below current needs. In the week ended Nov. 30, output of lumber declined nearly 17%, shipments dropped almost 2%, while orders on the other hand, rose slightly more than 2%.

Retail volume, stimulated by Christmas promotions, increased noticeably last week and was considerably above that of the corresponding week a year ago. Interest in gift items such as jewelry, cosmetics, lingerie, haberdashery and accessories was very high. Toys, electrical appliances and housewares were among the best sellers in the durable goods line.

There was a slight increase in wholesale volume in the week, continuing to be at a level appreciably above that of the corresponding week a year ago. Order volume increased fractionally and deliveries were temporarily delayed in some cases as a result of the short-lived freight embargo. Many buyers were hesitant about placing orders for goods that could not be delivered immediately or in the near future.

Steel Industry—Staging a quick comeback following the end of the coal strike, the steel industry last week raised its operating rate 9½ points to 70.5% of rated capacity, according to "The Iron Age," national metalworking paper, with every indication that activity this week will rebound 10 to 15 points more with the probability that in three weeks the industry will be almost back to pre-strike ingot rate of 91.5%.

The loss in steel production because of the coal strike will ultimately amount to more than 1,700,000 tons and equally serious to steel users will be the time-consuming process of realigning delivery schedules in an attempt to reach the normal shipping level, states the magazine.

With the threat of a coal shutdown definitely postponed until April 1, 1947, the probable outcome of steel wage negotiations again takes the spotlight with many in the steel trade still 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 United Mine Workers, 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 United Steel Workers of America are expected to be substantial, and the wage increase may start at 25¢ 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 of the steel workers to negotiate quickly a substantial wage increase before present contracts expire on Feb. 15 could conceivably bring about

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As We See It

(Continued from first page)

pected of free enterprise, inevitable failure would be all too apt to bring widespread demand from the unthinking for another resort to panaceas, despite the miserable record of all quack remedies the New Deal managers could conjure up in the course of a decade.

Let it be bluntly asserted at the very outset that free enterprise, no more than government, knows how to abolish the so-called business cycle, the alternating up and down movements in general business conditions, the "boom and bust" of the political wiseacres who are fond of colorful language. He who gives the rank and file the impression that business men acting singly or in any other way, no matter how free to act as their discretion directs, can make certain of a constantly expanding economy free from depressions, recessions, unemployment and all other difficulties heretofore encountered in "bad times" is no friend of free enterprise.

It is our profound conviction that free enterprise, left to its own devices (apart from the limited restrictions required to assure fair play and full competition) can and would provide the individual with the good things of life in greater abundance and with greater regularity than any other system invented by or known to man. We should, however, be rather worse than foolish not to recognize that this or any other system under which human beings work, must suffer from the limitations imposed by the fact that human beings are neither perfectly wise nor in possession of all facts. To set a standard for enterprise which is beyond the reach of man or man-made or man-operated systems is, obviously, to foredoom it to a judgment of failure.

No System Depression Proof

All this is particularly true of any supposition that there will be (or would be) no future recession or depression were we to return to the American way of doing things. The fact is that the threads of events which run through business cycles from crest to crest and from trough to trough are many and obscure. The factual picture of business cycles is far from complete or clear. No living man knows precisely what has in the past happened, particularly what happened first and what happened next, in the typical cycle, if there were a typical cycle. There are many "theories" of the causation of these cycles—most of them developed by theorists who somehow appeared to be little concerned with the facts—but none of them begin to explain even the facts as now known. Obviously, in such circumstances it is foolhardy—not to use a stronger word—to offer a prescription for the prevention or cure of the business cycle. It is like the witch doctor's prescription for cancer.

Let us be perfectly candid about all this. Such a prescription is futile whether it takes the form of some quack remedy brewed from the discredited economic doctrines of the ages or whether it be based upon the assumption that free enterprise when returned to whatever freedom we permit in the future will operate in a way and with results essentially different from those of the past. What is known as the business cycle seems to us to originate with the faulty judgments, the bad guesses—in fine, the human frailties—of business man, consumer and all other elements in the community. When any political entity undertakes to substitute its judgment for those of these innumerable individuals the resulting hazard is greater, not smaller, but nothing but disappointment can come from expecting perfection from either system.

No Sudden Cure

About as futile would be an expectation that retirement from its advanced position as manager of the economy will (or would) be followed immediately by a disappearance of the friction, waste, shortages, and all the rest with which the rank and file have been obliged to contend for so long a time. In the first place, government intermeddling has left its mark. Labor unions with complete monopoly in large sections of the economy, unfortunate habits of waiting for a cue from government, uncertainty as to what day government may again step in (so long as power to do so still resides in government), many varieties of maladjustment in prices and other internal relationships, world turmoil, and unrest at home — these and many other unusual difficulties face the economy at the present time, and would face it at least for a period even though business was returned at once to business men.

For our part, we are convinced that business would respond to any opportunity given it in a way to surprise all the doubters, but only disappointment, distrust, and unwarranted loss of prestige could result from expecting the impossible.

Steel Production Stages Further Substantial Comeback—More Price Adjustments Announced

Steel ingot output this week staged a further substantial comeback from the effects of the coal strike when the industry raised its rate 14.5 points to 85% of rated capacity, according to "The Iron Age," national metalworking paper, which in its issue of today (Dec. 19) further states: "Next week some mills may shut down for the Christmas holidays which would prevent the industry rate from reaching the prestrike level of 91% of capacity.

"While steel company officials view the radio pickup in steel activity with satisfaction, this feeling has not overcome the realization that close to 16,000,000 tons of steel ingot production was lost this year due to steel and coal strikes. It is estimated that total steel ingot output this year will run to approximately 65,900,000 tons or more. Had it not been for the steel and the coal strikes, output would have ranged between 80,000,000 and 83,000,000 ingot tons.

"Over the next few weeks steel consumers and steel producers will have their fingers crossed over the possible outcome of the steel wage negotiations. In direct contrast to its stand at the beginning of this year when the United Steelworkers of America made a flat demand of 25¢-an-hour increase, the union, following policy meetings being held in Pittsburgh this week, is expected to keep its specific wage demand under cover until direct negotiations are begun with steel officials.

"It is a good possibility that Mr. Murray's steelworkers may ask steel management to make the first offer and it is also probable that for the first time since the war began a sincere attempt will be made to carry out real collective bargaining. The steel companies, while in a position to increase prices to the amount necessary in order to compensate for higher wages, may be reluctant to take such action in view of the price adjustments which have been made during the past two weeks.

"While the chances that there will not be a national steel strike in the near future are far better than was the case a year ago, any stalemate between the steel union and the management over what the former considers to be an adequate wage offer could very easily turn the steel labor situation into a very serious one with the definite prospect of a steel industry shutdown. Whether or not conditions become that grave must await the trend of negotiations when the initial meeting between steel officials and union leaders takes place in January.

"Most steel companies early this week had advanced or were about to advance the price of merchant steel bars $2 a ton and similar action was taken on concrete reinforcing bars.

"The nation's railroads will pay more for their rails and track accessories in 1947, the price of these items having been advanced late last week by some producers and early this week by others. Standard rails over 60 lbs., which a week ago were priced at $43.39 a net ton are now being sold on the basis of $2.50 a 100 lbs. or $50 a net ton, an increase of $6.61 a ton. Angles and splice bars which a week ago were being sold for $2.85 a 100 lbs. are now priced at $3 a 100 lbs. Tie plates were advanced $5 a ton. The result of the most recent advances has taken 'The Iron Age' finished steel composite price from 2.72122¢ per lb. to 2.75655¢ per lb or an increase of aproximately 71¢ a ton. Because of revisions in extras, the increased price to steel consumers has in many cases been much greater than the change in base prices would indicate.

"Whatever gains steel firms may have made in the past few weeks because of price adjustments have already been affected by higher scrap prices which appeared suddenly early this week. At some major centers the price of heavy melting steel has gone up as much as $4 or $5 a ton above last week's levels. Dislocation of scrap tonnages was cited in some circles as the principal reason why some consumers decided to step out with higher offers in an effort to quickly garner as much tonnage as possible. Since many scrap consumers had the same idea at the same time and since scrap supplies are not over plentiful an unusual rise in prices materialized.

"As the result of this week's sharp scrap price increases, 'The Iron Age' scrap composite price has moved up from last week's figure of $25 a gross ton to $28.17 a ton, an increase of $3.17 per gross ton. The action which took place in some districts early this week is expected to produce a similar situation in those areas where quotations remained more or less unchanged."

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 83.9% of capacity for the week beginning Dec. 16, compared with 69.8% one week ago, 91.4% one month ago and 83.0% one year ago. This represents an increase of 14.1 points or 20.2% from the preceding week. The operating rate for the week beginning Dec. 16 is equivalent to 1,478,600 tons of steel ingots and castings, compared to 1,230,100 tons one week ago, 1,610,800 tons one month ago and 1,520,300 tons one year ago.

"Steel" of Cleveland, in its summary of latest news developments in the mealworking industry, on Dec. 16 stated in part as follows:

"Steel price adjustments are broadening in scope, both with respect to the number of products and producers involved. Last week advances were reported by leading producers on such items as sheets, strip, tin plate, terne plate, bars, rails, track accessories and pig iron, with additional products under review and apparently scheduled for early advances.

"Users of flat rolled products will pay substantially higher prices for most items in this classification following upward revisions by leading mills in sheet, including galvanized, and strip price schedules. The price changes, effected by revisions of base prices and extras, range from reductions in a few items to sharp increases in others. Comparisons with former quotations are difficult to determine, due to the comprehensive revamping of the flat rolled pricing system, increases being reflected only partly in base prices.

"Higher prices were posted, effective Jan. 1, on tin plate. Contracts for 1947 delivery will be made on the basis of $5.75 per 100 pound base box, compared with the 1946 contract price of $5 and the OPA ceiling of $5.25.

"Apart from scattered increases by smaller independents previously reported, no revisions have been made in such major products as plates and shapes. However, price schedules on these items are under review, particularly with respect to extras, and at least one leading producer has announced an increase of $2 per ton on hot-rolled bars accompanied by a revision in extras. Reinforcing bars also have been increased in price as have rails and various track accessories.

"Such changes as have been made in the various products to date reflect an effort to bring selling prices more in line with costs and do not anticipate expected cost increases resulting from advances in freight rates, effective Jan. 1; possible higher wage costs which may result from pending labor negotiations. Price adjustments so far have been long under discussion with OPA.

"For the first time since the decontrolling of steel prices, leading warehouses have adjusted their prices in line with mill changes, especially in sheet and strip.

"Meanwhile advances in pig iron have broadened to include practically all producers. A number of ferroalloys have been increased in price, and the price tone of the steel scrap market is stronger. Further advances have been made in low phos scrap and cast grades.

"Meanwhile, steel producers are finding that it will take them several weeks to fully recover from the setback occasioned by the soft coal strike. All interests will enter the new year with substantial order backlogs. Certain producers assert arrearages on carbon bars will take them six weeks or longer to work off. The stringency in small sizes of carbon bars is especially pronounced, but some forgers engaged on automotive requirements are not pressing as hard as previously anticipated. Alloy bar shipments remain easy, with January and early February being offered.

"Shape extras continue under review and it would not prove surprising to the trade if revisions were announced in the near future, with the possibility that some base prices may also be changed. To date only one shape mill has changed its base prices, or rather in this case its base equivalent prices, and that was the Phoenix Iron Co., Phoenixville, Pa., as announced a few weeks ago.

"'Steel's' composite market averages advanced last week to $64.73 from $64.45 on finished steel, to $29.50 from $27.75 on steelmaking pig iron, and to $27 from $24.25 on steelmaking scrap. Semifinished steel price average held unchanged at $40.60."

Scientists to Aid Atom Energy Commission

The recently appointed Atomic Energy Commission is to have an Advisory Committee of nine of the nation's most eminent scientists and engineers, headed by President James B. Conant of Harvard University, to advise it on technical aspects of the new source of power, according to Associated Press Washington advices of Dec. 12. Besides Dr. Conant, the other members of the committee appointed by President Truman are:

Lee A. du Bridge, President of the California Institute of Technology; Enrico Fermi, Professor of Physics, University of Chicago; J. R. Oppenheimer, wartime director of the Los Alamos Laboratories of the Manhattan District; I. I. Rabi, Professor of Physics, Columbia University; Hartley Rowe, Vice-President of the United Fruit Co.; Glenn T. Seaborg, Chief Radio-Chemist for the Manhattan District at the University of Chicago; Cyril Stanley Smith, Director of the University of Chicago's Institute of Metals; and Hood Worthington, Chemical Engineer for du Pont de Nemours & Co.

This committee is to concentrate on matters relating to materials, production and research, while other groups will be established later to advise the Commission on other technical problems, the President told newsmen.

Chamber of Commerce of U. S. Outlines 1948 Budget

Estimates range of expenditures from $20 to $32 billion. National Defense outlay considered most uncertain, this item ranging from $5 to $10 billion.

A 30-page printed pamphlet, captioned "Looking Toward A Balanced Budget," prepared by the Finance Department of the Chamber of Commerce of the United States and approved by its Committee on Federal Finance, is now being distributed.

The document contains basic factual material pertinent to the Committee's recent recommendations for sharp reductions in expenditures to permit a lower level of taxation and a curtailment of the public debt. In addition to reviewing and analyzing Federal receipts and expenditures in the recent years and in the 1947 fiscal year, the report sets up a pro-forma budget for 1948. The text of this part of the report follows:

Balancing of the budget for the fiscal year 1948 is the task immediately ahead. Submission of the President's annual budget and other messages upon the convening of the Eightieth Congress in January 1947 will set in motion the new procedures intended to assure a balancing of expenditures against revenues.

Congress will be faced with a three-fold budget problem. To assure a balanced budget it will be necessary to reduce expenditures for the fiscal year substantially below the $41.5 billion estimated for the current 1947 fiscal year. The operation of present tax laws must be studied to determine what revisions should be made which would be to the advantage of the domestic economy and yet not reduce revenues below the total of essential expenditures. Finally, policies must be decided with respect to the public debt.

Business groups and citizens will have ample opportunity during the early months of 1947 to make known their views on fiscal policies to the committees of Congress as well as to individual Senators and Representatives.

Expenditures

In reviewing the possibilities of reductions in expenditures in 1948 from the estimated totals for 1947, it is obvious that the largest saving should be in the costs of national defense.

Out of estimated gross expenditures of nearly $19 billion for national defense in 1947, approximately $13.2 billion represents costs of the War and Navy Departments. The remaining items include $2.4 billion for terminal leave pay of enlisted military personnel, about $700 million for the Maritime Commission and the War Shipping Administration, and about $2.6 billion for other purposes. The $2.6 billion embraces the final contribution to UNRRA, defense activities of various departments, and administrative costs of wartime and reconversion agencies. To a very large extent these items, totaling $5.7 billion, are believed to be of a non-recurring nature.

In the $13.2 billion for the War and Navy Departments there also are a number of non-recurring items and others subject to reduction, such as a very substantial amount for settlement of war contracts. To what extent the main defense activities of the War and Navy Departments can be curtailed will be a matter of judgment.

Expenditures for national defense in 1948 amounting to as much as $10 billion would be very high in comparison with the totals in the various postwar tax plans of recent years. In several instances under these plans a maximum of from $5 to $6 billion was allowed for national defense. The Brookings Institution estimated a minimum of $6.9 billion, a maximum of $8.7 billion and a probable amount of $7.8 billion for the first year in which the transition from a war to a peacetime economy has been substantially completed.

Another expenditure item on which attention will be centered is that for veterans' pensions and benefits. The $6.2 billion estimated for 1947 is a 50% increase over actual costs in 1946. The total is three times that in 1945. In most of the postwar plans from $2 to $3 billion was allowed. The Brookings Institution estimated a minimum of $2.2 billion, a maximum of $3.6 billion and a probable amount of $2.8 billion.

Another major item of a controversial nature is that for international finance. A substantial reduction from the $4.2 billion estimated for 1947 seems certain. The maximum withdrawal in 1948 under the financial agreement with the United Kingdom is expected to be not more than $1.5 billion and the maximum under authorized credits of the Export-Import Bank perhaps $1 billion. All present obligations under the Bretton Woods agreements may be completed during the current year. The total actual outlay under the British credit and through the Export-Import Bank in 1948 may be considerably less than $2.5 billion.

The most important among the items in the 1947 budget which cannot be cut is $5 billion for interest on the public debt. Expenditures for refunds, aids to agriculture, social security, public works and general government all are subject to considerable variation but the amounts involved are small in comparison with those for national defense, veterans and international finance.

A balanced budget in 1948 would include an item for debt retirement. The amount of this item would depend upon the general budget situation and such program for debt retirement as might be adopted by Congress.

THE 1948 BUDGET—RANGES OF EXPENDITURE ESTIMATES FROM VARIOUS SOURCES FROM A LOW TOTAL OF $20 BILLION TO A HIGH OF $32 BILLION

(In billions of dollars)

Possible range of expenditures without national Defense, veterans, international finance and debt retirement:	
Interest on the public debt	1.0- 1.8
Refunds	1.0- 1.8
Aids to agriculture	0.5- 0.9
Social security, relief, and retirement	1.2- 1.4
Public works	0.8- 1.4
General government	1.0- 2.0
Range for total	9.5-12.5
Addition of national defense and veterans pensions and benefits:	
National defense	5.0-10.0
Veterans pensions and benefits	3.0- 5.0
Range with addition of these items	17.5-27.5
Addition of international finance:	
International finance	1.5- 2.5
Range with addition of this item	19.0-30.0
Addition of debt retirement:	
Debt retirement	1.0- 2.0
Range for grand total of items	20.0-32.0

Goldman Awarded Medal

In ceremonies held at his office on Nov. 22, Secretary of War Robert P. Patterson, on behalf of President Truman, presented the Legion of Merit Medal to Postmaster Albert Goldman of New York for outstanding, meritorious service during World War II, in promptly and efficiently distributing and dispatching—in spite of the then existing difficulties—the greatest continuous volume of mail to the Armed Forces ever handled anywhere at any time, which, it is noted, contributed immeasurably to our final victory by maintaining the high morale of our troops at home and abroad.

Prior to this event, Postmaster Goldman had received letters of commendation from the Secretaries of War and Navy; Admirals J. F. Farley of the U. S. Coast Guard, and Monroe Kelly of the Third Naval District; Major Generals Homer M. Groniger of the Port of Embarkation, and T. B. Larkin of the Second Service Command; and Postmasters General Walker and Hannegan. He has also been the recipient of citations from Mayor LaGuardia on behalf of the City of New York, and others.

With the presentation of the medal, Postmaster Goldman stated that he was accepting it on behalf of his staff, his supervisory force, and the rank and file of the New York Post Office, without whose helpful cooperation the herculean task of moving the mails would not have been possible.

Kentucky Chain Store Tax Invalidated

It was reported from Frankfort, Ky., on Nov. 29 that the Court of Appeals had invalidated the State's chain store tax, a source of approximately $150,000 in annual revenues. The tax is on a sliding scale, Associated Press advices explained, ranging from $25 a year for each of two to five units operated in a chain up to $200 per store for all over 250 in a chain.

"Suit filed in 1942 by 30 chain stores operating in Kentucky," the same advices continued, "demanded refund of $266,000 paid up to that time as license fees, but it was pointed out license fees paid since then would be affected by the final ruling today." The advices added:

"Companies filing the suit ruled upon today were:

"Adam Hat Stores, Inc.; Cannon Shoe Co.; Dejay Stores, Inc.; Edison Bros. Stores, Firestone Tire and Rubber Co.; General Shoe Corp.; B. F. Goodrich Co.; Goodyear Tire and Rubber Co.; W. T. Grant Co.; Great Atlantic & Pacific Tea Co.; H. L. Green Co.; Green United Stores, Inc.; The Interstate Co.; S. S. Kresge Co.; S. H. Kress & Co.; Kroger Grocery and Baking Co.; Lerner Stores Corp.; McCrory Stores Corp.; Melville Shoe Corp.; G. C. Murphy Co.;

"J. J. Newberry Co.; J. C. Penney Co.; Scott-Burr Store Corp.; The Schiff Co.; Sears Roebuck & Co.; Steiden Stores, Inc.; T. P. Taylor & Co.; Walgreen Drug Store, Inc.; Western Auto Supply Co., and F. W. Woolworth Co."

Textile Economic Bureau Opposes Gov't Interference in Wool Industry

Fallacy of continued Government interference in textile fibers is outlined in a study of the production and supply picture of domestic and foreign wool in the December issue of "Rayon Organon," the statistical review of the Textile Economics Bureau, Inc., it was announced by the Bureau on Dec. 11. The "Organon" points out that "holding a stock of more than 500,000,000 pounds of domestic apparel wool, grease basis, the Commodity Credit Corporation finds itself strapped by law from selling below parity, and, with parity rising, very little of the domestic stockpile is moving into productive channels.

In its study of the raw wool situation, the "Organon" shows that although United States production of raw wool has declined to the extent that the 1947 clip is estimated at 340,000,000 pounds, grease basis, production in 1942, the peak year, was 459,000,000 pounds. The decrease is attributed in part to the decline in the number of sheep raised, the large stocks of wool held in the country, and the unfavorable price relationship between domestic and foreign wools. United States wool production has declined from a high of 11.8% of the world total in 1935 to a low of 9.7% in 1946. In part, the advices from the "Organon" also state:

"Judging from stocks of wool held by the principal exporting and consuming countries, it is apparent that the current visible stocks of wool are more than ample and that the rate of consumption is not sufficient to balance the supply picture. World carryover of apparel wool on July 1, 1946 was estimated at 4,958,000,000 pounds, grease basis, 3% less than 1945, but over three times as large as the 1934-1938 average, and one and one-third times the estimated 1946-1947 world total wool production, including carpet wool.

"Exports of raw wool (apparel and carpet classes) by Australia, Argentina, New Zealand, British South Africa and Uruguay during the 1945-1946 season reached a record level of over 2,000,000,000 pounds, actual weight basis, or 76% greater than in the preceding season. During the 1945-1946 season, shipments of wool to the United States by these southern hemisphere producers aggregated over 1,000,000,000 pounds, which constituted half of their total wool exports. In 1939 these countries shipped only 14% of their total exports to the United States.

"While the world consumption of raw wool may continue to exceed prewar levels for some time, the large visible stocks will not in all probability be reduced. The use of wool in foreign countries will no doubt be increased, as evidenced by greater consumption in France and Belgium. On the other hand, wool consumption in the United States, Canada and southern hemisphere countries, which was greatly increased during the war, probably will decline below wartime peaks.

"Beginning in 1943, the government embarked on its first program for the mandatory purchase of the entire United States wool clip. The purpose of the program was to encourage wool production and to support the price of domestic wool. Since its inception, the program has brought about government purchase of approximately 1,200,000,000 pounds domestic wool, grease basis. These purchases were made at an average price of 41.1 cents per pound, grease basis. After adjustment for grade, the average prices received by farmers for their wool during 1943, 1944 and 1945 were 41.6 cents, 42.4 cents, and 41.9 cents. The 1946 price is expected to average about 42 cents.

"As a result of the government's domestic wool purchase and pricing programs and the wartime policy of building up raw wool reserves, the United States today finds itself in possession of large stockpiles which it cannot move. The stocks of government and privately owned wool at the end of September, 1946, was estimated to be 1,145,000,000 pounds, grease basis, three and one-half times the average end-of-September wool stocks during the 1935-1939 period, 25% above the Sept. 30, 1944 figure and 35% above that held at the end of September, 1945. Moreover, the stock is equivalent to about three times the 1946 domestic clip.

"Stocks of foreign wool acquired by the government as a war reserve have been entirely liquidated. Contrasted with the liquidation of the foreign-held wool is the stock of approximately 560,000,000 pounds, grease basis, of domestic apparel wool which the CCC holds, 47% of the total amount purchased since 1943.

Converting these current stocks from a grease to scoured basis, it is observed that the total domestic apparel wool stock held in this country at the end of September, both government and privately owned, amounted to 296,000,000 pounds. On the basis of the average monthly consumption in 1946, this stock is equivalent to a 42-months' supply. On the other hand, stocks of foreign apparel class wool held at the end of September, amounting to 192,000,000 pounds, equaled only a 4½-months' supply on the same basis.

"Comparison of domestic and foreign apparel class wool prices over recent years points up the dilemma faced by the CCC in disposing of its domestic raw wool stock. The wide price differential in favor of imported wool, particularly during the war period, disappeared soon after V-J Day and until September of this year, foreign wools landed in the United States cost an average of 9 cents per pound more than the domestic wools. The U. S. Tariff Commission is of the opinion that the normal price spread is about plus 9 cents per pound for imported wool on the basis of the better preparation and smaller shrinkage. But in November foreign wools sold at about the same price as the domestic wools.

"In November, 1945, and February, 1946, relatively low wool parity prices enabled the CCC to lower its selling price. But in October, 1946, and again in November, CCC was forced to increase its selling price 5 cents per pound on fine domestic wools because of upward adjustments in wool parity. On Dec. 2 the domestic selling price was again advanced and fine wools went up to $1.15 per pound.

"If the high levels of wool consumption cannot be sustained because of a slump in textile production or prices, the disposal of the large CCC stocks at present prices seems remote, the "Organon" concludes. The law probably will have to be changed to permit domestic wool sales below parity by the CCC and the taxpayer will foot an even larger bill as the result of the government's extended foray into agriculture economics."

President Announces Housing Program Changes

(Continued from first page)

notably by aiding manufacturers of new materials and factory-built homes.

THE PROGRAM

Restrictions on Non-Residential Construction—The completion of homes must continue on an increasing scale. The most important governmental order which enables us to accomplish this purpose is the order limiting non-residential construction. This must be continued. However, there is increasing need for schools and stores and other community facilities in connection with new housing developments, and for certain essential industrial and research projects. Fortunately, we can safely permit some increase in non-housing construction because of the greatly increased volume of building materials. As the supply improves, the order can be relaxed to allow more non-residential construction.

Permission to Build Homes—During 1946, a large volume of dwelling units has been put under construction and the completion rate of these homes has been increasing from month to month. Nevertheless, the veterans' need remains extremely urgent and we recognize this by continuing to give veterans preference for every dwelling unit constructed for sale or rent.

However, from now on any person who wishes to build a home for his personal occupancy will be permitted to do so, subject to certain restrictions. This will increase the over-all housing supply and, in many instances, make additional homes available for veterans.

The construction of housing will be authorized by Federal permits. The major restrictions which will be imposed are:

1. The proposed dwelling must be designed for year-round occupancy.
2. The total floor area will be restricted.
3. In the case of rental housing projects, maximum rents, excluding charges for services, will be set at a project average not exceeding $80 per unit. Rentals will also be established for individual houses built for rental purposes.

The permit system will be simple. It will not be necessary to have sales prices set, or to meet the standards and inspection requirements of the present priority system.

Priorities—Priority ratings were necessary in 1946 while building materials were in critically short supply, but the increasing production of building materials coupled with the limitation on non-residential construction and a continued postponement of luxury-type housing make the priority system no longer necessary. Outstanding priorities with their attendant obligations will be honored, but the issuance of any additional priorities to builders or manufacturers of homes will be discontinued as soon as the permit system gets into operation.

Allocation of Materials — The production of critical building materials will require the continued allocation of a few raw materials during the first quarter of 1947. If present high levels of production are maintained, it should be possible to discontinue raw materials allocation at that time.

Premium Payments — During 1946, premium payments have been successfully used for increasing the production of many building materials. However, present conditions require a critical review of each of these plans and the continuation of only those which will result in substantial benefits to housing.

Guaranteed Markets—The guaranteed market plans for industrial and prefabricated housing and for new types of materials will be continued. The Reconstruction Finance Corporation will continue to assist manufacturers of such housing and the producers of such materials by financial aid when it is warranted.

Surplus Property—For the past few months surplus property has been made available for housing purposes in increasing amounts. Building machinery and building materials and supplies will continue to go to home builders. The demolition program at old Army camps and other installations, another useful source of materials, will also go forward. During the next few months, many surplus buildings will be sold for use at other sites. I am also asking the War Assets Administrator to establish procedures that will facilitate the sale of land and buildings together.

Export Controls — Export controls on building materials will be continued until the supply situation warrants their discontinuance. For the present we must limit the quantity of critical materials that can be sent broad.

Rental Housing — More family units must be made available for rent to veterans. They should not be compelled to buy in order to get shelter. To increase the proportion of rental units, we intend to use all available means—new construction, conversion and rehabilitation, and re-use. The great bulk of this task will fall upon private enterprise. We are aiding private enterprise by simplifying and reducing various priority controls and by the measures taken to increase availability of materials. We also plan a number of financial measures that will encourage the construction of rental housing.

Insured Mortgage Financing—To provide assurance of continued insured mortgage financing to builders who are planning rental housing, I am making available to the Federal Housing Administration the second billion dollars of Title VI insurance authorization provided for in the Patman Act. This is to be used primarily for rental housing, together with the largest possible share of the first billion dollars directly authorized by Congress. Congress will be asked to advance the termination date of Title VI insured financing authority at least for rental housing, for a period sufficient to accomplish this objective.

Assistance for Rental Projects—The qualified FHA personnel freed from duties involved in controls now being removed or relaxed, will be made available to help private sponsors plan rental projects and to expedite processing for insured financing commitments.

The FHA is simplifying procedures and broadening eligibility standards which will expand the field of its operation in rental housing. More types of rental housing will now be eligible for FHA financing.

To remove uncertainty over adequacy of insured financing commitments for rental projects, the FHA will develop a procedure for review and amendment of commitments issued in advance of construction.

To reduce monthly payments and to make possible lower rents, the FHA will extend the term of amortization in its Title VI rental housing commitments beyond the usual 28 years, the amount of extension to be appropriate for the project proposed.

To guard against the possibility of lesser earnings of housing projects after the emergency is met, the FHA will work out with concurrence of lending institutions a set of regulations permitting the adjusting of mortgage terms at subsequent periods in the life of the project.

The National Housing Agency will proceed at once to arrange regional and local meetings of the building industry, including lenders, to canvass rental needs and possibilities in each area, and to develop speedy construction programs.

New Legislation—Studies now under way with respect to possible further aids and incentives to rental housing by act of Congress, in addition to previous proposals such as were contained in the Wagner-Ellender-Taft bill, are to be concluded quickly. They will cover the field of cooperative and mutual housing enterprises, yield insurance, possible tax incentives, possible financing advantages and federally aided housing for low income groups.

Technical Research — Technical research in new building materials, and new methods of residential construction must be continued. The development of modern building codes must be encouraged. The Federal Government will make its services available to aid private industry and local governments in meeting these objectives.

Cost Reduction—Producing decent housing in quantity and at a cost consistent with reasonable ability of the mass of American families to pay, is a fundamental objective. All possible waste and inefficiency must be removed, including unnecessary governmental restrictions. All possible advantage through adoption and adaptation of new methods, techniques and materials must be utilized. Mass production, applying advantages of prefabrication of varied types and industrialized procedures, offers promise in this direction, and is to be encouraged and assisted in keeping with orderly transition of the whole economy in the remaining reconversion period.

Labor—With the housing program in full swing, there may be a serious shortage of manpower in 1947 in the building trades. Therefore, continued efforts will be made to enlarge the present apprentice program and to secure adequate skilled and semi-skilled labor for home construction.

All that I have said thus far deals with the government's part in a vast housing program.

The success of the program however, depends not alone on the Federal Government but on state and local governments, industry, labor and financial institutions. In many communities these groups are already united through their Mayor's Emergency Housing Committees and other organizations to sponsor and build homes for veterans. We, as a Nation, owe the veterans an opportunity to have homes. We will see that they get them.

Responsibilities of New Congress

(Continued from first page)

from a party of opposition to one controlling both branches of Congress and with definite responsibility to correct the things its members have so often criticised. I apprehend that the Republican party will soon realize how much easier it is to criticise than to offer constructive remedies for the things condemned.

Why did the people vote as they did on Nov. 5 in one of the most remarkable demonstrations in our history of the capacity of our representative democracy to express its will in unmistakable fashion on matters of great national concern? It was not a Republican victory in the sense of approval of any program offered by the Republican party, but a vote of protest against the ins due to various policies of government to which a clear majority of the voters were opposed.

On the Democratic side of both branches of Congress there were those who, while in the minority of their party, did stand against those policies to which the people clearly showed their disapproval. Nearly all of these Democrats, I may say, were reelected, so the mandate of the people to those of us in Congress was not based on political partisanship but it was for certain definite and constructive actions to remove the dangers which they believed confront our democracy.

One thing is clear: The people did not vote for political chaos for the next two years. It is true we have a Democratic President and a Republican Congress, but the people have the right to expect cooperation between the two along with constructive and statesmanlike action for the best interest of our Republic. It was the independent voter that turned the tide of the last election, and it will be the independent voter who will decide the election of 1948. Party lines alone are becoming less and less effective in influencing the voters, so the best politics is to vote and act American. When Congress convenes, if the leadership of either party starts petty, selfish tactics and indulges in political buck-passing and recriminations instead of promoting constructive cooperation in the solution of the great problems before us, I trust the leaders will be committing political suicide for themselves and for their party, for they will be stabbing their country in the back.

The voters in November gave to our government, both to the President and to the Congress, certain definite mandates which they want carried out by concerted action. In these days of disillusionments, it would be tragic for the people to go through the experience of voting mandates and then see them defeated by political cowardice and petty bickerings. The two parties worked effectively together in complete harmony in establishing an organization for world peace, and we can do the same in the vital domestic problems which need constructive action.

It is a tribute to our form of democracy that after a nationwide political turn-over, we stand before the world today just as we did before the election: United—both Democrats and Republicans—for an effective program of international cooperation to prevent future wars.

In outlining the things I think should be done by the next Congress, I include only those vital issues for which I think the people gave a definite mandate.

Abolish War Powers

The people gave a mandate that emergency powers have been exercised long enough by the President and that the Congress should resume full Constitutional control of the United States Government as the duly elected representatives of the people. This can be done by the passage of a simple resolution declaring the war at an end. Hostilities ceased 16 months ago but technically we are still at war, and the legislative and constitutional emergency powers of the President are still in effect. As most of these emergency powers exist for six months after legal termination of the war, there will be time to reenact any powers regarded by Congress as necessary for a temporary duration, but let us clear the decks now and reestablish the authority of Congress.

Clear the Confusion at Washington

The people voted to clear the confusion at Washington. They want less legislation, less directives, less regulations and less governmental interference with business. The OPA should be abolished as a Federal agency and rent control returned to the States and localities.

The Civilian Production Administration should be abolished, as well as many other agencies and bureaus attempting to control our daily lives. We desperately need a simplification of our governmental machinery, the elimination of needless red tape and overlapping activities, but, as the days go on, as one who has been constantly investigating the governmental bureaus, it appears to me that these agencies are becoming even more confused and conflicting in their actions.

One example illustrates my statement: The vital question of housing. There are actually nine agencies attempting to regulate the housing program.

In the Federal Government there are 1100 main boards, bureaus, agencies and departments at Washington, and hundreds of these have powers conflicting with each other. The almost unbelievable stupidity with which many of these agencies have been administered has created bottlenecks and general confusion that seriously menace our prosperity.

Many people are asking: "Why not try Freedom?" It is time for us to realize that it is only economic freedom combined with hard and steady work that will overcome wartime dislocation and start our country on the road to financial stability.

Simplify and Economize

Since, and before the election, the Republicans have talked a lot about economy and simplification of the Federal Government. The two go hand in hand. Now we will see what the Republicans will do about it, as they control by working majorities both the Appropriation Committee of the Senate and the House, where appropriation bills are, in effect, actually written.

In this difficult task of establishing economy by a government notoriously wasteful for 14 years, I pledge, as a Democrat, to continue my years of effort for economy and efficiency with all like-minded colleagues whether they be Republicans or Democrats. I have learned from experience that economy is a steady, hard, and unspectacular grind. Let a public man obtain an appropriation out of borrowed funds for his district, and he may return home to be greeted by the town band, but for the returning economizer there are often black looks and sometimes hard words. I know something of this.

In recent years the average citizen has been influenced to hold the belief that a grant from Uncle Sam is a gift. They think of the government as a third party, when, in fact, we ourselves are the government. Its wealth is the collective wealth of all our citizens. If our democracy is to survive, the people must support the government and not the government the people. In the final analysis our government can only be operated by the taxes we pay out of the profits of the free enterprise system.

Many officials of the government are seeking to spend more and more money than ever before in our peacetime history. At Washington a public man is liberal in proportion as to how liberal he is with other people's money. Try to prevent the spending of money you do not have, and you are berated as a tory and reactionary, an economic royalist, and regarded generally as a citizen of the most questionable character. Yet, it is a basic and indisputable fact that no democracy has or can survive if its fiscal solvency is impaired.

However, the modern self-professed liberals do not hesitate to imperil the very institutions of our government by attempting to continue and expand their schemes of experimentation. Let us remember that the insolvency of a government begins when taxes necessary to support its activities become so high as to result in diminishing returns.

The sentiment for economy must come from the grass roots of our population. Let all know that if we choose high spending we must also choose high taxes.

There is no easy road to economy. The first step must be taken at the ballot box with the election of Congressmen and Senators who believe in economy and who are willing to fight for that principle even at the risk of their own defeat. The opposition of highly organized and powerful minorities who are now beneficiaries of Federal spending must be met. Federal bureaus are always active in opposition to any effort to reduce their power, funds, personnel, and many of these bureaus do not hesitate to use the radio, mails, and other means to disseminate propaganda at public expense, to oppose any retrenchment move that effects them.

Numerous legislative devices have, from time to time, been suggested to curb Federal spending, but, as we live in a democracy and the American people rule our government, the desire for efficiency and economy must come from the people themselves, as I feel assured it does now.

Lump sum appropriations should be avoided by Congress and, in my judgment, a single appropriation bill would be an effective reform in the legislative procedure for making appropriations. When appropriations are made by Congress under such procedure the whole picture would be presented. Then intelligent action could be taken for retrenchment, especially in such items as personnel. The practice now is to bring in perhaps a dozen or more appropriation bills at intervals of weeks and sometimes months and it is impossible to focus public attention on total appropriations which would be more obvious if one bill were presented.

Our colossal debt, and the obligations we have incurred should convince us that our government cannot indefinitely play Santa Claus, both at home and abroad.

How to Economize

The opportunity for constructive economy at Washington is as broad as the ocean. It exists in every single agency, bureau and activity of the Federal Government. I favor a strong national defense, but my investigations disclose great and unnecessary waste and extravagance in the activities of both the Army and the Navy. This was unavoidable in war, but in times of peace our military officials should be forced to understand that the support of a strong defense program does not mean a license to squander public money.

The peace time defense budget as requested by the armed forces, beginning July 1, next, is $2 billions more annually, than the average of all the Federal annual expenditures in the years between 1933 to 1940, and certainly our government could not be accused of being parsimonious in that period.

We now have 2,441,473 Federal civilian employees at home and abroad. This is exclusive of military personnel. After an intensive investigation, the Joint Economy Committee recommends that this force be immediately reduced further by a million or more. This is approximately the number of Federal employees in December, 1941, when Pearl Harbor was attacked.

This required hard and continuous fighting but will save annually in payroll costs at least $2 billions 500 millions.

From 1934 to 1946 the Federal Government paid out $14 billions in direct subsidies to business and agriculture and this does not include Social Security payments and pensions.

Many other billions were paid out in loans made by various government corporations which in effect were, subsidies, as quite a large percentage of these loans will not be repaid, and the amounts so lost will be added to the public debt. In 1946 the direct subsidies paid out totaled $2 billions 358 millions. All direct subsidies should be repealed. They are wrong in principle. These subsidies are being paid to a large variety of producers, from those producing milk and livestock to those producing copper, lead and zinc.

In the last 12 years the Federal Government expended $34 billions (all borrowed) for grants in aid to the states. The Federal Government also must pay the whole cost of the war. The states profited financially from these expenditures while the Federal Government was adding daily to its debt.

The states, meanwhile were paying off their indebtedness and increasing their surpluses.

The whole question of grants to states should be carefully scrutinized and drastic reductions made in most items. The Joint Economy Committee has just completed a study of direct subsidies and grants in aid to states. This committee will soon be prepared to furnish, upon request, itemized information and a complete statement of the amount each state receives.

There are still existing 265 agencies and units classified as emergency war agencies, not including those in the Army and Navy. All civilian emergency war agencies should be promptly liquidated. Large sums can be saved in public works as well as in administrative costs. In fact, there is not a single activity of the government or a single agency wherein economy could not be profitably exercised to the benefit of the tax payer and without injury to the public service.

Believes Tax Reduction in 1947 Unwise

After the most careful consideration I am convinced it would be most dangerous to reduce taxes in 1947. First and foremost the budget must be balanced on a basis so sound that it will remain balanced with provisions for gradual debt retirement. For 14 years we have indulged in an orgy of waste and extravagance unparalleled in all history, resulting in a prodigious public debt. Unless we want to invite financial disaster this must be our last deficit year, and hereafter we must operate on a pay as you go basis.

No one would like to see a general tax reduction more than I but, as burdensome as the existing tax rates are, it is better to continue them for a time until we are definitely on a stable financial basis by a safe margin. Certainly it would be the height of recklessness to reduce taxes until the expenses of government have actually been reduced by legislative enactment.

We must give consideration, also, to the weakness of our present basic tax structure. 87% of our tax revenue in this fiscal year comes from corporate and personal income taxes, and only 13% comes from stable sources. This is a very unsound and volatile condition as shown by the following table which comes from official sources:

Under existing tax rates in the present year, with a national income of $165 billions, the yield in tax revenue is $39 billions.

Under existing rates, with a $125 billions national income the yield is $27 billions.

Under existing rates, with a $100 billions national income the yield is $20 billions.

Under existing rates, with an $80 billions national income the yield is $14 billions.

Our Federal expenditures this year will be approximately $41 billions 600 millions with an estimated deficit of $2 billions. It can be readily seen that a drop from the present 165 billions national income may create a serious deficit despite economies and continuation of the existing rates of taxation.

What the national income may be in the years ahead no one knows, but we do know that the highest national income before World War II was $83 billions in 1929, and this ended in a bust. The average national income in the period between 1928 and 1941, inclusive was $68 billions.

National income is determined by production, and today America's production is in the control of such ruthless labor leaders as John Lewis, Philip Murray, Whitney, Bridges, etc., who, encouraged by legislative and governmental favoritism, have seized power of such magnitude as to be able to interrupt and stop the economic functions of our people.

Labor Situation Our Greatest Problem

Without full production we are certain to have an economic collapse yet, today, we witness a coal strike which will not only shut down the industrial life of the nation, if continued, but will starve and freeze our people. Thus we are witnessing the greatest nation on earth approaching anarchy which can be avoided only by use of stern and forceful measures. Our government appears to be unable to enforce its laws and decrees. In appeasing, time and time again, these ruthless labor leaders, we have built up a Frankenstein that threatens to destroy us.

The coal strike has ceased to be a question of miners' wages, welfare funds or working hours. It is a matter of government by law and order or revolution. After years of government surrender to powerful labor leaders we are reaping the harvest in one of the greatest domestic crises this country has ever faced. The government has convicted Lewis but what is being done about coal? Unless mining is resumed immediately people will freeze and suffer indescriable distress.

The President is dealing with a tough customer who is not frightened about going to jail where he will pose before his miners as a persecuted martyr. The closer the American people are to disaster the better John Lewis likes it, for then he can drive a harder bargain.

We have already lost a coal production of 20 million tons, and each work hour the strike continues we lose 300,000 tons more. Jailing and fining John Lewis will not mine coal and neither will fining the miners a dollar a day to be paid into their welfare fund. The government must take measures, no matter how harsh and stern, to get coal without surrendering to Lewis. The longer such strong measures are postponed the more difficult will be the job of saving the American people from a real catastrophe.

Again I urge and appeal to the President to call immediately a special session of Congress, to use all means of telling the people that we are facing an insurrection and that, as the President of the United States, he intends to see that the government does not again surrender to John Lewis. Crush this great national strike, and we will have no others. Surrender now, and we invite economic chaos for a long time to come. To wait until Jan. 3, when the new Congress meets, means that the country will be on the verge of freezing and millions will be unemployed.

Why does the President keep silent? This great nation—the President and the Congress acting together, and backed by the militant will of the American people—can find means to protect itself. The next Congress, under the new legislative reorganization plan, must spend days in organizing its committees. The present Congress is ready to act. The Case labor reform bill, vetoed by the President, passed both branches of the present Congress by good majorities. Why, then, should the present Congress be distrusted to meet this emergency? What John Lewis fears more than anything else is a Congress in session, backed by an aroused and righteous public indignation. He deliberately timed this strike, calling it on the verge of winter and in the absence of Congress, knowing that before the new Congress assembled conditions would become so unbearable that he could again bludgeon his government with the human misery and economic chaos which he threatens.

As a Democrat I want to say frankly that in my judgment the greatest single factor in the recent overwhelming defeat of my Party was the belief on the part of millions of Americans that the government had yielded so much power to great labor leaders as to build up a labor dictatorship which seriously menaces our future above all else. The result of the election was a mandate from the American people to both Republicans and Democrats to deal firmly and boldly with these influences that threaten our American way of life.

We have built up great labor union trusts controlling the necessities of our life—coal, railroads, steel, shipping, etc.—in short our national economy. Our government broke up monopolies in business years ago, but in doing so labor unions were exempted. What is a greater monopoly than the United Mine Workers? It mines all the coal, it has the closed shop and one man controls it, and without coal our nation cannot function. Never has a more powerful trust existed.

I do not pretend to know all the answers to the problems as to what must be done to control these labor leaders who have such power, but I do know that the conditions that now confront us cannot continue without disaster, and I am anxious to work day and night with the Congress and the President until the answer is found.

It may well be that we can only preserve our security by breaking up great national monopolistic unions so that no one union can destroy our economy. The exemption given labor unions in the Sherman and Clayton Anti-Trust Laws should be cancelled. In this democracy we cannot give special privileges to any group of our citizenship.

The same applies to the Wagner Labor Act. It gives special privileges to labor and these should be promptly removed. Some seem to think that the Wagner Labor Act is sacrosanct, but I think the time has come to strike directly at the Wagner Labor Act by specific amendments, preserving the right of workers to organize and bargain collectively but not giving to unions special privileges. Mutuality of responsibility by law must exist in labor contracts. A union, like an employer, must be liable for civil damages in the event of non-performance of contracts or damage to property. Essential industries must be kept in continuous operation. The Corrupt Practices Act should be applied in politics against labor unions as well as in business corporations. The labor unions should be required to incorporate, to hold honest elections and to account for their funds.

The closed shop should be barred. It is undemocratic in a democratic country. By changing one word in the Wagner Labor Act industry-wide bargaining can be prohibited.

To do this would effectively break up labor's monopolistic control of the essentials of life and this may well be the best and simplest way to destroy the power of these great labor leaders who are dealing so cruelly with the American people.

Brunie Elected Pres. Of Greater N. Y. Fund

Henry C. Brunie, President and Chairman of the Board of the Empire Trust Company of New York and prominent in financial, industrial and welfare activities in New York City, was recently elected President of the Greater New York Fund at a meeting of the board of directors. Mr. Brunie succeeds Arthur A. Ballantine, who at the same meeting was named Chairman of the Board of Directors in place of Walter S. Gifford. Mr. Gifford in turn was elected Chairman of the Fund's Members Council to succeed James G. Blaine. Mr. Blaine, who remains a member of the board, has been an officer of the Fund continuously since 1938. He has served as President of the Fund, Chairman of the Board of Directors, Chairman of the Members Council and Campaign Chairman. He was instrumental in the organization of the Fund and was one of the incorporators.

In announcing Mr. Brunie's election to the Presidency of the Fund, Mr. Ballantine pointed out that he will be enabled to begin planning at once for the Fund's 10th Annual Campaign next spring. The Fund's annual campaigns provide the channel for business concerns and employee groups, including organized labor, to contribute business' share of the financial support needed by more than 400 local hospitals, health and welfare agencies.

With his elevation to the Chairmanship of the Board, Mr. Ballantine completes four years of service as President of the Fund. During this period each consecutive campaign set a record both in the amount of money contributed and in the number of contributors. About two weeks ago the Fund distributed to 415 participating hospitals, health and welfare agencies the largest sum ever distributed in a single allocation in the Fund's history—$3,397,918.

For the last six years Mr. Brunie has held important posts in the Fund and in its campaign organizations. In 1940 he was a member of the Committee of Forty which enlisted young business men for service in Fund activities. In 1942, 1943, and 1944, Mr. Brunie was Chairman of the Special Gifts Committee of the campaign and, in the latter year, he also was a member of the Steering Committee of the Members Council and a Vice-Chairman of the campaign. In 1945, he again was a Vice-Chairman of the campaign and Chairman for special gifts. Last February he was elected a Vice-President of the Fund. He is a member of the board of directors.

Mr. Gifford, who now heads the Members Council, has a long record of service with the Fund. He also was one of the signers of the papers of incorporation of the Fund in 1938, and was Honorary Chairman of the original sponsoring committee. He served as Honorary Chairman of the 1939, 1940, 1941 and 1942 campaigns and was Honorary Chairman of the Special Gifts Committee in 1940 and member of that committee in 1943. Since 1942, Mr. Gifford has been Chairman of the Board of Directors and a member of the Members Council.

Economic Club of New York to Honor Taft

Pressman and Steinkraus will also discuss industrial peace Jan. 9.

Senator Robert A. Taft of Ohio will be guest of honor at the 159th meeting of the Economic Club of New York to be held Thursday evening Jan. 9 at the Hotel Astor, where he will address an expected audience of 2,000 persons on "An Affirmative Program," according to Theodore M. Riehle, President of the Club.

The subject for discussion at the meeting will be "Why Not Industrial Peace?" with Lee Pressman, General Counsel of the CIO, and Herman W. Steinkraus, President and Board Chairman of Bridgeport Brass Company as speakers.

The Economic Club meets four times each Club year at dinner sessions devoted to the discussion of econmic and social questions. Speakers are selected from among the leading exponents of varying points of view on the question before the Club.

Speakers at the first meeting, held last month, were Secretary of the Treasury John W. Snyder and H. W. Prentis, Jr., President of the Armstrong Cork Company. General Dwight D. Eisenhower, guest of honor, also addressed the group following his acceptance of a special scroll from Mr. Riehle.

From Washington Ahead of the News

(Continued from first page)

to throttle the Conservatives. Notwithstanding the latters' positions of influence they would have had it in name only. As it stands, they had little or no part in the shaping of policy the past 14 years. The books will show they held this high chairmanship or that position of leadership, but their influence on the history of the period was purely negative. To the extent they contributed, they helped prevent matters from being worse, no small contribution, but it was not a positive one. They didn't like their situation. The New Dealers were becoming more offensive to them day by day. They didn't go out of their way to foul their own nests, but only one or two of them took any part in the last two or three national campaigns of their party.

Now, they are seemingly quite happy in the belief that they have regained control of their party. It is to be a minority party, of course, but they prefer being big fish in the little pond that is left, to small fry in the bigger pond that had existed.

There doesn't seem to be much of a political future for them, just the routine day to day opposition and the individual distinction which they enjoy. It is regrettable that the Democratic party can't be a majority party without taking in the multicolored ideological hues with which the Conservatives have nothing in common. But that is the fact. They got some of this realization in the era of Woodrow Wilson. It struck them with severity under Roosevelt.

The party will undoubtedly come back to power again, because as time moves on, its present Conservative influences will die off and the newcomers will again make the tie-up with the radicals and malcontents necessary to victory. They, too, will experience the disillusionment of heir predecessors. But for the present, if you want to see the strange spectacle of men happy in defeat, just talk with them.

Inasmuch as the foreigners are supposed these days to be watching our every move, for a ray of light in a darkened world or something of the sort, they must have been considerably perplexed at the attention paid to a report, or perhaps a "study" is the more dignified term, just as mortician sounds better than undertaker—a "study" by youngish economist Bob Nathan.

It is difficult to say what the future holds forth for most of us, but one thing is sure, come what may, that gentleman intends to register his mark. The problem of peoples all over the world seeking self-expression, is no problem to him at all. For whatever it is worth, he knows how to make the headlines like the enemy of evil Anthony Comstock and the evangelists of the past. Apparently he has always been this way.

During the war he was a subordinate in the WPB, at a time when Washington literally teemed with big and little shots, but Donald Nelson himself, appeared on the front pages only scarcely more than Bob. Some observers thought this would prove his undoing because an agitation arose that he should go out and lend his ability to the armed forces. He was finally called up, but after a few weeks which he spent mostly in the hospital, he was back in the Washington bureaucracy. In spite of his limited service he is now the most articulate member of the leftist American Veterans Committee, at least around these parts.

His "study" which caused such seismological disturbances as the stock market drop recently is the same one, word for word, which he tried to get the OWMR to sponsor a year ago. John Snyder, then head of OWMR, and Albert Goss, head of the National Grange, and chairman of the OWMR's advisory council, balked, whereupon Snyder let it "leak" out to the press. Under the CIO's sales auspices — it was launched at a luncheon attended by high officials—the "study" has now become established as a State paper in a weird world.

Borrowings on NYSE in November

The New York Stock Exchange announced on Dec. 4, that as of the close of business on Nov. 30, the total of money borrowed from banks and trust companies in the United States amounted to $397,785,029, compared with the figures for Oct. 31 of $370,558,761. Advices from the Exchange follow:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges: (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government was $205,945,150, and (2) on all other collateral $191,839,879, reported by New York Stock Exchange member firms as of the close of business Nov. 30, 1946 aggregated $397,785,029.

The total of money borrowed, compiled on the same basis, as of the close of business Oct. 31, 1946, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government $159,965,099; (2) on all other collateral $210,593,632. Total $370,558,761.

Offer Australia Bonds

A nationwide group of investment banking firms headed by Morgan Stanley & Co. offered on Dec. 16 $25,000,000 Commonwealth of Australia 20-Year 3½% Bonds, due Dec. 1, 1966 at 98½% and accrued interest to yield 3.60%. This is the second phase of a long-range program in the United States which the Commonwealth is pursuing and which is designed to refund its outstanding callable dollar debt into lower interest-bearing obligations. The previous financing occurred in August of this year when an issue of $20,000,000 Ten-Year 3¼% Bonds were successfully distributed. These 3¼% Bonds are currently selling at 101¾% to yield 3.05%. The announcement in the matter also said in part:

"Proceeds from the sale of the bonds together with Treasury funds will be applied toward the redemption on Feb. 1, 1947 of $18,029,500 State of New South Wales External 30-Year 5% Sinking Fund Gold Bonds, due Feb. 1, 1957 and the payment at maturity on Feb. 15, 1947 of $8,696,000 State of Queensland 25-Year 6% Sinking Fund External Loan Gold Bonds. The new 3½% bonds have a sinking fund of 1% annually commencing June 1, 1947, payable semi-annually in cash or bonds.

The bonds will be redeemable as follows: to and including Dec. 1, 1951 at 103½%; thereafter to and including Dec. 1, 1956 at 101¾%; and thereafter at 100%; in each case together with accrued interest. For sinking fund purposes the bonds will be redeemable at 100%, and accrued interest.

"The Commonwealth of Australia is a self-governing member of the British Commonwealth of Nations. It comprises the continent of Australia which includes the six states of New South Wales, Victoria, Queensland, South Australia, Western Australia and the island of Tasmania; and the Northern and Australian Capital Territories. The area of Australia is almost as great as that of the Unite States and four-fifths of that of Canada.

"The Budget Estimate for the current fiscal year provides for a total expenditure of £464 million Australian against revenues of £405 million Australian, leaving a deficit of £59 million which compares with a 1945-46 deficit of £153 million Australian. During the four months ended Oct. 31, 1946 Australia's merchandise exports exceeded merchandise imports by approximately $130,000,000. While Australia's internal debt has increased since June 30, 1939 to finance war costs, its external debt has been reduced by about £60,000,000 sterling in England and about $16,000,000 in the United States."

No. of RR. Employees Up 0.45% to 1,381,977

Employees of Class I railroads of the United States, as of the middle of Nov. 1946, totaled 1,381,977, an increase of 0.45% compared with a month ago and a decrease of 1.77% under the corresponding month last year, according to a report issued by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission.

A decline under November 1945, is shown in the number of employees for every reporting group with the exception of transportation (other than train, engine, and yard) the transportation (train and engine service), which showed increases of 4.37% and 2.34%, respectively. The percentages of decreases are:

Executives, officials, and staff assistants, 0.13; professional, clerical, and general, 0.88; maintenance of way and structures, 8.60; maintenance of equipment and stores, 2.87; and transportation (yardmasters, switch-tenders, and hostlers), 3.00.

"Decide Atomic Bomb—Then Disarm": Byrnes

(Continued from first page)

the world of the burden of excessive armaments.

In the recent past the concern of peace-loving nations has not been that America maintained excessive armaments. The concern has been that America failed to maintain adequate armaments to guard the peace.

U. S. Tried by Disarmament

When Hitler started the world war in September, 1939, Germany had been preparing for war for more than five years. But at that time there were in active service of the United states in the Army, Navy and Air Force only 330,000 men. It was our military weakness, not our military strength, that encouraged Axis aggression.

After World War I, Japan was given a mandate over strategically important islands in the southwest Pacific which bound her to keep those islands demilitarized. Although the evidence showed that Japan was violating the terms of the mandate, the United States delayed in building bases on islands under her sovereignty in the Pacific.

The result was that when the United States was treacherousiy attacked at Pearl Harbor she had no adequately fortified base in the Pacific between Pearl Harbor and the Philippines.

Japan's covenant not to use the mandated territories as military bases contained no safeguards to insure compliance. Japan's covenant misled the United States, but it did not restrain Japan. That was our mistake. And we do not intend again to make that mistake.

While before World War II the peace-loving nations were seeking peace through disarmament, aggressor nations were building up their armaments. And all the while aggressor nations were building up armaments they were claiming that they were being smothered and encircled by other nations.

While we scrapped battleships, Japan scrapped blueprints. While we reduced our army to the size of a large police force, Germany trained its youth for war.

Too late, those who had taken a leading part in the struggle for general disarmament before World War II discovered that Axis agents were deliberately organizing and supporting disarmament movements in non-Axis countries in order to render those countries powerless to resist their aggression.

Too late, those who had taken a leading part in the struggle for general disarmament discovered that it was not safe to rely upon any disarmament which is not collectively enforced and made a part of a system of collective security.

Time, Patience and Good Will Required

It will take time, patience and good-will to achieve really effective disarmament. The difficulties are great and the complexities many. The defense needs of states vary greatly. The elements which make up the military strength of states likewise vary greatly and cannot readily be compared or appraised.

Effective disarmament cannot be secured by any simple matematical rule. Demobilized divisions can be speedily recalled to the colors. But a scrapped plane or a scrapped battleship can never be recommissioned.

Disarmament to be effective must look to the future. It's easy for us now to see what folly it would have been, when gunpowder was discovered, to start disarming by limiting the use of the bow and arrow.

We must see to it that disarmament starts with the major weapons of mass destruction.

We must see to it that disarmament is general and not unilateral.

We must see to it that disarmament rests not upon general promises which are kept by some states and ignored by other states.

We must see to it that disarmament is accompanied by effective safeguards by way of inspection and other means under international control which will protect complying states against the hazards of violations and evasions.

We must see to it that these safeguards are so clear and explicit that there will be no question of the right of complying states, veto or no veto, to take immediate action in defense of the rule of law.

No disarmament system which leaves law-abiding states weak and helpless in face of aggression can ever contribute to world peace and security.

The Atomic Bomb Control Comes First

But in meeting the problems of disarmament first things should come first. The first task which must be undertaken is the control of atomic energy to insure that it will be used only for human welfare and not for deadly warfare.

There are other weapons of mass destruction, but unless we can meet the challenge of atomic warfare—the most dreadful weapon ever devised—we can never meet the challenge of these other weapons.

The United States, with Britain and Canada, have demonstrated their awareness of the grave responsibility inherent in their discovery of the means of applying atomic energy.

In a world of uncontrolled armaments, atomic energy would be an advantage to the United States for many years to come.

But it is not the desire of the United States to be the leader in an armament race. We prefer to prevent, rather than to win, the next war.

That's why President Truman announced as soon as he knew that the atomic bomb would work, that it was our purpose to collaborate with other nations to insure that atomic energy should not become a threat to world peace.

Shortly thereafter the heads of the three Governments responsible for the discovery of atomic energy met at Washington and urged that the United Nations set up a commission to recommend proposals for the effective international control of atomic energy and of all other instruments of mass destruction.

Moscow Accord Recalled

One of the primary reasons for my trip to Moscow in December, 1945, was to ask the Soviet Union to join with Britain and Canada in sponsoring a resolution to this effect before the General Assembly.

As soon as the agreement of the Soviet Government was obtained, France and China were also asked, and they agreed to join in sponsoring the resolution. These efforts resulted in the unanimous passage of the resolution by the General Assembly in January, 1946, only six months after the discovery of the atomic bomb.

Long discussion in the United Nations and public debate on the details of the United States proposals have perhaps blurred the real significance and magnitude of the United States initiative.

The resolution was no idle gesture on our part. Having the knowledge of atomic energy and possession of the atomic bomb, we did not seek to hold it and to threaten the world. We didn't sit back and play for time. We came forward with concrete proposals designed fairly, effectively and practically to carry out the tasks assigned to that commission.

Our proposals when fully operative would leave with the states responsible for the discovery of atomic energy no rights which would not be shared with other members of the United Nations.

Our proposals outlaw the use of atomic weapons and contemplate the disposal of existing atomic weapons.

They set up an international authority with power to prevent the national manufacture and use of atomic weapons for war purposes and to develop atomic energy for human welfare.

Our proposals also provide effective and practical safeguards against violations and evasions. They enable states that keep their pledges to take prompt and collective action against those who violate their pledges.

No Diminution of Veto Right

We do not suggest any diminution of the right of veto in the consideration of the treaty governing this subject. We do say that once the treaty has become effective then there can be no recourse to a veto to save an offender from punishment.

We are willing to share our knowledge of atomic weapons with the rest of the world on the condition, and only on the condition, that other nations submit, as we are willing to submit, to internationally controlled inspection and safe guards.

From the statements made in the committees and in the Assembly we have been encouraged to believe that others are willing to likewise submit to international inspection.

If other nations have neither bombs nor the ability to manufacture them it should be easy for them to agree to inspection.

But the world should understand that without collective safeguards there can be no collective disarmament.

The resolution we proposed here urges the expeditious fulfillment by the Atomic Energy Commission of its terms of reference. Those terms include the control not only of atomic energy but the control of other instruments of mass destruction.

With its specific studies and its accumulated experience that commission is best equipped to formulate plans for dealing with major problems of disarmament.

Let us concentrate upon those major weapons and not dissipate our energies on the less important problems of controlling pistols and hand grenades.

If we are really interested in effective disarmament, and not merely in talking about it, we should instruct our representatives on the Atomic Energy Commission to press forward with its constructive proposals. The commission has been at work six months. They can file an interim report next week. I do not want the work of that commission to be side-tracked or sabotaged.

I am glad that the proposed resolution raises in connection with the problem of disarmament the question of disposal of the troops and the justification of their presence on foreign soil. For disarmament necessarily raises the question of the use which may be made of arms and armed forces which are not prohibited. Reducing armaments will not bring peace if the arms and the armed forces that remain are used to undermine collective security.

Wants Peace Treaties Concluded

The United States has persistently pressed for the early conclusion of peace treaties with Italy and the ex-satellite states. We want to make possible the complete withdrawal of troops from those states.

The United States has persistently urged the conclusion of a treaty recognizing the independence of Austria and providing for the withdrawal of foreign troops.

Austria, in our view, is a liberated and not an ex-enemy country. The United States, United Kingdom and Soviet Union, as signers of the Moscow Declaration of 1943, are obligated to relive her of the burden of occupation at the earliest possible moment.

The United States believes that armed occupation should be strictly limited by the requirements of collective security.

For that reason we proposed to the Council of Foreign Ministers that we should fix agreed ceilings on the occupation forces in Europe. We could not secure agreement this week, but we shall continue our efforts to reduce the occupation forces in Europe. We are also prepared to fix agreed ceilings for the occupation forces in Japan and Korea.

U. S. Troop Data

On V-J Day we had over five million troops overseas. We had to send with them extensive supplies and equipment which could not be disposed of overnight.

But despite the tremendous problem of liquidating our extensive overseas war activities, today we have less than 550,000 troops outside of American territory. Most of these troops are in Germany, Japan and the Japanese Islands, Korea, Austria and Venezia Giulia.

The great majority of the troops we have on the territory of the other states outside these occupation areas are supply or administrative personnel. Let me state specifically just what combat troops we have in these other states.

We have a total of 96,000 military personnel in the Philippines but only about 30,000 are combat forces, air and ground, and of these 17,000 are Philippine Scouts. These troops are in the Philippines primarily to back up our forces in Japan. Substantial reductions are contemplated in the near future.

Of the 19,000 troops we have in China, about 15,000 are combat troops and roughly one-half of these are to be under orders to return home.

We have about 1,500 troops in Panama, excluding the Canal Zone. One thousand of these, composed of a small air unit and some radar air warning detachments, can be classified as combat forces. We have, of course, our normal protective forces in the Panama Canal Zone proper.

We have no combat units in countries other than those I have just mentioned.

Our military personnel in Iceland number less than 600 men. They include no combat troops. They are being withdrawn rapidly and all will be withdrawn by early April, 1947, in accordance with our agreement with the Government of Iceland. The military personnel have been there only to maintain one of our air transport lines of communication with our occupation forces in Germany.

In the Azores, on the southern air transport communication line to Germany, we have about 300 men. Again there is not a single combat soldier among them. They are technicians and administrative officials. They are there under agreement with the Government of Portugal.

Our combat troops are in North China at the request of the Chinese National Government. Their task is to assist in carrying out the terms of surrender with respect to the disarming and deportation of the Japanese. Their mission is nearly completed. Instructions have been issued for the return of half of our forces now in China, although the Chinese Government has urged that they be retained there until conditions become more stabilized.

We have made it clear that our troops will not become participants in civil strife in China. But we are eager to do our part, and we hope other states are eager to do their part, to prevent civil war in China and to promote a unified and democratic China.

A free and independent China is essential to world peace. We cannot ignore or tolerate efforts upon the part of any state to retard the development of the freedom and independence of China.

Troops in China Not Threat to Peace

The United States Government repudiates the suggestion that our troops in China or elsewhere, with the consent of the states concerned, are a threat to the internal or external peace of any country.

Because the representative of the Soviet Union has referred to our troops in China, it is fair for me to say that I am confident that the number of American troops in North China are far less than the number of Soviet troops in South Manchuria in the Port Arthur area.

Under the Finnish peace treaty the Soviet Union acquires the right to lease the Porkkala naval base in Finland and maintain troops there. The temporary presence of a few thousand United States troops in China, at the request of that country, certainly raises no essentially different question than the permanent presence of Soviet troops in another country under treaty arrangements.

It is our desire to live up to the letter and the spirit of the Moscow declaration. We do not intend to use our troops on the territories of other states contrary to the purposes and principles of the United Nations.

The implementation of the Moscow declaration is not made easier by loose charges or counter-charges. The declaration requires consultation. That is the method we should pursue if we wish to advance the cause of disarmament and of collective security.

Last December at Moscow we consulted the Soviet Union and the United Kingdom regarding our troops in China. We have now asked for consultation in the Council of Foreign Ministers regarding the number of troops to be retained in Germany, Poland, Austria, Hungary and Rumania upon the conclusion of the peace treaties with the ex-satellite states.

Wants Collective Security and Sovereign Equality of all States

The task before us is to maintain collective security with scrupulous regard for the sovereign equality of all states. This involves more than the question of armaments and armed forces.

Aggressor nations do not go to war because they are armed but because they want to get with their arms things which other nations will not freely accord to them.

Aggressor nations attack not only because they are armed but because they believe others have not the armed strength to resist them.

Sovereignty can be destroyed not only by armies but by a war of nerves and by organized political penetration.

World peace depends upon what is in our hearts more than upon what is written in our treaties.

Great states must strive for understandings which will not only protect their own legitimate security requirements but also the political independence and integrity of the smaller states.

It is not in the interest of peace and security that the basic power relationship among the great states should depend upon which political party comes to power in Iran, or in Greece or in China.

Great states must not permit differences among themselves to tear asunder the political unity smaller states. And smaller states must recognize that true collective security requires their cooperation just as much as that of the larger states. Without the cooperation of large states and small states, our disarmament plans are doomed to failure.

A race for armaments, a race for power is not in the interest of any country or of any people. We want to stop the race for armaments and we want to stop the race for power.

We want to be partners with all nations, not to make war, but to keep the peace. We want to uphold the rule of law among nations. We want to promote the freedom and the well-being of all peoples in a friendly civilized world.

Comm. Appointments of N. Y. Bankers Ass'n

Appointments to five committees and to an informal study group of the Trust Division, New York State Bankers Association, were announced on Dec. 12 by George C. Barclay, Chairman of the Division, and Vice-President of the City Bank, Farmers Trust Company of New York. Personnel of the Committees and of the study group follow:

Committee on Trust Policies: Chairman, Aurie I. Johnson, Vice-President, First Trust & Deposit Co., Syracuse; Longstreet Hinton, Vice-President and Trust Officer, J. P. Morgan & Co., Inc., New York; James M. Trenary, Vice-President and Secretary, United States Trust Company, New York; Chester A. Allen, Vice-President, Kings County Trust Co., Brooklyn; Arthur S. Carruthers, Assistant Trust Officer, Lincoln-Rochester Trust Co., Rochester; David T. Pyne, Trust Officer, First Bank and Trust Co., Utica; Mark H. Peet, Vice-President and Trust Officer, Glens Falls National Bank & Trust Co., Glens Falls; Otis A. Thompson, President and Trust Officer, National Bank & Trust Co., Norwich; Robert W. H. Campbell, Vice-President, Liberty Bank, Buffalo.

Committee on Costs and Operations: Chairman, William T. Haynes, Vice-President and Secretary, Marine Midland Group, Inc., Buffalo; William J. Weig, Assistant Vice-President, Guaranty Trust Company, New York; Daniel G. Lee, Trust Officer, Nassau County Trust Co., Mineola; Paul W. Morse, Secretary and Assistant Trust Officer, Chemung County Trust Co., Elmira; Arnold Hanson, Trust Officer, Bank of Jamestown, Jamestown; Ralph H. Rue, Vice-President and Trust Officer, Schenectady (N. Y.) Trust Co.; Allen N. Stainback, Vice-President and Trust Officer, County Trust Company, White Plains.

Committee on Trust and Estate Law: Chairman, Bernard A. Gray, President, Northern New York Trust Co., Watertown; Harrison Bullock, Vice-President and Trust Officer, State Bank of Albany; J. P. Cummings, Vice-President and Trust Officer, First National Bank, New Rochelle; Gilbert H. Thirkield, Vice-President, Brooklyn Trust Co., Brooklyn; J. Bryson Aird, Vice-President, Bank of the Manhattan Company, New York; William H. Gambrell, Vice-President, New York Trust Company, New York; William B. Loery, Vice-President and Secretary, Bank of New York, New York.

Committee on Trustees' Investments: Chairman, Bascom H. Torrance, Vice-President, City Bank Farmers Trust Co., New York; R. G. Barker, Vice-President, Bank of New York, New York; Thomas Cantwell, Vice-President, Manufacturers & Traders Trust Co., Buffalo; George W. Carrington, Vice-President, Bank of the Manhattan Company, New York; W. Barton Cummings, Vice-President, Chemical Bank & Trust Co., New York; Andrew B. Davison, Vice-President, National Commercial Bank & Trust Co., Albany; George W. Gehm, Assistant Vice-President, First Trust & Deposit Co., Syracuse; R. C. Harrison, Vice-President, Central Hanover Bank & Trust Co., New York; J. Frank Honold, Second Vice-President, Chase National Bank, New York; J. Lawrence Kolb, Vice-President, Elmira (N. Y.) Bank and Trust Co.; Kingsley Kunhardt, Vice-President, Guaranty Trust Company, New York; A. M. Massie, Vice-President, New York Trust Company, New York; Irvin A. Sprague, Assistant Vice-President, United States Trust Company, New York, Frederic S. Stapleton, Assistant Trust Officer, First National Bank, Binghamton; Schuyler C. Wells, Jr., Vice-President and Associate Trust Officer, Security Trust Company, Rochester; Brenton Welling, Vice-President, Bankers Trust Company, New York.

Committee on Common Trust Funds: Chairman Baldwin Maull, Vice-President, Marine Midland Trust Co., New York; William H. Stackel, Vice-President and Trust Officer, Security Trust Co., Rochester, Thomas F. Cox, Trust Officer, Bank of New York, New York; Earl S. MacNeill, Trust Officer, The Continental Bank & Trust Company, New York; Hollis S. Pease, Assistant Secretary, Central Hanover Bank and Trust Company, New York.

Informal Accounting Study Group: Chairman, Robert A. Jones, Vice-President, Guaranty Trust Co. of New York, New York; E. W. Durner, Assistant Vice-President, Central Hanover Bank & Trust Co., New York; C. T. Smith, Trust Officer, City Bank Farmers Trust Co., New York; George F. Sloan, Second Vice-President, Chase National Bank, New York; Bruce Percy, Assistant Trust Officer, Genesee Valley Trust Co., Rochester; Mark R. Brinthaupt, Trust Officer, Elmira (N. Y.) Bank and Trust Co.; Irving Church, Trust Officer, Central National Bank, Yonkers.

MBA Mtg. Clinics Announced for 1947

A series of three regional mortgage clinics in 1947, sponsored by the Mortgage Bankers Association of America, was announced on Dec. 14 by Guy T. O. Hollyday, Baltimore, Association President. The conferences are scheduled for Feb. 28 to March 1, Drake Hotel, Chicago, to serve middle western members; April 14 and 15, Waldorf-Astoria Hotel, New York, for eastern members; and May 8 and 9, Hotel President, Kansas City, Mo. for south western members. The last named meeting will be preceded by the regular Spring meeting of the Association's Board of Governors May 7. Mr. Hollyday also announced that the Winter Board meeting will be held Jan. 24 at the Hotel Carlton, Washington, D.C. instead of in Chicago as has been customary in recent years. In view of the rapidity with which decontrol of materials has taken place and the prospects for an increasing building and financing volume over the next 12 months, Mr. Hollyday said he expected the meetings to help reflect the pattern for the long-term upswing in the financing of construction.

Programs for the meetings will be arranged by a committee headed by George H. Dovenmuehle, Vice-President, Dovenmuehle, Inc., Chicago, and including Burlye B. Pouncy, Vice-President, Ivor B. Clark, Inc., New York and Earl Linn, Vice-President, Weitz Investment & Realty Co., Des Moines.

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. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Dec. 17	121.89	116.41	120.84	119.20	116.41	109.97	112.37	117.60	119.61
16	121.86	116.41	120.84	119.20	116.41	109.97	112.37	117.40	119.82
14	121.92	116.41	120.84	119.20	116.41	109.97	112.37	117.40	119.61
13	121.92	116.41	120.63	119.20	116.41	109.97	112.37	117.40	119.61
12	121.86	116.41	120.63	119.00	116.41	109.97	112.37	117.40	119.61
11	121.83	116.41	120.63	119.00	116.41	110.15	112.37	117.60	119.41
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	120.63	118.80	116.02	109.60	111.81	117.40	119.41
1 year Ago Dec. 17, 1945	124.23	117.00	120.84	119.41	117.00	111.25	113.89	117.00	120.22
2 Years Ago Dec. 16, 1944	120.23	113.50	119.00	117.80	113.50	104.48	108.70	113.89	118.00

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Dec. 17	1.59	2.83	2.61	2.69	2.83	3.17	3.04	2.77	2.67
16	1.59	2.83	2.61	2.69	2.83	3.17	3.04	2.78	2.66
14	1.59	2.83	2.61	2.69	2.83	3.17	3.04	2.78	2.67
13	1.59	2.83	2.62	2.69	2.83	3.17	3.04	2.78	2.67
12	1.59	2.83	2.62	2.70	2.83	3.17	3.04	2.78	2.67
11	1.59	2.83	2.62	2.70	2.83	3.16	3.04	2.77	2.68
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	2.62	2.71	2.85	3.19	3.07	2.78	2.68
Low 1946	1.31	2.65	2.45	2.53	2.67	2.93	2.77	2.63	2.53
1 year Ago Dec. 17, 1945	1.46	2.80	2.61	2.68	2.80	3.10	2.96	2.80	2.64
2 Years Ago Dec. 16, 1944	1.82	2.98	2.70	2.76	2.98	3.48	3.24	2.96	2.75

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

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

Republicans Oppose Merging Army, Navy

Reversing his attitude of a week earlier, Representative W. Sterling Cole (R.—N. Y.), ranking Republican member of the House Naval Affairs Committee stated on Dec. 11 his opposition to a merger of his Committee with the House Military Affairs Committee because it "definitely places the security of our Navy in jeopardy," this is learned from advices from Washington to the New York "Herald Tribune." Previously Mr. Cole had said: "We Naval Committee members don't like to merge the Committees, but we're willing to go along for the sake of harmony." Since that time he said that he had conducted an informal poll among about 50 Republican members of the next Congress which revealed "that only four members of this group definitely favor the merger of the two committees."

Opposition to consolidating the two committees—provided for in the Congressional Reorganization Act and slated to take effect Jan. 3—received approval from four other Republicans on the Naval Affairs Group and one on the Military Affairs Committee—the former, Representatives George J. Bates of Massachusetts, William E. Hess of Ohio, Jack Z. Anderson of California and Harry L. Towe of New Jersey; the latter, Charles H. Elston of Ohio. The statement signed by these Congressmen and Mr. Cole asserted that merging of the two committees would place opponents of merging the armed forces in a "vulnerable" position.

The State of Trade

(Continued from page 3267)

a national tieup in steel production, "The Iron Age" points out.

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. Two weeks ago many steel companies 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 gages 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 and, the magazine states, it is also understood that the price under question last week ranges from $5.65 to $5.75 a base box, with the latter figure the most likely.

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 83.9% of capacity for the week beginning Dec. 16, compared with 69.8% one week ago, 91.4% one month ago and 83.0% one year ago. This represents an increase of 14.1 points or 20.2% from the previous week.

This week's operating rate is equivalent to 1,478,600 tons of steel ingots and castings and compares with 1,230,100 tons one week ago, 1,610,800 tons one month ago and 1,520,300 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to 4,672,712,000 kwh. in the week ended Dec. 7, 1946, from 4,448,193,000 kwh. in the preceding week. Output for the week ended Dec. 7, 1946, was 14.1% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 214,000,000 kwh. in the week ended Dec. 8, 1946, compared with 194,400,000 kwh. for the corresponding week of 1945, or an increase of 10.1%. Local distribution of electricity amounted to 196,800,000 kwh. compared with 190,500,000 kwh. for the corresponding week of last year, an increase of 3.3%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Dec. 7, 1946, totaled 729,084 cars, the Association of American Railroads announced. This was an increase of 68,173 cars (or 10.3%) above the preceding week and 47,292 cars or 6.1% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 64,072 cars, or 8.1% is shown.

Paper and Paperboard Production — Paper production in the United States for the week ended Dec. 7, was 106.6% of mill capacity, against 103% in the preceding week and 99% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 99% against 94% in the preceding week, and 97% in the corresponding week, a year ago.

Business Failures Continue Higher—In the week ending Dec. 12, commercial and industrial failures numbered 33, reports Dun & Bradstreet, Inc. Although slightly lower than in the previous week when 37 were recorded, concerns failing continued for the twelfth consecutive week to be more numerous than in the comparable week of 1945. In fact, there were more than three times as many failures in the week just ended as in the same week a year ago when only 10 occurred.

More than two-thirds of the week's failures involved liabilities in excess of $5,000. These large failures at 25 dipped down a little from last week's 28 but were more than twice as numerous as the nine occurring a year ago. Small failures with losses under $5,000 numbered eight, likewise showing a slight decline from the previous week but a marked upturn from the 1945 level. In the comparable week of that year, only one small falure was reported.

Manufacturing continued to account for the largest number of failures. Fifteen concerns failed in this industry group, almost twice as many as in any other industry or trade group. This represented a sharp uptrend from the 1945 record of failures in manufacturing; only six manufacturers failed in the corresponding week of last year. Contrary to the slight decline from the previous week which appeared in all other groups, failures in retail trade and construction were higher than a week ago. With eight concerns failing, retailing had the next-to-largest number of failures in the week just ended. Rising from six a week ago, retailers failing were more than twice as numerous as in the same week of 1945 when only three occurred. Geographically, failures in the week just ended were concentrated in the New England, Middle Atlantic and Pacific States. Canadian failures numbered three against five both last week and a year ago.

Building Permit Volume in November Lower—Down moderately for the fourth successive month, the volume of building for which permits were issued in November dropped below the level of the same month of the previous year for the first time in 15 months. Estimated construction expenditures for new buildings and alterations in 215 cities during November amounted to $158,079,798, as compared with $171,213,237 in October, and $163,369,902 in November, 1945, according to Dun & Bradstreet, Inc. This represented respective declines of 7.7 and 3.2%.

In New York City, permits for November totaled $20,937,376, up 50.7% over the preceding month, but a loss of 3.2% from the corresponding 1945 month.

Food Price Index Again Declines—Down for the third successive week, the wholesale food price index compiled by Dun & Bradstreet, Inc., registered $6.35 on Dec. 10. This was a decline of 0.6% from last week's level of $6.39, and it represented a total drop of 14 cents, or 2.2%, from the decontrol peak of $6.49 recorded on Nov. 19. Commodities showing advances in the week included flour, wheat, corn, butter, coffee, cocoa, eggs and potatoes. Among the declines were listed rye, barley, hams, bellies, lard, cheese, steers, hogs, sheep and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—In fairly narrow movements, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., rose slightly to 240.85 on Dec. 10, from 240.39 a week earlier. On the corresponding date a year ago, the index registered 182.26.

Following last week's reactionary trends, leading grains rose quite sharply in the past week as the Government entered the market for large quantities of wheat and corn for export purposes. Cash wheat at Chicago reached a new 26-year high of $2.30 per bushel. Corn was also in good demand from distillers who bought freely before higher freight rates go into effect. Rapid progress was reported in harvesting of the new corn crop in Northern sections. Butter advanced sharply in the week as fairly strong demand met with a seasonal decline in supplies. Flour prices trended upward under continued heavy demand for export and a further tightening in supplies. Livestock generally showed some recession from previous quotations. Cash lard continued lower, with refined prices down to 25 cents a pound, as against a high of 55 cents following the lifting of controls.

Cotton values moved generally higher despite a falling off in mill demand due to uncertainties resulting from the coal strike. Principal influences in the rise were the continued steady increase in foreign demand for the staple, the belief that private trade with Japan and possibly Germany would be re-opened in the Spring and reports of advancing prices for gray goods and continued holding by farmers in the South. During the week ended Nov. 30, 75,000 bales of cotton were registered under the Government export program. This was the largest for any week since mid-September and compared with 45,000 in the previous week, and 44,000 two weeks earlier. Government loan entries during the week ended Nov. 30 totaled 14,576 bales, down from the weekly high record of the previous week. In its December 1 report, the Department of Agriculture estimates domestic production of cotton for the current season at 8,492,000 bales, a drop of 5,000 bales under its previous forecast, and the smallest crop in 25 years.

Advances of from 10 to 20% were recorded in carded cotton gray goods with some selling noted as far forward as April and May of next year.

Little interest was shown in domestic wools in the Boston market last week, following the announcement by the CCC of further upward adjustments of selling prices, effective Nov. 30. The increase amounted to three cents a pound, clean basis, on fine staple wools, and one cent a pound on all other shorn wools. A further development of the advance in domestic prices was an increased demand in Australian and South African markets, where purchasing for importation into the United States was said to be the most active for some time. Imports of apparel wools into the ports of Boston, New York and Philadelphia in the week ended Nov. 29 dropped sharply to 3,838,400 clean pounds, from 6,366,000 during the preceding week.

Retail and Wholesale Trade — The termination of the coal strike and advent of the Christmas shopping season were among the chief factors that stimulated retail volume for the country as a whole last week. Total volume increased moderately over the previous week and was well above that of the corresponding 1945 week, according to Dun & Bradstreet, Inc., in its weekly summary of trade. Gift buying was on the rise and specialty shops generally were crowded with selectivity directed toward quality in many cases.

Food volume continued to rise slightly during the week and prices generally remained unchanged, although a few declines were noted. There was the usual slight seasonal decline in the supply of fresh vegetables. Meat and poultry were available in ample quantities although the supply of pork continued to be limited. Stocks of dairy products and many types of canned food were plentiful.

Interest in women's apparel centered largely upon Winter coats, sportswear and accessories, while the demand for Fall suits and furs was stimulated in some cities by clearance sales. The limited stocks of men's suits continued to attract many eager consumers; and the demand for topcoats and accesories rose perceptibly. Men's sportswear and accessories were frequently requested. Interest in men's and women's shoes was directed primarily toward all-leather styles.

The demand for electrical appliances rose above the very high levels of previous weeks and the number of orders placed by consumers with retailers mounted rapidly. The retail volume of toys was considerably above that of a year ago. Furniture and home appliances were very much in demand. Interest in sporting goods was at a very high level. The consumer insistence upon brand names was evident in many of the numerous requests for durable goods.

Retail volume for the country in the week ended this Wednesday was estimated to be from 24 to 28% above that of the corresponding week a year ago. Regional estimates exceeded those of a year ago by the following percentages: New England 23 to 27, East 26 to 30, Middle West 24 to 28, Northwest 31 to 35, South 22 to 26, Southwest 25 to 29 and Pacific Coast 19 to 23.

Wholesale volume increased slightly last week and it was considerably above that of the corresponding week a year ago. Shipments were frequently delayed as a result of the temporary embargo on rail freight. Both new order and re-order volume was moderately above the high levels of the previous weeks.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Dec. 7, 1946, increased by 19% above the same period of last year. This compares with an increase of 3% (revised figure) in the preceding week. In this week the change from the like week a year ago reflects in part the fact that this year Thanksgiving Day was on Nov. 28, whereas last year it was on Nov. 22. For the four weeks ended Dec. 7, 1946, sales increased by 20% and for the year to date by 28%.

Christmas buying in New York last week was hindered to some extent by warm and inclement weather. Sales volume for department stores was estimated at 20 to 25% above that of a year ago, a rate of gain about unchanged from the previous week. A step-up in Christmas trade is looked for the present week with buying establishing a peak for the period.

Seasonal factors leveled off activity in the major wholesale markets, it is reported, with production showing the good effects of the ending of the coal strike in a greater flow of materials to the plants. It is understood cotton, textile fabric sales are being booked five and six months ahead with deliveries of finished textiles being speeded up as finishers and dyers acquire greater supplies.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Dec. 7, 1946, increased 20% above the same period last year. This compared with an increase of only 6% (revised figure) in the preceding week. The same reason as noted above for the country as a whole for the small increase in the latter week was likewise applicable to New York. For the four weeks ended Dec. 7, 1946, sales rose 25% and for the year to date increased to 29%.

Moody's Daily Commodity Index

Tuesday, Dec. 10, 1946	371.5
Wednesday, Dec. 11	372.2
Thursday, Dec. 12	372.0
Friday, Dec. 13	374.3
Saturday, Dec. 14	375.5
Monday, Dec. 16	376.6
Tuesday, Dec. 17	373.1
Two weeks ago, Dec. 3	374.7
Month ago, Nov. 16	373.9
Year ago, Dec. 17, 1945	264.7
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Nov. 29	377.8
Low, Jan. 2	264.7

Civil Engineering Construction Totals $126,931,000 for Week

Civil engineering construction volume in continental United States totals $126,931,000 for the week ending Dec. 12, 1946 as reported by "Engineering News-Record." This volume is 20% above the previous week, 88% above the corresponding week of last year, and 55% above the previous four-week moving average. The report issued on Dec. 12 went on to say:

Private construction this week, $103,741,000, is 46% above last week, and 114% above the week last year. Public construction, $23,190,000, is 32% below last week, and 21% greater than the week last year. State and municipal construction, $22,398,000, 22% below last week, is 123% above the 1945 week. Federal construction, $792,000, is 86% below last week, and 91% below the week last year.

Total engineering construction for the 50-week period of 1946 records a cumulative total of $5,079,762,000, which is 131% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $3,086,214,000, which is 187% above that for 1945. Public construction, $1,993,548,000, is 77% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $1,373,846,000 to date, is 260% above 1945. Federal construction, $619,702,000, dropped 17% below the 50-week total of 1945.

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

	Dec. 12, 1946	Dec. 5, 1946	Dec. 13, 1945
Total U. S. Construction	$126,931,000	$105,388,000	$67,642,000
Private Construction	103,741,000	71,109,000	48,389,000
Public Construction	23,190,000	34,279,000	19,243,000
State and Municipal	22,398,000	28,688,000	10,053,000
Federal	792,000	5,591,000	9,190,000

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

New Capital

New capital for construction purposes this week totals $62,104,000 and is made up of $30,654,000 in corporate securities and $31,450,000 in State and municipal bond sales. New capital for construction purposes for the 50-week period of 1946 totals $3,266,989,000, 85% more than the $1,767,931,000 reported for the corresponding period of 1945.

Electric Output for Week Ended Dec. 14, 1946 15.0% Ahead of That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimates that the amount of electrical energy distributed by the electric light and power industry for the week ended Dec. 14, 1946, was 4,777,943,000 kwh., an increase of 15.0% over the corresponding week last year when electric output amounted to 4,154,061,000 kwh. The current figure also compares with 4,672,712,000 kwh. produced in the week ended Dec. 7, 1946, which was 14.1% higher than the 4,096,954,000 kwh., produced in the week ended Dec. 8, 1945. The largest increases were reported by the Pacific Coast and Southern States groups which showed increases of 26.1% and 21.2%, respectively, over the same week in 1945.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended— Dec. 14	Dec. 7	Nov. 30	Nov. 23	Nov. 16
New England	11.3	10.1	0.1	21.9	10.6
Middle Atlantic	6.4	3.9	*0.1	15.6	9.0
Central Industrial	13.5	11.3	6.8	21.2	16.0
West Central	11.0	9.3	6.7	16.3	11.3
Southern States	21.2	22.1	20.9	32.1	28.3
Rocky Mountain	9.5	9.7	8.3	18.8	13.9
Pacific Coast	26.1	27.8	21.7	35.7	26.5
Total United States	15.0	14.1	10.0	24.0	18.0

*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	4,777,943	4,154,061	+15.0	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

National Fertilizer Association Commodity Price Index Rises Slightly

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Dec. 16, rose slightly in the week ended Dec. 14, 1946 when it advanced to 191.6 from 191.3 in the preceding week. The index is 0.2% below its highest level, reached in the week ended November 30. A month ago the index stood at 190.1, and a year ago at 142.0, all based on the 1935-1939 average as 100. The Association's report continued as follows:

Three of the composite groups of the index advanced and three declined during the latest week. The farm products group advanced, with increases in the cotton and grains subgroups more than offsetting the decline in the livestock subgroup. Prices were mixed in the grains index with higher quotations for corn and wheat but lower quotations for oats and rye. Prices were lower for most cattle and hogs but higher for eggs. Timothy hay at New York and wool prices were also higher. The textiles index advanced. The metals index was higher, with advances registered in pig iron and finished steel more than offsetting declines in silver. The foods group was only fractionally lower, with declines for butter, ham, bellies and fresh meats more than offsetting advances for flour, potatoes, cocoa and cottonseed oil. The decline in the chemicals and drugs index was due to a correction. The decline in the miscellaneous commodities index was because of lower prices for leather and feedstuffs.

During the week 17 price series in the index advanced and 21 declined; in the preceding week 20 advanced and 23 declined; in the second preceding week 32 advanced and 25 declined.

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

% Each Group Bears to the Total Index	Group	Latest Week Dec. 14, 1946	Preceding Week Dec. 7, 1946	Month Ago Nov. 16, 1946	Year Ago Dec. 15, 1945
25.3	Foods	216.4	216.9	216.1	144.8
	Fats and Oils	262.5	263.8	293.8	146.8
	Cottonseed Oil	310.6	307.7	302.0	163.1
23.0	Farm Products	234.7	232.4	230.3	173.2
	Cotton	304.9	294.1	298.7	233.0
	Grains	203.5	197.8	201.3	167.1
	Livestock	237.0	238.9	233.7	166.9
17.3	Fuels	157.6	157.6	154.2	129.0
10.8	Miscellaneous commodities	159.9	161.5	165.1	133.5
8.2	Textiles	214.2	210.8	205.5	159.3
7.1	Metals	137.3	136.3	130.2†	110.2
6.1	Building materials	207.0	207.0	203.4	154.7
1.3	Chemicals and drugs	152.9‡	153.3	145.9	127.5
.3	Fertilizer materials	123.3	123.3	123.3	118.2
.3	Fertilizers	125.6	125.6	125.6†	119.9
.3	Farm machinery	116.7	116.7	116.6	105.0
100.0	All groups combined	191.6	191.3	190.1†	142.0

*Indexes on 1926-1928 base were: Dec. 14, 1946, 149.3; Dec. 7, 1946, 149.0, and Dec. 15, 1945, 110.6. †Revised. ‡Correction.

We also give below comments on the previous week's report:

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public Dec. 9, declined for the first time since all controls were removed when it dropped to 191.3 in the week ended Dec. 7, 1946 from the revised index of 192.0 in the preceding week. For the preceding four weeks the index had advanced to new high points each week. A month ago the index stood at 181.3 and a year ago at 141.8, all based on the 1935-1939 average as 100. The Association's report went on to say:

Three of the composite groups of the index declined and three advanced during the latest week. The farm products group declined with each of its three sub-groups lower. Cotton prices were again lower; lower quotations for corn, wheat and rye more than offset higher prices for oats and barley; prices for hogs and ewes declined and those for eggs, good cattle and poultry advanced. The metals index declined slightly due to lower silver prices. The miscellaneous commodities group declined with lower prices for hides, foodstuffs and book paper; prices for wood pulp were higher. The fuels index advanced because of higher petroleum prices. The textiles index was higher reflecting higher prices for some cotton cloths and for burlap; hemp prices were lower. The chemicals and drugs group was higher due to a rise in camphor. The foods index remained steady with higher prices for butter, flour, ham, bellies, beef and cocoa just offsetting declines in cheese, potatoes, coffee, lard and pork.

During the week 23 price series in the index declined and 20 advanced; in the preceding week 25 declined and 32 advanced; in the second preceding week 21 declined and 33 advanced.

U. S. Savings Bonds Issued and Redeemed Through November 30, 1946

(Dollar amounts in millions—rounded and will not necessarily add to totals)

	*Amount Issued	*Amount Redeemed	†Amount Outstdg.	Percent Redeemed of Amount Issued
Series A-D:				
Series A-1935 (matured)	$255	$241	$14	94.51
Series B-1936	462	347	‡115	75.11
Series C-1937	576	150	426	26.04
Series C-1938	646	144	501	22.29
Series D-1939	997	195	802	19.56
Series D-1940	1,187	206	981	17.35
Series D-1941	514	77	436	14.98
Total Series A-D	$4,637	$1,360	$3.277	29.33
Series E:				
Series E-1941	1,443	281	1,162	19.47
Series E-1942	6,554	2,007	4,547	30.62
Series E-1943	10,745	3,902	6,843	36.31
Series E-1944	12,569	4,565	8,004	36.32
Series E-1945	9,847	3,219	6,629	32.69
Series E-1946 (11 months)	§3,671	506	§3,165	13.78
Total Series E	$44,830	$14,480	$30,349	32.30
Unclassified Redemptions:				
Series A-E	----	117	—117	----
Total Series A-E	$49,466	$15,957	$33,509	32.26
Series F and G:				
Series F and G-1941	1,525	162	1,364	10.62
Series F and G-1942	3,174	373	2,801	11.75
Series F and G-1943	3,349	377	2,972	11.26
Series F and G-1944	3,681	286	3,394	7.77
Series F and G-1945	3,139	132	3,008	4.21
Series F and G-1946 (11 months)	2,691	16	2,675	0.59
Total Series F and G	$17,560	$1,346	$16,214	7.67
¶Total all series	$67,026	$17,303	$49,723	25.82

*Includes accrued discount.
†Current redemption values.
‡Includes matured bonds which have not yet been presented for redemption.
§Includes $38 millions reported on public debt statement as "unclassified sales."
¶Includes Series A-1935 (matured) and therefore does not agree with totals under interest-bearing debt on Public Debt Statement.

Agree on Payment of French Debt to Britain

Under date of Dec. 4, London advices to the New York "Herald Tribune," said:

"Hugh Dalton, Chancellor of the Exchequer, announced in the House of Commons today that France and Britain have signed a final agreement on French payment of its sterling debt, starting in five years.

"The French debt amounts to £99,188,750, or approximately $400,000,000. A lump sum of approximately $200,000,000 has already been paid by the French in gold. In September, 1951, the French will make the first of 12 equal payments on the $400,000,000 balance. Interest at the rate of ½ of 1% will be charged.

"The agreement, which was signed yesterday, also included technical provisions covering financial claims of the two governments against each other growing out of the war."

Wholesale Prices in Week Ended Dec. 7 Unchanged, Labor Department Reports*

"Average primary market prices were unchanged for the week ended Dec. 7, 1946 as lower prices of agricultural commodities balanced increases in all other major commodity groups," said the Bureau of Labor Statistics, of the U. S. Department of Labor on Dec. 12, its advices adding that "the index of commodity prices prepared by the Bureau remained at 139.1% of the 1926 average, 3.2% higher than the first week of November, and 30.6% above a year ago." The further report of the Bureau for the week ended Dec. 7 follows:

"**Farm Products and Foods**—Prices of farm products declined 0.6% during the week, largely because of lower quotations for grains and eggs. Decreases for grains indicated sellers' willingness to accept lower prices following the removal or relaxation of restrictions on flour milling and grain use and the announcement that export buying was up to schedule. Egg quotations dropped seasonally. Livestock and poultry prices rose with increases ranging from about 1½% for hogs and wethers to more than 7% for steers of fair to good quality. There were substantial declines for citrus fruits reflecting good supplies, while apples and potatoes were up seasonally. Quotations for domestic wools advanced following increases in Commodity Credit Corporation selling prices to reflect parity. As a group, farm products were 1.9% higher than 4 weeks ago and 29.9% above last year.

"Food prices dropped 1.2% during the week. Prices of pork and mutton declined with good supplies. Both cereal products and dairy products averaged slightly lower but rye flour quotations rose sharply reflecting previous high prices for rye. There were substantial advances for canned tomatoes, bananas, corn starch and corn oil. Lard prices continued to decline, as supplies exceeded demand, and prices of oleo oil were lower. On the average, food prices were 0.5% below the first week in November and 49.6% higher than the first week of December 1945.

"**Other Commodities**—Average prices of all commodities other than farm products and foods rose 0.4% during the week, with increases in all major groups. Earlier increases in raw material costs caused further price advances for shoes and other leather products and for cotton fabrics, but hide quotations continued to decline from the peak levels immediately following decontrol. Hemp prices rose more than 50% with restoration of private trading. Prices of pig iron, some iron and steel products, storage batteries and some durable goods, book paper and boxboard, and some chemicals, advanced because of heavy demand and increased costs of raw materials. Prices for petroleum products and building materials averaged slightly higher. High prices of tar and benzene, a coal tar product, reflected uncertainty due to the coal strike. Cattle feed quotations declined for the fifth consecutive week to a level below the end of June. The group index for all commodities other than farm products and foods was 21.0% higher than the corresponding week of last year."

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR WEEK ENDED DEC. 7, 1946

(1926=100)

Commodity Groups—	12-7 1946	11-30 1946	11-23 1946	11-9 1946	12-8 1945	Percentage changes to Dec. 7, 1946, from— 11-30 1946	11-9 1946	12-8 1945
All commodities	139.1	†139.1	137.3	134.8	106.5	0	+ 3.2	+30.6
Farm products	169.2	170.3	172.1	166.0	130.3	— 0.6	+ 1.9	+29.9
Foods	161.7	163.6	165.0	162.5	108.1	— 1.2	— 0.5	+49.6
Hides and leather products	166.9	165.0	158.6	158.7	119.4	+ 1.2	+ 5.2	+39.8
Textile products	131.7	130.7	129.6	130.2	100.6	+ 0.8	+ 1.2	+30.9
Fuel and lighting materials	96.0	95.8	94.9	94.7	85.2	+ 0.2	+ 1.4	+12.7
Metals and metal products	132.2	†131.8	117.2	114.4	105.3	+ 0.3	+15.6	+25.5
Building materials	145.2	144.3	142.0	140.0	118.7	+ 0.6	+ 3.7	+22.3
Chemicals and allied products	124.0	123.7	123.1	110.2	96.1	+ 0.2	+12.5	+29.0
Housefurnishings goods	118.7	118.3	118.0	117.5	106.4	+ 0.3	+ 1.0	+11.6
Miscellaneous commodities	106.7	106.7	106.1	104.9	94.6	+ 0.2	+ 1.9	+13.0
Special Groups—								
Raw materials	154.4	154.8	155.3	152.2	119.1	— 0.3	+ 1.4	+29.6
Semi-manufactured articles	131.6	130.2	128.2	122.4	96.8	+1.1	+ 7.5	+36.0
Manufactured products	134.0	†134.1	131.1	129.5	102.5	— 0.1	+ 3.5	+30.7
All commodities other than Farm products	132.5	†132.3	129.7	128.0	101.3	+ 0.2	+ 3.5	+30.8
All commodities other than Farm products and foods	121.6	†121.1	116.9	115.5	100.5	+ 0.4	+ 5.3	+21.0

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM NOV. 30, 1946 TO DEC. 7, 1946

Increases

Other leather products	3.2	Furnishings	0.6
Livestock and poultry	2.8	Motor vehicles	0.6
Other building materials	2.4	Petroleum and products	0.5
Cotton goods	2.0	Chemicals	0.4
Shoes	2.0	Iron and steel	0.2
Paper & pulp	1.7	Agricultural implements	0.1
Other textile products	1.5	Bituminous Coal	0.1
Other miscellaneous	1.1	Drugs and pharmaceuticals	0.1
Fruits and vegetables	0.1		

Decreases

Cattle feed	8.5	Meats	1.7
Grain	4.4	Cereal products	0.4
Other foods	2.3	Paint and paint material	0.4
Other farm products	2.1	Dairy products	0.3
Hides and skins	0.3		

*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.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Dec. 11 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. 23, 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. 23 (in round-lot transactions) totaled 2,054,935 shares, which amount was 16.06% of the total transactions on the Exchange of 6,400,680 shares. This compares with member trading during the week ended Nov. 16 of 1,790,839 shares, or 18.33% of the total trading of 4,883,340 shares.

On the New York Curb Exchange, member trading during the week ended Nov. 23 amounted to 475,550 shares or 15.34% of the total volume on that Exchange of 1,550,265 shares. During the week ended Nov. 16 trading for the account of Curb members of 342,410 shares was 15.43% of the total trading of 1,109,270 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. 23, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	206,640	
‡Other sales	6,194,040	
Total sales	6,400,680	
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	714,530	
Short sales	98,830	
‡Other sales	589,470	
Total sales	688,300	10.96
2. Other transactions initiated on the floor—		
Total purchases	119,580	
Short sales	13,750	
‡Other sales	98,000	
Total sales	111,750	1.81
3. Other transactions initiated off the floor—		
Total purchases	247,370	
Short sales	18,730	
‡Other sales	154,675	
Total sales	173,405	3.29
4. Total—		
Total purchases	1,080,480	
Short sales	131,310	
‡Other sales	842,145	
Total sales	973,455	16.06

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

WEEK ENDED NOV. 23, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	20,185	
‡Other sales	1,530,080	
Total sales	1,550,265	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	172,490	
Short sales	13,935	
‡Other sales	140,640	
Total sales	154,575	10.55
2. Other transactions initiated on the floor—		
Total purchases	21,800	
Short sales	1,650	
‡Other sales	16,120	
Total sales	17,770	1.28
3. Other transactions initiated off the floor—		
Total purchases	71,670	
Short sales	1,220	
‡Other sales	36,025	
Total sales	37,245	3.51
4. Total—		
Total purchases	265,960	
Short sales	16,805	
‡Other sales	192,785	
Total sales	209,590	15.34
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	77,255	
Total purchases	77,255	
Total sales	69,203	

*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."

Bank Debits for Month of November

The Board of Governors of the Federal Reserve System issued on Dec. 11 its usual monthly summary of "bank debits" which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District—	Nov., 1946	Nov., 1945	3 Months Ended Nov. 1946	3 Months Ended Nov. 1945
Boston	3,907	3,638	11,709	10,401
New York	33,397	34,652	104,843	102,676
Philadelphia	3,770	3,564	11,371	9,992
Cleveland	5,797	4,697	17,053	13,672
Richmond	3,591	3,000	10,789	8,925
Atlanta	3,473	2,767	10,217	7,882
Chicago	12,797	10,941	37,891	31,969
St. Louis	2,730	2,332	8,106	6,509
Minneapolis	2,098	1,658	6,119	5,001
Kansas City	3,109	2,566	9,175	7,524
Dallas	2,902	2,354	8,564	6,608
San Francisco	8,557	7,233	25,404	21,027
Total, 334 centers	86,627	79,401	261,242	232,182
*New York City	31,088	32,246	96,397	95,775
*140 other centers	46,105	39,255	136,931	113,978
193 other centers	9,434	7,900	27,913	22,432

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

US Savgs.-Loan League Reports Largest Gain

Reporting the largest gain in assets which the savings and loan and cooperative bank system of the nation has ever had in a single year, H. F. Cellarius, Cincinnati, Secretary-Treasurer of the United States Savings and Loan League, told the League's convention in Milwaukee on Nov. 20 that by the end of 1946 these home financing associations will constitute a $10,000,000,000 financial system, an all-time high. Reporting for the first time the official statistics for the end of the past year, he pointed out that there were 6,163 such institutions in the United States with total assets of $8,794,355,000, as of Dec. 31, 1945.

Last year's gain was $1,314,467,000, and Mr. Cellarius indicated "that a growth at least as large in dollar volume has taken place this year." Ohio, it is stated, still leads the nation in total assets of savings and loan institutions within its borders, with $1,372,000,000 as of Dec. 31, 1945. New York, whose assets now approach three-quarters of a billion, ranks second, and the next three states by size of savings and loan and cooperative bank assets are Massachusetts, California and Illinois. Ohio, Illinois, California and New York gained more than $100,000,000 each last year.

Mr. Cellarius said that no failures of associations took place during the year, but that there were some voluntary liquidations, most of them paying out substantial liquidating dividends in excess of liabilities. Reserves of the savings and loan institutions in the aggregate by the year's end were 7.5% of total assets. Mr. Cellarius also stated that under the impact of a steadily increasing loan volume during 1945, mortgage loans outstanding at the close of last year were $5,527,886,000, which was 62.9% of total assets. "This 1945 ratio," he added "will probably mark an all-time low since the present trend is a rapidly increasing proportion of loans to total assets."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 11 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. 30, 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. 30, 1946

	Total For Week
Odd-Lot Sales by Dealers— Customers' purchases)	
Number of orders	21,642
Number of shares	618,446
Dollar value	$26,642,594
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	184
*Customers' other sales	17,460
Customers' total sales	17,644
Number of Shares:	
Customers' short sales	6,638
*Customers' other sales	515,930
Customers' total sales	522,568
Dollar value	$19,466,799
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	132,200
Total sales	132,200
Round-lot Purchases by Dealers—	
Number of shares	245,830

*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."

Statutory Debt Limitation as of Oct. 31, 1946

The Treasury Department made public on Nov. 6 its monthly report showing that the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on Oct. 31, 1946 totaled $262,974,656,930, thus leaving the face amount of obligations which may be issued subject to the $275,000,000,000 statutory debt limitation at $12,025,343,070. In another table in the report, the Treasury indicates that from total gross public debt and guaranteed obligations of $263,917,666,708 should be deducted $943,009,778 (outstanding public debt obligations not subject to debt limitation). Thus the grand total of public debt obligations outstanding as of Oct. 31, 1946 amounted to $262,974,656,930.

On Sept. 30 the statutory debt outstanding was $264,818,383,103 while on Aug. 31 the figures of the debt outstanding were $266,969,580,816. The detailed figures as of June 30, were given in our issue of Dec. 5, page 2947.

The Treasury Department announcement of Nov. 7 covering the Oct. 31 figures follows:

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

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

Total face amount that may be outstanding at any one time			$275,000,000,000
Outstanding Oct. 31, 1946—			
Obligations issued under Second Liberty Bond Act, as amended:			
Interest bearing:			
Treasury bills	$16,987,448,000		
Certificates of indebtedness	32,477,753,000		
Treasury notes	19,354,334,600		
		$68,819,535,600	
Bonds—			
Treasury	119,322,900,450		
*Savings (current redemp. value)	49,624,316,866		
Depositary	383,370,500		
Armed Forces leave	70,263,200		
		169,400,851,016	
Special funds—			
Certificates of indebtedness	11,580,100,000		
Treasury notes	12,435,271,000		
		24,015,371,000	
Total interest-bearing		$262,235,757,616	
Matured, interest ceased		235,535,800	
Bearing no interest:			
War savings stamps		82,988,276	
Excess profits tax refund bonds		34,564,841	
			117,553,117
Total			$262,588,846,533
Guaranteed obligations (not held by Treasury)—			
Interest bearing:			
Debentures: FHA	43,553,630		
Demond obligations: CCC	333,955,586		
		$377,509,222	
Matured, interest ceased		8,301,175	
		$385,810,397	
Grand total outstanding			262,974,656,930
Balance face amount of obligations issuable under above authority			$12,025,343,070

RECONCILEMENT WITH STATEMENT OF THE PUBLIC DEBT—OCT. 31, 1946

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

Outstanding, Oct. 31, 1946:	
Total gross public debt	$263,531,856,311
Guaranteed obligations not owned by the Treasury	385,810,397
Total gross public debt and guaranteed obligations	$263,917,666,708
Deduct—Other outstanding public debt obligations not subject to debt limitation	943,009,778
	$262,974,656,930

Non-Ferrous Metals—Foreign Copper Sold on Basis of 19½c—Lead Strong—Silver Lower

"E. & M. J. Metal and Mineral Markets, in its issue of Dec. 12, stated: "Emergency controls on coal were eased soon after the work stoppage at the mines ended, and the market for non-ferrous metals, so far as rush demands were concerned, returned to normal on Dec. 9. The feature in price developments during the last week was an advance in foreign copper of slightly more than 1¢ per pound.

Demand for foreign copper was well in excess of available supplies. The lead situation strengthened on sales of foreign metal at higher levels. Zinc was unchanged. Silver prices declined as offerings from various foreign sources increased. Refined platinum dropped to $62 an ounce try in a quiet market. Quicksilver was reduced $1 per flask." The publication further went on to say in part as follows:

Copper

The sales volume in foreign copper was larger than in recent weeks, but at rising prices. As the week ended, a fair tonnage of foreign metal brought the equivalent of 19½c, f.a.s. New York, which established the price abroad at approximately the domestic level. Demand for copper from foreign sources was heavy. Some observers believe that production outside of this country will increase in the next month or so, largely because of the likelihood of an early settlement of strikes at foreign properties.

Domestic demand for copper was active. The government is expected to release about 50,000 tons of foreign copper to domestic consumers this month. The price situation here was unchanged.

November deliveries of refined copper totaled 129,206 tons, against 136,481 tons in October, the Copper Institute reports. Production in November continued at about the same level as in the preceding month.

Imports of copper into the United States in September and October, according to the Bureau of the Census, in tons:

	Sept.	Oct.
In ore, matte, etc.	7,214	2,481
Blister	16,639	18,160
Refined	75	6,788
Totals	23,928	27,429

During the first ten months of 1946 the United States imported 34,519 tons of copper in ore, matte, etc., 163,032 tons as blister (copper content), and 128,421 tons as refined metal.

Mine output of copper in October, in terms of recoverable copper amounted to 64,928 tons against 62,300 tons in September and 56,707 tons in August, the Bureau of Mines reports. In the second quarter of the current year production averaged only 32,727 tons a month, the low average resulting from labor disputes. The domestic market was free of major disturbing factors throughout October, in contrast with most other months of the year. Utah's production amounted to 17,700 tons, the largest since October, 1945.

Lead

Interest centered in a report to the effect that foreign lead is now bringing 11c per pound, or three-quarters of a cent above the level that obtained when producers here moved up the domestic price to 11.80c, New York basis. This development has caused some sellers to offer the metal rather sparingly, and scrap strengthener immediately, indicating to the trade that a higher quotation here is probable in the near future. However, up to the close of business on Dec. 11 sellers continued to quote 11.80c, but admitted that the situation was strong.

CPA has not yet decided on what steps to take in reference to the controls on lead. The subject will be discussed at a meeting in Washington called for Dec. 23. Allocation of metal obtained from Japan also will come up for consideration. The "kitty" has been done away with, beginning in January.

Sales of lead for the week amounted to 5,231 tons.

Zinc

Demand for zinc was active, particularly in the galvanizing and die-casting grades. The market continued at 10½c for Prime Western, East St. Louis. With the foreign situation in zinc not as clear as in copper and lead, most operators viewed the market as no more than steady to firm.

The November slab statistics showed that production, domestic shipments, and exports increased, and stocks in the hands of producers declined. The gain in exports was particularly sharp. Figures compiled by the American Zinc Institute covering November and October follow, in tons:

	Nov.	Oct.
Stock at beginning	220,384	230,161
Production	66,818	64,138
Production, daily average	2,227	2,069
Shipments:		
Domestic	75,749	*71,667
Export and drawback	15,648	*2,248
Total shipments	91,397	73,915
Unfilled orders	49,317	52,694
Stock at end of mo.	195,805	220,384

*Revised figures.

Total shipments of 91,397 tons were the highest since March, 1945, a period of unusually heavy war demands. In March last year total shipments came to 94,494 tons, of which only 198 tons were earmarked for export.

The record for the first eleven months of 1946 and 1945, in tons, is summarized as follows:

	Jan.-Nov. 1946	Jan.-Nov. 1945
Stock at beginning	259,391	237,520
Production	719,115	733,358
Shipments:		
Domestics	636,356	706,745
Export, etc.	54,338	8,580
Government acc't	62,007	----
Total shipments	752,701	715,325
Stock at end of mo.	195,805	259,391

Platinum

Effective Dec. 11, refined platinum was reduced to $62 per ounce on wholesale transactions and $65 on sales to consumers. Supplies appear to be ample at the reduced rate of buying by the jewelry industry. The strike at Baker & Co., Newark, N. J., has been settled.

Tin

Production of tin-plate in the United States in the first ten months of 1946 amounted to 2,215,362 tons, of which 708,626 tons was electrolytic. Production in the Jan.-Oct. period of 1945 totaled 2,430,192 tons, of which 740,348 tons was electrolytic.

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

	Dec.	Jan.	Feb.
Dec. 5	70.000	70.000	70.000
Dec. 6	70.000	70.000	70.000
Dec. 7	70.000	70.000	70.000
Dec. 9	70.000	70.000	70.000
Dec. 10	70.000	70.000	70.000
Dec. 11	70.000	70.000	70.000

Chinese, or 99% tin, 69.125c.

Quicksilver

Dealers report a quiet market. Quotations covering a spot metal showed a range of $88 to $92 per flask, or $1 lower than in the preceding week. Metal acquired some time ago at lower prices from so-called outside sources has been pressing on the market. Replacement costs, it is argued in some directions, are higher than prevailing prices, owing to the presently firmer sales policy of the European combine.

Silver

Feelers from foreign sources involving the possible sales of large blocks of silver upset the market last week. On Dec. 5 the New York Official price dropped to 87½c, a loss for the day of 2⅝c. The price recovered somewhat on the following two trading days, declined to 87c on Dec. 10, and settled Dec. 11 at 87c, a net loss for the week of 3⅛c. Sellers were rather vague as to total quantity available, making it impossible to gauge the magnitude of the magnitude of the selling movement, thereby adding to the weakness. Spanish, Russian, Indian, and Mexican offerings were noted here. Spanish metal has been hanging over the market for some time. The nervous market in silver may continue as long as foreign holders not normally identified with the industry stand ready to dispose of large quantities to obtain dollar balances.

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

	Electrolytic Copper Dom. Refy.	Electrolytic Copper Exp. Refy.	Straits Tin, New York	Lead New York	Lead St. Louis	Zinc St. Louis
Dec. 5	19.275	18.500	70.000	11.800	11.650	10.500
Dec. 6	19.275	18,925	70.000	11.800	11.650	10.500
Dec. 7	19.275	18.550	70.000	11.800	11.650	10.500
Dec. 9	19.275	18.550	70.000	11.800	11.650	10.500
Dec. 10	19.275	18.675	70.000	11.800	11.650	10.500
Dec. 11	19.275	19.425	70.000	11.800	11.650	10.500
Average	19.275	18.771	70.000	11.800	11.650	10.500

Average prices for calendar week ended Dec. 7 are: Domestic copper f.o.b. refinery, 19,275¢; export copper, f.o.b. refinery 18.458¢; Straits tin, 70.000¢; New York lead, 11.800¢; St. Louis lead, 11.650¢; St. Louis zinc, 10.500¢; and silver, 89.125¢.

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.

Utility Labor Peace Conference

After a day's conference of representatives of labor and management in public utility industries, on Dec. 9, called by Secretary of Labor Schwellenbach at the behest of the Labor-Management Advisory Committee set up by the Department, the group released a statement acknowledging their responsibility to use every effort "to maintain industrial peace," Associated Press advices from Washington stated. The conferences, which constituted the government's first effort in a movement to free the industry from strikes capable of paralyzing whole communities, was conducted by Edgar L. Warren, director of the United States Conciliation Service.

The day's talks, it is stated developed some opposition to any use of compulsory arbitration to force peace in the industry, but Mr. Warren declined to say whether it came from union or management. Although the session was closed, it was learned that there was general agreement that a strike in a public utility industry had a far-reaching effect and for that reason it was appropriate to carry on conference even though it was generally considered that the record of the utility industry was comparatively good in the field of labor relations. Mr. Warren was reported to have refrained from asking the union conferees for a no-strike pledge, and to have told the representatives of three CIO and AFL unions that "the government's policy is one of free collective bargaining."

Upon recessing until a later date, delegates were said to have arranged to continue the discussions by separate industry groups.

Rise in Silver Price

Following a break in silver prices in the New York market on Dec. 5, the price moved up three-quarters of a cent on Dec. 9, marking a recovery of a cent since the 5th, when there was a break of 2⅝ cents to 87½ cents. Noting the reduction in the silver price on Dec. 5, the New York "Times" of Dec. 6, said:

"Reflecting a substantial offering of silver from London, Handy & Harman, local bullion dealers, lowered yesterday the price of that metal to 87½ cents an ounce from 90⅛ cents. It was believed that the British offering was associated with recent pronounced weakness in the Bombay market, one of the principal trading centers for silver.

"For several weeks, the supply and demand for silver have been in fairly close balance. However, the price has been maintained at 90⅛ cents an ounce here since Oct. 3, when the market dipped to 89 cents."

The same paper in its Dec. 10 issue stated:

"Several hundred thousand ounces of silver of Mexican origin were sold yesterday in the New York market at 88¾ cents an ounce, an increase of ¾ of 1 cent over last Friday's price.

"The sale followed announcement by Handy & Harman, silver traders, of an advance of ¾ of 1 cent to 88½ cents an ounce in the official rate of the metal. The official rate is always ¼ of 1 cent under the prevailing selling rate.

"The price advance yesterday was the second consecutive increase in the official rate since last Thursday [Dec. 5] when it was raised ¼ of 1 cent.

"Reports in silver trade circles yesterday said that Spanish silver has been offered to United States consumers at 89 cents an ounce. It was also said that a considerable quantity of the metal from the Far East is now being offered here."

Revenue Freight Car Loadings During Week Ended Dec. 7, 1946 Increased 68,173 Cars

Loading of revenue freight for the week ended Dec. 7, 1946 totaled 729,084 cars, the Association of American Railroads announced on Dec. 12. This was a decrease of 47,292 cars or 6.1% below the corresponding week in 1945, and a decrease of 64,072 cars or 8.1% below the same week in 1944.

Loading of revenue freight for the week of Dec. 7 increased 68,173 cars or 10.3% above the preceding week.

Miscellaneous freight loading totaled 395,164 cars, an increase of 39,412 cars above the preceding week, and an increase of 45,331 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 129,196 cars, an increase of 11,597 cars above the preceding week, and an increase of 11,946 cars above the corresponding week in 1945.

Coal loading amounted to 59,943 cars, which includes coal strike, an increase of 7,380 cars above the preceding week but a decrease of 114,476 cars below the corresponding week in 1945.

Grain and grain products loading totaled 55,007 cars, an increase of 8,159 cars above the preceding week but a decrease of 3,856 cars below the corresponding week in 1945. In the Western Districts alone grain and grain products loading for the week of Dec. 7 totaled 36,825 cars, an increase of 5,522 cars above the preceding week, but a decrease of 3,508 cars below the corresponding week in 1945.

Livestock loading amounted to 18,627 cars, an increase of 1,061 cars above the preceding week, but a decrease of 2,430 cars below the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Dec. 7 totaled 14,573 cars, an increase of 795 cars above the preceding week, but a decrease of 1,449 cars below the corresponding week in 1945.

Forest products loading totaled 48,893 cars, an increase of 9,635 cars above the preceding week and an increase of 18,608 cars above the corresponding week in 1945.

Ore loading amounted to 14,110 cars, a decrease of 8,217 cars below the preceding week but an increase of 2,445 cars above the corresponding week in 1945.

Coke loading amounted to 8,144 cars, a decrease of 854 cars below the preceding week and a decrease of 4,860 cars below the corresponding week in 1945.

All districts reported increases compared with the corresponding week in 1945 except the Allegheny and Pocahontas, and all reported decreases compared with same week in 1944 except Southern, Northwest and Centralwest.

	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
5 weeks of November	4,220,275	4,011,044	4,172,739
Week of Dec. 7	729,084	776,376	793,156
Total	39,048,270	39,952,704	41,310,205

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 7, 1946. During this period 80 roads reported gains over the week ended Dec. 8, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED DEC. 7

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	417	406	321	1,115	1,475
Bangor & Aroostook	2,062	3,032	2,476	370	338
Boston & Maine	7,637	6,971	6,826	12,876	13,774
Chicago, Indianapolis & Louisville	1,260	1,341	1,354	1,887	2,191
Central Indiana	40	42	32	35	48
Central Vermont	1,103	1,148	1,110	2,756	2,676
Delaware & Hudson	5,135	4,252	4,894	10,108	11,099
Delaware, Lackawanna & Western	7,785	7,087	7,800	8,450	8,707
Detroit & Mackinac	471	409	241	247	161
Detroit, Toledo & Ironton	2,504	1,957	1,621	967	1,257
Detroit & Toledo Shore Line	461	331	381	1,601	2,821
Erie	13,099	11,315	12,279	12,428	14,753
Grand Trunk Western	4,929	3,144	3,829	6,450	8,464
Lehigh & Hudson River	190	154	155	2,317	2,166
Lehigh & New England	2,776	2,028	1,900	1,304	1,358
Lehigh Valley	8,775	8,047	8,205	7,497	8,264
Maine Central	2,759	2,480	2,394	3,542	4,247
Monongahela	1,578	5,425	5,267	258	313
Montour	409	2,933	2,593	25	33
New York Central Lines	47,385	44,514	46,719	36,203	50,067
N. Y., N. H. & Hartford	10,765	10,733	9,780	14,773	14,997
New York, Ontario & Western	910	965	869	2,336	1,889
New York, Chicago & St. Louis	6,936	6,090	6,611	10,638	13,601
N. Y., Susquehanna & Western	460	408	373	1,423	2,168
Pittsburgh & Lake Erie	4,708	7,299	7,385	4,671	8,074
Pere Marquette	7,287	5,383	5,239	5,599	6,672
Pittsburg & Shawmut	282	594	734	45	11
Pittsburg, Shawmut & Northern	148	141	251	115	185
Pittsburgh & West Virginia	194	838	873	2,083	1,681
Rutland	442	375	337	1,060	1,126
Wabash	6,548	6,126	5,872	9,920	11,749
Wheeling & Lake Erie	2,804	4,487	5,196	3,306	3,630
Total	152,259	150,455	153,923	166,405	199,995
Allegheny District—					
Akron, Canton & Youngstown	591	579	682	974	1,207
Baltimore & Ohio	34,275	40,673	41,557	20,240	24,267
Bessemer & Lake Erie	1,302	2,628	2,561	766	1,268
Cambria & Indiana	6	1,488	1,569	6	10
Central R. R. of New Jersey	6,387	5,860	6,141	17,113	16,125
Cornwall	409	477	498	38	53
Cumberland & Pennsylvania	37	239	177	12	8
Ligonier Valley	97	36	94	14	2
Long Island	1,535	1,558	1,755	4,494	4,462
Penn-Reading Seashore Lines	1,957	1,816	1,952	1,869	1,823
Pennsylvania System	63,870	72,959	77,768	44,756	55,567
Reading Co.	16,279	13,353	14,565	20,449	24,398
Union (Pittsburgh)	9,999	17,444	19,353	2,879	3,779
Western Maryland	2,030	3,285	3,699	8,909	10,407
Total	138,774	162,395	172,371	122,519	143,376
Pocahontas District—					
Chesapeake & Ohio	8,922	28,671	28,009	8,314	11,959
Norfolk & Western	7,280	20,580	21,036	6,541	5,988
Virginian	596	4,881	4,652	996	1,404
Total	16,798	54,132	53,697	15,851	19,351
Southern District—					
Alabama, Tennessee & Northern	334	392	272	201	153
Atl. & W. P.—W. R. R. of Ala.	960	782	681	2,007	1,883
Atlanta, Birmingham & Coast	†	†	†	†	†
Atlantic Coast Line	16,135	13,910	13,765	10,058	10,231
Central of Georgia	4,500	3,629	3,448	4,450	4,703
Charleston & Western Carolina	553	337	362	1,207	1,337
Clinchfield	1,063	1,447	1,563	2,320	2,915
Columbus & Greenville	368	349	307	263	243
Durham & Southern	99	72	142	341	470
Florida East Coast	3,188	2,647	2,577	2,029	1,469
Gainesville Midland	97	58	60	102	142
Georgia	1,250	1,021	1,081	2,006	2,058
Georgia & Florida	430	404	400	747	698
Gulf, Mobile & Ohio	4,895	4,379	4,392	3,695	4,523
Illinois Central System	24,726	26,262	27,408	13,993	14,760
Louisville & Nashville	17,039	25,717	25,768	10,031	9,559
Macon, Dublin & Savannah	246	214	170	988	973
Mississippi Central	362	256	230	350	410
Nashville, Chattanooga & St. L.	3,609	2,876	3,078	4,018	3,884
Norfolk Southern	1,538	1,106	869	1,495	1,383
Piedmont Northern	476	396	460	1,224	1,444
Richmond, Fred. & Potomac	454	386	461	9,643	9,040
Seaboard Air Line	13,920	10,771	10,541	7,759	8,404
Southern System	26,838	23,838	23,553	20,454	23,388
Tennessee Central	710	442	655	717	780
Winston-Salem Southbound	151	135	180	755	953
Total	123,941	121,826	122,423	100,853	105,803
Northwestern District—					
Chicago & North Western	17,446	16,708	15,020	12,680	13,446
Chicago Great Western	2,729	3,029	2,575	3,292	3,481
Chicago, Milw., St. P. & Pac.	22,162	22,020	22,279	9,610	10,045
Chicago, St. Paul, Minn. & Omaha	4,216	4,139	3,672	4,211	4,073
Duluth, Missabe & Iron Range	1,278	984	914	248	296
Duluth, South Shore & Atlantic	651	563	596	782	423
Elgin, Joilet & Eastern	8,292	8,606	8,641	6,423	10,340
Ft. Dodge, Des Moines & South	483	491	379	99	117
Great Northern	17,655	13,906	13,495	4,770	4,170
Green Bay & Western	4 85	560	478	563	851
Lake Superior & Ishpeming	517	192	201	76	50
Minneapolis & St. Louis	1,741	2,380	2,015	2,711	2,427
Minn., St. Paul & S. S. M.	5,866	5,884	5,303	3,752	3,438
Northern Pacific	12,705	11,097	11,056	4,753	4,505
Spokane International	181	121	164	480	451
Spokane, Portland & Seattle	2,593	1,875	2,687	2,568	2,130
Total	99,000	92,555	89,475	57,318	60,243
Central Western District—					
Atch., Top. & Santa Fe System	30,231	25,328	23,191	10,871	9,713
Alton	2,978	3,052	3,698	2,738	3,131
Bingham & Garfield	480	279	377	71	64
Chicago, Burlington & Quincy	18,183	21,853	19,279	12,471	11,509
Chicago & Illinois Midland	194	3,076	2,939	871	875
Chicago, Rock Island & Pacific	14,695	13,998	11,424	11,922	12,121
Chicago & Eastern Illinois	2,297	2,910	2,908	2,667	3,382
Colorado & Southern	956	887	673	1,721	1,763
Denver & Rio Grande Western	2,453	3,633	4,211	4,423	4,364
Denver & Salt Lake	214	823	640	72	51
Fort Worth & Denver City	1,319	907	687	1,713	1,463
Illinois Terminal	2,232	1,803	2,282	1,390	1,476
Missouri-Illinois	1,035	1,031	1,151	443	460
Nevada Northern	1,602	1,439	1,633	44	160
North Western Pacific	812	455	737	690	567
Peoria & Pekin Union	7	13	29	0	0
Southern Pacific (Pacific)	29,958	26,253	31,662	10,885	9,871
Toledo, Peoria & Western	§	§	360	§	§
Union Pacific System	19,388	19,609	18,464	12,998	13,051
Utah	0	833	530	3	6
Western Pacific	2,120	2,086	2,205	3,019	3,196
Total	130,974	130,268	129,080	79,012	77,223
Southwestern District—					
Burlington-Rock Island	291	289	316	419	604
Gulf Coast Lines	5,015	5,007	6,281	2,280	2,400
International-Great Northern	2,374	1,980	2,442	3,686	3,718
‡K. O. & G.-M. V.-O. C.-A.-A.	1,537	1,336	766	2,190	1,701
Kansas City Southern	3,499	2,787	4,691	2,734	3,008
Louisiana & Arkansas	2,367	2,502	3,504	2,258	2,647
Litchfield & Madison	325	342	343	1,100	1,358
Missouri & Arkansas	§	201	140	§	381
Missouri-Kansas-Texas Lines	6,134	5,654	6,192	4,095	4,181
Missouri Pacific	16,685	17,016	16,916	14,809	14,775
Quanah Acme & Pacific	200	133	62	255	149
St. Louis-San Francisco	8,944	9,935	9,338	7,280	7,934
St. Louis-Southwestern	3,549	2,836	3,626	4,991	4,967
Texas & New Orleans	10,394	9,647	11,939	5,755	5,932
Texas & Pacific	5,910	4,987	5,517	7,003	6,285
Wichita Falls & Southern	92	73	86	41	75
Weatherford M. W. & N. W.	22	20	28	18	18
Total	67,338	64,745	72,187	58,914	60,133

†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
Dec. 7	207,137	172,417	578,742	99	96

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

Oct. Rayon Production At All Time High

In the December issue of the "Rayon Organon" a new table of broad woven rayon fabrics appears showing the average weekly mill grey cloth production by months from the beginning of 1943 through October 1946. The data, gathered by the Textile Economics Bureau, in cooperation with the National Federation of Textiles, Inc. and Textile Surveys, Inc., reveals that weekly production in October 1946 reached an all-time high of 36,000,000 yards per week. Total rayon yarn stocks in weaving mills at the end of October were 30,000,000 pounds, indicating a continuing low ratio of yarn inventory to grey goods output.

Caustic soda shortages, Election Day and Thanksgiving holidays all combined to slow rayon yarn output in November, according to the "Organon." Shipments in November totaling 70,500,000 pounds were 6% below the October figure of 75,100,000 pounds. Total shipments for the first 11 months of the year amounted to 772,000,000 pounds, a 10% gain over the corresponding period in 1945. It is also stated:

"November rayon filament yarn shipments amounted to 57,500,000 pounds (41,200,000 pounds of viscose+cupra and 16,300,000 pounds of acetate), while staple deliveries aggregated 13,000,000 pounds (9,400,000 pounds of viscose and 3,600,000 pounds of acetate). Rayon stocks held by producers at the end of November increased over October levels. Producers' stocks of viscose+cupra yarn were 8,200,000 pounds, acetate yarn 1,800,000 pounds, and staple fiber 2,600,000 pounds."

Southern Bankers Assn. Elects Officers

E. R. Alexander of Columbia, S. C., on Dec. 3, was elected President of the Bankers Association of the Southern States, at the final session of the two day conference held in Nashville, it was stated in Associated Press advices from Nashville, in which it was also stated:

Other officers elected were Fred W. Greene of Raleigh, N. C., Vice President, and Ralph Fontaine of Louisville, Ky., Secretary.

The association voted to hold its 1947 meeting in Alabama, either in Birmingham or Montgomery.

Weekly Lumber Shipments 0.8% Below Production

According to the National Lumber Manufacturers Association, lumber shipments of 419 mills reporting to the National Lumber Trade Barometer were 0.8% below production for the week ending Dec. 7, 1946. In the same week new orders for these mills were 5.8% below production. Unfilled orders files of the reporting mills amounted to 53% of stocks. For reporting softwood mills, unfilled orders are equivalent to 23 days' production at the current rate, and gross stocks are equivalent to 42 days' production.

For the year-to-date, shipments of reporting identical mills were 0.6% below production; orders were 0.9% below production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 19.9% above; shipments were 28.8% above; orders were 5.6% above. Compared to the corresponding week in 1945, production of reporting mills was 39.7% above; shipments were 45.7% above; and new orders were 28.8% above.

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Dec. 7, 1946, the last week of the strike, was estimated by the United States Bureau of Mines at 2,240,000 net tons, compared with 2,050,000 tons in the preceding week and 12,276,000 tons in the corresponding week of last year. Cumulative output during the calendar year through Dec. 7, 1946 totaled some 487,446,000 net tons, which was a decrease of 10.3% below the 543,291,000 tons mined in the comparable period of 1945, ended Dec. 8.

Production of Pennsylvania anthracite for the week ended Dec. 7, 1946, as estimated by the Bureau of Mines, was 1,251,000 net tons, an increase of 88,000 tons (7.6%) over the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 230,000 tons, or 22.5%. Cumulative production of hard coal in the calendar year through Dec. 7, 1946, was approximated at 56,856,000 net tons, which was an increase of 9.1% above the 52,131,000 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 Dec. 7, 1946, showed a decrease of 600 tons when compared with the output for the week ended Nov. 30, 1946; and was 76,000 tons less than for the corresponding week of 1945.

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

	Week Ended			Jan. 1 to Date	
Bituminous coal and lignite—	Dec. 7, 1946	Nov. 30, 1946	Dec. 8, 1945	*Dec. 7, 1946	Dec. 8, 1945
Total, including mine fuel	2,240,000	2,050,000	12,276,000	487,446,000	543,291,000
Daily average	373,000	†410,000	2,046,000	1,708,000	1,890,000

*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—	‡Dec. 7, 1946	§Nov. 30, 1946	Dec. 8, 1945	‡Dec. 7, 1946	Dec. 8, 1945	Dec. 11, 1937
*Total incl. coll. fuel	1,251,000	1,163,000	1,021,000	56,856,000	52,131,000	48,685,000
†Commercial produc.	1,203,000	1,118,000	982,000	54,664,000	50,124,000	46,251,000
Beehive Coke—						
United States total	8,500	9,100	84,500	3,900,200	4,940,700	3,083,600

*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. 30, 1946	Nov. 23, 1946	Dec. 1, 1945
Alabama	28,000	131,000	419,000
Alaska	7,000	7,000	5,000
Arkansas	14,000	24,000	37,000
Colorado	4,000	89,000	185,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	278,000	396,000	1,445,000
Indiana	32,000	208,000	539,000
Iowa	14,000	21,000	44,000
Kansas and Missouri	38,000	83,000	145,000
Kentucky—Eastern	68,000	542,000	1,100,000
Kentucky—Western	237,000	275,000	441,000
Maryland	6,000	21,000	41,000
Michigan	1,000	1,000	5,000
Montana (bituminous and lignite)	52,000	67,000	96,000
New Mexico	2,000	19,000	31,000
North and South Dakota (lignite)	82,000	90,000	82,000
Ohio	98,000	464,000	687,000
Oklahoma	36,000	56,000	64,000
Pennsylvania (bituminous)	478,000	1,978,000	2,795,000
Tennessee	13,000	70,000	147,000
Texas (bituminous and lignite)	1,000	2,000	2,000
Utah	1,000	94,000	142,000
Virginia	23,000	143,000	384,000
Washington	8,000	13,000	31,000
†West Virginia—Southern	58,000	876,000	2,195,000
‡West Virginia—Northern	462,000	660,000	1,106,000
Wyoming	8,000	139,000	221,000
§Other Western States	*	*	*
Total bituminous and lignite	2,050,000	6,470,000	12,390,000

†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.

Coal Exports Affected by Strikes

Less than one-half the coal allocated for export was shipped during the past three months, due to maritime strikes in September and October and to the miners' strike which started on Nov. 21, Dan H. Wheeler, Deputy Solid Fuels Administrator, announced on Dec. 14.

November shipments totaled 1,251,507 gross tons, or only 42.6% of its 2,939,120 gross tons allocated. No shipments of bituminous coal were made after the freeze orders became effective on Nov. 16 except for three cargoes which were permitted to load with coal for gas plants in South America. Shipments of anthracite were not affected by SFAW freeze orders.

Solid fuel exports during October totaled 1,072,048 gross tons, or 45.7% of allocations of 2,344,500 gross tons. September exports amounted to 1,631,945 gross tons, or 54.6% of allocations of 2,989,500 gross tons.

In comparison, August coal exports amounted to 2,406,084 gross tons, or 91% of total allocations.

Total exports for September, October and November were 3,955,500 gross tons, or 47.81% of allocations amounting to 8,273,120 gross tons for the three months. The difference, 4,317,620 gross tons, should have gone principally to European countries.

Except for coal procured for Italy by the United Nations Relief and Rehabilitation Administration and that shipped by the U. S. Army, all coal exported was purchased by the importing country, either through the Treasury Procurement program or through commercial channels.

From April 1 through Nov. 30, 1946, solid fuel exports to Europe and Africa have totaled 10,371,960 gross tons, of which 8,546,999 gross tons were shipped to the liberated areas of Europe and to Italy and Yugoslavia. The remainder of 1,824,961 gross tons went to other European countries and Africa.

Since the inception of the Solid Fuel Administration export program on Aug. 1, 1945, to Nov. 30, 1946, this country has shipped 18,504,575 gross tons to liberated areas in Europe, Italy and Yugoslavia, and 3,407,309 gross tons to other countries of Europe and to Africa, a total of 21,911,884 gross tons.

Daily Average Crude Oil Production for Week Ended Dec. 7, 1946 Decreased 99,824 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 7, 1946 was 4,694,750 barrels, a decrease of 99,824 barrels per day from the preceding week, but was 225,850 barrels per day in excess of the output in the week ended Dec. 8, 1945. The daily average figure estimated by the United States Bureau of Mines as the requirement for the month of December, 1946 was 4,677,000 barrels. Daily production for the four weeks ended Dec. 7, 1946, averaged 4,772,800 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 4,720,000 barrels of crude oil daily and produced 14,845,000 barrels of gasoline; 1,866,000 barrels of kerosine; 5,870,000 barrels of distillate fuel, and 7,847,000 barrels of residual fuel oil during the week ended Dec. 7, 1946; and had in storage at the end of that week 88,183,000 barrels of finished and unfinished gasoline; 19,527,000 barrels of kerosine; 63,861,000 barrels of distillate fuel, and 57,209,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements December	State Allowables Begin. Dec. 1	Actual Production Week Ended Dec. 7, 1946	Change from Previous Week	4 Weeks Ended Dec. 7, 1946	Week Ended Dec. 8, 1945
**New York-Penna.	48,200		47,850	— 1,150	49,300	44,800
Florida			200	+ 126	50	50
**West Virginia	8,400		6,050	— 1,100	7,500	6,900
**Ohio—Southeast	7,600		5,200	— 700	5,650	4,000
Ohio—Other			2,150	— 350	2,350	3,200
Indiana	19,000		20,600	+ 1,000	19,600	14,100
Illinois	210,000		201,200	— 2,500	202,700	204,700
Kentucky	29,000		30,350	+ 350	30,050	29,950
Michigan	46,000		44,550	+ 1,300	45,100	43,100
Nebraska	800		†750	----	750	750
Kansas	263,000	270,000	†249,950	—25,950	268,850	242,150
Oklahoma	380,000	362,400	†371,050	+ 3,550	367,650	388,000
Texas—						
District I			18,850	— 150	18,950	----
District II			136,550	—10,650	144,550	----
District III			428,600	—35,700	455,350	----
District IV			211,300	—15,050	222,600	----
District V			34,950	— 1,900	36,350	----
East Texas			317,150	— 6,850	322,300	----
Other Dist. VI			100,200	— 4,850	103,850	----
District VII-B			34,600	— 700	35,100	----
District VII-C			27,950	— 1,550	29,100	----
District VIII			500,800	— 6,450	505,650	----
District IX			118,500	— 2,900	120,700	----
District X			81,000	+ 450	80,650	----
Total Texas	2,050,000	‡2,000,267	2,010,450	—86,300	2,075,150	1,918,900
North Louisiana			93,050	+ 400	92,500	75,500
Coastal Louisiana			310,200	+ 850	309,500	295,300
Total Louisiana	382,000	444,000	403,250	+ 1,250	402,000	370,800
Arkansas	76,000	81,247	73,500	— 50	73,350	76,000
Mississippi	60,000		80,750	+ 700	79,600	54,900
Alabama	2,000		1,050	+ 50	1,350	700
New Mexico—So. East	98,000	109,000	102,200	+ 1,700	100,900	97,500
New Mexico—Other			500		500	400
Wyoming	96,000		105,250	— 300	105,250	90,250
Montana	24,000		23,150	— 1,300	23,550	20,300
Colorado	32,000		38,850	— 350	37,950	20,950
California	845,000	§840,700	876,300	+10,200	873,650	836,500
Total United States	4,677,000		4,694,750	—99,824	4,772,800	4,468,900
**Pennsylvania Grade (included above)			59,100	— 2,950	62,450	55,700

*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., Dec. 5, 1946.

‡This is the net basic allowable as of Dec. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 8 to 11 days, the entire State was ordered shut down for 8 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 8 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 DEC. 7, 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	726	86.5	1,887	18,930	8,642	23,031	10,717
Appalachian—								
District No. 1	76.3	102	71.3	305	2,406	470	548	382
District No. 2	84.7	64	103.2	252	905	51	99	227
Ind., Ill., Ky.	87.4	760	87.4	2,776	15,610	2,207	7,605	4,810
Okla., Kans., Mo.	78.3	377	80.4	1,376	8,720	1,176	3,278	1,317
Inland Texas	69.8	210	63.6	1,017	3,451	418	575	796
Texas Gulf Coast	89.2	1,096	89.4	3,247	13,425	3,524	11,093	7,181
Louisiana Gulf Coast	97.4	378	117.8	1,109	4,730	1,799	4,289	2,343
No. La. & Arkansas	55.9	60	47.6	167	1,859	310	510	161
Rocky Mountain—								
New Mexico	19.0	11	84.6	37	86	215	36	39
Other Rocky Mt.	70.9	125	75.8	393	1,795	144	471	618
California	85.5	811	81.6	2,279	16,266	771	12,326	28,618
Total U. S. B. of M. basis Dec. 7, 1946	85.8	4,720	84.9	14,845	*88,183	19,527	63,861	57,209
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
U. S. B. of M. basis Dec. 8, 1945		4,437		14,503	†87,694	11,490	42,560	44,079

*Includes unfinished gasoline stocks of 8,495,000 barrels. †Includes unfinished gasoline stocks of 8,517,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 1,866,000 barrels of kerosine, 5,870,000 barrels of gas oil and distillates fuel oil and 7,847,000 barrels of residual fuel oil in the week ended Dec. 7, 1946, which compares with 1,896,000 barrels, 5,258,000 barrels and 7,672,000 barrels, respectively, in the preceding week and 1,631,000 barrels, 4,544,000 barrels and 8,738,000 barrels, respectively in the week ended Dec. 8, 1945.

Report on RFC "Prefab" Loans

Reconstruction Finance Corporation prefabricated housing loans went above $4,000,000 on Dec. 3, and two more applications totaling $26,000,000 were reopened, according to Washington advices from the Associated Press. New loans reported as approved said the press accounts were:

Clements Corporation, Southport, Conn., $1,100,000 for 2,500 units.

Laminated Wood Products, Chicago, $130,000 for production of a new type of flooring.

Interlocking Walls Corporation, Los Angeles, $69,000 for a new type wall material for 1,000 homes.

The reopened cases were those of Andrew J. Higgins, Inc., of New Orleans, seeking $11,000,000; and Reliance Houses, Inc., Lester, Pa., $15,000,000.

Previously RFC had granted a total of $2,850,000 in loans to the General Panel Corporation, of Los Angeles; the Knox Corporation, of Thomson, Ga.; Continental Basic Materials, of Chula Vista, Calif., and Unit Structures, Inc., of Peshtigo, Wis.

In addition RFC listed these applications as pending, without any decision one way or the other:

Timber Fabricators, Inc., Shamrock, Fla., $85,000.

Crawford and Company, Baton Rouge, La., $850,000.

Vacuum Concrete Corporation, Philadelphia, $500,000.

Western Gypsum, Inc., Sigurd, Utah, $800,000.

Death of Dr. Rowe

Dr. Leo S. Rowe, economist and Director General of the Pan American Union, died Dec. 5 when struck by an automobile in Washington while crossing the street in front of the Bolivian Embassy on Massachusetts Avenue, where he was going to attend a reception in honor of Guillermo Gutierrez, head of the Bolivian Development Corporation. In a letter the following day to Dr. Antonio Rocha, Chairman of the Pan American Union's Governing Board, President Truman expressed shock and sadness over Dr. Rowe's death, saying that the cause of Pan Americanism thus "loses an earnest and able champion." "He will be greatly missed and widely mourned," concluded the President.

Dr. Rowe, who was 75 years of age, had been Director General of the Pan American Union since 1920. In the Philadelphia "Evening Bulletin" of Dec. 6, it was stated, in part:

"A native of McGregor, Iowa, Dr. Rowe was a graduate of the University of Pennsylvania and a former faculty member in the Wharton School. He came to Philadelphia with his family in 1879. He was graduated from Central High School, and enrolled at Penn. He won his Ph.D. degree at the University of Halle, in Germany, and returned to Penn to study law.

"Dr. Rowe was admitted to the bar in 1895. He held honorary degrees from universities in Argentina, Peru and Chile, and had been awarded a number of medals by South American countries in recognition of his quarter-century of work with the Pan-American Union.

"He was Assistant Secretary of the Treasury in 1917-19, and served as head of the State Department's Latin-American division until he became head of the Union, which is the official international organization of the 21 Republics of the Western Hemisphere."

Items About Banks, Trust Companies

The annual Christmas Carol Concert of the City Bank Choral Society, composed of employees of The National City Bank of New York and City Bank Farmers Trust Company was given on Wednesday evening, Dec. 18 at 5:30 p.m., on the Main Bank Floor at 55 Wall Street. Lawrence W. Huse was the conductor and Carlos F. Newman, organist. Natalie Liddell is Chairman of the Choral Society. On the 19th, 20th, 23rd and 24th of December daily organ recitals will be given on the bank floor from noon to 1 p.m.

At the regular meeting of the Board of Directors of The National City Bank New York on Dec. 17, the following were appointed resident Vice-Presidents: Alexander D. Calhoun, John T. Reed, Charles R. Varty and Henry H. Whitman. All are assigned to the Overseas Division. The following were appointed Assistant Vice-Presidents: George E. Barnett, Leslie C. Riggs, Charles H. Larson and John I. Pearce. Henry H. Debes was made Assistant Comptroller, and the following were appointed Assistant Cashiers: Donald M. Lovett, Hollister B. Cox, Edward A. Jesser, Jr., Peyton F. McLamb, Walter W. Jeffers, and John K. Fitzpatrick.

Frank K. Houston, Chairman has announced that the Board of Directors of the Chemical Bank & Trust Company of New York authorized on Dec. 12 the transfer of $5,000,000 from undivided profits to surplus thereby increasing the surplus to $70,000,000. Combined Capital & Surplus now totals $95,000,000.

E. Chester Gersten, President of The Public National Bank and Trust Company of New York, announces the appointment of Omar R. Dedert, who is located at the Main Office, as Assistant Cashier.

Arthur S. Kleeman, President of Colonial Trust Company of New York announced on Dec. 16, the appointment of Warren A. Poitras as Assistant Secretary and Assistant Treasurer. Mr. Poitras, who recently returned after four years' service as a Special Agent in the Counter Intelligence Corps of the United States Army, is in the Correspondent Bank Division of the institution. He is a member of the Young Men's Board of Trade of New York, and Chairman of the National Opinion Forum Committee.

Mr. Kleeman also announced the appointment of John Dowling as an Assistant Manager in the Foreign Division. Mr. Dowling was for many years in the Foreign Department of the National City Bank, and during the war he served as a chief Yeoman in the United States Navy.

The election of C. William Borchers from Secretary to Vice-President and Secretary of the North Side Savings Bank, 3230 Third Ave., New York City (Bronx) was announced on Dec. 9 by the bank's President Fred Berry. Mr. Borchers has been an employee of the North Side Savings Bank for the past 27 years. He began his career with the Bronx institution as a clerk. In making the announcement, President Berry stated that "it is the policy of this bank and always will be, for promotions to executive positions within this savings institution to be made, whenever possible, among our own employees." Mr. Borchers, who resides in Ardsley, is a director of the First National Bank of Ardsley; after six years of service on the Ardsley Board of Trustees, Mr. Borchers is now serving as Mayor of that Village.

Eugene J. McCarthy has been appointed Assistant Treasurer of The County Trust Company of White Plains, N. Y. according to a statement issued by Andrew Wilson, Jr., President. Mr. McCarthy, a resident of Scarsdale for five years, has been associated for the past ten years with the Bank for Savings in the City of New York in charge of Westchester and upstate New York mortgage activities. Prior to his connection with the Bank for Savings, he was identified with real estate sales and management in New York City. Mr. McCarthy will be affiliated with the mortgage department of the County Trust Company.

The Dime Savings Bank of Brooklyn, N. Y. will entertain depositors and friends on Tuesday afternoon (Dec. 24) from one to two o'clock with a program of Christmas Carols sung by the Glee Club of the Bank, at their main office, Fulton Street and DeKalb Avenue, Brooklyn. This will be the 13th annual Christmas Carol Sing to which the public has been invited. Song booklets are distributed so that everyone may participate in the Holiday singing. The Dime Savings Bank Glee Club is composed of 37 voices, under the direction of Grant Smith, organist and Choirmaster of Trinity Church, Ossining, N. Y. George C. Johnson, President of the Bank will extend Seasons Greetings during the program. The Christmas Carol Program will be broadcast from the bank over Radio Station WNEW (11:30 KC.) from 1 p.m. to 1:30 p.m.

Stockholders of Brooklyn Trust Company of Brooklyn, N. Y. have been asked to ratify a Pension Plan for the benefit of employees of the Company and its affiliate, Brooklyn City Safe Deposit Company, at the annual meeting to be held on Jan. 13, next. Under the plan as submitted, which if ratified will become effective Feb. 1, 1947, all employees under the age of 65 who have five years or more of continuous service with the Company will be eligible to become members of the plan on its effective date and those with less than five years' service will become eligible on the first of the month following completion of five years' service, provided they have not then attained the normal retirement age of 65 years. Members of the plan will be entitled to receive pensions on retirement at age 65, which will be determined by length of service and amount of salary. The formula for determining the total pension, on an annual basis, will be as follows: For Past Service (prior to Feb. 1, 1947): 1% of annual rate of salary as of Jan. 1, 1947, multiplied by the number of years of past service excluding the first five such years. For Future Service (after Feb. 1, 1947): 1% of the first $3,000 of annual salary plus 2% of the excess over $3,000 for each year of future service.

The announcement also says:

"The entire cost of past service pension credits will be borne by the Company. Employees receiving salaries of 3,000 a year or less will not be required to contribute to the cost of the plan. Those receiving over $3,000 a year will contribute approximately 6% of the excess of their annual salaries over $3,000.

"The pensions will be insured and paid by the Equitable Life Assurance Society of the United States under a Group Annuity Contract, except those of persons already over 65 years of age on the effective date of the plan, which will be paid directly by the Company in the same amounts as though such persons had been covered by the Group Annuity Contract and had retired at age 65."

In a letter to stockholders accompanying the plan and the notice of the meeting, George V. McLaughlin, President of the Company, stated that the cost of funding pensions based on past service had been estimated at approximately $1,230,000, which may be paid in instalments over a period of 10 years or longer. Mr. McLaughlin said further that the cost of future service pension credits to be paid by the Company in the first year had been estimated at approximately $95,000 and that the cost of providing pensions for persons over 65 years of age on the effective date would be approximately $37,000 for the first year of operation of the Plan.

Directors of the State Bank of Kenmore have voted to recommend to stockholders that they approve a 50% stock dividend, President Albert A. McMullen announced on Dec. 11, it was stated in the Buffalo "Evening News" of that date. The stockholders will vote on the proposal at their annual meeting Jan. 14. From the "Evening News" we quote:

If the measure is approved, the stockholders would receive a half share for each share held. The par value of the stock would remain at $10 a share but the institution's capital would be raised from $200,000 to $300,000. Funds for the stock dividend would be provided out of the bank's surplus of $400,000. Mr. McMullen said the proposed stock dividend has been approved by the State Banking Department.

"Directors also declared a cash dividend of 75 cents a share, payable Dec. 31 to stockholders of record Dec. 20. This will raise total dividend disbursements for 1946 to $1.50 a share, the same as paid in 1945. Previously this year, the bank distributed three dividends of 25 cents each. The stock was bid Tuesday at 30."

A 50% stock dividend, payable to stockholders of record on Dec. 30, has been declared by the Lockport Exchange Bank of Lockport, N. Y. it is learned from the Buffalo "Evening News" of Dec. 11. The paper from which we quote added:

For each two shares held, the stockholders are to receive one share of stock. A cash dividend of 30 cents a share on stock of record as of Dec. 10 also was voted by directors. This was designated as 20 cents regular semi-annual and 10 cents extra, making a total of 50 cents for the year.

Col. Robert A. Duffy, who prior to his service in the war was associated with the Federal Reserve Bank of Boston, has joined the Marine National Exchange Bank of Milwaukee, Wis. and has been assigned to the trust department; this was made known in a recent issue of the Milwaukee "Journal."

Roger Amory, Chairman of the Board of National Rockland Bank of Boston, has purchased approximately 10,000 shares of the bank's stock, formerly held by the William A. Gaston estate and the late Henry G. Lapham, it was stated in the Boston "News Bureau" of Dec. 12, which further said. A moderate amount of the stock has been resold to other directors of the bank. Whereas the two blocks earlier had been "hanging over the market," they have now been acquired by Mr. Amory for permanent investment based on his confidence in the future of the bank.

The Capitol National Bank & Trust Company of Hartford, Conn. has increased its annual dividend distribution and increased its surplus account by $100,000, it was reported by the Hartford "Courant" of Dec. 5, which added:

"Directors at their meeting on Dec. 4, declared the usual extra dividend of 50 cents a share and a semi-annual dividend of $1 a share against 75 cents declared previously, both payable Jan. 2 to stockholders of record Dec. 4. With the extra the new annual dividend rate becomes $2.50 a share against $2 previously.

"Transfer of $100,000 from the undivided profit account makes new surplus $400,000, capital $300,000 and undivided profit more than $100,000."

Frederic P. Fiske, President of the Montclair Trust Co., of Montclair, N. J., announced on Dec. 16 the election of Albert M. Stanton, Jr., as Executive Vice-President of the bank. This was indicated in the Newark "Evening News", which said that Mr. Stanton who held the office of Vice-President and Secretary, also has been a member of the board of directors the last two years. It is added that he is a member of the Class of 1926 of the University of North Carolina and has devoted his entire career to banking. He entered the trust company in 1934 coming from the North Carolina Bank & Trust Co. of Greensboro. He is also a director of the Essex Title Guaranty & Trust Co..

The Columbia National Bank of Washington, D. C., capital $250,000, was placed in voluntary liquidation effective Nov. 30 having been absorbed by the American Security & Trust Cmpany of Washington.

The issuance of a charter on Nov. 29 by the Comptroller of the Currency for the Forest Park National Bank, of Forest Park, Ill., was made known by the Comptroller's Office on Dec. 9. The bank, which has a capital of $100,000, is a conversion to the National System of the First State Bank of Forest Park.

According to Robert Lund, Detroit "Free Press" financial writers the National Bank of Detroit has completed another phase of its long-range program, as outlined in the bank's annual report, when directors approved:

1 Retirement on Jan. 6 of the remaining $8,500,000 worth of preferred stock held by the Reconstruction Finance Corporation.

2. Payment of a 20% stock dividend Feb. 1 to stockholders of record Jan. 6 and declaration of the semi-annual dividend of 65 cents per share on 1,250,000 shares now outstanding, payable Feb. 1 to holders of record Jan. 3. In reporting this in the Dec. 10 issue of the "Free Press" Mr. Lund further said:

"Chairman Walter S. McLucas disclosed the actions following approval by the board of directors."

Retirement of the stock held by the RFC was made possible by retention in the capital structure of a "substantial portion" of the bank's earnings since 1933, McLucas explained.

RFC invested $12,500,000 in the bank at the time it was formed in March, 1933. The Jan. 6 retirement will discharge the entire loan.

The Mercantile-Commerce and Trust Company, St. Louis, announced on Dec. 10 that Gale F. Johnston, Vice-President of the Metropolitan Life Insurance Company of New York, will be elected President of the Bank at its annual meeting, Jan. 15, and will assume his duties on Feb. 1. Mr. W. L. Hemingway, who has been President of the Bank since Jan. 1933, will be elected Chairman of the Board. Mr. Johnston, a former resident of St. Louis, has been residing in New York since 1942, where he has served as Vice-President of the Metropolitan Life Insurance Company in charge of group insurance sales in the United States and Canada. Since moving to New York, Mr. Johnston has served as a Director on the Advisory Board of the Chemical Bank and Trust Company; Director of the Transdelta Corporation; Commissioner of and Director of the Greater New York Councils, Boy Scouts of America; Member National Executive Board, Boy Scouts of America; Consultant to the U. S. Treasury for sale of War Bonds and other securities, making a tour of 42 states in the promotion of War Bond Sales; Chairman for New York County in the Victory Loan campaign: Chairman of the Life Insurance Division in six war loan campaigns; Member of the Executive Committee of the War Finance Committee of New York State; National Director and Vice Chairman of the New York Committee of Russian War Relief; Member Graduate Council and Vice Chairman of the Alumni Committee of Princeton University. An item indicating that Mr. Johnston would become President of the Mercantile-Commerce Bank & Trust Co. appeared in our Dec. 12 issue, page 3013.

The election of Victor E. Cooley, as a director of the First National Bank of St. Louis, Mo., was reported on Dec. 11 by the St. Louis "Globe Democrat," which also noted that Mr. Cooley is President-elect of the South Western Bell Telephone Company. The same paper said:

"Bank declared $1 per share, 60 cents of which is an extra dividend payable Dec. 20 of record Dec. 13, and 40 cents payable Feb. 28, 1947, of record Feb. 21. Also authorized was the transfer of $1,800,000 from undivided profits to surplus, bringing total surplus to $9,300,000."

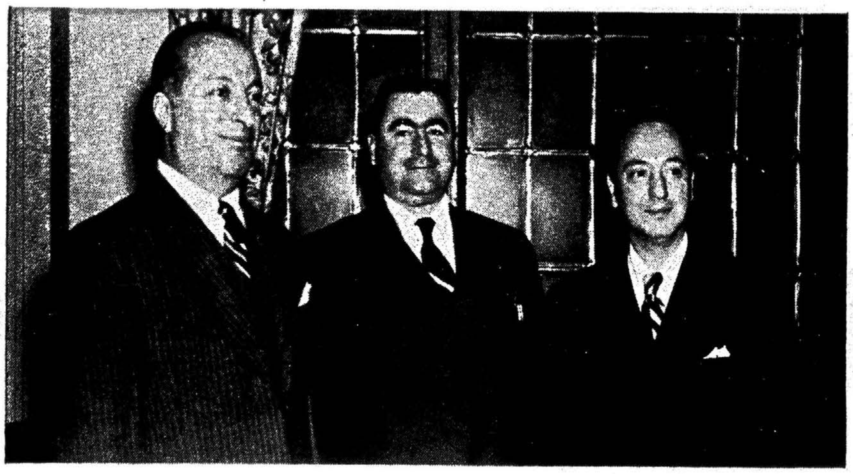
The Board of Directors of the Boatsman's National Bank, St. Louis, Mo., have authorized the transfer of $100,000 from undivided profits to surplus, bringing the surplus account to $3,000,000, it was stated in the St. Louis "Globe Democrat" of Dec. 11.

Bernard Zick, Jr., formerly President of the First National Bank of Independence, Mo., died on Dec. 6, at the age of 73. Mr. Zick, according to the Kansas City "Times" was President of the First National Bank of Independence from 1903 to 1925, when he left to become an official of the Kansas City Wholesale Grocery Company.

At the close of the annual meeting of the Citizens and Southern National Bank, Atlanta, Ga., Mills B. Lane, Jr., President announced, according to the Atlanta "Constitution" of Dec. 11, that James N. Frazer was elected Director, and Fred E. deBray, William Rentz, and John J. O'Neill, all of Atlanta, were elected to junior officerships. At the same time Mr. Lane made known that there had been voted a regular and special dividend for stockholders, and additional compensation for all officers and employees of the bank. The "Constitution" said:

"Action on the dividend was applicable to the first six months of 1947 and included payment of a regular quarterly dividend of 20 cents per share on Jan. 2 and April 1, 1947, and an extra dividend of 20 cents per share on Jan. 2."

Security Traders Ass'n of New York



Frank Pavis, *Chas. E. Quincey & Co.;* Michael J. Heaney, *Joseph McManus & Co.;* Joseph Janareli.

Arthur Schwartz, *Bache & Co.;* John J. O'Kane, Jr., *John J. O'Kane, Jr. & Co.;* J. Wm. Kumm, *Dunne & Co.;* David R. Mitchell, *Blair F. Claybaugh & Co.*

Eugene Stark, *Merrill Lynch, Pierce, Fenner & Beane;* Joe Eagan, *Frank C. Masterson & Co.;* Wm. Schmidt, *Laird, Bissell & Meeds;* Fred Fox, *P. F. Fox & Co.*

Edward O'Kane, *John J. O'Kane, Jr. & Co.;* Bill Eiger, *Hart Smith & Co.;* Frank Mackessy, *Abbott, Proctor & Paine;* Peter Barken.

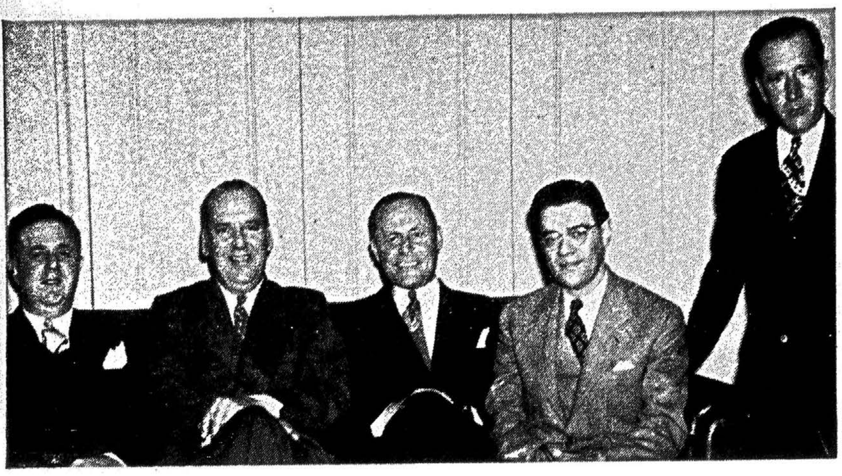
George Frings, *Fitzgerald & Co.;* James P. Cleaver, *Goodbody & Co.;* Frank C. Masterson, *Frank C. Masterson & Co.;* Larry T. Doyle, *Hardy & Co.*

Sid. Siegel, *Siegel & Co.;* Murray Barysh, *Ernst & Co.;* Herb Lax, *Greenfield, Lax & Co., Inc.;* Abe Strauss, *Strauss Bros., Inc.;* Thomas J. Heffernan, *Hardy & Co.*

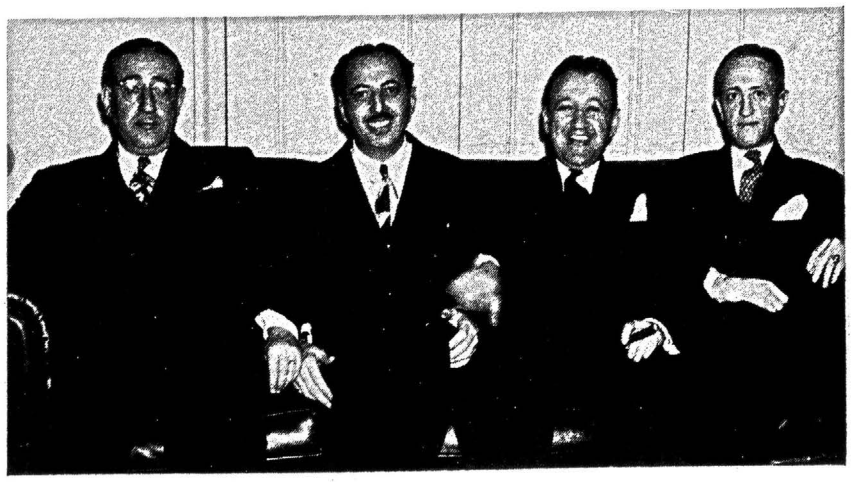
Harry Arnold, *Paine, Webber, Jackson & Curtis;* Irving Stein, *L. D. Sherman & Co.;* George Searight, *Aetna Securities Corp.;* W. Foster Webster, *Hardy & Co.;* Howard Brown, *Ingalls & Snyder.*

Thomas S. Evans, *Lee Higginson Corp.;* Homer O'Connell, *Homer O'Connell & Co.;* Richard Abbe, *Van Tuyl & Abbe;* Arthur Hamill, *Lee Higginson Corp.*

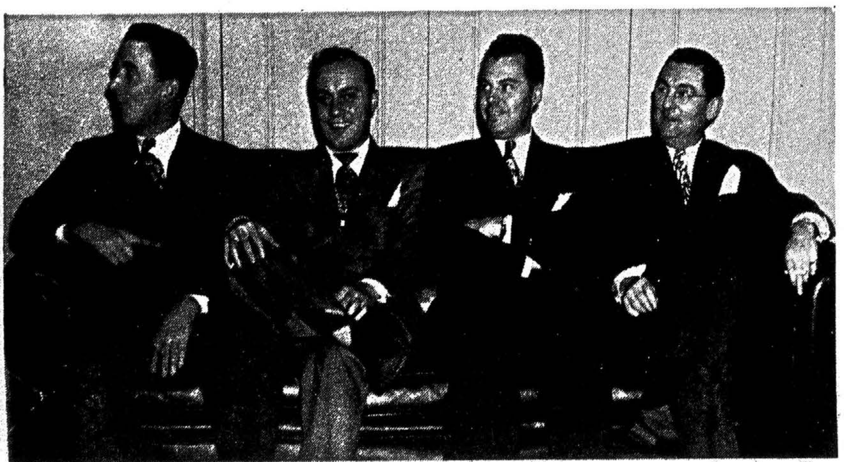
Annual Dinner and Election



Harry Michels, *Allen & Co.;* Jim McGivney, *Hornblower & Weeks;* Irv Manney, *Eisele & King, Libaire, Stout & Co.;* Allan Lopato, *Allen & Co.;* Larry Wren, *Allen & Co.*

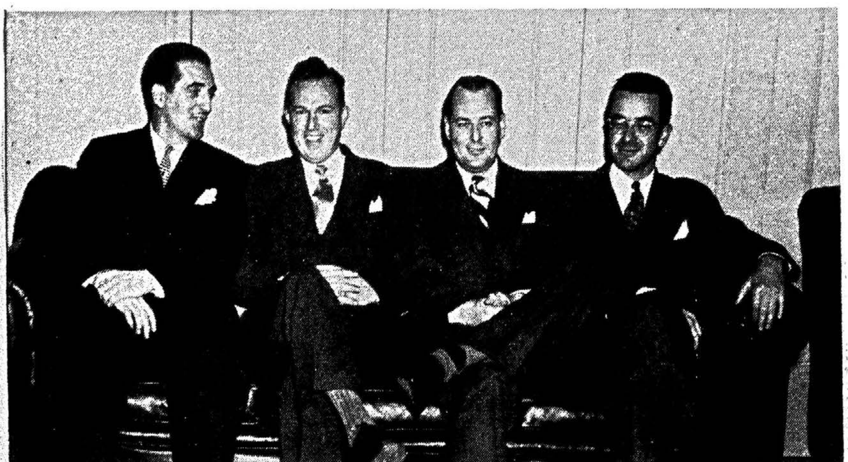


Sam King, *King & King;* Nat Krumholz, *Siegel & Co.;* Sam Magid, *Hill, Thompson & Co.;* Frank J. McCall, *J. F. Reilly & Co.*

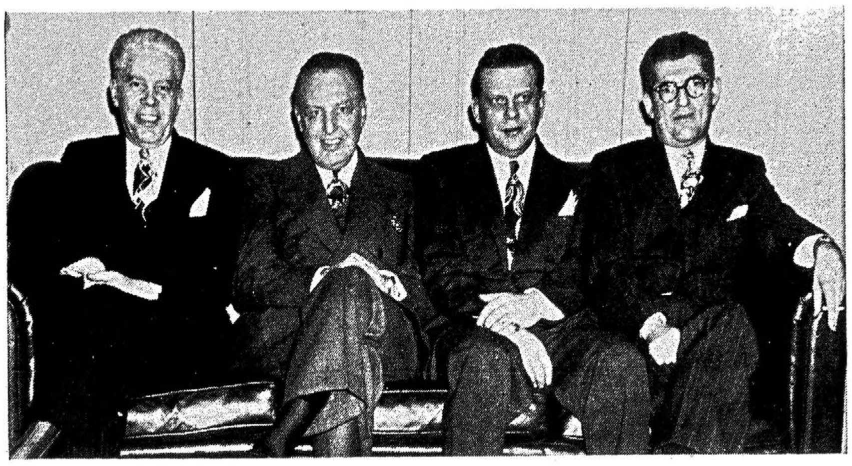


Thomas Shortell, *Newborg & Co.;* Bernard Conlon, *P. F. Fox & Co.;* James F. Fitzgerald, *Paul & Co.;* Ben Van Keegan, *Frank C. Masterson & Co.*

Jack Blockley, *Harris, Upham & Co.;* Milton Van Riper, *Mackubin, Legg & Co.;* John Ohlandt, Jr., *J. Arthur Warner & Co.;* Walter F. Saunders, *Dominion Securities Corp.*



D. Raymond Kenney, *First Colony Corp.;* Edmund A. Whiting, *Peter Morgan & Co.;* King Ghegan, *Ira Haupt & Co.;* Charles C. Horton, *Kaiser & Co.*

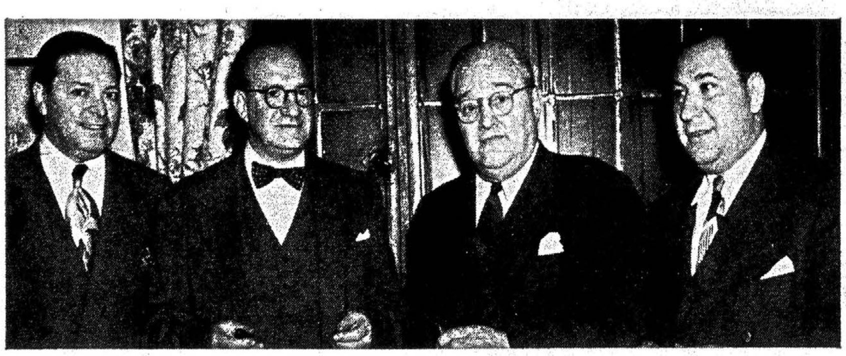


D. A. Fitzpatrick, *Van Alstyne, Noel & Co.;* John E. Kassebaum, *Van Alstyne, Noel & Co.;* Joseph M. Kelly, *J. Arthur Warner & Co.;* Tom Greenberg, *C. E. Unterberg & Co.*

Arthur B. Retallick, *Van Alstyne, Noel & Co.;* Duke Hunter, *Hunter & Co.;* Chet de Willer, *C. E. de Willers & Co.*

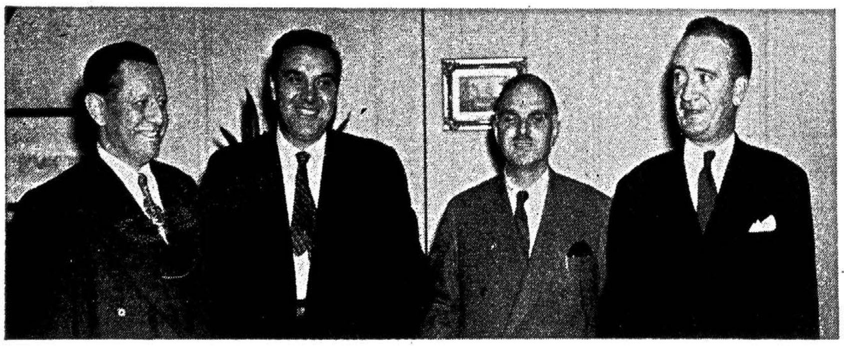
B. W. Pizzini, *B. W. Pizzini & Co.;* John F. McLaughlin, *McLaughlin, Reuss & Co.;* Louis Gibbs, *Laird, Bissell & Meeds.*

Meeting Held December 6, 1946



John M. Mayer, *Merrill Lynch, Pierce, Fenner & Beane;* S. Joseph Florentine; Harold B. Smith, *Collin, Norton & Co.;* J. Jay Schwadron, *Burke* & Co.

John Heck, *Townsend, Graff & Co.;* R. Sims Reeves, *Blair & Co.;* E. Michael Growney, *Growney & Co.;* A. C. Huff, *Georgeson & Co.*

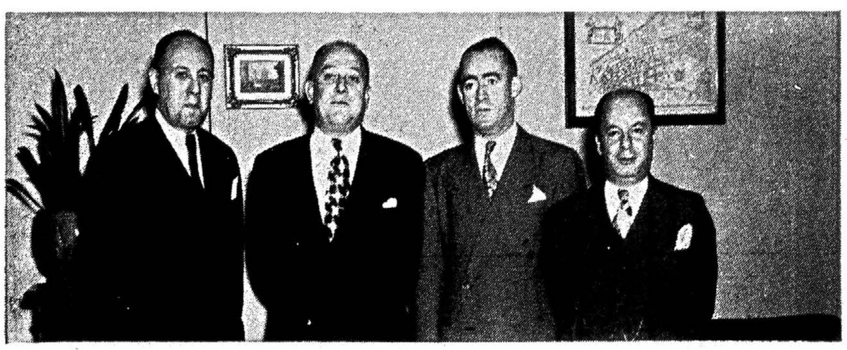


John J. Farrell, *Coburn & Middlebrook;* Robert J. Sullivan, *Coburn & Middlebrook;* Charles King, *Charles King & Co.;* Bill Doherty, *A. M. Kidder & Co.*

Al Marsland, *Wood, Gundy & Co.;* Paul Morton, *Peter P. McDermott & Co.;* Nat Greene, *Simons, Linburn & Co.;* Murray Perlman, *S. K. Cahen & Co.*

Adrian Frankel, *Seligman, Lubetkin & Co., Inc.;* Irving J. Silverherz, *Seligman, Lubetkin & Co., Inc.;* Edward W. Russell, *Seligman, Lubetkin & Co., Inc.;* Charles O'Brien Murphy, *Merrill Lynch, Pierce, Fenner & Beane;* George L. Collins, *Geyer & Co.*

O. D. Griffin, *Lord, Abbett & Co.;* Maury Hart, *New York Hanseatic Corporation;* Martin L. Levy, *Lee-Willen Co.;* Harold F. Rees, *Newburger, Loeb & Co.*



David Wittman, *Lewisohn & Co.;* Otto A. Berwald, *Berwald & Co.;* Edward J. Markham, *Wertheim & Co.;* James T. Fox, *J. T. Fox & Co.*

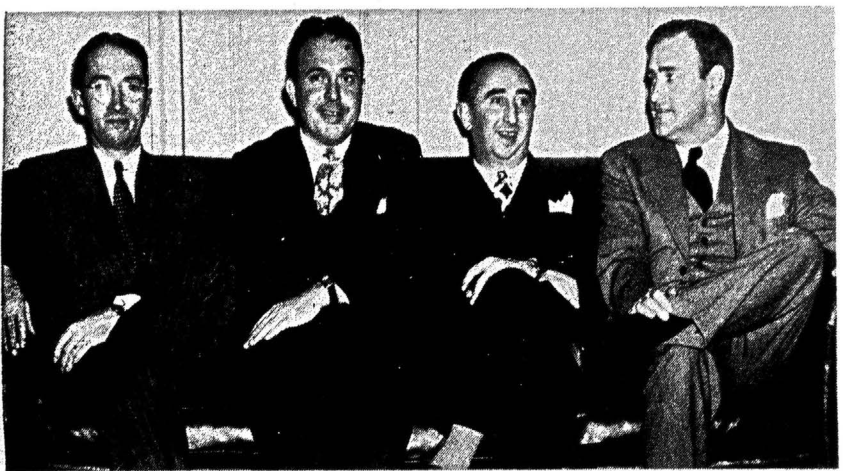
Walter Filkins, *Troster, Currie & Summers;* George Martens, *Cohu & Torrey;* Harold Burke, *Auchincloss, Parker & Redpath;* John D. Hines, *Kaiser & Co.*

Walter R. Johnson, *G. A. Saxton & Co.;* Arthur W. Bertsch, *G. A. Saxton & Co.;* Charles M. Zingraf, *Laurence Marks & Co.;* Hugh Kilmer, *Hardy & Co.*

Allan Kadell, *E. H. Rollins & Sons, Inc.;* Henry P. Bird, *Charles Clark & Co.;* George D. Doherty, *E. H. Rollins & Sons, Inc.;* Gerald F. Monahan, *Joseph Faroll & Co.*

Marks Stany's Eleventh Year

Alfred F. Tisch, *Fitzgerald & Co.;* R. W. Allison, *Lewisohn & Co.;* Jeff Horsfield, *Wm. J. Mericka & Co.*



Tom Worthington, *Winckler, Onderdonk & Co.;* Jim Musson, *B. J. Van Ingen & Co.;* Harry Peiser, *Ira Haupt & Co.;* Rollie Morton, *Blue List Publishing Co.*

John G. Preller, *Pflugfelder, Bampton & Rust;* Henry Oetjen, *Pflugfelder, Bampton & Rust;* John Reilly, *F. H. Koller & Co.;* Gerald F. X. Kane, *Luckhurst & Co.*

Joe Lann, *M. S. Wien & Co.;* Al McGowan, *New York Hanseatic Corp.;* Mark Aiello, *Spencer Trask & Co.;* Bert Burbank, *White, Weld & Co.;* Jim Kelly, *Kidder, Peabody & Co.;* Joe McManus, *Jos. J. McManus & Co.*

Ed Jacobs, *Blair F. Claybaugh & Co.;* Leo Goldwater, *Goldwater, Frank & Ogden;* Bob Livingston, *L. J. Schultz & Co.*

Irving Gersten, *Shepard, Scott & Co.;* John Burke, *Merrill Lynch, Pierce, Fenner & Beane;* Frank Koller, *F. H. Koller & Co.;* Henry Gersten, *Hettleman & Co.;* John Sullivan, *Merrill Lynch, Pierce, Fenner & Beane.*

Henry Byrne, *Hirsch & Co.;* Julius D. Brown, *Hirsch & Co.;* Edward Chapman, *Spencer Trask & Co.;* Jack Gertler, *Gertler, Stearns & Co.*

Louis Weingarten, *Herzog & Co.;* Tom Reilly, *J. Arthur Warner & Co.;* Ted Plumridge, *J. Arthur Warner & Co.;* J. Jay Schwadron, *Burke & Co.*

Harold Marache, *Battles & Co.;* Elmer Myers, *B. W. Pizzini & Co.;* Tom Moore, *H. Hentz & Co.;* Bill Boggs, *W. H. Bell & Co.*