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U. S. Chamber of Commerce Urges Changes in Labor Act

H. W. Steinkraus, Chairman of its Committee on Labor Relations, submits resolution containing four recommendations: viz: (1) removal of uncertainties as to hours worked as basis for overtime compensation; (2) a restoration of long-standing definition of interstate commerce; (3) relief of employer from mandatory double liabilities for violations; and (4) permitting compromise settlements in bona fide disputes. Members will vote during coming month on proposition which is of special significance in view of pending union suits for back portal-to-portal pay.

Proposals for amendments to the Fair Labor Standards Act, as recommended by the Committee on Labor Relations of the Chamber of Commerce of the United States, will be put to a referendum vote of the Chamber's membership.

H. W. Steinkraus

Ballots were mailed Dec. 28, with thirty days allowed for voting.

The Committee's recommendations are designed to remove numerous uncertainties and unpredicted interpretations of the Act as for example the interpretations, upheld by the United States Supreme Court, which require overtime pay under the portal-to-portal principle.

The recommendations on which the Chamber's membership will vote are:

First, because of its urgent importance, an amendment that will remove present uncertainties as to the hours worked as a basis for overtime compensation.

The opinions of the U. S. Supreme Court on application of the so-called portal-to-portal principle are involved here. The law should permit recognition of custom, practice or agreement in the locality, industry, or particular place of employment. Thus if there is a collective bargaining agreement between the employer and the representative of his employees as to when compensable pay time starts and stops that agreement should control. Such a provision in the law would remove present uncertainties.

Second, an amendment that will restore the long-standing definition of interstate com-

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The Year's Outlook

Investment Advisors see no change in wages, fewer strikes, lower prices for light goods with some consumer resistance, and a national gross product of about $185 billions. See new labor legislation ahead, a "quickie" tax bill, and a continued unbalanced budget. Predict restoration of margin trading on a 50% basis, and stock prices by end of year above the highs of 1946.

The economic and political background at the turn of the New Year gives reason for encouragement in spite of important labor problems to be settled in the early months of 1947. Conclusions, necessarily brief, represent the majority opinions of the entire staff and consulting economists.

Leslie H. Bradshaw
Editor
"Investment Timing"

Wages

The overall level of wages should be above that of 1946. There is no reason to assume that the unions will halt their demands for higher wages, and we estimate that they will continue to rise to the extent of 8% to 12%.

Strikes

We think that there will be fewer strikes in 1947 than there were in 1946 and do not anticipate the recurrence of major strikes despite the demands on the part of the CIO, and AFL, etc. We feel that 1946 was the culmination of the period of labor turmoil.

Unemployment

The total unemployment is about 2 millions now. We are of the opinion that the peak of unemployment, at from 4 million to 5 millions, will be reached in the first six months of 1947. From then on, it should decline substantially to the year-end.

Prices

The consensus is that prices in the light goods and consumer goods fields will be lower, while in the heavy manufacturing industries they should at least hold to present levels and possibly be somewhat higher.

Price Controls

Price controls are practically finished in this country and those that do remain are of little significance, except in the matter of rents. This form of control for obvious reasons must be maintained until some dent is made in the housing shortage. In view of the general rise in costs which

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Named Treasury Under-Secretary

A. L. M. Wiggins, Hartsville, S. C. banker, former President of ABA, selected by Truman to succeed O. Max Gardner.

President Truman on Dec. 30 appointed Archibald Lee Manning Wiggins, a former president of the American Bankers Association, as Under-Secretary of the Treasury to succeed O. Max Gardner of North Carolina, who has been named U. S. Ambassador to Great Britain.

A. L. M. Wiggins

Mr. Wiggins, who was born in Durham, N. C., in 1891, became advertising manager of J. L. Coker & Co., in 1931 and has advanced to executive positions in this concern. He became Vice-President of the Trust Company of South Carolina in 1921 and was elected its President in 1941. He is the owner of the Hartsville Press and publisher of the Hartsville Messenger. He has taken a prominent role in banking circles, serving as President of the South Carolina Banking Association in 1931-32 and as President of the American Bankers Association in 1943-44. In 1940 he was member of the Advisory Council of the Federal Reserve System from the 5th District. He has also served as regional advisory commissioner of the Reconstruction Finance Corporation and has been a lecturer at the Graduate School of Banking at Rutgers University. He is a director of the Atlantic Coast Line Railroad and also has a broad background not only in business and agriculture but in public rela-

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GENERAL CONTENTS

*Not available this week.

As We See It

EDITORIAL

To the widespread demands for higher wages, to the persistent clamor for "benefit funds," guaranteed annual wages and sundry other concessions by employers, have now been added a long list of law suits laying claim to many hundreds of millions of retroactive pay (and damages) for "walking time." It is now freely predicted that the total of the sums asked in such suits will reach several billion dollars before the last of them is filed. As in all such litigation, it is difficult to know precisely how much the complainants really expect or hope to get, and how much is included to provide a sort of bargaining margin. Nor is there any way of telling at this stage what the legal status of many of these claims really is.

There can, however, be no doubt that the matter must be taken seriously. Whatever may be said about these suits, and whatever may presently be done about them, it is clear that they have substantially worsened a labor situation which already had become by far the most serious threat to a fairly well-sustained period of real prosperity in this country. It is scarcely surprising that the emergence of these legal actions has added very substantially to the public resentment which previous union behavior had created, and doubled the pressure upon Congress "to do something about" the labor situation without delay.

What Should Congress Do?

But what should Congress do, what can it do about this portal-to-portal business? The answer to this question is not easily formulated. What it can do to put an end to such nonsense in the future is simply enough stated. Merely repeal the Fair Labor Standards Act—and that obviously is what it should do without 24 hours delay. But these claims for retroactive pay? There can be little question as to

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From Washington Ahead of the News

By CARLISLE BARGERON

Note—In the issue of Dec. 19 the writer referred to the effort of the youngish economist Bob Nathan to get the Office of War Mobilization and Reconversion a year ago to sponsor a report by him that industry could raise wages by 25% without raising prices and that the office, then under the chairmanship of John W. Snyder, refused. Whereupon, we wrote, Snyder let the report leak out. Obviously it should have read that Nathan let it leak out. As a matter of fact he was fired for this and a vicious Leftist smear campaign was carried on for months against Snyder.

Carlisle Bargeron

It might be interesting to know that Nathan, now in private practice, though frequently besought by Mr. Truman to come back to the government, according to the Leftist columnists and commentators, got $12,000 from the CIO for practically the same report a few weeks ago. Previously he got $25,000 from the French government for "advising" it. But those days are rapidly approaching an end for this sort of easy money.

But the records show that never in all history did a group of men professing to be solely concerned in the welfare of their fellow men do better by themselves than have the New Dealers in the past 14 years.

Joe Martin, who will be the Speaker of the new House, has been frequently quoted as saying the new Congress will open daily with a prayer and close with an investigation. The rather general expectation is that the New Deal administration will be combed over thoroughly and that the scandals will rock the country. Mark our word that this will **not** be the case. Undoubtedly the Republicans will embark upon some investigations. They will peter out after a short while. It is not that the material isn't there, but the Republicans are constitutionally

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Fantastic Notions

F. H. LaGuardia

"I don't know how far the new Congress will go. If it goes all the way, it will produce regressive legislation, and then there may be a reaction. . . .

"We are after a proper economic adjustment to permit people to live properly and decently; for a better distribution of the national resources of our land; and for an opportunity at all times for all men and women willing to work to have work. . . .

"To face the facts realistically, this country cannot afford another bust, but the bust cannot be prevented with optimistic statements from officials in Washington, epigrams and slogans. It requires a great deal of cooperation and it will require some legislation. . . .

"What we want is something that will provide employment when employment decreases. There is something we can press Congress on. There is no need for any man, woman or child to go hungry in our country. The fact is, you cannot accomplish that by maintaining the economic *status quo*. We do need some adjustments. We want action now. The country needs the solution of these economic problems now, and the time to do it is in 1948. . . .

"The trouble with us liberals and progressives is that we're not united."—Fiorello H. LaGuardia to a joint meeting in New York City of certain "liberal" political organizations.

No! The trouble with "us liberals and progressives" is that they have strangely fantastic notions of what makes the wheels go round.

A Neglected Business Index

By JOHN E. LOSHAR

SEC together with Department of Commerce has for more than year been issuing quarterly report on current and prospective capital expenditures by American business. Observer cites importance of its data concerning investment in plant and equipment, as key to level of total production and employment. Is unique in forecasting activity on basis of actual opinions and plans of business men.

A Neglected Business Index

For more than a year that the Securities & Exchange Commission, conjointly with the Department of Commerce, has been issuing quarterly reports on the current and anticipated investments of American business, under the title, Plant and Equipment Expenditures of U. S. Business. The last one covers the full year 1946, by quarters and previous years back to 1939. These reports are accompanied by tables which show separately the amount of capital expenditures made and to be made by manufacturing and mining companies, railroads, electric and gas utilities, and commercial firms.

While government agencies, such as the new Council of Economic Advisers, realize the value of these data, some doubt whether businessmen and the public fully appreciate their significance. This, it is pointed out, would not be unusual, as it takes some time before there is general public appreciation of new government statistics and perhaps even more time before businessmen learn how to use and apply them. National income and saving figures are illustrative of this lag.

The SEC-Commerce series on capital expenditures of business has a particular timeliness, in view of the current doubts and questions as to the extent and duration of the anticipated recession. The data on capital expenditures are obtained by SEC and Commerce directly from corporations and partnerships—large and small—throughout the country. Their estimates or actual plans for new construction and how much machinery or other equipment they expect to buy SEC and Commerce believe should be a reflection of their attitudes toward the prospective volume of business, revenues and profits. On these business components depend, in turn, the level of employment and wages.

Economists and others generally feel that, even more than the level of consumption, new business investment in plant and equipment is the key to the level of total production and employment; and investment is frequently posited as the most important cause of business cycles. It is estimated that every $1,000 invested by business provides approximately one man-year of work, this correspondent is told.

Another aspect of this capital-expenditures series is its significance to investors, as recently was brought out in the report of the industrial securities committee of the Investment Bankers Association. By comparing the planned investment of business with the volume and composition of its working capital as revealed in another SEC statistical series, it is now possible to make better forecasts of the amount of new capital for which corporations may be coming to the capital markets in the not distant future.

In general, this series on plant and equipment expenditures of U. S. business constitutes an economic index which is unique in being the only over-all forecast of activity based on the actual opinions and plans of businessmen. It is regarded in Washington as not unlikely that in the course of time the series will become as much of a desk index of the economic climate for entrepreneurs, workers and investors as those which reflect the cost of living, the level of employment, and the stock market. As a barometer it is held to have greater potentialities than any other available statistical series.

Greetings by Truman To Armed Forces And Govt. Officials

Christmas greetings to the Armed Forces were extended by President Truman on Dec. 20 in which he noted that the Nation still is involved in a great struggle toward "a just and enduring peace for all peoples in all countries."

The President, in wishing all servicemen and women "a very Merry Christmas," said in part, it was stated in the Associated Press Washington advices:

"We are now involved in a great struggle, a struggle to shape the events of today and tomorrow toward a just and enduring peace for all peoples in all countries. There is still much to be done. . . . The liberty-loving peoples throughout the world, who in darker days prayed for our success in battle, now offer their prayers that our struggle for harmony and tranquillity on earth shall succeed."

The President's greeting was sent to all members of the Armed Forces throughout the world along with personal yuletide greetings from the Army and Navy high command.

Mr. Truman expressed the hope that the Nation's gratitude for what the troops are doing "will in some small way compensate for your absence from home, friends, and dear ones on this Christmas Day."

On Dec. 23 President Truman at an informal yuletide ceremony in his office, stood by his desk for nearly half an hour shaking the hands of the staffs of the Executive offices, the President's house and members of the White House Secret Service detail, according to special Washington advices to the New York "Times" on that day, which said that afterward there was a smaller reception for Under Secretaries and Assistant Secretaries of the Government departments. Autographed photographs of the President and Mrs. Truman were presented to all whom Mr. Truman personally greeted.

Wason Urges Building Changes

Robert R. Wason, retiring President of the National Association of Manufacturers, declared on Dec. 21, according to advices to the New York "Times," that although the end of Federal housing controls in priorities and allocations ends a portion of the restrictions upon building construction, many building controls still remain to be reviewed, revised or abolished. He asserted that practically all building codes, written in earlier days to control abuses which no longer exist, are now obsolete.

Pointing to these obsolete codes and what he termed restrictive alliances between city officials, labor unions, and often building contractors themselves, Mr. Wason said they were handicaps to manufacturers of building materials, equipment and supplies, as well as to distributors in efforts to speed up the national home building program. He said (we quote from the "Times") that the problems which manufacturers face in helping distributors to help home builders will be simplified if everyone recognizes the following important points:

"(1) All building codes are static. (2) Construction materials, supplies and equipment are dynamic. (3) Building codes prevent the use of many of the new low-cost, labor-saving materials and services and (4) Codes are expensive to the builder and often permit the erection of buildings that are obsolete when completed."

New Curb President Pledges Full Publicity

At his press conference on Dec. 24, Francis Adams Truslow extols function of the New York Curb Exchange, and accepts responsibility of his new position. Says "attentive listening" will be his No. 1 policy, and assures the Curb will remain as open under his leadership as under that of his predecessor.

At a New York Curb Exchange Press Conference on Tuesday, Dec. 24, the newly elected President of the Exchange, Francis Adams Truslow read the following statement:

Francis A. Truslow

"Yesterday the Board of Governors of the New York Curb Exchange did me the honor of electing me President of the Exchange—a responsibility which I have accepted. While I will not be able to take up these new duties until March, I am sure that there could not be a more appropriate first action following my election as head of this great public market than a meeting with some of those who have the job of reporting on the activities of that market.

"During the process of getting acquainted with this new job, I certainly intend to do a great deal of listening here and in other parts of the country before indulging in any perceptible amount of talking. You can put attentive listening down as my policy number one.

"However, there are two or three things which ought to be said today.

"In the first place, I hold a very real advantage over most men taking a new job. I know the Curb organization and a large number of the individuals who are its members are my friends. I know something of the greatness of that institution and of the hard work that has gone into the building of it. Organizations like the Curb don't just happen. They are the result of a pressing economic need and several generations of hard-working men, who have been careful of their responsibilities and have been anxious to make a living by supplying that economic need, and there must be also, the passing of a great deal of time with its record of effort disappointment and success. My appointment to head the Curb and assist in carrying on the work to which so many lives have been devoted makes me today conscious of the honor which has been extended to me, and well aware of the responsibility which I have accepted.

"During the interval which must pass before I can take up these new duties, I shall feel very like a runner in a relay race waiting for another member of the team to finish his lap and hand over the baton. During the last few years Ed Posner has run a magnificent race for the Curb. He has carried the baton which was turned over to him a long way forward and, from the Curb's point of view, it is a great loss that he has found it impossible to continue for a few more laps. As I wait to pick up this continuity of leadership, my mind is very much on my share of the race which is about to start. I cannot express my hopes for my part in the future more highly than by saying that I hope that the baton which Ed Posner passes on to me will lose none of its momentum in my running.

"In accepting these duties, I have also very much in mind that the services which are performed for our nation by the Curb Exchange are essential to the economic system under which we have the good fortune and the good sense to live. I look at this work as an opportunity to contribute to the sound development of the services which are performed by the Curb for the nation, and thus to contribute to the strengthening of an economic system, which has given to us, and will give to our children, a degree of individual freedom unequalled anywhere else in the world.

"Before resuming the policy of attentive listening, I would like to make it clear that the press is welcome here at all times and to assure you, individually if that is necessary, that the Curb will remain as open to your inspection under my leadership as it has been under the leadership of Mr. Posner."

Corporation Dividend Payments in Oct. Reported By Commerce Dept.

Publicly reported cash dividend payments by corporations were 7.6% higher in October of this year than in October 1945, the Department of Commerce announced on Dec. 23, in its survey of corporation dividends, which also said:

"October 1946 disbursements totaled $344,700,000 as compared with $320,300,000 in October 1945. For the three months ending in October 1946, dividend payments amounted to $959,000,000, an increase of 12.6% over the $851,900,000 paid in the same period of 1945. Extra dividends paid by several motion picture companies put the miscellaneous group into the lead with a gain of 54% over the same three months of last year. Trade registered an increase of 43%. Other nonmanufacturing industries showing gains were heat, light and power, up 21%; and mining up 14%.

"The only decline in dividends paid during the August-September-October period of 1946 as compared with the same period last year, was in the communications group, down 4%. Dividend payments by manufacturing corporations were up 10% in the three month comparison, but there were wide variations among the subdivisions. Transportation equipment dividends were up 54%; paper and printing, up 52%; textiles and leather, up 48%; other manufacturing, up 29%; and chemicals, up 22%. A decline of 23% occurred in dividends paid by the automobile manufacturing group. This was due in large part to the decreased dividend rate of one of the largest manufacturers."

New York Savings Bks. GI Loans Increase

GI mortgage loans made by the savings banks of New York State during the five months from June 31 to Dec. 1, 1946, have increased by more than $51 million or 140% over the first six months of this year, according to Robert M. Catharine, President of the Savings Banks Association, who also announced on Dec. 23 that the number of loans increased by more than 7,400 or 125%, bringing the total loans to 13,325 with a valuation of $88,277,275. During November alone, 1,414 veterans received an average loan of $7,146, totaling more than $10,105,260. In the Greater New York area, the average GI loan was $7,889, which compares with an average loan of $5,936 made in upstate areas, said Mr. Catharine, who observed that "with the lifting of most of the controls on building, we can look forward not only to a spurt in home building but also to gradual stabilization of costs and prices as the law of supply and demand takes hold."

Wants Removal of Legal Restrictions On Rail-Highway Coordination

Railway Business Association cites experience of Atchison system in achieving better and faster service. Points out resulting economies and benefits to public.

Experience of the Atchison Topeka and Santa Fe Railway System in achieving operating better and faster service through railroad-highway coordination was cited recently by the Railway Business Association in support of its recommendation to Congress to lift present legal restriction on one type of carrier engaging in other forms of transport.

Coordinated service already achieved not only by the Santa Fe, but by all the major railroad systems of the country, has not resulted in monopoly, and the public has benefited through improved and speedier delivery, the Association asserted.

Improved service to meet the varying requirements of both shippers and passengers could be greatly extended, the Association contends, if the Interstate Commerce Act were amended to permit all types of carriers to engage in other modes of transportation, under regulation by a single agency, and to coordinate their operations in the public interest.

The possibilities of more extensive coordination are set forth in a report, "Transport Coordination in the United States," issued by the Association and based on a study by its Executive Vice-President, P. Harvey Middleton. The study revealed that all the major railroad lines have non-rail transport services of one kind or another. However, they are to a large degree auxiliary or supplemental services. The Association favors a new national transportation policy to permit further coordination of transport not only within each type, but between all types.

Seek Fair Treatment for All Forms

The Association has pointed out that the policy declared in the Interstate Commerce Act is to provide fair and impartial regulation of all forms of transport so administered as to recognize and preserve the inherent advantages of each, and to promote safe, adequate, economical and efficient service, without unjust discriminations, undue preferences or advantages, or unfair or destructive competition.

However, in actual practice under the present law, the Association contends, subsidies to some forms of transportation, and restrictions against multiple-type service, have resulted in unfair competition and wasteful and ineffective operations which have not served the public requirements.

Santa Fe Railway Results

The Middleton report details coordination achieved under the existing law by the Atchison Topeka and Santa Fe Railway System as typical of coordination on other leading railroads.

The Santa Fe Railway System, which operates 13,115 miles of railroad from Lake Michigan to the Rocky Mountains, the Gulf of Mexico and the Pacific Coast, is the parent company of two wholly-owned motor carriers, the Santa Fe Trail Transportation Company and the Santa Fe Transportation Company of California. The former conducts both bus and truck operations under certificates issued by the Interstate Commerce Commission and various state regulatory bodies. The latter company conducts intrastate bus operations in California under certificates issued by the Railroad Commission of that state.

The passenger operations of the Santa Fe Trail Transportation Co. extend from Chicago to Los Angeles, San Diego, and San Francisco, and reach Hot Springs, Arkansas, Oklahoma City, Oklahoma, and Lincoln, Nebraska. These operations cover approximately 12,732 route-miles in the states of Illinois, Missouri, Arkansas, Oklahoma, Nebraska, Colorado, New Mexico, Utah, Arizona, Texas, and California. At present 312 buses are in operation over these routes.

The freight operations of the Santa Fe Trail Transportation Company cover approximately 6,700 route-miles in the States of Missouri, Kansas, Oklahoma, Nebraska, Arkansas, Colorado, New Mexico and Texas. There are some 670 pieces of freight equipment in operation. More than 2,800 persons are employed in the combined passenger and freight operations. Most of the bus and truck routes of the Trail Company either parallel the Santa Fe rail lines, serving rail stations, or lie generally in the territory served by the railway company.

Coordination of services has been established between the Santa Fe Railway Company and the Trail Company in both passenger and freight operations. Tickets sold by the Santa Fe Railway are honored by the Trail Company for bus transportation between Santa Fe rail stations in interstate commerce and in intrastate commerce in most states. In California the intrastate rail-bus coordination is conducted through the Santa Fe Transportation Company of California.

The outstanding example of rail-bus coordination on the Santa Fe is the operation between Los Angeles and San Francisco via Bakersfield. Passengers holding rail tickets between those cities are handled by bus between Los Angeles and Bakersfield.

Save 5,192 Cars a Month

Rail-truck coordination is widespread over the Trail Company's system. The coordination consists of rail-truck, truck-rail, rail-truck-rail, and truck-rail-truck service, under which the Trail Company handles l.c.l. freight for the railroad under the railroad's bills and tariffs, and the railroad handles freight originated by the Trail Company where the volume of such freight makes that operation practical. Truck and rail facilities are consolidated wherever possible and railroad personnel, including station agents, terminal employees, etc., handle Trail Company freight and local clerical matters. Through coordinated freight service the Santa Fe has effected a saving of 5,192 merchandise cars per month, which, when formerly operated in rail service to handle the freight now transported by truck, accumulated approximately 777,365 car-miles per month.

Two exhibits at a recent hearing before the Interstate Commerce Commission compared the handling of rail l.c.l. freight in March, 1939, before coordination, with the handling of such freight in March, 1945, under the present system, taking for comparison the traffic moving from St. Joseph, Missouri, and from Wichita, Kansas, to 177 stations in Kansas and Missouri at which coordinated service has been established.

Deliveries Speeded Up

Prior to the coordination of service in Kansas and Missouri, merchandise traffic originating at St. Joseph was handled by rail, and second or third day delivery was afforded at all but nearby points, such as Atchison and Leavenworth, where first day delivery was possible. In March, 1939, seven merchandise cars were loaded daily at St. Joseph with freight for the 177 stations embraced in the study, with an occasional extra car. There was a total of 218 such cars for the month, containing 651,237 pounds of merchandise freight, with an average weight per car of 2,988 pounds. These cars accumulated a total of 29,042 car-miles during the month in handling the freight to destination.

By contrast, in March, 1945, only ten rail cars were loaded with merchandise at St. Joseph. The bulk of the rail merchandise freight originating at St. Joseph was handled by truck in coordination service, there being a total of 876,417 pounds of such freight forwarded by truck. This freight was hauled by truck to final destination in some instances, and in others was taken to a transfer or concentration point for further handling by rail. Establishment of rail-truck coordination reduced from second to first day rail merchandise service from St. Joseph to 124 of the 177 stations; reduced from third to first day the service to 15, and from third to second day the service to 31; and resulted in no change at 7 stations. By rail-truck coordination in handling rail freight from St. Joseph, the Santa Fe made substantial improvement in delivery at 170 stations, and at the same time saved 27,662 car-miles a month.

Transport Expansion Requires Coordination

"The great expansion of highways, waterways, and airways has made it desirable to reduce the wastes of unrestrained competition by a closer coordination of transport services on the surface and in the air," Mr. Middleton said yesterday. "Rail-highway coordination is so far as auxiliary and supplemental services are concerned, has greatly improved service. Coordination can be extended further by a regulatory policy which will ensure competitive equality between the various forms of commercial carriers on the surface and in the air. The public interest—rather than the individual interest of any form of transport—should be paramount.

"All of these commercial carriers should have equal opportunity in the use of transport facilities provided by public funds, subject to the approval of the regulatory authority. Transport coordination in the public interest presupposes fair competition and fair regulation of all competitors. In connection with public expenditures for additional surface and air transport proposals, an examination of the underlying facts should be made by impartial investigators to determine whether such projects are essential in the public interest and whether true economy and efficiency in transport will result therefrom."

25th Anniversary Conference of Amer. Savs. & Loan Inst.

The 25th anniversary conference of the American Savings and Loan Institute will be held in Kansas City, Feb. 13-15, it was announced on Dec. 28 by Robert W. Almoney, Dayton, Ohio, President of this educational organization for the $10 billions savings and loan and cooperative bank system of the nation. The Institute which now has some 4,000 students from among the savings and loan association personnel and executive group was chartered in Kansas City in September, 1922. The program will center around an opening day's triple forum devoted to appraising, accounting and advertising concerns of the home financing institutions, and attention the other two days to the price and market outlook for real estate, and the development of the professional outlook for executives of the savings and loan associations and cooperative banks.

The State of Trade

As the old year makes its inevitable exit from the stage of world affairs we turn in retrospect to a period that was fraught with great anxiety and one that produced many grave political and economic problems.

On the political front we find a world struggling in the face of tremendous odds to establish a world organization to effect and preserve peace among nations and men. Here at home business and industry are fighting a losing battle in their efforts to get production under way to meet the essential needs of a nation endeavoring to recover from the greatest world war in history. Material shortages, lack of skilled manpower, strikes and bungling on the part of the National Administration are all contributing their share toward retarding the normal flow of goods from manufacturer to consumer. The swift progession of strikes in vital industries is so devastating that virtually all industry and business are being made prostrate as a result of them. Meanwhile the cost of living is advancing to new heights and this inflationary trend provides just another cause for grave concern on the part of all.

Early in the year as the country attempted to hasten reconversion it was hampered by a strike in the bituminous mines which in turn was followed by tie-ups in such major fields as the automotive industry, communications, electrical goods, steel and copper, the maritime union, transportation and many other lines that contribute materially to the prosperity of the nation and make for a standard of living unequalled anywhere in the world. Climaxing this epidemic of labor disturbances the country just before the close of the year once again was confronted with a second strike in the bituminous coal mines.

To give a vivid picture of how seriously these strikes affected production in 1946, the Bureau of Labor Statistics reveals that work stoppages cost the nation a record total of 107,475,000 man-days in the first 11 months of 1946 or three and one-half times the number in the comparable 1945 period, and nearly 14 times greater than the like 11-months period of 1944. For 1945 the figure totaled 30,307,000 man-days lost through strikes and 8,336,000 in 1944, while the 1935-39 average was 16,089,000.

Prospects for 1947

The New Year it is felt in various quarters will be marked by an industrial activity comparable to that of 1946, barring strikes and provided prices remain stable and inventories are kept within safe bounds.

The change in the complexion of the new Congress in 1947 is expected to have a salutory effect upon labor, and labor-management relations as a result with be more tranquil. With respect to prices, the closing days of 1946 have given some indication of what may obtain in the coming year. Consumer resistance to high prices is a reality and its effect has not been limited in scope, since it extends to all branches of production and distribution. The year 1947 should be one of lower prices and a greater abundance of the things that have been scarce during the war years.

Housing still remains a problem that will have to be dealt with. Construction costs in the year ahead, there is reason to believe, will be stabilized and brought within reach of a greater number of buyers, thus making for a substantial increase in volume of needed housing.

In the matter of the food supply almost all foods and grocery products will come into balance with demand during 1947, establishing a buyers' market and stabilizing prices at somewhat lower levels, according to Paul S. Willis, President of Grocery Manufacturers of America, Inc., in his year-end statement. No abrupt downward movement of prices will occur, but rather a gradual leveling as reconversion progresses, added Mr. Willis.

The fact that many American families, said Mr. Willis, are now eating better than ever before in their lives, buying more food, particularly high-quality items, grocery manufacturers expect retail sales to remain at $22,000,000,000 despite an anticipated lowering of prices and increased competition for the dollar from durable goods now returning to the market after a war-time absence.

In the heavy industries, steel ingot production a very vital element in our economy, should continue to expand in 1947 barring a strike about the middle of February when current labor contracts expire. This may result should a stalemate take place in wage negotiations. Up to the close of 1946 heavy pressure for steel continues, in part to restore depleted stocks, to escape the freight rate increase which takes effect Jan. 1, to build up stocks as protection against possible labor disturbances over wage negotiations, and finally, should a wage increase be granted to avoid higher steel prices.

The automotive industry reflected keen disappointment over 1946 output of approximately 2,149,000 cars, but according to "Automotive News", "many auto industry officials hold to the opinion that if strikes do not throttle industry again in 1947 United States plants may be able to turn out about 4,000,000 cars and more than 1,000,000 trucks."

Output in the Previous Week

Total industrial production continued at a very high level the past week, although minor recessions resulted from the many holiday closings on Wednesday. Employment was high and the number of men on strike was the lowest since V-J Day. Total continued claims for unemployment compensation declined more than 1% in the week ended Dec. 14, while initial claims fell fractionally.

Textile production remained at a very high level and output of suits increased despite the adverse effect of labor shortages and in some case production was limited by the low supply of rayon lining material. Shoe production held at a high level, though reports indicated that the demand for shoes had declined slightly.

There was an appreciable rise in total retail volume in the week ended on Christmas Day. Dollar volume compared very favorably with the very high level of the corresponding week a year ago. Durable goods were among the most frequently sought items, while electrical appliances and furniture attracted much consumer interest. Clearance sales of luxury goods were well received by many shoppers.

Wholesale volume declined slightly in the week ended last Wednesday as is usual in the pre-Christmas week. Dollar volume was moderately above that of the corresponding week a year ago. The sharpest declines were reported to be in the order volume for textiles and durable goods. Food volume was very high and apparel volume was bolstered by numerous fill-in orders placed during the week.

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As We See It

(Continued from first page)

where justice lies, but, practically speaking, constitutional rights and constitutional limitations on the powers of Congress may have become involved in the mess. The way out of this morass of technicalities will have to be left to the lawyers—and ultimately, doubtless, to the Supreme Court.

Meanwhile, we venture the hope that the real lesson of this perplexing, unfortunate and quite needless situation will not be missed either by Congress or the American public. That lesson is (1) that when government undertakes by *fiat* to tell the business community how it must conduct its affairs, absurd, costly and often wholly unforeseen situations (as in the one now under discussion) are eternally arising; and (2) that the remedy is found not in extending the areas of control, attempted refinement of regulations, other provisions of law to "offset" or "balance" the state of affairs created by earlier acts of the legislature, but in retirement from the field of regulation, planning and control, leaving business itself and its employees to work such things out for themselves as they have done through the ages.

A Drastic Act

A number of commentators have had a good deal to say about the decision of the Supreme Court which has led to all these suits. They find this ruling "astonishing," and the implication sometimes seems to be that the court is responsible for the state of affairs now existing. This may be the fact, or it may not be. Perhaps this aspect of the matter can be left to the lawyers. What Congress intended in respect to those provisions of law involved in the case is any man's guess. Ours is that it never even thought of such complications. The point is that the court was interpreting a sweeping Act of Congress patently intended to make basic changes in practices then in vogue in industry and trade. No such decision by the court, indeed no suit, is conceivable in the absence of such a law.

What we have here, in other words, is one of those absurd and costly situations which inevitably evolve one after the other in a "managed economy" — particularly when, as is certain to be the case in this country at least, professional politicians, not statesmen, do the managing. It is not the first to arise in this country. On the contrary, they have been coming to the fore with great frequency ever since the Federal Government launched upon the New Deal campaign to make our economy over to accord with the liking of a number day-dreamers and political ward heelers.

Only One Cure

What is still in some doubt is whether the American public in sufficient numbers yet fully sense the fact that the only cure is an abandonment of the notion of a managed economy. There are many, of course, who would remedy the state of affairs by doing a little patch-work here and there — amending this law, adding to that, interpreting the other, and, incredible as it may seem, introducing new statutes which would have the effect of enlarging rather than reducing the area of government control. The managed economy advocates, the died-in-the-wool New Dealers, of course, would be among these elements in the population. Those with vested interests in a continuation of the managed economy programs of the day would hardly be found elsewhere.

Little is to be gained by arguing with these latter elements, or by endeavoring in any manner to change their outlook or position. There are, however, many semi-converts, some of whom are really not aware that they are to be so regarded; pragmatic supporters of "moderate" managed economy programs in the belief that it would be futile to oppose or resist the "trend of popular thought"; half-chained victims of slogans about it being impossible to "turn the hands of the clock back" and the like; and many who do not understand the real nature of the difficulties by which we are faced—and are more than a little timid about supporting any line of action which loud ignoramuses may say points the way back to the horrors of the great depression of the early thirties. All these and others like them must somehow be aroused and enlisted in the army demanding that the house be thoroughly cleaned.

Let those who would lead in such a movement — and there are numbers of them in our midst—not hesitate for a moment in accepting the incontrovertible fact that nothing short of abandonment of the managed economy idea will suffice, or in proclaiming the truth from the house tops. Let them realize and be frank to assert that it would be nothing short of tragic to let corrective measures stop with efforts to patch up this situation or that, or with efforts to get even with this or that individual or group. Let them come to a full realization, moreover, that it is not enough for the President to refrain from making use of enormous war powers. Let them approach their tasks not in anger, revenge or in determination to appease, but with full insistence upon giving America back to Americans to manage and operate as they have always done in the past. This would, of course, entail expunging many foolish acts from the statute books, including those which grant the President abnormal powers which he may or may not be excercising at the moment.

This is one of those occasions when he who shrinks from battle fails in his duty. Nothing could be more useful than these "walking time" suits in arousing a nation while there is yet time.

Conference Bd. Elects Councillors, Members

Seven Councillors were re-elected and 14 new Board Members were elected at the 283rd Meeting of the National Industrial Conference Board held at the Waldorf-Astoria Hotel in New York, it was announced on Dec. 23 by the Board.

The Councillors re-elected for five-year terms were: Irenee du Pont, E. I. du Pont de Nemours & Co., Inc.; Frederick H. Ecker, Chairman of the Board, Metropolitan Life Insurance Co.; Dr. Thomas S. Gates, Chairman of the Board of Trustees, University of Pennsylvania; Eugene G. Grace Chairman of the Board, Bethlehem Steel Co., Inc.; Cornelius F. Kelley, Chairman, Anaconda Copper Mining Co.; Nathan L. Miller, General Counsel, United States Steel Corp.; Owen D. Young, General Electric Co.

Mr. du Pont was Vice-Chairman of The Conference Board from 1938 to 1942. He was elected a Board Member in 1926, and has been a Trustee of the Board since 1943. The other Councillors have all been active in the work of The Conference Board for many years. Messrs. Grace, Kelley, Miller and Young were elected Councillors in 1926, while Mr. Ecker and Dr. Gates were elected Councillors in 1931.

The newly-elected Board Members are: Lucius M. Boomer, Chairman of the Board, Hotel Waldorf-Astoria Corp.; Thomas D. Cabot, Treasurer, Godfrey L. Cabot, Inc.; David F. Edwards, President, Saco-Lowell Shops; R. G. Follis, President, Standard Oil Co. of California; R. C. Gaugler, Vice-President, American Cyanamid Co.; E. Roland Harriman, Chairman of the Board, Union Pacific RR.; Leonard Kebler, Chairman of the Board, Ward Leonard Electric Co.; John M. Musser, Secretary and a Director of Weyerhaeuser Sales Co.; Morehead Patterson, Chairman of the Board, American Machine and Foundry Co.; Dr. Frank H. Reichel, Chairman and President, American Viscose Corp.; Merrill B. Sands, President, Dictaphone Corp.; General Brehon Somervell, President, Koppers Co., Inc.; and Joseph S. Young, President, Lehigh Portland Cement Co.

The Board Member representative of the United States Navy elected for a one-year term is Vice Admiral Earle W. Mills, Chief of the Bureau of Ships, United States Navy. He replaces Vice Admiral E. L. Cochrane.

The Conference Board, founded in 1916, is an impartial, independent and nonprofit institution for research and education in the fields of business and economics. The work of the Board is supported by nearly 3,000 business concerns, trade associations, labor unions, government bureaus, libraries, colleges and universities.

Industrial Activity to Dec. 15 Reported by Federal Reserve Board

"Industrial production and employment in most lines of activity continued to be maintained at record peacetime levels in November," according to the summary of general business and financial conditions in the United States, based upon statistics for November and the first half of December, issued on Dec. 21 by the Board of Governors of the Federal Reserve System. The Board reports that "department store sales in November and the early part of December were larger in dollar amount than the holiday trade last year, reflecting mainly increased prices."

"Prices of industrial commodities have generally advanced further, while a number of important farm products and foods have declined from previous peaks," said the Reserve Board, its announcement adding:

Industrial Production

Total output of manufactured goods and minerals, as measured by the Board's seasonally adjusted index, was 182% of the 1935-39 average in November. This was about the same as in October notwithstanding the sharp drop after Nov. 20 in coal, coke, iron, and steel production as a result of work stoppages in the bituminous coal industry. After the resumption of bituminous coal output on Dec. 9 activity at steel mills, which reached a low of 60% of capacity in the first week of the month, rose sharply and in the current week is scheduled at 84%.

Output of steel in the month of November was at an average rate of 84% of capacity as compared with 89% in October. Activity in the non-ferrous metals and machinery industries continued to increase in November and output of most other metal products was maintained at a high level. Lumber production showed less than the usual seasonal decline.

Output of manufactured food products was maintained in November at an exceptionally high level for this season of the year, reflecting chiefly further sharp increases in meat production and larger output of flour and sugar products. Production of cotton and rayon textiles, paperboard, rubber products, and some other non-durable goods showed further small gains in November.

Output of minerals declined 5% in November. Bituminous coal production dropped sharply as a result of work stoppages in the latter part of the month, while production of anthracite and crude petroleum was maintained at high levels and output of metals showed less than the usual seasonal decline.

Construction

Estimated expenditures on construction projects in November were maintained close to the peak levels reached in August and September. Contracts awarded for non-residential construction, however, were at the lowest level since the end of the war, according to reports of the F. W. Dodge Corporation; residential building awards were sharply below the peak rate reached in the spring, but were still considerably above last year's level.

Distribution

Department store sales in November and the early part of December were about one-fifth larger than during the same period of the holiday shopping season last year. The total value of retail trade outside of department stores increased somewhat further in the fourth quarter, reflecting chiefly higher prices and larger expenditures for foods.

Loadings of railroad revenue freight declined in November due to the sharp drop in bituminous coal shipments at the end of the month. Loadings of manufactured products and most other classes of freight showed substantial gains, after allowance for seasonal changes.

Commodity Prices

Following the initial sharp increases in basic commodities which occurred with the elimination of Federal price controls on Nov. 11, price changes have become more selective. Prices of copper, lead, steel scrap, and cotton gray goods for immediate delivery have advanced further, while prices of hides, turpentine, and silk have declined. During the past week there has been a sharp drop in hog prices. Wholesale prices of foods have decreased somewhat further from the sharply advanced levels reached in the middle of October. Prices of industrial products have continued to advance. In retail markets prices of womenswear and some other items have declined but in general retail prices have continued to advance.

Bank Credit

Commercial, real estate, and consumer loans increased further at banks in leading cities during November and the first half of December. Government security holdings declined considerably reflecting Treasury cash retirement of notes and certificates. Deposits of businesses and individuals increased somewhat and currency in circulation rose by the usual seasonal amount.

The Treasury retired for cash during November and the first half of December $5.8 billion of government securities held largely by the banking system. Withdrawals from war loan deposits at commercial banks to redeem securities reduced U. S. Government deposits at banks to a level of about $2 billion in mid-December as compared with $24 billion before the retirement program was begun in March.

Convert Shares in Yugoslav Stock Cos.

The State Department at Washington on Dec. 13 reminded American holders of shares in Yugoslav stock companies of the Dec. 21, 1946 deadline for deposit of such shares for conversion and/or registration pursuant to a decree published June 21, 1946 in "The Official Gazette of the Federal People's Republic of Yugoslavia." The advices added: "Shares held outside Yugoslavia are to be deposited with Yugoslav diplomatic representatives while shares held in Yugoslavia are to be deposited with a Yugoslav bank. The decree provides penalties for non-compliance including forfeiture of the securities to the Yugoslav Government. The Department of State suggests that United States citizens holding Yugoslav stock company shares in the United States communicate with the Yugoslav Embassy, 1520 Sixteenth Street, Washington, D. C., regarding deposit of their shares. If shares are held in Yugoslavia for the account of a United States citizen, the latter should send appropriate instructions regarding them to his agent in Yugoslavia.

"Detailed information regarding the text of the decree may be obtained, if required, by communicating with the Department of State."

Steel Operations Increased—Order Backlog At Record High Level—More Prices Revised

As 1946 came to a close steel consumers were digesting higher steel prices in the form of base price adjustments and changes in extras; steel producers were fearful that wage negotiations to begin in the middle of this month might mean much higher steel costs and further increases in prices and the steel trade in general was privately worrying about the effect of price increases already made as well as the substantial tonnage of unbalanced inventories in the hands of consumers, according to "The Iron Age," national metal-working paper, which, in its issue of today (Jan. 2), further goes on to say:

"Early this week advances were made in the price of line pipe, oil country pipe and merchant black and galvanized pipe. Increases were also put into effect for boiler tubing. Standard black pipe, used for plumbing and general construction work, was advanced $10 a ton in the common sizes including ½ in., ¾ in. and 1 to 3 in. Galvanized pipe in the same sizes was advanced $14 a ton. On extra strong buttweld pipe advances on these same sizes amounted to $8 a ton on black merchant grades and $12 a ton on the galvanized product.

"As a result of the pipe price increases 'The Iron Age' finished steel composite price advanced this week to 2.835995¢ per lb. Last week the index was 2.756545¢ a lb. A month ago it stood at 2.70711¢ per lb. Taken into consideration base price increases made over the past month, the composite price of finished steel has advanced about $2.60 a ton, but because the composite does not include extra charges which have been substantially revised in the past several weeks, the net price of steel to consumers has advanced more than the composite price change would indicate.

"Among some steel consumers this week there was a tendency to take a detailed look at requirements before actual orders were placed. Part of this tendency was due to the complicated changes reflected in revised extra charges as well as the higher prices which were being paid for steel.

"Most manufacturing concerns were giving close scrutiny this week to the substantial unbalance in their inventories. Some concerns were concentrating on bringing up the volume of the least available steel product and canceling or failing to order additional tonnages of those products which in relationship to others appeared plentiful. Still other manufacturers, who found it necessary to borrow money in order to maintain their inventories until such time as a heavier production schedule could be obtained, were busy reducing overhead costs in conformance with the request of the institutions carrying or supplying the loan.

"With the CIO apparently standing strongly behind the Nathan report which claims that wage advances can be given without price increases and with industry generally claiming that the Nathan report is not statistically correct, it is apparent that the steel wage negotiations will soon take the national spotlight and provide a final determination for 1947 labor trends.

"In view of the price revisions which the steel industry has made on products which it has consistently claimed have been made at a loss or at least at a low return, there is a possibility—and it may be remote—that one of the larger steel units may make a moderate wage increase offer to start the negotiations off on a 'good plane.' The possibility of further decreases in the cost of food and other items which loom large in the cost of living may cause the union to refrain from assuming a 'take it or leave it' attitude.

"Even though a strike vote results in a majority favoring such action, Mr. Murray, head of the steel union, as he has done in the past, could and might make a postponement in any decisive strike action, especially if the initial wage negotiations indicate a favorable trend for the union. An unfavorable trend from the union's standpoint would however find the steel union willing to call a strike for bargaining purposes.

"Higher scrap prices in recent weeks continued to make inroads into some of the gains which steel companies were making because of more balanced steel prices. This week, however, the scrap market appeared to be stable, at least temporarily. 'The Iron Age' composite this week unchanged from last week's revised price of $31.17 a gross ton. Before a correction was made in the last week's composite price, it had been $31.83 a gross ton."

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 87.7% of capacity for the week beginning Dec. 30 (the highest level since the week beginning Nov. 18), compared with 72.8% one week ago, 60.2% one month ago and 83.8% one year ago. This represents an increase of 14.9 points or 20.5% over the preceding week. The operating rate for the current week is equivalent to 1,545,600 tons of steel ingots and castings, compared to 1,283,000 tons one week ago, 1,061,000 tons one month ago and 1,476,300 tons one year ago. Some units are not entirely back to their pre-coal strike level.

"Steel" of Cleveland, in its summary of latest news developments in the metalworking industry, on Dec. 30 stated in part as follows:

"Handicapped throughout the year by various disruptions and shortages of raw materials, steel producers will enter 1947 with heavy order backlogs. Some companies will have the heaviest unfilled tonnage in their experience. In certain lines, notably sheets, strip, plates and small bars, a number of producers are booked into third quarter.

"However, given an opportunity to operate for several months at a high rate, producers believe they can bring supply and demand in fair balance on most products, with the exception of the light gage, flat-rolled products. The supply situation in the latter should begin to ease slightly by the second quarter, as new capacity gets into operation. Included in this new capacity should be added silicon sheet facilities, planned originally for operation last September to relieve one of the most stringent situations in all steel products.

"Extended deliveries in practically all types of steel products was one of the chief characteristics of the markets throughout the past year. This was brought about by sustained heavy demand coupled with many interruptions to operations. At the same time, production costs mounted steadily. These basic market factors were not reflected in prices until late in the year when a general overhauling of price schedules got under way.

"Among important action reported last week were establishment by Timken Steel Tube Division of Timken Roller Bearing Co., Canton, O., of a base price of $61 a ton on hot-rolled alloy steel blooms, slabs, billets and of $3.05 per hundred pounds on hot-rolled alloy bars. A revision in extras accompanied this action. Crucible Steel Co. of America issued a new price list, covering base prices and extras on stainless steel products. Pittsburgh Steel Co. advanced bright basic manufacturers' wire $8 a ton and established a new schedule of extras. This company also raised wire rods to a base price of $2.80 for ¼ to 7/32nds of an inch, with a new extra schedule applicable over ¼-inch.

"Undertone of the scrap market has been especially strong during the past few weeks. Successive advances failed to bring out desired tonnages in many districts and some interests believe the market is headed for still higher levels before stabilizing. Heavy melting steel in the Pittsburgh district is commanding more than $32.50 a ton, representing an advance of over $12.50 a ton since mid-November.

U. S. First to Ratify Standards Organization

The United States has become the first country to ratify the convention setting up the 25-nation International Organization for Standardization (ISO), P. G. Agnew, Vice-President and Secretary of the American Standards Association, announced on Dec. 19. Action was taken at a recent meeting of the directors of ASA. Dr. Agnew revealed he had received cabled notice from Charles le Maistre, Secretary of the United Nations Standards Coordinating Committee, which continues in existence until the ISO office is set up at Geneva, Switzerland, that the United States was first under the wire with its official acceptance of the new constitution and by-laws. Dr. Agnew said:

"In a series of four international meetings covering a year, many misconceptions were swept away and a solid basis of agreement was reached on the part which international standards can play in freeing the flow of international trade and so raising the living standard of all peoples everywhere.

"The organization of the ISO marks a new phase in international cooperation. In the past, international standards were pioneered by engineering groups. Now organized industry is taking an active and vigorous role in all of the countries, not only those that are highly industrialized, but also those which are using standards as a tool to speed their full entrance into the modern industrial world."

The pressure for standardization work which will aid the flow of goods in international trade has been so great, Dr. Agnew said, that scores of projects are being proposed for ISO action.

Meyer Commended for International Bank Services

The work of Eugene Meyer as President of the International Bank for Reconstruction and Development was praised in a letter signed by Secretary of the Treasury John W. Snyder and Under-Secretary of State for Economic Affairs Will Clayton, made public on Dec. 20. Messrs. Snyder and Clayton, Governor and Alternate Governor, respectively, of the Bank, expressed appreciation for the capable guidance of Meyer during the institution's formative period, and regrets over his retirement, which became effective Dec. 18.

The letter to Mr. Meyer said in part:

"Although we understand your decision we do greatly regret it. We wish to express our appreciation for your labors and for their fruits. You can leave your office in the consciousness that you have left your mark permanently upon an institution destined to play an important role in world affairs in the years to come." Reference to the resignation of Mr. Meyer appeared in our issue of Dec. 5, page 2884.

Railroads in 1946 Handled Record Volume of Peacetime Traffic—Net Near Depression Years

Railroads of the United States in 1946 handled the greatest volume of traffic of any peacetime year but their net earnings were little better than those of the depression years that preceded World War II, according to a statement by R. V. Fletcher, President of the Association of American Railroads, which was released on Dec. 27, and which further adds:

Because of sharply increased wage rates and prices of fuel and supplies, the relative spread between railroad expenses and revenues in the current year was the smallest since 1920. The ratio of expenses to revenues in 1946 exceeded 80%. In the past 57 years, there have been only four other years, 1918-1921, inclusive, in which such a high ratio has been experienced.

The Interstate Commerce Commission on Dec. 5, 1946, authorized the railroads to make increases in freight rates averaging approximately 17.6% and to continue in effect the 10% increase in passenger fares authorized in 1942. At the same time, the interim freight rate increases in effect since July 1, 1946, were cancelled. The rates [which became effective on Jan. 1, 1947] will increase rail revenues by about $970,000,000 annually. Since the cancelled interim rates produced about $170,000,000 in the last half of 1946, the net increase in freight revenues in 1947 over 1946 will approximate $800,00,000, assuming the same level of traffic in the two years.

Increases in wage rates, as well as higher prices of fuel, materials and supplies since 1939 have increased rail operating expenses annually by approximately $2,100,000,000. More than $900,000,000 of that increase took place in 1946. In addition, it is estimated by the railroads that operating costs in the coming year will be further raised at least $250,000,000 because of increases that have already taken place in fuel and material prices and because the Crosser Act will on Jan. 1, 1947, increase rail payroll taxes in order to provide additional benefits to employees under the broadened scope of the revised Railroad Retirement Act.

Preliminary estimates indicate that freight traffic in 1947 will be on about the same level as in 1946, but passenger traffic will probably decrease substantially.

Rail freight traffic in 1946 was about midway between the war peak attained in 1944 and the prewar peak of 1929. Freight ton-miles were 14% below 1945, and 20% below 1944, but 31% above 1929. Passenger traffic was 29% below 1945, 32% below the war peak in 1944, but 39% above the peacetime peak of 1920. The net railway operating income of the Class I railroads in 1946 was equivalent to a rate of return on net property investment (after depreciation) of about 2¾% or only slightly greater than the average for the five years, 1936-1940. If carry-back tax credits taken in 1946 are excluded, however, the rate of return would fall to about 2%, or not much greater than the average for 1931-1935, the worst years of the depression period.

The average revenue for hauling a ton of freight one mile has amounted to less than one cent in every year since 1932, when it was 1.046 cents. In 1946, the average was 0.975 cent. The increase in freight rates allowed by the ICC will raise that average to about 1.1 cents in 1947, or about the same as in the 10-year period 1921-1930.

Railroads since late this summer have been faced with an exceptionally heavy demand for freight cars. This has been due in part to the change in the nature of the traffic offered since the end of the war and to changes in the working conditions of industry. As a result the car supply, especially of box cars, has been tight.

During the war period, railroads were handicapped by failure to obtain as much new equipment as was needed, and also by shortages in materials and supplies used in daily operations. While some improvement has taken place in the 16 months since the end of the war, the situation is still far from satisfactory. Shortages of materials and labor difficulties have slowed deliveries of new equipment, rail, ties and other materials.

Railroads in 1946 installed approximately 40,000 new freight cars in service. They have approximately 63,000 new freight cars on order.

The same situation in regard to materials also has affected delivery of new passenger cars. Class I railroads on Nov. 1 had 2,413 new passenger cars on order. In the first 10 months this year, only 363 new units had been installed in service, of which 295 were cars used for the transportation of passengers.

Ownership of steam locomotives this year reached its lowest point since 1900, while ownership of electric and Diesel locomotives continued the upward trend of recent years. The number of steam locomotives owned on Nov. 30, 1946, was 1,199 less than on Dec. 31, 1945, but the number of electric and Diesel locomotives owned increased by 405. Railroads installed 82 new steam locomotives in the first 11 months of 1946, contrasted with 398 new electric and Diesels. On Dec. 1, they had 564 new locomotives on order, of which 65 were steam and 499 were electric and Diesels.

Both capital expenditures and purchases of fuel, materials and supplies were affected by rising price levels in 1946. Capital expenditures in 1946 approximated $550,000,000 compared with $562,980,000 in 1945. About 55% of the 1946 expenditures was for equipment and about 45% for improvements to roadway and structures.

Purchases of fuel, materials and supplies in 1946 amounted to about $1,600,000,000, an increase of 2% above 1945 and an increase of 46% over the average of the preceding 10 years. On a comparable price basis, however, purchases in 1946 were about 10% below those in 1945.

Pickets Limited to 20 by State Labor Board

The Wisconsin State Employment Relations Board on Dec. 27 handed down a decision which limits to 20 the number of pickets to be permitted at the strikebound West Allis (Wis.) plant of the Allis-Chalmers Mfg. Co., with no more than two at any one of the plant's gates.

On May 30, last, the Board issued an order forbidding mass picketing but set no specific limit on the number of pickets. This latter order was upheld by the Milwaukee County Circuit Court on Sept. 9, and later the Wisconsin Supreme Court upheld the right of the board to press contempt proceedings for violations of the order.

Of the seven company plants hit by walkouts last Spring, only the main works at West Allis is still strikebound.

Truman States America's China Policy

In a formal statement of United States Policy Toward China, President Truman on Dec. 18 drew attention to the misgivings with which America regards that nation's continued civil strife as a threat to world peace, and urged an early settlement of differences between the warring factions. Although remarking to newsmen that he hoped the $500,000,000 credit extension anticipated by the Export-Import Bank for China would not be affected by her internal situation, the President at the same time indicated that he did not wish to make a positive statement concerning the loan. However, his policy statement made it clear that agreement by the United States to extend additional credits to China would have to be based upon the policy set forth on Dec. 15 last year when Mr. Truman urged a broader base for the National Government.

President Truman's recent statement outlined the extent of America's aid to China—both before and after the defeat of Japan, and it made reference to the action of the Export-Import Bank in earmarking $500,000,000 for additional credits to China. But he said, "So far this $500,000,000 remains earmarked but unexpended. One of the principal points which the President's policy statement enunciated, according to the report of the statement from Washington by the Associated Press, was America's plan for broad economic help to China once it becomes evident that the nation is at peace.

The statement also made it clear that the United States would continue to respect China's sovereignty, but reiterated insistence that the threat to world peace created by her internal strife must cease. The President declared that Gen. George C. Marshall, his personal representative in China, would remain there as long as necessary to bring about a solution to the situation "even though active negotiations have been broken off by the Communist Party," which Mr. Truman did not hesitate to blame for the breakdown in negotiations.

Describing American policy toward China as a continuing policy, the President declared that the National Government of Chiang Kai-Shek was still recognized as the legal Government administration in China. The American attitude was summed up by Mr. Truman in his concluding remarks, which, according to the Associated Press, were:

"As ways and means are presented for constructive aid to China, we will give them careful and sympathetic consideration. An example of such aid is the recent agricultural mission to China under Dean Hutchison of the University of California sent at the request of the Chinese Government. A joint Chinese-American agricultural collaboration commission was formed which included the Hutchison mission. It spent over four months studying rural problems. Its recommendations are now available to the Chinese Government, and so also is any feasible aid we can give in implementing those recommendations. When conditions in China improve, we are prepared to consider aid in carrying out other projects, unrelated to civil strife, which would encourage economic reconstruction and reform in China and which, in so doing, would promote a general revival of commercial relations between American and Chinese businessmen.

"We believe that our hopes for China are identical with what the Chinese people themselves most earnestly desire. We shall therefore continue our positive and realistic policy toward China which is based on full respect for her national sovereignty and on our traditional friendship for the Chinese people and is designed to promote international peace."

Issues Book on Gold and Foreign Exchange In France

Bank of International Settlements prints first of a series of publications in connection with foreign exchange controls. Work contains French measures in force and legislation regarding foreign assets in France, together with laws and decrees regarding control of foreign trade.

The Monetary and Economic Department of Bank for International Settlements, Basle, Switzerland, has issued the first of a series of publications in connection with foreign exchange control in the different countries. This first volume contains a collection giving the French text of regulations concerning dealings in gold and foreign exchange in France.

The loose-leaf system has been adopted for this work in order to make it easy to insert the additional pages which the B.I.S. intends to publish from time to time in the form of supplements, comprising any new measures which may be taken in the future.

The *first part* of the new compilation contains the general measures at present in force on exchange operations and gold dealings, the texts having been brought up to date by the inclusion of all amendments. The following regulations come under this heading: the decree-law of 9th September 1939 establishing control of foreign exchange operations, etc., the decree of 24th April 1940 fixing the conditions of application of the said decree-law, the order of 30th April 1940 specifying the operations respectively prohibited and authorized and the ordinance of 7th October concerning rules with regard to gold, etc.

A *second part* contains the legislation regarding foreign assets, that is to say the legislation concerned with the depositing of foreign exchange and foreign transferable securities; the general rules with regard to foreign assets in France; the census of assets held abroad, of gold and of foreign exchange; the requisitioning of assets in gold or foreign exchange, etc., etc., together with the regulations concerning insurance contracted in foreign currency, intermediaries and the allocation of foreign exchange to travelers going abroad.

A *further section* reproduces the measures regarding the control of foreign trade, and a special chapter contains the legislation applicable to "France d'outremer."

A *final section* consists of the notices and the series of instructions issued by the Exchange Office regarding the conditions of application of the various measures dealing with the control of foreign exchange, transfers and the service on transferable securities.

Furthermore, all the monetary and payment agreements which have been concluded with different countries and have been published up to the present will be reproduced in a supplement which the B.I.S. proposes to bring out in the near future.

This new publication (containing about 450 pages) can be obtained either from the Monetary and Economic Department of the Bank for International Settlements, Basle, or from a bookseller, at the price of 28 Swiss francs.

A similar volume concerning foreign exchange regulations in Belgium will be published in the near future. As the number of copies available will not be very large, all who are interested in this publication are requested to place their orders now.

From Washington

(Continued from first page)

opposed to dirt spilling. They simply aren't built that way. That's the reason they are Republicans. Their natural inclination is to let sleeping dogs lie.

For a precedent as to what will happen, go back to the end of World War I. The Graham Committee of the House was digging up juicy scandals. Charlie Dawes became famous as Hell and Maria Dawes when he appeared and dramatically exclaimed that, of course there had been mistakes, but the war had been won. The committee sheepishly folded up.

There is scarcely more than one first class Republican investigator in Congress, Senator Homer Ferguson. He gained a reputation as the famous one-man grand jury of Detroit. He relishes the work and he doesn't care where the chips fall. He is as ignorant of the mechanics of party politics as any man in Congress. He will undoubtedly want to go ahead with his work on what is perhaps best known as the old Truman investigating committee, but as time goes on he will receive less support from his colleagues.

Speaking of the naivette about politics generally, we get a kick out of those editorial writers and columnists, outside of Washington, who applaud Stassen's candidness in being an avowed Presidential candidate, and chide Taft, Dewey and the others for not being just as frank.

The fact is, there is nothing at all "candid" about Stassen's announced candidacy. It is a trick, a game. It is essential to his being in continued demand as a lecturer before women's clubs and as a magazine contributor. This relatively young man wants to be heard from. He made an awful mistake in not standing for the Senate from Minnesota. As a result, he has no role in American affairs except that of a former Governor, unless he is a "candidate for President." He will continue to get plenty of publicity from New Dealers who even in Roosevelt's life, were always seeking to nominate the Republican candidate.

In this disillusioning mood, we might as well take up the recurring speculation about Ike Eisenhower's Presidential possibilities. You wonder if the publishers are really having so much trouble getting white paper, the way some of them waste it.

What is worrying some of the General's friends, though, is that the bee seems definitely to have stuck him. With the Republicans being convinced they will get the White House in '48, you can rest assured the practical politicians will not go for an outsider. The rivalries among them are too keen. Furthermore, for Eisenhower, after having been "made" by Roosevelt, to switch over to his enemies looking for favors would be one of the shining examples of ingratitude in history. As to the Democrats, if Truman lives he will be their nominee. To change would be an admission of the party's bankruptcy.

Another current political myth concerns the fight for the majority leadership of the House. It is to the effect that Charlie Halleck of Indiana is Dewey's man. Dewey's endorsement of Halleck is being capitalized by Halleck's rivals. The fact is that he is far from being a Dewey man. He will undoubtedly support a Middle Westerner for President. Dewey endorsed him because he knew Halleck had the leadership in the bag.

The Course of Consumer Credit

By DUNCAN McC. HOLTHAUSEN*
Division of Research & Statistics, Federal Reserve Board

Mr. Holthausen traces trend of consumer credit, which reached a high point in 1929, declined during war, and resumed upward movement in 1944. Says installment credit is up 74% since V-J Day and charge account credit has had even larger growth. Sees both fields of credit gradually reverting to prewar status, and reflecting changing conditions of business activity.

During the years prior to the war the volume of consumer credit moved with the swings in business activity—upward in times of rising activity and downward in periods of falling business activity. At the high point of business activity in 1929 the amount of consumer credit outstanding was over $7.5 billion; in the summer of 1933 the volume of consumer credit was less than one-half of this total, having dropped to $3.5 billion; the volume of consumer credit then rose uninterruptedly, with the exception of a precipitous but short-lived decline in 1938, to an amount over $10 billion in the fall of 1941.

At this point in time, the typical relationship between consumer credit and business activity disappeared. The diversion of production from civilian to war goods and the advent of Regulation W brought about a rapid liquidation of consumer credit, particularly instalment credit. As production soared to new heights and our national income went over $100 billion for the first time, the volume of consumer credit steadily declined from a peak point of over $10 billion in 1941 to somewhat less than $5 billion by the middle of 1944. At war's end, there was approximately $5.5 billion of consumer credit outstanding.

What was the outlook for consumer credit after V-J Day? There was a huge backlog of demands for consumer durable goods, the sales of which before the war had been closely geared to the use of consumer credit. The consumer was in a relatively debt-free position as his outstanding debts were small in comparison to current income payments, which were then running at an all-time high. Many individuals during the war years had accumulated large sums of savings — particularly in such liquid forms as currency, bank accounts, or Government bonds. Savings in this form increased almost $80 billion from the end of 1941 to V-J Day and totaled about $125 billion at mid-August, 1945. Did the improved financial position of the consumer signify a low level of demand for credit, or would most individuals avail themselves of short-term credit in a manner reminiscent of prewar days despite high incomes, despite a relatively debt-free position, and despite the accumulated savings?

A preliminary answer to this was provided by the National Survey of Liquid Assets, an interview survey undertaken by the Board of Governors of the Federal Reserve System at the beginning of 1946. The results of this survey indicated that the use of consumer credit would be substantial in 1946, but that there would be a tendency for more consumer durable goods to be sold for cash than was the case prior to the war. The tendency to purchase goods with cash was particularly noticeable in the buying plans of groups who had accumulated large savings during the war.

Results to date show that since V-J Day the amount of consumer credit outstanding has increased sharply. As shown by the accompanying chart, it is now close to an $8.7 billion level. Strikingly different rates of growth have occurred in the various types of consumer credit. Instalment credit is up 74% from V-J Day levels with both instalment sale and instalment loan credit showing similar increases. Charge account credit has shown the largest growth—up 82%. Single payment loans and service credit have shown only moderate increases.

The increase in the volume of instalment loan credit certainly has been substantial. This type of credit arises principally from the personal loan transactions of commercial banks, small loan companies, credit unions, and industrial banks and loan companies. It seems particularly noteworthy that the increase in instalment loan credit has kept pace with the increase in credit arising from retail instalment sales. Commercial banks have been the key factor in the growth of instalment loan credit as many banks are now actively participating in the business of making loans through an organized personal loan department. There is some indication, however, that part of this substantial rise in commercial bank instalment loans reflects loans made to small businessmen through personal loan departments.

Whereas at the peak of the consumer credit market in 1941, instalment sale credit accounted for almost 40% of total consumer credit, today, about 15% of the overall total is made up of instalment sale credit. To date this form of credit, which arises principally from instalment sales of retail stores and dealers, has not shown the sizable increases anticipated along with renewed production of automobiles and household appliances. This of course reflects the delays in attaining high levels of production, particularly in the case of passenger cars, refrigerators and certain models of radios. Also reflected is the tendency for people with large savings in relatively liquid form to spend these assets rather than use instalment credit facilities. It is interesting to note that in 1945 only 3% of the volume of retail sales of all stores represented instalment sales; prior to the war about 12% of total sales were on the instalment basis. Certainly the percentage of such sales has increased during the current year, although nowhere close to prewar patterns.

*Statement before a conference of the American Marketing Association (New Jersey Chapter) and cooperating groups, Newark, New Jersey, Dec. 11, 1946.

Total Short-Term Consumer Credit
(millions of dollars)

Type of credit	Oct. 31, 1946	Aug. 30, 1945	Change Aug. 1945 to Oct. 1946 Amount	Change %
Total	8,694	5,649	+3,045	+53.9
Total instalment credit	3,458	1,988	+1,460	+73.9
Instalment sale	1,242	706	+ 536	+75.9
Instalment loans	2,216	1,282	+ 934	+72.9
Charge accounts	2,616	1,441	+1,175	+81.5
Single payment loans	1,768	1,466	+ 302	+20.6
Service credit	852	754	+ 98	+13.0

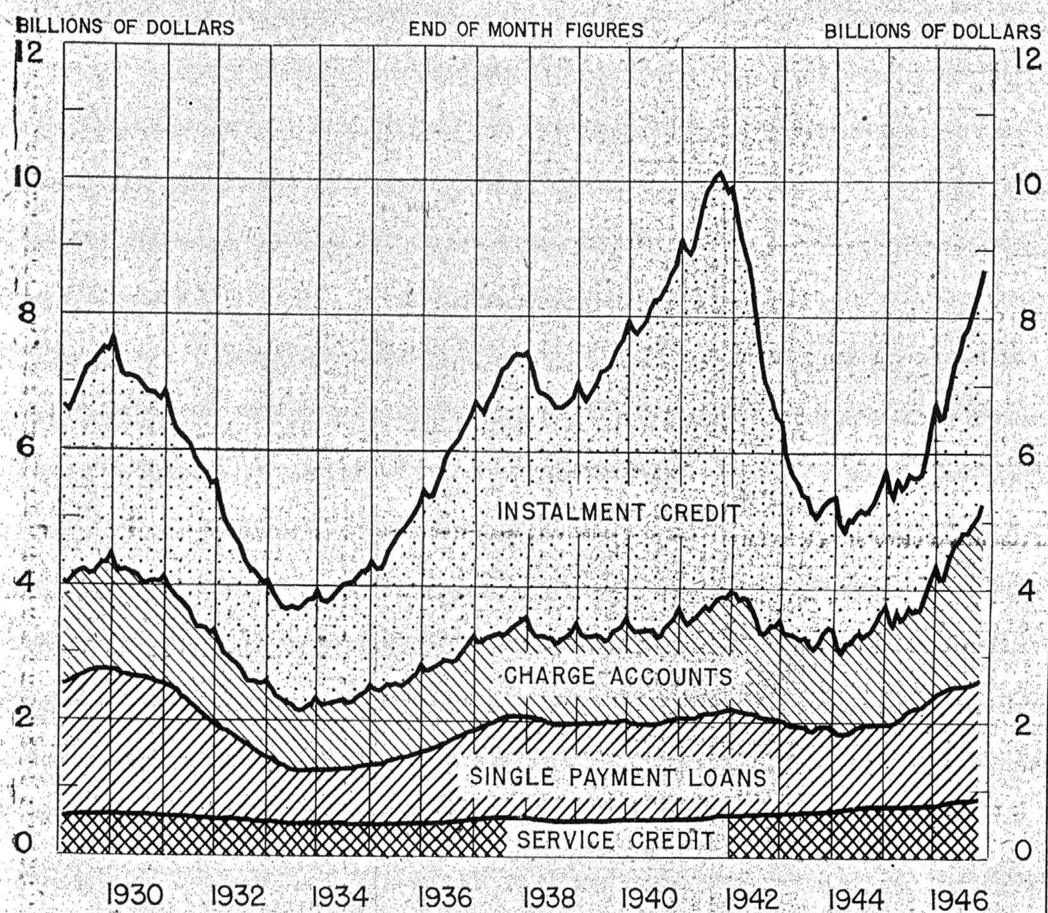
As already indicated, outstanding credit arising from charge account sales increased very substantially. Undoubtedly there are more charge customers these days. Many stores have been actively soliciting new accounts; also many customers have opened charge accounts in hopes of receiving preferential treatment, especially on items of short supply. A larger proportion of total retail sales are being made on a charge basis, and, in addition, the collection period has shown signs of lengthening in the past few months—both these factors have added considerable amounts to the outstanding credit total.

To sum up the course of consumer credit since V-J Day—unquestionably it is gradually reverting to prewar status. During the war consumers did more of their buying for cash and also did less borrowing from banks and other financial institutions; during recent months their buying on credit has expanded somewhat more than their buying for cash, and in addition their cash expenditures have been financed to an increasing extent with borrowed money. Current consumer credit operations, however, are still a long way from their prewar status. Two basic factors in large part responsible for this are—the limited period of consumer durable goods production at high levels, and the war-created surplus cash position of many consumers whose immediate spending plans are not dependent upon credit facilities.

As to the future course of consumer credit, there will be substantial increases in the next year assuming that business conditions remain good. Charge account credit outstandings are bound to increase, partly as a result of the withdrawal of charge accounts from Regulation W. Credit from this source although now above prewar levels, could well increase one-half of one billion dollars without any increase in charge account sales volume.

The bulk of the increase in consumer credit during the next year will arise from the substantial use of instalment credit along with anticipated high levels of sales of durable goods. Any further relaxation of Regulation W in the form of down payment and maturity provisions on instalment contracts, will also contribute to the general increase. Currently, the overall volume of consumer credit outstanding is increasing at the rate of $300 million per month, or about $3.6 billion per year. This rate of increase may become greater with higher production and higher price levels. Under prewar conditions, the current volume of consumer income would have been accompanied by a level of outstanding consumer credit close to $15 billion. Today the credit total is $8.7 billion. It is entirely possible that the total amount of consumer credit will surpass the previous all-time peak point of $10 billion by early 1947 and that by mid-year 1947 the amount outstanding will be almost $12 billion.

CONSUMER CREDIT OUTSTANDING



House Group Urges Sale of Pipelines

The House Surplus Property Committee, in a report signed by four of its five members, recommended on Dec. 15, after 20 days of hearings, that the $146,000,000 Big Inch and Little Inch pipelines, which cost the Government $14,000 a day for maintenance and operation, be sold without delay to the highest cash bidder. In a minority report Representative John J. Rooney (D.—N. Y.) urged that sale of the projects be made to small independent oil concerns, according to a United Press dispatch from Washington. Mr. Rooney contended that use of the lines for gas would only "perpetuate the monopoly which the big oil companies now have through their own pipelines and tanker transportation." The lines, which were to have been sold months ago, were put into emergency use to pipe natural gas to the East during the recent coal strike. The United Press added:

"The majority of the committee —Chairman Roger C. Slaughter, Democrat, of Missouri; Clifford Davis, Democrat, of Pennsylvania; Ross Rizley, Republican, of Oklahoma, and Charles Robertson, Republican, of North Dakota—held that a "preponderance of all credible evidence" weighed heavily in favor of using the lines to transport gas.

"They said that witnesses from the Interior Department and the Texas Railroad Commission testified that 'a billion or more cubic feet of natural gas is going to waste each day" which could be piped to the Eastern industrial area.

"The report recommended that, if the lines are sold on bids, the Government insist on a "recapture clause" in its disposal contract to permit taking them over on short notice in event of another war."

Redeem Norwegian Bonds

Holders of 26-year 4% sinking fund external loan coupon bonds due Feb. 1, 1963, of the Kingdom of Norway are being notified that $480,000 principal amount of these bonds have been drawn by lot for redemption on Feb. 1, 1947 through the sinking fund at par. The bonds will be redeemed at the head office of The National City Bank of New York.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Dec. 23 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated Dec. 26 and to mature March 27, which were offered on Dec. 20, were opened at the Federal Reserve Banks, on Dec. 23.

Total applied for, $1,841,201,000

Total accepted, $1,316,232,000 (includes $24,686,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

69% of the amount bid for at the low price was accepted.

There was a maturity of a similar issue of bills on Dec. 26 in the amount of $1,303,440,000.

Agricultural Department Report on Winter Wheat And Rye Acreage Sown for 1947 Crop

The Crop Reporting Board of the United States Department of Agriculture made public on Dec. 19, its report showing the acreage and condition of winter wheat and rye for the crop of 1947 as follows:

Winter Wheat—The acreage of winter wheat seeded for all purposes this fall, estimated at 56,426,000 acres, is 8% above the 52 million acres seeded a year ago. This year's acreage is about the same as 1938, which was second only to the record seedings for the 1937 crop, when Kansas reached its peak of 17 million acres.

Several factors contributed to the substantial, widespread increases in winter wheat seedings this fall. Weather in most of the country was exceptionally favorable for preparing the ground and seeding.

In the southern and central Great Plains States, the heart of the hard red winter wheat area, the acreage seeded increased 7%. Moisture conditions there are better than they have been in many years. In that area a large acreage was made available for wheat this fall when land intended last spring for spring crops, principally sorghums, was not planted but was summer fallowed. Some of the increase was on new broken grassland in Texas, New Mexico and Kansas. Kansas has a large acreage of volunteer wheat, the outcome of which depends on spring moisture conditions.

In most of the eastern part of the country, weather favorable for removal of preceding crops permitted timely and complete planting of intended wheat acreages. The large increase over last year in acreage in East Central and Southern States represents a return to normal acreages. In this area, acreage was reduced last fall by wet weather at planting time. After early dryness in some of the Mountain States, later fall rains brought the increased acreage up to a good start. The winter wheat acreage is below last year only in the Pacific Northwest, where the decreases are partly due to extremely dry soil in early fall, followed by too much rainfall and early wintry weather.

A 1947 winter wheat production of about 947 million bushels is forecast. This estimate is based upon Dec. 1 reported condition of the crop, an appraisal of soil moisture conditions to date and other factors affecting yields per acre. If realized, this will exceed the record 1946 winter wheat crop by 73 million bushels or 8%. The Dec. 1 condition of 93% is the highest since the 98% reported in 1918 and is 11 points above the 82% of last December. Favorable fall soil moisture conditions not only permitted timely seeding of wheat but resulted in generally satisfactory germination and fall growth. However, in States east of the Mississippi River rank plant growth, such as exists this fall, is not necessarily associated with high yields the next year. Also in the Great Plains area the advanced plant development would require above normal spring and early summer precipitation to maintain the present high reported condition. In the present forecast of production normal weather has been assumed for the rest of the crop season.

The indicated yield per seeded acre of 16.8 bushels compares with 16.7 bushels in 1946. The indicated acreage that will not be harvested for grain is 5.5% of the planted acreage compared with 7.1% not harvested in 1946. If realized, abandonment will be the lowest since 1931 when the loss of planted acreage was 5.3%.

Rye—The acreage of rye sown for all purposes in the fall of 1946 is estimated at 3,571,000 acres. This is 5% larger than the 3,390,000 acres sown last fall, and is the first time in 4 years that the acreage has been increased over the preceding year. The slightly larger acreage resulted from: generally favorable moisture conditions for seeding fall grains; relatively high rye prices which encouraged farmers to seed more acreage for grain; and some increased interest in rye for pasture and cover crop. The large increase in acreage of winter wheat seeded, however, was a limiting factor in rye seedings. Nebraska is still the leading State in rye acreage, while South Dakota remains second in importance. North Dakota, with its increase of 55%, is in third place and Minnesota with 25% more than last year is fourth. In these 4 States the acreage is 16% larger than last year, and is a little over one-third of the total U. S. planted acreage of rye.

Condition of rye on Dec. 1 is reported at 92%—9 points above a year ago, and the highest Dec. 1 condition since 1921. The relatively high condition is general over all sections of the country.

Greek Ambassador Dies

Cimon Diamantopoulos, Greek Ambassador to the United States, died of a heart attack the night of Dec. 6, the New York "Times" stated, and on Dec. 10 it stated that services the day before in New York had been attended by diplomats, members of delegations to the United Nations and consular and military officers. Prime Minister Constantin Tsaldaris, in a eulogy, praised the brilliant diplomatic career of Mr. Diamantopoulos, who had assumed his post as Ambassador to the United States in February 1940. Mr. Tsaldaris announced that King George II had awarded, posthumously, the Grand Order of the Phoenix to the Ambassador for his diplomatic services. On Dec. 11 funeral rites of the Greek Orthodox Church were held in the Washington, D.C. Cathedral. Later the body was placed in a vault at Arlington National Cemetery. The Associated Press advices from Washington stated:

"President Truman was represented by his military and naval aides, Maj. Gen. Harry H. Vaughan and Rear Admiral James H. Foskett. Undersecretary of State Dean Acheson represented the State Department."

NY Chamber of Commerce Host at Christmas Tea

The Chamber of Commerce of the State of New York was host at a Christmas tea on Tuesday Dec. 17 at which the ladies of the families of the members were guests. This is the only occasion during the year when this exclusively male organization invites the other sex to visit the institution. A program of Christmas carols was sung by the Chamber of Commerce Singers, following a reception in the Great Hall of the Chamber building at 65 Liberty Street. Tea was served in the members' dining room with the wives of the officers and other ladies officiating. The guests were welcomed by a committee headed by Peter Grimm, President, and Arthur M. Reis, Chairman of the Executive Committee. The Chamber, which was founded in 1768 and is the oldest in the United States, had on view some of its early records and other rare documents linked with the history of the city, state and nation over the last 178 years. Guests were also afforded an opportunity to see the Chamber's notable collection of portraits.

U. S. Chamber of Commerce Urges Changes in Labor Act

(Continued from first page)

merce and thus prevent the progressive extension of the coverage of the law in unwarranted directions.

Third, an amendment to afford relief to an employer from mandatory double liabilities where an unwitting violation or other mitigating circumstances are found.

And fourth, an amendment to authorize employers and employees to make compromise settlements in cases of bona fide disputes arising under the law. As it is now the courts will not recognize the validity of such compromise settlements if cases come before them.

The Chamber's Committee holds that the amendments sought will not make just and equitable a law that is unclear and uncertain in many respects. Accordingly, it calls upon Congress for a thoroughgoing study of the entire law and its economic effects. The Committee holds that the law should "be revised so as to remove its uncertainties and inequities and to make definite the areas of its applicability."

The Chamber's referendum, as pointed out by Ralph Bradford, general manager, takes on especial significance because of the suits which are now being filed in the courts on a wide scale demanding back potal-to-portal pay under the Act.

The full text of the Report of the Chamber's Committee on Labor Relations follows:

To the Board of Directors of the Chamber of Commerce of the United States:

The Fair Labor Standards Act of 1938,[1] informally known as the Wage and Hour Law, prescribes minimum wages and provides for additional compensation to employers who work in excess of the maximum hours per week specified in the law. The law regulates also the employment of child labor.

With respect to minimum wages, the rate now in effect is 40 cents per hour, the maximum provided for in the law. With respect to overtime compensation, the law provides that an employer must pay compensation for hours in excess of 40 per week at a rate of not less than one and one-half times the regular rate at which he is employed.

The law is applicable to employees of employers who are engaged in commerce or in the production of goods for commerce with specified exceptions.

The purpose of the law in specifying a minimum wage is readily apparent. An initial purpose of requiring extra compensation for overtime work was to restrict the hours of work per week with the object of spreading the work in a period of business depression.

Chamber Positions

The Chamber, by annual meeting resolution of its organization members, opposed the passage of the law prior to its enactment. Thus, in 1938, the Chamber declared that "compensation for employment cannot be equitably apportioned nor can enduring increases in employment be secured through centralized Federal regulation of hours and wages. We believe, that, with regard to minimum wages, maximum hours, and working conditions, there should be only such public regulation as may be validly applied by State governments for those classes of workers for which legislative protection may be necessary to prevent their oppression and to safeguard their health and well-being."

Then, in 1939, a declaration was

1 52 Stat. 1060.

adopted at the annual meeting calling for the repeal of the law. In 1940, the members adopted another declaration in which it was stated that "the attempt to apply throughout the country uniform Federal rules regarding such matters prevents the flexibility in adjustments so essential under constantly varying conditions in occupations and activities the diversities in which, often forced by natural conditions, cannot obtain sufficient recognition in Federal legislation. . . . Amendments cannot cure the essential defects in Federal legislation of this character. Public interest will best be served by repeal of this law."

This declaration continued in effect until expiration under the established rule, namely, in 1943. In that year, however, a declaration was adopted at the annual meeting as follows:

"Congress should make plain its intention that what constitutes the working time of employees is to be determined by State law or agreements or settled custom, and should not allow the administrative authority under the Federal Wage-Hour Act to undertake to make decisions of its own respecting this fundamental question in working conditions, and should abrogate all such decisions already made as misinterpretations of Congress."

This declaration expired in 1946.

Difficulties Under the Law

Difficulties under the law have been increasingly numerous. The provisions of the law are not clear and certain in their meaning and application. Moreover, the latitude given expressly to the Administrator and that assumed by him has resulted in the constantly expanding application of the law both with respect to the coverage of the law and with respect to the requirements on compensation of employees.

Litigation under the law has been extensive. A long line of cases upon the constitutionality of the law and the interpretations of the Administrator has reached the U. S. Supreme Court. The constitutionality of the law has been upheld and, in most instances, the Administrator's interpretations have been approved.

One of the outstanding difficulties confronting employers has been the constantly expanding area of coverage.

Employers Reached by the Act

As stated heretofore, employees of employers engaged in commerce or in the production of goods for commerce, as defined in the law, must be paid in accordance with the applicable provisions.

Commerce is defined to mean trade, commerce, transportation, transmission, or communciation among the several States or from any State to any place outside thereof.

For the first time in Federal law the reach of the Federal Government extends to those who are engaged in the production of goods for commerce. The word "produced" is defined to include "manufactured, mined, handled, or in any other manner worked on in any state."

The extent to which the coverage has gone under the definitions in the law may be indicated by a few illustrations. In one case, the U. S. Supreme Court held that the Act applies to employees engaged in the maintenance and operation of a building in which goods for interstate commerce were physically produced.[2]

2 Kirschbaum Co. v. Walling, 316 U. S. 517 (1942).

In another case the Court found that the Act applied to service and maintenance employees of a building, a substantial portion of whose tenants produced garments for dealers who in turn shipped a major part of them in interstate commerce, even though the building owner was in no sense engaged in the production of goods.[3]

Likewise, a District Court ruled that employees who paint, repair, and reconstruct trucks owned by employers' customers and used to transport goods in interstate commerce are covered by the Act.[4] Again a District Court concluded that the law applies to a manager employed by the owner of cafeterias located in a war plant to serve employees of the manufacturer of war materials shipped in interstate commerce.[5]

The Administrator has made rulings which have not reached the courts but indicate the length to which he expects to go in the matter of coverage. Thus, in one case, the Administrator held that a purely local producer of fertilizer for the use of farmers wholly within the producer's State must consider his employees covered by the Act if he has reason to believe that it will be incorporated into farm products which will be shipped outside of the State.[6]

The foregoing illustrations are sufficient to reveal how far afield administration of this law is going from the earlier concepts of the reach of Federal regulation in commerce.

Hours-of-Work Provisions

The provisions of the law which require overtime compensation for hours of work in excess of 40 per week, have caused great difficulty to employers and now under recent decisions of the U. S. Supreme Court have brought unforeseen financial liabilities which great numbers of employers cannot meet and remain solvent.

Compensable Working Time

The law contains no definition of compensable working time. The provisions of the law relate to an undefined work-week.

Issues concerned with the matter of compensable working time have been decided by the U. S. Supreme Court. Thus in one case, the Court held that underground travel in iron ore mines to and from the place where the miners actually drill and load are constituted work and hence was included in the compensable work-week under the law.[7]

In a second case, the Court held that the facts in the case left "no reasonable doubt that underground travel in petitioner's two bituminous coal mines partakes of the very essence of work," and was time worked under the Act.[8]

The issues involved in the two preceding cases related to mining, but during the present year two court decisions have extended the principle established by the earlier cases to manufacturing and other kinds of companies.

Thus, in the Mt. Clemens Pottery Company case, the Supreme Court took notice of preliminary activities by employees after arriving on the employer's premises, such as walking to their places of work, "putting on aprons and overalls, removing shirts, taping or greasing arms, putting on finger cots, preparing the equipment for productive work, turning on switches for lights and machinery, opening windows and assembling and sharpening tools. These activities are clearly work falling within the definition enunciated and applied in the Tennessee Coal and Jewell Ridge cases. They in-

3 Schulte, Inc. v. Salvatore Gangi, 66 Sup. Ct. 925 (1946).
4 Walling v. Sturm & Sons, Inc., U. S. D. C.—N. J., 6 W. H. C. 144 (1946).
5 Ferguson v. Prophet, U. S. D. C.—S. Ind., 6 W. H. C. 284 (1946).
6 8 W. H. R. 171.
7 Tennessee Coal, Iron and RR. Co. v. Muscoda Local, 321 U. S. 590 (1944).
8 Jewell Ridge Coal Corp. v. Local No. 6167, 325 U. S. 161 (1945).

volve exertion of a physical nature, controlled or required by the employer and pursued necessarily and primarily for the employer's benefit. They are performed solely on the employer's premises and are a necessary prerequisite to productive work. There is nothing in such activities that partakes of the personal convenience or needs of the employees. Hence they constitute work that must be accorded appropriate compensation under the statute."[9]

In another case decided after the Mt. Clemens Case, a federal district court held that time spent by employees of a lumber company in travel on conveyances provided by the employer from a permanent camp established as living quarters to work-sites in the woods and return was compensable work-time.[10]

Judicial Discretion in Assessment of Damages

Under present provisions of the Fair Labor Standards Act (section 16), an employee may sue the employer, or bring suit in conjunction with other employees for any unpaid minimum wages due, or any overtime pay due and remaining unpaid. If the employer is found to have violated the Act, he is liable to the employee for such amounts as the court may find owing and, in addition, "shall be liable to the employee affected in an additional equal amount as liquidated damages."

This rule applies, by the mandatory terms of the statute, and by court and administrative application, whether an employer has violated the Act deliberately or by mistake or ignorance. The only difference between a willful and a good faith violation is the fact that there is an additional criminal penalty that may be imposed on the willful violator, under Section 16(a).

As a general proposition, courts have observed considerable restraint in applying possible penalties for innocent violations or technical breaches of any statute. Ignorance of the law may be no excuse for violations, but it has generally been considered by the courts in the mitigation of penalties.

In the Fair Labor Standards Act as presently written, there is no room for such discretion, and the honest employer is penalized in exactly the same fashion as the deliberate and conscious violator. The employer who relies on an administrative interpretation of the law subsequently declared incorrect finds his unwitting mistake equally as costly as though he were a deliberate violator. Therefore, it has been proposed to amend the law to relieve this unfortunate situation by incorporating Section 16 (b) a provision for judicial discretion in the assessment of damages where the employer is found to have acted in good faith.

Compromise Settlements

The rule of law under the Fair Labor Standards Act as established by the United State Supreme Court is that there can be no valid compromise of a wage claim for overtime compensation and liquidated damages under the Fair Labor Standards Act, even where the purported settlement is a compromise of a bona fide dispute as to coverage of, or amount allegedly due, under the Act.

Most of the difficulty has arisen because of the provision in Section 16(b) of the Act referred to heretofore. This is the so-called double liability provision.

The question as to whether a particular employee in a particular work-week comes within the terms of or is exempt from the

9 Anderson v. Mt. Clemens Pottery Co., 66 Sup. Ct. 1187 (1946).
10 Walling v. Anaconda Copper Mining Co., U. S. D. C.—Mont., 6 W. H. C. 302 (1946).

coverage of the law frequently is borderline. There are numerous cases of bona fide disputes as to the facts. There are even more numerous cases of bona fide disputes as to the interpretations of the facts.

In one case, coming before the U. S. Supreme Court, the Court held that where an employer failed to pay an employee's overtime compensation because of the existence of a bona fide dispute as to whether or not the employee was within the coverage of the Act, and the employee received, under a bona fide settlement agreement all overtime compensation due him and released the employer from all obligations under the Act, the release did not preclude the employee from subsequently recovering liquidated damages under the Act, in an amount equal to that of the overtime compensation paid under the settlement.[11]

Repeal or Revision of the Law

The Labor Relations Committee, joined in its consideration of the Fair Labor Standards Act by members of the Department of Manufacture Committee, took no action respecting the previously held position of the Chamber that the law should be repealed. The Committe did conclude, however, that the Congress should undertake a thorough-going study of the law on its economic effects and if the law is to be continued revisions and amendments should be made in numerous particulars, including those discussed above.

The Committee proposes a declaration of policy by the Chamber as follows:

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

"It is vital to the public interest that this law be revised so as to remove its uncertainties and inequities and to make definite the areas of its applicability. To this end the Congress should undertake a thorough-going study of the entire law and its economic effects. Some changes of urgent importance, for example, are the following: A definition of coverage to exclude operations not in or substantially affecting interstate commerce; a definition of compensable working time to permit recognition of custom, practice, of agreement, designed to eliminate uncertainties with regard to the status of nonproductive time; a provision permitting the exercise of judicial discretion in the assessment of damage where an unwitting violation or other mitigating circumstances are found; and cognizance of the right of employers and employees to make settlements in cases of bona fide disputes arising under the Act."

Proposals for Referendum

The Committee recommends to the Board of Directors that the Board authorize the submission of a referendum to the organization members of the Chamber upon the declaration presented above. The law is so far-reaching in its effects upon industry and business generally that the proposals of this Committee should have the consideration of the organization members through referendum.

11 Schulte, Inc. v. Salvatore Gangi (cited above).

The Year's Outlook

(Continued from first page)

has been burdensome to property owners who have been unable economically to make proper repairs to their buildings, it is quite likely that an advance in rents may be authorized of perhaps 5% to 10%.

Some commodities will continue to be under control for part of the year, notably sugar, rice and tin, and a few restrictions may remain on building materials. By the year-end all controls (except rent, which may be turned over to the states) will probably be gone.

Consumer Resistance

In the field of light goods and consumers' goods there is some resistance to the present price level, particularly in luxuries. This factor does not obtain in the heavy industry field. In any event, there is a tendency to await lower prices. It is probable that total consumer expenditures will be maintained at last year's level despite cries of "buyers' strikes."

Critical Material Shortages

The commodities that remain on the critical list because of acute shortages are lead, tin and fats and oils. Lead undoubtedly will remain short all of next year, with a deficit of about 200,000 tons. With its decontrol the price will advance, resulting in increased production. Copper is no longer critcially short with the price 19½c and likely to reach 20c. Zinc also is off the critical list. Fats and oils, however, will remain in short supply during 1947. Sheet steel has recently come off the critical list although automobile men report that they cannot get enough light sheet steel. The price increase, however, should see expanded production.

Retail Trade

The total volume of retail trade in 1945 was $74.6 billions. This year it is running at the rate of about $93 billions. While the total consumption of goods may decline, the advance in prices should tend to keep the dollar volume in 1947 at approximately the same level of 1946, with durable goods almost undoubtedly showing gains.

New Orders and Inventories

While manufacturers' inventories are at a new high they do not yet present a serious problem, as they are not too large in relation to volume of orders and sales, and would be burdensome only if these fell in 1947. Probably there will be some problems in industries such as textiles. The volume of new orders in the coming year should compare favorably with that of this year.

Commodity Prices

It is probable that farm prices reached their top in October, so that by the end of 1947 a decline in agricultural commodity prices of 5%-10% from present prices is likely. In the non-agricultural field we think prices will be the same as now, if not slightly higher, particularly in the metals.

Farm Income

The income derived by farmers in the first ten months of this year was $21.5 billions, or approximately the same as in the whole of last year. It is our opinion that in 1947 farmers' income will be 10% lower than this year.

Gross National Product

According to the Federal Reserve Board, the gross national product of this country in 1945 was $182 billions and for 1946 is estimated at $180 billions. We believe that next year, this figure will be approximately $185 billions.

National Income

In our opinion, national income next year is expected to approximate $160 billion, slightly less than the $163 billion estimated for 1946, but over twice 1939 and 1940 national income.

Individuals' Liquid Savings

We think that these savings in 1947 will increase slowly at the same rate or somewhat less than in 1946, which is, of course, less rapid than the war years. In 1944 these savings amounted to $40.2 billions, in 1945 to $37.6 billions, and $8.5 billions in the first six months of 1946.

Industrial Production

We believe that next year the F.R.B. Index will have a range of 158 to 184 (it is now about 180), with the low coming in the first half of the year and the high in second half. Production difficulties, due to steel, coal and coke shortages, will plague industry early in 1947 as in 1946.

Labor Efficiency and Productivity

As measured by output per man-hour, labor productivity dropped after the war's end. The wide shifting of personnel, the many serious strikes interrupting or delaying production, as well as acute shortage of skilled labor, all contributed to the decline in productivity. If as we believe, the number of unemployed is destined to rise to possibly 4 or 5 millions in the first six months of 1947, the psychological effect on these workers will no doubt be salutary so that when re-employed they will be more conscientious; meantime, those remaining employed should be more painstaking and work harder in order to avoid joining the ranks of the unemployed themselves. In short, labor productivity should rise as 1947 rolls on.

Cost of Living

Our estimate is that the cost of living, as measured by the Bureau of Labor Statistics Index, now known as the Consumers' Price Index, next year will be 5%-10% lower than the present level of about 152.

The Index has six main components with these percentage weights: food 40.4%, rent 16.4%, fuel, gas, electricity and ice 5.9%, clothing 13.3%, house furnishings 3.2%, and miscellaneous 20.8%. Food, the most important of the components, will probably decline in view of the record-breaking crops and sustained production of other staples. There is a distinct possibility that the rent item quite likely will advance, but enhanced production of clothing, refrigerators, vacuum cleaners, washing machines, etc., should cause a lower price level.

Building Construction

This is an industry that should be extremely prosperous in 1947, supported by the huge backlog of demand for housing with much public and industrial building also needed. On an over-all basis building construction will probably be 25% more than this year, and the percentage of advance should reach from 35% to 40% in the residential field.

Surplus War Materials

The surplus of government-owned war materials is not likely to prove a detriment or a handicap to industry, except in isolated cases. Most of the "cream" of the government stocks of various kinds has been sold and the desirable plants in the main leased, with some sales.

Possible Legislation

The new Congress may be expected to enact early labor legislation, possibly an amendment to the Wagner Act or a stronger version of the Case bill, also, a "quickie" tax bill is expected. A bill to limit back portal-to-portal pay appears likely. Ratification of peace treaties is due; also trade arrangements with foreign countries as treaties instead of the trade agreements of the Democratic Administration. No broadening of social security appears in the offing. The plan to consolidate the armed services will undoubtedly receive consideration. President Truman, faced with a Republican Congress, will have less chance than ever to have the remainder of his 1946 21-point program adopted. Other measures to receive attention probably are: appropriation bills showing greater economy; a higher minimum wage law; end of the 2nd War Powers act.

Social Security

Despite several Administration statements to the contrary we do not believe that the 80th Congress will enact any further Social Security benefits. Broadening of health insurance, or "socialized medicine," will again be deferred. The tax on employers and employees for the old-age benefit will again be frozen at the present level.

Disarmament

Probably there will be some reduction in the cost of the Army and Navy, perhaps during the latter part of next year, due to negotiations at the United Nations, but no general disarmament agreement is expected next year. The unanimous agreement to effect disarmament should if actually carried out prove of far reaching benefit. The numerous savings which would result from the general disarmament program could be ample for productive purposes, thus relieving the nations of the world of the heaby burden incident upon taxes and debt.

Taxes

We expect the 80th Congress to pass a "quickie" tax bill early in the session pending a complete revision of the Internal Revenue Code later on to be effective in 1948.

The "quickie" tax bill retroactive to Jan. 1, 1947 will probably provide for not more than a 3% reduction in corporate income tax rates, if any at all. By raising the exemptions or otherwise it is expected to provide for reduction in the individual income tax of upwards to 15%-20%. A reduction in certain excise taxes is expected, with some eliminated.

Federal Budget

Despite many optimistic statements emanating from Washington, we do not look for the Budget to be balanced on a sound accounting basis until after the fiscal year ending June 30, 1948.

Government Financing

We do not expect any further government financing except for refundings. There is no sign of any substantial reduction in the government debt. The tendency to refund maturities of higher coupon bonds with short term ⅞% to 1% will continue.

Banks Loans and Investments

Total loans and investments as reported by the Federal Reserve System are $57,641,000,000. We expect them to increase from 10%-20% next year.

Credit Expansion

Easing of credit restrictions is expected by the Federal Reserve Board by amendment broadening Regulation W.

Business Failures

We expect more business failures in 1947 than in 1946, the reasons being: unusually large and unbalanced inventories on dealers' shelves purchased at high prices; lack of experience, (especially among new firms), lack of capital, and increasing competition. Already a definite downward trend in bill collections is observed, along with a trend toward customer purchasing resistance and cancellations or reduction of orders.

Domestic Financing

During the course of the coming year the volume of new common stock financing will not equal that of this year. Corporate refundings will be less, but new bond issues are expected to continue at a high level. Substantial financing will be done through preferred stocks. A tendency favoring better grade securities will prevail.

Money Rates and Bond Yields

The slight firming in money rates that has been observed recently will continue. The yield of municipal bonds, now 1.96%, will probably reach 2.25% by next year-end. On the average, we believe that high-grade bond yields will advance ⅕ of 1% from the present level of 2.68%.

Gold and Sliver

We see no prospect of any change in the price of gold for some time. The gold supply in this country remains practically unchanged around $20 billions. The price of silver is maintained at 90.3¢ by the government. Some purchases of foreign silver at a lower price may be expected.

Foreign Trade

We believe that 1947 will witness expansion in foreign trade, both exports and imports, increasing substantially, quite aside from the fact that UNRRA will cease at the end of this year, a considerable part of whose activity will be taken over by the recently created IRO.

United Nations

It is evident that the Council of Foreign Ministers and the recent meetings of the United Nations at Flushing have made progress towards peace which should be followed at an early date by ratifications of the various treaties. A unanimous decision by the Council of Ministers made at Moscow regarding the German peace treaty would be viewed favorably. While there is much to be accomplished it is expected that next year will see further progress.

World Bank and Monetary Fund

Although the World Bank has started to function oficially we do not anticipate any great volume of is securities by the end of 1947, although certain issues are likely to be offered. We expect that the World Bank will make some loans to foreign countries next year. The International Monetary Fund should get started with stabilized currencies tied to the United States dollar. This should stimuate foreign trade.

Atomic Energy

That the discovery of atomic force can be transmitted to peace rather than war is a foregone conclusion. We believe that, given sufficient time, this power will be a factor in industry and the cause of lifting the living standards of the world. Holding fast to this belief is a sound, constructive factor for American business in the years to come.

Inflation

While a certain amount of inflation has been frozen into the economic structure we do not look for the situation to be aggravated in 1947.

Common Stock Yields

Our common stock yield Index now shows 4.4%. We believe that although in the interim it may indicate some increase, stock prices will force it lower by the end of next year.

Corporate Earnings and Dividends

We estimate that 1947 over-all corporate earnings will be up about 5% and dividends from 5% to 10% higher than in 1946. Railroad earnings should be up 25%, and utility earnings either equivalent to 1946 or possibly lower by 10%. Industrial corporations as a whole should have a good year.

Stock Market Controls

We look forward to the restoration of margin trading on a 50% basis in the first quarter of next year or shortly thereafter.

Stock Prices

It is expected that, subject to intermediate movements, the lows of stock prices for the year will occur in the first six months, and that higher prices than those that prevailed at the high of 1946 will be seen before the year-end.

Conclusion

The early months of the year 1947 will be the difficult months when the present business readjustment will be accomplished. The later months will be those of rapid business advance.—**From the Dec. 19 issue of "Investment Timing," published by the Economics & Investment Dept. of the National Securities & Research Corp., New York City.**

1947 EARNINGS OUTLOOK FOR MAJOR INDUSTRIES

Above 1946

Auto Parts	Electrical Equip.	Oil
Automobiles	Finance Companies	Printing & Pub.
Banks	Glass (flat)	Railroad Equip.
Building	House Furnishings	Railroads
Can Manufacturing	Household Appliances	Soap & Veg. Oils
Cements	Machine Tools	Steel & Iron
Chemicals	Machinery, Agric.	Sugar
Copper	Machinery, Indust.	Telephone
Dairy Products	Office Equipment	

Same as 1946

Aircraft Mfg.	Drugs & Cosmetics	Motion Pictures
Aluminum	Food Products	Paper
Apparel	Glass (containers)	Rayon
Baking & Milling	Gold	Rubber
Brewery & Dist.	Grocery Chains	Tobacco
Coal	Leather & Shoes	Variety Chains
Cotton Textiles	Mail Order	Utilities
Department Stores	Meat Packing	

Below 1946

Air Transport	Ships & Shipbuilding	Wool
Insurance		

NOTE—The above earnings outlook is without regard to the present or future prices for stock of companies representative of the various industries.

The State of Trade

(Continued from page 51)

Steel Industry — Unfortunately for steel consumers the labor outlook a week ago showed little change from that of a year ago when the steel industry was definitely faced with a paralyzing strike; according to "The Iron Age," national metalworking paper. The chances of such a strike occurring in February, says the magazine, are not as great as was the case a year ago, but the prenegotiation statements on the part of labor and management appear to indicate a rough negotiating period.

While the United Steel Workers of America have not made known the specific wage demand which they will place before the industry in January it is certain that it will be no small amount. Although Philip Murray and other union officials have termed the union action in making the proper notification for a steel strike as a routine one, a stalemate in wage negotiations up to the period when current contracts expire (Feb. 15) will find the strike vote taking on a far more serious aspect, the magazine states.

Observers who have taken the position that Mr. Murray's future actions would be dictated by the experience of John L. Lewis appear to be on the wrong track. According to past precedents the steel union has laid its plans without any influence from activities of the United Mine Workers, "The Iron Age" points out, and on such basis it can be expected that the outcome of steel negotiations will be entirely decided upon whatever counter-offer the steel union can wring from the industry.

As a result of the steel strike and the two coal strikes during 1946, steel output which could reasonably have been expected to reach 81 to 83 million tons of ingots will instead approximate a total of 65,900,000 tons.

Although steel firms continued last week to make further adjustments in some steel prices, their steelmaking costs were again advanced by higher scrap prices. Early last week and at the close of the previous week the exceptional prices which appeared became general practice in all major scrap consuming areas. Furthermore, most markets had resumed the practice of scrap transactions on a delivered to consumer basis.

Since OPA price controls were removed on iron and steel scrap, the price of heavy melting steel has advanced about $12.00 a ton, although in some instances the net advance has been about $9.50 a ton due to a previous practice of overgrading some materials. Scrap prices have now reached such a high point, the above trade authority observes, that a definite resistance is expected to set in which may be strengthened by a better flow of some grades from remote areas into major consuming localities.

Some steel producers the past week have made adjustments in the prices of certain products in order to bring them into line with past revisions made on finished steel products, the magazine reports. Alloy steel ingots have been advanced by some companies from $48.69 a gross ton to $52.00 a gross ton. Alloy steel billets have been advanced from $58.43 a gross ton to $61.00 a gross ton. Alloy steel bars have been marked up from $2.92 per 100 lbs. to $3.05 per 100 lbs. while major producers making wire rods have posed a problem for manufacturers who turn this material into finished wire items by raising the price $5.00 a net ton.

The American Iron and Steel Institute announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 87.7% of capacity for the week beginning Dec. 30, compared with 72.8% one week ago, 60.2% one month ago and 83.8% one year ago. This represents an increase of 14.9 points or 20.5% from the previous week.

This week's operating rate is equivalent to 1,545,600 tons of steel ingots and castings and compares with 1,283,000 tons one week ago, 1,061,000 tons one month ago and 1,476,300 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to 4,940,453,000 kwh. in the week ended Dec. 21, 1946, from 4,777,943,000 kwh. in the preceding week. Output for the week ended Dec. 21, 1946, was 16.5% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 222,400,000 kwh. in the week ended Dec. 22, 1946, compared with 206,300,000 kwh. for the corresponding week of 1945, or an increase of 7.8%. Local distribution of electricity amounted to 210,500,000 kwh. compared with 198,900,000 kwh. for the corresponding week of last year, an increase of 5.8%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Dec. 21, 1946, totaled 836,181 cars, the Association of American Railroads announced. This was an increase of 7,394 cars (or 0.9%) above the preceding week and 148,336 cars or 21.6% above the corresponding week for 1945. Compared with the similar period of 1944, an increase of 73,209 cars, or 9.6%, is shown.

Paper and Paperboard Production — Paper production in the United States for the week ended Dec. 21, was 101.8% of mill capacity, against 106.7% in the preceding week and 96.5% in the like 1945 week, according to the American Paper & Pulp Association. This does not include mills producing newsprint exclusively. Paperboard output for the current week was 102%, unchanged from the preceding week and 92% in the corresponding week a year ago.

Wholesale Food Price Index Up Moderately—Reversing the downward trend of the previous four weeks, the wholesale food price index, compiled by Dun & Bradstreet, Inc., rose to $6.32 on Dec. 24, from $6.28 on Dec. 17, a gain of 0.6%. The current figure compared with $4.15 a year ago, an increase of 52.3%. Commodities that moved upward during the week were rye, hams, bellies, lard, butter, coffee, cocoa, cottonseed oil and hogs. On the down side were flour, wheat, corn, oats, barley, peas, eggs, steers and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Daily Wholesale Commodity Price Index—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., climbed to a new post-war peak of 246.48 on Wednesday of last week but steadied at a slightly lower level for the balance of the week. The index closed at 245.59 on Dec. 23, comparing with 244.88 a week earlier, and with 181.98 on the similar date a year ago.

Grains were mostly lower with prices fluctuating irregularly during the week. There was an easier trend in both wheat and corn, reflecting official confirmation of record crops of those grains being harvested this year and indications that next year's wheat yield will be still higher. Export demand for wheat was fairly good but mill demand was less active. The downward trend in corn was attributed to disappointment over the allotments of corn for export during January. Flour prices were firmer with mills booked ahead for the next three months. Export demand for flour continued in good volume but domestic demand was slower, reflecting holiday dullness to a large extent. Hog markets were under pressure and values dropped to the lowest levels since prices were decontrolled in mid-October. The decline was largely due to continued weakness in pork products and lard which are currently selling well under prices of a month ago. Cattle, sheep and lamb prices were also lower, reflecting more liberal market receipts. Cocoa prices showed improvement during the week. Futures prices moved into new high ground, influenced by persistent tightness in the spot market.

Cotton prices during the past week moved irregularly in a fairly narrow range. Closing New York spot quotations were only slightly lower for the week, following substantial gains recorded in the preceding period. Active mill and trade price-fixing in the early part of the week helped to maintain prices. Other supporting factors were the continued strong statistical position of the staple and the reported holding movement by growers in the South. In later dealings, profit-taking and hedge selling tended to hold advances in check. Domestic consumption of all cotton during November, as reported by the Census Bureau, was placed at 877,461 running bales, compared with 931,229 during October, and 743,225 in November last year. The average daily consumption for November was about 43,400 bales, as against 40,500 in October. For the four months of the current crop year consumption amounted to 3,482,650 bales, a rise of 18% over the 2,941,881 consumed in the similar period last year.

The Boston wool market reflected holiday dullness last week, with the bulk of activity in domestics centered around revalued wools. Interest in domestic wools was considerably lessened by reported weaknesses in the Australian market. Spot foreign wools sold readily where supplies were available. Imports of foreign wools dropped sharply in the week ended Dec. 13. The total of apparel wools received at Boston, New York and Philadelphia fell to 1,952,700 clean pounds, from 6,363,500 in the preceding week.

Retail and Wholesale Trade — Retail volume during the final pre-Christmas week ended this Wednesday rose considerably and was well above the high level of the corresponding week a year ago, according to Dun & Bradstreet, Inc., in its weekly survey of trade. Clearance sales of toys, apparel and luxury goods attracted many consumers. There were almost no reports of price resistance as crowds of shoppers rushed to complete their Christmas buying.

Retail food volume continued to increase and was moderately above that of a week ago and a year ago. Meat, poultry, fresh fruits and vegetables were available in ample quantities. Sugar was frequently difficult to obtain, while the supply of soap and shortening was reported to be low.

Interest in women's ready-to-wear apparel was stimulated in many sections by clearance sales and mark-down sales of furs were received with moderate enthusiasm. The consumer demand for women's coats, sportswear and evening dresses was very high and stocks were generally considered to be adequate. The limited selections of men's suits and topcoats attracted large numbers of eager shoppers. Both men's and women's accessories continued to be popular selling items.

A very large share of consumer attention was directed toward durable goods last week. Electrical appliances were frequently requested and stocks were well above those of a year ago but remained below the current heavy demand. Furniture was included on the lists of many Christmas shoppers. Selections of upholstered furniture were larger than they have been for some time. The insistent demand for radios centered mainly upon the well-known brand names. Phonograph records, toys and costume jewelry were among the best sellers in the durable goods lines.

Retail volume for the country in the week ended last Wednesday was estimated to be from 24 to 28% above that of the corresponding pre-Christmas week a year ago. Regional estimates exceeded the high levels of a year ago by the following percentages: New England and South 22 to 26, East 25 to 29, Middle West 21 to 25, Northwest 28 to 32, Southwest 23 to 27 and Pacific Coast 20 to 24.

There was a typical pre-holiday decline in wholesale order volume during the week ended with Christmas. The dollar volume of business transacted during the week was down slightly from that of the previous week. It exceeded that of the corresponding week a year ago largely because of currently higher prices. Wholesalers in most lines began to prepare for the usual year-end checking of inventories. To a large extent buyers held off placing orders far in advance for the new year until retail inventories and selling prospects were thoroughly checked.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Dec. 21, 1946, increased by 26% above the same period of last year. This compares with an increase of 20% in the preceding week. For the four weeks ended Dec. 21, 1946, sales increased by 17% and for the year to date by 27%.

Retail trade here in New York last week closed the Christmas season strong with clearance sales well received by consumers. Department store sales for the week advanced to 70% above that of a year ago but it must be borne in mind that there were two selling days before Christmas this year as against one in 1945.

Wholesale markets were in the doldrums awaiting the close of the holiday season and buyers' arrivals in the wholesale markets here are expected to run to the record totals of the past year. The major portion of orders for medium price and cheaper ready-to-wear clothes for spring has yet to be placed.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Dec. 21, 1946, increased 31% above the same period last year. This compared with an increase of 22% in the preceding week. For the four weeks ended Dec. 21, 1946, sales rose 21% and for the year to date increased to 29%.

Business Failures Increase—In the week ending Dec. 26, commercial and industrial failures rose to the highest number recorded in any week since May of 1944, reports Dun & Bradstreet, Inc. Up from 27 in the previous week to 39, concerns failing were over five times as numerous as in the corresponding week of 1945 when only 7 were reported. This increase took place in spite of the fact that the week was shortened by the Christmas holiday.

All but one of the week's failures involved liabilities of $5,000 or more. These large failures rose from 24 last week to 38 in the week just ended, more than seven times as many as a year ago when only 5 occured. Small failures continued at a very low level, on the other hand.

Manufacturing and retail trade continued to account for some two-thirds of the failures reported during the week. Manufacturers failing numbered 17 and retail trade 10.

The week's failures were concentrated in three geographic regions, the New England, East North Central, and Pacific States. Concerns failing were two times as numerous in these regions as in any other areas.

Five Canadian failures were reported as compared with 2 in the previous week and none in the corresponding week a year ago.

Hearing Jan. 7 on Needs Of Small Newspapers

The Senate Special Committee to Study the Problems of American Small Business will open hearings on the problems of the smaller newspapers on Jan. 7, Senator James E. Murray, Democrat, of Montana, announced on Dec.17. Denying reports of any disagreement between them, Senator Murray, Chairman of the Committee, said:

"Senator Wherry and I conferred today on the small newspaper hearings, and we agreed that they should be scheduled for the Jan. 7 date, which is the first Tuesday in the new year. The purpose of the hearings is to determine what can be done to preserve the vitality of the smaller newspapers of the Nation. We are inviting the assistance of all who want to keep the American press vitally competitive. Small dailies and weeklies face more serious threats to their existence today than ever before. At first, we were anxious to study this as a long-range problem, because of the high death-rate in the industry; but small papers are caught right now in a terrible squeeze which many of them may not survive. Their costs are steadily rising, but they cannot expand their advertising or circulation because they don't have the newsprint paper for it."

Six weeks ago, Senator Murray sent a letter to newspaper publishers over the country asking for information about "seven possible obstacles to free competition." He reported today that hundreds of replies have been received and are now being studied. "I want to thank these publishers and editors for the many impressive well-considered letters which they have sent to the committee. Forty-six states are represented in the replies. On the basis of these replies and some preliminary staff research, we are planning opening the hearings on Jan. 7."

Noted experts, as well as independent publishers have already been invited to appear before the committee. The calendar now being drawn includes: Morris L. Ernst, legal expert in the newspaper field, newly appointed to the President's Commission on Civil Rights Legislation, who will make the opening statement at the hearings; Clinton P. Anderson, Secretary of Agriculture; Averell Harriman, Secretary of Commerce; Julius A. Krug, Secretary of Interior; James Lawrence Fly, former Chairman of the Federal Communications Commission; Thurman Arnold, foe of business and labor monopoly, and former Associate Justice, United States Court of Appeals; Woodruff Randolph, President, International Typographical Union.

"Other witnesses will be added as plans for the hearings go forward," Senator Murray said. He added:

"We intend to give the fullest possible consideration in the hearings to each phase of the problem, particularly newsprint, monopoly, and survival. We will also consider small newspaper advertising, taxes, postal rates, production costs, labor problems. We will consider specific proposals for legislation remedies where appropriate."

National Fertilizer Association Commodity Price Index Lower

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Dec. 30, was lower in the week ended Dec. 28, 1946, declining to 189.9 from 190.2 in the preceding week. The index is now 2.1% below the all-time peak of 192.0 reached Nov. 30. A month ago the index stood at 192.0 and a year ago at 142.3, all based on the 1935-1939 average as 100. The Association's report went on to say:

During the latest week two of the composite groups of the index declined and three advanced. In the farm products group the decline was principally due to a decrease in egg prices. The advance in cotton and poultry prices was not enough to offset the decline in egg prices. The decline in the foods index was due largely to the drop in butter prices. The decrease in the food group was partially offset by the advance of the cottonseed oil, lard, and coffee subgroups. The textile index again advanced. The metals index advanced slightly, due to an increase in the price of steel scrap. The farm machinery index also advanced. The remaining groups in the index were unchanged.

During the week 17 price series in the index advanced and 16 declined; in the preceding week 26 declined and 31 advanced; in the second preceding week 21 declined and 17 advanced.

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. 28, 1946	Preceding Week Dec. 21, 1946	Month Ago Nov. 30, 1946	Year Ago Dec. 29, 1945
25.3	Foods	214.3	216.9	216.9	144.1
	Fats and Oils	259.9	259.7	273.5	146.6
	Cottonseed Oil	319.1	307.7	307.7	163.1
23.0	Farm Products	229.1	229.4	235.1	172.9
	Cotton	322.8	313.6	295.2	233.2
	Grains	198.0	203.5	205.2	167.3
	Livestock	225.9	226.8	240.9	166.4
17.3	Fuels	157.6	157.6	156.9	129.0
10.8	Miscellaneous commodities	157.0	157.0	162.8	133.5
8.2	Textiles	216.3	214.7	210.4	159.3
7.1	Metals	139.2	139.0	136.4	110.2
6.1	Building materials	207.0	207.0	207.0	158.4
1.3	Chemicals and drugs	152.9	152.9	†152.8	127.5
.3	Fertilizer materials	123.3	123.3	123.3	118.2
.3	Fertilizers	128.2	128.2	125.6	119.9
.3	Farm machinery	120.8	116.7	116.7	105.2
100.0	All groups combined	189.9	190.2	†192.0	142.3

*Indexes on 1926-1928 base were: Dec. 28, 1946, 147.9; Dec. 21, 1946, 148.2; and Dec. 29, 1945, 110.9. †Revised.

NYSE Informs Members of Tax Status of Option Transactions

Gives text of letter from Commissioner of Internal Revenue explaining Section 117(g)(2) on gains or losses arising from failure to exercise options.

The Secretary's office of the New York Stock Exchange, on Dec. 24 addressed the following letter to its members and member firms:

To Members and Member Firms:

The following is the text of a letter dated Dec. 19, 1946, received by the Exchange from the Commissioner of Internal Revenue:

"Reference is made to letters dated Nov. 15, 1944, and May 7, 1945, with attachments, relative to the status, for Federal income tax purposes, of the proceeds received by the seller of an option to buy or sell securities. In connection with this question Mr. Nathan Coplan, of the firm of Zalkin & Cohen, 19 Rector Street, New York 6, New York, appeared on Sept. 24, 1945 and submitted a memorandum on behalf of the Put and Call Brokers and Dealers Association, Inc.

"You refer to I. T. 3681, C. B. 1944, 64, in which this Bureau held that the proceeds of sale of a 'put' or 'call' constitute ordinary income for Federal income tax purposes and should be included in taxable income for the year in which received; and that when 'puts' and 'calls' are exercised, the proceeds of sale of such options do not effect a reduction in the purchase price of the stock to the seller of a 'put', and such proceeds do not increase the sale price of the stock called in the case of a 'call'. You contend that this published ruling is in conflict with section 117 (g) (2) of the Internal Revenue Code and Bureau rulings previously issued thereunder.

"Under section 117 (g) (2) of the Code gains or losses attributable to the failure to exercise privileges or options to buy or sell property are to be considered as short-term capital gains or losses. Since the statute specifies gains attributable to the failure to exercise options, and as such gains are generally realized only by the seller of options which expire or are otherwise terminated without being exercised, it follows that section 117 (g) (2) contemplates that gains received by the writer of such unexercised options should be treated as short-term capital gains and not as ordinary income.

"Thus, the failure to exercise an option is regarded as the identifiable event which evidences a closed and completed transaction. Until that event occurs, or until the transaction is closed and completed by the exercise of the option, the character of the amount paid or received for the option is not fixed and cannot be definitely ascertained. (Cf. Hunter v. Commissioner, (CCA 5th, 1944) 140 F. (2nd) 954; and Dell J. Moody, T.C. memorandum opinion, decided Dec. 26, 1941.)

"Gains or losses attributable to options to buy or to sell securities which are exercised and which result in actual sales also constitute capital gains or losses. Whether such capital gain or loss is long-term or short-term depends upon whether the securities sold upon exercise of the option were held for more or less than six months.

"It is now concluded that the proceeds of sale of an unexercised 'put or call' constitute a short-term capital gain under section 117 (g) (2) of the Code and are taxable only in the year in which the failure to exercise the option becomes final; and further that the proceeds of sale of an exercised put or call constitute a reduction in the cost or other basis of the stock or bonds with respect to which the option was exercised for the purpose of determining capital gain or loss. (Cf. I.T. 2266, C.B. V-1, 13 (1926).) The ruling contained in I. T. 3681, supra, is hereby revoked.

"The conclusions set forth herein do not apply to proceeds received from the sale of puts or calls which are written by dealers in securities in the ordinary course of their business.

"JOHN C. KORN,
"Acting Secretary."

Named Treasury Under-Secretary

(Continued from first page)

tions as well, having served as Chairman of the Legislative Committee of the American Bankers Association.

As the new Under-Secretary of the Treasury, Mr. Wiggins has the responsibility for the details of Treasury operations and an important voice in determination of fiscal policies. His appointment to the office as principal assistant to Secretary John W. Snyder was hailed as "excellent" by the latter and the appointment is generally viewed in both Washington and banking circles as a trend toward conservatism in the administration of the Treasury.

Colombia and Venezuela Join International Bank

Harold D. Smith, Vice-President of the International Bank for Reconstruction and Development, announced on Dec. 26 that Colombia had signed the Articles of Agreement of the International Bank. Colombia has been a member of the International Monetary Fund since its inception, said the announcement, which also stated:

"Colombia is one of the countries which attended the Bretton Woods Conference in the summer of 1944. Under the Articles of Agreement of the Bank, the subscription to the capital of the Bank assigned to Colombia is $35,000,000. By action of the Board of Governors of the Bank at the initial meeting at Savannah, Ga., in March, 1946, the time during which those countries attending the Bretton Woods Conference are entitled to accept the Articles of Agreement was extended from Dec. 31, 1945 to Dec. 31, 1946. Other countries entitled to sign the Articles of Agreement before the end of this year, which have not yet done so, are Australia, Liberia, New Zealand, the Union of Soviet Socialist Republics and Venezuela.

The action by the South American republic comes a whole year after the ceremonious signing which took place in the Department of State under kleig lights. Although the announcement gives no reason for the delay, reports have been persistent since the Bretton Woods Conference that Colombia could see no advantage to itself in joining the Bank, since it would "neither a borrower or a lender be." A country may not borrow from the World Bank unless it is a member. Whether Colombia's now joining signifies its belief that ultimately it will apply for a World Bank loan is a matter for conjecture. Doubtless there have been continuous diplomatic efforts on the part of the United States to fill in the ranks of the Bretton Woods supporters.

Venezuela joined both the Bank and Fund on Dec. 30, according to an official announcement, text of which follows:

"The Articles of Agreement of the International Monetary Fund and the International Bank for Reconstruction and Development were signed today at 11 a.m. by Dr. M. A. Falcon-Briceno on behalf of the Government of Venezuela. Having participated in the Bretton Woods Monetary and Financial Conference, Venezuela is among the nations which are entitled to sign the Articles of Agreement by Dec. 31, 1946. Venezuela's quota in the International Monetary Fund is $15 million and its subscription to the International Bank for Reconstruction and Development is $10.5 million."

Federal Reserve November Business Index

The Board of Governors of the Federal Reserve System issued on Dec. 21, its monthly indexes of industrial production, factory employment and payrolls, etc. The Board's customary summary of business conditions was made public at the same time. The indexes for November, together with a month and a year ago, follow:

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

	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	1946 Nov.	1946 Oct.	1945 Nov.	1946 Nov.	1946 Oct.	1945 Nov.
Industrial production—						
Total	*182	181	168	*182	184	167
Manufactures—						
Total	*190	188	173	*191	191	173
Durable	*214	213	191	*214	214	192
Nondurable	*171	168	158	*172	172	158
Minerals	*137	144	138	*135	146	134
Construction contracts, value—						
Total	†	145	94	†	138	83
Residential	†	140	44	†	136	42
All other	†	148	134	†	140	115
Factory employment—						
Total	*148.8	146.4	127.8	*149.2	146.7	128.2
Durable goods	*171.7	169.3	143.3	*171.8	169.4	143.5
Nondurable goods	*130.7	128.2	115.6	*131.3	128.9	116.2
Factory payrolls—						
Total	---	---	---	†	286.0	222.9
Durable goods	---	---	---	†	318.2	241.8
Nondurable goods	---	---	---	†	254.6	204.5
Freight carloadings	137	139	133	141	149	136
Department store sales, value	*273	257	222	*336	278	273
Department store stocks, value	†	237	165	†	267	179

*Preliminary. †Data not yet available.

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

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

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

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

	Adjusted for Seasonal Variation			Without Seasonal Adjustment		
	1946 Nov.	1946 Oct.	1945 Nov.	1946 Nov.	1946 Oct.	1945 Nov.
MANUFACTURES						
Iron and steel	*176	183	167	*176	183	167
Pig iron	†	183	158	†	183	158
Steel	190	194	178	190	194	178
Open hearth	161	170	160	161	170	160
Electric	396	369	306	396	369	306
Machinery	*275	269	231	*275	269	231
Transportation equipment	*237	235	252	*237	235	252
‡Automobiles	*186	185	137	*186	185	137
Nonferrous metals and products	*187	179	148	*187	179	148
Smelting and refining	†	150	147	†	150	148
Lumber and products	*142	136	96	*140	142	95
Lumber	*134	127	83	*131	136	81
Furniture	*157	154	123	*157	154	123
Stone, clay and glass products	*201	200	158	*205	209	162
Plate glass	152	158	4	152	158	4
Cement	162	156	113	175	181	122
Clay products	*150	148	119	*155	157	123
Gypsum and plaster products	*220	210	181	*224	216	183
Abrasive and asbestos prod.	*246	244	215	*246	244	215
Textile and products	*171	168	146	*171	168	146
Cotton consumption	164	155	133	164	155	133
Rayon deliveries	249	242	226	249	242	226
Wool textiles	†	177	150	†	177	150
Leather products	†	*116	116	†	*116	117
Tanning	†	97	109	†	98	113
Cattle hide leathers	†	103	125	†	104	130
Calf and kip leathers	†	78	83	†	79	86
Goat and kid leathers	†	66	51	†	66	50
Sheep and lamb leathers	†	141	140	†	141	148
Shoes	†	*128	120	†	*128	120
Manufactured food products	*157	147	150	*158	158	151
Wheat flour	*152	*140	133	*154	*148	134
Meatpacking	165	115	155	*183	117	171
Other manufactured foods	*160	155	152	*166	173	158
Processed fruits and veg.	*178	168	128	*164	216	118
Paper and products	†	*151	142	†	*151	142
Paperboard	175	172	158	175	172	158
Newsprint production	84	65	81	85	85	82
Printing and publishing	*131	132	114	*137	135	118
Newsprint consumption	118	119	96	129	125	104
Petroleum and coal products	†	†	174	†	†	174
Petroleum refining	---	---	---			
Gasoline	*146	*146	147	*146	*146	147
Fuel oil	†	†	164	†	†	164
Lubricating oil	†	†	133	†	†	133
Kerosene	†	†	144	†	†	148
Coke	†	167	148	†	167	148
Byproduct	†	160	144	†	160	144
Beehive	261	392	276	*261	392	276
Chemicals	*239	236	228	*240	238	230
Rayon	*279	272	244	*279	272	244
Industrial chemicals	*410	400	370	*410	400	370
Rubber	*239	235	192	*239	235	192
MINERALS						
Fuels	*139	149	143	*139	149	143
Bituminous coal	*116	160	159	*116	160	159
Anthracite	*123	124	112	*123	124	112
Crude petroleum	*150	*148	141	*150	*148	141
Metals	†	114	109	†	130	80
Iron ore	---	---	---		252	108

*Preliminary or estimated. †Data not yet available.

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

FREIGHT CARLOADINGS
(1935-39 average = 100)

Coal	117	155	148	117	155	148
Coke	166	183	167	166	180	167
Grain	147	142	167	144	142	164
Livestock	136	128	145	171	197	183
Forest products	151	146	110	148	154	108
Ore	157	157	134	169	216	114
Miscellaneous	148	139	133	154	151	139
Merchandise, l.c.l.	83	79	74	84	82	75

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

Weekly Coal and Coke Production Statistics

In the second week following the coal strike, ending Dec. 21, 1946, the bituminous coal miners produced an estimated 13,100,000 net tons, compared with 13,220,000 tons in the preceding week and 11,150,000 tons in the corresponding week of 1945, according to the United States Bureau of Mines. Cumulative production of soft coal during the calendar year through Dec. 21, 1946, approximated 514,607,000 net tons, which was a decrease of 9.5% below the output in the comparable portion of 1945 through Dec. 22.

In the Pennsylvania anthracite fields, the output for the week ended Dec. 21, 1946, was estimated by the Bureau of Mines at 1,279,000 tons, compared with 1,350,000 tons in the preceding week and with 933,000 tons in the comparable week of 1945, ending Dec. 22. During the calendar year through Dec. 21, 1946, the production of hard coal was approximately 59,488,000 tons, which was an increase of 9.9% above the 54,152,000 tons mined 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. 21, 1946, showed an increase of 34,400 tons when compared with the output for the week ended Dec. 14, 1946, and was 20,800 tons more than for the corresponding week of 1945.

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

	Week Ended			Jan. 1 to Date	
	Dec. 21, 1946	Dec. 14, 1946	Dec. 22, 1945	*Dec. 21, 1946	Dec. 22, 1945
Bituminous coal and lignite—					
Total, including mine fuel	13,100,000	13,220,000	11,150,000	514,607,000	568,627,000
Daily average	2,183,000	2,203,000	1,858,000	1,730,000	1,899,000

*Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
	‡Dec. 21, 1946	§Dec. 14, 1946	Dec. 22, 1945	Dec. 21, 1946	Dec. 22, 1945	Dec. 25, 1937
Penn Anthracite—						
*Total incl. coll. fuel	1,279,000	1,350,000	933,000	59,488,000	54,152,000	50,842,000
†Commercial produc.	1,230,000	1,298,000	897,000	57,195,000	52,067,000	48,300,000
Beehive Coke—						
United States total	107,300	72,900	86,500	4,080,500	5,114,800	3,143,600

*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—	Dec. 14, 1946	Dec. 7, 1946	¶Dec. 15, 1945
Alabama	367,000	36,000	399,000
Alaska	7,000	7,000	6,000
Arkansas	27,000	14,000	41,000
Colorado	186,000	14,000	187,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,470,000	357,000	1,519,000
Indiana	557,000	29,000	535,000
Iowa	38,000	13,000	39,000
Kansas and Missouri	124,000	51,000	137,000
Kentucky—Eastern	1,213,000	68,000	1,107,000
Kentucky—Western	510,000	297,000	464,000
Maryland	55,000	3,000	41,000
Michigan	1,000	1,000	2,000
Montana (bituminous and lignite)	98,000	70,000	85,000
New Mexico	35,000	5,000	30,000
North and South Dakota (lignite)	88,000	101,000	70,000
Ohio	853,000	108,000	767,000
Oklahoma	62,000	50,000	64,000
Pennsylvania (bituminous)	2,936,000	478,000	2,970,000
Tennessee	150,000	21,000	131,000
Texas (bituminous and lignite)	2,000	2,000	1,000
Utah	149,000	1,000	141,000
Virginia	370,000	38,000	334,000
Washington	16,000	20,000	25,000
†West Virginia—Southern	2,363,000	60,000	2,162,000
‡West Virginia—Northern	1,324,000	417,000	1,210,000
Wyoming	200,000	8,000	217,000
§Other Western States	1,000	*	1,000
Total bituminous and lignite	13,220,000	2,270,000	12,686,000

†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. ¶Revised to agree with results of annual canvass of mines. *Less than 1,000 tons.

Civil Engineering Construction Totals $34,344,000 for Week

Civil engineering construction volume in continental United States totals $34,344,000 for the three-day week ending Dec. 26, 1946, as reported by "Engineering News-Record." This volume is 60% below the previous five-day week, 31% above the corresponding three-day week of last year, and 61% below the previous four-week moving average. The report continued as follows:

Private construction this week, $25,260,000, is 45% below last week and 44% above the week last year. Public construction, $9,084,000, is 77% below last week, and 4% greater than the week last year. State and municipal construction, $8,027,000, 78% below last week, is 348% above the 1945 week. Federal construction, $1,057,000, is 62% below last week, and 85% below the week last year.

Total engineering construction for the 52-week period of 1946 records a cumulative total of $5,176,034,000, which is 126% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $3,157,671,000, which is 176% above that for 1945. Public construction, $2,018,363, is 76% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $1,419,092,000 to date, is 259% above 1945. Federal construction, $599,271,000, dropped 20% below the 52-week total of 1945.

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

	Dec. 26, 1946 (three days)	Dec. 19, 1946 (five days)	Dec. 27, 1945 (three days)
Total U. S. Construction	$34,344,000	$86,192,000	$26,258,000
Private Construction	25,260,000	46,197,000	17,559,000
Public Construction	9,084,000	39,995,000	8,699,000
State and Municipal	8,027,000	37,219,000	1,793,000
Federal	1,057,000	2,776,000	6,906,000

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

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Dec. 30	122.20	116.80	121.25	119.61	116.80	110.15	112.56	117.80	120.02
28	122.17	116.80	121.04	119.61	116.80	110.15	112.56	118.00	120.02
27	122.17	116.80	121.04	119.61	116.80	110.15	112.56	118.80	119.82
26	122.17	116.61	120.84	119.41	116.61	110.15	112.56	117.80	119.82
25	STOCK EXCHANGE CLOSED								
24	122.14	116.61	121.04	119.20	116.41	110.15	112.56	117.60	119.82
23	122.08	116.61	121.04	119.20	116.61	110.15	112.56	117.60	119.82
21	122.05	116.41	120.84	119.20	116.41	109.97	112.37	117.60	119.82
20	121.92	116.61	120.84	119.20	116.61	109.97	112.37	117.60	119.82
19	122.02	116.41	120.84	119.20	116.41	109.97	112.37	117.60	119.61
18	121.89	116.41	120.63	119.20	116.61	109.97	112.37	117.60	119.61
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. 31, 1945	124.84	117.60	121.25	119.82	117.40	112.00	114.46	117.60	120.63
2 Years Ago									
Dec. 30, 1944	120.55	113.50	119.00	117.80	113.31	104.48	108.70	113.70	118.20

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Dec. 30	1.56	2.81	2.59	2.67	2.81	3.16	3.03	2.76	2.65
28	1.57	2.81	2.60	2.67	2.81	3.16	3.03	2.75	2.65
27	1.57	2.81	2.60	2.67	2.81	3.16	3.03	2.75	2.66
26	1.57	2.82	2.61	2.68	2.82	3.16	3.03	2.76	2.66
25	STOCK EXCHANGE CLOSED								
24	1.57	2.82	2.60	2.69	2.83	3.16	3.03	2.77	2.66
23	1.57	2.82	2.60	2.69	2.82	3.16	3.03	2.77	2.66
21	1.58	2.83	2.61	2.69	2.83	3.17	3.04	2.77	2.66
20	1.59	2.82	2.61	2.69	2.82	3.17	3.04	2.77	2.66
19	1.58	2.83	2.61	2.69	2.83	3.17	3.04	2.77	2.67
18	1.59	2.83	2.62	2.69	2.82	3.17	3.04	2.77	2.67
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. 31, 1945	1.41	2.77	2.59	2.66	2.78	3.06	2.93	2.77	2.62
2 Years Ago									
Dec. 30, 1944	1.80	2.98	2.70	2.76	2.99	3.48	3.24	2.97	2.74

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

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

Truman Names Air Coordinators

Under an executive order of President Truman on Sept. 19 an Air Coordinating Committee, with William L. Clayton, Under Secretary of State, as Chairman, was created to provide for "the fullest development and coordination of the aviation policies and activities" of the government, according to Associated Press Washington advices. James M. Landis, Chairman of the Civil Aeronautics Board, has been named Co-Chairman and will serve as Chairman during absences of Mr. Clayton. Departments to be represented on the committee, in addition to the State Department and the Civil Aeronautics Board, are the War, Postoffice, Navy and Commerce.

Life Ins. Purchases in Nov. Show Increase

Life insurance purchases in the United States in November showed an increase of 40% over purchases in the corresponding month of last year and were 68% over the aggregate reported for November in prewar 1941, it was reported on Dec. 19 by the Life Insurance Agency Management Association of Hartford, Conn. Total purchases in November were $1,648,423,000 compared with $1,179,294,000 in November of last year and $978,859,000 in November, 1941. The Institute further reports:

"Purchases of ordinary life insurance in November were $1,143,164,000, up 32% over November a year ago and nearly twice the total in November, 1941. Industrial life insurance purchased in November amounted to $343,113,000, an increase of 37% over the corresponding month last year and 20% over November, 1941. Group life insurance purchases were $162,146,000 in November, an increase of 151% over November a year ago and 45% over the figure for November, 1941. These purchases represent new groups set up and no not include additions of insured personnel under group insurance contracts already in force.

"In the first 11 months of the year total life insurance purchases were $19,379,987,000, an increase of 53% over the first 11 months of 1945 and 86% over the corresponding period of 1941. Purchases of ordinary life insurance accounted for $13,895,582,000 of the 11 months' aggregate, an increase of 58% over last year and more than twice the 1941 total. Industrial life insurance purchases represented $3,679,918,000 of the current year's total, an increase of 30% as compared with last year, while group life insurance purchases amounted to $1,804,487,000, an increase of 72% as compared with the first 11 months of last year.

OPA Advisory Group Quits

Protesting "too rapid" and indiscriminate decontrol of commodities before balance has been achieved between supply and demand, the 27-member Advisory Committee to the Office of Price Administration resigned on Dec. 17, according to Washington advices to the New York "Herald Tribune." The group's Executive Committee Chairman, Dr. Caroline Ware, told a press conference that liquidation of OPA cut the props from under the consumer body which had no alternative but to resign. The "Herald Tribune" advices added:

In a letter to the President, released by the Committee without consulting the White House, a "permanent consumer advisory committee to advise the Administration on overall economic policy and programs" was asked. Also, it was suggested the nation's consumer viewpoint be channeled into programs emanating from the Departments of Agriculture, Commerce and the National Housing Agency.

Moody's Daily Commodity Index

Tuesday, Dec. 24, 1946	380.6
Wednesday, Dec. 25	Hol.
Thursday, Dec. 26	379.9
Friday, Dec. 27	377.0
Saturday, Dec. 28	378.2
Monday, Dec. 30	378.3
Two weeks ago, Dec. 17	373.1
Month ago, Nov. 30	376.7
Year ago, Dec. 29, 1945	264.7
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Dec. 24	380.6
Low, Jan. 2	264.7

Daily Average Crude Oil Production for Week Ended Dec. 21, 1946 Decreased 9,100 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 21, 1946, was 4,707,850 barrels, or 9,100 barrels per day less than in the preceding week. It was, however, 228,200 barrels per day in excess of the output in the corresponding week of 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. 21, 1946 averaged 4,728,550 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 4,820,000 barrels of crude oil daily and produced 15,195,000 barrels of gasoline; 1,928,000 barrels of kerosene; 5,789,000 barrels of distillate fuel, and 8,419,000 barrels of residual fuel oil during the week ended Dec. 21, 1946; and had in storage at the end of that week 89,554,000 barrels of finished and unfinished gasoline; 17,815,000 barrels of kerosene; 60,608,000 barrels of distillate fuel, and 54,217,000 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. 21, 1946	Change from Previous Week	4 Weeks Ended Dec. 21, 1946	Week Ended Dec. 22, 1945
**New York-Penna.	48,200		47,800	—2,750	48,800	42,600
Florida			250	+ 50	200	100
**West Virginia	8,400		7,200	—1,100	7,200	6,650
**Ohio—Southeast	7,600		5,650	— 450	5,700	3,700
Ohio—Other			2,550	— 250	2,500	3,100
Indiana	19,000		18,400	— 650	19,400	13,100
Illinois	210,000		201,400	— 500	202,050	204,250
Kentucky	29,000		30,100	+ 250	30,050	28,950
Michigan	46,000		42,000	—6,600	44,600	44,700
Nebraska	800		†700	----	700	750
Kansas	263,000	270,000	†275,650	—4,300	270,150	256,450
Oklahoma	380,000	362,400	†371,450	+ 650	370,200	385,350
Texas—						
District I			18,850	----	18,900	----
District II			134,800	----	138,350	----
District III			422,650	----	434,550	----
District IV			208,800	----	213,750	----
District V			34,600	----	35,250	----
East Texas			316,000	----	318,250	----
Other Dist. VI			99,350	----	101,000	----
District VII-B			34,500	----	34,750	----
District VII-C			27,700	----	28,200	----
District VIII			499,700	----	501,850	----
District IX			118,000	----	119,000	----
District X			81,100	----	80,950	----
Total Texas	2,050,000	‡2,000,267	1,996,050	----	2,024,800	1,922,400
North Louisiana			93,600	+ 50	93,200	76,600
Coastal Louisiana			310,350	----	310,050	295,300
Total Louisiana	382,000	444,000	403,950	+ 50	403,250	371,900
Arkansas	76,000	81,247	74,150	+ 200	73,800	75,900
Mississippi	60,000		84,700	+3,050	81,800	54,400
Alabama	2,000		1,150	----	1,100	100
New Mexico—So. East	98,000	109,000	102,500	----	101,950	97,500
New Mexico—Other			450	----	450	400
Wyoming	96,000		103,800	— 800	104,800	88,250
Montana	24,000		23,100	— 300	23,600	20,300
Colorado	32,000		39,750	+3,450	38,500	21,000
California	845,000	§840,700	875,100	+ 900	872,950	837,800
Total United States	4,677,000		4,707,850	—9,100	4,728,550	4,479,650
**Pennsylvania Grade (included above)			60,650	—4,300	61,700	52,950

*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. 19, 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. 21, 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	776	92.5	1,981	19,077	8,078	22,140	9,356
Appalachian—								
District No. 1	76.3	101	70.6	305	2,410	427	514	330
District No. 2	84.7	59	95.2	221	978	42	103	184
Ind., Ill., Ky.	87.4	775	89.1	2,795	16,213	1,864	6,402	4,240
Okla., Kans., Mo.	78.3	392	83.6	1.494	8.716	1.079	2.878	1.285
Inland Texas	59.8	216	65.5	1,010	3,436	411	532	751
Texas Gulf Coast	89.2	1,190	97.1	3,514	13,935	3,420	10,874	6,883
Louisiana Gulf Coast	97.4	329	102.5	1,085	4,753	1,386	3,890	2,119
No. La. & Arkansas	55.9	61	48.4	170	1,677	332	523	115
Rocky Mountain—								
New Mexico	19.0	12	92.3	37	100	15	38	41
Other Rocky Mt.	70.9	123	74.5	389	1,910	114	436	599
California	85.5	786	79.1	2,194	16,349	647	12,278	28,314
Total U. S. B. of M. basis Dec. 21, 1946	85.8	4,820	86.7	15,195	*89,554	17,815	60,608	54,217
Total U. S. B. of M. basis Dec. 14, 1946	85.8	4,685	84.3	15.160	88,678	18,505	62,147	56,096
U. S. B. of M. basis Dec. 22, 1945		4,595		14,508	†92,762	10,604	38,805	40,752

*Includes unfinished gasoline stocks of 8,274,000 barrels. †Includes unfinished gasoline stocks of 8,274,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §In addition, there were produced 1,928,000 barrels of kerosine, 5,789,000 barrels of gas oil and distillate fuel oil and 8,419,000 barrels of residutl fuel oil in the week ended Dec. 21, 1946, which compares with 1,989,000 barrels, 5,802,000 barrels and 7,976,000 barrels, respectively, in the preceding week and 1,841,000 barrels, 4,624,000 barrels and 8,731,000 barrels, respectively, in the week ended Dec. 22, 1945.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Dec. 24 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 Dec. 7, 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 Dec. 7 (in round-lot transactions) totaled 2,304,871 shares, which amount was 17.56% of the total transactions on the Exchange of 6,560,560 shares. This compares with member trading during the week ended Nov. 30 of 1,622,555 shares, or 17.06% of the total trading of 4,755,740 shares.

On the New York Curb Exchange, member trading during the week ended Dec. 7 amounted to 459,435 shares, or 14.57% of the total volume on that Exchange of 1,576,655 shares. During the week ended Nov. 30 trading for the account of Curb members of 410,430 shares was 17.35% of the total trading of 1,182,905.

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

WEEK ENDED DEC. 7, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	204,980	
‡Other sales	6,355,580	
Total sales	6,560,560	
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	765,510	
Short sales	108,150	
‡Other sales	617,240	
Total sales	725,390	11.36
2. Other transactions initiated on the floor—		
Total purchases	167,570	
Short sales	13,100	
‡Other sales	120,250	
Total sales	133,350	2.29
3. Other transactions initiated off the floor—		
Total purchases	301,740	
Short sales	14,140	
‡Other sales	197,171	
Total sales	211,311	3.91
4. Total—		
Total purchases	1,234,820	
Short sales	135,390	
‡Other sales	934,661	
Total sales	1,070,051	17.56

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

WEEK ENDED DEC. 7, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	12,300	
‡Other sales	1,564,355	
Total sales	1,576,655	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	162,260	
Short sales	9,460	
‡Other sales	135,000	
Total sales	144,460	9.73
2. Other transactions initiated on the floor—		
Total purchases	24,535	
Short sales	950	
‡Other sales	18,650	
Total sales	19,600	1.40
3. Other transactions initiated off the floor—		
Total purchases	71,540	
Short sales	600	
‡Other sales	36,440	
Total sales	37,040	3.44
4. Total—		
Total purchases	258,335	
Short sales	11,010	
‡Other sales	109,090	
Total sales	201,100	14.57
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	69,755	
Total purchases	69,755	
Total sales	58,429	

*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."

Consumer Instalment Credits of Industrial Banks in October

Consumer instalment credit outstanding at industrial banks increased about 6% in October to an estimated total of $151 million at the end of the month. All types of credit rose during the month, said the Board of Governors of the Federal Reserve System on Dec. 3, which further reported:

"The volume of credit extended in October was substantially above the volume of the preceding month with the largest percentage gains occurring in retail instalment paper."

CONSUMER INSTALMENT CREDITS OF INDUSTRIAL BANKS, OCTOBER, 1946

(Estimates. In millions of dollars.)

Type of Credit—	Amounts Outstanding *Oct. 31, 1946	Amounts Outstanding Sept. 30, 1946	Amounts Outstanding Oct. 31, 1945	Volume Extended *Oct. 31, 1946	Volume Extended Sept. 30, 1946	Volume Extended Oct. 31, 1945
Total	151.0	142.9	97.7	29.6	25.2	19.7
†Retail instalment paper:						
Automobile	25.0	22.1	13.1	6.1	4.3	2.7
Other	15.8	14.7	8.4	3.6	2.7	2.7
Repair and modernization loans	26.7	25.4	16.2	3.2	2.7	2.1
Personal instalment cash loans	83.5	80.7	60.0	16.7	15.5	13.2

*Preliminary. †Figures include both loans made directly to consumers for the purchase of automobiles and other merchandise and instalment paper purchased from dealers.

4 New Councilors of Am. Chemical Society

Four leaders in chemistry and chemical engineering have been elected Councilors-at-Large of the American Chemical Society. Those named for three-year terms to the Council, the Society's advisory body on policy and general management, are:

Dr. Cecil L. Brown, Director of the Esso Laboratories, Standard Oil Co. of Louisiana, Baton Rouge; Dr. M. L. Crossley, Research Director of the American Cyanamid Co., Bound Brook, N. J.; Prof. Glenn T. Seaborg of the University of California, Berkeley, and Prof. Roger J. Williams, Director of the Biochemical Institute at the University of Texas.

Walter A. Schmidt, President and General Manager of the Western Precipitation Co., Los Angeles, was re-elected a Director-at-Large for a four-year term. Also re-elected, for three years, were Dr. Lawrence W. Bass, Director of Chemical Research of Air Reduction Co., Inc., and Director of Research and development of United States Industrial Chemicals, Inc., New York, as Regional Director for the Second District, embracing the States of New York and New Jersey, and Prof. Roger Adams, head of the chemistry department in the University of Illinois, as Regional Director for the Fifth District, consisting of Illinois, Indiana, Michigan and Wisconsin. Prof. Adams is Chairman of the Board of Directors.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 24 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 Dec. 14, 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 Dec. 14, 1946

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	36,557
Number of shares	1,030,540
Dollar value	$43,252,851
Odd-lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	444
*Customers' other sales	30,972
Customers' total sales	31,416
Number of Shares:	
Customers' short sales	18,552
*Customers' other sales	928,096
Customers' total sales	946,648
Dollar value	$34,342,712
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	0
†Other sales	241,390
Total sales	241,390
Round-lot Purchases by Dealers—	
Number of shares	387,660

*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."

Smith New FPC Head

Leland Olds, former Executive Secretary of the New York Power Authority, who was appointed to the Federal Power Commission in 1939 and became its Chairman in 1940, has resigned and will be succeeded by Nelson Lee Smith of Hopkinton, N. H., according to advices from Washington to the New York "Times" on Dec. 18. It was also reported that Mr. Olds, in leaving the Chairmanship, would remain a member of the Commission. The announcement stated that Richard Sachse, a civil engineer, of Fall Brook, Calif., who was appointed to the FPC in 1945, would be Vice-Chairman.

Electric Output for Week Ended Dec. 21, 1946 16.5% 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. 21, 1946, was 4,940,453,000 kwh., an increase of 16.5% over the corresponding week last year when electric output amounted to 4,239,376,000 kwh. The current figure also compares with 4,777,943,000 kwh. produced in the week ended Dec. 14, 1946, which was 15.0% higher than the 4,154,061,000 kwh., produced in the week ended Dec. 15, 1945. The largest increases were reported by the Southern States and Pacific Coast groups which showed increases of 25.5% and 23.1%, respectively, over the same week in 1945.

PERCENTAGE INCREASE OVER SAME WEEK LAST YEAR

Major Geographical Division—	Week Ended— Dec. 21	Dec. 14	Dec. 7	Nov. 30	Nov. 23
New England	11.7	11.3	10.1	0.1	21.9
Middle Atlantic	9.1	6.4	3.9	*0.1	15.6
Central Industrial	15.3	13.5	11.3	6.8	21.2
West Central	11.4	11.0	9.3	6.7	16.3
Southern States	25.5	21.2	22.1	20.9	32.1
Rocky Mountain	7.2	9.5	9.7	8.3	18.8
Pacific Coast	23.1	26.1	27.8	21.7	35.7
Total United States	16.5	15.0	14.1	10.0	24.0

*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	4,940,453	4,239,376	+16.5	4,616,975	1,414,710	1,637,683
Dec. 28		3,758,942		4,225,814	1,619,265	1,542,000

Non-Ferrous Metals—Wartime Control of Lead Ended by CPA—Foreign Copper Market Strong

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 26, stated: "The Civilian Production Administration, Office of Temporary Controls, on Dec. 20 announced that Order M-38, controlling lead, has been revoked. The action was taken on 'virtually unanimous recommendations of the lead producing and consuming industries.' Allocation of lead was discontinued immediately. Offerings of foreign copper were light and business placed during the last week was at slightly higher levels. The domestic market for copper was unchanged. Some operators thought that foreign zinc was offered a little more freely. Silver was unsettled and lower, largely because of a greatly reduced volume of business in the face of ample supplies. Antimony was firm, but unchanged." The publication further went on to say in part as follows:

Copper

Except for a further strengthening in the foreign copper market, resulting in business on the basis of 19.625c., f.a.s. equivalent, the situation last week showed little change. Domestic copper was maintained at 19½c., Valley. The fabricating division of the copper industry consumed 130,746 tons of refined copper during November against 130,191 tons in October.

The stockpile of copper in the hands of RFC declined from 151,101 tons at the end of October to 124,853 tons at the end of November.

In commenting to stockholders on the world copper situation, A. Chester Beatty, Chairman of Roan Antelope, Rhodesian producer, said:

"The world price of copper began to rise in the early part of 1946 and has continued rising to the present time. The increase has been due to a number of factors, some unexpected. The United States has remained almost as large an importer of copper as during the war, and Europe has again become a substantial buyer."

Lead

Though the lead industry favored decontrol of the metal, no one thought that CPA would act so swiftly in the matter of ending allocation of the metal from the government's reserve supply. The stockpile was frozen, according to the initial announcement, even though the government's supply has increased to more than 50,000 tons, partly because of the addition of supplies brought here from Japan. Pending receipt of the final order revoking M-38, consumers refused to give up hope that some modification of the allocation feature may come through. In brief, the general reaction to the action by CPA was that it was altogether "too sudden."

[According to an Associated Press dispatch, the CPA Dec. 27, formally revoked all government controls on the use of lead but said restrictions on inventories will continue indefinitely. The inventory order requires all consumers to limit the amount of lead in their possession to 30 days' requirements. The agency also said that consumers must continue making reports to CPA on the amounts of inventories, consumption, and snipments of lead, consumption and stocks of scrap and secondary lead and tin. Reports also are required from producers on production, stocks and shipments, and dealers must report on supplies to non-ferrous scrap metals. CPA also lifted its controls governing the use of lead in pigments and insecticides and in ethyl fluid for blending of high octane gasoline. With these controls removed, CPA said lead users no longer will be eligible for priorities assistance in obtaining the metal.—Ed.]

Sales of lead for the last week amounted to 3,220 tons.

Consumption of lead in the United Kingdom during the third quarter of 1946 totaled 79,055 long tons, of which 45,913 tons was imported lead and lead bullion, and 33,142 tons was recovered from scrap. Consumption in the second quarter totaled 77,876 tons, of which 48,013 tons was primary lead and 29,863 tons scrap.

Stocks of refined lead in the United Kingdom on Sept. 1 amounted to 27,100 tons, against 23,000 tons a month previous and 65,300 tons at the beginning of the year, according to the British Ministry of Supply.

Zinc

The domestic price situation in zinc so far as Prime Western was concerned was unchanged, with the market steady on the basis of 10½c, East St. Louis. In the export market Prime Western was quotable at 10½c to 10¾c., f.a.s. Gulf ports, with High Grade at 11c to 11¼c.

To maintain a differential of at least 15 points below the delivered price of Regular High Grade zinc, St. Joseph Lead Co. announced last week that it will sell its Intermediate Grade at the East St Louis price for Prime Western, plus the premium, plus freight to destination, but guaranteed not to exceed $3 per ton below the price of Regular High Grade at the delivered point. Higher freight rates, effective Jan. 1, would have raised the delivered price of Intermediate in certain areas to the same level as Regular High Grade. Intermediate formerly sold on the basis of one-half cent per pound above Prime Western, East St. Louis.

Antimony

Supplies of antimony remain insufficient, and quotations were easily maintained on the basis of 28¼c, bulk, Laredo, and at 29⅝c, packed in cases, ex warehouse, Jersey City.

Platinum

Demand for refined platinum was quiet. Leading sellers maintained quotations on the basis of $60 an ounce troy on wholesale lots, and at $65 on sales to consumers. Iridium was unchanged at $110, with palladium at $24. The supply of platinum in the hands of the Reconstruction Finance Corporation has been turned over to the permanent stockpile. Amounts involved have not been disclosed.

Tin

Stocks of refined tin owned by RFC totaled 23,119 long tons at the end of November, against 21,749 tons a month previous. Stocks of tin contained in concentrates at the end of November amounted to 26,743 tons, against 25,146 tons a month previous.

The price situation in the United States market was unchanged. Consumers look for the price to hold at the present level for January metal. Forward tin, in cents per pound, was nominally as follows:

	Dec.	Jan.	Feb.
Dec. 19	70.000	70.000	70.000
Dec. 20	70.000	70.000	70.000
Dec. 21	70.000	70.000	70.000
Dec. 23	70.000	70.000	70.000
Dec. 24	70.000	70.000	70.000
Dec. 25		Holiday	

Chinese, or 99% tin, 69.125c.

Quicksilver

The market for quicksilver presented a firmer appearance, and several sellers regarded $89 per flask as the lowest level at which they were willing to entertain bids as the week ended. However, others reported sales at $88, and the market was quotable at the old level, leaving the range unchanged for the week at $88 to $92 per flask, depending on quantity. The improved undertone reflected a growing conviction among New York dealers that the forced selling by European operators has ended.

Silver

The New York Official quotation for silver declined to 84¾c an ounce troy on Dec. 24, a new low for the movement. The decline was caused chiefly by lack of buying interest, indicating that consumers' needs for the near future have been largely satisfied.

London reported a quiet market, with the price unchanged at 55½d.

Refineries operating in the United States produced 5,639,000 troy oz. of silver in October, against 6,493,000 oz. in September, the American Bureau of Metal Statistics reports. Production of refined silver during the first 10 months of 1946, in ounces, according to origin of the metal, follows:

1946—	Domestic Origin	Foreign Origin
January	2,153,000	3,654,000
February	1,495,000	2,501,000
March	513,000	1,535,000
April	344,000	1,126,000
May	409,000	1,089,000
June	1,063,000	1,739,000
July	1,395,000	2,293,000
August	2,583,000	2,783,000
September	2,993,000	3,500,000
October	2,940,000	2,699,000

Total output of refined silver during the first 10 months of 1946 according to the Bureau was 38,807,000 oz., of which 15,888,000 oz. was domestic and 22,919,000 oz. foreign metal. This compares with production of 55,653,000 oz. in the Jan.-Oct. period of 1945, of which 24,647,000 oz was domestic and 31,006,000 was foreign. Strikes and price uncertainty were factors in reducing output this year.

Separation between silver of foreign and domestic origin on the basis of refined bars and other forms is approximate, the Bureau observes.

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

	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
Dec. 19	19.275	19.550	70.000	12.550	12.350	10.500
Dec. 20	19.275	19.425	70.000	12.550	12.350	10.500
Dec. 21	19.275	19.425	70.000	12.550	12.350	10.500
Dec. 23	19.275	19.550	70.000	12.550	12.350	10.500
Dec. 24	19.275	19.550	70.000	12.550	12.350	10.500
Dec. 25	Holiday	Holiday	Holiday	Holiday	Holiday	Holiday
Average	19.275	19.500	70.000	12.550	12.350	10.500

Average prices for calendar week ended Dec. 21 are: Domestic copper f.o.b. refinery, 19.275c; export copper, f.o.b. refinery 19.446c; Straits tin, 70.000c; New York lead, 12.550c; St. Louis lead, 12.350c; St. Louis Zinc, 10.500c; and silver, 86.750c.

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.

Construction Contracts Awarded in November

Investment commitments for construction declined 13% in November from the dollar volume of contracts awarded in October in the 37 states east of the Rocky Mountains, it was reported on Dec. 20 by F. W. Dodge Corp., a fact-finding organization for the construction industry. Last month construction contracts totaled $503,745,000 against $573,206,000 in October.

The dollar volume of residential building contracts dropped 6% from a total of $235,068,000 in October to $221,113,000 in November. The Dodge Corp. reported that 30,520 dwelling units were called for in the plans and specifications attending contracts awarded last month, bringing the cumulative contract total of dwelling units for the first 11 months of this year in the eastern states to 417,708, with a total direct investment value of $2,948,737,000. This is the highest residential dollar contract total on record for 11 months of a year, the corporation reported. 5% of the residential dollar volume during the 11 months was for projects classified as publicly owned.

Residential contract gains, despite the overall decline in the area east of the Rockies, were deported in November as compared with October in New England, metropolitan New York and northern New Jersey, the Middle Atlantic region, western Pennsylvania and West Virginia, Texas, western Missouri, Kansas, Nebraska and Oklahoma.

Non-residential building contract volume declined from $225,355,000 in October to $160,871,000 in November while heavy engineering construction contract volume increased from $112,783,000 to $121,761,000. Total contract volume for the first 11 months in the 37 eastern states was $7,032,444,000, which figure has been exceeded only once before in an 11-month period and that in 1942 when war construction was at a peak and the volume reached $7,543,345,000.

Van Slyck Editor of NAM Publication

The National Association of Manufacturers announced on Dec. 22 the appointment of M. L. Van Slyck, a former editor of "Newsweek" and the Chicago "Journal of Commerce," as editor of its weekly publication, "NAM News." The format of the NAM publication will be redesigned and its coverage broadened under Mr. Van Slyck's direction so as to give NAM members the major association and related news in succinct and significant fashion necessary for enlightened leadership. The NAM announcement also said:

"Mr. Van Slyck has had wide experience in handling business and industrial news and during the recent war he won national recognition as an authority on the problems of small business firms and on industrial distribution. He was industrial editor of the Chicago "Journal of Commerce" from 1930 to 1934, when he left to become assistant to the President of Transcontinental & Western Air, Inc. Three years later he was back with the Chicago "Journal of Commerce" as business editor and writer of the "Round Table of Business" column. Mr. Van Slyck became associate editor of "Newsweek" in 1942, remaining there until 1945 when he was made editor of the trade magazine, "Mill Supplies," published by McGraw-Hill Publishing Co.

Revenue Freight Car Loadings During Week Ended Dec. 21, 1946, Increased 7,394 Cars

Loading of revenue freight for the week ended Dec. 21, 1946 totaled 836,181 cars the Association of American Railroads announced on Dec. 27. This was an increase of 148,336 cars or 21.6% above the corresponding week in 1945, and an increase of 73,209 cars or 9.6% above the same week in 1944.

Loading of revenue freight for the week of Dec. 21 increased 7,394 cars or 0.9% above the preceding week.

Miscellaneous freight loading totaled 373,308 cars an increase of 13,241 cars above the preceding week, and an increase of 64,816 cars above the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 122,265 cars a decrease of 1,867 cars below the preceding week, but an increase of 17,072 cars above the corresponding week in 1945.

Coal loading amounted to 198,310 cars, a decrease of 6,814 cars below the preceding week, but an increase of 40,525 cars above the corresponding week in 1945.

Grain and grain products loading totaled 53,331 cars, a decrease of 1,033 cars below the preceding week but an increase of 7,632 cars above the corresponding week in 1945. In the Western Districts alone grain and grain products loading for the week of Dec. 21 totaled 36,616 cars, a decrease of 97 cars below the preceding week but an increase of 4,551 cars above the corresponding week in 1945.

Livestock loading amounted to 15,653 cars a decrease of 2,123 cars below the preceding week and a decrease of 1,320 cars below the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Dec. 21 totaled 11,915 cars a decrease of 1,811 cars below the preceding week, and a decrease of 725 cars below the corresponding week in 1945.

Forest products loading totaled 46,521 cars, an increase of 3,580 cars above the preceding week and an increase of 15,432 cars above the corresponding week in 1945.

Ore loading amounted to 12,492 cars an increase of 86 cars above the preceding week and an increase of 2,886 cars above the corresponding week in 1945.

Coke loading amounted to 14,301 cars, an increase of 2,324 cars above the preceding week and an increase of 1,293 cars above the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
5 weeks of March	3,982,229	4,022,088	3,916,037
4 weeks of April	2,604,552	3,377,335	3,275,846
4 weeks of May	2,616,067	3,456,465	3,441,616
5 weeks of June	4,062,911	4,366,516	4,338,886
4 weeks of July	3,406,874	3,379,284	3,459,830
5 weeks of August	4,478,446	4,100,512	4,473,872
4 weeks of September	3,517,188	3,255,757	3,527,162
4 weeks of October	3,680,314	3,151,185	3,598,245
5 weeks of November	4,220,275	4,011,044	4,172,739
Week of Dec. 7	729,084	776,376	793,156
Week of Dec. 14	828,787	771,594	750,242
Week of Dec. 21	836,181	687,845	762,972
Total	40,713,238	41,412,143	42,823,419

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 21, 1946. During this period 110 roads reported gains over the week ended Dec. 22, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED DEC. 21

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	379	368	299	1,630	1,296
Bangor & Aroostook	2,063	2,693	2,458	436	304
Boston & Maine	7,362	6,655	6,514	13,226	10,870
Chicago, Indianapolis & Louisville	1,412	927	1,272	2,159	1,737
Central Indiana	42	23	31	43	35
Central Vermont	1,025	1,127	1,025	2,478	2,205
Delaware & Hudson	5,198	4,299	4,818	11,701	9,656
Delaware, Lackawanna & Western	7,472	5,917	7,521	8,689	6,405
Detroit & Mackinac	329	254	172	257	140
Detroit, Toledo & Ironton	2,548	1,945	1,507	1,997	1,338
Detroit & Toledo Shore Line	400	300	325	4,151	2,639
Erie	11,868	9,597	11,876	16,084	12,888
Grand Trunk Western	4,630	2,746	3,651	7,434	7,200
Lehigh & Hudson River	163	142	169	2,548	1,984
Lehigh & New England	2,332	1,774	1,764	2,202	1,229
Lehigh Valley	8,792	6,552	7,818	7,784	6,129
Maine Central	2,665	2,760	2,443	3,739	3,749
Monongahela	6,921	4,349	5,384	259	232
Montour	2,934	2,247	2,210	30	15
New York Central Lines	49,784	37,504	44,724	55,524	44,389
N. Y., N. H. & Hartford	10,461	9,528	8,837	15,225	11,907
New York, Ontario & Western	937	805	929	2,629	2,193
New York, Chicago & St. Louis	6,450	4,715	6,409	15,055	12,266
N. Y., Susquehanna & Western	441	440	530	1,305	1,823
Pittsburgh & Lake Erie	6,156	6,488	7,469	9,692	5,970
Pere Marquette	6,377	4,500	4,573	8,090	6,153
Pittsburg & Shawmut	1,087	703	719	23	7
Pittsburg, Shawmut & Northern	348	214	235	78	178
Pittsburgh & West Virginia	884	754	818	2,282	1,690
Rutland	437	368	328	1,274	756
Wabash	6,062	5,350	5,765	11,927	10,334
Wheeling & Lake Erie	5,522	4,268	4,713	3,999	3,227
Total	163,481	130,312	147,306	213,950	170,944
Allegheny District—					
Akron, Canton & Youngstown	601	540	746	1,284	1,101
Baltimore & Ohio	37,589	36,291	41,022	25,025	22,057
Bessemer & Lake Erie	2,893	1,688	2,153	1,473	1,216
Cambria & Indiana	1,243	1,428	1,508	1	2
Central R. R. of New Jersey	6,082	5,048	6,032	19,128	14,238
Cornwall	435	395	423	64	52
Cumberland & Pennsylvania	486	286	153	7	13
Ligonier Valley	127	19	75	9	5
Long Island	1,406	1,326	1,509	5,012	3,881
Penn-Reading Seashore Lines	1,804	1,330	1,640	2,140	1,571
Pennsylvania System	81,505	64,592	73,676	60,560	51,275
Reading Co.	15,560	12,093	13,979	26,232	23,487
Union (Pittsburgh)	16,921	16,604	17,713	4,194	2,643
Western Maryland	4,554	3,613	3,574	11,672	10,701
Total	171,206	145,253	164,203	156,801	132,242
Pocahontas District—					
Chesapeake & Ohio	35,368	25,679	24,036	12,562	10,033
Norfolk & Western	27,143	19,512	18,092	6,901	6,143
Virginian	5,223	4,340	3,975	1,804	1,372
Total	67,734	49,531	46,103	21,267	17,548

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Southern District—					
Alabama, Tennessee & Northern	369	224	275	188	209
Atl. & W. P.—W. R. R. of Ala.	890	650	728	2,151	1,865
Atlanta, Birmingham & Coast	†	†	†	†	†
Atlantic Coast Line	16,268	12,292	13,407	10,766	10,017
Central of Georgia	4,096	3,244	3,685	4,760	3,352
Charleston & Western Carolina	543	344	460	1,825	1,296
Clinchfield	2,272	1,480	1,502	4,262	2,923
Columbus & Greenville	359	294	357	325	292
Durham & Southern	101	65	142	686	774
Florida East Coast	2,868	2,940	2,700	1,873	1,437
Gainesville Midland	100	54	56	106	99
Georgia	1,196	787	1,095	2,381	1,869
Georgia & Florida	382	317	365	900	682
Gulf, Mobile & Ohio	5,314	3,904	4,440	4,199	3,680
Illinois Central System	27,120	24,050	26,880	14,997	13,763
Louisville & Nashville	27,970	22,348	23,217	9,889	8,718
Macon, Dublin & Savannah	252	147	236	1,046	898
Mississippi Central	346	262	342	342	387
Nashville, Chattanooga & St. L.	3,460	2,435	3,039	4,363	3,671
Norfolk Southern	1,354	1,041	950	1,795	1,210
Piedmont Northern	431	417	462	1,842	1,417
Richmond, Fred. & Potomac	425	209	413	9,433	8,875
Seaboard Air Line	12,974	10,304	10,090	9,031	7,485
Southern System	28,013	22,079	24,017	25,554	22,426
Tennessee Central	843	459	631	970	774
Winston-Salem Southbound	139	123	171	939	866
Total	138,085	110,469	119,660	114,623	98,985
Northwestern District—					
Chicago & North Western	14,855	14,540	14,675	14,429	11,455
Chicago Great Western	2,795	2,658	2,516	3,432	2,574
Chicago, Milw., St. P. & Pac.	21,065	18,998	21,101	11,108	8,847
Chicago, St. Paul, Minn. & Omaha	3,536	3,959	3,532	4,032	3,520
Duluth, Missabe & Iron Range	1,230	1,242	1,163	272	268
Duluth, South Shore & Atlantic	580	629	607	748	367
Elgin, Joliet & Eastern	8,985	7,645	8,617	11,538	9,089
Ft. Dodge, Des Moines & South	456	389	373	128	88
Great Northern	12,488	10,856	12,130	5,289	4,346
Green Bay & Western	428	453	487	768	729
Lake Superior & Ishpeming	358	275	223	79	53
Minneapolis & St. Louis	2,276	2,128	1,985	2,561	1,824
Minn., St. Paul & S. S. M.	5,324	5,112	4,932	3,529	3,233
Northern Pacific	10,098	9,064	10,220	5,061	4,377
Spokane International	166	116	149	458	354
Spokane, Portland & Seattle	2,279	1,915	2,596	2,620	2,193
Total	86,919	79,979	85,306	66,052	53,317
Central Western District—					
Atch., Top. & Santa Fe System	29,604	21,301	25,145	10,919	8,722
Alton	2,620	2,181	3,407	2,912	2,660
Bingham & Garfield	218	582	447	80	100
Chicago, Burlington & Quincy	21,608	19,271	19,850	12,019	9,277
Chicago & Illinois Midland	3,441	3,016	2,926	790	783
Chicago, Rock Island & Pacific	14,067	12,324	12,552	13,267	11,204
Chicago & Eastern Illinois	2,827	2,432	2,641	3,105	2,828
Colorado & Southern	760	617	666	2,023	1,700
Denver & Rio Grande Western	3,971	2,918	3,955	4,982	4,056
Denver & Salt Lake	829	909	749	36	45
Fort Worth & Denver City	1,386	709	823	1,453	1,130
Illinois Terminal	2,348	1,950	2,332	1,532	1,343
Missouri-Illinois	900	791	876	606	427
Nevada Northern	1,537	1,372	1,602	110	112
North Western Pacific	902	699	688	*646	739
Peoria & Pekin Union	30	18	25	0	0
Southern Pacific (Pacific)	29,631	26,092	29,024	10,329	9,851
Toledo, Peoria & Western	§	§	319	§	§
Union Pacific System	20,193	15,821	16,679	13,516	11,511
Utah	745	833	531	3	3
Western Pacific	2,284	1,974	2,010	3,259	3,214
Total	139,901	115,810	127,247	81,587	69,707
Southwestern District—					
Burlington-Rock Island	304	449	276	526	729
Gulf Coast Lines	4,847	4,242	6,256	2,450	2,199
International-Great Northern	2,167	1,699	2,434	3,644	3,672
‡K. O. & G.-M. V.-O. C.-A.-A.	1,534	1,252	1,452	1,916	1,847
Kansas City Southern	3,309	2,387	4,963	2,699	2,554
Louisiana & Arkansas	2,285	2,415	3,120	2,244	2,426
Litchfield & Madison	341	335	281	1,353	1,018
Missouri & Arkansas	§	138	175	§	209
Missouri-Kansas-Texas Lines	6,004	5,047	6,139	4,401	3,223
Missouri Pacific	18,273	14,493	16,802	14,711	12,812
Quanah Acme & Pacific	211	83	99	249	166
St. Louis-San Francisco	10,902	8,272	9,483	7,352	6,840
St. Louis-Southwestern	3,279	2,528	3,635	5,103	4,261
Texas & New Orleans	9,835	8,635	11,878	5,617	4,905
Texas & Pacific	5,416	4,371	6,035	6,889	5,592
Wichita Falls & Southern	105	83	78	56	51
Weatherford M. W. & N. W.	43	62	41	7	9
Total	68,855	56,491	73,147	59,217	52,513

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

NOTE—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORT—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1946—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
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	579,590	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
Dec. 14	167,937	175,640	571,179	102	96
Dec. 21	144,083	172,275	543,675	102	96

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

NYSE Reports Higher Short Int. on Dec. 13

The New York Stock Exchange reported on Dec. 18 that the short interest as of the close of business on the Dec. 13, 1946, settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 893,178 shares, compared with 927,002 shares on Nov. 15, 1946, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Dec. 13, 1946, settlement date, the total short interest in all odd-lot dealers' accounts was 42,682 shares, compared with 47,674 shares on Nov. 15, 1946.

The report added:

"Of the 1,326 individual stock issues listed on the Exchange on Dec. 13, 1946, there were 55 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month."

The following table compiled by us shows the amount of short interest during the past year:

1945—	
Oct. 15	1,404,483
Nov. 15	1,566,015
Dec. 15	1,564,798
1946—	
Jan. 15	1,270,098
Feb. 15	1,181,222
Mar. 15	1,015,772
Apr. 15	994,375
May 15	1,022,399
June 15	867,891
July 15	849,698
Aug. 15	732,649
Sept. 13	627,964
Oct. 15	757,215
Nov. 15	927,002
Dec. 13	893,178

Weekly Lumber Shipments 8.6% Above Production

According to the National Lumber Manufacturers Association, lumber shipments of 386 mills reporting to the National Lumber Trade Barometer were 8.6% above production for the week ended Dec. 21, 1946. In the same week new orders of those mills were 0.4% above production. Unfilled order files of the reporting mills, amounted to 59% of stocks. For reporting softwood mills, unfilled orders are equivalent to 23 days' production at the current rate, and gross stocks are equivalent to 37 days' production.

For the year-to-date, shipments of reporting identical mills were 1.8% above production; orders were 2.1% below production.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 11.8% above; shipments were 25.2% above; orders were 0.9% below. Compared to the corresponding week in 1945, production of reporting mills was 17.3% above; shipments were 29.1% above; and new orders were 10.4% above.

Clark Peace Talk Aide

Lieut. Gen. Mark W. Clark has been appointed Deputy for Secretary of State James F. Byrnes in the preliminary work on a peace treaty for Austria, according to Associated Press Washington advices Dec. 21. General Clark who, as United States High Commissioner and Commanding General in Austria, has had ample opportunity to become thoroughly familiar with the problems involved, will join Deputies of foreign ministers from France, Britain and Russia in London Jan. 14, it is reported. The Associated Press added that Ambassador Robert Murphy, political adviser to the American Commander in Germany, was named on Dec. 20 as Deputy on the German peace treaty.

Items About Banks, Trust Companies

J. Luther Cleveland, President of Guaranty Trust Company of New York, announced on Dec. 30 the retirement of Robert F. Loree as a Vice-President of the company, effective Dec. 31, and the appointment of William R. Strelow, Vice-President, to succeed Mr. Loree as officer in charge of the bank's Foreign Department. Mr. Loree retires after nearly 33 years with the Guaranty. He has been identified with the company's foreign business throughout his banking career and has held many important posts in the field of foreign trade and banking, as well as in government financial activities during two wars. He is a trustee of the Emigrant Industrial Savings Bank and a director of the New York Central Railroad and other companies. Mr. Strelow has been associated with the company's Foreign Department since 1917, was appointed an officer in 1926 and has been a Vice-President since July, 1943. He is a member of the Import Advisory Committee of the Department of Commerce Office of International Trade, a director of the National Council of American Importers and of the Pan American Society of the United States and a member of the Inter-American Arbitration Commission. Born in New Jersey, Mr. Strelow was graduated from New York University in 1916. He served in the Army for a year during World War I.

The board of directors of the Chase National Bank of New York on Dec. 26 authorized the transfer of $15,000,000 from undivided profits to the surplus account of the bank, increasing the surplus from $139,000,000 to $154,000,000. Undivided profits of the bank were $62,102,303.58 on Sept. 30, the date of the latest published statement of condition. The capital is $111,000,000. At the same meeting the directors of Chase declared the usual quarterly dividend of 40 cents a share on 7,400,000 shares of capital stock, payable on Feb. 1, 1947, to stockholders of record Jan. 3, 1947.

Frank K. Houston, Chairman of the board of the Chemical Bank & Trust Company of New York, announces the election of William C. Bennett, Vice-President and director of J. P. Stevens & Co., Inc., to the Advisory Board of the 320 Broadway office of the bank. Mr. Bennett is also a director of the Exposition Cotton Mills Co., of Atlanta, Ga., and of the Highland Park Mfg. Co., of Charlotte, N. C., and has other textile interests.

Benjamin Katz, formerly chief clerk at the main office of Sterling National Bank & Trust Company of New York, has been promoted to Assistant Cashier.

The First Trust Company of Tonawanda, N. Y., received approval on Dec. 24 from the New York State Banking Department to increase its capital stock from $400,000, consisting of 5,000 shares, par $80, to $500,000, consisting of the same number of shares but at the increased par value of $100.

The Board of Directors of the Webster and Atlas National Bank of Boston announced on Dec. 26 that Roy W. Lawson, associated with the bank since October, 1931, and a Vice-President since 1941, has been appointed an Executive Vice-President. Joseph B. Iverson, who joined the bank in 1923, and currently Manager of the Loan and Discount Department, has been appointed an Assistant Cashier. C. Vernon Hoddinott, who joined the bank in 1931, and Manager of the Department for Loans Secured by Accounts Receivable, has been appointed an Assistant Cashier. Arthur W. Lane, employed by the Atlas National Bank in 1890, and a Vice-President of the Webster and Atlas Bank since 1941, will retire on Jan. 1, 1947, after 56 years of service.

Walter S. Bucklin, President of the National Shawmut Bank of Boston, has announced the following newly elected officers of the bank: G. W. Anderson, James M. Henderson, Assistant Vice-President; C. Kenneth Bentley, Thomas W. Moran, Frank R. Moulton, Assistant Cashiers. The foregoing is from the Boston "Herald" of Dec. 21, which also stated: Arthur W. Johnson, formerly Assistant Manager of the Foreign Department, was advanced to Assistant Vice-President.

At a meeting of the board of directors of the Hartford National Bank and Trust Company, of Hartford, Conn., held on Dec. 11, the following promotions and appointments were announced by President Robert Newell, it is learned from the Hartford "Courant,": George W. Guillard, Vice-President; Thomas D. Sargent, Assistant Vice-President; Russell L. Geer, Cashier and Secretary; Hudson C. Pelton, Assistant Vice-President; George T. Bates, Jr., Assistant Vice-President; Stuart B. Knapp, Assistant Cashier; Herbert E. Welch, Assistant Cashier; Austin P. Pendelton, Assistant Secretary; Henry E. McCone, Trust Officer; John D. Stout, Jr., Trust Officer; Harley E. Brainard, Trust Officer; James J. Devlin, Trust Officer, and Richard D. Redfield, as Assistant Secretary. The "Courant" also stated:

"Mr. Guillard, formerly Vice-President and Cashier, will now relinquish his duties as Cashier and devote all his time as Vice-President in charge of over-all banking operations and will continue as loaning officer.

"Mr. Sargent, former Secretary of the Riverside Trust Company, will assume the duties as Assistant Vice-President of the Hartford National, effective Jan. 1, 1947."

Directors of Industrial Trust Company of Philadelphia has declared a semi-annual dividend of 15 cents a share on the capital stock of the bank, payable Jan. 10, 1947, to shareholders of record Dec. 31, 1946. This dividend is an increase over the 12½-cent dividend paid in July of this year.

The Philadelphia National Bank of Philadelphia, Pa. announces the retirement, under its pension plan, of O. Howard Wolfe, Vice-President, the promotion of Augustus L. Raffetto from Assistant Cashier to Assistant Vice-President, and the appointment of Sidney T. Chew as Assistant Cashier.

The election of S. H. Chelsted as Vice-President of the Peoples First National Bank & Trust Company, Pittsburgh, Pa., was made known in the Pittsburgh "Post Gazette" of Dec. 23, which further said in part:

"Mr. Chelsted became associated with the Peoples-Pittsburgh Trust Company in November, 1945, as personnel director and publicity director."

Increases in the dividend rate of the Colonial Trust Company, Pittsburgh, Pa., and in the surplus account were announced on Dec. 20 by President McClintock of the bank. The Pittsburgh "Post Dispatch" reporting this, added:

"A quarterly dividend of $1.50 was declared, payable Jan. 2. This is an increase over the previous rate of $1.25 per quarter.

"Directors ordered the transfer of $400,000 from the undivided profits to the surplus account, creating a capital structure aggregating $5,600,000, consisting of 26,000 shares with par value of $100 per share, and $3,000,000 surplus."

The directors of the United States Fidelity and Guaranty Company of Baltimore declared on Dec. 18 an extra dividend of 25 cents a share and the regular quarterly of 25 cents, both payable Jan. 15 to stockholders of record Dec. 27, according to the Baltimore "Sun," which stated that this brings total declarations in 1946 to $2 a share, as compared with $1.50 a share last year.

A $200,000 capital stock increase will be voted on by stockholders of National Metropolitan Bank, of Washington, D. C., at the annual meeting Jan. 14, President C. F. Jacobsen announced on Dec. 16, according to S. Oliver Goodman, of the Washington, D. C., "Post," who in his financial column in that paper on Dec. 17 also said in part:

"The increase from $800,000 to $1,000,000 has been recommended by directors, Mr. Jacobsen said. Present stockholders will receive as a dividend one share of additional stock for each four shares now held. The dividend will be paid to stock of record Jan. 14, 1947.

"Also, $200,000 will be transferred from undivided profits to capital and $200,000 will be shifted from undivided profits to surplus. This would make capital $1,000,000, surplus $1,000,000 and undivided profits $1,000,000."

"Three Vice-Presidents of the First National Bank of Minneapolis, whose banking service totals 145 years, planned to retire at the year-end. They are C. B. Brombach, who started his banking career in 1902; John B. Maclean, who started in 1897, and Robert W. Webb, who started in 1894," said the Minneapolis "Star Journal" of Dec. 25, whose advices continued: "The three, who retired Dec. 31, were honored at a dinner of the bank's official staff on Dec. 30 at the Minneapolis Club."

The Citizens National Bank of Muskogee, Okla., on Dec. 16 increased its capital from $100,000 to $250,000 through a stock dividend of $150,000, according to the Dec. 23 bulletin of the Comptroller of the Currency.

The Mercantile-Commerce Bank and Trust Company, St. Louis, announced on Dec. 26 the election of Gale F. Johnston to the bank's board of directors. Mr. Johnston is Vice-President of Metropolitan Life Insurance Company, New York. He will assume his new duties of President of the Mercantile-Commerce on Feb. 15, 1947. Howard V. Stephens was also elected to the bank's board of directors. Mr. Stephens is Vice-President of the Johnson-Stevens-Shinkle Shoe Company, St. Louis. Advices concerning the proposed election of Mr. Johnston to the Presidency of the Mercantile-Commerce Bank & Trust Co. appeared in our issue of Dec. 19, page 3280.

Herman H. Reinhardt will retire on Jan. 1 as Vice-President, in charge of savings, of the Mercantile-Commerce Bank of St. Louis. He retires after serving the institution for 51 years. Mr. Reinhardt, now 65 years of age, entered the employ of the National Bank of Commerce when 14 years old and with that bank's merger in 1929 with the Mercantile Trust Co. continued with the consolidated Mercantile-Commerce Bank, it is learned from the St. Louis "Globe Democrat" of Dec. 13.

David R. Calhoun, Jr., President of the St. Louis Union Trust Company, was elected on Dec. 17 a member of the board of the First National Bank in St. Louis, according to the St. Louis "Globe Democrat" of Dec. 18.

On Dec. 19 the First National Bank of Greeley, Colo., increased its capital from $100,000 to $200,000 by a stock dividend of $100,000 and from $200,000 to $300,000 by the sale of $100,000 of new stock, it is learned from the Dec. 23 issue of the Bulletin of the Comptroller of the Currency.

Russell G. Smith, Executive Vice-President in charge of the international banking activities of the Bank of America, head office San Francisco, Calif., has returned from Manila after completing arrangements for the opening of the branch of the bank in the Philippines capital. Premises have been leased, Mr. Smith reports, and the necessary equipment and fixtures are being shipped from California. Francis J. Moore, who will manage the branch, planned to leave San Francisco at the end of December to assume his duties. He will be accompanied by J. F. Wallace, Dwight Davis, D. O. Raggio and Louis Vinci, all experienced in the Bank of America organization, who will function as assisting officers of the Manila branch. Remainder of the staff of approximately 50 persons will be recruited in Manila. Tom B. Coughran, Vice-President of the bank's international banking department, also goes temporarily to Manila to supervise the details of the opening, actual date of which will be governed by the arrival and installation of the equipment and the employment and training of personnel. Hope was expressed by L. M. Giannini, President of Bank of America, that the institution's banking services would prove helpful in the economic rehabilitation of the Philippines and in the development of commerce between that nation and the United States.

An information service for the benefit of California small business men is being organized by the Bank of America, according to E. A. Mattison, Executive Vice-President in charge of development of loan services. Called the Small Business Advisory Service, the new activity is being designed to provide a clearing house of information on local conditions as well as current trends and activities in retail and service fields. Resultant information will be made available in all the 300 California communities served by Bank of America branches.

The annual balance sheet of The Royal Bank of Canada (head office Montreal) for the year ended Nov. 30, 1946, shows that total assets, which last year topped the $2 billion mark for the first time, have again increased to the new record level of $2,131,974,000. Deposits by the public, excluding Dominion and Provincial Government deposits, increased more than $171,000,000. The greater part of this increase is in interest-bearing deposits in Canada, an indication that the scale of private savings is being well maintained. The bank's investments in government and other public securities, totaling $1,098,880,239, include, it is announced, $109,000,000 of government securities other than Canadian, of which the greater portion is in United States and British Government securities. Investments in other bonds, debentures and stocks, now standing at $65,269,639, have increased by some $32,000,000. It is added that the upward trend in commercial loans and discounts in Canada has continued, the increase under this heading amounting to $25,000,000. This figure, however, it is noted, does not accurately reflect the substantial increase in strictly commercial loans made in the Dominion during the period under review, because included in the figures of the previous balance sheet were substantial loans to borrowers for the purchase of Victory bonds. Citing the liquid position of the bank as "very strong," it is pointed out that liquid assets now total $1,609,742,166, equal to 81.69% of the bank's liabilities to the public. Profits for the year, after the usual contribution to the Pension Fund Society and appropriation for contingency reserves, amounted to $6,906,386. Of this amount, $2,055,000 has been set aside for Dominion Government taxes and $830,491 for bank premises, leaving a net profit of $4,020,895. This figure compares with $3,098,847 the previous year.

Conway to Coordinate Exports—Foreign Rulings

Capt. Granville Conway, former War Shipping Administrator, who left Government service last fall to become President of the Cosmopolitan Shipping Co. of New York at the request of President Truman, has returned to coordinate emergency export programs, according to a White House announcement on Dec. 17 which was reported from Washington by the Associated Press. This will be the second time Capt. Conway has undertaken the task of coordinating exports. President Truman said in a letter that his earlier assignment resulted in the carrying out of export programs of grain and coal of unprecedented magnitude. Together with the announcement of Capt. Conway's appointment two other developments affecting foreign business transactions were disclosed according to the Associated Press, viz.: "The Office of Temporary Controls prohibited manufacturers from using steel for building railroad freight cars to fill export orders received after Nov. 30, 1946, without a special Government permit. Officials said that the order was issued because of the urgency of domestic railroad needs.

"Secretary of the Treasury Snyder was reported to have suggested to the War and State Departments that the Treasury shift licensing controls over private business transactions with German and Japanese citizens to the United States military governments. Snyder would not comment on the reports."

Ball Succeeds Davies In Federal Oil Post

Ralph K. Davies, formerly senior Vice-President of the Standard Oil Co. of California, who entered Government service in 1941, has resigned as Acting Director of Government Oil and Gas Division of the Department, according to an announcement by Interior Secretary J. A. Krug, reported Dec. 21 from Washington by the Associated Press. At the same time the appointment of his successor, Max W. Ball, of Denver, was announced.

Mr. Davies, who was Deputy Petroleum Administrator for War under Harold L. Ickes throughout the war, has indicated his intention of returning to private industry after he has had an opportunity to take a "long-deferred rest."