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Observations . . . .

By A. WILFRED MAY

Chester Bowles' week-end "blue-printing" of bulge-in-the-line wage-price policy unfortunately affords no word of reassurance whatever in the area of profits. In the first place, Mr. Bowles' question-and-answer lesson clearly reaffirms OPA's intention of fixing prices on an *industry-wide*, instead of an individual company, basis. The result will be that whereas large and strong enterprises may be able—at least temporarily—to withstand 15-20% wage increases, and industrial giants like General Electric can dissipate savings to meet profitless price ceilings, the burden will prove devastating to the segment of the relatively weak and inefficient companies. Thus corporate Big-ness is being unwittingly furthered.

The professed intent of setting ceiling prices to yield profits equaling those in the 1936-'39 period is both inequitable, and constitutes a harbinger of general weakness in corporate financial stability. This technique compensates the property-owners in amounts (as a maximum) which they received when the operating volume of many industries, like steel, were but half that existing now. Extraordinarily high reconversion activity now may enable business to withstand inflated costs, but a squeeze must inevitably follow when volume declines. The steel business, whose break-even point is now 75% of capacity, typifies the largely inflexible rise in costs which has permeated all industry. In the years 1936-1939, which has been chosen as the "base period," the earnings of American corporations, as indicated by Treasury Department as well as National City Bank compilations, were considerably lower than in either the years following or during the "normal" 1926-1929 base. That 1936-1939 did not quite constitute a halcyon period is further evidenced by the fact that 60% of American business then operated in the red. Furthermore profits are to be calculated before, not after, taxes—and, as the corporate income tax has since the base period risen from 17% to 38%, the earnings actually available for distribution will be even further reduced.

Looked at broadly, the policy of imposing a relatively low ceiling on earnings in good times, constitutes a "heads-you-win-tails-I-lose" technique, as would a permanent high excess profits tax.

* * *

Recent stock price movements strikingly reflect the greatly increasing market illiquidity, induced by the elimination of credit-extension on stocks, and by the tax statutes. The long-term increase

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From Washington Ahead of the News

By CARLISLE BARGERON

The "Commercial and Financial Chronicle" told in its issue of Feb. 28, about how a bureaucrat, Chester Bowles, had maligned Henry Ford. Before a Congressional Committee, Mr. Bowles, who has up until this time succeeded in overpowering the members of Congress with statistics on how American business is doing much better now than it ever did before, and who therefore embarrassed the Congressmen who were getting letters saying they were being crucified—up until this Mr. Bowles was really going very hot. It was the old question of 435 ordinary members of the House, people who had been selected by their fellow Americans to come up here and represent them, not being able to cope with a smart fellow who had a lot of statisticians and economists around him. The members of Congress, of varying degrees of ability, but nevertheless, men who have been selected by their communities to speak for them at the seat of Government, could not possibly have with them the statisticians and economists which Mr. Bowles might have and which they have voted him appropriations to pay for.

Carlisle Bargeron

This is the situation between the duly elected representatives of the American people and the men who graduated from big schools and who now make mockery of that very Congress which gave them existence. A lot of members of Congress, the majority of them, have been to college, but they thought that that was but a means to an end. Their assumption was that with this college equipment it was up to them to get out and do something in the world. But they are, the elected people of America, now confronted, and have been for a long time in the past, been confronted with these other fellows who went to college and are still working at it. In other words, the members of Congress who went to

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Warns of Falling Interest Rates

Lewis W. Douglas, President of Mutual Life of N. Y., Says It Cost Policy Holders a Quarter Billion Annually in Dividends and Increases Premiums Charged Policy Holders.

In the 103rd Annual Report of the Mutual Life Insurance Co. of New York, Lewis W. Douglas, its President, calls attention of policyholders to the adverse effects of declining interest rates on the business of life insurance.

Lewis W. Douglas

"It is because every phase of a life insurance company's operations is affected adversely or beneficially as the interest rate falls or rises," Mr. Douglas pointed out, "that a discussion of interest rates is introduced as a prologue to this report. The attention of policyholders of the company has been called to this problem each year since 1940."

"The interest rate, under conditions as they prevail today," he continues, "is one of the most significant, if not the most significant, factor in the operations of a life insurance company, because to it, the amount of dividends and the cost of insurance are irrevocably tied.

"Companies may, by changing their investment policy, temporarily aggravate or mitigate the critical nature of the problem created by falling interest rates. But no modification of policy can permanently provide an escape from the grave consequences aris-

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GENERAL CONTENTS

Editorial

*These items appeared in our issue of March 11, on pages indicated.

The Financial Situation

No Samuel Weller of the Bowles-Wyatt-et al entourage is likely to have occasion to give voice to the Pickwickian cry: "Why warn't there an alleybei." Most of these Washington figures have long ago learned to be ready with their "explanations," their "cross suits" as it were, and their "counter offensives" as a means of "saving face" and, incidentally, their tenure of office, when their assurances to the public, to say nothing of their own confident expectations, prove without solid foundation. It was, therefore, fully to be expected that strange reasons for the endless and apparently unending shortages of the day would be forthcoming in due time.

At any rate they are now appearing, and strange they certainly are. For some little time the restless consumer has been fed soothing syrup in the form of announcements of price adjustments in the textile and certain other industries which, we were and are assured, will have the effect of greatly enlarging the production of sundry items wanted by a great many and to be found in very limited quantities, if at all, in the markets of the country. Of course, this is a rather old story often heard during the past year—each time to remedy a situation which the last such announcement was to have brought to an end without delay, but the public is apparently expected still to take some stock in it, particularly when as much is made of it in official circles as was the case during most of last week, for example.

Wonders Never Cease

But—will wonders never cease?—none other than Mr. Bowles himself comes to the microphone at the end of the week to inform the public that, after all, price control, price ceilings (which have just been adjusted to make certain

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Issues Statements on Wage-Price Policy

Bowles Gives Views and Issues New Wage and Price Regulations. Promises Speedy Decisions Will Be Given on Wage and Price Adjustments Where Needed. Says Industry Can Move Ahead Without Fear of Losing Money, and Forecasts an All-Out Production Needed to Lick Inflation. Lists Series of Questions and Answers

Chester Bowles, Economic Stabilization Director, on March 10, issued a statement on the Administration's new wage-price policy and released at the same time a new set of regulations regarding price and wage adjustments. In his statement, Mr. Bowles assured industry that it need not fear losing money under the present plan of wage and price adjustments and he promised that all Government agencies will speed up decisions relating to the new stabilization program. He expressed the view that the new regulations issued by his organization "are a practical step toward a future of sustained prosperity" and will be successful in "licking inflation."

Chester Bowles

The text of Mr. Bowles' statement, together with the new supplementary wage and price regulations follows:

The thing we Americans need more than anything else right now is confidence. The war taught us that we have vast productive capacity. We know, too, from five years of experience with the greatest inflationary pressures in history, that the cost of living can be and has been kept in line.

We can see ahead the greatest chance this country has ever had for a long-sustained period of full production, with handsome returns for our industries and our farms and good-paying jobs for everyone willing to work.

Yet our progress toward that goal is being delayed by fear and doubt and blind self-interest. Those are the bottlenecks we must break.

I believe that in the new wage-price policy set forth today the American people have a blueprint that can rid our economy of those bottlenecks and clear the

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Who Killed Cock Robin?

"For two or three months after V-J day the prospect for rapid reconversion of the war industries, and for early volume production of needed civilian goods, was bright beyond all expectations. The problems of plant clearance and changeover and of settlement of war contracts were handled more effectively than most people believed possible. Unemployment never appeared in the predicted volume. There was reason to think that the automobile industry and the consumer durable goods industries in general would be under strong momentum by the turn of the year and moving toward full production by Spring. . . .

"Meanwhile, however, the conditions which have led both to curtailment of production and to increases in costs were developing. Mistaken fears of deflation and depression led the Government to support demands for large wage increases and other measures to 'maintain purchasing power.' This support was expressed publicly by high officials and even more concretely by memoranda from government departments 'demonstrating' that large wage increases could be paid without advancing prices. Union demands have been strengthened, disturbances have followed, and they have fallen with blighting force on the bright reconversion prospect. Production has been stopped in many plants and wage costs have been increased in virtually all. . . .

"The practical test of the wage increases is now going on. It is seen that in some industries, including steel, cotton goods and meat packing, overall price increases have had to be authorized. Evidently increases will be necessary in other cases. As the issue comes to a head, those who are denouncing producers for seeking and the OPA for permitting a bulge in the price line might well ask themselves two questions. Where is the primary responsibility for the inflationary trend to be found? Second, who can contribute more to economic welfare under these conditions — the manufacturer who seeks cost-price relationships which will permit him to produce at capacity, or an agency which, however excellent its motives, would perpetuate cost-price conditions making production unattractive and unprofitable and thus shutting it off?"—The National City Bank of New York.

And the answer? Who could doubt its nature?

Senators Ask for Balanced Budget

15 Members Join With Senator Byrd in Issuing Statement Urging Members of Congress Support the Movement.

A statement advocating a balanced budget for the Federal Government in fiscal 1947 and subscribed to by a bi-partisan group of Members of Congress from both Houses was released in Washington, D. C., on March 4. Subscribers to the statement included: Senator Bridges (N. H.), Byrd (Va.), Taft (Ohio), Tydings (Md.), Vandenberg (Mich.), Walsh (Mass.) Wherry (Neb.) and Wallace H. White, Jr., (Maine); and Representatives Cox (Ga.), Doughton N. C.), Halleck (Ind.), Knutson (Minn.), Martin (Mass.), Taber (N. Y.), Whittington (Miss.), and Woodruff (Mich.)

Harry F. Byrd

The statement read: "The following Members of Congress believe that the Federal budget, for the period beginning July 1, 1946, and ending June 30, 1947, should be balanced. This can be done.

"We cannot afford to spend money we do not have. We cannot afford to continue war agencies overdue for demobilization, or war functions of doubtful value in civil agencies. The Federal structure needs rebuilding for peace now, and from the ground up. We cannot afford, nor do we need at this time, in view of the widespread opportunities for employment, such things as the biggest public works program in our history or a general Government expenditure almost twice prewar 1939. Every dollar we spend now must be justified by overwhelming proof of its need.

"Every deficit dollar which the Federal Government spends adds to inflationary pressure. Every foot of lumber, piece of pipe, yard of material which the Federal Government buys unnecessarily increases the civilian shortage of such items. Every hour of unneeded manpower which the Federal Government uses next year will be taken away from industry, will lengthen its struggle to bring production up to the level of demand. Under such circumstances we should not spend a penny for men and materials beyond our absolute needs.

"The proposed budget contains $11.8 billion of commitments and guarantees and $23.3 billion of other spending of which $17 billion appears now only as tentative estimates without detail. A determined Congress, with citizen backing, can find the cuts needed for budget balancing among the items in that $23.3 billion total.

"This year has been called 'the year of decision.' For the first time in 16 years of budget deficits, the American people have a chance to make a clean-cut decision on the spending policy of their Federal Government.

"We urge Members of Congress and citizens who believe in a balanced budget to support now, every move to put the United States on a sound fiscal basis. Only if that is done can our country successfully discharge its obligations."

House Passes Amended Housing Bill

The Patman Emergency Housing Bill, which, as introduced, was designed to carry out the Administration's program to build 2,700,000 homes for veterans during the next two years under the plan projected by Housing Expediter Wilson Wyatt, was finally passed by the House, 357 to 24, on Mar. 7, after a week of debate, but in a much amended form. The measure as passed is stripped of provisions for construction subsidies and price ceilings on existing housing, in spite of repeated efforts of Administration supporters to retain the original recommendations for the legislation.

The Administration had put up a vain fight for a $600,000,000 subsidy provision which President Truman had described as "the very heart" of his program, but as the Associated Press reported from Washington, all mention of Government subsidies to spur construction was absent from the bill in its final form. The Administration also regarded as important to the success of the program the placing of price ceilings on existing homes.

The provisions which the House-passed measure does include, as enumerated by the "Wall Street Journal," are:

Puts price ceilings on newly built homes.

Calls for channeling of building materials into low cost homes for veterans.

Adds $1 billion to the mortgage insurance capacity of the Federal Housing Administration.

Creates an Office of Housing Expediter, giving the expediter all the wartime authority of the President regardless of what happens to the original laws conferring those powers.

Expiration date of the housing bill's authority would be June 30, 1947.

Housing Expediter Wyatt's reaction to the bill as amended was that it would not achieve the goal of 2,700,000 new homes. However, the Associated Press pointed out, that the fact that the subsidy fight would be renewed in the Senate was indicated when Senator Kilgore (D-W. Va.), in a statement assailed the House action as a "serious blow to the nation's economy." He accused the Republicans and "short-sighted Democrats" of having "seen fit to vote down a proposal intended to help our homeless veterans and their families obtain decent housing."

On March 7 Senator Barkley said that the Administration will fight to restore $600,000,000 in subsidies when housing legislation is considered by the Senate. Noting this the Associated Press Washington accounts on that day added:

He talked with reporters at the White House after Congressional leaders had conferred with President Truman. The House rejected subsidies on building materials and another key feature of the President's housing program — ceiling prices on old dwellings.

The Government was busy also rushing final touches on a new order designed to slash commercial and industrial construction so that more homes can be built.

Senator Barkley made it clear that Administration forces would attempt to revive all features of the original housing bill asked by Mr. Truman, but he said the major effort would be behind the subsidy payments.

Truman Pleads for Spiritual Revival

President Tells Council of Churches the Gigantic Power of Atomic Energy Must Be Matched by Spiritual Strength if World Is to Survive. Says Forces of Selfishness and Greed Are at Work Disturbing Peace at Home and Abroad and That Greedy Interests Are Opposed to Price Controls. Urges Aid in Housing Program and Says U. S. Will Support UNO Charter.

On his return from Fulton, Mo., where he introduced Winston Churchill in his address on "The Sinews of Peace," President Harry S. Truman stopped off at Columbus, Ohio, and delivered an address to a special meeting of the Federal Council of the Churches of Christ in America. The President, in the course of his remarks, pointed out that forces of selfishness and greed were at work in the world, and that spiritual awakening was essential to match the gigantic power of atomic energy.

President Truman

The text of President Truman's address follows:

Friends of the Federal Council of Churches of Christ:

I like to consider this conference, to which you have so kindly invited me, as one which represents no one particular sect or creed, but rather as one which represents the spirit of religion as a whole. We are a people who worship God in different ways. But we are all bound together in a single unity—the unity of individual freedom in a democracy.

We have just come through a decade in which forces of evil in various parts of the world have been lined up in a bitter fight to banish from the face of the earth both these ideals — religion and democracy. For these forces of evil have long realized that both religion and democracy are founded on one basic principle, the worth and dignity of the individual man and woman. Dic-

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Class I RR. Gross Earnings $110,040,291 Lower in January—Net Off Over $8,000,000

The Class I railroads of the United States in January, 1946, representing a total of 227,806 miles, had an estimated net income, after interest and rentals, of $31,000,000 compared with $39,048,188 in January, 1945, according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads and made public March 8. Net railway operating income, before interest and rentals, amounted to $70,848,185 compared with a net railway operating income of $76,041,453 in January, 1945. The Association further reported as follows:

For the 12 months ended Jan. 31, 1946, the rate of return on property investment averaged 3.04% compared with a rate of return of 3.97% for the 12 months ended Jan. 31, 1945.

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

Total operating revenues in January, 1946, amounted to $640,871,880 compared with $750,911,171 in the same month of 1945, a decrease of 14.7%. Operating expenses in January, amounted to $490,059,355 compared with $530,045,245 in January, 1945, or a decrease of 7.5%.

Thirty-nine Class I railroads failed to earn interest and rentals in January, 1946, of which 19 were in the Eastern District, seven in the Southern Region, and 13 in the Western District.

Eastern District

Class I railroads in the Eastern District in January, 1946, had an estimated net income, after interest and rentals, of $10,000,000 compared with $8,324,598 in the same month of 1945.

Those same roads in January, 1946, had a net railway operating income, before interest and rentals of $24,134,612 compared with $26,405,418 in the same period in 1945.

Operating revenues of the Class I railroads in the Eastern District in January totaled $280,962,740, a decrease of 10.4% compared with the same period of 1945, while operating expenses totaled $226,317,688, a decrease of 7.7% below 1945.

Southern Region

Class I railroads in the Southern Region in January, 1946 had an estimated net income, after interest and rentals of $6,000,000 compared with $9,573,072 in the same period of 1945.

Those same roads in January had a net railway operating income, before interest and rentals, of $11,046,640 compared with $13,924,312 in the same period of 1945.

Operating revenues of the Class I railroads in the Southern Region in January totaled $89,876,835, a decrease of 20.7% compared with the same period of 1945, while operating expenses totaled $67,829,945, a decrease of 6.1% below 1945.

Western District

Class I railroads in the Western District in January, 1946, had an estimated net income, after interest and rentals, of $15,000,000 compared with $21,150,518 in the same period of 1945.

Those same roads in January had a net railway operating income, before interest and rentals, of $35,666,933 compared with $35,711,723 in the same period of 1945.

Operating revenues of the Class I railroads in the Western District in January, 1946, totaled $270,032,305, a decrease of 16.6% compared with the same period in 1945, and operating expenses totaled $195,911,722, a decrease of 7.9% below 1945.

CLASS I RAILROADS—UNITED STATES

Month of January—	1946	1945
Total operating revenues	$640,871,880	$750,911,171
Total operating expenses	490,059,355	530,045,245
Operating ratio—per cent	76.47	70.59
Taxes	69,217,642	130,462,486
Net railway operating income (before charges)	70,848,185	76,041,453
Net income, after charges (estimated)	31,000,000	39,048,188

The State of Trade

A gradual rise characterized the trend of overall industrial production last week and new orders were accepted cautiously in view of the limited supplies of raw materials, strikes and the possibility of adjustments in price ceilings presenting many producers with future delivery problems. A 4% decline in unemployment compensation claims was noted for the week ending Feb. 23 over that of the preceding period.

Weighing the effects of strikes on the nation's economy it was apparent the past week that purchasing power, that component of trade so essential to the economic well-being of our country, is showing some signs of diminishing. According to current reports, the estimated financial loss to labor and industry in the General Motors strike alone now amounts to approximately $1,000,000,000. In arriving at this sizeable sum, authoritative sources set the loss to industry in unfilled orders at $600,000,000; to labor in unearned wages, $150,000,000; to car merchandisers in new car sales commissions, $150,000,000; cost of idle plant maintenance, salaries to engineers whose work has been limited by the strike, lost commissions on used-cars sales, etc., $100,000,000.

The General Motors Corp. wage dispute is also affecting the output of other car manufacturers dependent upon it for parts and equipment, and thus, the earnings of their workers and the sales commissions of their retailers are suffering by it. In terms of units lost, the automotive industry expected to produce a total of more than 1,250,000 vehicles up to the present time, but have instead attained a figure around 200,000 units, principally for salesroom display purposes both at home and abroad. The resultant losses, these sources state, are included in the overall estimate of the longest and costliest work stoppages in automotive-industry history. The above loss in purchasing power when applied to industry as a whole takes on greater significance.

The large untapped purchasing power and pent-up demand heard spoken of so often in the past may well have to undergo some revision in the light of the nation-wide epidemic of industrial wage disputes that the nation has fallen heir to as an aftermath of the war. These strikes are causing wartime savings and bonds to be channeled into trade to buy the necessities of life and will, given sufficient time, create a substantial dent in the country's ability to buy. However, according to the March Business Bulletin of the LaSalle Extension University of Chicago, "consumer buying is likely to remain high because incomes are large in spite of reductions in the earnings of strikers. Savings are also at a peak and, although they are not well distributed among all income groups, they will provide considerable purchasing power as long as people remain in the buying mood. A change in public psychology would quickly affect retail sales, although income payments to individuals have come very close to keeping pace with the rise in consumer spending."

There will be a large demand in the future for goods now in process of production and contemplated, since many necessary articles familiar to American life have long been missing from the scene and needs must be replaced. How long industry will take to satiate this demand before a recession sets in is open to question, but American resourcefulness being what it is will meet the challenge.

Steel Industry—In the short space of three weeks recovery in steel output has gone far beyond previous estimates made by steel officials, placing the steel ingot rate the past week at only a few points from the pre-strike level. Difficulties in obtaining new labor recruits have evaporated in some areas and there is a definite trend towards a rate of operations which will go beyond the recent highs of 83%, according to The Iron Age, national metal-working paper, in its survey of the steel trade.

Casting a shadow over the outlook the past week of more and more steel production was the distinct possibility of a nationwide soft coal shutdown on April 2. The nature of the demands which John L. Lewis will make upon the coal industry are so packed with dynamite, states the magazine, that little headway is expected to be made in the 10 days between the meeting of the two groups and the deadline set for the strike.

The most explosive item on Mr. Lewis' list will be the one calling for the organizing of supervisors into the United Mine Workers Union. This touchy factor was at the base of the coal shutdowns last October when millions of tons of coal were lost to the steel and other industries. It is a foregone conclusion that the coal operators will in a united front give a blunt "NO" to any request for organizing the supervisory forces in the coal mines. This stand will be made unmistakably clear even before negotiations between the union and the coal operators begin, The Iron Age adds.

With reports indicating that the UMW will attempt to keep the present high take-home pay with a normal 35-hour week, it is obvious that the steel industry will face added costs when the controversy is finally settled. Aside from this factor a coal strike, which is now well within the realm of probability, would, if it lasted more than three weeks, cause a substantial portion of the steel industry to reduce its steel operating rate. Coal and coke supplies are low in the steel industry and the forcing down of blast furnaces because of lack of fuel would cut sharply into steel-making.

The past week the steel industry was busy digesting the various price changes which were assigned on March 1 to most of the steel products on the steel price lists. Price increases range from $2 to $3 on semifinished steels to as high as $12 a ton on some specialty items. The majority of the increases, however, were between $4.50 and $6 a ton and the total average worked out about 8.2% for all products.

On paper nonintegrated steel producers were afforded relief through a broader spread between the price of semifinished and finished steel products, the above authority notes. Some steel sources, however, were of the opinion that since the price increase on semifinished steel was so low it might be more difficult to obtain. These sources claim that there would be little incentive for producing large quantities of semifinished steel.

On the other hand many large steel companies during normal times need an outlet for their semifinished steel supplies and as a result built up good trade relations with the smaller nonintegrated companies. Over the long pull it may be expected that these relationships will be re-established, but it does appear that semifinished steel will be a tight item in the near future.

The American Iron and Steel

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Pres. Truman Urges Loan to Britain—Senate Committee Opens Hearings

The Administration has thrown its weight behind the proposal to extend a loan of $3,750,000,000 to Great Britain, with President Truman declaring outright on March 4, according to Washington Associated Press advices, the alternative "is trade warfare between nations." The Advisory Board of the Office of War Mobilization and Reconversion passed a resolution approving the loan, which declared that it offered a major opportunity "to stimulate the world-wide production, jobs and markets which are essential to stable and prosperous postwar economic conditions and, thus, to world peace itself."

After he had received the Board's endorsement of the loan, the President again sought Congressional ratification. In his statement on the proposed agreement, Mr. Truman called it "good business for the industries of America, . . . for our farmers, . . . for our workers." The President said:

"Before the war, the British people were the largest single foreign customer for American goods. They bought our surplus cotton and wheat, tobacco and fruits, and our manufactured products in huge quantities.

"During the war Britain, because of lack of dollars, was forced to restrict trade mainly to the Empire and countries tied to the pound sterling. Now that the war is over, we want to do business with Britain, and Britain wants to do business with us. With this loan Britain will be able and has agreed to abolish barriers that block our mutual trade."

On March 5 hearings on the proposal to extend the loan to Britain were started by the Senate Banking and Currency Committee, and are expected to last for about two weeks. Secretary of the Treasury Fred M. Vinson formally opened the Administration's drive before the Committee for Congressional approval of the loan on the keynote that world trade war might result if the loan were denied. "Every section of this country, every sector of our economy depends in part on world trade," Mr. Vinson declared, according to the Associated Press. "The financial agreement will open the markets of England and many other countries to our exporters," he said, adding "this means more exports for our farmers and manufacturers, more jobs for our workers, more profits for business, and a higher income for all our people."

On the other hand, Secretary Vinson asserted that if Britain fails to get the loan she will be compelled by sheer necessity to line up an economic bloc of nations accounting for possibly half or more of total world imports and exports. The United States, he continued, would then be forced to form a counter bloc and the result would be economic warfare which this country probably would win but only at extreme cost.

"World trade would be destroy and all countries would suffer," Mr. Vinson said.

Senator Murdock (D. Utah) told Mr. Vinson, according to the "Journal of Commerce" on Mar. 5, that it was one thing if the loan must be made to Britain on the basis of British need, but quite another if it is a "question of Britain's being so powerful she can run the whole world." If the latter is correct, Senator Murdock argued, this country ought not to reenforce Britain's position by providing her the loan. What happens, he asked, if Britain uses the $3,750,000,000 and comes back later threatening to withdraw into a closed bloc?

The "Journal of Commerce" added:

Secretary Vinson explained that Britain prefers to pursue liberal trade practices, but that wartime disinvestment of overseas assets had deprived her of some $1,000,000,000 of net foreign exchange income annually, while war needs resulted in the accumulation of a $13,000,000,000 foreign debt. He said it was not Britain's strength but her weakness that made the loan essential and would, in the alternative dictate Britain's resort to restrictive economic defenses.

Secretary Vinson on March 6 told Senators that the fact Britain didn't pay her World War I debt "provides no basis" for expecting default on a proposed new loan. From the Associated Press we also quote:

"Senator McFarland (Dem.), Arizona, was told by Mr. Vinson that the World War I debt of Britain to the United States, now grown to $6,491,614,782 by the piling up of interest charges, is still on the books.

"Mr. McFarland said he was suggesting that bases turned over to the United States by the British during the war on a 99-year lease arrangement be transferred permanently.

"We ought to have permanent rights to bases we built on British soil," he said. The Press advices likewise said:

"Secretary Vinson testified that 'just as a loan' the proposed $3,750,000,000 credit to Great Britain would not be a good business proposition.

"He made the statement under questioning by Senator McFarland of the Senate Banking Committee.

"I say it is a contract under which we get benefits greatly in excess of the money in volved," Mr. Vinson said. He had previously told of Britain's plans to drop trade restrictions in the world market.

Senator Taft (R. Ohio) referred to a section permitting Britain to waive interest payments when there is a "severe depression" in world trade. He said waiving clauses appeared to be feeble.

Mr. Vinson said he expected the principal to be paid in full and that he believed Britain would "look with grave care" on any plea of waiving interest payments.

On March 6 Assistant Secretary of State William L. Clayton added his voice to the Administration's arguments in favor of the loan. Mr. Clayton warned, according to a dispatch from Washington to the "Wall Street Journal," that the economic warfare which Secretary Vinson had predicted if the Bill were not passed would lead to friction between the United States and Britain on the security council of the United Nations and endanger the success of that organization.

Senator Robert A. Taft whose attitude regarding the loan has been inquisitive and critical, asked Mr. Clayton whether Britain gave any assurance that she would, in addition to removing exchange controls, permit her postwar trading to be carried on by private individuals instead of by the Government. The "Wall Street Journal" went on to say:

"Mr. Clayton answered there was no such assurance but that the State Department believed Britain could return to private trading if granted the credit sooner than if not. Sen. Taft then suggested that Britain's socialist Government could continue to discriminate against the United States in foreign trade even if it removed its wartime controls, as long as it decided where and how much the United Kingdom should buy and sell.

"British adherence to the U. S. trade proposals, already agreed to in a joint statement, precluded this type of discrimination, Mr. Clayton said."

On March 7, according to the "Journal of Commerce," Secretary Vinson during another session before the Banking Committee, denied suggestions that funds to finance $3,750,000,000 British loan would have to be raised by borrowings from the banking system and thus increase inflationary pressures here. The "Journal of Commerce" further said:

"In the course of his statement, in which he expressed the belief that the United States budget might conceivably be balanced before the end of the fiscal year 1947, Secretary Vinson said there is ample market demand for new Government securities by non-bank investors so that resort need not be made to the banks to raise the loan funds."

The White House release of March 4 containing the President's statement, which we give in part above, also said:

"The President has received from the Advisory Board of the Office of War Mobilization and Reconversion the following resolution:

"Resolved: That the Advisory Board of the Office of War Mobilization and Reconversion endorses the financial agreement with Britain, which calls for removal of barriers to trade between this country and the British Empire. The Advisory Board sees in the British agreement a major opportunity, through expanded world trade, to stimulate the world-wide production, jobs and markets which are essential to stable and prosperous postwar economic conditions and, thus, to world peace itself."

This resolution was signed by the following members:

"Public—O. Max Garner, Under-Secretary of Treasury, Chairman; Chester C. Davis, President, Federal Reserve Bank of St. Louis; Mrs. Anna M. Rosenberg, Chairman, New York City Veterans Service Committee.

"Agriculture—Edward A. O'Neal, President, American Farm Bureau Federation; James G. Patton, President, National Farmers Union.

"Industry—Nathaniel Dyke, Jr., Assistant to the Chairman, Federal Deposit Insurance Corporation; Eric A. Johnston, President, United States Chamber of Commerce, and President, Motion Picture Association of America; George H. Mead, President, the Mead Corporation (paper), Dayton, Ohio.

"Labor—T. C. Cashen, President, International Railway Switchmen's Union of North America; William Green, President, American Federation of Labor; Philip Murray, President, CIO."

The resolution was transmitted by John W. Snyder, Director of War Mobilization and Reconversion.

Truman Names Fact-Find'g Board in Rail Wage Dispute

President Truman on March 8 appointed Leif Erickson (former Justice of the Montana Supreme Court), Frank M. Swacker (New York lawyer) and Gordon S. Watkins (Economics Department of the University of California) as a three-man fact-finding board to inquire into the dispute between the locomotive engineers and trainmen and the nation's railroads, according to an Associated Press dispatch, which added that "the naming of the board will automatically under custom, defer for 30 to 60 days a progressive walkout which the two railroad brotherhoods had scheduled to start on March 11."

The Financial Situation

(Continued from first page)

that we shall have some of the things which have long been "cheap" but non-existant) really have had nothing at all to do with inordinately low production, or no production at all, of these textile goods and of building materials. The real fault is found in the fact that manufacturers pay such low wages! Of course, they have always paid such low wages — at least, according to Mr. Bowles —even in years past, when textiles and building materials were abundant enough, and, of course, adjustment of wages, if necessary to attract workers, as Mr. Bowles implies, can in the nature of the case be made only if the prices asked for the goods bring in enough money to pay the increases, but such considerations as these apparently have not occurred to Mr. Bowles—or else he hopes that they have not occurred to his audience.

But these and the many other *non sequiturs* of which Mr. Bowles and the others are daily guilty seem less important to us than the fact—for fact it appears to be—that pleas for continued fiat control in Washington are making headway with the rank and file, or else they have always had more "grass root" strength than many had supposed. It is difficult otherwise to understand the tendency of so many members of Congress to "wince and relent and refrain," when the time comes to meet Mr. Bowles, and the others who argue in a like vein, with an unequivocal and unshakable "No." Whether or not the hold the determined economic planners and managers seem to have upon the people is in any very great degree a result of such specious but superficially plausible arguments as have of late been employed so freely in defense of price, and perhaps other types of extensive control over the economy, is by no means clear. It may be more largely an outgrowth of an unreasoning fear of "inflation" which the Washington propagandists have been able to instill into the minds of the great rank and file. And, naturally, every one wants to be able to command goods in quantities corresponding to the degree in which he has enlarged his ownership of dollars or their equivalent. Otherwise, of course, he loses a part of his "war gains."

Mr. Bowles Can't Do It

However all this may be, and if for no reason other than to keep the record straight, we feel constrained to set down in "straight-flung words and few" the obvious fact—for obvious it seems to us — that nothing that Mr. Bowles can do with his price control schemes will in the end make it possible for the public to keep more of its "war gains" than it could keep without such controls; that the most and the least that price controls such as those imposed by OPA will do is to interfere with the adjustment of production to the wants and desires of the people; that the notion that maintenance of price controls for some limited period of time will create conditions which make price ceilings meaningless and therefore unessential is nonsense, pure and simple, since it comes down in the last analysis to a prediction of a lower natural price level when production gets under way, and that despite unheard-of stores of "purchasing power" — perforce accumulated during the war years; and that it would be far better if we as a people could bring ourselves to face the fundamentals of this situation now, rather than to defer it from time to time, while further complications arise and further rigidities are introduced into the economic system to add to the difficulties of returning to normal conditions.

Part of a Whole

But this "crisis" in price control strategy, if such it can be termed, must not be viewed as if it were a phenomenon *in vacua*. The fact of the matter is that it is part and parcel of the more general concept of a controlled or managed economy, and must be so regarded if our attitude toward it is to be rational and wise. There are those in Washington who are determined that many of those policies shall be continued which during the war years created all this upward pressure on prices, and they fondly suppose that they can keep these policies in force without price increases if only they decree that no such increases shall occur. Whatever may be true among the rank and file across the country, a substantial part of the strength which in Washington is being marshalled in support of continued price control stems from the knowledge that current official policy must inevitably place still greater upward pressure upon prices.

That this fact renders many of the assurances now being given so glibly hardly less than silly is to such minds of little or no importance. They have no real intentions of returning business to businessmen if they can help it, and they are quite accustomed to getting what they want by methods about which the least said the better. Whether Mr. Bowles, who has now become the head and front of the movement for continuation of drastic price regulation, understands all or any substantial part of all this, whether he knows it and is merely using it for his own ends, or whether he is being taken in by these wily manipulators, is not for us to say. The fact remains that the American people will again find themselves in essentially the same position when the question of further extension of price control arises. They may as well, indeed they had better, face the facts now.

House Passes Bill to Curb Petrillo

By a vote of 222 to 43 the House on Feb. 21 passed the bill designed to curb the actions of James C. Petrillo, as head of the American Federation of Musicians, AFL affiliate. The bill, to quote the Associated Press, "would outlaw the use of force, threats or other means to compel radio stations to pay tribute to unions for using phonograph records. It also would prohibit any action to require broadcasters to employ more workers than needed or to halt foreign programs or any type of non-commercial, educational or cultural offering. Violators would be subject to a year's imprisonment or a $1,000 fine, or both.

A milder measure, it is noted, had previously passed the Senate, and the proposed legislation accordingly was sent to a conference committee to adjust the differences. The Associated Press accounts Feb. 21 stated:

"Representative Lea (D-Cal.), author of the House-passed bill, predicted the Senators would go along with most provisions of his measure.

"The Senate version, sponsored by Senator Vandenberg (R-Mich.), specified only that any interference with non-commercial, educational or cultural programs would be unlawful. It did not provide penalties. Mr. Vandenberg's bill was aimed chiefly at a long - standing controversy between Petrillo's union and the National Music Corporation at Interlochen, Mich.

"Petrillo's name is not mentioned in either measure, but a House Commerce Committee report said it was directed at him, and nearly every lawmaker who spoke yesterday linked the bill to the Federation leader."

The United Press had the following to say in advices from Washington Feb. 21 regarding the House action:

"The House approved its measure after rejecting several attempts by Democrats and Republicans alike to weaken it. The House did agree, however, to restrict the provision which governs the number of employes of a broadcaster to those "he needs," not those "he wants."

"By a vote of 70 to 26, it voted down an amendment by Rep. Marcantonio which would have guaranteed members of Petrillo's union and other radio employes the right to strike in pressing demands upon management.

"Mr. Marcantonio told the House that the bill for the first time in history would make it a criminal offense for a union member to strike. For this reason, he said, the bill is unconstitutional. The House also rejected an attempt by Rep. Charles Halleck (R-Ind.) to lighten the penalty provisions.

"Several similar modifying amendments also were voted down overwhelmingly."

A reference to the proposed legislation appeared in our issue of Jan. 24, page 440.

Senate Committee Concludes Hearings on Case Bill—Seven Senators Named to Redraft Bill

Following the conclusion on Feb. 28 of the hearings by the Senate Committee on Education and Labor on a series of proposed measures for dealing with labor strife, seven Senators were appointed on March 4 to rewrite the House-approved strike control bill. Probably the most controversial of the legislation considered by the Senate Committee was the House-passed Case strikes settlement bill which drew protests during the hearings from a number of witnesses. Administration opposition against the measure was voiced by Secretary of Labor Lewis B. Schwellenbach, who, on Feb. 25, according to Washington advices to the Associated Press, told the Committee that the Case bill was "hodgepodge" legislation which might break down the established pattern of employer-employee relations. In the Associated Press advices it was stated:

The Secretary's prepared statement said the House measure has two principal objectives.

"(1) It sets up new machinery for the mediation of labor disputes.

"(2) It attempts to restrict the organized activities of workers by amending the National Labor Relations Act and the Norris-La Guardia Act of 1932."

Then, in a detailed examination of present labor laws and practices, Mr. Schwellenbach declared that the Case bill "is definitely inferior." Part of the bill, he said, "is an open invitation to complete nullification of all remedial legislation affecting labor standards and labor relations," adding:

"I do not think Congress will allow the national policy set forth in these protective laws to be frustrated in this manner."

Instead of promoting industrial peace, the Secretary said the Case bill "may well initiate an era of industrial warfare with the power of government used to destroy labor unions."

Incident to the appointment of the seven Senators to redraft the Case bill, the Associated Press Washington advises had the following to say on March 4:

"Chairman Murray of Montana selected the Special Labor Subcommittee after telling reporters that he was not stalling Senate action on new labor legislation.

"Mr. Murray named himself Chairman of the drafting group which will include Senators Pepper of Florida, Ellender of Louisiana, Tunnel of Delaware, La Follette of Wisconsin, Ball of Minnesota and Morse of Oregon.

"Appointment of the drafting group was agreed to earlier in the day at a closed door session of the Senate committee. It will work with the House bill, sponsored by Representative Case of South Dakota, and a number of Senate labor measures upon which lengthy hearings have been held.

"Irritated at published reports that the Senate Labor Committee was determined to 'pigeonhole' the far-reaching Case measure, Mr. Murray said he had offered to send it on to the full Senate for action under a negative report.

"Other Senators said Senator Donnell of Missouri then offered the suggestion for a special drafting subcommittee and this was later modified by Senator Pepper to cover only legislation upon which the Senate committee has conducted hearings.

"The House-approved bill would set up an independent mediation board with labor, industry and the public represented. It also would permit injunctions against intimidation and violence in labor disputes and would direct a 'cooling off' period before strikes.

"Chairman Murray said the drafting subcommittee will meet on Wednesday to begin its work."

In the opinion of Lee Pressman, Congress of Industrial Organizations counsel, who testified at the Senate Committee hearing on Feb. 27, said the Associated Press, the Case strike control bill is a "new drive for a Federal anti-labor gestapo." Mr. Pressman said that the entire legislation "seethes with anti-labor animus," and, in arguing that it was not needed, added:

"The bill removes from the cognizance of local courts problems of violence and boycotts which are now adequately regulated by local law and substitutes for them a centralized Federal gestapo. . . . The Wagner Act, as interpreted by the National Labor Relations Board, contains adequate limitations on the rights of those strikers who engaged in true violence."

On the last day of the hearings, (Feb. 28) Paul M. Herzog, Chairman of the National Labor Relations Board, told the senators that there was a definite clash between the ten-year-old National Labor Relations Act and the Case bill, and stated that the two "impinge upon one another only at certain points, but where they do, the enactment of the proposed (Case) bill may lead to more difficulties than it will solve."

Counsel for the National Association of Manufacturers, Raymond S. Smethurst, however, said, in testifying before the Senate committee on Feb. 25, as reported by the Associated Press, that the NAM indorsed the Case bill's main objective, which he saw as encouraging private collective bargaining. Government activities in the field recently, he said, have reduced private bargaining to "something less than a sham." The Associated Press continued:

"Mr. Smethurst advocated court protection of employers in the fulfillment of a contract and 'not legalized black jack.' He said courts now hold that contracts are not binding against labor and that 'unions can now escape' punishment for violations.

"Senator Taft (R.-Ohio), asked about the possibility of requiring unions to incorporate. Smethurst said this would meet the question of usability but might limit the determination of responsibility."

Members of the Senate opposed to the Case legislation have predicted that it would never be reported out by the committee. Senator Murray, Chairman of the Labor Committee, on Feb. 21, according to Associated Press advices from San Diego, Calif., asserted that the bill was "an extreme measure, designed to destroy labor unions."

Truman Approves Bill Passed by Congress for Participation in UNO

The bill designed to provide for participation by the United States in the United Nations Organization because a law on Dec. 20, when President Truman signed the legislation making provision for the appointment of representatives of the United States to the UNO. The bill was passed by the Senate on Dec. 4, and by the House in amended form on Dec. 18. Because of the differences in the bills, the legislation was sent to conference; as adjusted by the Conferees the bill was agreed to by both the Senate and House on Dec. 19, the President affixing his signature to the bill on Dec. 20, as indicated above.

A reference to the Senate action appeared in our issue of Feb. 25, page 1078.

Administration Plans for U. S. Loan Aid, Exclusive of British Credit Under Discussion

President Truman transmitted to Congress on March 1 the report of the National Advisory Council on International Monetary and Financial Problems setting forth the terms of United States foreign lending policy. In an accompanying message he gave full approval of the statement which limits foreign loans by the United States to $3,250,000,000 until June 30, 1947, not including the $3,750,000,000 British credit now under Congressional consideration. The NAC said, according to a special dispatch from Washington to the New York "Times": "it is the view of the Council that the British case is unique and will not be precedent for a loan to any other country."

Summing up the United States policy statement, the "Journal of Commerce" pointed out that it was predicated on the fact that the International Reconstruction Bank will, during the 1947 calendar year, be able to take over the primary international lending role, where private investment is not forthcoming.

The "Journal of Commerce" continued, "the NAC said that the International Bank will begin lending operations in the latter half of 1946. However, since it will take time to develop a lending program, it will probably not be in a position to enter into more than a small volume of commitments this year.

"Transmission of the policy declaration to Congress at this time had as one of its main objectives removal of Congressional fears that in approving the British loan agreement, Congress would be opening the door for a flood of foreign loans which might play havoc with the domestic economy during a period of continued supply shortages and send the national debt soaring to new heights.

"In laying out the carefully circumscribed foreign lending program, the Administration stressed that the inflationary dangers in terms of the domestic supply situation, would be extremely limited. In particular, it was noted that a United States loan commitment is not the same as a foreign government expenditure here; there will be a time-lag between the commitment and the expenditure. By and large, the loans will go to employ unused productive capacity, which the elimination of war demands has already in some cases brought about.

"On the chances for repayment of the loans, the policy statement stresses the fact that in the final analysis loans must be paid in goods and services, the sale of which will be facilitated by a high level of world trade. The statement links loan repayment wth the proposals to reduce world trade barriers at the forthcoming International Commercial Conference. In addition, countries will have access to the Bretton Woods Monetary Fund; world gold production, exclusive of the United States, will add another $1,000,000,000 annually.

"Looking ahead to the time when payments on United States foreign loans would exceed new lending the NAC said this net repayment would involve an excess of United States imports of goods and services over total exports of this kind. At the same time, the council estimated that annual interest and amortization payments on the entire present and contemplated Export-Import Bank program, the British loan and the International Bank loans floated in United States markets will be less than $1,000,000,000."

The report was signed by Secretary of the Treasury Fred M. Vinson, as Chairman of the Council, which was created under the terms of the Bretton Woods legislation; by Secretary of State James F. Byrnes, Secretary of Commerce Henry Wallace, Marriner S. Ecles, Chairman of the Board of Governors of the Federal Reserve System, and William McC. Martin, Jr., Chairman of the Board of Directors of the Export-Import Bank.

In his accompanying message Mr. Truman indicated that he would soon ask Congress to raise the lending authority of the Export-Import Bank an additional $1,250,000,000, which, with the present residual margin of $2,000,000,000 would comprise the $3,250,000,000 expected "ceiling." It is known that the President is planning on a $1,000,000,000 loan to the Russian Government, which would leave $2,500,000,000 to meet the total requests of all other powers, exclusive of Great Britain.

In part the report of the Council said:

In July, 1945, the Congress, for the purpose of making loans to war-devastated areas during the period prior to the inauguration of the International Bank and for the promotion of American exports and other special purposes, increased the lending power of the Export-Import Bank by $2,800,000,000, making its total lending power $3,500,000,000. At the end of 1945 the Export-Import Bank had outstanding commitments, including money authorized for cotton loans, of $1,560,000,000, of which $1,040,000,000 was committed in the last half of 1945. The $1,040,000,000 of the commitments made during the last half of 1945 consisted of:

(A) $655,000,000 for the purchase of goods which originally had been included in the lend-lease programs to Belgium, Netherlands and France;

(B) $165,000,000 for the purchase of other goods and services necessary for the reconstruction of Belgium, Denmark, Netherlands and Norway;

(C) $100,000,000 available to various European countries including Finland, Belgium, Czechoslovakia, France, Italy, Netherlands, Poland for the purchase of raw cotton and

(D) $120,000,000 for specific export and development programs, mostly to Latin-American countries.

On Jan. 1, 1946, the Export-Import Bank had unused lending power of $1,900,000,000 for making additional commitments. In addition to the $1,900,000,000, there will be available during the fiscal year 1947 about $50,000,000 from repayment of principal and an additional sum (possibly $100,000,000) from the cancellation of earlier commitments.

Pending the effective operation of the International Bank, it has been the policy of this Government to limit loans through the Export-Import Bank for reconstruction and development to the immediate, minimum needs of the borrower. Among the factors taken into consideration in making loans of this character are: (1) the urgency of the need of the borrower; (2) the borrower's own resources; (3) the possibility of obtaining the loan from other sources, private capital markets and other governments; (4) the ability of the borrower to make effective use of the funds; (5) the capacity of the borrower to repay, and (6) the impact of the loan on our domestic economy.

It is the view of the Council that, pending the establishment and operation of the international bank, this Government can meet only a small proportion of the undoubtedly large needs of foreign countries for credits for reconstruction and development.

After careful consideration of all factors the Council has concluded that the most urgent foreign needs will involve negotiations for loans commitments by the Export-Import Bank of approximately $3,250,000,000 in the period from January, 1946, through June, 1947. This is exclusive of the proposed credit to Britain.

Since the available funds of the Export-Import Bank are about $2,000,000,000, it will be necessary in order to carry out this program to ask Congress to increase the lending authority of the bank by $1,250,000,000. Although this is a substantial increase, the Council believes that it is a minimum figure.

It is only through careful screening that it will be possible to carry out the program within the limits of the additional funds which the Congress will be asked to make available to the bank. It is the established policy of the United States Government carefully to scutinize each loan application to determine that the need is urgent and that the funds can be obtained from no other source than the Export-Import Bank. . . .

It is expected that the proposed international trade organization will play an important role in securing the international economic environment necessary for the maintenance of high levels of world trade.

The operation of the International Monetary Fund should assure the orderly functioning of a system of multilateral payments, and this will make it possible for debtor countries to convert their export surplus with any country into the currency in which their obligations must be discharged.

Fundamentally, however, the ability of foreign countries to transfer interest and amortization on foreign loans to the United States depends upon the extent to which we make dollars available to the world through through imports of goods and service, including personal remittances and tourist expenditures, and through new investments abroad.

As a last resort, the world outside of the United States has a current gold production of possibly $1,000,000,000 per year to add to their present foreign exchange reserves, which can be dipped into to insure payment.

As long as new American investment exceeds interest and amortization on outstanding foreign investment, the question of net repayment on our total foreign investment will not arise, although as individual investments are paid off the composition of our foreign investment may shift. It is impossible to prophesy when receipts on foreign investment will exceed new investment, as American investment abroad will depend on many future developments. . . .

The loan policies stated here are in full accord with the basic political and economic interests of the United States. The National Advisory Council, which was established by the Congress in the Bretton Woods Agreement Act and consists of the Secretary of the Treasury as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Directors of the Export-Import Bank, has the responsibility of coordinating the lending and credit programs of this Government, and of achieving maximum consistency between American Government lending and the lending operations of the International Bank.

This country is supporting the United Nations Organization wholeheartedly, and the success of the United Nations Organization depends not only on political agreement but also on economic improvement. These loans are for economic reconstruction and development. They will enable the borrowing countries to increase their own production, relieve their foreign trade from excessive regulation, and expand their trade with us.

Economic stability will foster peace. This program of foreign lending is essential to the realization of the main objective of the foreign economic policy of the United States, which is to lay the economic foundations of the peace.

Opposition to St. Lawrence Seaway

The views of witnesses opposing the St. Lawrence seaway and water project were concluded on March 1 by the Senate Foreign Relations Committee, opponents laying before the subcommittee reasons why the United States should not become a party to such an international development. Representatives of New England interests have been particularly outspoken in declaring the plan ill-advised. Henry E. Foley, representing the New England Conference in Opposition to the Seaway, was joined on Feb. 26 by Frank S. Davis, director of the Maritime Commission of the Boston Chamber of Commerce, in expressing vigorous opposition. Mr. Foley, according to Associated Press accounts from Washington, said of the entire project that it "cannot help but do more harm than good to the nation as a whole." The Associated Press likewise said:

"Chauncey J. Hamlin, Buffalo, Chairman of the Niagara Frontier Planning Board, a long-time foe of the Seaway, gave this summary of his group's opposition:

"It would be so generally ruinous to American commerce and industry, labor and capital, that its nation-wide deleterious effects would far exceed whatever claimed advantages might rebound."

"Disagreeing with proponents' claim that the Seaway could be made self-liquidating through imposition of tolls,'" Mr. Hamlin said:

"This suggestion is nothing more or less than a red herring drawn across the dams to attract a few doubtful votes and lull the justified criticism that the whole project is a colossal waste of public funds."

The railroads are a faction strongly opposed to the project. Walter J. Kelly, a spokesman for the Association of American Railroads, termed the estimate by the Department of Commerce of traffic and savings in transportation costs as "exaggerated far beyond any reasonable possibility of attainment."

The President of the American Short Line Railroad Association, J. M. Hood, said, according to the Associated Press, that need for the Seaway in the interest of national defense was an argument "wholly fallacious." He added, "The war just past has proved such slow. circuitous, seasonal and limited transportation is not adopted to the fighting of a war at high tempo."

On Feb. 28 three New York City witnesses joined those opposed to the project. James W. Danahy, Vice-President and managing director of the West Side Association of Commerce of New York City, told the committee, according to advices from Washington to the New York "Times," that if the project were as successful as its proponents asserted it would be, it would materially reduce the economic importance of New York City and thus the business of the whole country, because New York was the largest single customer of all the States.

The "Times" added, "Citing figures on losses which might be expected from the handling in the New York Port of only one imported commodity, sugar, Mr. Danahy continued:

"'Looked at from a national viewpoint, the situation might be considerably less alarming if the greater part of this lossage were to be offset by new business in other American communities'."

"Cornelius H. Callaghan, Executive Vice-President of the Maritime Association of the Port of New York, said that proponents' estimates of the traffic the Seaway would carry were 'theoretical, fantastical and erroneous.' Mr. Callaghan said that even the lighter American ships of 24-foot draft could not use the projected 27-foot channel.

"'No prudent American shipowner would operate ocean-going ships through the Seaway if it were developed,' he said, 'because of the difference in sailing conditions between salt and fresh water; that tendency on the part of ships to bob, the dangers of the narrow and tortuous channels and of fog, and the present insurance limitations. He predicted that the project's construction would destroy the American Great Lakes fleet in the face of cheaper foreign competition.'

"Charles J. O'Leary, transportation expert of the New York Produce Exchange, opposed the project as a spokesman for export grain marketers. In the marketing of such grain, he said, any saving in freight rates went not to the seller but to the foreign buyer."

Witnesses opposed to the St. Lawrence Seaway project closed their week of arguments before the subcommittee on March 1 with a New York consulting civil engineer, E. P. Goodrich, putting the over-all cost far above the figures given by supporters of the program. We quote from special advices from Washington to the New York "Times," which in part also said:

"The Senators also heard four Pennsylvania witnesses voice opposition based chiefly on fear of what the project would do to the coal industry. These witnesses were joined by Martin H. Miller, national legislative representative of the Brotherhood of Railroad Trainmen, and Lachlan Macleay, President of the Mississippi Valley Association.

"Mr. Goodrich put the cost of the project 'conservatively' at more than $660,000,000, of which the United States would provide more than $450,000,000.

"But this outlay would only permit ships using the channel 'to cruise around in the Great Lakes without coming into port,' he added, until the Federal Government spent $17,000,000 more for deepening port channels and local interests laid out another $56,000,000 to build and expand dock and related facilities at American ports."

George E. Mace, Manager of the Transportation Bureau of the Commerce & Industry Association, was also heard in opposition to the project, and M. D. Griffith, Executive Vice-President of the New York Board of Trade, in opposing the project before the commiittee on Feb. 28 said:

"Every possible expedient has been used by the proponents, first as a treaty, then seeking to have it handled by agreement, now incorporatd in the new joint resolution. We have always regarded this, to express it in modern terms, as an atomic force threatening us.

"Let us all recommit ourselves to our traditional private American enterprise system. Let us firmly and finally declare that we have no intention of 'sinking the Statue of Liberty in the International Rapids'."

Six days of rebuttal testimony—three each for proponents and opponents—in the week of March 4 were scheduled by the committee to conclude the hearings. View of proponents, previously heard, were referred to in our issue of Feb. 28, page 1136.

U. S. Acts to Avert Famine—Hoover to Survey Europe's Needs; ICC Eases Freight Movement

Former President Herbert Hoover is to go to Europe, at the request of President Truman, to survey food needs there and to see to what extent American aid is justified. Secretary of Agriculture Clinton P. Anderson announced on March 5 the acceptance of Mr. Hoover, who carried out foreign relief programs in Europe after World War I. The former Chief Executive received an urgent call on Feb. 27 from President Truman to confer on the serious famine condition threatening the war-devastated areas of the world. On March 1, Mr. Hoover arrived at the White House for a meeting with the President at which they were later joined by Secretary of Agriculture Anderson.

At the same time President Truman called upon a dozen other private citizens and officials to form a Famine Emergency Committee, of which Mr. Hoover accepted the honorary chairmanship. Active head of the group is to be Chester Davis, who was Food Administrator during the last war as was Mr. Hoover during World War I, according to Associated Press Washington advices of March 2.

On March 1, the Associated Press reported an announcement by Agriculture Secretary Anderson on the seriousness of the danger of starvation for untold millions, of which the following is an excerpt:

Americans of good will can do more and do it faster than any system of Government rationing orders. Speed is vital. It was agreed that the greatest good could be done by saving wheat and wheat products and food oils and fats.

Figures given the Committee by the Government indicate that a reduction of 25% in the present consumption of wheat and wheat products is needed. The Committee, therefore, urges that, beginning now, our people reduce their consumption of bread and wheat products. Conservation of food oils and fats now going on should be increased in every possible way.

The Committee appeals for cooperation in this program to every individual American, to every American home and to every one of the many organizations in which are enrolled the men and women of America.

Mr. Hoover's recommendations for the most immediate means for coping with the situation are to be found in the telegram which the former President sent to Mr. Anderson prior to the Washington conference, as taken from the text of the message given by the Associated Press:

The first step is for you as Food Administrator to be given complete authority over elimination of waste and unnecessary consumption, hoarding, substitution of foods, and control of exports and imports.

The second step in order to gear your organization is to determine:

(A) World need.
(B) World surpluses.
(C) Possible American surpluses.
(D) What kind of food in all cases.
(E) How much of each kind of food you can and should export from the United States without injury to public health.

I cannot adequately advise on this phase as it would require exhaustive investigations at home and abroad, and I assume you already have such information.

The third step is to constitute the State directors of the Department of Agriculture as State food administrators and the county agents as county food administrators.

The fourth step is for you to ask each of the food trade associations, such as hotels, restaurants, bakers, packers, millers, etc., to appoint emergency famine committees under some respected leader, they, together with the experts of the Department of Agriculture, to work out ways and methods of voluntary action in each of their trades to save waste, unnecessary use, to devise substitutes, and to secure the adherence of the members of the trades to this voluntary program.

The fifth step is to prepare a simple program for housewives which will eliminate waste, save unnecessary consumption and make use of substitutes. This should be a voluntary program. Your State and county food administrators should organize the women in their localities and see that food trades are fully organized also.

It is anticipated that Mr. Hoover's European survey may take 30 days to complete. He is expected to leave the United States shortly, and hopes to contact many persons who aided him in the food relief program in Europe following the first World War. It is probable that he will go to France first. Mr. Anderson stated that several persons will accompany Mr. Hoover abroad, including Dr. F. R. Fitzgerald, food allocations officer of the Agriculture Department.

In another development of the food campaign, the Associated Press reported from Washington, the Interstate Commerce Commission gave Warren C. Kendall of the Association of American Railroads broad power over the movement of box-cars to speed shipments abroad. The Associated Press added:

Mr. Kendall, Chairman of the Association's Car Service Division, was authorized "to regulate the use, control, supply, movement, distribution, exchange and interchange of cars to, from or between common carriers in the United States."

The order, effective (at 11:59 a.m. Eastern Standard Time) March 5, expires June 5 unless otherwise modified or suspended.

As the Commission's agent, Kendall can direct any railroad to accept, deliver, transport or distribute freight cars at any point where they are needed. The order applies to cars moving in intrastate and foreign commerce as well as interstate commerce. All ICC rules, regulations and practices which conflict with the order were suspended.

The Commission previously had granted priority to the movement of wheat, corn, meat and other essential foods for export and to the movement of grain from country elevators to terminal elevators.

The statement that he expected American relief food to be distributed to starving peoples abroad "without differential as to race, religion or political belief," was made by former President Hoomer at Washington on March 9, according to United Press advices, which also had the following to say:

Mr. Hoover thus answered CIO and left-wing criticism of his appointment as honorary chairman of President Truman's Famine Emergency Committee. The CIO Women's Auxiliary had accused the former President of using food as "a reactionary weapon" in his relief missions to Europe before and after the first World War. That was not the case then, and would not be now, Mr. Hoover said in an interview.

In reply to a question about the CIO criticism of his appointment, Mr. Hoover said that "if they mean we supported the democratic Governments (after the last war), we did, every one."

"We also supported all the communistic governments," he added:

Mr. Hoover was asked if the task this time was greater than after the last war.

"The demands this Government is being asked to meet now are smaller than after the last war," he replied. "But the supply is smaller. After all, we've had five years of war and the European nations are more depleted."

Business Failures in Jan.

Business failures in January were higher in number and amount of liabilities involved them in December. When compared with January a year ago, there were the same number of failures but less liabilities. Business failures in January, according to Dun & Bradstreet, Inc., totaled 80 and involved $4,372,000 liabilities as compared with 42 in December, involving $1,824,000 liabilities and 80 involving $5,883,000 in January a year ago.

All groups into which the report is divided show more failures in January then in December. When the amount of liabilities is considered, only the wholesale group had less liabilities involved in January than in December.

Manufacturing failures in January were up to 35 from 23 in December, and liabilities were up to $1,677,000 in January, from $1,141,000 in December. Wholesale failures numbered 3 with liabilities of $16,000 as against 2 with liabilities of $79,000 in December. Retail failures numbered 22 with liabilities of $245,000 as compared with 10 with $125,000 liabilities in December. Construction insolvencies in January were up to 8 from 2 in December, and liabilities rose to $155,000 in January from $107,000 in December. Commercial service failures in January were up to 12 from 5 in December and liabilities were up to $2,279,000 in January from $372,000 in December.

When the country is divided into Federal Reserve Districts it is found that the Atlanta, Kansas City and Dallas Reserve Districts had fewer failures in January than in December. The Cleveland and St. Louis Reserve Districts had the same number, while all the remaining Districts had more insolvencies in January than in December. When the amount of liabilities involved is considered it is seen that the Cleveland, Richmond, Atlanta, Kansas City, Dallas and San Francisco Reserve Districts had less liabilities involved in January than in December. While the remaining Districts had more.

Annual Banquet of Quarter Century Club of National City Bank

More than 800 members of the Quarter Century Club of the National City organization gathered at the Hotel Astor on March 12 for the tenth annual banquet which honors those of the staff of the National City Bank of New York, City Bank Farmers Trust Co. and affiliates who have served for 25 years or more continuously. Taking into consideration the overseas branches of National City, there are now 1,243 Quarter Century Club members. When the group first started, in 1937, there were only 254 members. Gordon S. Rentschler, Chairman of the Board, acted as host. Short addresses were also made by W. Randolph Burgess, Vice-Chairman and Lindsay Bradford, President of City Bank Farmers Trust Co. Charles V. Sheehan, Vice-President, who is Quarter Century Club Chairman, presided.

New Regulations Liberalizing Veterans Insurance Under Readjustment Act of 1946

New regulations liberalizing the guaranty or insurance of veterans loans under the Servicemen's Readjustment Act of 1944, as amended, were completed on March 1 by the Veterans Administration. They became effective immediately.

The new regulations, it is announced by the Veterans Administration were necessitated when the GI Bill was liberalized and broadened by Congress December 28, 1945. Allowed 90 days to draft and distribute the regulations after the Act was amended, VA completed the task 23 days in advance of the March 28 deadline. Under the new procedures, it is added VA loan guarantee forms have been materially simplified as exemplified by the fact that the veteran is normally required to sign only one legal-sized sheet once. The sole exception is one additional document in the case of a loan on delinquent indebtedness. Principal changes in the Act, as amended, the VA states, include:

1. Increase of guaranty on real estate loans from $2,000 to $4,000.

2. Extension of time in which veterans may take advantage of guarantee or insurance from two to ten years.

3. Extension of time limit on terms of payment to 25 years on real estate and 40 years on farm realty.

4. Provision for insurance of loans in lieu of guaranty of up to 15% of the aggregate of loans made or purchased by a lender. This allows a choice to both the veteran and lender, and consequently broadens the scope of credit assistance to veterans.

5. Loans made for construction may now include the cost of the lot on which the veteran intends to build.

6. Certain delinquent indebtedness may be refinanced.

7. Farm loan provisions allow for improvement of ground or buildings, construction of new buildings, and use of funds to purchase live stock and seed or for working capital.

8. Business loan provisions now allow purchase of inventory and use of funds for working capital.

9. Benefits are extended to persons on terminal leave or hospitalized pending final discharge, and persons in the military or naval service of governments allied with the United States who were U. S. citizens at the time of entering such service.

Cooperating in conferences with representatives of the major lending organizations of the nation and principal service organizations, the regulations and forms were drafted under the direction of Francis X. Pavesich, VA Loan Guarantee Service Director. Regional office loan guarantee officers were thoroughly oriented in the new procedures at three-day meetings held at convenient points throughout the country. Printing and distribution was directed by Colonel R. P. Bronson, Acting Assistant Administrator of Contact and Services.

Randolph Paul Named Presidential Aide

On Feb. 27, President Truman appointed Randolph Paul, tax expert, a special $10,000-a-year Presidential Assistant.

According to the Associated Press Washington advices, Feb. 27, the White House said that Paul will conduct negotiations for the State Department with various European nations which were neutral during the war on the subject of external German assets. These advices added:

Charles G. Ross, Press Secretary, said Mr. Paul's appointment would be effective tomorrow.

Mr. Paul, a former Treasury official, was a familiar figure on Capitol Hill for years during consideration of wartime tax bills. Recently he has been a tax consultant in private life.

Warns of Continuous Decline in Money Rates

(Continued from first page)

ing out of the inordinate decline of the interest rate over the last decade.

"Unhappily, however, there is not, in some quarters, an adequate understanding of the importance of the interest rate to policyholders and of the seriousness of the situation that the extremely low interest rate has created.

"Mutual life insurance companies base their premium rates on the assumption that a certain minimum rate of interest will be earned upon invested funds. On this basis they issue contracts that may remain in force, at fixed premiums, for long periods—in some cases 75 years or more.

"If the interest earned is greater than the amount required, there is excess interest which can be returned to the policyholders. But if the interest earned is less than the required amount, there is an interest deficiency, and earnings derived from other sources, such as mortality savings and savings in expense, must be diverted to make good that deficiency.

"During the '20s, the marked improvement in mortality and the corresponding increase in gains from that source had the effect of concealing, during the early and mid-'30s, the consequence of the interest rates when they began slowly to fall. The precipitate decline during the past 10 years, however, has created such a condition that other sources of gains must carry an ever-increasing burden and can no longer conceal the reflection of falling interest rates in the cost of policyholders' life insurance.

"The drastic decline in yield, best illustrated by the decline in the rate on long-term U. S. Government bonds during the period 1933-1945 from 4% to less than 2½%, has radically reduced the rate earned by this company, and by all insurance companies, on their invested assets. This in turn has substantially increased the cost of the life insurance protection possessed by 27,000,000 American families, because it has reduced the amount that otherwise would have been available annually for distribution to policyholders.

"Careful examination of 11 life insurance companies, selected because of the general similarity of their operations, indicates that if the interest rate had been only 1% higher in 1944, their dividends to policyholders could have been increased by at least $76,000,000. On this same basis, all companies in the life insurance business could have increased their dividends in 1945 by at least $323,000,000. The view — unhappily widely held—that low interest rates cause no harm and impose no cost to any group is, therefore, a wholly fallacious one."

Carpenter Heads Fibre Drum Mfrs. Assn.

Herbert L. Carpenter, President of the Carpenter Container Corporation, Brooklyn, N. Y., was elected first President of the National Fibre Drum Manufacturers Association at its first national convention in the Hotel Commodore in New York on March 1. Mr. Carpenter is also a member of the Board of Directors of the Commerce and Industry Association of New York.

Truman Pleads for Spiritual Revival

(Continued from page 1398)

tatorship, on the other hand, has always rejected that principle. Dictatorship, by whatever name, is founded on the doctrine that the individual amounts to nothing; that the State is the only thing that counts, and that men and women and children were put on earth solely for the purpose of serving the State.

In that long struggle between these two doctrines, the cause of decency and righteousness has been victorious. The right of every human being to live in dignity and freedom, the right to worship his God in his own way, the right to fix his own relationship to his fellow men and to his Creator—these have again been saved for mankind.

The fight to preserve these rights was hard won. The victory took a toll of human life and treasure so large that it should bring home to all of us forever, how precious, how invaluable, is our liberty which we had begun to take for granted.

Now that we have preserved our freedom of conscience and religion, our right to live by a decent moral and spiritual code of our own choosing, let us make full use of that freedom. Let us make use of it to save a world which is beset by so many threats of new conflicts, new terror and destruction.

Forces of Selfishness and Greed at Work

In our relations abroad and in our economy at home, forces of selfishness and greed and intolerance are again at work. They create situations which call for hard decisions, for forthrightness, for courage and determination. But above everything else they call for one thing, without which we are lost. They call for a moral and spiritual awakening in the life of the individual and in the councils of the world.

The last five years have produced many awesome discoveries in material things. But it has been truthfully said that the greatest discoveries of the future will be in the realm of the spirit. There is no problem on this earth tough enough to withstand the flame of a genuine renewal of religious faith. And some of the problems of today will yield to nothing less than that kind of revival.

If the world is long to survive, the gigantic power which man has acquired through atomic energy must be matched by spiritual strength of greater magnitude. All mankind now stands in the doorway to destruction—or upon the threshold of the greatest age in history. Only a high moral code can master this new power of the universe and develop it for the common good.

When the sages and the scientists, the philosophers and the statesmen, have all exhausted their studies of atomic energy, one solution and only one solution will remain—the substitution of decency and reason and brotherhood for the rule of force in the government of man.

Need for Spiritual Awakening

If men and nations would but live by the precepts of the ancient prophets and the teachings of the Sermon on the Mount, problems which now seem so difficult would soon disappear.

That is the great task for you teachers of religious faith. That is a supreme opportunity for the Church to fulfill its mission on earth. The Protestant Church, the Catholic Church, and the Jewish Synagogue—bound together in the American unity of brotherhood—must provide the shock forces to accomplish this moral and spiritual awakening. No other agency can do it. Unless it is done, we are headed for the disaster we would deserve. Oh for an Isaiah or a Saint Paul to reawaken a sick world to its moral responsibilities!

The need for this moral awakening applies to all men and women everywhere, but it applies particularly to the youth of today from whom the leadership of tomorrow will come. The aftermath of a major war always includes an increase of juvenile delinquency. Sometimes it is the fault of the boys and girls. More often it is the result of everything that is abnormal in war—including the absence of fathers and mothers in the armed forces or in business or war industries.

We shall always be grateful to the women of America, who have performed such an outstanding service to our country during war. In some cases, however, this patriotic devotion to the national interest has resulted in unavoidable neglect of children. Smaller children were taken care of through the help of the Government in child-care centers. But this could not be done in the case of older children. We are now paying the social penalty for failing to provide adequate supervision and guidance for many of our children during their formative years.

Whatever the cause, the need is now pressing and unyielding. The younger generation of today yearns for moral uplift. To the parents of the nation—and to you of the churches of God—has come the responsibility of helping them on to the right path.

Provision of Decent Homes

And one of the ways we can all help not only the youth of the nation but all men and women is by the provision of decent homes. To make up for the lag in home building during the years of the war, this country has embarked on the most ambitious civilian housing program in our history. Every possible resource of Government will be used to reach our goal of 2,700,000 low-cost homes within the next two years. Nowhere can the influence of deep religious faith and ethical living be more adequately felt than in the homes of the nation. The spiritual welfare of our people of tomorrow is going to depend on the kind of home life which our nation has today.

That is why it is so important that all churches throughout America cooperate in the "national share-the-home" effort. If each congregation of the 250,000 churches and synagogues in this country would open their spare rooms to only four veterans, one million veterans and their families could receive temporary shelter until new houses are available.

Nothing could be more helpful in reaching the goal of a decent home for every American—and by that I mean Americans of all races and religions and of all income groups—than the active cooperation and inspiration of the churches of the nation. By working in your local communities, where the primary job and responsibility lie, you can help make this program the success which it must be. For home life reflects the nation's life. It must conform to an ever-rising standard.

To raise that standard should be, and is, the constant aim of your Government and the underlying basis of its policies. It would make the effort so much easier if people and nations would apply some of the principles of social justice and ethical standards which have come down to us from Biblical times. All the questions which now beset us in strikes and wages and working conditions would be so much simpler if men and women were willing to apply the principles of the Golden Rule.

If we really believed in the brotherhood of man, it would not be necessary to pass a fair employment practices act.

Interests Greedy for Gold

If certain interests were not so greedy for gold there would be less pressure and lobbying to induce the Congress to allow the price control act to expire, or to keep down minimum wages, or to permit further concentration of economic power.

A truly religious fervor among our people would go a long way toward obtaining a national health program, a national housing program, a national education program, and an extended and improved social security program.

As among men, so among nations—nothing will do more to maintain the peace of the world than the rigorous application of the principles of our ancient religion.

We have tried to write into the Charter of the United Nations the essence of religion. The end of aggression, the maintenance of peace, the promotion of social justice and indivdiual rights and freedoms, the substitution of reason and justice for tyranny and war, the protection of the small and weak nations—by these principles the United Nations have laid the framework of the Charter on the sound rock of religious principles.

Support of UNO Charter

The United States expects to support that Charter. It expects to defend that Charter. It expects to expand and perfect that Charter. And we are confident that all the other United Nations expect to do the same.

In the crisis of global war the common peoples of all the world became bound together in a great fraternity. It was dedicated to resistance against aggression and determination to overcome the tyrants and dictators who sought to enslave. The resources of all the United Nations were pooled into one fund of power. Weapons, supplies, ammunition, equipment, ships, food—the wealth and manpower of each were dedicated to the common good of all.

Now that victory has come, that has stopped. But throughout the world there are now millions and millions of men, women and children who still look to the rich and powerful nations of the world for help. Principally they look to the people of the United States for help. Not help to fight an enemy, nor help for luxuries and extravagances—but just help to keep themselves alive, help in the form of food and clothing, the barest necessities of life. Of course, we cannot feed them all. But we can go a long way.

As your President, I appeal to you again—and to all Americans everywhere—to prove your faith and your belief in the teachings of God by doing your share to save the starving millions in Europe and Asia and Africa. Share your food by eating less, and prevent millions from dying of starvation. Reduce your abundance so that others may have a crust of bread. In short, prove yourselves worthy of the liberty and dignity which you have preserved on this earth, by helping those less fortunate who have been starved by the dictators for so many long years and who still starve even in liberation.

Ours should be a continuous thanksgiving for the fact of victory and for the blessings which are still with us in this land. The brave men and valiant women who made this possible under God will inspire us to face our new problems with resolution. They are problems which will call for the best in us. As long as we remain true to the spirit of these men and women, to the religious faith which carried them to victory, we shall not fail.

We have this America not because we are of a particular faith, and not because our ancestors sailed from a particular foreign port. We have our America because of our common aspiration to remain free and our determined purpose to achieve for ourselves, and for our children, a more abundant life in keeping with our highest ideals.

Let us determine to carry on in that same spirit—in a spirit of tolerance and understanding for all men and for all nations—in a spirit of religion and religious unity.

Observations

(Continued from first page)

in price volatility is clearly demonstrated by a comparison of past and present activity in relation to price swings. An analysis of a group of 30 representative common stocks shows that in February, 1946, it took but 23% of the 1930-'31 volume and 42% of the 1936 volume, to move stocks up in identical proportions. Last month's market declines required only 11% of the volume which accompanied the equivalent market swing in 1930-'31, and 37% of the same price change in 1936. Considering the market as a whole, total New York Stock Exchange volume of 377 million shares in 1945 accompanied about the same price swing as did a 496 million share volume in 1936.

The newly-instituted 100% margin rule reduces liquidity in several ways. It obviously decreases volume. Again, as investment counsel and brokers testify, the elimination of credit privileges has lessened speculators' professional attitude of "bucking the market" in buying on declines and selling on advances. It is proving an additional obstacle to short-selling (along with the tax statutes and the "up-tick" trading rule) by making more difficult the borrowing of stocks. In accentuating customers' propensity to take stocks out of the market because of their being on a cash basis, the 100%-margin rule is accentuating the trouble already caused by Stock Exchange Rule 501. This rule makes it necessary for a member firm to obtain a definite authorization from a customer to lend his securities which are free, excess-margined, or held in a margin account. The availability of stock is also still being curtailed by the Securities Exchange Act's provisions requiring reporting by corporate directors and controlling persons, which—whether justifiably or not—are discouraging such individuals from supplying their own shares. The cumulative result of all these factors is that the Stock Loan crowd is getting constantly tighter.

Whereas before the 100%-margin rule went into effect only three or four stocks loaned at a premium, now from 12 to 14 issues are at a premium of $1. These include Sears Roebuck (with 23 million shares outstanding), General Motors (44 million shares), and American Telephone (20 million shares). Some Stock Exchange officials feel that the only way the Loan Crowd can be kept going is by further raising the premium rate, possibly by imposing a very high initial premium which would be decreased during the renewal period. In any event, short-sellers would be further penalized, and liquidity lessened.

The tax laws, in several aspects, have a direct bearing on the current market thinness. The barring of profits on short sales from the 25%-maximum tax ceiling which applies to gains on the upside, is a very strong deterrent to short-selling. For individuals having other income greater than $16,000, the taxing of short-sale profits at regular rates will entail their paying more than the 25%. For a speculator in a tax bracket anywhere near 50% it is obviously absurd to contribute so much of his uncertain winnings to the "tax kitty."

And any tax on speculative gains, whose cashing is subject to freedom of action, must have the effect of freezing stocks in the hands of those having accrued profits—and the greater the profit the greater the freeze. Washington informants state that Secretary of the Treasury Vinson is about to follow the Eccles line in proposing that the capital gains tax be raised and the holding period lengthened. On the other hand, Chairman Doughton of the House's all-powerful Ways and Means Committee has expressed himself as adamant for no change from the present provisions. For the sake of avoiding the much talked-about further "inflation" in the market, it is to be hoped that Mr. Doughton's way will prevail.

* * *

One very important and beneficial repercussion from the Soviet's continuing imperialist monkey-shines—as highlighted by the Churchill-Truman-Brynes-Vandenberg "appeasement-desist" pleas, is on the public's consideration of our proposed financial aid to Britain. Not only has the realization of the Russian menace prompted a shift in public feeling from opposition to support of the proposed financial agreement; but it has served to elevate the argument from the fictitous "business deal" level. It is hoped that in moving to a realistic plane of discussion, namely, in weighing the political considerations in lieu of the balance sheet factors, it is hoped that the proponents will abandon these previous arguments:

(1) That the proposed loan is in the category of a commercial proposition.

(2) That we should finance Great Britain to compete with us in the export market.

(3) That we should subsidize another customer (as Canada is doing with her loan) for our domestic market, whose inflation is already causing us so much worry.

(4) That it will bring about free multilateral trading.

(5) That we should thus "bribe" England into joining Bretton Woods—which had been represented as a means for helping rather than hurting her.

The intensified Soviet imperialism will also serve to soften the previous strong objections of the loan's opponents to the effect that by lending to Britain alone, and in seeking to insure repayment from her, the United States will become inextricably allied with her in all her political aims and disputes. This will now be true irrespective of whether the transaction is put through on a business, in lieu of a gift, basis.

Revelation of the latest figures of Great Britain's investment income, which at under 100 pounds annually, is less than half of the 1936-'38 rate, further enhances the advisability of abandoning the repayment fantasy.

Redeem Water Works Bds.

Holders of twenty-year 5½% sinking fund gold bonds due April 1, 1950, of Metropolitan Water, Sewerage and Drainage Board, New South Wales, Australia, are being notified that $101,000 principal amount of these bonds have been drawn by lot for redemption through the sinking fund on April 1, 1946, at par. The bonds will be redeemed at the principal office of City Bank Farmers Trust Company, 22 William Street.

Issues Statements on Wage-Price Policy

(Continued from first page)

way for the greatest flood of goods this great nation has ever seen.

Industry needs and is entitled to firm assurance that it will get speedy decisions on wage and price adjustments where they are needed, and that it can move ahead without fear of losing money.

Workers want firm assurance that they are free to bargain for reasonable wage increases under the wage patterns clearly established. They want assurance bargaining will be made speedily.

Farmers want assurance that their farm income will be maintained at permanently high levels so that they may have for the first time in two generations a fair share of our national peacetime prosperity.

All of us, no matter how we make our living, are entitled to know that the rents and prices we pay are not going to shoot up in the months ahead. And we have a right to expect—at prices we can afford—more durable goods, more clothing, more homes and the other things which we so badly need today.

Sustained Prosperity Seen

I believe sincerely that the new wage-price policy is a practical step toward a future of sustained prosperity. I believe that we can make the plan work to get all the all-out production needed eventually to lick inflation. In the meantime, I believe that we can continue holding the price and rent line against the kind of disastrous boom and collapse which began just about this time after the last war.

We have no right to expect, however, that this plan will work automatically.

First, every employer and every worker and every farmer must want to make it work. That means tackling the job in the same spirit in which we tackled our war job. It means a good deal of give and take—and perhaps a little sacrifice. It means a little self-control over our own self-interests; a little less scrambling to get ahead of the next fellow who may seem to have some slight temporary advantage.

Second, we need effective governmental tools to do the job. That means that the Emergency Price Control Act which expires on June 30 must be renewed very soon and without any crippling amendments. It means that we must retain for a while longer our program of subsidies to keep food prices from soaring. And it means that the OPA, the Wage Stabilization Board and the Civilian Production Administration must have appropriated by the Congress the money needed to carry this new stabilization program forward quickly and efficiently. I feel sure that Congress can be counted on to do its part in passing the Price Control Act, continuing subsidies and restoring cuts made recently in vitally needed appropriations.

No Delay in Decisions

Finally, all Government agencies involved in the new stabilization program must streamline their machinery even further and work even harder to give business men, farmers and workers fair and quick decisions. I know this is an objective on which all Government leaders agree.

The American people are determined to see that our economy works for all the people. They are determined that this fight to avert the tragedy of inflation will be won. Upon the outcome of this fight hangs, not only the value of our earnings and our savings tomorrow, but also our security and our economic and social progress for years to come.

We have the sure knowledge that there is nothing inevitable about inflation, for it would be a catastrophe of our own making. With the right spirit and the right tools we can get the production we need in the months ahead, and at the same time insure a safe, sound foundation for a healthy and prosperous economy after this emergency has been long forgotten.

Text of Bowles' Supplementary Wage Salary Regulations

The following is the text of the supplementary wage and salary regulations issued March 10 by Chester Bowles, Economic Stabilization Director:

Pursuant to the authority vested in me by the Stabilization Act of 1942, as amended, and by Executive Order 9250 of Oct. 3, 1942 (7 F. R. 7871), Executive Order 9328 of April 8, 1943 (8 F. R. 4681), Executive Order 9599 of Aug. 18, 1945 (10 F. R. 10155), Executive Order 9651 of Oct. 30, 1945 (10 F. R. 13487), Executive Order 9697 of Feb. 14, 1946 (11 F. R. 1691) and Executive Order 9699 of Feb. 25, 1946 (11 F. R. 1929), the following regulations are hereby promulgated:

SUB PART A—GENERAL PROVISIONS

Section 101. Purpose. The purpose of these regulations is to carry out the policies established in Executive Order 9599 (Aug. 18, 1945), Executive Order 9651 (Oct. 30, 1945) and Executive Order 9697 (Feb. 14, 1946) with respect to increases in wages and salaries and their relationship to prices and rent ceilings and costs to the United States. These regulations supersede the supplementary wage and salary regulations issued by the Stabilization Administration on Dec. 5, 1945 (10 F. R. 14820). They superseded all other regulations, directives or rulings of the Economic Stabilization Director, or of the Stabilization Administrator, to the extent that they are consistent with them.

Section 102. "Approved" and "unapproved" wage and salary increases. As used in these regulations, an "approved" wage or salary increase means an increase which has been approved in accordance with the provisions of Section 3 of Executive Order 9697 or of Sub part C of these regulations. An "unapproved" wage or salary increase means any other wage or salary increase. An "approved" wage or salary increase may be taken into consideration in determining price or rent ceilings or costs to the United States in accordance with the provisions of Sub part D of these regulations. An "unapproved" increase is subject to the conditions stated in Sub part B of these regulations and may not be so taken into consideration.

[Note—These regulations supersede the supplementary wage and salary regulations issued by the Stabilization Administration on Dec. 5, 1945 (10 F. R. 14820). However, Order No. 1 under Section 4001.30 of these regulations (10 F. R. 15026) and Order No. 2 under Section 4001.30 of those regulations (11 F. R. 1045) remain in full force and effect. As hereafter used in these regulations, the term "Economic Stabilization Director" includes also the Stabilization Administrator in the case of actions taken between Sept. 20, 1945, and Feb. 25, 1946.]

Section 103. What wage and salary increases are lawful.

(A) While the making of any wage or salary increase on or after Feb. 14, 1946, is subject to the conditions stated in Sub part B of these regulations, the payment of such an increase is not unlawful, except as provided in the succeeding paragraphs of this section.

(B) Pending provision to the contrary by the National Wage Stabilization Board, a wage or salary increase may not lawfully be made with respect to employes in the building and construction industry who are subject to the jurisdiction of the Wage Adjustment Board unless the increase, before being put into effect, has been approved in accordance with the applicable requirements of the National Wage Stabilization Board and of the Wage Adjustment Board.

(C) Pending provision to the contrary by the Secretary of Agriculture, a wage or salary increase subject to the wage or salary stabilization regulations of the Secretary of Agriculture is not lawful unless the increase, before being put into effect, has been approved as required by those regulations or unless the increase is permissible under the terms of those regulations.

(D) Pending provision to the contrary by the National Wage Stabilization Board, wage or salary increases for the purpose of eliminating intra-plant inequities in the basic steel industry may not lawfully be made with respect to the rates of employes covered by the Directive Order of the National War Labor Board dated Nov. 25, 1944, unless, before such increases are put into effect, they have been approved in accordance with the applicable requirements of the National Wage Stabilization Board.

Approval Essential

(E) Except as the appropriate wage or salary stabilization agency may by regulation or general order provide, no new wage or salary rates for new plants or for new departments in existing plants may be established or paid without the prior approval of such agency.

(F) The Economic Stabilization Director may, by amendment to this section, define further classes of wage or salary increases which will be unlawful unless made with the prior approval of the appropriate wage or salary stabilization agency.

Section 104. List of designated wage or salary stabilization agencies. (A) The following, for the purpose of these regulations, are designated wage and salary stabilization agencies:

(1) The National Wage Stabilization Board, with respect to wages and salaries as to which the National War Labor Board exercised jurisdiction on Aug. 17, 1945.

(2) The Commissioner of Internal Revenue, with respect to salaries as to which the commissioner exercised jurisdiction on Aug. 17, 1945.

(3) The Economic Stabilization Director, with respect to wages and salaries as to which the National Wage Stabilization Board is precluded from exercising authority by the Lea Amendment to the National War Agencies Appropriation Act of 1946. (Such cases will be transmitted to the Director by the Secretary of Agriculture.)

(4) The Secretary of Agriculture, with respect to wages and salaries as to which the Secretary exercised jurisdiction on Aug. 17, 1945.

(B) The provisions of these regulations are also applicable, to the extent authorized by Executipe Order 9299 and Section 4 of the Stabilization Act of 1942, as amended, to wages and salaries of employes who are subject to the provisions of the Railway Labor Act.

Section 105. Applications to suspended price or rent ceilings. For the purpose of these regulations the terms "price or rent ceilings" shall include price or rent ceilings which have been suspended by the Price Administrator.

Section 106. Wage increases required by certain statutes. Nothing in these regulations shall be construed to prohibit or to attach conditions to the making of any wage or salary increase required by the provisions of the Fair Labor Standards Act, the Walsh-Healey Act, or the Davis-Bacon Act.

SUB PART B—UNAPPROVED WAGE OR SALARY INCREASES

Section 201. Exceptions to prior approval provisions of Executive Order 9697. Any employer may make a wage or salary increase without the prior approval of any wage or salary stabilization agency and without prejudice to his right of applying for approval of the increase thereafter and using it, to the extent that it is approved, as a basis for seeking an increase in price ceilings or for any other of the purposes described in Section 202, if either:

(A) The employer has no present intention of using the increase as a basis for seeking an increase in price ceilings or for any other of the purposes described in Section 202, and so states in a notice describing the increase filed with the appropriate wage or salary stabilization agency within thirty days after the increase is first reflected in current payrolls; or

(B) The increase is made before March 5, 1946, in accordance with the provisions of General Order 1, issued by the Stabilization Administrator, and application for approval is filed with the appropriate wage or salary stabilization agency within thirty days after the increase is first reflected in current payrolls.

Section 202. Waiver of right to seek increased ceilings or to increase costs to the United States by institution of unapproved increases. Except as provided in Section 201, the making on or after Feb. 14, 1946, of any wage or salary increase (other than an increase approved under the provisions of these regulations) without the prior approval of the appropriate wage or salary stabilization agency shall be deemed to be a waiver, during the continuation of the stabilization laws, of any right which the employer might otherwise have to use such increase in whole or in part as a basis for seeking or obtaining an increase in price or rent ceilings or for resisting an otherwise justifiable reduction in price or rent ceilings or (in the case of products or services being furnished under contract with a Federal procurement agency) for increasing costs to the United States or (in the case of a public utility or common carrier) for seeking or obtaining an increase in rates.

Section 203. Unapproved increases excluded from consideration in determining price or rent ceilings. (A) The Price Administrator shall not take into consideration any unapproved wage or salary increases in determining price or rent ceilings. Whenever there is presented as a basis for an increase in such ceilings an operating or financial statement which reflects, in whole or in part, the results of operations during a period in which an unapproved wage or salary increase was paid, the Price Administrator shall deduct from the costs as shown in the statement the amount of the increase in payroll resulting from the unapproved increase, except to the extent that the employer affirmatively shows that the increase in labor costs attributable to the unapproved increase was less than the increase in payroll.

(B) No seller or landlord may take any unapproved wage or salary increase into consideration in determining his price or rent ceilings.

Section 204. Unapproved increases excluded as basis for increasing costs to the United States. No unapproved wage or salary increase shall be used as a basis for increasing costs to the United States. No Federal procurement agency shall agree to terminate any contract for the purpose of negotiating a new contract which will take into consideration the cost of an unapproved wage or salary increase. So far as practicable, no Federal procurement agency shall take any unapproved wage or salary increase into consideration in negotiating a fixed price contract.

SUB PART C—APPROVAL OF WAGE OR SALARY INCREASES

Section 301. Wage or salary increases which are approved without further application to wage or salary stabilization agencies. Except as provided in Section 103, any wage or salary increase of a kind described in this section shall be deemed to be approved for the purposes of these regulations:

(A) Any wage or salary increase lawfully made without specific approval or approved by the appropriate wage or salary stabilization agency before Feb. 14, 1946.

(B) Any wage or salary increase made at any time in accordance with a governmental recommendation in a wage controversy announced before Feb. 14, 1946.

(C) Any wage or salary increase made on or after Feb. 14, 1946, by an employer who at the time the increase was put into effect employed not more than eight employees: Provided, that unless expressly extended by announcement of the appropriate wage or salary stabilization agency this exception shall not apply with respect to employees whose wages, hours or working conditions have been established or negotiated on an industry, association, area, or other similar basis by a master contract or by similar or identical contracts; and provided, further, that the appropriate wage or salary stabilization agency may make such other exclusions from this exception as it may deem necessary to carry out the purposes of Executive Order 9697.

(D) Any wage or salary increase made on or after Feb. 14, 1946, resulting from the institution of a plan which provides for (1) not more than six paid holidays per year, or (2) extra payments for night work, to the extent that such extra payments do not exceed five cents per hour for work on a second shift or ten cents per hour for work on a third shift, or (3) paid vacations to employees, to the extent that such paid vacations do not exceed one week for any employee having completed one year or more of employment with the employer and two weeks for any employe having completed five or more years of employment with the employer.

(E) Any wage or salary increase made in accordance with the provisions of a regulation or general order issued by the appropriate wage or salary stabilization agency pursuant to Section 308 of these regulations.

Section 302. Wage or salary increases approvable only on application to wage or salary stabilization agency. A wage or salary increase which does not fall within one of the classes listed in Section 301 may be approved only on application to, and decision by, the appropriate wage or salary stabilization agency. Such an increase shall be approved only if the appropriate wage or salary stabilization agency finds that it falls within one or more of the classes of cases described in Sections 303 to 307 and only to the extent to which it is found approvable under the terms of those sections. Upon the determination by the appropriate wage or salary stabilization agency that a wage or salary increase is approvable under the terms of the applicable section, the increase shall be deemed to be approved also by the Economic Stabilization Director.

Section 303. Increases consistent with industry or local area pattern. The appropriate wage or salary stabilization agency shall approve a wage or salary increase which it finds to be consistent with the general pattern of wage or salary adjustments which has been established in the particular industry, or in the particular industry or related industries within the particular local, labor market area, during the period between Aug. 18, 1945, and Feb. 14, 1946.

Section 304. Increases to correct gross inequities. In any case in which it finds that no applicable pattern of wage or salary adjustments was established during the period between Aug. 18, 1945, and Feb. 14, 1946, the appropriate wage or salary stabilization agency shall approve a wage or salary increase which it finds is necessary to eliminate a gross inequity between wage rates or salaries in related industries, related plants in the same industry or locality, or related job classifications in the same plant which would interfere with the effective transition to a peacetime economy. In determining whether there exists a gross inequity between related industries, within the meaning of this section, consideration shall be given to the extent to which the take-home pay of the employees in the respective industries has been reduced as a result of the transition to a peacetime economy.

Section 305. "Cost-of-living" increases. In any case in which it finds that no applicable pattern of wage or salary adjustments was established during the period between Aug. 18, 1945, and Feb. 14, 1946, the appropriate wage or salary stabilization agency shall approve a wage or salary increase which it finds necessary to correct a maladjustment which would interfere with the effective transition to a peacetime economy and which is further necessary to make the average increase since Jan. 1, 1941, in wage or salary rates of employees in the appropriate unit equal the percentage increases in the cost of living between January, 1941, and September, 1945. For the purposes of this section this percentage increase in the cost of living shall be deemed to be 33%.

Section 306. Increases to correct substandards of living. The appropriate wage or salary stabilization agency shall approve a wage or salary increase which it finds is necessary to correct substandards of living.

Section 307. Increases falling within standards in effect prior to Aug. 18, 1945. The appropriate wage or salary stabilization agency may approve any wage or salary increase which it finds falls within one of the standards in effect on Aug. 17, 1945 (except the standards relating to "rare and unusual" cases), under which applications for wage or salary increases were approved.

Section 308. Issuance of general pattern and other orders. (a) The appropriate wage or salary stabilization agency shall have authority by regulation or general order to designate particular industries, or particular industries or related industries within a particular local labor market area, with respect to which it finds that a general pattern of wage or salary adjustments has been established, within the meaning of Section 303, or that a specified wage or salary level is necessary to eliminate a gross inequity between wage rates or salaries in related industries or in related plants in the same industry or locality, within the meaning of Section 304, and to provide that any wage or salary increase conforming to such regulation or general order shall be deemed to be approved.

(B) No wage or salary increase or part there of which is made by an employer who falls within the terms of a regulation or general order issued pursuant to Paragraph (A) of this section and which is in excess of the amount approved by such regulations or order shall be approved under any other provision of this regulation, except Section 306 or Section 307, unless the appropriate wage or salary stabilization agency finds, with the approval of the Economic Stabilization Director, that because of special circumstances such approval is necessary to effectuate the purposes of Executive Order 9697.

(C) The appropriate wage or salary stabilization agency may, with the approval of the Economic Stabilization Director, give advance approval by regulation or general order to other classes of wage or salary increases.

Section 309. Agreements for conditional wage or salary increases. No wage or salary stabilization agency shall consider or act upon an application for approval of any wage or salary increase which appears to be conditioned in whole or in part upon the granting of an increase in price or rent ceilings. This provision, however, shall not be a bar to consideration of an increase which is conditioned upon approval by the appropriate wage or salary stabilization agency nor of an increase which is not to be put into effect until a determination has been made by the Office of Price Administration as to whether an increase in price or rent ceilings is required.

SUB PART D—EFFECT OF APPROVED WAGE OR SALARY INCREASES

Section 401. Effect of approved increases in determining price or rent ceilings. (A) In determining price or rent ceilings, the Price Administrator shall take into consideration, consistently with the provisions and purposes of Executive Order 9697, any wage or salary increase which is approved under the provision of these regulations. In so doing, however, the Price Administrator shall exclude from consideration any retroactive part of any such increase—that is, any part paid on account of work done prior to the date when the increase was made, except where, in his judgment, different action is required in order to end a supply emergency with respect to the commodity involved which threatens to interfere with the effective transition to a peacetime economy.

(B) Nothing in these regulations shall be construed as directing any increase in price or rent ceilings which is not required under the provisions of an applicable maximum price or rent regulation or under the applicable statutory or administrative standards governing changes in price or rent ceilings, including the standards provided for in Section 2 of Executive Order 9697.

Section 402. Prohibition against adjustment of price or rent ceilings before approved increase has been put into effect or agreed to. Except to the extent permitted in Section 403, the Price Administrator shall not, in the absence of specific approval by the Economic Stabilization Director, authorize any increase in price or rent ceilings or make any commitment to authorize any such increase on the basis of any increase in wages or salaries unless such wage or salary increase has been put into effect or a firm agreement exists to put it into effect. However, in order to expedite adjustment of ceilings after approved increases have been put into effect, the Price Administrator may, while an application for approval of a wage or salary increase is pending, receive applications for increased ceilings based on the wage or salary increase for which approval is being sought.

Section 403. Industry price increases when some employers in industry have not made wage or salary increases. In taking action in accordance with the pricing standards of Section 2 of Executive Order 9697, or of any orders or directives issued by the Economic Stabilization Director pursuant thereto, the Price Administrator may find it necessary from time to time to arrive at a judgment with respect to the earnings position, over the succeeding twelve months, of an industry in which a part, but not all, of the firms have put approved wage or salary increases into effect or have made firm agreements to do so. In such a case, not only is the Price Administrator authorized to take into account any resulting increase in cost to the firms which have taken such action but, where he finds that such firms constitute a large portion of the industry (ordinarily representing at least one-half the total output) and that like wage or salary increases appear reasonably sure to be made by a large portion of the remaining firms in the near future, he may also take into account the increase in cost which he believes likely to result from those future wage increases, when, in his judgment, to do so would promote effective price administration. Where the Price Administrator finds that a portion of the firms in an industry have taken such action with respect to approved wage or salary increases and additional firms are reasonably certain to do so, but where he cannot make the finding required by the preceding sentence, he may not, without the express approval of the Economic Stabilization Director, take into present account such wage or salary increases as may thereafter be made and approved, but he may make whatever provision appears to him just and practicable (e. g., by establishing two levels of ceiling prices, by authorizing individual adjustments, or by prescribing increase factors) to accord price relief, where needed, to those firms which have put approved wage or salary increases into effect or have made firm agreements to do so and to facilitate the granting of price relief on a like basis to those other firms which may thereafter take such wage or salary action.

Estimates on Effect on Costs

Section 404. Use of estimates as to effect of approved wage or salary increases on costs. The Price Administrator shall arrive at a judgment as to the effect on costs currently or for the succeeding twelve months of an approved wage or salary increase on the basis of the best data which may be in hand or obtainable from the industry or firm involved within a reasonably short period of time. In so doing, he shall give due consideration to such seasonal nonrecurring, temporary or otherwise non-representative factors as may be reflected in such data and also to such relevant factors as he may find have been operative since the period covered by the data, or may be operative in the succeeding twelve months, which indicate that the actual cost of the wage or salary increase is then, or over the latter period will be, higher or lower than the estimates of costs which would otherwise be derived from the data. In appropriate cases, the Price Administrator shall provide for the subsequent review of any adjustment in ceilings put into effect in the light of actual experience during a representative period of operations subsequent to the increase.

Section 405. Effect of approved increases in determining costs to the United States. In the case of products or services being furnished under contract with a Federal procurement agency, such agency may take into consideration, on the same basis as other factors affecting costs, any wage or salary increase which is approved under the provisions of these regulations. Provided, however, that no wage or salary increase which was made on or before Feb. 13, 1946, and was unapproved on that date shall be a basis for reimbursement under such a contract unless the procurement agency administering the contract finds that reimbursement is necessary to prevent hardship. Nothing in these regulations, however, shall be construed as authorizing or requiring any increase in costs to the United States which is not required by the applicable procurement contract.

Section 406. Increased costs to the United States to be limited to employers who have instituted wage or salary increases. To the fullest practicable extent Federal procurement agencies shall provide that no employer shall be eligible for the benefits of any increase in payments by the United States based upon an approved wage or salary increase except to the extent to which he himself has put into effect such wage or salary increase. E. O. 9250; E. O. 9328, 3 CFR. Cum. PP. 1213, 1267; E. O. 9599 (10 F. R. 10155); E. O. 9620 (10 F. R. 12033); E. O. 9651 (10 F. R. 13487); E. O. 9697 (11 F. R. 1691) and E. O. 9699 (11 F. R. 1929).

Official Questions and Answers On Revised Wage-Price Policy

By way of answering some general questions incident to the revised wage-price policy announced by President Truman on Feb. 14, text of which appeared in Section 2 of the "Chronicle" of Feb. 21, Economic Stabilizer Bowles issued the following question and answer statement on March 10:

Q. What is the purpose of the new wage-price policy announced by President Truman on Feb. 14 in Executive Order No. 9697?

A. To maintain the "stability of the economy in the present emergency" and to clear the decks for full-speed-ahead in production. The order provides: First, a basis for reasonable wage settlement in all cases. Labor is assured the opportunity to obtain wage adjustments in line with those worked out in free negotiations, or recommended by the Government, since V-J Day. And, second, prompt adjustments in price ceilings wherever they are necessary to relieve hardship or increase production of essential goods.

Q. What are the basic similarities between the new wage-price policy and the previous policy?

A. The new policy is not a brand new program but an adaptation of the old to fit present conditions. The new policy, like the old, calls for free collective bargaining within the framework of the stabilization program. Except in a few special situations, it imposes no direct prohibitions on wage or salary increases. Like the old, the new policy puts limits upon the extent to which wage or salary increases can be reflected in higher prices or higher costs under Government contracts. Such increases must be approved by the Government before they can be used for these purposes.

Differences on Wage Policy

Q. What are the principal differences between the new wage-price policy and the previous policy?

A. Under the old policy the standards for approval of wage or salary increases were relatively limited. These standards were not intended to limit the amounts of the increases which would actually take place. On the contrary, so-called unapproved increases, over and above the standard for approval, were encouraged. But these unapproved increases could not be reflected in higher ceiling prices right away. After a six-month test period, however, OPA was directed to take them into full account and to give any price relief which the test period showed was called for under established pricing standards.

This policy worked well in the majority of cases. Thousands of wage agreements have been concluded in orderly fashion under this policy. Prices have been held in line.

In many industries, however, labor has suffered a severe loss in take-home pay, as a result of loss of overtime, downgrading and similar factors. In some of these industries, employers could not absorb, even for a test period, the increases in wage rates which were necessary to give labor at least partial compensation for this reduction in earnings and to offset the increases in the cost of living since before the war.

The new policy liberalizes the standards for approval of wage and salary increases. The basic standard consists of the patterns of adjustment which have actually been established in the various industries and localities during the period between V-J Day and the date of the order.

Having liberalized the standards for approval, the new policy no longer encourages unapproved wage or salary increases. Consideration of such increases is barred, not merely for six months, but for the duration of the stabilization laws in determining either price ceilings or costs under Government contracts.

Wage or salary increases which are going to be used in applying for price relief immediately, or for increasing costs to the Government, must be approved in advance.

Q. Will the new policy require prices to be increased wherever wage rates have gone up?

A. Far from it. Higher wage rates do not necessarily mean proportionately higher labor costs. Loss of overtime, downgrading, an improved labor force and other factors, offset the effect of higher rates on labor costs in whole or in part.

Q. What does the new wage-price policy mean to the average American family which is so concerned about the cost of living?

A. First of all, it means that consumers can expect to get larger supplies of refrigerators, washing machines, automobiles and all the other peacetime goods we're all waiting for. Secondly, it will not mean a new higher level of prices. More than two thirds of the average family's expenditures go for food, rent and clothing. The new wage-price policy should have no effect on rents and little or no effect on food and clothing. Special steps are being taken to increase production of low-priced clothing and thus to reduce the average family's clothing bill. Prices for some metal goods will undoubtedly increase somewhat. Such increases mean a bulge in the price-line. But there will be no break-through.

Q. What does the new wage-price program mean to the average employer?

A. It means quicker settlement of wage problems. It means prompt price relief where hardship exists under fair-pricing standards. It means that the way is cleared for all-out production.

Q. What does the new wage-price policy mean to the average worker?

A. It means that barriers to fair wage and salary adjustments, through collective bargaining or otherwise, are removed. It means that the worker is protected against a runaway cost of living which would destroy the benefits of the adjustments.

Q. What does the new wage-price policy mean to the average farmer?

A. It means an increased flow of machinery, tools and other peacetime goods he needs to run his farm. And it is unlikely that there will be any real increase even in the prices of the farm equipment he buys. It means that the declining income which many farmers expected after V-J Day will not materialize because of the wartime purchasing power of many industrial workers will be

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Official Questions and Answers On Revised Wage-Price Policy

(Continued from page 1405)

at least partially restored through increases in wage rates.

Q. Will the new wage-price policy tie business men and labor unions up in red tape and delay?

A. Emphatically no. The Government is obligated to give both groups the fastest possible action. The new wage-price program contains new provisions for streamlining procedures to the limit.

Q. What agencies will administer the new wage-price policy?

A. The same agencies which have been administering the previous policy. The National Wage Stabilization Board will pass finally on all applications for approval of wage increases, except those involving agricultural labor and so-called Lea Amendment cases. The Board acts also on increases for certain salaried employes receiving $5,000 per annum or less.

The salary stabilization unit in the Treasury Department will pass finally on all applications for approval of salaryy increases other than salary increases under the jurisdiction of the National Wage Stabilization Board. The Department of Agriculture will continue to administer wage controls applying to agricultural labor.

The Office of Price Administration will administer the price features of the new policy, with the approval of the Secretary of Agriculture as required by law in certain cases.

The Director of Economic Stabilization will direct and coordinate the over-all policies.

QUESTIONS AND ANSWERS ABOUT WAGES UNDER THE NEW POLICY

Q. Can an employer lawfully make a wage or salary increase without getting Government approval?

A. Yes. Under the new Executive Order, so-called unapproved wage or salary increases are still lawful, with certain exceptions, just as they were before. However, wage or salary increases must be approved before they can be used as a basis for securing an increase in price or rent ceilings or utility rates or for increasing costs to the United States under Government contracts. Unless approved, such increases cannot, for the duration of the stabilization laws, be considered for such purposes.

Q. Are there exceptions to the general rule that unapproved wage or salary increases are not unlawful?

A. Yes. These exceptions are the same as those which existed before the new Executive Order.

Q. May an employer make a wage or salary increase and then apply for approval of it afterward?

A. In two classes of cases, yes. In others, no. The first class of cases is one established by an earlier order of the Stabilization Administrator. For an interim period, until March 15, 1946, an employer may make an unapproved wage or salary increase without waiving the right to seek approval afterward. He must, however, apply for such approval within 30 days after the increase is first reflected in current payrolls.

The new regulations provide for a second class of cases in which approval of a wage or salary increase may be sought after it has been made. An employer need not secure prior approval of a wage or salary increase if he has no present intention of using it as a basis for seeking an increase in price or rent ceilings or utility rates or for increasing costs under a Government contract, and if he so states in a notice describing the increase filed with the appropriate wage or salary stabilization agency within 30 days after the increase is first reflected in current payrolls.

If the employer files such a notice, he can ask for approval of the increase at any later time. Approval will be given or withheld on the same basis as if it had been sought before the increase was made.

If an employer makes an unapproved wage or salary increase on or after March 15, 1946, and fails to file such a notice, he will be deemed to have waived any right to use the increase as a basis for seeking price increases, or for any of the other purposes stated above.

Q. If an employer makes a wage or salary increase without prior approval and gives notice that he has no present intention of using it as a basis for seeking a price increase, may he apply for a price increase later?

A. Yes. He must, of course, first secure approval of the wage increase. OPA will then consider his application for price relief, if he shows a reasonable ground for the change in his original intention. While employers are not prohibited from agreeing to absorb additional increases, it is important that any such agreement should be made with open eyes. Otherwise, widespread wage settlements might be made in excess of the standards for approval without awareness. This would create the dilemma of either imposing severe and often intolerable hardship upon employers in many cases, or permitting a break in the wage-price policy which would upset the stabilization program.

Q. What classes of wage or salary increases are given advance approval by the President's Executive Order itself?

A. The President's Executive Order gives advance approval to two classes of wage and salary increases: (1) any increase lawfully made before the date of the order (Feb. 14, 1946) and (2) any increase made at any time in accordance with a governmental recommendation announced before the date of the order. The National Wage Stabilization Board and the salary stabilization unit in the Treasury Department will give rulings, upon request, on questions as to whether a particular increase under their jurisdiction falls within one of these classes.

Approved Rises to Fore

Q. What additional classes of wage or salary increases are given advance approval by the new wage-price regulations?

A. (1) Increases made by employers who employ no more than eight employes, unless wages for such employes have in the past been determined by a master contract, or by similar or identical contracts, on an industry or area-wide basis, or unless the National Wage Stabilization Board provides for specific approval in the particular type of case; (2) Increases providing for a maximum of six paid holidays a year; (3) Increases providing for nightshift differentials not exceeding 5 cents for a second shift or 10 cents for a third shift; (4) Increases providing for paid vacations of no more than one week after one year of employment and two weeks after five years of employment; (5) in addition, the regulations authorize the wage or salary stabilization agencies to issue pattern orders, or other general orders, which will give advance approval to a much larger number of increases. Several such pattern orders have already been issued by the National Wage Stabilization Board. The Board will issue comparable orders as rapidly as possible.

These blanket approvals do not cover increases in the building and construction industry and other classes of cases in which no increase is lawful without specific approval.

Q. Will a separate application for approval have to be filed with the appropriate agency for every wage or salary increase not falling within one of the classes which has been given advance approval?

A. Yes, if the employer wishes to use it as a basis for seeking an increase in price or rent ceilings or utility rates or for increasing costs to the United States under a Government contract.

"Pattern" Not Yet Established

Q. Does the new "pattern" standard mean that any wage increase up to 18½ cents an hour, or some similar figure, will be approved?

A. No, the Executive Order does not proceed upon the basis that any nation-wide pattern of wage or salary increases has been established by recent wage settlements. The patterns which it recognizes are patterns for particular industries, or for related industries within a particular labor-market area. These patterns vary from industry to industry and from locality to locality.

Q. How does the new cost-of-living standard differ from the cost-of-living standard in the previous Executive Order?

A. Under the previous Executive Order increases were approved only to the extent that the increase in average straight-time hourly earnings in the appropriate unit since Jan. 1, 1941, had fallen short of 33%. The new Executive Order provides for approval of increases in basic wage or salary rates if hourly rates in the appropriate unit have not risen 33% since Jan. 1, 1941. The application of this standard in the case of employes on other than hourly rates, such as piecework, will be worked out by the National Wage Stabilization Board on a case-by-case basis.

SOME QUESTIONS AND ANSWERS ON PRICE ADJUSTMENTS

Employers' Application for Price Relief

Q. May OPA advise an employer who is engaged in wage negotiations what price increase he might be entitled to if he should make a certain wage increase and secure approval of it?

A. No. If OPA is to achieve its objective of speeding production wherever this can be done by prompt and fair price adjustments, OPA must not become entangled in wage negotiations.

Q. Would the answer to the above question be different if the employer had agreed to a particular wage increase, but had not yet secured approval of it?

A. No. However, pending approval of a wage increase for which application has been made, an employer or his industry can present the facts to OPA, and OPA can then take steps to expedite action on the application as soon as the wage increase has been approved.

Q. If an employer has made an approved wage increase or has applied to a wage stabilization agency for approval, how should he apply for a price increase?

A. If he belongs to an industry for which an OPA industry advisory committee has been organized—and most industries have them—he should bring his case to the attention of that committee. The committee will then consult with OPA if there appears to be ground for an industry-wide price increase.

Q. What should an employer do who does not belong to an industry which has an industry advisory committee?

A. He may write to OPA directly, requesting consideration of an increase in the ceilings of the products which his industry makes.

Q. Does the fact that an employer has made an approved wage increase assure him that he will secure a price increase?

A. No. Many employers will require no price increase whatever. OPA has always expected manufacturers, wholesalers and retailers to absorb cost increases to the extent of their capacity to do so without assuming an unreasonable burden. Without such cost absorption, effective price control would be impossible, since every price increase would lead to a succession of further increases, thereby setting the inflationary cost-price spiral in motion.

Q. How does OPA determine whether an employer is reasonably able to absorb an approved wage increase without a price increase?

A. OPA has developed standards to determine when prices must be increased as a consequence of cost increases or other developments which decrease earnings. These standards are generally applied on an industry basis. However, the regulations covering many commodities also authorize individual seller adjustments.

Questions About Government Contracts

Q. Will Federal procurement take account of approved wage or salary increases made after Feb. 14, 1946?

A. Yes. Any approved wage or salary increases made on or after Feb. 14, 1946, (the date of the new Executive Order), by an employer furnishing goods or services under contract with the United States will be taken into consideration by the procurement agency concerned on the same basis that the agency would take any other cost factor into account.

Q. Will the procurement agencies take account of wage or salary increases which were made without approval before Feb. 14, 1946, and remained unapproved before that date?

A. Only if the procurement agency finds that reimbursement is necessary to prevent hardship to the employer. Otherwise the agency will exclude the costs attributable to the increase.

Q. Will the procurement agencies take account of unapproved wage or salary increases made after Feb. 14, 1946?

A. No. The procurement agencies will not reimburse employers for any costs incurred as a result of such an increase.

Sees Difficulties in Wage-Price Policy

National City Bank Publication Predicts OPA Will Be Swamped With Price Relief Applications and That Adherence to a Rigid Formula "to Hold the Line" Will Result in Inequities and Lead to Manufacturers Bearing the Risks.

The March issue of the "Monthly Bank Letter" of the National City Bank of New York, in an analysis of the new wage-price policy of the Administration, points out the practical difficulties of applying it in actual practice and predicts a wave of applications for price adjustments by individual firms, which will "swamp the OPA". Commenting on this, the "Letter" states that the new order is welcome but manufacturers are far from reassured. Their first thought is that the flood of wage increases will lead to a flood of price relief applications. Each application will have to be, first, approved as to the wage increase by the Wage Stabilization Board and, second, acted on by the Office of Price Administration. The Wage Board has set up procedures to give pre-approval and blanket approval to wage increases, and both agencies may be expected to do their best to clear applications promptly. Yet the burden on them will be tremendous and delays can be harassing and destructive. The OPA will give no prior assurances of price relief to manufacturers considering wage increases, which is an obstacle to settlement of strikes.

In the second place, the formulas of the OPA are rigid, and the public statements of its officials indicate that its dominant policy is to "hold the line". The definition of "hardship cases" is a severe one. An industry is considered to be in hardship only if, after wage increases, ceiling prices leave its earnings insufficient in the judgment of the Price Administrator to yield during the next twelve months an average rate of return on net worth equal to that earned in 1936-39. This allowable return is calculated before taxes, although the corporate tax rate in 1946 is 38% against only 17% on the average in 1936-39. In the main OPA will deal with price questions with each industry as a whole; it will not give individual company cases priority whenever the overall method can be followed.

In this combination of rigid and severe formulas, the declared intention to hold the line, and possible swamping of OPA's staff, manufacturers see difficulties and uncertainties ahead. The provision that the agency's judgment as to conditions over the next twelve months shall be controlling means that estimates of sales volume, materials prices and productive efficiency will enter into the OPA decisions. But while OPA makes the decisions, manufacturers will have to bear the risks.

As against these uncertainties, it should be noted that OPA has yielded to the necessities of the steel situation by granting a $5 per ton increase in prices. It is establishing higher ceilings on cotton goods which partially offset the rise in raw cotton and other costs, and it is raising meat prices to help the packers pay the higher wages recommended by the fact-finding board. In many other cases it will have no choice but to acquiesce in higher prices or see production restricted.

Regional Conference Of Mtge. Bankers Assn.

The Mortgage Bankers Association of America announced at Chicago on March 11 that its 33rd annual convention will be held at the Netherland Plaza hotel in Cincinnati, Oct. 2-4 and that it will sponsor a special regional conference this Spring, the program for which will be largely devoted to reviewing the part the mortgage lender will play in the national housing program. The conference will be at the Waldorf-Astoria hotel in New York, April 29 and 30 with the New Jersey Mortgage Bankers Association as cooperating sponsor. John C. Thompson, a member of the Association's Board of Governors and chairman of the clinic and conference committee, will direct the meeting.

The Association's educational program inaugurated in 1945 will be continued with expanded courses this spring at New York University for mortgage lenders on urban real estate and another at Purdue University for farm mortgage lenders.

Electric Output for Week Ended March 9, 1946 11.1% Below That for Same Week a Year Ago

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended March 9, 1946, was 3,952,539,000 kwh., which compares with 4,446,136,000 kwh. in the corresponding week a year ago, and 4,000,119,000 kwh. in the week ended March 2, 1946. The output for the week ended March 9, 1946 was 11.1% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

	Week Ended—			
Major Geographical Divisions—	March 9	March 2	Feb. 23	Feb. 16
New England	5.1	1.9	6.4	4.2
Middle Atlantic	5.7	4.3	5.2	6.0
Central Industrial	15.7	15.9	20.5	20.0
West Central	2.4	1.9	3.4	1.0
Southern States	11.9	11.8	13.2	12.7
Rocky Mountain	1.6	§1.1	§2.0	§4.7
Pacific Coast	13.4	13.1	10.0	9.2
Total United States	11.1	10.6	12.3	11.7

§Increase.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1945	1944	% Change under 1944	1943	1932	1929
Dec. 1	4,042,915	4,524,257	—10.6	4,560,158	1,518,922	1,806,225
Dec. 8	4,096,954	4,538,012	— 9.7	4,566,905	1,563,384	1,840,863
Dec. 15	4,154,061	4,563,079	— 9.0	4,612,994	1,554,473	1,860,021
Dec. 22	4,239,376	4,616,975	— 8.2	4,295,010	1,414,710	1,637,683
Dec. 29	3,758,942	4,225,814	—11.0	4,337,287	1,619,265	1,542,000

Week Ended—	1946	1945	% Change under 1945	1944	1932	1929
Jan. 5	3,865,362	4,427,281	—12.7	4,567,959	1,602,482	1,733,810
Jan. 12	4,163,206	4,614,334	— 9.8	4,539,083	1,598,201	1,736,721
Jan. 19	4,145,116	4,588,214	— 9.7	4,531,662	1,588,967	1,717,315
Jan. 26	4,034,365	4,576,713	—11.9	4,523,763	1,588,853	1,728,208
Feb. 2	3,982,775	4,538,552	—12.2	4,524,134	1,578,817	1,726,161
Feb. 9	3,983,493	4,505,269	—11.6	4,532,730	1,545,459	1,718,304
Feb. 16	3,948,620	4,472,298	—11.7	4,511,562	1,512,158	1,699,250
Feb. 23	3,922,796	4,473,962	—12.3	4,444,939	1,519,679	1,706,719
March 2	4,000,119	4,472,110	—10.6	4,464,686	1,538,452	1,702,570
March 9	3,952,539	4,446,136	—11.1	4,425,630	1,537,747	1,687,229
March 16		4,397,529		4,400,246	1,514,553	1,683,262
March 23		4,401,716		4,409,159	1,480,208	1,679,589
March 30		4,329,478		4,408,703	1,465,076	1,633,291

The State of Trade

(Continued from page 1399)

Institute announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 83.6% of capacity for the week beginning March 11, compared with 76.7% (revised figure) one week ago, 5.5% one month ago and 94.5% one year ago. This represents an increase of 6.9 points or 9.0% over the previous week.

This week's operating rate is equivalent to 1,473,400 tons of steel ingots and castings and compares with 1,351,700 (revised figure) tons one week ago, 96,900 tons one month ago and 1,730,900 tons one year ago.

Electrical Production—The Edison Electric Institute reports that the output of electricity increased to 4,000,119,000 kwh. in the week ended Mar. 2, 1945, from 3,922,796,000 kwh. in the preceding week. Output for the week ended Mar. 2, 1946, however, was 10.6% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 193,200,000 kwh. in the week ended March 3, 1946, compared with 177,900,000 kwh. for the corresponding week of 1945, or an increase of 8.6%. Local distribution of electricity amounted to 185,800,000 kwh., compared with 174,800,000 kwh. for the corresponding week of last year, an increase of 6.3%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended Mar. 2, 1946, totaled 782,397 cars, the Association of American Railroads announced. This was an increase of 59,116 cars (or 8.2%) above the preceding week and 3,339 cars, or 0.4%, below the corresponding week of 1945. Compared with the similar period of 1944, a decrease of 4,496 cars, or 0.6%, is shown.

Paper and Paperboard Production—Paper production in the United States for the week ending Mar. 2 was 101.8% of mill capacity, against 98% in the preceding week and 89.3% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 98%, compared with 97% in the preceding week and 96% in the like 1945 week.

Business Failures Slightly Higher—Increasing in the week ending March 7, commercial and industrial failures exceeded the number occurring in the comparable week a year ago. Dun & Bradstreet, Inc., reports 22 concerns failing as compared with 15 in the previous week and 21 in the corresponding week of 1945. For the past eight weeks, with only one exception, failures this year have been more numerous than in the same period last year.

All but 3 of this week's failures involved liabilities of $5,000 or more. Rising from 13 in the previous week, these large failures numbered 19 in the week just ended—more than two times the 8 occurring a year ago. Small failures with losses under $5,000 showed little change, 3 concerns failing in this group as compared with 2 last week. However, they were far short of the 13 reported in 1945's corresponding week.

In all trade and industry groups, failures either equalled or exceeded the number occurring a week ago; in all groups except retailing, failures were the same or higher than a year ago. The rise was sharpest in manufacturing where failures were most numerous this week. Nine manufacturers failed as compared with 6 a week ago and 4 in the corresponding week of 1945.

Canadian failures remained at 4, the same number as in the previous week. In the comparable week of 1945 there were 2 failures.

Wholesale Commodity Price Index—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., advanced quite sharply in the past week, largely reflecting the upward adjustment of grain price ceilings. The index reached a new post-war high of 187.07 on March 4, and closed at 187.02 on March 5. This represented a rise of 1.4% over the 148.48 recorded a week ago and was 6.0% above last year's 176.49.

Grain markets quickly responded to the upward ceiling revisions announced over the past weekend. Cash wheat, corn, oats, and barley prices closed at the new maximum levels, with all futures, except September and December oats, showing corresponding advances. Trading in wheat and corn futures broadened somewhat but country offerings were still restricted and it was generally felt in the trade that the new ceilings would not relieve the tight situation in grains to any appreciable extent. Some small lots of new type flour were sold during the week as many mills were still busy converting to the 80% extraction rate. Hogs remained at ceilings although marketings greatly exceeded last year. Sheep and lamb receipts were lower and prices advanced. Cattle were strong with supply showing no improvement. Sales of cash lard were slow during the week as traders studied the effects of the new wage-price policy as regards packing houses and workers.

Declines in domestic cotton prices experienced early in the week were later counteracted by a rebound to new seasonal highs. Weakness in securities markets and uncertainty over developments in Washington and in industrial relations bought on general liquidation and selling which depressed prices. Recovery came with the announcement of a further rise in the parity price of cotton, expectations of larger exports of cotton to Japan and the anticipation of upward revisions in textile price ceilings. Sales in spot markets were seasonally high last week although below the previous week; demand was active and prices irregular. Gray cotton goods markets remained in a generally withdrawn position pending official announcement of expected ceiling increases.

The Commodity Credit Corporation announced a general reduction in domestic wool prices last week. Sales of domestic pulled wools showed considerable increase but activity in greasy type wools were below expectations. For the most part purchases were intended for blending with foreign wools. Demand for fine foreign wools remained strong. In Montevideo buying was active at firm prices. United States buyers attempted to place orders for desirable Australian wools but supplies were limited. The CCC appraised for purchase 1,757,050 pounds of domestic wools during the week ended Feb. 21, bringing the total to that date to 341,785,223 pounds, as against 380,998,971 pounds appraised to the same date a year ago.

Wholesale Food Price Index at New Year Peak—The wholesale food price index, compiled by Dun & Bradstreet, Inc., continued to trend higher this week, reflecting the upward adjustment of grain ceilings. A rise of 1 cent put the March 5 index at $4.17, the highest level touched since Oct. 7, 1920 when it stood at $4.24. The current figure represents an advance of 1.7% over the $4.10 registered at this date a year ago. There were no declines during the week and higher prices it was noted were listed for wheat, corn, rye, oats, barley, potatoes, sheep, and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale and Retail Trade—Retail volume last week for the country at large continued to be affected by the availability of merchandise as customers tended to shun substitutes, Dun & Bradstreet, Inc., reports in its current survey of trade. Over-all volume exceeded that of last week although reports from different localities varied greatly; it was considerably above the corresponding week a year ago. The demand for all staples continued to be high.

Meat supplies this week were larger than those of last week and poultry continued to be plentiful. Fresh vegetables and citrus fruits were generally in good supply with a decrease in demand for canned vegetables from that of last week. Total retail food volume remained close to the high level of the previous week and was moderately above a year ago.

Women's Spring apparel continued to rank as a best seller in clothing departments. Interest in suits and coats remained high with neutral shades attracting most attention. Handbags, belts, and other main floor items sold well. The demand for men's suits and shirts was sustained at a high level. The apparent shortage of men's apparel remained evident and several areas reported a decrease in sales volume of suits from that of the preceding week.

The demand for furniture appeared to be more than merely seasonal with bedroom and living-room suites attracting the greatest attention. Upholstered pieces were in fair supply and sold well. Rug departments reported that business was generally brisk although limited selections continued to discourage many consumer buyers. The demand for curtains and draperies remained high. Housewares continued to appear in stores in small quantities and requests for them were made frequently. Difficulty in maintaining adequate stocks was reported by many stores.

Retail volume for the country was estimated at from 13 to 17% over the corresponding week a year ago. Regional percentage increases were: New England and South 17 to 20 East 15 to 19, Middle West 9 to 13, Northwest 12 to 15, Southwest 16 to 20, and Pacific Coast 11 to 14.

Wholesale activity continued unabated this week with volume slightly over the previous week and the corresponding week of last year. Attendance at gift shows was at record levels. Volume in electrical appliances rose slightly, while building supplies continued limited. Stocks of soft goods remained unchanged with shortages reported in most lines.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended March 2, 1946, increased by 19% above the same period of last year. This compared with an increase of 20% in the preceding week. For the four weeks ended March 2, 1946, sales increased by 21% and for the year to date by 17%.

Retail trade in New York last week remained active with gains recorded in sales volume over that of the previous year. Volume of trade for March is expected to show a decline under that of the period one year ago due to the lateness of Easter the present year. Heavy gains, however, are expected in April. With the advent of the Lenten season some slight decline was noted in food sales.

In wholesale markets this week pressure for deliveries was still present and a majority of retailers are preparing to build up their spring stocks to meet early consumer demand. Continued allocation of available merchandise was reflected the past week in practically all wholesale lines.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to March 2, 1946, increased 23% above the same period last year. This compared with an increase of 27% (revised figure) in the preceding week. For the four weeks ended Mar. 2, 1946, sales rose by 26% and for the year to date by 23%.

From Washington Ahead of The News

(Continued from first page)

college wanted to go on to other things. As they understood it, that was the purpose of college.

Chester Bowles, on the other hand, went to college and he now understands everything better than any man in America, including Mr. Truman who did not go to college. His knowledge of blueprints and his associations made Mr. Bowles very cocky, indeed. A few weeks ago, it was the understanding of this writer that Mr. Bowles, unless he got his way, would quit and leave the American people in a helluva way. Well, he didn't get his way and he hasn't quit.

And now, in the way of all these big shots who pass over the Washington horizon, he is by way of being eclipsed. Why is this? Because he is tremendously smart and Congress, the representative body of the American people, is terribly prejudiced and backward?

No, it is because they have their feet on the ground. Mr. Bowles, trying to get his authority extended for a year, said that Henry Ford wanted to boost the price of his cars 55%. Then a short time later, he said that he was amazed to hear Mr. Ford say that the price ceiling had not been removed from automobile parts. Such statements as these are what unnerve Congressmen who have always felt that Chester is a lot of bunk, but how in the name of goodness were they to get in behind his statistics. Well, young Henry did it for them. With one of the best publicity jobs we have ever seen, he pointed out to Chester that they were only allocated some 40,000 cars in 1945, right after V-E Day, that they had been asked what those cars would cost and the price they setforth was what the actual cost came to.

Bowles, groping on this one, put out the statement that Ford had complained about the costs of parts, when, according to Bowles, all price ceilings on parts had been removed.

Mr. Bowles said he was quite surprised that Mr. Ford didn't know this.

Ford came right back telling Mr. Bowles the names of parts on which price ceilings had not been removed.

A few nights ago, Mr. Bowles, an attractive fellow, had about 30 Washington newspapermen as his guests. He told them right off the reel that he had been utterly wrong about Ford and wished he had never made the statement against him. His explanation was that a subordinate had given him this stuff and he had followed it. It was one of the greatest regrets of his life, so he told the correspondents.

But Mr. Bowles has not fired that subordinate who misled him. He has not, after castigating Ford in public, done anything by the way of apologizing. His attitude is to let it slide, and you newspapermen forgive me. Why?

The incident is well known, however, among the members of Congress. It is not an unfair statement to say that they have lost faith in the great Chester Bowles.

There is an amazing thing about our Congress. It is still, notwithstanding the pressure of the Bowles' and those who are now trying to sell a $600,000,000 subsidy for housing materials "for veterans," perhaps one of the greatest racketeering bills ever to come before that body, that the Congress holds firm. The Administration has got to three of our widely syndicated columnists who have written about what a tool of the lobbyists Congress is, not to pass a $600,000,000 subsidy for an unknown from Louisville, Ky., Wilson Wyatt, to spend. The Congressmen who voted against this, so the propaganda goes, are against the veterans. To be able to stand up against this sort of propaganda is real fortitude.

And you want to know what the Congressmen of this stripe are saying?

It is, why doesn't Harry Truman cut out that nonsense? He's a good fellow and we'd like to go along with him. This is the prevailing sentiment of the Congress in these troublous days. The labor leaders who have been depending upon the Administration to bail them out, had better get down and go to work. The great leadership which they once had, the business of the U. S. Government intervening to insure their winning, is over. Though Truman might weaken on this, Congress won't.

Daily Average Crude Oil Production for Week Ended March 2, 1946 Increased 12,600 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 2, 1946 was 4,726,250 barrels, an increase of 12,600 barrels over the preceding week and 296,250 barrels in excess of the daily average figure of 4,430,000 barrels estimated by the United States Bureau of Mines as the requirements for the month of February, 1946. The current figure, however, was 38,870 barrels per day less than the output in the week ended March 3, 1945. Daily production for the four weeks ended March 2, 1946 averaged 4,710,100 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,779,000 barrels of crude oil daily and produced 13,871,000 barrels of gasoline; 2,416,000 barrels of kerosine; 5,888,000 barrels of distillate fuel, and 8,634,000 barrels of residual fuel oil during the week ended March 2, 1946; and had in storage at the end of that week 104,462,000 barrels of finished and unfinished gasoline; 8,127,000 barrels of kerosine; 25,148,000 barrels of distillate fuel, and 38,285,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements February	State Allowables Begin. Feb. 1	Actual Production Week Ended Mar. 2, 1946	Change from Previous Week	4 Weeks Ended Mar. 2, 1946	Week Ended Mar. 3, 1945
Oklahoma	368,000	388,000	†389,450	— 600	389,500	368,600
Kansas	254,000	249,400	†257,050	+ 3,400	251,750	244,400
Nebraska	800	----	†850	----	800	900
Panhandle Texas			81,000	----	81,000	88,000
North Texas			157,600	----	157,600	148,800
West Texas			503,300	----	503,300	464,300
East Central Texas			146,200	----	146,200	150,300
East Texas			321,000	----	321,000	392,000
Southwest Texas			356,150	----	356,150	347,000
Coastal Texas			544,000	----	544,000	562,100
Total Texas	1,890,000	‡2,126,504	2,109,250	----	2,109,250	2,152,500
North Louisiana			82,800	+ 800	80,900	69,800
Coastal Louisiana			288,850	----	288,850	294,800
Total Louisiana	368,000	412,515	371,650	+ 800	369,750	364,600
Arkansas	74,000	79,603	77,000	— 500	77,350	81,100
Mississippi	49,000		55,100	+ 2,250	54,550	53,400
Alabama	600		1,050	----	1,000	250
Florida	----		100	----	100	20
Illinois	198,000		212,550	+ 1,550	211,650	207,350
Indiana	13,000		18,300	+ 1,200	17,000	12,500
Eastern— (Not incl. Ill., Ind., Ky.)	61,200		66,750	+ 5,450	63,300	61,550
Kentucky	29,000		30,150	— 250	30,650	29,900
Michigan	46,000		42,800	— 2,500	43,600	46,800
Wyoming	94,000		105,050	+ 1,050	102,550	100,450
Montana	20,400		19,100	----	19,100	20,650
Colorado	24,000		23,300	— 1,150	23,650	10,300
New Mexico	96,000	104,000	98,450	----	98,450	103,950
Total East of Calif.	3,586,000		3,877,950	+10,700	3,864,000	3,859,220
California	844,000	§823,700	848,300	+ 1,900	846,100	905,900
Total United States	4,430,000		4,726,250	+12,600	4,710,100	4,765,120

*These are Bureau of Mines calculations of the requirements of domestic crude oil (after deductions of condensate and natural gas derivatives) based upon certain premises outlined in its detailed forecast for the month of February. As requirements may be supplied either from stocks or from new production, contemplated withhdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced. In some areas the weekly estimates do, however, include small but indeterminate amounts of condensate which is mixed with crude oil in the field.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Feb. 27, 1946.

‡This is the net basic allowable as of Feb. 1 calculated on a 28-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 4 to 9 days, the entire state was ordered shut down for 4 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 4 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 MARCH 2, 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 Produc'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	756	95.6	1,704	23,160	3,459	7,107	6,366
Appalachian—								
District No. 1	76.8	105	71.9	320	2,807	130	443	302
District No. 2	81.2	60	120.0	200	1,246	25	64	309
Ind., Ill., Ky.	87.2	762	88.9	2,635	23,611	1,169	3,142	3,071
Okla., Kan., Mo.	78.3	369	78.7	1,366	10,020	300	1,307	1,009
Inland Texas	59.8	196	59.4	802	3,168	259	279	537
Texas Gulf Coast	89.3	1,191	96.3	3,440	15,732	1,518	4,512	3,771
Louisiana Gulf Coast	96.8	338	130.0	811	4,549	443	1,136	1,254
No. La. & Arkansas	55.9	59	46.8	157	1,906	159	558	206
Rocky Mountain—								
District No. 3	17.1	12	92.3	37	114	20	29	30
District No. 4	72.1	99	62.3	362	2,245	97	362	584
California	86.5	832	86.0	2,037	15,904	548	6,209	20,846
Total U. S. B. of M. Basis Mar. 2, 1946	85.7	4,779	88.4	13,871	*104,462	8,127	25,148	38,285
Total U. S. B. of M. basis Feb. 23, 1946	85.7	4,595	85.0	13,175	104,709	8,419	25,898	39,290
U. S. B. of M. basis Mar. 3, 1945		4,775		14,997	†97,810	7,097	27,103	45,002

*Includes unfinished gasoline stocks of 8,492,000 barrels. †Includes unfinished gasoline stocks of 11,975,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 2,416,000 barrels of kerosine, 5,888,000 barrels of gas oil and distillate fuel oil and 8,634,000 barrels of residual fuel oil produced during the week ended March 2, 1946, which compares with 2,437,000 barrels, 5,728,000 barrels and 7,913,000 barrels, respectively, in the preceding week and 1,519,000 barrels, 5,138,000 barrels and 8,847,000 barrels, respectively, in the week ended March 3, 1945.

National Fertilizer Association Commodity Price Index Advances to New All-Time Peak

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on March 11, rose to a new alltime peak in the week ended March 9, 1946 to 142.9 from 141.9 in the preceding week. Although the percentage increase for the week amounted to 0.7, yet the present level of the index is now only 2.3% higher than it was a year ago. A month ago the index stood at 142.0, and a year ago at 139.7, all based on the 1935-1939 average as 100. The Association's report continued as follows:

The industrial commodity groups reflected the most pronounced price advances during the latest week resulting from the recent price increases in the steel industry. The metal index, reaching a new high point, rose 6.1% during the latest week because of higher prices for finished steel. The building material index, also at a new high point, advanced due to higher prices for structural steel shapes and wire nails. The food index advanced moderately because of higher prices for sugar and potatoes. The farm product index showed a slight advance. The cotton subgroup advanced for the eighth consecutive week to a new high point. The grain index also reached a new high level with most grains advancing. The livestock subgroup declined slightly with lower cattle prices more than offsetting higher prices for calves and lambs. Wool prices declined during the latest week. The textile index declined during the week. All other groups in the composite index remained unchanged.

During the week 13 price series in the index advanced and three declined; in the preceding week 10 advanced and two declined; in the second preceding week five advanced and six declined.

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

% Each Group Bears to the Total Index	Group	Latest Week Mar. 9, 1946	Preceding Week Mar. 2, 1946	Month Ago Feb. 9, 1946	Year Ago Mar. 10, 1945
25.3	Foods	141.6	140.5	140.9	141.2
	Fats and Oils	146.6	146.6	146.6	145.3
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	172.4	172.0	169.1	165.2
	Cotton	253.8	252.3	241.7	206.1
	Grains	173.2	170.0	169.7	163.7
	Livestock	159.5	159.8	157.5	159.4
17.3	Fuels	126.5	126.5	129.3	130.4
10.8	Miscellaneous commodities	133.9	133.9	133.9	133.4
8.2	Textiles	161.3	162.0	160.4	155.9
7.1	Metals	116.9	110.2	110.2	104.7
6.1	Building materials	162.5	161.3	160.4	154.1
1.3	Chemicals and drugs	127.2	127.2	127.0	125.4
.3	Fertilizer materials	118.2	118.2	118.2	118.3
.3	Fertilizers	119.8	119.8	119.8	119.9
.3	Farm machinery	105.2	105.2	105.2	104.8
100.0	All groups combined	142.9	141.9	142.0	139.7

*Indexes on 1926-1928 base were: March 9, 1946, 111.3; March 2, 1946, 110.5, and March 10, 1945, 108.8.

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus
Mar. 12	125.84	119.82	2.47	122.29	119.20	114.46	117.00	120.22	122.29
11	125.86	119.82	2.47	122.50	119.20	114.27	116.80	120.43	122.50
9	125.86	119.82	123.77	122.50	119.20	114.46	116.80	120.43	122.50
8	125.86	119.82	123.56	122.50	119.20	114.46	116.80	120.43	122.29
7	125.81	119.82	123.56	122.29	119.20	114.46	116.80	120.22	122.29
6	125.81	119.82	123.56	122.29	119.20	114.27	116.80	120.22	122.29
5	125.81	119.82	123.56	123.29	119.20	114.46	116.80	120.22	122.29
4	125.81	119.82	123.56	122.29	119.20	114.27	116.61	120.22	122.29
2	125.84	119.61	123.56	121.88	119.20	114.08	116.41	120.22	122.29
1	125.84	119.61	123.56	121.88	119.20	114.27	116.61	120.22	122.09
Feb. 21	126.02	120.22	123.34	121.88	119.00	114.27	116.41	120.22	122.09
15	126,14	119.61	123.56	121.88	119.20	114.27	116.80	120.02	122.29
8	126.15	119.61	123.34	121.88	119.20	114.27	116.41	120.02	122.29
1	126.05	119.20	123.34	121.46	118.80	113.50	115.82	119.41	122.29
Jan. 25	126.28	119.00	123.12	121.25	119.00	113.31	115.63	119.41	122.09
18	126.06	118.60	122.50	120.84	118.60	112.93	115.24	118.80	121.88
11	126.11	118.20	122.09	120.63	118.20	112.56	115.04	118.40	121.46
4	125.18	117.80	121.67	119.82	117.60	112.37	114.66	117.80	120.84
High 1946	126.28	119.82	123.77	122.50	119.20	114.46	117.00	120.43	122.50
Low 1946	124.97	117.60	121.46	119.82	117.40	112.19	114.46	117.80	120.63
1 Year Ago March 12, 1945	122.42	114.85	120,63	118.60	114.66	106.21	110.88	114.46	119.41
2 Years Ago March 11, 1944	120.26	111.25	118.20	116.41	111.25	100.65	104.48	113.70	116.22

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Mar. 12	1.34	2.66	2.47	2.54	2.69	2.93	2.80	2.64	2.54
11	1.34	2.66	2.47	2.53	2.69	2.94	2.81	2.63	2.53
9	1.34	2.66	2.47	2.53	2.69	2.93	2.81	2.63	2.53
8	1.34	2.66	2.48	2.53	2.69	2.93	2.81	2.63	2.54
7	1.34	2.66	2.48	2.54	2.69	2.93	2.81	2.64	2.54
6	1.34	2.66	2.48	2.54	2.69	2.94	2.81	2.64	2.54
5	1.34	2.66	2.48	2.54	2.69	2.93	2.81	2.64	2.54
4	1.34	2.66	2.48	2.54	2.69	2.94	2.82	2.64	2.54
2	1.34	2.67	2.48	2.56	2.69	2.95	2.83	2.64	2.54
1	1.34	2.67	2.48	2.56	2.69	2.94	2.82	2.64	2.55
Feb. 21	1.33	2.67	2.49	2.56	2.70	2.94	2.83	2.64	2.55
15	1.32	2.67	2.48	2.56	2.69	2.94	2.81	2.65	2.54
8	1.32	2.67	2.49	2.56	2.69	2.94	2.83	2 65	2.54
1	1.33	2.69	2.49	2.58	2.71	2.98	2.86	2.68	2.54
Jan. 25	1.31	2.70	2.50	2.59	2.70	2.99	2 87	2.68	2.55
18	1.33	2.72	2.53	2.61	2.72	3.01	2.89	2.71	2.56
11	1.32	2.74	2.55	2.62	2.74	3.03	2.90	2.73	2.58
4	1.38	2.76	2.57	2.66	2.77	3.04	2.92	2.76	2.61
High 1946	1.40	2.77	2.58	2.66	2.78	3.05	2.93	2.76	2.62
Low 1946	1.31	2.66	2.47	2.53	2.69	2.93	2.80	2.63	2.53
1 Year Ago March 12, 1945	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68
2 Years Ago March 11, 1944	1.81	3.10	2.74	2.83	3.10	3.71	3.48	2.97	2.84

*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 Nov. 22, 1945 issue of the "Chronicle" on page 2508.

NLRB Rules Foremen Covered by Wagner Act

Supervisory employees who wish to join a union and bargain collectively with their employers are entitled to be afforded the guarantees under the Wagner Act, according to a 2 to 1 decision of the National Labor Relations Board on March 7. The ruling was made in a case involving the Jones & Laughlin Steel Corporation's Vesta Mine and the United Clerical, Technical and Supervisory Employees, a division of District 50 of the United Mine Workers (AFL). The company had refused to grant collective-bargaining recognition to the coal mine foremen, whereupon the NLRB was petitioned by the union for an election.

The board's decision was viewed as strengthening the hand of John L. Lewis, President of United Mine Workers, in the forthcoming negotiations with bituminous coal operators, a special dispatch from Washington to the New York "Times" stated. A strike over the foreman issue developed last fall, but at the time it was postponed by Mr. Lewis who said that he would pursue the issue at a more "appropriate time." Mr. Lewis recently brought up the matter again, demanding enrollment of the foremen, but operators, the "Times" stated, are expected to continue their resistance to the demand, as long as the possibility exists of court reversal of the NLRB policy.

The supervisors of the production and maintenance employees and the supervisors of the clerical and technical employees will vote in separate elections, said the "Times" which continued:

Eligible to vote in each of the elections will be (1) fire bosses, mine crew foremen, assistant mine foremen, maintenance bosses, mechanical bosses, and (2) engineers, chief draftsmen, transit men, chief supplies, clerk and assistant chief clerk.

Specifically held as ineligible to vote were mine foremen, general assistant mine foremen, tipple foremen, general master mechanic, mine superintendents, general superintendent, assistant general superintendents, director of industrial relations, safety director, chief engineer, chief of police, weigh masters, weigh masters' clerks, training supervisor, safety supervisor and dispatchers.

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of Jan. 31, 1946, and show that the money in circulation at that date (including of course, that held in bank vaults of member banks of the Federal Reserve System) was $27,917,081,062 as against $28,514,518,195 on Dec. 31, 1945, and $25,290,209,861 on Jan. 31, 1945, and compares with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, the total was $3,459,434,174.

Moody's Daily Commodity Index

Tuesday, March 5	271.3
Wednesday, March 6	271.3
Thursday, March 7	271.6
Friday, March 8	271.1
Saturday, March 9	271.5
Monday, March 11	271.3
Tuesday, March 12	271.4
Two weeks ago, Feb. 26	269.5
Month ago, Feb. 11	267.3
Year ago, March 12	255.3
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, March 4	271.7
Low, Jan. 2	264.7

Trading on New York Exchanges

The Securities and Exchange Commission made public on March 6 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 Feb. 16, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Feb. 16 (in round-lot transactions) totaled 2,712,885 shares, which amount was 15.97% of the total transactions on the Exchange of 8,496,490 shares. This compares with member trading during the week ended Feb. 9 of 2,984,370 shares, or 14.97% of the total trading of 9,960,270 shares.

On the New York Curb Exchange, member trading during the week ended Feb. 16, amounted to 865,885 shares, or 12.76% of the total volume on that Exchange of 3,391,820 shares. During the week ended Feb. 9 trading for the account of Curb members of 1,424,890 shares was 15.54% of the total trading of 4,907,250 shares.

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

WEEK ENDED FEB. 16, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	295,090	
‡Other sales	8,201,400	
Total sales	8,496,490	
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	801,770	
Short sales	184,870	
‡Other sales	717,770	
Total sales	902,640	10.03
2. Other transactions initiated on the floor—		
Total purchases	105,250	
Short sales	9,800	
‡Other sales	144,200	
Total sales	154,000	1.53
3. Other transactions initiated off the floor—		
Total purchases	281,510	
Short sales	47,930	
‡Other sales	419,785	
Total sales	467,715	4.41
4. Total—		
Total purchases	1,188,530	
Short sales	242,600	
‡Other sales	1,281,755	
Total sales	1,524,355	15.97

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

WEEK ENDED FEB. 16, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	60,700	
‡Other sales	3,331,120	
Total sales	3,391,820	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	281,040	
Short sales	21,085	
‡Other sales	235,885	
Total sales	256,970	7.93
2. Other transactions initiated on the floor—		
Total purchases	42,100	
Short sales	6,000	
‡Other sales	73,350	
Total sales	79,350	1.79
3. Other transactions initiated off the floor—		
Total purchases	42,360	
Short sales	21,100	
‡Other sales	142,965	
Total sales	164,065	3.04
4. Total—		
Total purchases	365,500	
Short sales	48,185	
‡Other sales	452,200	
Total sales	500,385	12.76
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	111,284	
Total purchases	111,284	
Total sales	169,201	

*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."

Civil Engineering Construction Totals $68,369,000 for Week

Civil engineering construction volume in continental United States totals $68,369,000 for the week ended March 7, 1946 as reported to "Engineering News-Record." This volume is 29% below the previous week, 63% above the week last year and 10% above the previous four-week moving average. The report issued on March 7 continued as follows:

Private construction this week, $47,073,000 is 33% below the previous week and 79% above the week last year. Public construction, down 21% below last week is 36% greater than the corresponding week of 1945. State and municipal construction is 0.2% above last week and 328% above the week of 1945. Federal construction dropped 49% below last week and 52% below the week last year.

Total engineering construction for the 10-week period of 1946 records a cumulative total of $664,671,000, 139% above the total for the like period of 1945. On a cumulative basis private construction in 1946 totals $453,166,000, 385% greater than the 1945 period. A 53% drop in Federal work offsets the 366% increase in state and municipal construction, so that public construction as a whole, $211,505,000, rose only 14% over the total for a 10-week period of 1945.

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

	Mar. 7, 1946	Feb. 28, 1946	Mar. 89, 1945
Total U. S. Construction	$68,369,000	$96,786,000	$41,893,000
Private Construction	47,073,000	69,969,000	26,270,000
Public Construction	21,296,000	26,907,000	15,623,000
State & Municipal	15,491,000	15,457,000	3,622,000
Federal	5,805,000	11,450,000	12,001,000

In the classified construction groups four of the nine classes recorded gains this week over the previous week as follows: sewerage, bridges, commercial buildings and highways. Six of the nine classes recorded gains this week over the week last year as follows: waterworks, sewerage, bridges, commercial buildings, highways and unclassified.

New Capital

New capital for construction purposes this week totals $13,536,000 and is made up of $9,736,000 in state and municipal bond sales and $3,800,000 in corporate security issues. New capital for the 10-week period totals, $315,189,000, 58% greater than the $199,417,000 reported for the corresponding period of 1945.

Steel Production Rises to Almost Prestrike Level—New Business Surges Ahead Further

With wartime speed, the steel industry was forging ahead this week in an attempt to make as much steel as possible before operations might be curtailed because of a coal mine shutdown, according to "The Iron Age," national metalworking paper, which further goes on to say in its issue of today (March 14): "Even though the present percentage is based on less capacity because of revisions early this year, actual weekly output is on a par with prestrike activity.

Between now and the period in April when a possible slowdown in steel production may occur, steel output is expected to gain rapidly. Equipment is now in good shape and previous difficulty in obtaining manpower has lessened considerably. Nevertheless coal stockpiles of steel companies are still no more than two to three weeks on the average.

Because of the fear in some circles that the coal strike, if it occurs, will be a lengthy one, steel companies are being forced to make tentative plans for slowing down some operations as soon as the strike is called. In previous periods when a coal strike was called, steel companies hung on as long as possible and then had to make drastic adjustments when supplies ran out or reached the low point. By starting a slowdown in operations early the conservation of coal allows a more economical operation of coke ovens and blast furnaces and leaves the industry in a better position for a full-scale output when the coal strike is ended.

Realignment of sales territories by steel producers has stepped up in recent weeks, swelling the rank of consumers who must find new sources of supply. In a fashion that should bring joy to the heart of the Federal Trade Commission, mills are drawing in their lines and confining a large part of their shipments to the more profitable nearby areas. Firms in such regions as Pittsburgh, Wheeling, Youngstown and Buffalo are restricting their sales in the Midwest, particularly on sheet and strip products.

Chicago producers are cutting down on sales to areas from Detroit eastward. Concurrently neighborhood customers are being favored on quotas and one western mill is reported giving unlimited tonnage to customers in its state. Steel users dropped from the rolls under the new sales pattern are flocking to sales offices of local producers, but with little success.

New steel business last week surged ahead further and the order volume now being placed is at the prestrike level. Specifed tonnage or what is called a firm backlog this week averaged about seven months full prodction on an industry basis at the present rates although certain products are further extended. Until such time as the steel industry is able to eliminate huge carryovers because of the shutdown in February, the placement of fresh orders becomes a mere formality.

Export directives on additional steel products may come soon. Steel shipments abroad this year have been running about 40% below 1945, partly due to the ending of lend-lease and other financial aids and partly due to supplying domestic demands. Inquiries have been heavy for pig iron and semi-finished products for continental countries which have been unable to get raw material production underway in quantity."

The American Iron and Steel Institute on Monday of this week announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 83.6% of capacity for the week beginning March 11, compared with 76.7% revised figure one week ago, 5.5% one month ago and 94.5% one year ago. This represents an increase of 6.9 points or 9.0% from the preceding week. The operating rate for the week beginning March 11 is equivalent to 1,473,400 tons of steel ingots and castings, compared to 1,351,700 tons (revised figure) one week ago, 96,900 tons one month ago, and 1,730,900 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on March 11 stated in part as follows:

"Steelmakers are seeking to meet the insistent call for their products and production has climbed almost to the level prevailing before the strike of steel-workers.

"With inquiry increasingly active and pressure of deliveries most insistent the industry is threatened by a possible soft coal strike next month, as well as a strike of railroad workers. The latter would be more quickly paralyzing than the former. However the trade expects a peaceful settlement of the rail dispute, but is less sanguine as to the coal situation. Thus the industry is faced with a possible second major setback before it has fully recovered from the steel strike.

"Individual steel companies are estimated to have from two to six weeks supply of coal in stock. While the mines operated during the steel strike the position of steel producers was not greatly improved as they were unable to unload shipments. As a result, a coal strike of any duration would soon bring steel production to a standstill. Demand for coke for industrial purposes is decidedly heavy, in spite of the fact that slow recovery in pig iron production at some points is making more coke available than otherwise would be the case. Some sellers say there appears to be no limit to this demand, because of desire of consumers to build inventories to tide over in event of a coal strike.

"Inquiry for steel is increasingly active and various buyers are pressing to get as much tonnage as possible on books, regardless of actual needs. While producers for some time have taken serious and in many cases effective measures in discouraging this type of demand it is believed in well informed quarters that once the situation begins to ease, or at least becomes more clarified, much duplicated tonnage will be found on mill books.

"Although the situation is easing in many respects one great deterrent to steel production is shortage of pig iron and scrap. Supply of the former is improving as more blast furnaces get back to normal production but demand from steelmakers and foundries is heavy and they seek much more tonnage than is available. Foundries, especially, have heavy backlogs, with customers pressing for delivery and for placing of more orders. In scrap pressure is still heavy and supply is light."

Result of Treasury Bill Offering

The Secretary of the Treasury announced on March 11 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated March 14 and to mature June 13, which were offered on March 8, were opened at the Federal Reserve Banks on March 11.

Total applied for $2,084,615,000.

Total accepted, $1,303,816,000 (includes $54,648,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

High, 99.915, equivalent rate of discount approximately 0.336% per annum.

Low, 99.505; equivalent rate of discount approximately 0.376% per annum.

(57% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on March 14 in the amount of $1,301,797,000.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on March 6, a summary for the week ended Feb. 23 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, 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 Feb. 23, 1946

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of Orders	44,206
Number of Shares	1,277,853
Dollar Value	$51,386,795
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	121
*Customers' other sales	34,693
Customers' total sales	34,814
Number of Shares:	
Customers' short sales	3,897
*Customers' other sales	1,042,884
Customers' total sales	1,046,781
Dollar value	44,476,144
Round-Lot Sales by Dealers— Number of Shares:	
Short sales	70
†Other sales	154,010
Total sales	154,080
Round-Lot Purchases by Dealers— Number of shares	410,690

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

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

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended March 2, 1946, as estimated by the United States Bureau of Mines, was 12,540,000 net tons, a slight decrease from the 12,625,000 tons produced in the preceding week, but a gain of 1,260,000 tons over the corresponding week of 1945. From Jan. 1 to March 2, 1946, soft coal output amounted to 107,929,000 net tons, an increase of 3.1% when compared with the 104,725,000 tons produced in the period from Jan. 1 to March 3, 1945.

Production of Pennsylvania anthracite for the week ended March 2, 1946, as estimated by the Bureau of Mines, was 1,239,000 tons, an increase of 102,000 tons (9%) over the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 123,000 tons, or 11%. The calendar year to date shows an increase of 11% when compared with the corresponding period of 1945.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended March 2, 1946 showed an increase of 23,500 tons when compared with the output for the week ended Feb. 23, 1946; but was 33,100 tons less than for the corresponding week of 1945.

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

	Week Ended			Jan. 1 to Date	
Bituminous coal & lignite—	Mar. 2, 1946	*Feb. 23, 1946	Mar. 3, 1945	†Mar. 2, 1946	Mar. 3, 1945
Total, including mine fuel	12,540,000	12,625,000	11,280,000	107,929,000	104,725,000
Daily average	2,090,000	2,104,000	1,880,000	2,072,000	1,954,000

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
Penn. Anthracite—	‡Mar. 2, 1946	§Feb. 23, 1946	Mar. 3, 1945	Mar. 2, 1946	Mar. 3, 1945	Mar. 6, 1937
*Total incl. coll. fuel	1,239,000	1,137,000	1,116,000	10,177,000	9,172,000	8,596,000
†Commercial produc.	1,189,000	1,092,000	1,071,000	9,769,000	8,805,000	8,166,000
Beehive coke—						
United States total	98,800	75,300	131,900	762,800	967,000	645,200

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery coal. ‡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—	Feb. 23, 1946	Feb. 16, 1946	Feb. 24, 1945
Alabama	400,000	302,000	350,000
Alaska	7,000	6,000	7,000
Arkansas and Oklahoma	98,000	85,000	85,000
Colorado	138,000	143,000	170,000
Georgia and North Carolina	1,000	1,000	*
Illinois	1,558,000	1,522,000	1,565,000
Indiana	560,000	524,000	554,000
Iowa	39,000	42,000	54,000
Kansas and Missouri	108,000	117,000	155,000
Kentucky—Eastern	1,163,000	1,101,000	1,095,000
Kentucky—Western	450,000	427,000	345,000
Maryland	43,000	54,000	35,000
Michigan	3,000	3,000	3,000
Montana (bitum. & lignite)	98,000	91,000	95,000
New Mexico	27,000	23,000	32,000
North & South Dakota (lignite)	71,000	61,000	60,000
Ohio	815,000	741,000	595,000
Pennsylvania (bituminous)	2,850,000	2,766,000	2,690,000
Tennessee	160,000	134,000	148,000
Texas (bituminous & lignite)	1,000	2,000	4,000
Utah	153,000	145,000	153,000
Virginia	385,000	381,000	415,000
Washington	26,000	28,000	32,000
†West Virginia—Southern	2,260,000	2,187,000	2,248,000
‡West Virginia—Northern	1,006,000	963,000	845,000
Wyoming	204,000	215,000	190,000
§Other Western States	1,000	1,000	*
Total bituminous & lignite	12,625,000	12,065,000	11,925,000

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

Wholesale Prices Rose 0.2% in Week Ended March 2, Labor Department Reports

"Higher prices for iron and steel products in primary markets more than ofset price declines for agricultural commodities during the week ended March 2, 1946," said the Bureau of Labor Statistics of the United States Department of Labor on March 7, its advices adding that "the index of commodity prices in primary markets prepared by the Bureau advanced 0.2% to 107.6% of the 1926 average This," the Bureau noted, "was 0.7% above early February 1946 and 2.5% above the corresponding week of last year. The index for all commodities other than farm products and foods rose 0.4% during the week."

The Bureau further reported:

"Iron and Steel—Higher ceiling prices for iron and semi-finished and finished steel products were announced by the OPA on March 1, retroactive to Feb. 15, 1946. These higher ceilings were followed by advances in base prices of iron and steel products, ranging from 3 to 13%. The effect of the higher iron and steel prices on the wholesale price index was partly obscured by the declines during the week for agricultural commodities. If prices for all commodities other than iron and steel had remained unchanged during the week, the announced advance in the prices of basic steels would have raised the all commodities index by 0.3% (instead of 0.2%).

"Farm Products and Foods—Market prices for agricultural commodities were generally lower during the week, with the group index for farm products declining 0.3% and that for foods 0.4%. Quotations for eggs declined seasonally. Apple prices were lower, and prices for citrus fruit and onions moved down as poorer qualities came on the market. Potato prices declined. Grain quotations averaged fractionally lower. In the livestock and poultry group lower prices for steers and sheep on slow buying balanced price advances for calves, where buying competition was strong, and for poultry. Cheese prices advanced about 13% during the week, reflecting the first effects of higher ceilings allowed by OPA to compensate for removal of cheese subsidies. Domestic wool quotations declined as the Commodity Credit Corporation made a further reduction in its selling prices, the second in three months, in order to encourage consumption. The cotton market strengthened following the decline of the previous week.

"Other Commodities—Prices for cotton yarns and twine advanced with higher ceilings allowed under the provisions of the Bankhead amendment to the Stabilization Extension Act of 1944. Bleached muslin prices increased, the first price advance under a revision of MPR 127, made to restore margins of convertors of cotton cloth. Refinery prices for Oklahoma gasoline continued to drop, with larger stocks than at any time during 1945. Bituminous coal prices rose fractionally, and ergot prices advanced with a continued shortage of commercial stocks."

The Labor Department included the following notation in its report:

The Bureau of Labor Statistics' wholesale price data, for the most part, represent prices in primary markets. In general, the prices are those charged by manufacturers or producers or are those prevailing on commodity exchanges. The weekly index is calculated from one-day-a-week prices. It is designed as an indicator of week to week changes and should not be compared directly with the monthly index.

The following tables show (1) indexes for the past three weeks, for Feb. 2, 1946, and March 3, 1945 and (2) percentage changes in subgroup indexes from Feb. 23, 1946 to March 2, 1946.

WHOLESALE PRICES FOR WEEK ENDED MARCH 2, 1946
(1926 = 100)
(Indexes for the last eight weeks are preliminary)

						Percentage changes to Mar. 2, 1936 from—		
Commodity group—	3-2 1946	2-23 1946	2-16 1946	2-2 1946	3-3 1945	2-23 1946	2-2 1946	3-3 1945
All commodities	107.6	107.4	107.2	106.8	105.0	+0.2	+0.7	+2.5
Farm products	130.7	131.1	131.0	129.7	127.2	—0.3	+0.8	+2.8
Foods	107.9	108.3	108.0	106.7	104.5	—0.4	+1.1	+3.3
Hides and leather products	120.1	120.1	120.1	119.8	118.1	0	+0.3	+1.7
Textile products	101.4	101.1	101.1	101.1	99.2	+0.3	+0.3	+2.2
Fuel and lighting materials	85.4	85.6	85.7	85.4	83.8	—0.2	0	+1.9
Metal and metal products	107.8	105.8	105.8	105.8	104.3	+1.9	+1.9	+3.4
Building materials	121.0	120.2	120.0	119.9	116.9	+0.7	+0.9	+3.5
Chemicals and allied products	96.0	96.0	95.9	96.0	94.9	0	0	+1.2
Housefurnishings goods	108.0	108.0	106.8	106.8	106.2	0	+1.1	+1.7
Miscellaneous commodities	95.4	95.4	95.4	95.0	94.3	0	+0.4	+1.2
Raw materials	119.5	119.7	119.7	118.9	116.2	—0.2	+0.5	+2.8
Semi-manufactured articles	99.6	98.5	98.5	97.5	94.9	+1.1	+2.2	+5.0
Manufactured products	103.7	103.4	103.2	102.9	101.6	+0.3	+0.8	+2.1
All commodities other than farm products	102.5	102.2	102.0	101.7	100.1	+0.3	+0.8	+2.4
All commodities other than farm products and foods	101.5	101.1	101.1	100.9	99.4	+0.4	+0.6	+2.1

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM FEB. 23, 1946 TO MARCH 2, 1946

Increases

Structural steel	11.9	Other textile products	0.4
Iron and steel	4.3	Dairy products	0.3
Other building materials	0.9	Bituminous coal	0.1
Cotton goods	0.6	Cereal products	0.1

Decreases

Fruits and vegetables	2.0	Other farm products	0.5
Petroleum and products	0.8	Grains	0.2
Other foods	0.2		

Non-Ferrous Metals—Strikes Spread to Two Important Copper Refineries—Lead Tight

"E. & M. J. Metal and Mineral Markets," in its issue of March 7, stated: "So far as non-ferrous metals were concerned, the labor situation worsened during the last week. By March 4, all but two major copper refineries were closed down, restricting the movement of the metal to those fabricators still operating to a low level. It was hoped that larger tonnages may be released from the stockpile. Lead was described as the tightest of all important metals, with demand active. The position of zinc was unchanged. Quicksilver came in for more attention last week, owing to growing political tension in reference to Spain. A good volume of business was placed at somewhat higher prices. A price of 58c a pound was named by Metals Reserve to take care of export business in tin." The publication further went on to say in part as follows:

Copper

Labor strife closed two additional refineries last week. The Raritan Copper Works of Anaconda, at Perth Amboy, and the El Paso refinery of Phelps Dodge closed down on March 4. With the leading brass mills still shut, the growing scarcity of domestic metal is proving embarrassing chiefly to wire and cable makers. To obtain copper, buyers now are not so insistent as formerly in regard to shapes. In the event that the strike is of long duration, the large stockpile of copper in the hands of the Office of Metals Reserve will be called upon to supply more metal than previously to consumers.

The position of foreign copper remains firm. The Government has not yet settled with producers on what it will pay for the 20,000 tons a month that it intends to purchase in Latin America over the first half of the current year.

Receipts of copper and brass scrap by dealers totaled 509,667 tons in 1945, which compares with 504,579 tons in 1944, the Bureau of Mines reports.

Lead

The industry is concerned about prospects for another revision of the limitation order. Strikes in this country and uncertainty over the tonnages of foreign metal that can be imported during the second quarter are certain to create an even tighter situation in the metal, the industry believes. John D. Small, head of CPA, stated last week that the stockpile of lead may decline to 40,000 tons by the end of March. Early in 1943 the stockpile contained 276,000 tons of lead. Under regulations now in force, he hopes to hold down consumption of lead to the rate of between 850,000 to 880,000 tons a year. Should controls be abolished, he said, demand for lead would probably rise to the rate of 1,300,000 a year.

Consumers are encountering more and more difficulty in locating metal, and the unsatisfied demand is heavy. One producer reports that he is shipping lead "so hot it scorches the floor boards in the cars."

Sales of lead during the last week involved 5,111 tons, against 2,268 tons in the preceding week.

Zinc

Demand for zinc from die casters was active, with most producers experiencing no difficulty in disposing of their output. The situation in Prime Western was viewed as satisfactory, even though the question of higher labor costs has complicated matters in reference to galvanized products. Producers of galvanized sheet were granted an increase in the price by OPA amounting to 35c per 100 lb., retroactive to Feb. 15.

Recovery of zinc from scrap and residues in 1945 totaled 132,985 tons. This total does not include zinc recovered from scrap brass.

Tin

To take care of a limited volume of business in tin for export, the Office of Metals Reserve has named an export price of 58c per pound for Grade "A" tin. The domestic selling basis remains unchanged at 52c. Both prices are substantially below cost. Dealers authorized to export tin will have to purchase the metal in lots of 5 tons or multiples of five.

The International Tin Committee is to meet in London on March 7 to review the tin situation and discuss matters pertaining to the agreement among producers that expires at the end of 1946.

British authorities announced last week that stocks of tin concentrates in lower Burma total about 1,200 tons. A report on requirements of mining properties in that area is expected soon.

Exports of tin concentrates from Bolivia in January contained 3,194 metric tons of tin, against 4,302 tons in December and 4,092 tons in January a year ago.

Straits quality tin for shipment, in cents per pound, was nominally as follows:

	March	April	May
Feb. 28	52.000	52.000	52.000
March 1	52.000	52.000	52.000
March 2	52.000	52.000	52.000
March 4	52.000	52.000	52.000
March 5	52.000	52.000	52.000
March 6	52.000	52.000	52.000

Chinese, or 99% tin, continued at 51.125c per pound.

Quicksilver

Increasing tension over political developments in reference to Spain caused sellers of quicksilver to take a firmer view of the market. There was a good demand for spot and nearby metal, and as the week ended most operators were holding out for $103 per flask and higher, an advance of $1 compared with a week ago. On forward material $102 might be done, but the quotation was viewed as being more or less nominal under present unsettled conditions. The strike situation here has temporarily held up some deliveries.

Silver

A rider has been attached to the Treasury-Post Office appropriation bill providing for the sale of the Treasury's "free silver" on the basis of 71.11c an ounce troy. The Senate Committee on Appropriations is expected to remove this rider before the measure is reported to the Senate.

The tight situation in silver continues. Strikes at base-metal refineries are complicating matters further. The New York Official price of foreign silver continued at 70¾¢. The London market was unchanged at 44d.

Record Savings Gains by Mutual Banks

The greatest increase in deposits of mutual savings banks in any of their 130 years of operation is recorded in the 1946 edition of the Mutual Savings Bank Directory just issued by the National Association of Mutual Savings Banks. During 1945 deposits increased over $2 billions to a new all-time high figure of $15,332,202,146, according to the Association, which states that assets kept pace with these record gains and now total $17,013,451,176. At the year-end depositors numbered nearly 17 millions.

The Directory is regarded as an invaluable hand-book because of its detailed information and statistics concerning every mutual savings bank in the country, including rates of interest-dividends paid, institutions operating Christmas Clubs, school savings, safe deposit, and life insurance departments, etc.

Revenue Freight Car Loadings During Week Ended March 2, 1946 Increased 59,116 Cars

Loading of revenue freight for the week ended March 2, 1946 totaled 782,397 cars, the Association of American Railroads announced on March 7. This was a decrease below the corresponding week of 1945 of 3,339 cars, or 0.4%, and a decrease below the same week in 1944 of 4,496 cars or 0.6%.

Loading of revenue freight for the week of March 2, increased 59,116 cars of 8.2% above the preceding week.

Miscellaneous freight loading totaled 338,915 cars, an increase of 36,436 cars above the preceding week, but a decrease of 50,780 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 121,643 cars, an increase of 7,760 cars above the preceding week, and an increase of 14,323 cars above the corresponding week in 1945.

Coal loading amounted to 185,275 cars, an increase of 1,089 cars above the preceding week, and an increase of 22,579 cars above the corresponding week in 1945.

Grain and grain products loading totaled 54,912 cars, an increase of 3,192 cars above the preceding week and an increase of 13,631 cars above the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of March 2 totaled 37,846 cars, an increase of 3,445 cars above the preceding week and an increase of 11,260 cars above the corresponding week in 1945.

Livestock loading amounted to 16,659 cars, a decrease of 564 cars below the preceding week but an increase of 2,676 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of March 2 totaled 12,588 cars, a decrease of 577 cars below the preceding week, but an increase of 2,277 cars above the corresponding week in 1945.

Forest products loading totaled 42,588 cars an increase of 4,938 cars above the preceding week and an increase of 1,535 cars above the corresponding week in 1945.

Ore loading amounted to 9,457 cars, an increase of 2,169 cars above the preceding week but a decrease of 4,936 cars below the corresponding week in 1945.

Coke loading amounted to 12,948 cars, an increase of 4,096 cars above the preceding week, but a decrease of 2,367 cars below the corresponding week in 1945.

All districts reported decreases compared with the corresponding week in 1945 except the Pocahontas, Southern, Northwestern, and Centralwestern, and all reported decreases compared with 1944, except the Pocahontas, Southern, Northwestern and Centralwestern.

	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
Week of March 2	782,397	785,736	786,893
Total	6,532,727	6,841,878	7,099,709

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 2, 1946. During this period 66 roads reported gains over the week ended March 3, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED MARCH 2

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	353	284	279	1,616	1,571
Bangor & Aroostook	2,571	2,700	2,477	393	609
Boston & Maine	7,265	7,426	6,641	13,229	15,843
Chicago, Indianapolis & Louisville	1,213	1,278	1,482	2,144	2,211
Central Indiana	47	37	33	51	42
Central Vermont	1,084	991	987	2,038	2,540
Delaware & Hudson	4,356	4,927	5,026	11,385	15,169
Delaware, Lackawanna & Western	7,687	7,129	7,666	9,296	11,751
Detroit & Mackinac	224	186	229	157	142
Detroit, Toledo & Ironton	1,694	1,624	1,763	1,719	2,370
Detroit & Toledo Shore Line	265	446	307	3,877	4,534
Erie	10,939	12,498	13,356	16,055	18,459
Grand Trunk Western	3,127	4,035	3,966	9,142	10,010
Lehigh & Hudson River	156	160	189	2,516	4,298
Lehigh & New England	2,197	1,741	1,944	1,609	1,356
Lehigh Valley	8,399	7,917	9,154	7,337	14,772
Maine Central	2,920	2,621	2,476	4,021	4,698
Monongahela	6,239	5,761	5,906	268	304
Montour	2,868	2,371	2,624	24	17
New York Central Lines	44,378	48,459	48,230	52,518	55,400
N. Y., N. H. & Hartford	10,489	11,057	10,818	13,991	20,284
New York, Ontario & Western	822	870	1,147	2,335	3,140
New York, Chicago & St. Louis	5,603	6,726	6,396	14,492	18,746
N. Y., Susquehanna & Western	425	506	503	2,296	2,803
Pittsburgh & Lake Erie	6,583	7,450	7,635	7,353	7,797
Pere Marquette	4,645	5,208	4,726	7,468	9,471
Pittsburgh & Shawmut	973	683	762	41	26
Pittsburg, Shawmut & North	244	279	336	247	234
Pittsburgh & West Virginia	757	833	970	1,856	3,928
Rutland	344	384	400	1,192	1,117
Wabash	5,953	6,059	5,987	11,558	13,613
Wheeling & Lake Erie	4,447	6,212	5,083	3,633	5,379
Total	149,267	158,858	159,498	204,857	252,634
Allegheny District—					
Akron, Canton & Youngstown	563	806	699	1,387	1,578
Baltimore & Ohio	39,966	40,271	42,208	24,261	33,256
Bessemer & Lake Erie	2,606	3,127	2,061	1,064	1,705
Cambria & Indiana	1,454	1,665	1,757	11	11
Central R. R. of New Jersey	6,016	6,497	7,085	16,634	21,849
Cornwall	409	501	637	59	44
Cumberland & Pennsylvania	261	156	201	7	14
Ligonier Valley	26	104	108	9	59
Long Island	1,623	1,905	1,215	4,726	4,750
Penn-Reading Seashore Lines	1,614	1,764	1,643	1,988	2,583
Pennsylvania System	73,143	78,427	78,232	56,911	66,113
Reading Co.	13,390	15,050	15,749	25,960	31,321
Union (Pittsburgh)	14,330	18,824	19,374	2,698	5,090
Western Maryland	4,191	3,842	3,993	12,057	16,546
Total	159,592	172,949	174,963	147,772	184,912
Pocahontas District—					
Chesapeake & Ohio	30,988	26,859	27,189	11,561	12,794
Norfolk & Western	21,452	20,833	21,231	6,608	10,505
Virginian	5,030	4,399	4,279	1,784	2,608
Total	57,470	52,091	52,699	19,953	25,907
Southern District—					
Alabama, Tennessee & Northern	530	384	317	200	359
Atl. & W. P.—W. R. R. of Ala.	932	881	886	2,023	2,537
Atlanta, Birmingham & Coast	†	†	724	†	†
Atlantic Coast Line	15,203	15,555	14,237	10,169	14,179
Central of Georgia	4,648	4,264	3,921	4,840	6,369
Charleston & Western Carolina	508	429	417	1,642	1,834
Clinchfield	1,792	1,627	1,758	3,778	3,307
Columbus & Greenville	432	235	313	297	319
Durham & Southern	84	108	118	609	581
Florida East Coast	3,420	3,734	3,716	1,638	1,614
Gainesville Midland	64	56	51	139	130
Georgia	1,173	1,251	1,201	2,323	2,565
Georgia & Florida	513	429	500	893	850
Gulf, Mobile & Ohio	5,120	4,489	3,779	4,436	4,159
Illinois Central System	29,296	26,906	28,107	13,790	17,732
Louisville & Nashville	26,274	25,788	23,890	9,725	12,600
Macon, Dublin & Savannah	266	217	168	1,058	1,017
Mississippi Central	343	333	278	370	524
Nashville, Chattanooga & St. L.	3,485	3,091	3,250	3,967	4,753
Norfolk Southern	1,343	961	957	1,643	1,798
Piedmont Northern	433	544	445	1,603	1,324
Richmond, Fred. & Potomac	459	503	375	9,055	11,805
Seaboard Air Line	12,154	11,202	11,316	8,706	9,487
Southern System	20,678	24,094	22,656	24,504	28,150
Tennessee Central	609	623	611	898	813
Winston-Salem Southbound	149	134	157	918	1,829
Total	135,917	127,838	124,148	109,224	130,635
Northwestern District—					
Chicago & North Western	16,625	14,219	15,712	14,018	14,761
Chicago Great Western	2,968	2,373	2,570	3,204	3,536
Chicago, Milw., St. P. & Pac.	21,348	21,169	19,978	11,156	11,140
Chicago, St. Paul, Minn. & Omaha	3,975	3,351	3,837	4,802	4,328
Duluth, Missabe & Iron Range	1,194	1,446	1,262	338	244
Duluth, South Shore & Atlantic	785	697	834	683	626
Elgin, Joliet & Eastern	6,903	8,751	8,788	11,383	13,391
Ft. Dodge, Des Moines & South	519	356	407	186	102
Great Northern	14,287	10,430	12,618	4,914	6,169
Green Bay & Western	508	505	457	1,009	1,063
Lake Superior & Ishpeming	319	210	300	47	70
Minneapolis & St. Louis	2,495	1,886	2,121	2,723	2,820
Minn., St. Paul & S. S. M.	5,519	4,376	5,350	4,163	3,616
Northern Pacific	10,031	6,946	10,235	5,238	6,169
Spokane International	124	250	84	474	426
Spokane, Portland & Seattle	2,135	2,595	2,429	2,718	3,416
Total	89,645	81,551	86,982	67,056	71,877
Central Western District—					
Atch., Top. & Santa Fe System	24,081	22,953	21,417	9,055	15,075
Alton	3,115	3,382	3,033	3,407	4,543
Bingham & Garfield	10	341	517	9	70
Chicago, Burlington & Quincy	22,167	19,070	19,676	11,939	12,659
Chicago & Illinois Midland	3,300	3,139	2,952	783	989
Chicago, Rock Island & Pacific	13,482	11,065	11,026	13,079	14,166
Chicago & Eastern Illinois	2,819	2,700	2,641	3,261	4,137
Colorado & Southern	707	758	766	1,340	2,406
Denver & Rio Grande Western	3,095	3,782	3,385	3,682	6,638
Denver & Salt Lake	650	663	751	30	17
Fort Worth & Denver City	949	836	647	1,292	1,396
Illinois Terminal	2,317	2,145	2,126	1,579	2,396
Missouri-Illinois	866	913	964	503	586
Nevada Northern	1,494	1,302	1,764	110	98
North Western Pacific	541	738	708	463	712
Peoria & Pekin Union	13	7	18	0	0
Southern Pacific (Pacific)	27,124	29,384	28,163	9,195	16,028
Toledo, Peoria & Western	0	313	471	0	2,218
Union Pacific System	15,801	16,863	15,469	11,322	16,967
Utah	940	545	639	7	1
Western Pacific	1,677	1,949	1,511	2,477	4,241
Total	125,148	122,848	118,644	73,533	105,343
Southwestern District—					
Burlington-Rock Island	367	339	311	612	272
Gulf Coast Lines	5,321	6,842	7,804	2,631	2,651
International-Great Northern	2,120	2,706	1,668	3,676	4,050
‡K. O. & G., M. V. & O. C.-A.-A.	1,254	877	789	1,477	1,142
Kansas City Southern	3,146	4,625	5,873	2,969	2,741
Louisiana & Arkansas	2,595	3,300	2,802	2,429	2,680
Litchfield & Madison	386	343	263	1,366	1,286
Missouri & Arkansas	187	110	187	411	431
Missouri-Kansas-Texas Lines	5,494	6,585	5,729	3,736	5,458
Missouri Pacific	18,012	15,548	15,433	13,712	18,727
Quanah Acme & Pacific	121	46	123	198	347
St. Louis-San Francisco	10,259	8,472	8,286	8,131	8,361
St. Louis-Southwestern	2,562	3,519	2,845	5,304	7,616
Texas & New Orleans	9,109	10,943	12,369	5,378	5,500
Texas & Pacific	4,311	5,246	5,377	6,133	8,319
Wichita Falls & Southern	78	76	79	44	44
Weatherford M. W. & N. W.	36	24	22	12	25
Total	65,358	69,601	69,960	58,219	69,650

†Included in Atlantic Coast Line RR. ‡Includes Midland Valley Ry. and Kansas Oklahoma & Gulf Ry. only in 1944 and also Oklahoma City-Ada-Atoka Ry. in 1945 and 1946.

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 REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
1945—Week Ended					
Dec. 1	172,297	152,571	472,568	96	94
Dec. 8	173,537	154,235	490,123	97	94
Dec. 15	150,330	157,792	487,481	98	94
Dec. 22	122,229	148,591	451,654	92	94
Dec. 29	97,323	78,862	462,446	52	93
1946—Week Ended					
Jan. 5	176,346	111,967	526,891	75	75
Jan. 12	143,366	144,482	523,672	94	85
Jan. 19	134,265	143,550	507,651	93	88
Jan. 26	142,142	143,101	499,955	94	89
Feb. 2	178,590	150,634	516,776	95	90
Feb. 9	169,482	152,066	529,767	97	91
Feb. 16	139,681	149,794	516,211	94	92
Feb. 23	139,993	155,381	500,507	97	93
Mar. 2	198,985	161,122	533,794	98	93

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

Motor Carrier Tonnage Increased in January

The volume of freight transported by motor carriers in January increased 9.2% over December but decreased 8.3% below January of last year, according to American Trucking Associations, Inc., which further announced as follows:

Comparable reports received by ATA from 207 carriers in 36 States showed these carriers transported an aggregate of 1,766,389 tons in January, as against 1,617,047 tons in December and 1,925,348 tons in January, 1945.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 178.3.

Approximately 79% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category increased 11.5% over December and was 7.6% below January, 1945.

Transportation of petroleum products, accounting for about 14% of the total tonnage reported, showed a decrease of 0.8% below December and a drop of 16.3% below January, 1945.

Carriers of iron and steel hauled about 3% of the total tonnage. Their traffic volume was 5.7% below December and 7.7% below January, 1945.

About 4% of the total tonnage reported consisted of miscellaneous commodities, including tobacco, textile products, building materials, vehicles, vehicle parts, groceries, chemicals, mine equipment and mine ore. Tonnage in this class increased 19.0% over December and 9.9% over January, 1945.

Insurance Advertising Conference in May

The Spring Meeting of The Insurance Advertising Conference will be at Hershey, Pa., May 20 and 21, it was announced recently by Ralph W. Smiley, President of the Conference. Members are being asked to obtain reservations at Hotel Hershey early, and are advised that accommodations may be arranged for the Saturday and Sunday preceding the meeting, if desired. The program now being developed by Vice President Theodore W. Budlong will be announced later.

President Smiley also announces the election of three new members: John Flint Sheldon, Sales Promotion Manager, The American Casualty Co. of Reading, Pa.; Acheson E. Lucey, Advertising Manager, American International Underwriters Corporation, New York City; and Ruel S. Smith, Manager, Financial and Insurance Advertising, Time, Inc., New York.

Lumber Movement—Week Ended March 2, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 426 mills reporting to the National Lumber Trade Barometer were 11.1% above production for the week ending March 2, 1946. In the same week new orders of these mills were 6.8% above production. Unfilled order files of the reporting mills amounted to 86% of stocks. For reporting softwood mills, unfilled orders are equivalent to 32 days' production at the current rate, and gross stocks are equivalent to 36 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 10.7%; orders by 11.9%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 2.0% below; shipments were 8.1% below; orders were 4.7% below.

Items About Banks, Trust Companies

N. Baxter Jackson, President of the Chemical Bank & Trust Company of New York, announces the appointment of Eugene W. Stetson, Jr., as an Assistant Vice-President, assuming his duties as of March 11. He will be associated with the bank's business in the South Atlantic States, including Virginia, North Carolina, South Carolina, Georgia and Florida. Mr. Stetson spent his early boyhood days in Macon, Ga., and is well acquainted throughout the entire South. He was graduated from Yale University in 1934 where he was a member of Chi Psi Fraternity and the Senior Society of Skull and Bones. After graduation, Mr. Stetson became connected with the Citizens and Southern National Bank of Savannah and Macon as an Assistant Cashier and resigned to take a position with Brown Brothers Harriman & Company where he was until he was commissioned an Ensign in the United States Naval Reserve. He served for three and one-half years, attaining the rank of Lt. Commander.

Following a meeting of the Board of Directors of the Bank of the Manhattan Company of New York on March 7, F. Abbot Goodhue, President, announced the election of Alexander McGray as an Assistant Secretary. Mr. McGray, who is a graduate of Cornell University, returns to the Bank after five years of service in the U. S. Army where he was a Major with the Procurement Division in France. He resumes his position as head of the Bank's Legal Department.

The Board of Trustees of the United States Trust Company of New York recently declared a regular quarterly dividend of \$8.75 a share on the capital stock, payable April 1, 1946, to stockholders of record as of the close of business March 15. A stock dividend of 100% was paid on Dec. 27, 1945, to the stockholders of the trust company of record on Dec. 10, 1945. This dividend was effected by transferring \$2,000,000 from surplus to capital, increasing the latter figure from \$2,000,000 to \$4,000,000.

James E. Finegan, Jr., has been appointed Assistant Vice-President of The Manhattan Savings Bank of New York, Willard K. Denton, President, announced on March 11. Mr. Finegan, who had been associated with the Brooklyn Trust Company since 1934, resigned as Assistant Secretary of that institution to accept the new appointment. Born in New York City 38 years ago, Mr. Finegan was graduated from Union College, New York University and Brooklyn Law School. Before his employment with the Brooklyn Trust Company he was associated with the Chase National Bank and the Prudence Company.

Cilius L. Howard, Vice-President in charge of the foreign department of the Continental Bank & Trust Co. of New York, died suddenly at his home in Brooklyn on March 6. Mr. Howard, who was 64 years old, was a graduate of Phillips Exeter Academy. He began his banking career with the National Union Bank of New York and continued with it when it was merged with the National Bank of Commerce.

Later he was with the London office of the Guaranty Trust Co. of New York and the bank's Hong Kong, Shanghai and Manila offices. He was also with the International Banking Corp., in their Manila office, for a time. Returning to New York, he was associated with the International Trust Co., which later merged with the Continental Bank & Trust Co. Mr. Howard was Chairman of the Committee on Banking of the Foreign Commerce Club.

William Jackson Lippincott, Vice-President of the Bankers Trust Company of New York, died suddenly on March 10 at Hobe Sound, Florida. His home was in New York at 1040 Park Avenue. He was born in 1891 in Findlay, Ohio. He was graduated from the Hotchkiss School in 1910 and from Yale University in 1914. Following his graduation from Yale he entered business with Hallgarten & Company and in 1918 became President of the Lippincott Glass Company, which position he held until joining the Bankers Trust Company in 1924. He remained with the Bankers Trust Company until the time of his death and was in charge of the Credit and Security Research Department. He was a member of the Finance Committee of the Eagle Star Insurance Company.

The Albany "Times Union" announced on March 6 that Douglas W. Olcott succeeds his uncle, Robert Olcott, as President of the Mechanics and Farmers Bank of Albany, N. Y., in a reorganization announced on March 5 which promotes five other bank officers. Retirement of two bank officers after long service also was revealed. Robert Olcott, President since 1920, becomes Chairman of the Board of Trustees, a newly created post, as his nephew moves up from the post of Vice-President and Trust Officer.

The new President has been with the bank since 1924. From the Albany "Times Union" we also quote:

"Retiring as officers are Clarence W. Stevens, former Vice-President and Cashier, who has 60 years of service with the bank, and Ira F. Jagger, Assistant Cashier, who has 54 years' service. Mr. Stevens continues as a director and as secretary of the board.

"Five other promotions from the staff announced by the Board of Directors are:

"Russell H. Johnson, with the bank since 1924, elected Assistant Vice-President.

"Harry F. Ebel, with the bank since 1912, elected Cashier.

"Charles A. Schneider, with the bank since 1918, Assistant Cashier.

"T. Gardner Day, with the bank since 1923, elected Trust Officer.

"Lawrence W. Ebel, with the bank since 1918, elected Assistant Trust Officer."

The appointment of Donald R. Griswold as Vice-President of the Connecticut River Banking Company of Hartford, Conn., to take the post made vacant by Frederick F. Fisher, who retired in January, 1943, was announced on March 7 by the Hartford "Courant," which also said:

"Mr. Griswold was a junior partner of the investment firm of Conning and Company before entering the Travelers Bank and Trust Company as Vice-President in 1941. He began his banking career here with the State Bank and Trust Company in 1915. In 1945 he was elected a director of the Travelers Bank and Trust Company. He is also a director of the Windsor Trust Company.

The Hartford "Courant" of March 6 reported that the stockholders of the Bristol Bank and Trust Company of Bristol, Conn., at a special meeting approved the recommendations of directors that the capital of the bank be increased from \$500,000 to \$600,000 by issuing 4,000 additional common shares at par \$25 and to retire its remaining outstanding preferred stock.

Charles E. White, President of the Savings Bank of New London, Conn., died on Feb. 28, at 81 years of age. Mr. White had held the presidency for 16 years and had also served as President of the Savings Bank Association of Connecticut.

Harold H. Sherwood, President of Sherwood Refining Company, Inc., and Edward F. O'Neill, associated with Geo. M. Brewster & Son, Inc., have been elected directors of the Palisades Trust Company of Englewood, N. J.

It was announced on March 7 that the boards of directors of the Broad Street Trust Company and the Chestnut Hill Title & Trust Company of Philadelphia have unanimously approved plans for the merger of the two institutions. The proposed merger is subject to the approval of shareholders of the two banks at special meetings which will be held at a date to be made known later. The plan of merger of the two institutions calls for the exchange of two shares of capital stock of the Broad Street Trust Company for each share of capital stock of Chestnut Hill Title & Trust Company. Consummation of the proposed merger would bring together two institutions, which at Dec. 31, 1945, had combined assets of approximately \$32,000,000. Under the proposed merger plan the present office of the Chestnut Hill Title & Trust Company would be maintained as the Chestnut Hill office of the Broad Street Trust Company.

It is learned from the Philadelphia "Inquirer" of March 6 that completion of the recapitalization plan of the Industrial Trust Company of Philadelphia through the issuance of 130,000 additional shares common and retirement of first and second preferreds was announced by the company. As of March 4, capitalization consisted of \$1,091,125 common and \$655,965 surplus and undivided profits for total of \$1,747,090.

Land Title Bank & Trust Co., of Philadelphia reports to its depositors that assets increased from \$47,223,000 Dec. 31, 1940, to \$88,682,000 Dec. 31, 1945, while normal deposits, excluding U. S. Government deposits, rose from \$23,767,000 Dec. 31, 1940, to \$59,913,000 Dec. 31, 1945.

"Rights" to buy new stock of Riggs National Bank of Washington, D. C., expired on Feb. 27, it is learned from the Washington "Post" of Feb. 28, which also had the following to say:

"Since their appearance on the over-the-counter market about Dec. 11 and their later listing on the Washington Stock Exchange trading has been brisk. Bid price yesterday was \$23 each, with none offered. There were no sales.

"The 'rights' permitted holders to buy new Riggs stock at \$300 a share. Originally they were issued in connection with an increase in capital of Riggs National Bank from \$3,000,000 to \$5,000,000. The recapitalization provided for the payment of a stock dividend of \$1,000,000 and the sale of 10,000 additional shares at \$300 a share. Holders were given the right to purchase one new share for each three old shares."

G. M. Cummings, chief counsel of the Cleveland Trust Co., of Cleveland, Ohio, and a member of its executive committee, retired on pension March 1, after 33 years of service with the bank. The Cleveland "Plain Dealer" indicating this in its issue of March 3, also said in part:

"Mr. Cummings joined the Cleveland Trust Co. in 1913, when he left the law firm of Blandin, Hogsett and Ginn. From 1905 to 1909 he was city solicitor of Mansfield, Ohio. He was graduated from Wittenberg College in 1896 and admitted to the bar in 1898. Since 1918 he has been a member of the Civil Service Commission of East Cleveland, with the exception of one year when he filled a vacancy on the City Commission."

Walter R. Frame, President of the Waukesha National Bank, Waukesha, Wisc., died on Feb. 21; he was 74 years old. Mr. Frame, who was prominent in Waukesa affairs, became President of the bank in 1938. According to the Milwaukee "Journal," in addition to his duties at the bank, he was a director of the Waukesha Motor Co., and Alloy Products, a trustee of the Northwestern Life Insurance Co., treasurer of the Carroll College board of trustees.

Stockholders of the Liberty State Bank of Dallas, Tex., on March 4, approved the increase in capital structure of the bank recommended by the directors on Feb. 20. The increase which brings the capital to \$1,000,000 and surplus to \$1,000,000 and undivided profits to about \$200,000, will be brought about by the sale of an additional 12,500 shares of stock at \$40 per share. This action will increase the number of shares outstanding to 50,000 with a par value of \$20, said the Dallas "Times Herald."

The Board of Governors of the Federal Reserve System announced that on March 1, the American Trust Company, San Francisco, Calif. absorbed the Napa Bank of Commerce of Napa, Calif. In connection with the absorption a branch was established at Napa.

Ludwig Schiff on Feb. 19, was elected to the Board of Directors of the Farmers & Merchants National Bank of Los Angeles, Calif.

John Andrew McLeod, Chairman of the Board of Director of the Bank of Nova Scotia, died on March 5 at the age of 76. Associated Press advices from Victoria, B. C., March 8 stated:

"Born at Summerside, Prince Edward Island, Mr. McLeod joined the bank on Feb. 1, 1887, and had served as Manager at Harbor Grace, Nfld.; Assistant Manager at Chicago and Manager at St. John's, Nfld., Boston, Havana, Cuba, and Chicago. He was appointed Chief Superintendent of branches in 1913, Assistant General Manager in 1923, Vice-President in 1927 and President in 1934, holding that post for more than 10 years.

"Mr. McLeod also had been President of the Canadian Bankers' Association, Vice-President and Director of the National Trust Company, director of the Canada Life Assurance Company, Toronto Savings and Loan Company and Central Canada Loan and Savings Company.

The Bank of Australia after making a transfer to the credit of contingencies account, out of which account provision for all bad and doubtful debts has been made, and after providing for Dominion and United Kingdom taxation on the profits for the year, reports that the profits shown by the profit and loss account for the year to 15th October last, including £237,504. 5s.9d. brought forward from the previous year, enable the directors to declare a final dividend of 5s/- per share (5% actual) less income tax at the full standard rate of 10s/- in the £, payable on 29th March next to proprietors registered in the books of the bank at close of business on 4th March. In announcing this on Feb. 21 the bank said:

"The dividend now announced, together with that paid on 28th September last, represents a distribution for the year at the rate of 7½% per annum before deduction of income tax, as against 6% for the previous year. The net result, however, after applying the provisions of Section 52 Finance (No. 2) Act 1945, which requires that U. K. income tax shall be deducted at the rate of 10s/- in the £, instead of, as hitherto, at a rate arrived at after allowance for Dominion income tax relief, is approximately the same.

"The reserve fund remains at £2,500,000 and the currency reserve at £2,000,000. The net profit for the year was £200,666. 6s. 10d. (last year £195,864. 9s. 5d.) and £246,920. 12s. 7d. will be carried forward to the next account."

Formation of Cuban Sugar Council in N. Y.

Formation of the United States Cuban Sugar Council by a group of sugar companies owning or operating properties in Cuba was announced on March 7 by David M. Keiser, Chairman of the Council, who is President of The Cuban American Sugar Company and an executive of other sugar enterprises. The primary objective of the new organization, it is announced, is to "assure a continuing supply of sugar for the American consumer at a reasonable price by maintaining an adequate flow of Cuban sugar into the United States market." Another objective of the Council is to demonstrate the value of a close relationship between the United States and Cuba in promoting trade between the two countries.

Pointing out that Cuba is a natural source of sugar, Mr. Keiser said, "If the sugar trade between the two countries can be put upon a sounder basis, instead of being subjected to the drastic fluctuations of past years, no one will need to fear a sugar shortage, even in war-time, and economic conditions in both countries will be benefited. This can be achieved without losing sight of the fact that the domestic and insular sugar industry is also an established part of the United States economy." He also stated in part:

"The Council is advocating a program which will enable sugar producers in Cuba to plan intelligently in advance and provide the United States with enough sugar to fill the gap between consumption and present production. An agricultural enterprise cannot adjust itself to abrupt changes in the market. It is not an assembly line to be halted or started by turning a switch. This is particularly true of sugar cane where a planting program must be initiated one or two years in advance of cutting, and costs can be recovered only by harvesting more than one crop.

"The benefits of a healthy sugar industry in Cuba extend beyond the assurance of adequate supply. For the United States, it means a larger market in Cuba for foodstuffs, textiles and manufactured products from this country. For Cuba, it means the employment of hundreds of thousands of workers, general commercial activity, and better economic conditions."

Offices of the Council are being established at 136 Front Street, New York City. Richard N. Cowell is Secretary of the new organization. Companies affiliated with the Council include: Caribbean Sugar Company, Central Violeta Sugar Company, Cuban Atlantic Sugar Company, Fidelity Sugar Company, Guantanamo Sugar Company, Manati Sugar Company, New Niquero Sugar Company, Punta Alegre Sugar Corporation, Tanamo Sugar Company, The American Sugar Refining Company, The Cuban American Sugar Company, The Francisco Sugar Company, Tuinucu Sugar Company, Vertientes-Camaguey Sugar Company.