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Dollars and Banks

By THOMAS I. PARKINSON*
President, the Equitable Life Assurance Society

Pointing Out Dangers in Our Inconvertible Currency System Under Present Excessive Money Supply, Mr. Parkinson Outlines the Creation, by Bank Buying of Government Bonds, of Surplus Money. Asserts Federal Reserve Board Is No Longer Independent and Is Following Dictates of the Treasury. Says Difficulty Lies in Bringing Sound Bank and Monetary Practice Into Agreement With Treasury's Insatiable Desire for Lower Interest Rates, and Urges Commercial Banks Take Action to Stem Increase in "Inflation" Deposits. Contends More Production Will Not Alone Stabilize Money Supply or Prevent Inflation.

You know practically all of my business experience and business responsibility have involved taking care of other people's money. That gives me something in common with you. But my responsibility, especially in the insurance business, involves particularly the investment of other people's money. The money that people have entrusted to my care has not been that portion of their money which they use for current needs. The money of other people for which I have been and am responsible is that portion of their money which they put away for some future use. And, therefore, my responsibility and my interest lie in the long term and the long view. When you put away some portion of your present values for future use and you put them in a form in which they will be returned to you in money rather than in goods, you are and ought to be interested in the present and future stability and purchasing value of that money. The investments which I make for other people are in terms of dollars. Therefore, I am talking to you today about the present and future volume and value of dollars.

T. I. Parkinson

> A. Wilfred May's column, **"Observations,"** is again omitted because of the current meeting of the UNO Security Council in New York City. For Mr. May's commentary thereon see cover page of Section 1 of today's issue.

First, let me say that I did not come here to read an essay on the subject indicated by my title. I don't like to read and I am not an expert in this monetary field. Indeed, I am always too close to

*An address by Mr. Parkinson before the Bond Club of Philadelphia, March 12, 1946.

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The State of Trade

Total industrial production continued to rise the past week and reports from many cities, likewise, indicated a gain in employment and payrolls. Notwithstanding these favorable factors, shortages of raw materials obtained to curtail output in some industries, while a dearth of skilled workers impeded increased production in others. The week ending March 16 revealed a further decline in unemployment claims which amounted to 10%.

For the week beginning April 1, the operating rate of the steel companies was placed at 89.4% of capacity, while output of electricity both for New York City and the country was above that of the preceding week. Carloadings of revenue freight for the week ended March 23 also showed some improvement, being 4,724 cars above those of the previous week. Paper production advanced to 105% the same week, but paperboard output declined in the week to 99%. A welcome feature was the reduction that occurred in the week ending March 28 of business failures. The drop according to Dun & Bradstreet, Inc., took place in larger failures of $5,000 or more, while small failures showed an increase, but were only two-thirds those in the comparable week of 1945.

The expected strike of bituminous coal miners came to pass at 12:01 a. m., on Monday of this week when 400,000 soft coal miners remained away from the pits.

The present coal strike is the second largest single strike in the country since the end of the war, being outranked in size only by the four weeks' walkout of 800,000 steel workers who last February were successful in obtaining a wage increase of 18½ cents an hour. The miners are seeking improved working conditions involving health and welfare programs and wages.

The operators on Tuesday of this week rejected safety demands of the United Mine Workers Union of which John L. Lewis is President. Mr. Lewis stated that the management representatives had on that day rejected three un-

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Reports on Real Estate Activities

Housing Expediter Wyatt Says Prices Range From 25% to Well Over 100% of 1940 Level. Greatest Rise Occurred Since V-J Day Notably in Homes. Says Congress Should Make Provision in Patman Bill to Curb Speculation.

Real estate prices have increased from 16% to 18% in larger cities since V-J Day alone and now range from 25% to well above 100% over 1940—an inflation "far worse even than had been anticipated"—according to a report made to National Housing Expediter Wilson W. Wyatt, made public on March 29.

Wilson W. Wyatt

The report covered 84 cities of 100,000 or more population and 250 smaller cities. It was conducted by presidents of Federal Home Loan Banks, regional managers of the Home Owners' Loan Corporation, insuring offices of the Federal Housing Administration, and Mr. Wyatt's regional expediters.

Special study was made of price rises since the spring of 1940 and since V-J Day, and the effect of those rises on homes which, in 1940, sold for $6,000 or less and on those which sold for $6,000 to $12,000.

The survey also included a study of increases in the prices of raw acreage and fully prepared building lots and showed such increases were even greater than those on existing homes.

On houses which sold for $6,000 or less in 1940, the larger cities reported as follows: Nine cities (11%) show price increases of 100% or more; 23 cities (27%) show increases of 75—100%; 24 cities (40%) report price increases

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GENERAL CONTENTS

Editorial

The Financial Situation

It was perhaps inevitable that the hearings and discussions incident to a decision by Congress whether or not to renew the authority of the President or his associates to control prices would give evidence of much confusion of thought and an expression to at least a modicum of sheer nonsense. At any rate, such has actually been the course of events during the past few weeks. As was once true of the word "deflation," the expression "inflation" is now a word to conjure with, politically speaking. The fact that it can be made to do such yeomanly service in the current campaign for a continuation of planned economy bears witness, we are afraid, to a great deal of misunderstanding in the minds of the general public, and we must add, also in the minds of many who call themselves economists.

Rightly or wrongly, "inflation" has to the man in the street, and, for that matter, to most observers of much greater intellectual attainments, come to mean simply any fairly substantial, fairly rapid, and general rise in prices, particularly perhaps prices at retail of those things which the rank and file of the people buy. One very natural result is that attention is directed primarily at prices rather than at factors which cause prices to move in this or that direction. It easily follows that popular effort to avoid "inflation" as thus defined is directed chiefly if not solely at effects or end results rather than at causes.

Another Handicap

Another great handicap under which those who would inject at least a measure of common sense into all these discussions must suffer, is the public faith in, not to say worship of, "statistics," "indexes," "charts," "projections," and the like. Of course, those who would persuade Congress to renew price control authorization find it very simple to select various "series," and to concoct impressive looking "charts,"

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From Washington Ahead of the News

By CARLISLE BARGERON

As an example of the misrepresentation which is being given about public affairs these days the impression is widespread that a relatively small group of Democrats—Southerners—are joining up with "reactionary" Republicans to thwart the Administration's great Liberal program. That great Liberal, Henry Wallace, has, indeed, called for the punishment of these recalcitrants, and at the recent Jackson Day dinner, Truman was finally bludgeoned into inserting a paragraph in his speech which was intended to give support to Wallace.

Carlisle Bargeron

It is rather an amazing situation. The plain facts are that the so-called Liberals are in a minority even in the Democratic party. We are speaking of Congress, of course. The Conservatives constitute the majority. It is not a case of Truman's "Liberal" program being held up primarily by backsliders in his own party. He could not even get it through a party caucus. The highest vote any of these measures has been able to get in the House is 140. At least 30 or 40 votes are drawn from the Republicans, leaving only 100 or 110, at the most, Democrats who are supposedly knifing the Administration leadership. There are 232 Democratic members of the House. The ratio in the Senate is even greater. There are proportionately fewer "Liberals" among the Democrats in that body than in the House.

This is not the picture the country is getting. The reason is, manifestly, that although the "Liberals" are relatively few in numbers they are mightily vociferous. They have the propaganda machinery for which the taxpayers are paying. It is not only a fact that these elements do not constitute a majority in either one of the major parties, but that by and large they command little respect among their colleagues. Some of

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Price Control Successful

By HON. FRED M. VINSON*
Secretary of the Treasury

Contending That Extension of the Stabilization Act, Without Crippling Amendments, Is the Biggest Aspect of Battle Against Inflation, Secretary Vinson Holds That Wartime Price Control Has Been Successful, and That by Continuing Control the Aftermath of World War I Can Be Avoided. Says We Are on Our Way to a Balanced Budget and That the Only Long-Term Solution of Problem of Revenue and Debt Management Is High-Level Production. Denies That Price Control Removal Will Increase Production.

I am always very pleased to appear before this able Committee of the Congress. Before this Committee comes some of the most important legislation considered by the Congress. I have ever found your work to be painstaking and thorough and all of the members of the Committee have a high devotion to duty and honesty of purpose.

Secretary Vinson

Of all the important subjects you are called upon to consider, none, in my judgment, outranks the prevention of inflation. The extension of the Stabilization Act, without crippling amendments, is the biggest single aspect of our battle against inflation. We won this battle year after year during the war, and I am confident that now we are not going to walk off the field and lose by default.

The battle against inflation was my direct assignment from our great President, Franklin D. Roosevelt, for nearly two years. Later in the Office of War Mobilization and Reconversion, I had a no less vital interest in economic stabilization while William H. Davis was the field general in the Office of Economic Stabilization. At all times both of us had the courageous and able help of Chester Bowles, the Administrator of the Office of Price Administration. I should like to report also that Paul Porter was one of my assistants while I was in the Office of Economic Stabilization. He did a fine job for us there, and I have full confidence in his ability to administer with success the Office of Price Administration while Chester Bowles is carrying out the over-all program of economic stabilization. We were all fortunate to be working under a law that gave us full opportunity to accomplish the results that were desired and expected. We had a good team to administer the law. And my brief summary shows that the team, while having some changes, is still intact.

It is, I believe, a part of our common knowledge that war brings powerful inflationary pressures to bear on the economy. This is because a large proportion of the population is removed from its normal tasks of making goods and rendering services for the civilian population, and is placed, instead, in the business of making the goods and rendering the services of war. The product of the persons in the armed forces and in the war industries is not of a type which can be sold to the civilian population; but the persons producing it continue to receive incomes, and these incomes will be spent, in large part, on the products of the persons still in the civilian industries. During war, all of the population is living on the product of only part of it.

Upward Pressure on Prices

An upward pressure on prices is inevitable, therefore, and can only be counteracted by vigorous measures on the part of the Government. In the case of the war which we have just finished, these upward pressures were the most powerful which have yet been generated in the American economy; but the American people, acting through their Government, combated them so vigorously that the rise in prices during the war which has just ended was less than in any previous major war in which the United States has been engaged.

For a considerable period during World War II, about half of the national product was going for war purposes. This compares with a maximum of only about one-fourth of the national product going for war purposes in World War I—and then for a much shorter period. Yet, retail prices paid by consumers, as measured in each case by the index number of the Bureau of Labor Statistics, advanced only 31% between the outbreak of the war in Europe in 1939 and V-J Day, as compared with a rise of 62% between the outbreak of the war in Europe in 1914 and Armistice Day.

What were the measures by which prices were thus held down during World War II? They may be grouped into three major classes: taxation, the stimulation of savings; and direct controls over prices and the physical allocation of goods.

All three of these methods were applied also in World War I; yet prices rose much more, although in response to weaker pressures. Why, then, were we so much more successful in World War II?

In the first place, we applied all of the methods in a more vigorous fashion. This was made possible, in large part, because we started sooner. We took our first step toward the wartime level of taxation with the enactment of the first Revenue Act of 1940 in June 1940; we formed the Advisory Commission to the Council of National Defense in May, 1940, and so commenced the organization of the allocation of goods on the physical level; we formed the Defense Savings Staff in March 1941, and so commenced the organization of war savings. In World War I, all of the corresponding steps were taken after we had entered the war.

As a consequence, in part, of starting earlier, we have achieved better results on the fiscal front in World War II. From July 1, 1940, about the beginning of the program of defense finance, to the present time, 44% of the expenditures of the Federal Government have been covered by taxation and other nonborrowing receipts. This compares with 33% for the World War I period beginning with the outbreak of the war in Europe and continuing to June 30, 1919.

The most important difference between World War I and World War II, however, is the difference in emphasis on the different types of controls. We learned a great deal from experience. In World War I, very little emphasis was placed on direct controls. There

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*Statement of Secretary Vinson before the House Banking and Currency Committee on the Extension of the Stabilization Act, March 27, 1946.

Midwest States Hold Housing Conference; Urge OPA End

At a housing conference at Des Moines, Ia., on March 25, Governors and other representatives of 14 Midwest States adopted three resolutions pertaining to the Office of Price Administration. The resolutions, drawn up by a committee composed of the six Governors present, asked of Congress, according to Associated Press advices:

1. That the OPA gradually be liquidated, the liquidation to be followed up with an end of Government control of industry.

2. That legislation be enacted to specifically define the duties of the OPA, with provision for the protection of the public rather than the fixing of profits.

3. That OPA be obliged to immediately establish price ceilings which would encourage the full production of lumber and other building materials.

The Governors comprising the committee were Robert D. Blue of Iowa, Chairman, and sponsor of the conference; John C. Vivian of Colorado, Dwight Green of Illinois, Edward J. Thye of Minnesota, Dwight Griswold of Nebraska and Fred G. Andahl of North Dakota. Other states represented at the conference, according to the Associated Press, were Indiana, Kansas, Kentucky, Michigan, Ohio, Oklahoma, South Dakota and Wisconsin.

From the Associated Press we quote:

"The housing discussions have proven conclusively that the real bottleneck causing the housing shortage is the lack of lumber and other building materials," said a preamble to the resolutions. The preamble said also "the policies of the Federal agencies have retarded the production and distribution of these materials."

Governor Blue sounded the keynote when he declared that one of the means of solution was abolishment of restrictive policies of the Federal Government which he said were "delaying and blocking production." He went on to say that the nation has failed to make a reasonable effort to apply the method of mass production to the problem of housing, adding that this method seemed to offer the best hope of lower costs and increased home construction.

Purcell Denies He Will Resign From SEC

Denial of reports that he has resigned was made on March 29 by Ganson Purcell, Chairman of the Securities and Exchange Commission. This was noted in special Washington advices March 29 to the New York "World Telegram," which also had the following to say, in part:

"He is attending hearings before the Boren Committee. Reports of his resignation have persisted in the face of a White House denial last Monday.

"Mr. Purcell said emphatically that his resignation is not in and that it has not been offered, and that the best evidence of that was the White House denial.

"It is known that he has had outside offers in the past but has chosen to remain with the Commission. As to the long term future the SEC head admits he does not know and adds: 'I have never thought that I would spend the rest of my life in this job.'

"Friends, in commenting on the reports, point out that he has been with the Commission for nearly 12 years, five of which he served as a Commissioner and four as Chairman."

"Death Sentence" Clause of Public Utility Holding Act Upheld by Supreme Court

The United States Supreme Court on April 1 upheld the constitutionality of the "death sentence" clause of the Public Utility Holding Company Act, which clause requires interstate gas and electric holding companies to limit their operations to a single, integrated system, states an Associated Press dispatch, which further goes on to say:

The Court ruled on an appeal by the North American Co. from an order by the Securities and Exchange Commission that the company divest itself of all but one of its utility systems.

Justice Murphy delivered the Court's 6 to 0 opinion. Justices Douglas, Reed and Jackson did not participate in the decision.

The North American Co. said the SEC order, issued in 1942, required it to dispose of assets which cost about $190,000,000. The SEC told North American to confine its activities to a system in the St. Louis area. The Federal Circuit Court in New York City upheld the order and affirmed constitutionality of the clause.

The North American Co. appealed to the Supreme Court in February, 1943. But the Tribunal was unable to act previously because it lacked a quorum in the case.

The Justice Department told the Supreme Court the Act was passed in 1935 after Congress found many evils grew out of holding company activities.

The Department said these included "inflationary write-ups acquisition of properties at grossly unfair prices, and preoccupation of management with financial maneuvering rather than efficient production and distribution of gas and electricity and the meeting of local needs."

Justice Murphy, speaking for the Court, said that Congress in enacting the death sentence clause was "concerned with the economic evils resulting from unco-ordinated and unintegrated public utility holding company systems."

"These evils," he said, "were found to be polluting the channels of interstate commerce and to take the form of transactions occurring in and concerning more States than one.

"Congress also found that the national welfare was thereby harmed, as well as the interests of investors and consumers. These evils, moreover, were traceable in large part to the nature and extent of the securities owned by the holding companies.

"Congress, therefore, had power under the commerce clause to attempt to remove those evils by ordering the holding companies to divest themselves of the securities that made such evils possible."

Justice Murphy said that the North American Co.'s contention that the ownership of securities is not in itself interstate commerce and hence may not be made the basis of Federal legislation "misconceives the issue in this case," and added that the same misconception existed more than 40 years ago in a case involving the Northern Securities Co.

"Inasmuch as Congress may protect the freedom of interstate commerce by any means that are appropriate and that are lawful and not prohibited by the Constitution," Justice Murphy said, "this Court in the Northern Securities Co. case recognized that Congress may deal with and affect the ownership of securities in order to protect the freedom of commerce. Congress likewise has the power in this case."

He added that Congress had concluded, after extensive studies made before passage of the Act that "the economic advantages of a holding company at the top of an unintegrated, sprawling system are not commensurate with resulting economic disadvantages."

The reasonableness of that conclusion, he said, is for Congress to determine.

"The fact that valuable interests may be affected does not, by itself, render invalid under the due process clause the determination made by Congress," the opinion declared.

Justice Murphy said the contention was made that the death sentence clause as applied to the North American Co. was unconstitutional "since none of the evils that led Congress to enact the statute are present in this instance."

"But," the opinion added, "if evils disclosed themselves which entitled Congress to legislate as it did, Congress had power to legislate generally, unlimited by proof of the existence of the evils in each particular situation."

Diplomacy of Fear May Lead to War: Tobey

The assertion was made on March 28 by Senator Charles W. Tobey, "if we persist in a policy of shadow-boxing or trading about the bomb, it is clear to me that another armament race is on, and the third world war is just below the horizon." Senator Tobey (Republican) of New Hampshire spoke thus in an address to a dinner meeting of the Downtown Community School at the Waldorf-Astoria, according to the New York "Herald Tribune" of March 29, which also indicated that he stated that the diplomacy of fear evoked by the atomic bomb will lead straight to war unless the United States and Russia get together in a revival of common honesty and integrity. From the same paper we quote:

"Last January, the Senator said, he went to President Truman out of concern about atom policy. He 'made representations,' that 'the first thing to do was meet with Great Britain and the Soviet Union and 'reason together.'

"The occasion was the presentation of the Avon Award of Honor to Dr. Margaret Mead, anthropologist and mother of a pupil in the school, for outstanding achievement by a woman in social science.

"In accepting the award and a $1,000 war bond Dr. Mead spoke on 'Educational Urgencies in the Atomic Age.' Her point was that modern forms of schooling, which take learning into and out of the streets and shops and cities, are civilized man's hope of 'catching up with ourselves again' and surviving.

"Other speakers were Mrs. Ellen Steele Reece, director of the school; Leonard Boudin, board president; Mrs. Charlotte Hawkins Brown, director of the Palmer Memorial Institute, and Miss Fannie Hurst, novelist."

Locke Aide to Truman

It was announced at the White House on March 19 that President Truman has appointed Edwin A. Locke Jr., of Boston as a special Presidential assistant. The announcement indicated that Mr. Locke will work with the President on governmental reorganization, among other duties. In Associated Press advices from Washington, March 19, it was stated: Mr. Locke, a former executive assistant to Donald M. Nelson, both when the latter was War Production Board Chairman and later when he was the President's personal representative on economic problems of China, will also be available for assignment in that theater.

When Mr. Nelson gave up the Chinese economic post (he helped set up a WPB for China) Mr. Locke succeeded him in May, 1945, as the President's personal representative on Chinese economic problems.

Ten Years of This Nonsense?

"Conversation with Germans in the United States zone reveals that so far we have not been successful in convincing them of Germany's war guilt or of their own collective responsibility in the National Socialist regime and its excesses. This is particularly true of the younger Germans, including most of the war veterans, who refuse to listen to either Germans or Americans who emphasize this point.

"University students at Erlangen, north of Nuremberg, are an example of this tendency. When Pastor Martin Niemoeller tried to explain collective responsibility to them in a speech, they made so much noise that his words were lost.

* * *

"It is frequently noted, too, that no amount of pleading by German politicians and political writers in the press of the United States zone seems to have any effect on the political lethargy of most of the young people. Although they constitute the group which sooner or later will provide Germany's leaders, they are as yet uninterested in politics and occasionally are bitterly antagonistic toward those Germans now holding political posts under the United States Military Government or heading various political parties in the zone.

* * *

"Although the results thus far have not been as solid as one might wish, there seems good reason to believe that, if the occupation lasts for 10 years and if for 10 years press, magazines and radio provide the Germans with a clear exposition of how democracy works, why it is to their advantage to adopt a democratic form of government, and why the free economy of the United States and other western democracies is in the long run superior to totalitarian ideologies, the German mind will be diverted from fascism, militarism and pan-Germanism toward representative government and peaceful ideals." — Drew Middleton in the New York "Times."

In 10 years? !

Heaven help both the Germans and the rest of us if we do not come to a realization of the innate nonsense of much of this "re-education" business in much less than a decade.

Explains Report on Wages in Auto Industry

Secretary Wallace States That It Was Not Intended as an Official Forecast of Costs, Prices or Profits, but Merely "as a Reasonable Range of Assumptions."

Secretary of Commerce Henry A. Wallace on March 15 issued the following statement, made after studies and discussions with the Business Advisory Counsel of the Department:

Henry A. Wallace

The report on the automobile industry dealing with cost, price and profit relationships, released to the press on Nov. 1, 1945, [published in the "Chronicle," Nov. 8, 1945, p. 2209] has been the subject of much controversy. That report, based on a study by Harold Wein, an economist, who submitted it to the Department of Commerce for publication, reflected an initial effort in the development of statistical methods and techniques to determine and project cost, price and profit relationships under varying assumptions as to volume of production and sales. There are of course inherent uncertainties in projecting cost, price and profit relationships for any specific industry and even for industry as a whole. Such projections are obviously dependent on assumptions as to future costs, selling prices and specific methods of projection.

The projections in the release of November 1 were not intended, nor should they have been regarded, as official forecasts of costs, prices, or profits for the automobile industry or for industry as a whole. The study was intended as a projection based on specific and varying assumptions to point to the kinds of problems involved in the analysis of cost, price and profit relationships. Such projections, although based on what seemed to be a reasonable range of assumptions, were not intended nor should they have been interpreted as forecasts of what would actually happen. The development of analytical techniques and methods should be perfected and it would be highly desirable for economists and statisticians in business, in universities, and in government to cooperate toward the improvement of these techniques.

The fact-gathering aspects of the Department of Commerce program have received wide business support and, in fact, have been designed largely at the request, and with the assistance, of the business community. In working out the details of its program, the Department is currently developing its policy relating to statistical subject matter and techniques. In developing policy and program, the various bureaus and offices of the Department are working closely with interested business groups to the end that our statistical and economic reports will have maximum usefulness to industry, business and government.

Order Issued by CPA for Building Curbs

A Government order, issued on Mar. 26 by the Civilian Production Administration, controlling the use of building materials in order that during the shortage period the largest amount available may be used primarily for the construction of homes for veterans, is probably as far-reaching in its implications as any restrictive business regulations issued during the war. As a consequence of the directive, announced by CPA Administrator John D. Small and National Housing Expeditor Wilson W. Wyatt, all construction and repairs to buildings of a non-residential nature will be seriously curtailed; although its issuance has been expected for a long time, it was hoped that a wider use of materials for civilian construction might have been made available.

The essential portions of the text of the order, known as Veterans' Housing Program, Order 1, dated March 26, was reported by the Associated Press from Washington, as follows:

"Beginning today, no new construction or repairs to existing structures, with certain exceptions described below, may be undertaken in the United States, Puerto Rico or the Virgin Islands, without specific governmental authorization, Civilian Production Administration John D. Small and National Housing Expeditor Wilson W. Wyatt said today in announcing the issuance by CPA of veterans emergency housing program order No. 1.

"Administrator Small explained that the Civilian Production Administration is setting up in each of the Federal Housing Administration cities a CPA construction office. Associated with each of these CPA offices will be an advisory committee of outstanding citizens; including one recommended by the Mayor or Governor, one from the ranks of general business (Chamber of Commerce), a representative of the builders, of building materials, the press, etc., as well as the district manager of the Federal Housing Administration.

"This citizens' committee will therefore be composed of men in whom the community can have full confidence and who will screen each project in the light of the peculiarities of the local situation," Mr. Small said. "They will determine first if it is essential under existing conditions. If the project is not essential, it will be rejected. And even if it is essential they will ask—'Can it be deferred?' If it can, it will be rejected, unless the project has no adverse impact on the housing program, in the way of the labor supply or building materials.

"The order does not forbid continuance of work already begun, that is, work on which materials that are to be an integral part of the structure have been incorporated into the structure on the site and which is being carried on at the time of issuance of the order.

"The prohibition is effective immediately and applies whether or not the materials needed are on hand or are available without priorities assistance.

"'Structure,' as defined by the order, includes buildings, piers, arenas, stadia and grandstands, motion picture sets, and billboards, regardless of whether they are of a permanent or temporary nature. However, used stands or structures which are being reerected for temporary purposes only are exempt from the order.

"No person may sell or deliver materials which he knows or has reason to believe will be used in work prohibited under this order, nor may any person either carry on or participate in work prohibited by this order.

"Kinds of work that are restricted by the order are: Constructing, repairing, making additions or alterations, improving or converting structures or installing or relocating fixtures or mechanical equipment (heating, lighting, ventilating and plumbing equipment) in structures which involves the putting up or putting together of processed materials, products or equipment if these items are:

A. Attached to the land or

B. Attached to a structure and used as a part of it, or

C. Attached so firmly to the land or structure that removal would injure the item.

WHAT THE ORDER DOES NOT DO

"(1) It does not forbid or require authorization for the completion of construction jobs on which materials which are to be an integral part of the structure were incorporated on the site before March 26 and which are being carried on at that date. It does not require further authorization for construction jobs for which preference ratings have been issued under Priorities Regulation 35 (The Veterans Emergency Housing Program).

"(2) It does not apply to repainting or repapering or to greasing and repairing or installing repair or replacement parts in existing equipment, where no change is made in the structure itself.

"(3) It does not apply to roads, streets, sidewalks, railroad or street or interurban or plant railway tracks or operating facilities (other than buildings), fences, silos, bridges, tunnels, subways, pipe lines, power or utility lines, sewers, surface or underground mines, wells, dams or canals.

"(4) It does not apply to certain repair and maintenance work in industrial, utility and transportation structures, unless such work is capitalized for taxation purposes.

"(5) It does not apply to the installation on the ground or outside a structure of any kind of equipment not attached to the structure.

"(6) It does not apply to military construction or to projects of the Veterans' Administration. The Federal Government is forming an inter-agency committee to screen at the source and, wherever possible, postpone its own building activities.

"(7) It does not apply to the minimum work necessary in disasters to prevent more damage to a structure and its contents which have been damaged by flood, fire or the like or to the rebuilding or repairing of a house or farm building when the reconstruction costs no more than $6,000 and is started within 60 days of the disaster.

ALLOWANCE EXEMPTIONS

"(8) It does not apply to construction, repair, alteration or installation jobs on which the cost does not exceed the allowances listed below for particular classes of structures. Applications must be made for authorization to do work in excess of these cost allowances:

"(I) House, including a farmhouse or other structure (such as garage) on residential property, designed for occupancy by five families or less—$400 a job.

"(II) Hotel, resort, apartment house or other residential building designed for occupancy by more than five families—$1,000 a job.

"(III) Commercial or service establishment such as office, store, garage, theater, warehouse, radio station, gas service station—$1,000 a job.

"(IV) Farm (excluding farmhouse—see 'I' above)—$1,000 a job.

"(V) Church, hospital, school, public building, charitable institution—$1,000 a job.

"(VI) Factory, plant or other industrial structure used for manufacturing, processing or assembling; logging and lumber camp; pier, structure for a commercial airport or carrier terminal; railroad or street railway building; research laboratory; pilot plant; motion picture set; utility structure, including telephone and telegraph; oil, gas or petroleum refining or distribution (except service stations and garages)—$15,000 a job.

"In computing the cost of a job in a structure covered by the preceding paragraph (VI) the cost or value of equipment (other than mechanical equipment) and the cost of labor used to assemble or install these items may be excluded. The exclusion may not include the cost of equipment used for heating, lighting, ventilating or providing sanitary services within a building.

"(VII) Other structures covered by the order but not in the above general classes—$200 a job.

"Computation of the cost of a job to determine if it comes within these cost allowances must (with the exception mentioned after the paragraph (VI) above) be on the cost of the entire construction job as estimated at the time of beginning construction, including paid labor, value of new mechanical equipment, fixtures and materials incorporated in the structure and contractors' fees.

"If a structure is used for more than one purpose, the use to which the greater part of it is put will determine the class into which it falls. If a structure is being converted, the allowance applicable to it after the conversion is the maximum allowance for the job.

AUTHORIZATIONS FOR WORK PROHIBITED BY THE ORDER

"A person who wishes to begin work which would otherwise be prohibited by this order without an authorization may apply for an authorization, as follows:

"1. For housing jobs, application for authorization should be made on form CPA-4386. Non-farm housing applications should be filed with the local office of the Federal Housing Administration, and farm housing applications should be filed with the local county agricultural conservation committee.

"2. For non-housing farm jobs, application should be made on a CPA form and filed with the nearest county agricultural conservation committee.

"3. For all other construction or repair work covered by the order, application should be made on a CPA form and filed with the nearest district construction office of the Civilian Production Administration.

"Action on applications covering 'other construction or repair work' will be taken in the 71 district construction offices which the Civilian Production Administration is establishing for this purpose. Each state will have at least one such CPA construction office in it."

Knutson Proposes Cutting Taxes, Federal Expenditures

A proposal to cut individual income taxes by 10% in 1947 and at the same time to reduce Federal expenditures by $5,000,000,000 in the 1947 fiscal year came from Representative Knutson of Minnesota, ranking Republican member of the House Ways and Means Committee, according to Washington advices to the Associated Press on March 26. Mr. Knutson told the House that a 10% cut in normal and surtax rates would total $1,400,000,000 next year.

"This," said the Associated Press, "added to the anticipated deficit shown in the budget for the fiscal year ending June 30, 1947, of $3,600,000,000, will just about offset the $5,000,000,000 reduction in expenditures upon which the tax relief proposed to be granted is conditioned," he said.

The Financial Situation

(Continued from first page)

"graphs," or "curves" which "prove" to a nicety and quite "conclusively" whatever it is that the authorities wish to demonstrate. Those who would point out the fallacies imbedded in these demonstrations, must first of all somehow erase from gullible minds the effect of these skillfully drawn pictures based upon data which is official and therefore (to the layman) quite indisputable.

They must likewise often employ every day experiences with quite "unofficial" figures found in the so-called black markets which, of course, official figures never reflect, and which do not lend themselves to the mass statistical treatment which seems per se to be so convincing to the lay mind. They, too, not infrequently must apply keen analysis and hard commonsense to masses of data to break the "case" of those who have employed modern statistical propaganda—i. e. make use of reasoning which inevitably tends to be difficult, involved, or too exacting for popular consumption.

Were it not for these unfortunate circumstances much of the nonsense which now gains such currency probably could not make a great deal of headway even though enjoying the advantage of the "sounding board" afforded by a Congressional hearing. If it were possible to stop the flood of words about "inflation"—meaning merely higher prices—long enough to inquire calmly and intelligently why higher prices have arrived and why still higher prices may be expected in the future; if it were possible to make use of this eminently sensible approach to current questions it would be quite impossible, one must suppose, for discussions to be so completely monopolized by groups or elements in the population which say they have and which probably believe they have nostrums which would or will keep prices within limits chosen by them.

Effects and Their Causes

It requires but a moment's thought to realize that the proponents of price control have nothing to offer which has any bearing upon the cause of higher prices or the danger of higher prices. All they can do is in effect to suggest that "directives" be issued to the public at large forbidding it to permit natural economic forces to operate, and to insist that individuals and business enterprises be severely punished if they act as normal human beings have always acted. Not one word about the inevitable effect of war upon nearly all the elements which normally and inevitably combine to determine prices—or at any rate the effect which war has always had upon these things; not one word about governmental policies which have in the past needlessly "inflated" the money supply, and which are apparently to be continued with similar effect; not one word about those breaches in the line of control which have already been made, and which must in the course of time be reflected throughout the economy—such topics as these are not for the politician.

These underlying developments which tend to push prices up are what used to be called "inflation," and what should be termed "inflation" today if real progress is to be made in any effort to combat or control all the maladjustments which such cause brings—both in the form of price changes and otherwise. Of course, in this sense—the true sense, so we believe—inflation is not only present at this moment but is far advanced. If this is the true state of affairs—and who can well doubt it?—then the first and most vital question does not have to do with preventing inflation already existing from having its natural effect in the economic structure. Nothing the authorities or the legislatures can do is likely to prevent such causes from producing normal effects at one time or another or in one form or another. Obviously, our task is to do what can be done to reduce the degree of inflation already existing—i. e. these underlying causes already developed within the economy—or at the very least take steps which will insure that they will not attain greater proportions in the future. But such a course would be dealing with causes rather than with effects or symptoms—and that is the last thing the politician is likely to think of!

Controlling Effects

At any rate, since "inflation" in the scare-head propaganda in support of further price control refers to the every day effect of underlying conditions, and in the popular mind has no connotation respecting the governing causes, the pressure of public opinion is normally found to be directed at such effects—and all too often in support of ways and means of controlling or eliminating these effects, ways and means which have not a ghost of a chance of proving lastingly effective. Of course, they are not proving effective now as every housewife finds every day of her life, and, as every retail buyer knows from his daily business transactions—this despite all the production and price statistics which the authorities are so fond of parading before the public. The strange part of all this is that the man in the street is fully convinced that price control today is not effective, and yet is more often than not loudly engaged in supporting it and demanding a continuation of it. He can hardly believe that the situation would be cured by adding further to that army of enforcing staff now spying around the country!

Such is the result of careless playing with words—or should we say crafty misuse of words?

NYSE Short Interest to March 15 Reported

The New York Stock Exchange made public on March 20 the following:

The short interest as of the close of business on the March 15, 1946, settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 1,015,772 shares, compared with 1,181,222 shares on Feb. 15, 1946, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the March 15, 1946 settlement date, the total short interest in all odd-lot dealers' accounts was 48,812 shares, compared with 73,359 shares on Feb. 15, 1946.

The Exchange's report added:

Of the 1,277 individual stock issues listed on the Exchange on March 15, 1946, there were 62 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month.

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

1945—	
Mar. 15	1,520,384
Apr. 13	1,361,495
May 15	1,486,504
June 15	1,554,069
July 13	1,420,574
Aug. 14	1,305,780
Sept. 14	1,327,109
Oct. 15	1,404,483
Nov. 15	1,566,015
Dec. 15	1,465,798
1946—	
Jan. 15	1,270,098
Feb. 15	1,181,222
Mar. 15	1,015,772

Porter Discusses Possible Price Rises

Paul A. Porter, chief of the Office of Price Administration, speaking at a luncheon in New York on March 22 under the auspices of the Committee of One Thousand of the Union for Democratic Action, discussed the likelihood of a slight acceleration in the increase of prices as a result of the Administration's new wage-price policy and OPA's "determination to remove all price impediments to production," but declared that the level of rents and food price averages as well as various other living costs will scarcely be affected. "In the majority of American industries," he added, according to the "Journal of Commerce," prospective earnings are so well above prewar levels that reasonable wage increases can be negotiated without raising prices."

Mr. Porter readily admitted that some prices among consumers' metal durable goods would experience an increase under the new wage-price policy. He declared, "Where these price increases are necessary, they will be made promptly, not only to speed production by removing business hardships, but also to minimize withholding of goods while prices are being adjusted."

Larger Proportion of Deposits Covered by Insur. Than in Prewar, FDIC Chairman Reports

A larger proportion of total deposits is now covered by the $5,000 maximum insurance for each depositor than in the prewar period, FDIC Chairman Maple T. Harl announced on March 25 in summarizing the recent survey of accounts in insured banks.

"This survey," he says, "showed that on Oct. 10, 1945, 13,481 insured commercial and mutual savings banks held total deposits amounting to $141 billion. Of these deposits $66 billion or 46% were covered by the provision of a $5,000 maximum for each depositor. On Sept. 24, 1941, the latest date for which similar data were reported, insured banks held total deposits amounting to $70 billion of which $28 billion or 39% were covered." Mr. Harl also says in part:

"During the 4-year period the number of accounts in insured banks increased from 69 million to 92 million. At the close of the war 36 accounts out of each 1,000 were in excess of $5,000 as compared with 19 in the fall of 1941. This increase in the proportion of accounts which would not be fully protected by the provision for a $5,000 maximum coverage reflects the changes in the size distribution of deposit accounts during the war. The number of accounts of more than $5,000 increased by 152%, while the number less than this amount increased by only 31%. The greatest relative increase occurred in the number of accounts with balances of between $5,000 and $10,000 which rose 182%.

"While most of the change in the amount and distribution of accounts occurred in banks which were insured on Sept. 24, 1941, a part of the change resulted from the admission to insurance of 140 mutual savings banks during the following four years. About one-third of the increase in the number of accounts, one-fifth of the increase in insured deposits, and one-eighth of the increase in the total amount of deposits, resulted from the admission of these banks. Deposits in mutual savings banks, like time and savings deposits in commercial banks, are about 90% covered by the $5,000 maximum.

"Various factors have influenced the distribution of the wartime increase of bank deposits among depositors. Wage earners, farmers, and small retailers accumulated larger balances as a result of the sharp increase in their incomes accompanied by shortages of consumers' goods and other restrictions upon spending imposed by the war. Many accounts which before the war were under $5,000 grew to exceed that amount. Other accounts in excess of $5,000 in 1941 increased to still greater size. In contrast, however, partially as a consequence of purchases of U. S. Government obligations, some large accounts declined in size."

Total assets of the Federal Deposit Insurance Corporation amounted to $931 million on Dec. 31, 1945, Chairman Harl, speaking for the Board of Directors of the Federal Deposit Insurance Corporation announced in releasing the semi-annual fiscal statement on Feb. 25. The Corporation held almost $900 million of United States Government obligations and $16 million of cash. Assets acquired through bank suspensions and mergers and still held by the Corporation represented disbursements of $38 million. These were carried at a value of $15 million after the deduction of a reserve for loss of $23 million, according to the statement, which says:

"At the close of the year total deposits in the 13,495 insured commercial and mutual savings banks amounted to approximately $154 billion. This was an increase of $19 billion over the $135 billion at the end of 1944 and was the highest amount on record. Since December 1938 deposits in insured banks have increased more rapidly than the total capital account of the Corporation. Deposits rose to three times the 1938 level, while total capital account of the Corporation a little more than doubled. As a result, the ratio of FDIC capital and surplus to deposits in insured banks has decreased from 0.83% to 0.60%.

"Total income of the Corporation during the last six months of 1945 amounted to $60 million, including $49 million from assessments paid by insured banks at an annual rate of one-twelfth of 1% of their average deposits, and $11 million from the return on investments and miscellaneous income. During the six months no call was made upon the Corporation for a disbursement to protect depositors in weak or insolvent banks. Total expenses for the period amounted to $2 million, leaving net income transferred to surplus of $58 million. Another $3 million was added to surplus as a result of adjustments in the reserves for losses on assets previously acquired through bank suspensions and mergers. Recent liquidation experience with these assets has been very favorable and the Corporation's loss has been smaller than was anticipated. Total capital and surplus on Dec. 31, 1945, amounted to $929 million."

The figures for Dec. 30, 1944 were referred to in our issue of April 30, 1945, page 1926.

ABA Regional Savings and Mtge. Conference

Invitations were mailed on March 26 to more than 3,000 banks in seven states to attend the Mid-Western Regional Savings and Mortgage Conference sponsored by the Savings Division with the cooperation of the department of Research in Mortgage and Real Estate Finance of the American Bankers Association. The conference will be held May 27 and 28 at Des Moines, Iowa, and the Hotel Ft. Des Moines will be conference headquarters.

Bankers of Iowa, Missouri, Minnesota, North and South Dakota, Kansas, and Nebraska have been invited to participate in the conference by Myron F. Converse, President of the A.B.A. Savings Division, who is also President of the Worcester Five Cents Savings Bank, Worcester, Mass.

In a letter to the bankers, Mr. Converse says:

"Included among the speakers will be Dr. Melchior Palyi, nationally recognized economist, formerly of the University of Chicago, and Dr. Ernest M. Fisher, Professor of Urban Land Economics, Columbia University, New York. It is our present intention to keynote 'merchandising methods' on both days. However, changes occur so fast, our officers have decided to defer final decision on the balance of the program so that when we meet we shall have the most authoritative speakers available to discuss subjects which are most timely."

The first day of the conference will be devoted to a discussion of the savings business, and the second day will deal exclusively with mortgage lending problems. The two-day meeting will be a shirt sleeve working conference, and entertainment features usually connected with conventions will be omitted.

Mr. Converse urges bankers to communicate directly with Ed Maher, Manager of the Hotel Ft. Des Moines, to arrange for hotel reservations, as accommodations are limited.

Industrial Activity in February Reported by Federal Reserve Board

"Production and employment at factories declined in February but advanced in the first three weeks of March, reflecting mainly the influence of the steel strike," it is indicated in the summary of general business and financial conditions in the United States, based upon statistics for February and the first half of March made available on March 23 by the Board of Governors of the Federal Reserve System. According to the Board "the value of retail trade reached new record levels" and it reports that "wholesale prices of a number of commodities increased."

The Board further reported:

"Output of durable goods declined considerably further in February, while production of non-durable goods and minerals continued to increase. Production of steel, automobiles, and machinery has advanced sharply since the settlement of wage disputes in these industries, and the Board's index of industrial production, which declined from 160 in January to 154% of the 1935-39 average in February, will show a considerable rise in March.

"Steel mill operations in February were at an average rate of 19% of capacity as compared with 50% in January. Output at steel mills has increased rapidly since the middle of February, and during the week ending March 23 is scheduled at 89% of capacity—the highest rate since V-J Day. In February production of nonferrous metals, machinery, and transportation equipment also declined, reflecting chiefly the direct or indirect effects of work stoppages. Lumber production, after advancing in January, showed little change in February. Plate glass production increased sharply to the highest level since November, 1941.

"Production of most non-durable goods continued to advance in February, partly reflecting increases in working forces. Output at textile mills rose further and was at a rate slightly above the level of a year ago. Activity in the meat packing industry increased sharply in February following settlement of the wage dispute at major plants and was 20% higher than a year ago. Flour production likewise showed a substantial gain for the month. In March a Federal program was instituted to reduce domestic consumption of wheat in order to increase exports for relief purposes. Output of automobile tires in February rose to the highest rate on record.

"Output of coal was maintained at exceptionally high levels in February and early March. Crude petroleum production showed a gain in February, but declined in March.

Employment

"Employment continued to advance from the middle of January to the middle of February in most lines of activity except at manufacturing plants closed by industrial disputes. After Feb. 15, with the settlement of the steel strike, there were large increases in employment in the durable goods industries and by the middle of March employment in private non-agricultural establishments is estimated to be about 2½ million larger than last September, after allowing for seasonal changes. Unemployment increased from January to February by about 400,000 to a level of 2,700,000 persons.

Distribution

"Department store sales in February, after allowance for seasonal changes, were the largest on record by a considerable margin, and in the first half of March sales continued to show marked increases over a year ago. Total retail trade in February was probably close to one-fourth higher than in the same month last year.

"Shipments of most classes of railroad freight increased from the middle of February to the middle of March and almost the same number of cars were being loaded in the first two weeks of March as during the same period last year, when shipments of war products were at peak levels.

"The general level of wholesale commodity prices advanced 1% from the middle of February to the middle of March, reflecting increases in most groups of agricultural and industrial products. Since last September wholesale prices have advanced 3.3%, according to the Bureau of Labor Statictics' index. Price control regulations permit manufacturers and distributors to pass on to consumers only part of the recent advances granted in maximum wholesale prices.

Bank Credit

"Retirement of $2.8 billions of United States Government obligations during March was reflected in a decline of about the same amount in Treasury balances during the four weeks ending March 20. Holdings of Government securities by both Federal Reserve Banks and member banks declined, accompanying reductions in Treasury deposits at these banks. Deposits, other than those of the Treasury, at member banks showed little change. Member banks required and excess reserves also changed little during the period. Member banks increased their borrowings at the Reserve Banks to over $700 millions on March 13, but reduced them somewhat in the following week.

"Commercial and industrial loans at member banks in leading cities continued to increase between the middle of February and the middle of March. Loans on Government securities to brokers and dealers fluctuated considerably in connection with the Treasury retirement and refunding operations, while those to others continued to show a slow decline."

Ford Heads Council of Insured Savings Assns.

The appointment of David Ford, for the past eight years Assistant Governor of the Federal Home Loan Bank System at Washington, D. C., as President of the Council of Insured Savings Associations of New York State was announced on March 24 by Arthur E. Knapp, Board Chairman of the Council. Mr. Ford succeeds Carl F. Distelhorst, whose resignation to become managing-director of the American Savings and Loan Institute at Chicago was recently announced. Mr. Ford will assume his new duties about May 1, said Mr. Knapp. Previous to his service with the Federal Home Loan Bank System, Mr. Ford was for twelve years managing officer of a savings association at Atlantic City. From 1932 to 1937 he was a member of the Board of Directors of the Federal Home Loan Bank of New York. He served as President of the New Jersey Savings and Loan League in 1936 and 1937.

The Council of Insured Savings Associations was organized in 1943 with a membership of 25 savings associations throughout the State of New York, whose savings accounts are insured by the Federal Savings and Loan Insurance Corporation. Combined resources of the group then totaled $128,214,000. At the present time, the Council has 38 insured savings associations as members. Their resources at Dec. 31, 1945 amounted to $241,224,000.

House Passes Farm Credit Merger Bill

Under a bill passed by the House, 239 to 80, on March 19, which would create an Agricultural Credit Agency, all Federal farm credit agencies would be removed from the jurisdiction of the Department of Agriculture and consolidated under a seven-man independent board. The plan was likened by Chairman Flanagan (D.-Va.) of the House Agricultural Committee to the independent status of the Federal Reserve System. Decrying the present system, Mr. Flanagan asserted, according to the Associated Press Washington report, that as long as farm credit was in the hands of a cabinet member it could be used for political advantage.

The measure, which has been sent on to the Senate, was opposed by Representative Cooley (D.-N. C.), another Agricultural Committee member, who contended that it would not accomplish abolition of any of the many present Federal agricultural credit agencies. From the Associated Press we quote:

"The House approved an amendment by Representative Taber (Rep., N. Y.) requiring one head in each county or combination of counties over all local offices of Federal credit agencies. He said this would promote efficiency and economy in farm lending.

"Under the legislation the seven-man governing board would be composed of the Secretary of Agriculture and six others, appointed by the President from different agricultural areas for 12-year terms. An Agricultural Credit Administrator at $10,000 annual salary would be appointed by the Board."

Senate Committee Adds To Harbors Fund

The Senate Appropriations Committee added approximately $70,000,000 to the amount approved by the House for rivers, harbors, flood control and other War Department civil functions for the year beginning July 1. The Committee's bill, allowing $359,000,000, includes appropriations for specific projects not in the House measure, which, if also passed by the Senate, would require House approval before the bill can be completed. An approximate breakdown given by the Associated Press in its Washington dispatch of March 18, shows that the measure carries $330,000,000 for river, harbors and flood control, $10,000,000 for the Panama Canal, $2,400,000 for cemeterial expenses of the Quartermaster Corps and other miscellaneous items.

Among projects added by the Senate Committee: Rivers and harbors—Cape Vincent Harbor, N. Y., $50,000.

Bankers Trust Co. of N. Y. Pays 170th Div.

Bankers Trust Co. of New York on April 2 mailed to its stockholders dividend checks in payment of its 170th cash dividend, representing an unbroken record of quarterly dividends since the company made its first dividend payment on Oct. 1, 1904, a year and a half after it opened for business on March 30, 1903. This current dividend is at the rate of 45 cents a share for the quarter, in comparison with the 35-cent rate that has been paid quarterly during the last few years.

Work Stoppage by Soft Coal Miners Begun

A work stoppage by the nation's 400,000 soft coal miners, backing up the traditional "no contract, no work" policy of the United Mine Workers of America (AFL), began at midnight on March 31, according to an Associated Press dispatch, which further adds:

The beginning of the work stoppage found members of the union ready for a holiday anyway—their annual celebration of April 1 in honor of John Mitchell, one of the union's earliest presidents, and to commemorate the 48th anniversary of the eight-hour day. Actually, the effects of the strike therefore was not felt until the next day. John L. Lewis, President of the union, said there would be no picketing.

Mr. Lewis's principal demand from the coal industry is the establishment of a health and welfare fund for miners, to be created from an assessment on each ton of coal produced and to be administered by the union. The operators balked. Mr. Lewis refused to discuss other major issues of wages and hours until the welfare fund question is settled.

Secretary of Labor Schwellenbach, who on March 30 gave up hope of averting the walkout, named Paul Fuller of Akron, Ohio, as a special mediator to represent him. Mr. Fuller also is special conciliator in the rubber industry, in which he achieved agreement without a strike, Mr. Schwellenbach said.

Reports from coal areas said arrangements had been completed previously for union maintenance men to keep the pits in condition and Mr. Schwellenbach asserted he had assurance from Mr. Lewis that utilities dependent on coal would be provided for.

The union's demand for a welfare fund came up a year ago when Mr. Lewis asked a 10-cent royalty on each ton of coal mined for this purpose. Operators estimated this would have netted him, on the basis of last year's production, approximately $57,500,000.

The industry offered to raise miners' pay in line with the wage increases already granted in steel, oil and automobile industries, or about 18½ cents an hour. The operators, in reply to Mr. Lewis's demand for a welfare fund, proposed a joint study by the U. M. W. and the industry of plans to create a fund to care for hardships resulting from mine accidents, and also suggested the union administer funds collected from miners for medical and benefit purposes in cases where U. M. W. locals are dissatisfied.

Pennsylvania's 75,000 anthracite miners were unaffected. Their contract may be terminated June 1. Also in Illinois, where U. M. W. officials figured 25,000 of its members were to be idle, about 17,000 members of the Progressive Mine Workers Union who also were observing "Mitchell Day," were to remain in the pits, although their leaders have said they will be idle on April 30 unless a new contract is then reached with the Progressives.

Soft Coal Stocks Frozen

Two orders designed to provide a reserve of bituminous coal for consumers "desperately in need of this fuel," were issued March 28 by Solid Fuels Administrator J. A. Krug.

In one order operators of bituminous coal mines in all but two producing districts were directed to hold coal "on track" at the mine beginning at 12:01 a. m. March 29. The operators were further directed not to ship any of the coal so accumulated after 12:01 a. m., March 31, except by permission of the Solid Fuels Administration. The second order was directed to retail coal dealers and tidewater and lake dock operators limiting deliveries of coal to certain types of consumers. This order became effective at 12:01 a. m., April 1.

The orders, Administrator Krug declared, are necessitated because of the emergency brought about by the termination of the contract between the United Mine Workers and the bituminous coal producers at midnight on March 31.

In making the announcement, Administrator Krug urged consumers of solid fuels to institute immediately strict fuel conservation so that stocks of coal can be stretched as far as possible.

The orders do not apply to coal produced in Michigan where the tonnage is small, or to mines located in District No. 16, Northern Colorado, which produce coal not readily lending itself to storage. Area distribution managers of the Solid Fuels Administration have been given authority to modify the directions covering the coal held on mine tracks where the mine expects to be in operation after April 1. This would apply to nonunion mines, which are few, and to mines having contracts with the Progressive Mine Workers of America.

In the order to retail dealers and dock operators, deliveries will be permitted to consumers in the following categories: (a) To gas plants having less than 10 days' supply; (b) to hospitals having less than 10 days' supply; (c) to industrial consumers having less than 5 days' supply, and (d) to householders having less than 10 days' supply.

No provision is made for shipments to electric power utilities, by-product coke ovens, except those which produce gas, or railroads. These consumers are said to have sufficient supplies of coal in storage to permit operation for a reasonable length of time.

Davis Asks Public to Reduce Food Use

Chester C. Davis, Chairman of the nation's Famine Emergency Committee, in a radio appeal to the American people on March 23, urged that the use of bread, flour and pastry be reduced to provide 225,000,000 bushels of wheat for exportation by July 1 to the starvation-threatened areas of the world. In reporting Mr. Davis' statements, the New York "Times" quoted him as saying:

"The Government is taking steps to save on the use of wheat for alcohol, for flour and for feeding animals," Mr. Davis said. "But giving full allowance for the results of all those savings, we still will be many millions of bushels short of the goal. The problem of closing up that gap therefore comes right down to our own homes and our own tables."

Mr. Davis explained that the United States and Canada have to meet the largest part of the world need for food due to the face that every other great surplus-producing region had been hit by drought, while in this country and in Canada production was ranging even above that of prewar years.

On March 26, after a meeting of the Famine Committee, Mr. Davis, in Washington, according to the Associated Press, told reporters that it had been decided that food rationing in this country at this time would be of no help in providing supplies for the hunger areas. Saying that the immediate need was to send wheat and fats abroad by July and that he believed voluntary measures would accomplish the purpose, he added:

"It will take four months to get new ration books printed and rationing machinery reestablished. There is no use talking about rationing for the present emergency."

Mr. Davis indicated that he did not intend to imply that there might or might not be rationing here later, as that would be determined by subsequent events, such as crop production both in the United States and other coun-

Items About Banks, Trust Companies

The statement of condition of Manufacturers Trust Co. of New York as of March 31, 1946, shows deposits of $2,259,623,221 which include United States Government War Loan deposits of $427,751,906. Resources are $2,401,433,547. These figures compare with deposits of $2,555,885,573 and resources of $2,693,184,469 shown on Dec. 31, 1945. On March 31, 1945, the respective figures were $1,845,217,647 and $1,957,824,482. United States Government War Loan deposits on Dec. 31, 1945, were $477,891,759 and on March 31, 1945, they were $188,142,748. Cash and due from banks is listed on March 31, 1946, at $366,135,931 as against $609,972,505 shown on Dec. 31, 1945, and $378,712,247 shown a year ago. United States Government securities stand at $1,417,231,943; three months ago they were $1,507,987,636 and one year ago they were $1,149,132,013. Loans, bills purchased and bankers' acceptances are now $527,435,424 which compare with $480,489,936 on Dec. 31, 1945, and $340,326,892 on March 31 last year. Capital funds as of March 31, 1946, are shown as: capital $41,250,000, surplus $41,250,000 and undivided profits $31,893,451. Net operating earnings for the three months ending March 31, 1946, after amortization, taxes, etc., were $2,493,589 or $1.21 a share, based on 2,062,500 shares outstanding, which compares with $2,057,490 or $1.25 a share based on 1,649,922 shares outstanding for the three months ending March 31, 1945. Of this amount $1,237,498 was paid in dividends on capital stock, and $1,256,091 was credited to undivided profits.

The Central Hanover Bank & Trust Co. of New York announced in its statement of condition as of March 31, 1946, that total deposits were $1,687,366,373, against $1,842,737,478 on Dec. 31, 1945; the total resources for the same two periods respectively were $1,818,199,401 and $1,972,323,270. Cash on hand and due from banks on 199,401 and $1,972,323,276. Cash March 31 was $303,648,608 against $364,695,907 on Dec. 31, 1945; holdings of U. S. Government obligations were $888,346,713 against $967,002,630, and loans and bills purchased amounted to $553,234,156 on March 31, against $553,006,391 at the end of 1945. Capital, $21,000,000, and surplus $60,000,000, on March 31 were unchanged from the Dec. 31 report, but undivided profits advanced to $17,785,462 March 31 from $17,259,826 Dec. 31, 1945.

The Chemical Bank & Trust Co. of New York reported as of March 31, 1946, deposits of $1,309,087,880 and total assets of $1,424,973,625 compared respectively with $1,524,160,575 and $1,637,503,776 on Dec. 31, 1945. Cash on hand and due from banks amounted to $210,528,634 compared with $258,593,487; holdings of United States Government securities to $605,489,186 against $790,555,298; bankers' acceptances and call loans to $189,133,178 against $171,435,856; and loans and discounts to $273,234,091 against $275,847,577.

Net operating earnings for the quarter amounted, it is stated, to $2,023,481 as compared to $2,000,656 for the same period a year ago. Net profits and recoveries on securities amounted to $229,695 against $975,071 for the first quarter of 1945. Miscellaneous credits for the quarter are reported as $513.802 as compared to $721 for the same period a year ago. Capital and surplus were unchanged at $25,000,000 and $65,000,000 respectively and undivided profits were $11,438,497 against $10,050,615 at the end of December. The indicated net earnings on the bank's 2,500,000 shares (par $10) amounted to $1.02 per share for the first quarter of 1946 as compared with $0.70 per share a year ago.

The statement of condition of Sterling National Bank & Trust Company of New York as of March 31, 1946 shows deposits of $149,879,318 and resources at $165,708,494. These figures compare with deposits of $167,417,603 and resources of $174,725,392 on Dec. 31, 1945, and deposits of $115,661,803 and resources of $131,960,321 on March 31, 1945. The bank reports a record high in loans and discounts at $39,461,526, as compared with $37,159,415 three months ago, and $27,388,324 a year ago. Cash and due from banks is listed at $28,966,949, which compares with $37,696,231 at the end of last year, and $26,925,619 at the end of the first quarter of 1945. U. S. Government securities are shown at $94,425,302, as against $97,484,365 at the end of the year, and $75,471,896 twelve months ago. Capital funds reach a new all-time high in the bank's history, totaling $6,521,206. Of this total, capital remains unchanged at $1,500,000; surplus increases to $4,500,000; and undivided profits total $521,206. As of Dec. 31, 1945, capital funds aggregated $5,505,354, with surplus at $3,500,000 and undivided profits at $505,354, and at March 31, 1945, these figures were $5,085,242, $3,250,000 and $335,242, respectively.

Bank of Manhattan Co. of New York reported as of March 31, 1946, total deposits of $1,156,221,705 and total assets of $1,227,214,197 compared respectively with $1,290,314,214 and $1,359,074,439 as of Dec. 31, 1945. Cash on hand and due from banks amounted to $190,319,729 against $305,697,449; holdings of United States obligations, $580,467,625 against $604,254,742. Loans and discounts amounted to $389.716.422, compared with $388,178,059. Capital and surplus remained at $20,000,000 and $30,000,000, respectively. Undivided profits after reserve of $600,000 for quarterly dividend increased to $11,293,186 from $10,526,174 at the end of December.

It was announced on March 27 by F. Abbot Goodhue, President of Bank of the Manhatan Co. of New York, that Ernst C. Ophuls has been appointed European Representative of the bank with headquarters in London, England. Mr. Ophuls is a graduate of Stanford University and was released from the United States Army in February as a Major. Prior to service in the Army he was associated for 12 years with the Bank of America, San Francisco, Calif., of which he was an Assistant Vice-President.

The statement of condition of the Bankers Trust Co. of New York as of March 31, 1946, shows total capital funds of $144,660,067, in comparison with $143,317,050 Dec. 31, 1945, representing an increase of $1,343,017. The balance of $15,831,078 in the general reserve account reflects an increase of $477,815 over the figure reported for Dec. 31, 1945. Total resources amounted to $1,795,350,367, as against $1,921,945,613 at the end of 1945, and total deposits of $1,596,379,986 compare with the Dec. 31, 1945, figure of $1,749,590,469. Holdings of U. S. Government securities declined from $894,686,409 to $826,253,001, while loans and bills discounted increased from $568,440,375 to $606,915,423.

Roger F. Murray has been elected a Vice-President of Bankers Trust Co. of New York, in charge of the Credit and Security Research Department, it was announced on March 29 by S. Sloan Colt, President of the bank. Mr. Murray has been associated with Bankers Trust Co. since 1932. In 1943 Mr. Murray joined the Army Air Forces as a private and was released with the rank of Captain. He was recently awarded the Legion of Merit for his services in the field of industrial demobilization planning for the Army Air Forces.

Major Edwin J. Dyckmann has returned to his position in the Municipal Bond Department of Bankers Trust Co. after three and one-half years in the Army. His most recent Army duty was with the AMG in Germany. Major Dyckmann has been with Bankers Trust Co. for 15 years.

Bankers Trust Co. announced on March 28 the opening of a Consumer Credit Department, which will make personal loans from $60 to $3,500 to individuals, which are repayable out of income, and home modernization loans with repayment terms as long as 36 months. This service is offered in all Bankers Trust Co. offices.

The 57th St. and Madison Ave. office of Bankers Trust Co. of New York marked its 25th anniversary on March 28 in newly remodeled banking premises which now provide twice as many tellers, according to an announcement made by R. B. Foote, Vice-President in charge of the office. When Bankers Trust Co. opened this office on March 30, 1921, the section was largely residential. With the uptown surge of business, the location has become the center of the active midtown shopping district. It is to meet the increasing banking requirements of this community that Bankers Trust has increased its facilities.

At a meeting of the Board of Trustees of the United States Trust Co. of New York on March 28, William D. Ryan and Helmut Andresen were appointed Assistant Secretaries.

Irving Trust Co. of New York announces the expansion of its services to the public through the opening on April 1 of its Consumer Finance Division, with headquarters at 100 East 42nd St., opposite Grand Central Terminal. This division will make installment loans at low rates of interest for various personal and business requirements, for the purchase of automobiles, home appliances, and other types of equipment, and for property improvement. It will also finance the time payment sales of retailers, dealers and manufacturers. Allen R. Cobb, Vice-President, is in charge, assisted by Edward J. Bray, Assistant Vice-President, and a staff experienced in the consumer credit field. The new service will be available at all offices of the company.

At a meeting of the Board of Directors of the Grace National Bank of New York held on March 27, Herbert A. Nickel and Edward S. Frese were appointed to the office of Assistant Vice-President; Albert C. Vernon and Fred H. Nagel were appointed Assistant Managers of the Foreign Department and Floyd Dunston was appointed an Assistant Trust Officer.

The Public National Bank & Trust Co. of New York announced in its March 31 statement of condition that total deposits as of March 31, 1946, amounted to $524,091,369 and total assets to $558,421,705, compared respectively with $545,497,980 and $579,536,018 at the end of last year. Cash on hand and due from banks in the

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Atomic Control Proposals; Pres. Postpones Tests

The State Department's Committee on Atomic Enery on March 28 released a 78-page report urging the establishment of an Atomic Development Authority under the UNO, with international control of uranium, the element essential to the manufacture of atomic bombs, as the alternative to the destruction of mankind by atomic warfare. Under the proposed program control of the mining of uranium would be exercised, as well as its conversion to plutonium and denaturing to render it "safe," and then eventually its release to licensed users for industrial purposes.

Two days earlier parts of the report had been given to the Senate atomic energy committee by Dean Acheson, Under Secretary of State. These disclosed the discovery by scientists of the means of rendering plutonium useless for bombmaking. One member of the Committee said, according to the Associated Press report from Washington on Mar. 26, that the problem of sharing atomic energy secrets with the rest of the world may be simplified if the process is proved in practical operations. However, he pointed out there still a long way to go to be sure that a denaturing plan would render atomic energy useless for bombs.

Following are some of the highlights of the State Department report, included in the Washington special dispatch to the New York "Times":

The fundamentals governing the Atomic Development Authority must of course be those which have been so well stated in the resolution of Jan. 18, 1946, setting up the United Nations Atomic Energy Commission; that is, the strengthening of security and the promotion of the beneficial use of atomic energy. In our report we have adopted as the first principle in the accomplishment of these fundamental objectives the proposition that intrinsically dangerous activities in the field must not be left open to national rivalry but must be placed in truly international hands.

* * *

In this connection it is important that a purposeful effort shoud be made to keep as broad and diversified as possible the field of activities which is left in national and private hands. Every effort must be made to avoid centralizing exclusively in the Authority any more activities than are essential for purposes of security.

We would expect that the charter itself should, so far as practicable, define the areas that are clearly dangerous, in which there must be an exclusive international operation, and the areas which now seem clearly non-dangerous, in which there may be national and private operations. One of the most difficult problems will be the creation of charter provisions and administrative machinery governing the manner in which the line will be drawn between safety and danger near the middle of the spectrum of activities where the division becomes less sharp.

Another difficult problem will be to provide the means to redefine as either "dangerous" or "safe" when new knowledge shifts the line. In these matters close questions will arise, of course, as to the issues which must be referred for approval to the individual nations, the issues which need only be referred to some organ of the United Nations, like the Security Council, and the issues which can be determined by administrative action of the Atomic Development Authority itself.

* * *

It wil probably be necessary to write into the Charter itself a systematic plan governing the location of the operations and property of the authority so that a strategic balance may be maintained among nations. In this way protection will be afforded against such eventualities as the complete or partial collapse of the United Nations or the Atomic Development Authority; protection will be afforded against the eventuality of sudden seizure by any one nation of the stockpiles, reduction, refining and separation plants and reactors of all types belonging to the authority.

* * *

Today the United States has a monopoly in atomic weapons. We have strategic stockpiles; we have extensive facilities for making the ingredients of atomic bombs and for making the bombs themselves; we have a large group of people skilled in the many arts which have gone into this project; we have experience and know-how obtainable only in the actual practice of making atomic weapons; we have considerable resources of raw material; and we have a broad theoretical knowledge of the field which may appear inadequate in future years, but which enables us to evaluate not only the performance of the past but also what the future is likely to hold.

It is true that some part of our monopoly we hold in common with the United Kingdom and Canada. This applies principally not to material facilities or to weapons, but to the availability of raw materials, to theoretical knowledge and to some elements of the know-how.

It has been recognized that this monopoly could not be permanent. There have been valid differences of opinion on the time which it would take other nations to come abreast of our present position, or to surpass it; but it is generally admitted that during the next five to twenty years the situation will have changed profoundly.

* * *

International control implies an acceptance from the outset of the fact that our monopoly cannot last. It implies substituting for a competitive development of atomic armament a conscious, deliberate and planned attempt to establish a security system among the nations of the world that would give protection against surprise attack with atomic weapons. Above all, it involves the substituting of developments which are known to the world for developments by the several nations which might well remain more or less secret, and where the very fact of secrecy woud be a constant source of fear, incitement and friction.

* * *

The security which we see in the realization of this plan lies in the fact that it averts the danger of the surprise use of atomic weapons. The seizure by one nation of installations necessary for making atomic weapons would be not only a clear signal of warlike intent but it would leave other nations in a position—either alone or in concert—to take counter-actions. The plan, of course, has other security purposes, less tangible but none the less important. For in the very fact of cooperative effect among the nations of the world rests the hope we rightly hold for solving the problem of war itself.

It is clear that it would be unwise to undertake a plan based on the proposals which we have put forward unless there were some valid hope that they would be entered into and carried through in good faith; nevertheless, we must provide against the hazard that there may not be such good faith and must ask ourselves this question: What will be the state of affairs should this plan be adopted with the intention of evasion or should evasion be undertaken by any nation during the years when it is being put into effect?

The basis of our present monopoly now lies in two rather different things: knowledge, and physical facilities. The ultimate geographical balance toward which a plan for international control must work will witness the loss of both kinds of monopoly. Knowledge will become general and facilities will neither in their legal possession nor in their geographical distribution markedly favor any one nation. Although both elements of our present hegemony will thus disappear over a period of years, quite different considerations are involved in the sharing of our knowledge and in the balancing of physical facilities.

* * *

Our monopoly on knowledge cannot be, and should not be, lost at once. Here again there are limitations on the scheduling inherent in the nature of our proposals; and in the nature of the deliberations necessary for their acceptance. But even with the recognition of these limitations, there is a rather wide freedom of choice in the actual scheduling of disclosures. Here considerations of acceptability and of general political background will make a decisive contribution.

It is clear that the information, which this country alone has, can be divided more or less roughly into categories. The acceptance and operation of the plan will require divulging certain categories of this information at sucessive times. A schedule can outline the point at which this must occur. In particular, there is a limited category of information which should be divulged in the early meetings of the United Nations Commission discussing these problems.

There is a more extensive category which must be divulged some years hence after a charter has been adopted and the Atomic Development Authority is ready to start its operations; and there are other categories that may be reserved until the authority later undertakes some of the subsequent stages of its operations, for instance, those that involve research on weapons.

We are convinced that under the plan proposed in this report such scheduling is possible.

* * *

Should the worst happen and, during the transition period, the entire effort collapse, the United States will at all times be in a favorable position with regard to atomic weapons. This favorable position will depend upon material things; less and less will it rest upon keeping nations and individuals ignorant.

When fully in operation the plan herein proposed can provide a great measure of security against surprise attack. It can do much more than that. It can create deterrents to the initiation of schemes of aggression and it can establish patterns of cooperation among nations, the extension of which may even contribute to the solution of the problem of war itself. When the plan is in full operation there will no longer be secrets about atomic energy. We believe that this is the firmest basis of security; for in the long-term there can be no international control and no international cooperation which does not presuppose an international community of knowledge.

On Mar 22 an official White House announcement stated that atomic bomb tests to be conducted in the Pacific would be postponed for "about six weeks." The reason given, according to United Press advices from Washington, was that a number of Congressmen "have expressed a desire to witness . . . the tests, but, owing to a heavy legislative schedule" could not do so unless the tests were put off for the time being.

It is known that some members of Congress are critical of the plans to hold the tests, on the ground that they would serve no useful purpose in the task of trying to achieve permanent peace. Recently, the United Press pointed out, a Moscow broadcast accused the United States of "brandishing the atomic weapon for purposes which have little in common with the peace and security of nations."

Meantime, announcement was made on Mar. 28, according to advices from Washington to the New York "Times," that members of the Joint Chiefs of Staff Evaluation Board for the atomic bomb tests had been selected.

These advices report that the members of the board, which will study and evaluate the tests for the Joint Chiefs, are:

Two Army officers—Gen. Joseph W. Stilwell of Burma fame, now commander of the Sixth Army on the West Coast, and Lieut. Gen. Lewis H. Brereton, AAF, war leader and now commander of the Third Air Force, at Tampa, Fla.

Two Navy officers—Vice Admiral John H. Hoover, wartime Navy commander in the Marianas area and now a member of the Navy's General Board, and Rear Admiral Ralph A. Ofstie, who held various Navy combat air commands and now is head of the Naval Analysis Section.

Two civilian scientists—Dr. Karl T. Compton, President of the Massachusetts Institute of Technology, and Bradley Dewey, Boston chemical engineer and president of the American Chemical Society.

A civilian representative of the Army's Manhattan Engineer District—Thomas F. Farrell, chief engineer of the New York State Department of Public Works, who, as a major general, took a leading part in developing the bomb.

Dr. Compton and Mr. Dewey also are members of President Truman's commission.

Reports on Real Estate Activities

(Continued from first page)

of 50—75%, and the remaining 18 cities report jumps of 25—50%.

For homes which sold for $6,000 to $12,000 in 1940, the larger cities report price rises which are slightly less than for the lower-priced property, although in some cases, such as New York City, the rises are greater.

These larger cities report that in the few months since V-J Day property has climbed markedly. Between 75—80% of these cities show price increases of 10—25% since last September.

Average increases in the larger cities from 1940 are 69% on the lower-priced property and 63% on medium-priced homes. Since V-J Day, the average increases in the larger communities are 18% and 16%, for lower and medium-priced homes.

Survey of the 250 smaller cities was supplemented by a number of statewide and area-wide studies for smaller communities, so that the coverage was actually more extensive than the number of reporting smaller cities would indicate.

This is the picture in cities under 100,000:

On homes which sold for $6,000 or less in 1940—47 cities (17%) reported price rises of 100% or more; 66 cities (24%) show rises of 75-100%; 102 cities (36%) report price rises of 50-75%; 58 cities (21%) show price rises of 25-50%, and only a scattered few report less than 25% increases.

Homes in the $6,000-$12,000 class have risen in price at about the same percentage rate, though generally they are slightly less.

More than half of the smaller cities report that since V-J Day prices on property have risen 10 to 25%, and many cities indicate increases of as much as 25 to 50% since September.

Average increases in the smaller cities from 1940 are 68% for the lower-priced property and 57% for the medium-priced. And the average rises since V-J Day in these smaller communities are 19% and 15%, respectively, for lower and medium-priced homes.

"Notice that the price rise for the lower-priced property generally has been a little higher than for the medium-priced property," explained Mr. Wyatt. "This is significant because we know that the vast majority of veterans can afford only the lower-priced homes.

"In addition, the reports show very substantial increases for the few months since V-J Day. Lest figures such as 15% or 18% create erroneous impressions, let me point out that 15% for five months means an average price rise of 3% per month, or 36% if projected on an annual basis."

Admitting that the general price level in America has risen, Mr. Wyatt proceeded to compare the real estate level with other price levels. Since 1940, he pointed out, the wholesale price index for all commodities has climbed 36%; the wholesale price index for building materials has increased 30%; consumer price index, 30%; construction cost index for a typical single-family house, 37%.

"Allowing for admitted weaknesses of indices in measuring price increases in today's market," he said, "it is obvious that price rises in homes in the order of 60-70% since 1940 far exceed other price advances. This is due to extreme shortages as well as to the fact that we have had no tools to hold the line in real estate or other capital assets."

Mr. Wyatt is urging Congress to include in the Patman Bill a provision which he declares would curb this speculation in real estate. An owner would be permitted to sell his home at any price he could get, but once the home has been sold—following the passage of the law—that price would become the price limit for the duration of the veterans housing emergency.

The nation-wide survey demonstrates that "speculation in land available for home construction has already reached major proportions," the Expediter stated.

For raw acreage in urban places of 100,000 or more, 20 cities or about one-third of the reporting cities indicate a rise of 100% or more since 1940. And 18 cities, almost another one-third, indicate increases of 50-100%. Since V-J Day, 14 cities, or 23% of the reporting cities, have had an average price rise of 50% or more, and a similar number of cities report rises of 25-50%. Another 27 cities, 42% of those reporting, indicate 10-25% increases.

Prices for fully prepared building lots in the larger cities show these increases since 1940: 100% or higher increases in 15 cities (24% of the cities reporting); 50-100% increases in 25 cities (40% of the cities reporting); 25-50% increases in all the other cities reporting.

Typical increases for raw land in the larger cities since 1940 is about 73%, and for prepared lots 67%. Average increases since V-J Day are 29% and 28%, respectively.

Of the smaller cities reporting, 13 showed 200% or higher increases in the price of raw acreage since 1940; 56 showed 100-200% increases; 55 reported 50-100% increases. Only 20 cities of the 252 smaller communities reporting indicated "no change."

For fully prepared lots, 13 smaller cities reported rises of 200% or more; 41 cities, rises of 10-200%; 76 cities, 50-100%, and only three cities showed no increase.

Since V-J Day, the survey of smaller cities shows this situation regarding raw acreage and fully prepared lots:

Eighteen cities report price increases of 75% or more for raw acreage; 37 show price rises of 50-75%, and 24 cities show price rises of 25-50% on raw acreage. Twelve cities show 75% increase on prepared lots; 20 cities report 50-75% rises on lots, and 130 cities—more than half—show postwar increases of 10-25% on lots.

The survey also covered so-called H-2 houses, built by private builders in the closing months of the war with priority assistance and under price ceilings of $8,000. More than 60% of the larger cities reported these have already jumped in price from 25-50%, while the average increase for all reporting cities on these houses is about 32%. Of the 210 smaller cities reporting on H-2 housing, 108 show increases of 25-50%.

"Let me emphasize that these reports reflect the best judgment of responsible people who have intimate familiarity and close touch with local conditions," said Mr. Wyatt. "Many of them have been operating in their areas for five and ten years. Their reports do not pertain to individual instances or the most dramatic price increases for a single house or a single lot. Rather, they represent averages for a city or metropolitan area."

From Washington Ahead of The News

(Continued from first page)

them are downright suspect as to their honesty. As a general proposition, too, they make speeches which are written for them outside, they perform to the crack of the Leftist whip; they permit their names to be used on articles in the Leftist press which are written by the editors. We have talked with some of these editors as to why they use articles bearing the names of certain members when they, the editors, must know these fellows are pretty thoroughly despised and generally suspect by their colleagues and the Washington newspapermen. Their answer is that they are for the "idea," are not concerned with personalities.

There have been a couple of relatively quiet moves recently which may do serious damage to the "Liberals'" racket. Chairman Sabath of the House Rules Committee, at the request of the Leftists, moved that the committee conduct an investigation of lobbyists. His idea was to turn the heat on those who are opposing the extension of OPA's powers, the $600,000,000 housing subsidy, etc. To the old man's surprise he found the Conservatives on the committee in a most cooperative mood. Indeed, there should be an investigation of lobbyists, Congressmen Gene Cox, Charlie Halleck and others, agreed. But it really ought to be thorough. It ought to be thorough enough, they said, to cover the lobbyists for the Government agencies. The naive Sabath agreed and that is the way the request is to go before the House. It is difficult to see how the House can turn down its Rules Committee's request for an investigation of lobbyists. The Leftists have suddenly lost their heart for it. But the Conservatives are pressing it and there will be a merry time if the investigation gets underway.

Over on the Senate side, Senator Styles Bridges has launched a move to break up the propaganda hotbed which the Senate has unwittingly long maintained in the office of Senator Kilgore of West Virginia. Almost two years ago it approved a resolution by Senator Kilgore setting up a committee to study reconversion problems. The committee proved immediately to be a sounding board for the Leftists and none of its recommendations were ever given the slightest attention by the Senate. Since that time it has studied everything under the sun, to which the Senate has paid no attention. But it has given lucrative employment to some 20 Leftists. With extra offices in the basement of the Capitol they have been having a delightful time at the taxpayers' expense. Spurred by Bridges, the Senate seems to be moving to break it up, a very unusual procedure because in the clubability of the Senate the members hate to bear down on one of their colleagues in this way.

To the extent that the National Committee is an influence the Republicans seem definitely fed up on letting the "Liberals" name their officials. They have named their last two Presidential candidates. In the recent selection of a national chairman to succeed Herbert Brownell, the Eastern and Far Western committeemen, looked upon as constituting the more advanced elements of the party, were bowled over and a combination of Middle Western and Southern committeemen put over Congressman Carroll Reece of Tennessee. Former Senator John Danaher of Connecticut has not been looked upon as a "Liberal" by any stretch of the imagination but he had the Dewey tag. John W. Hanes, who headed the Willkie Democrats in 1940, made a good run but there was no doubt from the first that the majority of the committeemen wanted a dyed in the wool Republican, that they were tired of trying innovations. The attitude of the committeemen did not augur well for either Dewey's or Stassen's chances for the Presidential nomination in 1948. It favored, instead, Bricker. It showed a determination for a Middle Westerner. However, in the committee meeting each State had two votes. In the convention the more populous States usually predominate. Insofar as the committee is concerned, however, the Republicans want no more of the "me, too" stuff which has plagued them for more than eight years.

No Action This Year Seen for Military Training Bill

Members of the House Military Affairs Committee made the prediction on March 24 that no bill for universal military training would be acted upon this year. Chairman Andrew J. May (D.-Ky.) said that the legislation, requested by the President and urged strongly by the War and Navy Departments, would probably be referred to a special subcommittee. Following are the considerations which make it likely, according to reports to the Associated Press from Washington, that in spite of the extensive hearings already held by the committee, the measure will be turned over to the New Congress when it convenes next January.

"1. This is an election year, and the constituencies of most members are split sharply on whether the United States should order compulsory peacetime military training.

"2. The Army had testified that it does not want both selective service and universal training at the same time; it now is fighting for a one-year extension of the wartime draft.

"3. If the wartime draft law is extended, and indications are it will be, but not for a year, the committee wants to review the entire military picture in the light of changed world conditions just before expiration of the renewed draft act."

Dollars and Banks

(Continued from first page)

home to be an expert in anything. Rather I have come here to talk to you about things affecting dollars that are your concern and my concern and the concern of all the people in this country.

I want, however, at this point to read to you a few sentences. "The people of the United States are entitled to a sound and stable currency * * *. Their government has no right to injure them by financial experiments * * *. This matter rises above the plane of party politics. It vitally concerns every business and calling and enters every household in the land. There is one important aspect of the subject which especially should never be overlooked. At times like the present when the affairs of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuations of values; but the wage earner — the first to be injured by depreciated currency and the last to receive the benefit of its correction — is practically defenseless." That's not mine. That's taken from the message of Grover Cleveland to a special session of Congress in August of 1893.

Importance of Convertible Currency

That statement and the warning which it contains is as applicable to the moment as to the day it was dated. Cleveland's concern over unsound money was because of the then decreasing supply of our gold reserve. Today that which we use for money is not convertible into gold. He was concerned because he feared that there wouldn't be enough gold to assure confidence in the future value of that which was then used for money. Our present confidence in the future value of what we now use for money in this country depends on what? At least in Cleveland's time the future value of the money which then circulated in this country held the promise that it could at any time in the future be converted into gold. And people through the centuries have had peculiar confidence in the value of gold being sustained into the indefinite future. Now that our money is no longer convertible into gold, its value is principally, if not wholly, dependent on the future value of our government's present promises.

When the convertibility of our currency into gold was suspended in 1933, authority was handed over to somebody without further action by Congress to change from day to day the purchasing value of every dollar in the pockets of every man, woman or child in this country. To whom did Congress turn over that great power over the lives of our people? With your permission I think I shall reserve the development of the answer to that question for a few moments.

Certain it is that we have in this country today a very large supply of that which our people use for money. To use simple but somewhat swollen arithmetic, let me say that the total money supply in the United States today is approximately $180 billions. Of this huge sum $152 billions is accounted for by bank deposits against which somebody has the power to draw, either immediately or in the near future. The other $28 billions is what we call money in circulation. I am not going to emphasize this money in circulation because it represents, for the most part, simply that part of bank deposits which the depositors choose to have in the form of currency. And God help us if they choose to have more and more money in that form! This $180 billions of money supply today compares with $100 billions in 1942, $60 billions in 1939 and $55 billions in 1929. It has been going up and it is presently still going up. You know that it went up in the 20's to $55 billions and then during the middle 30's due to the depression it went down to $42 billions from which it has in the last 12 years gone up to the stupendous amount, at which it stands today.

Our money supply went up during the 20's because of corporate and private borrowing from the banks and it went down during the early 30's because of the repayment of those private debts or their foreclosure. It went up again in the late 30's because of the gold purchase plan under which the United States Treasury bought all the gold that anybody in the world had for sale. The result was increased bank reserves and bank deposits. This increase due to the gold purchase plan and to bank financing of the growing deficits of the Federal Treasury added so rapidly to our money supply that in 1939 it had gone back to $60 billions. At that time bank deposits were high and excess reserves in the banks were approximately $5 billions. I often wonder why the banks did not then make, at least in some degree, the use they now make of the very much smaller quantity of excess reserves that they are able to scrape together. They could have bought some wonderful corporate bonds in the markets of 1938 and 1939, thereby monetizing the then corporate debt. They are buying the same kind of corporate bonds now on much less favorable terms. Then, probably for a reason, they went on increasing their deposits and their reserves. The reason probably was that the Federal Reserve authorities would not have permitted or would have made some move to stop such use of bank reserves at that time.

Monetizing Bonds

Sometimes I think the banks had not yet appreciated the extent to which they were relieved of concern about their liquidity by the banking law changes of 1935. Now they seem willing, irrespective of liquidity, to take on with their smaller volume of excess reserves large volumes of long-term corporate bonds. And that means monetizing these bonds. Or, in plain language, increasing the money supply of the country by the amount of the purchase price paid for them by the banks.

Between 1939 and 1942 further purchase of gold by the Treasury and further financing by the banks of the Treasury's deficits ran the total money supply up to $100 billions in 1942. Since that time the increase to $180 billions at present has been due partly to continued financing of Treasury deficits directly by the banks but largely to the purchase by the banks of government bonds on the market from non-bank sellers and further bank purchases of corporate long term paper. Perhaps you will ask, didn't the Treasury, after the Second War Loan, limit subscriptions by the banks to subsequent Treasury issues? That is true and the effect was to limit or end bank participation in the Treasury's issues to the public but in between those issues the Treasury frequently offered new and additional Treasury bills or certificates of indebtedness which were largely, if not wholly, taken by the banks. And as I never tire saying the purchase by the banks of this short term, low rate Treasury paper increased bank accounts just the same as subscriptions to long term or higher coupon Treasury bonds.

A few days ago Governor Eccles of the Federal Reserve Board made an admirable statement about the increase in our money supply and its dangers to the future of the country. I emphasize the word "statement" because what was said so well was not accompanied by any action nor has there been any action by the Federal Reserve authorities to stop the process which Mr. Eccles described as monetizing the debt and which he properly condemned.

Federal Reserve Powers

My point, which I hope to make clearer as we go along, is that the Federal Reserve Board and the Federal Reserve Banks have powers to check the continued growth of bank reserves and this debt-monetizing process but instead of using the power, the Federal Reserve System continues to provide the banks with reserves, which the banks continue to use to buy both government bonds and corporate bonds with continued monetizing, or, again to use the simpler phrase, increasing the money supply and thereby increasing the danger of everything that flows from depreciation of currency due to inflation of the money supply.

My recollection is that Governor Eccles also suggested that it ought to be better known in this country that direct bank purchases of Treasury obligations to finance the Treasury's deficits increases bank deposits and the money supply. I assume that is known to you bond men and bankers. I hope it is equally well-known to you and that it may soon become better known to the people of this country that, when the banks acquire government bonds on the market, they increase bank deposits and the supply of money precisely the same as when they buy those bonds directly from the Treasury. Indeed I go further and express the hope that it may soon be equally well-known that, when the banks buy corporate bonds either from the corporate obligor directly or on the market, they likewise increase bank deposits and the money supply. To finish this picture, I suggest that it is equally true that when the banks use their reserves to buy any asset from a non-banking seller they likewise increase bank deposits and the money supply.

The result, I think, may be summarized by the statement that of the $115 billions of government bonds held in the banking system at the present time over $50 billions were acquired by the banks, not from the Treasury but from non-banking sellers on the market. That, I think, makes pretty clear the extent to which the banks have themselves either voluntarily with the permission of the Federal Reserve authorities or foolishly under the pressure of the Federal Reserve authorities, added nearly two-thirds of the $80 billions increase in the money supply of this country during the last three years by purchases on the market of Government obligations.

The other day one of our big industrial corporations planning provision for its working capital in the doubtful days ahead approached the life insurance companies for a term loan. I know they ought to have approached the bond men who should have fixed the terms of such a loan and sold the resulting securities to the public, including the life insurance companies, and I hope that, when we get our financial and other difficulties resulting from the emergencies of the past few years straightened out, such borrowers will approach those who should be expert middlemen serving borrower and lender in such long term financing operations. We life insurance men made what we thought was a generous offer as to term and rate but we were told by the corporate borrower that the commercial banks of New York and Chicago had made a very much better offer for a ten year loan at 1¾%. Though we need investment and should be more interested in term loans than the banks, we nevertheless felt that this bank offer was too rich for us and frankly said that the bank offer was so favorable to the borrower that it should certainly be closed. When the borrower's representative suggested that they were in no hurry and would perhaps wait before closing with the banks, we suggested to them that they really ought to proceed promptly. After all, we said, this money which the banks offer you is new money called out of chaos. Money that has never been around, may not know its way about and might, in the process of creation, be lost and no longer available. We even suggested that the gate from financial chaos might be closed to this newly created bank money and, therefore, it had better be tied down and put through as quickly as possible. My point today, however is that when the banks made that loan to the industrial borrower they created new bank deposits and made an addition to our money supply.

Bank Bond Buying

We hear frequently that patriotism requires that the banks should buy whatever the Treasury offers. I go along with that despite the fact that I have always urged in addition that it is no more patriotic to finance the Treasury's needs than it is to insist that that financing be done soundly rather than unsoundly. On every occasion prior to a Treasury issue, when my advice was sought, I urged upon Treasury representatives that the largest possible volume of any Treasury issue should be sold to the people and their savings institutions and paid for out of the existing money supply rather than sold to the banks to be paid for with newly created money. Whatever the decision, however, we in The Equitable went along to help meet the Treasury's needs. Indeed in one year The Equitable bought over $1,300 millions of Treasury issues. We did our best to persuade Treasury officials that they should make a greater effort to sell their bonds to the people themselves. But, when the Treasury acted, we in The Equitable did our share in support of the Treasury's issues. It is also frequently said, in defense of bank purchases of Government bonds on the market, that it is desirable support of the market. This would be true if pressure sales were threatening a decline in the market prices for Government bonds. It is difficult to believe that the banks are supporting the market when they bid Government bonds up to present prices of four, five, six and more points above par. That looks like ardent buying and you know it is buying for earnings not to relieve the distress of the seller. I'm sympathetic with the banks and carry some bank responsibilities but, when the issue is between good earnings for the banks and the future public welfare of this country as affected by its monetary system and its supply of money, I'm for the general welfare. Indeed, I think it unnecessary to say that practically every person responsible for the administration of our banks would agree to that general statement. The difficulty is in bringing sound bank practice and Federal Reserve policy into agreement with the Treasury's insatiable desire for low and lower interest rates.

As I said a few moments ago, Congress, by its enactments in 1933 and 1935, departed from the gold standard and turned over the management of our monetary system and money supply to agencies of the Executive Department of our Government. I doubt if many of us understood at that time what was involved in this delegation of power. As it has turned out, the power over our money has landed in the hands of the Treasury which for many years has been the chief borrower.

Let us take an example of Treasury operations which affect the monetary supply. There are today outstanding $17 billions of Treasury bills. When originally issued, most of these bills were bought by the banks. Except for the banks, there are few corporations or individuals who would want to handle these short-term maturities. At the present time, over $13 billions of them are held by the Federal Reserve Banks. The Federal Reserve Banks bought them from the commercial banks. When the commercial banks bought these Treasury bills from the Treasury, bank deposits and the money supply increased by their amount. When the banks sold $13 billions of these bills to the Federal Reserve Banks, they did not decrease bank deposits since the bills remained in the banking system. The Federal Reserve Banks paid for these bills by adding their purchase price to the member bank reserves and when the member banks used the proceeds to buy other Government bonds on the market, as they did in many instances, they added to bank deposits and to the money supply by the amount which they paid for the bonds acquired on the market. In other words, an original purchase by the banks of a billion dollars of bills from the Treasury did double duty. The first purchase increased bank deposits by a billion dollars. When the banks—as in many cases they did—used the reserves obtained from the Federal Reserve by turning over this billion dollars of bills to the Reserve to purchase higher coupon Government bonds on the market, the bank again increased bank deposits and the money supply.

Deposits from Bank Bond Buying Not Self Liquidating

There is another point about these newly created bank deposits and that is once created, they survive their original use. Take the case of a great carrier produced during the war at a cost of let us say $75 millions. Let us assume, as well might have been the case, that this cost was paid with the preceeds of Treasury bills or other Government obligations sold to the commercial banks. We are all familiar with the idea that much war production is subject to total destruction. Let us assume, as was the case, that this carrier went to the Pacific, performed gloriously for a few months, and then having done its job in the war, went to the bottom. All the labor and materials that had gone into it were gone, but not so the money, which had paid for the labor and those materials. That money continued and still continues to stalk through the financial community contributing to our present large supply of money. The carrier is gone but the money created to pay for it is still with us.

I have said that at the moment we have a very large money supply. My real question is do we have too much money? Of course, nobody individually ever had too much money. What I'm asking is whether from the point of view of public welfare $180 billions is too much of money in circulation and bank deposits subject to draft. My question necessarily involves determining how much money is enough. As I have said, I am not an expert in this monetary field. May I playfully remind you that experts are ordinary men far away from home, and I don't get very far away from home. What I mean is that I am not using the technical language of bankers and financial writers. They would probably state the question in terms of the quantity theory of money. I am asking how much money is enough and do we at present have too much?

Meaning of Inflation

This matter of phraseology is important not only from the point of view of accuracy but also from the point of view of propaganda. According to the dictionary, inflation means a sudden rise in the money supply. That, it would seem, we have with us. The meaning, however, assigned to the word inflation in current discussion is frequently confined to the consequences of inflation; that is, the rise in prices which ordinarily follows expansion of the money supply. That change in the meaning of the word inflation suits the purposes of the propagandists and the politicians. They would rather have the word suggest something that may be avoided in the future than to have it suggest that which is presently with us. These specialists in the science of semantics, like Alice in Wonderland, seem to think that they can make a word mean any damn thing they please.

The brain trusters today include in their service to their chiefs careful selection of the right words to be used and the wrong ones to be avoided. They remind me of that pudding which we used to have for Sunday dinners when I was living up in the Byberry section of Philadelphia. We called it "slip and go down." It was junket and it did go down easily. There are some words like some puddings which slip and go down easily, are smooth and persuasive. They are not harsh and they do not raise the mule in listeners.

How Much Money Is Enough?

Again I ask how much money is enough? Do you want a supply of money equal to the national wealth? That is what Father Coughlin used to say and we laughed at him. And the laugh was good. But now our money supply is approaching, it it has not passed, 50% of the national wealth. Should we have a money supply equal to the debt in the country? Or should we have a money supply equal to the Government debt alone? If you ask those responsible for the Treasury policy at the present time how much money we should have, the answer will be, if it is frank, that we should have whatever amount is necessary to sustain the low interest rate which the Treasury desires to keep down the cost of its debt. I am not going to talk interest rates today in spite of the fact that most of my business responsibilities are seriously affected by the low interest rates, not only by low interest rates for Government bonds but the lower and lower interest rates on corporate bonds, which follow the Government interest pattern. We are having a difficult time to find investment for the funds of our life insurance policyholders. We seek high-grade securities and we ask reasonable rates of return. The benefit of sound investment of life insurance funds at reasonable return flows not to the insurance corporation as an entity but to the benefit of our policyholders and their beneficiaries. To the extent that life insurance funds are lost in speculative investment or their earnings reduced by excessive pressure toward lower interest rates, it is the millions of policyholders and their beneficiaries who suffer. And remember that life insurance policyholders are the hardworking, thrifty people of this country. They are the ones who through industry and self-discipline accumulate funds to be set aside for future use. That future use is not confined to themselves and their families but carries a public benefit as well. The ne'er-do-wells spend their money at the moment, so they are not much concerned about interest rates or the value of money in the future. Anything will do for the money for them so long as it will be accepted in current exchange. But we who are responsible for the funds of the thrifty and saving must feel a responsibility, not only for the interest yield of the investments which we make for our policyholders, but also in the purchasing value of the dollars in which they will be liquidated in the future. I think it hardly necessary to argue with any reasonable American that one dollar out of a supply of the $40 billions which we had a few years ago ought to buy more than one dollar out of the present $180 billions supply. That means that one of the first consequences of too large a supply of money is higher prices for the things we buy. The pressure of a large money supply on prices is to be expected in theory and I think is now to be found in practice in your community. If prices rise, it is to be expected that we should have as we are having, demand for increased wages.

Stop Production of Inflationary Money

These are the natural and practical consequences of the inflation of our money supply, which we have seen in this country in the past few years. Chester Bowles in his engaging way says that he can control prices and somehow wages will be fixed and he will stimulate production and there won't be any inflation. Well, production may take the scarcity pressure off the prices of the things we buy but it can't and it won't take the monetary pressure off those prices. You can have all the production you want but it won't absorb or reduce this money supply that I'm talking about. The money will simply change hands as the result of purchase of the things produced. But that money will still be current in the community for future use in different hands. The only kind of production that affects inflation is the production of inflationary money and that production as Governor Eccles put it plainly should be stopped.

My first job for The Equitable took me to Berlin in 1920. It was just after the first World War and The Equitable's business in Central Europe brought me into touch with leading bankers in Berlin and Vienna. I remember well the way they rubbed their hands and smacked their lips as they rolled off the huge increases in their bank deposits. They sounded then just like the bankers of New York and Chicago sound today. Maybe there is like enthusiasm in the Philadelphia banks over similar increases in bank deposits. I was there again in 1921. There was no longer the enthusiasm over their still increasing bank deposits. They were beginning to note violent rises in prices and the cost of living. They used in the Berlin bank reports and in financial journals pretty much the same language that you read in our bank reports and financial periodicals today. They said they were having no monetary inflation. It was just price inflation and they declared that they could control prices and that there would not be any inflation. You know what happened there. Their whole financial organization blew loose and burned up. Their whole economic organization wiped out all savings and made it necessary to begin all over again with a new currency and an arbitrary adjustment of outstanding obligations. In the process that which we had all hoped was to be republican Germany became totalitarian Germany with the consequences that followed rapidly. Again I say there is nothing so likely to destroy a representative and republican form of government in any country as the complete collapse of its financial and monetary system. If you agree, that we have a very large supply of money and maybe too much, I ask you to remember that there are circumstances just ahead of us, which almost of necessity will increase the money supply.

Effect of "E" Bond Redemptions

There are outstanding two large volumes of Government bonds which were bought during the war with the expectation that they would be liquidated shortly after the war. These are the "E" and other bonds bought by individuals with the understanding that they could be sold after the war to provide purchasing funds for the things that would then be available and various Government issues bought by corporations with the understanding that they would be liquidated after the war to provide working capital and post-war expansions. It is not too much, I think, to estimate that there will be $50 billions of Government bonds within these two classes which are likely to come into the banking system in the near future. Are they also to be monetized with resulting equivalent increases in our money supply? There are probably other sources of demand for bank credit which will make their contribution also to our money supply.

While big businesses are pretty well provided with short-term obligations which may be liquidated to meet business expansion in the near future, after our strikes and other troubles are over, there are many little businessmen and there will be many new businessmen who will be coming along in need of bank loans and other financing which the banks must, in the public interest, provide and that too will add to the money supply.

Monetary Policy No Difference from Greenback Issues

If you had asked me a few years ago how to provide this country with a 200 billion-dollar supply of money, I feel sure I would have told you it could not be done except by the printing of greenbacks. Indeed, if you had observed carefully, as you wandered around the beautiful city of Washington during the last few years, the great expansion of buildings occupied by the Bureau of Printing and Engraving, you might have suspected that somebody was getting ready for some such money manufacture. But the printing of greenbacks to supply all this money which has come to us in the form of bank monetizing of debt would not have been politically expedient. Greenbacks have a history in this country and I do not think our people would have been enthusiastic about them. Indeed, I think that any administration of our Government which resorted to the printing of greenbacks would have gone out of existence at the next election. Certainly the process of creating new money supply by monetizing debt has been much more popular. Indeed, the people have not yet felt its effects sufficiently to be interested in what is going on. Monetizing the debt is simply creating more and more money. In its early stages it has many benefits for the original users of the new money. Its ill effects follow and will keep on following for a long time. Surely we are going to stop this process of making money somewhere in the near future. Certainly we are not going to permit Treasury desires for low interest rates to result in a bank creation of money equal to all debt existing in the country, all private debt, all corporate debt, all Government debt. Certainly the bankers do not want and the people ought to oppose bank acquisition of all the Government bonds now held outside the banking system or any large portion of our corporate debt.

How to Stabilize Volume of Money

My question now is, how are we going to prevent that result? Bank loans and further use of bank reserves to buy non-bank held assets will certainly continue to increase an already too large volume of money. When a banker makes a loan or uses his reserves to buy assets, he must, of course, think of the soundness of his loan or purchase and of its effect on the liquidity of his institution. It is true that concern over liquidity is less than it used to be because recent banking legislation seems to permit the discounting with the Federal Reserve of any asset that any member bank holds in its portfolio.

I was brought up to believe that the bankers are responsible for the soundness of our currency, and I cannot but feel that they bear some responsibility for the existing inflation of our money supply and the present and probable future increase in that inflation.

I know that we have created public agencies with peculiar responsibilities for the effect on public welfare of expansion of bank credit and its consequences, and I know that that public agency is the Federal Reserve Board. The Federal Reserve Board is supposed to put the brakes on the use of bank reserves for lending or purchasing assets by the banks when the money supply gets too large. Those brakes used to involve and probably still involve measures which increase interest rates. Those measures are not now being used and I think it is fair to say that the failure to make use of them indicates the continued control of the policies of the Federal Reserve Banks by the Treasury. It was never intended that the policies of the Federal Reserve Banks should be in the hands of the chief borrower, even if that borrower is the Treasury.

Mr. Eccles has said that the situation at the moment is dangerous and that monetizing of debt by the banks should be discontinued. Mr. Sproul, President of our New York Federal Bank, says the same in effect and adds that the cause is a triple play involving the Treasury, Federal Reserve Banks and the commercial banks. Everybody seems agreed that the situation is undesirable, has dangerous possibilities for the future and that something ought to be done about it. Nobody has, as yet, done anything about it.

Federal Reserve Board Not an Independent Agent

When in 1913 we created the Federal Reserve Board and the Federal Reserve Banks, we spoke of the Board as the Supreme Court of Finance. In those days we had a Supreme Court that we were proud of and the reference was a compliment to the newly created Reserve Board. The Federal Reserve Board, however, is not acting as an independent, responsible agency. It is carrying out Treasury policies and the most important Treasury policy at present is the maintenance of low interest rates. Now the simple truth is that the only way to continue low interest rates is to continue the existing huge supply of money and to add to it as much more as possible. You bond men know perfectly well that the reason for existing low yields on corporate bonds is the low rate on Government bonds and you also know that that Government rate is the result of and is maintained by the deliberately created money supply. It is the competition for investment of the ever increasing volume of money and nothing else that maintains low rates for the Treasury and results in low yields for the investor. As we look back over the last few years, any bond man can see that it would have been easy for him to have made a killing on the new issues during those years by bidding what might have been considered a high price at the time of the issue, by carrying the bonds, if he could afford it, for a few months and then marketing them when the supply of money by the process which I have been discussing had been increased to the point where new demands for investment would give him an easy profit. You know that at least one well-known banking house did exactly that thing with that result.

Looking to the future our financial writers seem to agree that Treasury policy will be decisive with respect to the supply of money and interest rates. What is Treasury policy and who determines it? Mr. Morgenthau said just before he went out of office that low interest rates were very beneficial to the entire country and would continue. In the past it would not have been possible for the Secretary of the Treasury to be so sure of the continuance of the low rate. Mr. Vinson, shortly after he came into the Secretary's office, even before he could have become acquainted with its geography, announced the same policy as his predecessor. This suggests to me that Treasury policy with repect to such intricate and confusing matters is probably determined by someone more permanent than the Secretary of the Treasury, though I don't think that you know who that somebody else is and neither do I. I do not agree that the low rate is in all respects beneficial. Certainly it saves the Treasury something in interest payments on the debt. Its benefit to the average citizen, however, is accompanied by some detriments. It is closely related to the increase in prices and as some of our returning veterans have discovered, it is the real reason why one can now buy a $5,000 house for $10,000.

The Treasury experts, in whom for all practical purposes control of our money supply is now vested, are not likely to change the easy money policy which they have so long emphasized as desirable. It is not to be expected that they will without pressure from outside the Treasury change their policy and add to the interest cost of Government debt.

Responsibility of Commercial Bankers

The commercial bankers, who as I have tried to point out have had a part in increasing the money supply and who in the last analysis will, I think, be held responsible by the public if financial crises result, could do something about it voluntarily. But, of course, it is difficult for a few bankers to be effective in such a matter when the others do not go along with them. In such situations some kind of organized compulsion which operates on everyone is essential.

The Federal Reserve Board has some power to deal with the matter and has indicated that something ought to be done but nothing has been done. The elimination of marginal buying on the stock market is clearly an attack on the symptoms, not on the disease. The Federal Reserve could certainly stop providing the member banks with reserves which would tighten the money market.

It is interesting to note in the newspapers, a few days ago, General MacArthur's order issued to the Japanese Central Bank which in effect said stop Government paper; stop monetizing your Government debt and get your finances on a sound basis.

I suggest that the time has come in this country for Congress to take back control of monetary policy, including Treasury policy and that for the purpose of doing this in an intelligent and practical way the Congress should create a monetary commission to look into the entire situation and report its recommendations to Congress for action. If we drift further as we are tending, we will certainly run into serious monetary trouble. If we act forcefully without thorough consideration of every phase of the problem, we may cause unnecessary hardship or do unnecessary injustice to those affected. And please remember that those affected are not merely the banks, insurance companies, savings banks and investors in securities; they are as well the average citizens of the country, for they, as Grover Cleveland said, are the ones who in the long run will suffer most from the debasement of our currency.

The State of Trade

(Continued from first page)

ion proposals after being told that those demands represented "the irreducible minimum" the miners would accept in a new contract.

If there are no immediate indications of an accord between the miners and the operators, it is expected by the steel industry that output of steel will record a sharp drop by the end of next week.

The effects of such a strike on the steel industry are far-reaching, since it virtually poses a new paralysis of the steel industry itself by cutting off its coal supply and at the same time creates a serious threat to thousands of other workers engaged in industries which are dependent upon both coal and steel.

Should the strike be of long duration, it will mean a further serious delay in the Nation's reconversion program which will work to upset the balance of our whole economy.

Steel Industry—With steel order volume mounting to new highs and with some steel products almost impossible to obtain for many months, pressure this week was being exerted from some quarters to reinstall a modified form of steel priorities. Such a move, however, appeared doomed if for no other reason than that it would take months to build up an organization if the personnel could be found, according to the "Iron Age," national metal working paper in its survey of the steel trade.

The Civilian Production Administration was in conference Wednesday of last week with the Steel Industry Advisory Committee to discuss the tight steel situation in its entirety. Arguments for and against a modified priority system were to be threshed out, with the expected result that the steel industry itself would move rapidly to eliminate extremely tight spots throughout the country covering specific steel products, the magazine stated.

Since these tight areas do not involve more than a small percentage of total steel output, it is expected that some of the more serious cases will be eliminated rapidly. Steelmakers point to the fact that today's steel market condition is no different from high peacetime activity.

Most steel companies already have a priority system of their own, known as the quota system, under which consumers obtain the same relative proportion of steel as they did before the war. Efforts are being made by the steel companies to take care of customers whose initial appearance in the market occurred during the war, but, states the "Iron Age," the natural tendency is to give service to customers whose past history indicates that they were long-time consumers.

The sudden realization by steel users that a boom market was in the making has caused a substantial bulge in the volume of new steel business, despite the fact that many companies are unable to give specific delivery promises. This trend is expected to continue to the point where it will bear strong resemblance to the "old-time" steel market conditions when total backlogs for many companies often represented from seven months to a year's production.

Barring a strike of long duration, the steel industry's labor outlook is slated for smooth sailing until the present contracts expire in February, 1947, according to the above trade authority. Both in the steel industry and in the steel union there is a tacit understanding that both sides will do everything possible to maintain a year's uninterrupted output as well as to step up production to a high level, the magazine adds.

Before the end of the present contracts, however, it is certain that the industry will again be approached by the United Steel Workers of America with a definite demand for a guaranteed annual wage. Wage rates are the highest in steel history and about at the point where there is no more slack and where higher steel prices to support a greater wage rate would backfire on steel production and hence steel employment, the "Iron Age" points out.

The American Iron and Steel Institute announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 89.4% of capacity for the week beginning April 1, compared with 88.5% one week ago, 76.7% one month ago and 96.9% one year ago. This represents an increase of 0.9 point or 1.0% from the previous week.

This week's operating rate is equivalent to $1,575,600 tons of steel ingots and castings and compares with 1,559,700 tons one week ago, 1,351,700 tons one month ago and 1,774,900 tons one year ago.

Electrical Production—The Edison Electric Institute reports that the output of electricity increased to 4,017,310,000 kwh. in the week ended March 23, 1946, from 3,987,-877,000 kwh. in the preceding week. Output for the week ended March 23, 1946, was 8.7% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 178,500,000 kwh. in the week ended March 24, 1946, compared with 173,300,000 kwh. for the corresponding week of 1945, or an increase of 3.0%. Local distribution of electricity amounted to 177,-500,000 kwh., compared with 169,-300,000 kwh. for the corresponding week of last year, an increase of 4.9%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended March 23, 1946, totaled 804,606 cars, the Association of American Railroads announced. This was an increase of 4,724 cars (or 0.6%) above the preceding week and 12,135 cars, or 1.5% below the corresponding week of 1945. Compared with the similar period of 1944, an increase of 27,028 cars, or 3.5% is shown.

Paper and Paperboard Production — Paper production in the United States for the week ending March 23, was 105.0% of mill capacity, against 104.1% in the preceding week and 92.1% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 99%, compared with 100% in the preceding week and 99% in the like 1945 week.

Business Failures Lower—Turning downward in the week ending March 28, commercial and industrial failures numbered 18, reports Dun & Bradstreet, Inc. In the previous week 22 failures occurred; in the comparable week of 1945, 28 concerns failed. This marked the second time in 11 weeks in which failures fell short of the number reported last year.

The week's decline occurred in large failures involving liabilities of $5,000 or more. Ten concerns failed in this size group, as compared with 16 both last week and a year ago. On the other hand, small failures with losses under $5,000 showed an increase from a week ago, but amounted to only two-thirds those in 1945's comparable week.

Concerns failing were most numerous in manufacturing and retailing, with 5 failures reported in each group. Among both manufacturers and retailers, however, failures were only half as high as in the same week last year. Compared with the previous week, fluctuations were mild in all trade and industry groups except manufacturing, where failures dropped from 12 to 5.

Two Canadian failures were reported as compared with 4 in the previous week and 2 in the corresponding week of 1945.

Wholesale Commodity Price Index—Still trending gradually upward, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., closed at 187.56 on March 26, after scoring a further new high of 187.67 last Saturday. The latest figure compares with 187.26 for March 19, and with 176.38 for the corresponding date a year ago.

Volume of trading in leading grain markets last week dropped substantially under the previous week and the like 1945 week. Except for fluctuations in rye and oats futures, prices generally held steady around current ceiling levels. The possibility of higher wheat and corn prices, either through increased ceilings or in the form of subsidies in order to encourage more liberal offerings of those grains, was a strengthening influence.

Country movement of both wheat and corn remained very light, with primary receipts of the latter falling sharply to the smallest aggregate in many weeks. The condition of the winter wheat crop showed further improvement as the result of additional rains. The acute scarcity of wheat supplies continued to be a restraining influence on mill offerings of flour. Moderate hog receipts cleared at full ceiling prices. Steers remained strong under good demand. Lard continued in heavy demand but sales were confined mainly to packer distribution. Output of lard has been affected by recent comparatively light receipts of hogs.

Cotton prices rose steadily in the latter half of the week and although some irregularity developed during the final session, all future contract deliveries closed slightly above the 27-cent level. Movements were again largely dominated by conflicting reports emanating from Washington. Offerings of the staples were relatively scarce and volume of transactions was only moderate as traders moved cautiously pending a clearer view of the situation. Despite a decline in total consumption, the daily rate of cotton use rose from 36,100 bales during January to 38,000 bales in February, the highest for any month since March 1945. Total ginnings from the 1945 cotton crop, according to the Bureau of the Census, amounted to 8,781,455 running bales, the smallest aggregate reported since 1921. Business last week in the carded gray cotton goods market declined in volume with small individual sales continued mostly to print cloths and sheetings.

Topmakers and manufacturers continued to show interest in domestic wools. Sales volume, however, tapered off from recently preceding weeks. The center of interest in the Boston market was the auction sale held there on April 19. The auction was well attended and more than 4,000,000 pounds of foreign wools were offered and taken with good prices ruling. Regular trading in spot foreign wools was a little less active than heretofore. Arrivals of foreign wools in United States ports continued in substantial volume. In the three ports of Philadelphia, Boston, and New York, more than 38,000,000 pounds arrived during the week ended March 15 and continued heavy imports are expected during the next two months.

Wholesale Food Price Index Unchanged—With few individual price changes noted during the week, the wholesale food price index, compiled by Dun & Bradstreet, Inc., for March 26 remained unchanged at its previous peak position—$4.18. This marked a rise of 2.0% as compared with $4.10 for the corresponding 1945 date. Rye declined during the week, while potatoes and sheep moved higher.

The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale and Retail Trade—A large turnout of Easter shoppers, encouraged by mild spring weather, raised retail volume for the country as a whole this week above that of last week and well over that of the similar week a year ago, states Dun & Bradstreet, Inc., in its weekly survey of trade. There were slightly larger selections of many goods that were reported to be scarce during past weeks. Interest was centered on staples and demand generally tended toward the higher priced items.

Retail food volume continued to increase this week. Acute meat shortages were reported by many retailers but stocks of fresh fish were generally adequate. Brussels sprouts, asparagus, and eggplant appeared in larger quantities than during previous weeks. Citrus fruits remained plentiful, while the supply of apples was low. Strawberries and pineapples increased slightly.

Spring apparel attracted most attention this week. Interest in millinery, shoes, and handbags was sustained at a high level. Summer wear appeared in larger quantities this week and sportswear and play suits were frequently requested. Stores were unable to maintain adequate stocks of men's suits and shirts, though slightly larger shipments were received by many retailers than during past weeks. Many promotions of raincoats were inaugurated and reports indicated stocks were larger than they have been for several years.

Limited selections of curtains and draperies continued to discourage many consumers. Piece goods were requested frequently. The supply of cotton piece goods was negligible. A few selections of rayon were available and inventories of wool goods were only slightly less restricted than rayon.

Metal appliances and housewares were very popular. Kitchenware was more plentiful and more varieties of lamps were evident than during previous weeks. The demand for furniture and garden supplies continued to mount. Radios appeared in larger quantity this week, though consumer selectivity was increasing.

Retail volume for the country was estimated to be between 12 and 16% over the corresponding week a year ago. Estimates of regional percentage increases were: New England 11 to 14, East 18 to 21, Middle West 5 to 9, Northwest 13 to 17, South 20 to 24, Southwest 8 to 12, and Pacific Coast 9 to 13.

Wholesale volume gained moderately over that of last week and the corresponding week a year ago. The demand for staples remained high with new order volume showing a slight increase. Deliveries continued to improve in regularity.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended March 23, 1946, increased by 12% above the same period of last year. This compared with an increase of 13% in the preceding week. For the four weeks ended March 23, 1946, sales increased by 15% and for the year to date by 16%.

Retail trade here in New York the past week continued at a high level, but buyer arrivals in wholesale markets displayed disappointment over the delivery volume of men's clothing. The delivery of shirts was much under expectations and supply conditions of men's hats proved tight, caused by heavy consumer purchases. Little activity was noted in primary textile markets as the trade awaited revision in schedules on set-aside of rayon fabrics for the second quarter.

Mild weather encouraged buying of seasonal merchandise and department store sales reflected a substantially higher volume. Demand for beer was heavy, but the usual mid-Lent slump continued in liquor sales. A slight decline was noted in food sales due to milder weather and the reduced level of meat supplies. A record dollar volume was enjoyed by furniture retailers, traceable to emphasis on higher-priced merchandise, but unit production still lagged.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to March 23, 1946, increased 19% above the same period last year. This compared with an increase of 20% in the preceding week. For the four weeks ended March 23, 1946, sales rose by 20% and for the year to date by 22%.

U. S. Will Not Join in Complaint Against Spain

In a note to the French Government, released by the State Department on March 11, the United States Government rejected the French proposal that it join in a complaint against Spain's Franco regime before the United Nations Security Council; in the note transmitted to the French Government it was stated that we do not consider the Spanish situation a threat to peace at present. However, the note, as made public by the State Department and reported from Washington by the Associated Press on March 11, invited France to supply any further information considered pertinent, to together with suggestions as to what the Security Council might do.

The State Department's communication said that the "Government of the United States feels strongly that a change of regime in Spain is long overdue", but added that it was "for the Spanish people themselves in their own way to bring about such a change."

In a later note, dispatched Mar. 19 to the French Government, the United States declared that it adhered to its original position opposing bringing the case against the Government of Generalissimo Francisco Franco in Spain before the Security Council of the United Nations. The communication was a reply to one from Paris urging us to reconsider our opposition to this course, said special advices from Washington March 19 to the New York "Times" which added that "beyond saying that we were adhering to our position as previously set forth to France, James F. Byrnes, Secretary of State, disclosed no details of the note.

The French Government it is stated, made its proposal about bringing the matter before the Security Council after the United States, Britain and France had agreed on a declaration advising the Spanish people to oust Franco by peaceful means. Franco's reaction was to announce that he had no intention of relinquishing office.

Industrial Production Executives to Convene

A three-day conference in April to provide approximately 1,500 production managers from all types of industry in the United States an opportunity to exchange information and experience on common problems has been announced by the American Management Association. The meeting will be held in New York City, April 22, 23 and 24 at the Hotel Pennsylvania and will be open to members and non-members of the Association. Production executives from representative manufacturing organizations and conference participants are being invited to examine production management policies and procedures and discuss necessary modifications and improvements to meet peacetime requirements.

Subjects of the sessions will include productivity standards and measurement, employee and management incentives, training, discipline, labor-management cooperation, administration of cost and policy controls, employee suggestion programs, material handling procedures, quality and quantity objectives for employees, foremen and executives.

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*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
April 2	125.86	119.82	123.99	122.29	119.41	114.27	117.40	120.43	122.09
1	125.64	119.82	123.99	122.29	119.41	114.27	117.40	120.22	122.09
Mar. 30	125.61	119.82	123.99	122.29	119.41	114.27	117.40	120.22	122.09
29	125.61	119.82	123.99	122.29	119.41	114.27	117.40	120.22	122.09
28	125.52	119.82	123.99	122.50	119.41	114.08	117.20	120.22	122.09
27	125.52	119.82	123.99	122.50	119.40	114.08	117.20	120.22	122.29
26	125.58	119.82	123.99	122.50	119.41	114.08	117.20	120.22	122.29
25	125.67	119.82	123.99	122.50	119.41	114.08	117.20	120.22	122.29
23	125.74	119.82	123.99	122.50	119.41	114.08	117.20	120.22	122.29
22	125.74	119.82	123.77	122.29	119.41	114.08	117.20	120.22	122.09
21	125,74	119.82	123.77	122.50	119.20	114.08	117.00	120.22	122.09
20	125.77	119.61	123.56	122.29	119.00	114.08	116.80	120.22	122.09
19	125.80	119.61	123.56	122.29	119.00	114.27	117.00	120.22	122.09
18	125.80	119.82	123.77	122.50	119.20	114.27	117.00	120.22	122.29
16	125.80	119.82	123.77	122.29	119.20	114.27	117.00	120.22	122.09
15	125.80	119.82	123.77	122.29	119.20	114.27	117.00	120.22	122.29
14	125.80	119.82	123.77	122.29	119.20	114.27	116.80	120.22	122.29
13	125.81	119.82	123.77	122.29	119.20	114.46	117.00	120.22	122.29
12	125.84	119.82	123.77	122.29	119.20	114.46	117.00	120.22	122.29
11	125.86	119.82	123.77	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	123.99	122.50	119.41	114.46	117.40	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 April 2, 1945	122.00	111.44	120.84	118.40	114.85	106.04	111.25	114.27	119.20
2 Years Ago April 1, 1944	119.68	114.85	118.20	116.41	111.25	100.81	104.66	113.70	111.22

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
April 2	1.34	2.66	2.46	2.54	2.68	2.94	2.78	2.63	2.55
1	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
Mar. 30	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
29	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
28	1.37	2.66	2.46	2.53	2.68	2.95	2.79	2.64	2.55
27	1.37	2.66	2.46	2.53	2.68	2.95	2.79	2.64	2.54
26	1.36	2.66	2.46	2.53	2.68	2.95	2.79	2.64	2.54
25	1.36	2.66	2.46	2.53	2.68	2.95	2.79	2.64	2.54
23	1.35	2.63	2.46	2.53	2.68	2.95	2.79	2.64	2.54
22	1.35	2.66	2.47	2.54	2.68	2.95	2.79	2.64	2.55
21	1.35	2.66	2.47	2.53	2.69	2.95	2.80	2.64	2.55
20	1.35	2.67	2.48	2.54	2.70	2.95	2.81	2.64	2.55
19	1.35	2.67	2.48	2.54	2.70	2.94	2.80	2.64	2.55
18	1.35	2.66	2.47	2.53	2.69	2.94	2.80	2.64	2.54
16	1.35	2.66	2.47	2.54	2.69	2.94	2.80	2.64	2.55
15	1.34	2.66	2.47	2.54	2.69	2.94	2.80	2.64	2.54
14	1.34	2.66	2.47	2.54	2.69	2.94	2.81	*2.64	2.54
13	1.34	2.66	2.47	2.54	2.69	2.93	2.80	2.64	2.54
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	2.46	2.53	2.68	2.93	2.79	2.63	2.53
1 Year Ago April 2, 1945	1.66	2.91	2.61	2.73	2.91	3.39	3.10	2.94	2.69
2 Years Ago April 1, 1944	1.83	3.09	2.74	2.83	3.10	3.70	3.47	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.

Civil Engineering Construction Totals $134,912,000 for Week

Civil engineering construction volume in continental United States totals $134,912,000 for the week ending March 28, 1946 as reported to "Engineering News-Record." This is the highest since the Nov. 12, 1942 weekly volume which reached $304,000,000. This volume is also 27% above the previous week, 262% above the corresponding week of last year, and 56% above the previous four-week moving average. The report issued on March 28, added:

Private construction this week, $100,681,000, highest since March 30, 1930, is 88% above last week and 2,316% above the week last year. Public construction, 57% less than last week and 3% greater than the week last year. State and municipal construction, 41% less than last week, is also 324% above the 1945 week. Federal construction, 22% less than last week and 52% less than the week last year.

Total engineering construction for the 13-week period of 1946 records a cumulative total of $980,283,000, which is 158% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $653,390,000, which is 576% above that for 1945. Public construction, $326,893,000, is 23% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $216,968,000 to date, is 450% above 1945. Federal construction, $109,925,000, dropped 74% below the 13-week total of 1945.

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

	March 28, 1946	March 21, 1946	March 29, 1945
Total U. S. Construction	$134,912,000	$105,931,000	$37,301,000
Private Construction	100,681,000	53,650,000	4,167,000
Public Construction	34,231,000	52,281,000	33,134,000
State and Municipal	20,791,000	35,109,000	4,900,000
Federal	13,440,000	17,172,000	28,234,000

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

Price Control Successful

(Continued from page 1838)

was no rationing at the retail level; and no public announcement of fixed prices, even of war goods, until September, 1917. Furthermore, such price control and allocation as existed were removed almost immediately after the Armistice.

The inflationary pressures generated by a war continue for some time after it has been concluded on the battlefronts. In World War I, retail prices rose 62% in the 52 months between the outbreak of the war in Europe in 1914 and Armistice Day. From Armistice Day until June, 1920, retail prices rose another 46 points, making a total of 108% above the 1914 level. On the other hand, retail prices have risen only 0.5% between V-J Day and Jan. 15, 1946.

Can Prevent Repetition of World War I Aftermath

The problem before us is to prevent a repetition of the experience after World War I. We can prevent it if we try; and one of the most important things to do is to extend the Stabilization Act with as little delay as possible.

The task ahead of us does not appear so difficult if we remember the work that we have done. During the fight against the armed enemy abroad and the insidious enemy of inflation at home, we had our headaches and our heartaches. There were shortages of raw materials. There were great transfers of manpower from peacetime pursuits to war production, and from the homes to the factories. There were kinks in the production line and in the transportation system. In large part we had to prepare for war after the battle had started. And we were fighting enemies who had prepared for years. Yet we overwhelmed the enemy with our armed might, had more than enough to live on at home, and kept our economy on even keel.

After the shooting stopped we had to change over again, this time from war to the pursuits of peace. Again we have had our problems. By and large, however, the job is done, and we can say it was well done.

Today we can be more optimistic about the future than ever before. It would be pathetic if we muffed this grand opportunity. We must maintain our controls over inflation a little longer.

In view of the work I have had in the field of stabilization, I have, of course, a strong personal interest in the subject. Of much more importance, however, is the fact that as Secretary of the Treasury I have a vital official interest in the prevention of inflation.

Taxes and Public Debt Management

Two of the most important subjects in the Treasury Department are taxes and the management of the public debt. Inflation, or its prevention, has a direct effect on both problems.

At present we are traveling a sound and pleasant road. Our receipts are larger than the estimates made at the time of the President's Budget Message. In fact, our net receipts from July 1, 1945, through March 22, 1946, have been only 2% less than during the corresponding period of the previous fiscal year. Our revenues have been large because our national income has stayed at a high level. Meanwhile, expenditures are smaller than the estimates made at the time of the Budget Message. In fact, our expenditures in February were $3,500,000,000 against the high of $9,700,000,000 last June. This decline of nearly two-thirds in eight months is because we have all made a wholehearted effort to leave the wartime basis and adopt the peacetime course. The two together mean that we are well on the way to a balanced budget. That has a novel sound, but it is a happy situation which I am glad to report to this Committee, to the Congress, and to all the people of the country who have the same problem in their daily lives.

With our current expenditures much lower, the cash balance of the Treasury can be less. Chiefly by this means we have been able to make two substantial reductions in the public debt. That, too, has a novel sound. In fact, they are the first substantial reductions in sixteen years.

In spite of this generally good situation, taxes must remain high and the burden of carrying the public debt is still significant. The raising of substantial revenues and the carrying of the public debt can both be done without undue burden to our economy. Can be done, that is, if our economy is maintained at a high level.

The only desirable, sound, long-term solution to the problems of revenue and debt management is high-level production, employment, and national income. With our economy in high gear the burden will be much lighter. The war has demonstrated that we have a $200,000,000,000 nation.

Wants a Sound and Expansive Economy

As Secretary of the Treasury I want a sound and expansive economy. And on that point the prevention of inflation has its all-important impact. We cannot have that stable, high-level economy with full production, full employment, and high national income, nor can we meet successfully our revenue and debt management problems, if we have the dislocation of all values and relationships throughout our economy that comes with a bad case of inflation.

We have built up a tremendous demand for most consumer goods. This demand is backed up by large savings. The amount of currency, bank deposits, and United States securities owned by all non-bank investors has increased from about $82,000,000,000 at the end of 1939 to about $300,000,000,000 today. Our wants, fortified by these liquid reserves, can give us the impetus to begin a volume of peacetime production far greater than we have ever seen. Moreover, these savings can be the flywheel for our economy for along time to come. This can give us the future that all Americans want. It can be the pleasant aftermath of war.

This result, however, is not an inevitable one. We could quickly spend ourselves in the dissipation of spiraling prices and speculative markets. We have the heart and the mind to avoid this catastrophe. Let us have the fortitude and the wit to carry out the decision that we know is right. Our children would look back and consider it the most pathetic thing our generation did, if, after thwarting the inflation ogre all through the war, we gave up just before the job was finished.

Price Control Removal Will Not Increase Production

Production to meet the demand is the final answer. Some quarters, taking advantage of the appeal of this end, have suggested that the removal of price controls is the best way to stimulate production and is therefore the best way to beat the inflation danger. These people, consciously or unconsciously, overlook the needs of the interim period. Although we are well on our way of peacetime production, we cannot produce enough tomorrow or the next day to meet the demand that has accumulated over months. During that period, the removal of price control would be stimulating—stimulating in a fanciful, dizzy sort of way. In my judgment, there would be so much effort spent in beating the market, in buying and selling materials and inventories, in concentrating on the speculative gain, that we would find total production decreased rather than increased.

I therefore take issue with those who say that removal of price control will stimulate and increase production. This sounds like the 1946 version of the old argument that price control has stifled production. Price control did not stifle production during the war and in spite of the obstacles we have had, the expansion of peacetime production in the period since V-J Day as a whole has been more rapid than in any other period of our history. The present physical level of production in the whole economy is now above the average of the year 1941, despite the tremendous problems which have been presented to industry in the past year by the change-over from a wartime to a peacetime demand. When the pipelines are full, most types of consumers' goods will be on the market in volume. But the extension of the Stabilization Act is necessary to hold the line until supply once more matches demand.

When we are served up tempting departures from our present program, let us remember that the record under price control is remarkably good. Let us recall again and again that the best index of retail prices we have showed an increase in the 72 months of this war of one-half what it did in the 52 months during World War I. Let us recall that after Nov. 11, 1918, prices continued to increase rapidly until June, 1920, when they reached a point double what they were at the start of the war. Then came the crash. This time prices have been relatively stable since the end of the war. We are in a good position to avoid an insecure boom followed by a terrible collapse. Let us not undo what we have done. I fully endorse the extension of the Stabilization Act.

Moody's Daily Commodity Index

Tuesday, March 26	271.8
Wednesday, March 27	272.1
Thursday, March 28	272.6
Friday, March 29	273.5
Saturday, March 30	272.9
Monday, April 1	273.3
Tuesday, April 2	273.6
Two weeks ago, March 19	271.3
Month ago, March 2	270.9
Year ago, April 2	254.8
1945 High, December 27	265.0
Low, January 24	252.1
1946 High, March 29	273.5
Low, January 2	264.7

Daily Average Crude Oil Production for Week Ended March 23, 1946 Increased 16,400 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 23, 1946 was 4,430,950 barrels, an increase of 16,400 barrels per day over the preceding week. The current figure, however, was 351,165 barrels per day less than in the corresponding week of 1945, and was 19,050 barrels below the daily average figure of 4,450,000 barrels estimated by the United States Bureau of Mines as the requirements for the month of March, 1946. Daily production for the four weeks ended March 23, 1946, averaged 4,493,800 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 4,633,000 barrels of crude oil daily and produced 13,732,000 barrels of gasoline; 2,334,000 barrels of kerosine; 5,514,000 barrels of distillate fuel, and 8,596,000 barrels of residual fuel oil during the week ended March 23, 1946; and had in storage at the end of the week 104,562,000 barrels of finished and unfinished gasoline; 8,917,000 barrels of kerosine; 26,667,000 barrels of distillate fuel, and 37,906,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements March	State Allowables Begin. Mar. 1	Actual Production Week Ended Mar. 23, 1946	Actual Production Change from Previous Week	4 Weeks Ended Mar. 23, 1946	Week Ended Mar. 24, 1945
Oklahoma	366,000	359,525	†367,500	— 4,000	377,500	369,350
Kansas	252,000	245,200	†259,400	+ 6,650	253,500	275,500
Nebraska	800	----	†800	----	800	950
Panhandle Texas			81,000	----	81,000	88,000
North Texas			146,050	----	148,950	149,300
West Texas			436,550	----	453,250	477,400
East Central Texas			127,500	----	132,150	146,700
East Texas			317,400	----	318,300	381,000
Southwest Texas			290,200	----	306,700	352,150
Coastal Texas			418,800	----	450,100	564,450
Total Texas	1,910,000	‡1,791,553	1,817,500	----	1,890,450	2,159,000
North Louisiana			82,450	— 100	82,500	70,100
Coastal Louisiana			293,350	----	292,250	295,650
Total Louisiana	372,000	406,454	375,800	— 100	374,750	365,750
Arkansas	76,000	79,603	77,250	+ 250	77,150	80,200
Mississippi	52,000		55,250	+ 150	55,200	52,200
Alabama	600		1,000	----	1,000	250
Florida	----		100	----	100	15
Illinois	198,000		208,650	+ 2,500	208,800	191,250
Indiana	13,000		17,650	— 250	18,150	10,350
Eastern— (Not incl. Ill., Ind., Ky.)	61,200		63,650	— 1,450	64,850	63,850
Kentucky	29,000		32,000	— 150	31,250	14,600
Michigan	46,000		44,300	+ 1,050	43,850	51,050
Wyoming	94,000		111,650	+ 1,350	107,450	105,300
Montana	20,400		20,100	— 50	19,600	20,550
Colorado	23,000		22,550	— 2,850	24,850	10,000
New Mexico	98,000	106,000	95,600	----	96,300	103,850
Total East of Calif.	3,612,000		3,570,750	+ 3,100	3,645,550	3,874,015
California	838,000	§824,000	860,200	+ 13,300	848,250	908,100
Total United States	4,450,000		4,430,950	+ 16,400	4,493,800	4,782,115

*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 March. As requirements may be supplied either from stocks or from new production, contemplated withdrawals 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. Mar. 20, 1946.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of those fields which were exempted entirely the entire state was ordered shut down for 10 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 10 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 23, 1946

(Figures in thousands of barrels of 42 gallons each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	§Gasoline 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	1,744	23,285	4,249	8,346	5,850
Appalachian—								
District No. 1	76.8	94	64.4	342	2,935	161	424	228
District No. 2	81.2	61	122.0	230	1,214	27	92	276
Ind., Ill., Ky.	87.2	718	83.8	2,345	24,072	1,246	3,098	3,151
Okla., Kan., Mo.	78.3	386	82.3	1,303	10,119	374	1,416	1,008
Inland Texas	59.8	224	67.9	851	3,132	320	297	636
Texas Gulf Coast	89.3	1,143	92.8	3,671	15,659	1,200	4,327	4,139
Louisiana Gulf Coast	96.8	312	120.0	818	4,351	487	1,348	1,157
No. La. & Arkansas	55.9	51	40.5	140	1,881	159	394	237
Rocky Mountain—								
District No. 3	17.1	14	107.7	46	111	20	34	33
District No. 4	72.1	126	79.2	344	2,439	107	401	600
California	86.5	793	82.0	1,868	15,364	567	6,490	20,591
Total U. S. B. of M. Basis Mar. 23, 1946	85.7	4,683	86.6	13,732	*104,562	8,917	26,667	37,906
Total U. S. B. of M. Basis Mar. 16, 1946	85.7	4,607	85.2	13,850	104,781	8,466	25,747	37,767
U. S. B. of M. basis Mar. 24, 1945		4,720	----	15,117	†98,193	6,625	26,324	42,920

*Includes unfinished gasoline stocks of 8,887,000 barrels. †Includes unfinished gasoline stocks of 12,029,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 2,334,000 barrels of kerosine, 5,514,000 barrels of gas oil and distillate fuel oil and 8,596,000 barrels of residual fuel oil produced during the week ended March 23, 1946, which compares with 2,168,000 barrels, 5,655,000 barrels and 8,382,000 barrels, respectively, in the preceding week and 1,710,000 barrels, 4,567,000 barrels and 8,817,000 barrels, respectively, in the week ended March 24, 1945.

National Fertilizer Association Commodity Price Index Scores Further New High

The weekly wholesale commodity price index compiled by the National Fertilizer Association, and made public on April 1, advanced 0.3% above last week, scoring a further new high, in the week ended March 30, 1946. This index is now at the high level of 144.9, advancing from 144.4 in the preceding week. The index has reached new high peaks in each of the past four weeks and is now 3.5% higher than it was a year ago. A month ago the index stood at 141.9 which was almost the low point for 1946, and a year ago at 140.0, all based on the 1935-1939 average as 100. The Association, in its report, further adds:

The fuel index registered the largest gain, during the latest week, of the three composite groups in the index that advanced. Its rise was due to the higher quotations for bunker oil. The farm products group rose to a new high point with the three subgroups of the index each advancing. The cotton index again advanced to a new peak. The grain index advanced fractionally with rye prices again higher. The livestock index showed a small advance because of higher prices for calves. The textile index reached a new high level with a moderate advance during the week. The food index remained steady with higher quotations for potatoes and dressed fowl just offsetting the decline in cheese prices. All other groups of the index remained unchanged.

During the week 6 price series in the index advanced and 1 declined; in the preceding week 16 advanced and none declined; in the second preceding week 13 advanced and 4 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. 30, 1946	Preceding Week Mar. 23, 1946	Month Ago Mar. 2, 1946	Year Ago Mar. 31, 1945
25.3	Foods	144.0	144.0	140.5	141.6
	Fats and Oils	147.4	147.4	146.6	145.3
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	174.0	173.2	172.0	165.6
	Cotton	259.0	254.1	252.3	206.4
	Grains	173.4	173.3	170.0	162.9
	Livestock	160.7	160.5	159.8	159.9
17.3	Fuels	128.4	126.5	126.5	130.4
10.8	Miscellaneous commodities	134.3	134.3	133.9	133.7
8.2	Textiles	166.1	165.4	162.0	156.0
7.1	Metals	117.1	117.1	110.2	104.7
6.1	Building materials	167.8	167.8	161.3	154.2
1.3	Chemicals and drugs	127.2	127.2	127.2	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	105.3	105.3	105.2	104.8
100.0	All groups combined	144.9	144.4	141.9	140.0

*Indexes on 1926-1928 base were: March 30, 1946, 112.9; March 23, 1946, 112.5; and March 31, 1945, 109.1.

Electric Output for Week Ended March 30, 1946 7.8% 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 30, 1946, was 3,992,283,000 kwh., which compares with 4,329,478,000 kwh. in the corresponding week a year ago, and 4,017,310,000 kwh. in the week ended March 23, 1946. The output for the week ended March 30, 1946 was 7.8% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Major Geographical Divisions—	Week Ended— March 30	March 23	March 16	March 9
New England	2.7	6.1	4.2	5.1
Middle Atlantic	1.4	3.6	3.0	5.7
Central Industrial	13.6	13.6	13.5	15.7
West Central	0.2	§0.7	1.2	2.4
Southern States	8.4	8.9	9.9	11.9
Rocky Mountain	§3.8	§4.0	§1.2	1.6
Pacific Coast	10.0	10.8	13.4	13.4
Total United States	7.8	8.7	9.3	11.1

§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	3,756,942	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	3,987,877	4,397,529	— 9.3	4,400,246	1,514,553	1,683,262
March 23	4,017,310	4,401,716	— 8.7	4,409,159	1,480,208	1,679,589
March 30	3,992,283	4,329,478	— 7.8	4,408,703	1,465,076	1,633,291

Proposes Anglo-American Federation Open to Others as Move to Avert War

It was urged on Feb. 24 that the United States should immediately propose federation to Great Britain as the first practical step toward elimination of war, the suggestion coming from H. Frederick Willkie, brother of the late Wendell Willkie and advance-guard representative of a new "internationalism" in industry. His proposal, made at Washington, was that this Anglo-American federation should not be a closed alliance, but wide open to any other nation wishing to so federate. Mr. Willkie added that it was the first feasible step toward an inevitable world federation. Mr. Willkie, Vice-President of Joseph E. Seagram & Sons, Inc., of Louisville, Ky., addressed the "lounge forum" of the School of Advanced International Studies, his message reaching, for the most part, graduate students preparing for international careers in business or diplomacy.

Simultaneously Mr. Willkie advised industry that now is the time to sponsor a vast expansion of the "present feeble system of international fellowships" with a new program on the order of the Rhodes Scholarships in which each industry would sponsor one or more scholarships for foreign students at American universities. Mr. Willkie contended that "we must teach productivity and free enterprise to other nations. Scholarships can play a mighty part."

Lend-lease assistance and loans to foreign governments are temporary palliatives and will not produce lasting world prosperity, Mr. Willkie said in his address. In his remarks he likewise stated:

"Economically we of the United States are suspect. Most of all there is suspicion of what we will do with our incredibly great capacity for industrial production. We must teach productivity abroad. We must send technical men to establish plants in lands in need of them.

"We have nothing to lose from such generosity, but everything to gain. The best way to destroy the creativeness of our people is to hoard ideas. We cannot enjoy prosperity alone. Full employment in Detroit in the long run is dependent on full employment in London, Shanghai, Oslo and even Moscow. No nation is any longer capable of solving its problems alone."

He urged therefore:

"1. A vast expansion in international scholarships sponsored by business and industry. 'After all, the cost of educating a Russian in America is no greater than that of sending a Hoosier to Harvard.'

"2. Industrial fellowships which will 'take men out of university faculties or industries or businesses in any part of the world and offer them the hospitality of industry in any other part of the world during a stipulated period of study.'

"3. Stimulation of widespread study of international affairs, politics and economics by the institution, within industry, of classes in these subjects, for all employees wishing to participate, and accreditation of such classes to local educational institutions."

"The important point," he said, "is that industry will profit most from developing well-rounded people, people with creative capacity, people who have been encouraged to find the best outlets for their own potentialities and capacities, rather than people who can be regimented into performing routine functions in a perfunctory way to earn a nominal wage. Let us, in short, develop people instead of exploiting them. This is industry's obligation to society."

Freight Traffic in Feb. Below That a Year Ago

The volume of freight traffic handled by class I railroads in February, 1946, measured in ten-miles of revenue freight, decreased about 17% under the corresponding month of last year, the Association of American Railroads announced on March 22. February traffic amounted to 46,000,000,000 ton-miles, according to estimates based on reports just received by the Association from class I carriers.

Compared with two years ago the decrease was 22½%, although nearly twice the volume of February, 1939.

The following table summarizes final ton-mile statistics for the year 1945, and preliminary figures for the first two months of 1946 (000 omitted):

	1945	1944	% Decr
Mo. of Dec.	46,295,117	57,176,414	19.0
Year (final)	680,671,394	736,826,301	7.6
	1946	1945	
Mo. of Jan.	*49,000,000	56,845,141	14
Mo. of Feb.	†46,000,000	55,462,959	17.

*Revised. †Preliminary estimate.

Trading on New York Exchanges

The Securities and Exchange Commission made public on March 27 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Mar. 9, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Mar. 9 (in round-lot transactions) totaled 1,931,142 shares, which amount was 17.14% of the total transactions on the Exchange of 5,633,730 shares. This compares with member trading during the week ended Mar. 2 of 3,429,122 shares, or 17.32% of the total trading of 9,895,830 shares.

On the New York Curb Exchange, member trading during the week ended Mar. 9, amounted to 540,590 shares, or 12.49% of the total volume on that Exchange of 2,163,680 shares. During the week ended Mar. 2, trading for the account of Curb members of 913,410 shares was 13.74% of the total trading of 3,324,875 shares.

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

WEEK ENDED MARCH 9, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	149,270	
‡Other sales	5,484,460	
Total sales	5,633,730	
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	611,800	
Short sales	92,410	
‡Other sales	511,830	
Total sales	604,240	10.79
2. Other transactions initiated on the floor—		
Total purchases	109.330	
Short sales	6,100	
‡Other sales	99,500	
Total sales	105,600	1.91
3. Other transactions initiated off the floor—		
Total purchases	218,862	
Short sales	18,100	
‡Other sales	263,210	
Total sales	281,310	4.44
4. Total—		
Total purchases	939,992	
Short sales	116,610	
‡Other sales	874,540	
Total sales	991.150	17.14

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

WEEK ENDED MARCH 9, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	30,280	
‡Other sales	2,133,400	
Total sales	2,163,680	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	178,770	
Short sales	14,115	
‡Other sales	172,560	
Total sales	186,675	8.44
2. Other transactions initiated on the floor—		
Total purchases	19,305	
Short sales	900	
‡Other sales	34,100	
Total sales	35,000	1.26
3. Other transactions initiated off the floor—		
Total purchases	56,080	
Short sales	8,425	
‡Other sales	56,335	
Total sales	64,760	2.79
4. Total—		
Total purchases	254,155	
Short sales	23,440	
‡Other sales	262,995	
Total sales	286,435	12.49
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	87,770	
Total purchases	87,770	
Total sales	91,490	

*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."

Non-Ferrous Metals Work Stoppages Spread—Demand for Zinc Active—Lead Sales Higher

"E. & M. J. Metal and Mineral Markets," in its issue of March 28, stated: "Conditions throughout the non-ferrous metal industry last week reached the point that borders on chaos. Secretary of Labor Schwellenbach has named a fact-finding board to settle the wage dispute that is spreading in the zinc industry. [The properties of Anaconda in Montana were scheduled to shut down on March 31, but the strike was postponed pending further negotiations on an agreement.—Ed.

The CIO has served notice on producers in the Tri-State zinc area that wage negotiations for a 30% increase are to begin within 30 days. Owing to the complex nature of the non-ferrous metal industry, early settlement of the dispute by the Board is not expected. Few sellers were in a position to offer copper and lead freely. Quicksilver on spot advanced $1 per flask, but the situation in forward metal was unsettled as the week ended. A special rating was established for cadmium to take care of essential business." The publication further went on to say in part as follows:

Copper

Operations at Anaconda, Butte, and Great Falls were expected to shut down on the last day of March. That will leave a single copper refinery on the active list in this country (at Carteret), and the movement of the metal to consumers will be even smaller than at present. The labor situation at the brass mills, which appeared to be fairly encouraging a fortnight ago, has taken a turn for the worse. Settlement of the wage dispute at leading brass mills may not end, some operators believe, until the fact-finding body has completed its survey.

The domestic price situation in copper remains unchanged. Foreign metal sold at about the same level as in the preceding week.

Fabricators consumed 71,034 tons of copper in February, which compares with 100,213 tons in January, and 165,387 tons in February a year ago. The decline in use of copper in February resulted from strikes at wire and brass mills. At the end of February the stocks of copper in the hands of fabricators totaled 401,933 tons, against 389,157 tons a month previous and 333,250 tons a year ago.

Lead

So far, the authorities in Washington have released about 6,000 tons of foreign lead for April, and, unless more lead is forthcoming soon, consumers will be forced to limit their operations sharply. The CPA has not yet issued its revised order on permissible consumption of lead for the second-quarter period, owing to the unexpected developments that have reduced available supplies from domestic and foreign sources. To obtain larger supplies of foreign lead, it now appears certain that the Government will have to pay a higher price than that which obtained on first-quarter contracts.

Sales of lead in the domestic market last week amounted to 2,305 tons, compared with 2,108 tons the week before.

Domestic production of primary refined lead in February was on a reduced scale, owing to strikes, but shipments were up because of heavy demands from consumers, and stocks declined 6,617 tons. The statistics covering the operations of domestic lead refineries for January and February, in tons, follow:

	Feb.	Jan.
Stock at beginning	51,929	45,682
Production:		
Primary	40,070	49,795
Secondary	1,573	1,259
Total output	41,643	51,054
Domestic shipments	48,257	44,806
Stock at end	45,312	51,929

The statistics cover both soft and hard (antimonial) lead. Production of antimonial lead by domestic refiners in February came to 7,458 tons, against 7,388 tons in January. Stocks of antimonial lead in the hands of refiners at the end of February totaled 5,202 tons, against 7,021 tons a month previous.

Zinc

Interest centered in the strike situation that threatens to interfere with production of zinc in Montana and disrupt operations in the Tri-State district. Demand for both Prime Western and Special High Grade zinc remains active. Some producers of these grades have turned away business.

During January the United State imported 18,269 tons of zinc contained in ore and concentrates and 16,949 tons in the form of slab zinc. This compares with imports of 25,939 tons in ore and 9,666 tons as slab zinc in December.

Cadmium

Supply of cadmium remains tight. To cope with the situation, the Civilian Production Administration last week revoked Order M-389 and established a specific list of products on which a special "CC" rating may be issued to procure metal for essential purposes. Under the old regulation, various manufacturers of essential products found it almost impossible to obtain cadmium in quantity to maintain operations at the "minimum economic rate."

Tungsten Ore

The Ministry of Supply for Great Britain has reduced its selling price for tungsten ore from 90s. per unit of WO^3 to 75⅝s.

Though scattered lots of imported ore have been offered here at $22 per unit, sellers claim that on domestic scheelite of good known analysis business is being closed on the basis of $24.

Tin

Though world production of tin is expected to improve moderately during 1946, demand for the metal also is increasing, particularly outside of the United States, and the supply outlook remains tight. Consumption of tin in this country at present is at the rate of 65,000 tons a year.

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

	April	May	June
March 21	52.000	52,000	52,000
March 22	52.000	52.000	52.000
March 23	52.000	52.000	52.000
March 25	52.000	52.000	52.000
March 26	52.000	52.000	52.000
March 27	52.000	52.000	52.000

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

Quicksilver

Agents of Spanish producers offered quicksilver on the basis of $81 to $82 per flask, c.i.f., forward delivery, or approximately $1.50 per flash lower than the price named earlier in the year. Plus duty, this would be the equivalent of around $100 per flask. This development unsettled the market for forward metal, but spot quotations remained quite steady. In fact, spot metal was quotable at $105 to $107 per flask, or $1 higher than a week ago. Supplies on spot appear to be in firm hands. Uncertainty over the Spanish political situation still obtains in some quarters.

Silver

The Senate Appropriations Committee last week voted to postpone action on the silver amendment attached to the Treasury-Post Office bill until April 9. The amendment, sponsored by Senator Green, provides for the sale of free Treasury silver to industry on the basis of 71.11c.

The New York Official quotation for foreign silver was unchanged last week at 70¾c. an ounce troy. London was unchanged at 44d.

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

Mar.	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
21	11.775	11.975	52.000	6.50	6.35	8.25
22	11.775	11.925	52.000	6.50	6.35	8.25
23	11.775	12.050	52.000	6.50	6.35	8.25
25	11.775	11.925	52.000	6.50	6.35	8.25
26	11.775	11.925	52.000	6.50	6.35	8.25
27	11.775	11.925	52.000	6.50	6.35	8.25
Average	11.775	11.954	52.000	6.50	6.35	8.25

Average prices for calendar week ended March 23 are: Domestic copper f.o.b. refinery, 11.775¢; export copper, f.o.b. refinery, 11.963¢; Straits tin, 52.000¢; New York lead, 6.500¢; St. Louis lead, 6.350¢; St. Louis zinc, 8.250¢; and silver, 70.750¢.

The above quotations are "E. & M. J. M. & M. M's" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis: that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Effective March 14, the export quotation for copper reflects prices obtaining in the open market and is based on sales in the foreign market reduced to the f.o.b. refinery equivalent, Atlantic seaboard. On f.a.s. transactions we deduct 0.075c, for lighterage, etc., to arrive at the f.o.b. refinery quotation.

Quotations for copper are for the ordinary forms of wirebars and ingot bars. For standard ingots an extra 0.05c. per pound is charged; for slabs 0.075c. up, and for cakes 0.125c. up, depending on weight and dimensions; for billets an extra 0.75c. up, depending on dimensions and quality. Cathodes in standard sizes are sold at a discount of 0.125c. per pound.

Quotations for zinc are for ordinary Prime Western brands. Contract prices for High-Grade zinc delivered in the East and Middle West in nearly all instances command a premium of 1c. per pound over the current market for Prime Western but not less than 1c. over the "E. & M. J." average for Prime Western for the previous month.

Quotations for lead reflect prices obtained for common lead only.

Result of Treasury Bill Offering

The Secretary of the Treasury announced on April 1 that the tenders for $1,300,000,000 or thereabout of 92-day Treasury bills to be dated April 4 and to mature July 5, which were offered on March 29, were opened at the Federal Reserve Banks on April 1.

Total applied for $1,863,398,000.

Total accepted, $1,311,768,000 (includes $34,061,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price, 99.904+; equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids:

High, 99.908, equivalent rate of discount approximately 0.360% per annum.

Low, 99.904; equivalent rate of discount approximately 0.376% per annum.

(67% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 4 in the amount of $1,302,898,000.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on March 27, a summary for the week ended March 16 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 March 16, 1946

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of Orders	33,200
Number of Shares	942,245
Dollar value	$41,870,857
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	147
*Customers' other sales	26,408
Customers' total sales	26,555
Number of Shares:	
Customers' short sales	5,390
*Customers' other sales	746,387
Customers' total sales	751,777
Dollar value	$33,303,503
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	130
†Other sales	158,050
Total sales	158,180
Round-Lot Purchases by Dealers—	
Number of shares	345,410

*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

Bituminous coal production during the week ended March 23, 1946 exceeded 13,000,000 net tons for the third successive week, J. A. Krug, Solid Fuels Administrator, announced on March 31. Since 1927 there have been only two other 13,000,000-tons weeks, both occurring in December, 1943.

During the week ended March 23, 1946, approximately 13,175,000 tons of soft coal were mined, as compared with a revised estimate of 13,210,000 in the preceding week and 11,817,000 tons in the week ended March 24, 1945. The cumulative total of bituminous coal output during the current fuel year from April 1, 1945 through March 23, 1946 was about 571,634,000 net tons, which was a decrease of 4.6% below the 598,996,000 tons mined in the comparable portion of the preceding fuel year. The two Southern Appalachian Districts Nos. 7 and 8, in Virginia, southern West Virginia, eastern Kentucky and northeastern Tennessee, mined about 3,998,000 tons in the week ended March 16, 1946, as compared with about 3,968,000 tons in the preceding week and with 3,514,000 tons in the comparable week of 1945. During the current fuel year, from April 1, 1945, through March 16, 1946, the total cumulative output of the two districts as of March 16 was estimated at 163,021,000 net tons, which was a decrease of 8.7% below the 178,493,000 tons mined in the comparable portion of the 1944-1945 fuel year.

Pennsylvania anthracite production for the week ended March 23, 1946 approximated 1,301,000 tons, as compared with about 1,276,000 tons in the preceding week and with 1,203,000 tons in the comparable week of 1945. Anthracite production during the current fuel year, from April 1, 1945, through March 23, 1946, totaled 54,689,000 tons, which was a decrease of 9.0% below the 60,104,000 tons mined in the comparable portion of the 1944-1945 fuel year.

The Bureau of Mines, United States Department of the Interior, also reported that the estimated production of beehive coke in the United States for the week ended March 23, 1946 showed a decrease of 300 tons when compared with the output for the week ended March 16, 1946; and was 28,700 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. 23, 1946	*Mar. 16, 1946	Mar. 24, 1945	†Mar. 23, 1946	*Mar. 24, 1945
Total, including mine fuel	13,175,000	13,210,000	11,817,000	147,554,000	141,298,000
Daily average	2,196,000	2,202,000	1,970,000	2,105,000	1,973,000

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
	Mar. 23, 1946	Mar. 16, 1946	Mar. 24, 1945	Mar. 23, 1946	Mar. 24, 1945	Mar. 27, 1937
Penn. Anthracite—						
*Total incl. coll. fuel	1,301,000	1,276,000	1,203,000	13,952,000	12,696,000	12,140,000
†Commercial produc.	1,249,000	1,225,000	1,155,000	13,393,000	12,188,000	11,533,000
Beehive coke—						
United States	106,200	106,500	134,900	1,078,800	1,357,900	891,800

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery coal.

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—	Mar. 16, 1946	Mar. 9, 1946	Mar. 17, 1945
Alabama	460,000	447,000	357,000
Alaska	7,000	7,000	7,000
Arkansas and Oklahoma	100,000	112,000	89,000
Colorado	140,000	159,000	174,000
Georgia and North Carolina	1,000	1,000	*
Illinois	1,598,000	1,653,000	1,502,000
Indiana	567,000	550,000	565,000
Iowa	33,000	30,000	43,000
Kansas and Missouri	138,000	121,000	150,000
Kentucky—Eastern	1,165,000	1,146,000	1,006,000
Kentucky—Western	474,000	476,000	362,000
Maryland	57,000	48,000	34,000
Michigan	3,000	3,000	2,000
Montana (bitum. & lignite)	92,000	91,000	102,000
New Mexico	28,000	30,000	33,000
North & South Dakota (lignite)	42,000	61,000	33,000
Ohio	867,000	825,000	613,000
Pennsylvania (bituminous)	3,110,000	2,937,000	2,803,000
Tennessee	174,000	172,000	132,000
Texas (bituminous & lignite)	1,000	1,000	3,000
Utah	147,000	147,000	133,000
Virginia	408,000	405,000	370,000
Washington	25,000	25,000	28,000
†West Virginia—Southern	2,300,000	2,296,000	2,098,000
‡West Virginia—Northern	1,082,000	1,130,000	1,075,000
Wyoming	190,000	187,000	197,000
§Other Western States	1,000	*	1,000
Total bituminous & lignite	13,210,000	13,060,000	11,912,000

†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 Unchanged in Week Ended March 23, Labor Dept. Reports

Primary market prices remained unchanged on the average during the week ended March 23, 1946, as lower prices of agricultural commodities offset higher industrial prices, the Bureau of Labor Statistics, U. S. Department of Labor, reported on March 28. At 108.4% of the 1926 average, the index of commodity prices prepared by the Bureau, was 0.9% above a month ago and 3.1% higher than a year ago says the Bureau's advices which stated that since the end of hostilities in mid-August 1945, average primary market prices have increased 2.7%. The Bureau further reports:

Farm Products and Foods. Prices of farm products and foods decreased slightly (0.2% and 0.1% respectively), chiefly because of lower prices for fresh fruits and vegetables and eggs. Grain prices averaged fractionally higher with increased prices for rye and lower prices for oats. Prices of live poultry rose with seasonally short shipments and expectation of the removal of price control. Lamb prices were up with small supplies of better quality. Quotations for steers declined, reflecting reduced demand from large packers. Among the fresh fruits and vegetables, prices of white potatoes decreased with slow demand for the old crop, and sweetpotatoes were lower because of poor quality. Lemons, oranges, and onions were higher. Egg prices dropped below ceiling in some cities with seasonal increases in supply. Black pepper prices rose 50% on an OPA ceiling adjustment to improve supplies. Group indexes for farm products and foods were 1.4% and 1.0% respectively above late February 1946 and aproximately 4½% higher than in the corresponding week of March 1945.

Other Commodities. Prices of all commodities other than farm products and foods advanced 0.1% during the week, in general reflecting upward adjustment of OPA ceilings. Prices of print cloth rose sharply following ceiling increases, ranging from 2½ cents to 5 cents per pound, for almost all cotton textiles and yarns to offset higher labor and raw cotton costs since August 1945. Ceiling adjustments also were reflected in higher prices for pig iron, steel pipe, and builders' hardware. The group index for non-agricultural commodities was 0.9% higher than in late February and 2.6% above the corresponding week of last year.

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. 23, 1946 and March 24, 1945, and (2) percentage changes in subgroup indexes from March 16, 1946 to March 23, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR THE WEEK ENDED MARCH 23, 1946

						Percentage changes to Mar. 23, 1946, from—		
Commodity group—	3-23 1946	3-16 1946	3-9 1946	2-23 1946	3-24 1945	3-16 1946	2-23 1946	3-24 1945
All commodities	108.4	108.4	108.2	107.4	105.1	0	+0.9	+3.1
Farm products	132.9	133.1	133.9	131.1	127.0	—0.2	+1.4	+4.6
Foods	109.4	109.5	109.2	108.3	104.5	—0.1	+1.0	+4.6
Hides and leather products	120.1	120.1	120.1	120.1	118.2	0	0	+1.6
Textile products	102.4	101.9	101.9	101.1	99.2	+0.5	+1.3	+3.2
Fuel and lighting materials	85.4	85.4	85.4	85.6	83.9	0	—0.2	+1.8
Metal and metal products	107.9	107.7	107.8	105.8	104.3	+0.2	+2.0	+3.5
Building materials	123.6	123.3	121.1	120.2	116.9	+0.2	+2.8	+5.7
Chemicals and allied products	96.0	96.0	96.0	96.0	94.9	0	0	+1.2
Housefurnishings goods	108.4	108.4	108.3	108.0	106.2	0	+0.4	+2.1
Miscellaneous commodities	95.4	95.4	95.4	95.4	94.4	0	0	+1.1
Raw materials	120.9	121.0	121.4	119.7	116.0	—0.1	+1.0	+4.2
Semi-manufactured articles	100.3	99.7	99.6	98.5	94.9	+0.6	+1.8	+5.7
Manufactured products	104.3	104.3	103.8	103.4	101.8	0	+0.9	+2.5
All commodities other than farm products	103.0	103.0	102.6	102.2	100.3	0	+0.8	+2.7
All commodities other than farm products and foods	102.0	101.9	101.6	101.1	99.4	+0.1	+0.9	+2.6

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 16, 1946 TO MARCH 23, 1946

Increases

Cotton goods	1.7	Iron and steel	0.3
Other building materials	0.6	Cereal products	0.1
Cement	0.3	Grains	0.1
Livestock and poultry	0.1		

Decreases

Fruits and vegetables	0.5	Other farm products	0.3
Other foods	0.1		

Steel Production Expected to Drop Sharply—Limitation of Construction Causes Revision

"With steel backlogs approaching record peacetime levels and with the industry ready to enter a period of production which will probably surpass any other yearly output except during wartimes, the industry this week faces its worst dilemma," states "The Iron Age," national metalworking paper, in its issue of today (April 4), which further adds:

"The universal lack of knowledge as to how long the coal strike will last is the factor which will cause a small loss in steel production or a drastic curtailment from which it would take weeks to recover.

"Many companies this week in order to conserve fuel for the blast furnaces are curtailing steelmaking operations. Others expect to hang on at present levels for at least two weeks. In the aggregate, however, steel production will probably drop sharply by the end of next week if there are no signs of a coal agreement.

"If the strike is short-lived the protective curtailment of steel output will represent an unnecessary loss in output. If the strike continues for four weeks or more with no signs of an agreement, the industry will face a sharp and drastic curtailment which would take the operating rate below 50% of capacity. Such a situation would be another blow to reconversion and to the forward movement of the heavy steel demand and production now existent.

"There is no optimism among coal operators for a speedy settlement of the mine impasse. The two demands—a welfare fund supplied by the operators and controlled by the union; and the organization of supervisory forces —represent the hurdles for a rapid ending of the strike. They are also the points on which some of the old-time bitterness between the two factions may be generated and thus make the job of the U. S. Conciliator more difficult. Regardless of how soon the strike is settled, the ability of the steel industry to start whittling down its huge carryovers and get its house in order for a more normal distribution of steel products, has already been impaired and will be further adversely affected.

"Steel shipments during March were probably the highest than in any month since the end of the war. This did not reduce backlogs, however, because towards the latter part of the month and extending into this week, new orders were somewhat ahead of shipments. Having suffered the penalty for not getting on steel mill books, long before the steel strike occurred, customers in the future will place as much tonnage as possible for shipment in order to be in line for their percentage of available supplies.

"The steel industry has been advised that production directives will be issued for about 600,000 tons of products for export other than tinplate, for which a 155,000 ton program has already been established."

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 89.4% of capacity for the week beginning April 1, compared with 88.5% one week ago, 76.7% one month ago and 96.9% one year ago. This represents an increase of 0.9 point or 1.0% from the preceding week. The operating rate for the week beginning April 1 is equivalent to 1,575.600 tons of steel ingots and castings, compared to 1,559,700 tons one week ago, 1,351,700 tons one month ago, and 1,774,900 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets on April 1 stated in part as follows:

"Effect of the strike of soft coal miners is difficult to gage, depending on length of the strike and size of coal inventory at various steel plants. The latter varies but in some cases only a week's supply is on hand. From this low point stocks of coal reach 30 days' supply or more in a few cases, about two to three weeks being a fair average. Thus, cessation of coal shipments would close some plants in a week, while others might be able to continue operations up to a month, should the strike continue that long. In any case, short of resumption of mining within a short time, steel production would be hampered seriously.

"Limitation of construction to aid the national housing program will cause substantial revisions of structural mill schedules and many projects will be suspended, though various classes of building will be allowed to proceed. Bridges and some utility work will be excepted, military construction and veterans' hospitals may proceed and some industrial construction of an essential character may be allowed to continue.

"An unusual number of projects has come out in the past week and contracts for structural steel have been larger than in recent weeks, perhaps hastened by fear of the new limitation acting to prevent their consummation.

"Continuance of the present voluntary quota system until its effects are more fully apparent has been approved by the Steel Industry Advisory Committee, instead of restoration of a system of priorities. The committee favors an attempt to meet steel demand from new business and emergencies by an arrangement with Civilian Production Administration to pass orders on to concerns able to fill them and also to suggest acceptable substitutes if plants are unable to meet orders for a specific type.

"In general the delivery situation shows no change, mills being booked through the year on most products, with consumers pressing for delivery and seeking to place more tonnage in an effort to gain position on mill books for next year. Most producers are not booking orders beyond December and those operating under quota plans making schedules no further than the middle of the year. However, orders in hand are sufficient to occupy mills well into next year, especially if production is interrupted again."

Hinerfeld Quits N. Y. Bank Department

Benjamin Hinerfeld has resigned, effective March 30, as Special Deputy Superintendent of Banks in the liquidation bureau of the Banking Department, it was announced on March 29 by Elliott V. Bell, Superintendent of Banks. Mr. Hinerfeld will devote himself entirely to his various business interests. A former cashier of Community State Bank, Mr. Hinerfeld has been employed in the liquidation bureau of the Banking Department for 15 years. As Special Deputy he has assisted the Superintendent of Banks in liquidating the American Union Bank, Times Square Trust Co., Bank of Europe Trust Co., Globe Bank & Trust Co., International Madison Bank & Trust Co., the Bank of United States, Banco di Napoli Trust Co. and 10 Italian and Japanese banking agencies.

Mr. Hinerfeld is President of Purity Drug Co., Inc., of Passaic, N. J., manufacturers of pharmaceuticals; Treasurer of Witt Bros., Inc., clothing manufacturers, and Secretary and Treasurer of Hillcrest Hosiery Mills, Inc., of Durham, N. C.

Revenue Freight Car Loadings During Week Ended March 23, 1946 Increased 4,724 Cars

Loading of revenue freight for the week ended March 23, 1946 totaled 804,606 cars, the Association of American Railroads announced on March 28. This was a decrease below the corresponding week of 1945 of 12,135 cars, or 1.5%, but an increase above the same week in 1944 of 27,028 cars, or 3.5%.

Loading of revenue freight for the week of March 23, increased 4,724 cars or 0.6% above the preceding week.

Miscellaneous freight loading totaled 364,797 cars, an increase of 5,748 cars above the preceding week, but a decrease of 40,384 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 125,021 cars, an increase 2,003 cars above the preceding week, and an increase of 14,618 cars above the corresponding week in 1945.

Coal loading amounted to 190,058 cars, an increase of 1,589 cars above the preceding week, and an increase of 22,916 cars above the corresponding week in 1945.

Grain and grain products loading totaled 43,457 cars, a decrease of 4,897 cars below the preceding week and a decrease of 2,384 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of March 23 totaled 29,597 cars, a decrease of 3,378 cars below the preceding week and a decrease of 311 cars below the corresponding week in 1945.

Livestock loading amounted to 15,851 cars, an increase of 658 cars above the preceding week and an increase of 183 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of March 23 totaled 12,123 cars, an increase of 582 cars above the preceding week, and an increase of 128 cars above the corresponding week in 1945.

Forest products loading totaled 41,657 cars, a decrease of 616 cars below the preceding week, but an increase of 2,052 cars above the corresponding week in 1945.

Ore loading amounted to 10,316 cars, a decrease of 64 cars below the preceding week and a decrease of 7,563 cars below the corresponding week in 1945.

Coke loading amounted to 13,449 cars, an increase of 303 cars above the preceding week, but a decrease of 1,573 cars below the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
Week of March 2	782,397	785,736	786,893
Week of March 9	786,202	767,055	780,265
Week of March 16	799,882	816,556	785,195
Week of March 23	804,606	816,741	777,578
Total	8,923,417	9,242,230*	9,442,747

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 23, 1946. During this period 67 roads reported gains over the week ended March 24, 1945.

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

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Eastern District—					
Ann Arbor	388	278	242	2,014	1,712
Bangor & Aroostook	4,035	3,200	2,721	395	607
Boston & Maine	8,001	7,213	6,966	14,986	17,210
Chicago, Indianapolis & Louisville	1,212	1,121	1,423	2,169	2,340
Central Indiana	44	36	37	59	42
Central Vermont	1,112	1,120	1,073	2,114	2,497
Delaware & Hudson	4,627	5,053	4,896	12,533	15,899
Delaware, Lackawanna & Western	8,097	7,453	7,474	9,018	12,675
Detroit & Mackinac	275	165	248	218	178
Detroit, Toledo & Ironton	2,523	2,036	2,043	1,599	1,544
Detroit & Toledo Shore Line	314	415	332	3,418	4,371
Erie	11,895	13,460	13,204	15,473	19,251
Grand Trunk Western	3,077	4,218	3,885	8,128	10,366
Lehigh & Hudson River	205	167	164	2,831	4,602
Lehigh & New England	2,406	2,082	1,864	1,821	1,542
Lehigh Valley	8,639	7,950	8,475	8,321	12,213
Maine Central	2,889	2,494	2,420	5,257	4,765
Monongahela	6,381	5,957	6,351	274	362
Montour	3,040	2,218	2,503	37	25
New York Central Lines	48,756	49,094	47,315	53,864	56,425
N. Y., N. H. & Hartford	10,623	11,066	10,281	16,265	20,782
New York, Ontario & Western	927	1,025	1,235	2,946	3,552
New York, Chicago & St. Louis	5,904	6,763	6,387	14,441	17,437
N. Y., Susquehanna & Western	407	520	518	2,276	2,789
Pittsburgh & Lake Erie	7,556	8,263	7,875	7,385	8,271
Pere Marquette	5,182	5,446	4,826	7,829	9,907
Pittsburgh & Shawmut	1,061	614	818	28	12
Pittsburg, Shawmut & North	254	285	319	185	236
Pittsburgh & West Virginia	984	920	957	1,830	3,869
Rutland	422	364	378	1,371	1,100
Wabash	5,923	6,142	5,795	11,834	13,767
Wheeling & Lake Erie	4,942	6,655	4,935	3,697	5,665
Total	162,107	163,805	157,966	214,636	256,014
Allegheny District—					
Akron, Canton & Youngstown	651	830	688	1,464	1,668
Baltimore & Ohio	42,9[illegible]2	45,072	40,557	24,528	31,662
Bessemer & Lake Erie	2,779	3,022	2,882	1,683	1,784
Cambria & Indiana	1,635	1,640	1,542	9	12
Central R. R. of New Jersey	6,182	6,411	6,464	17,421	22,695
Cornwall	461	4[illegible]0	596	70	65
Cumberland & Pennsylvania	468	212	211	10	7
Ligonier Valley	34	103	119	4	36
Long Island	1,595	1,837	1,237	5,063	5,649
Penn-Reading Seashore Lines	1,743	2,037	1,662	2,157	2,516
Pennsylvania System	79,889	81,758	76,961	62,400	66,987
Reading Co.	14,818	15,413	14,405	27,783	33,934
Union (Pittsburgh)	18,008	19,206	19,621	3,735	4,857
Western Maryland	4,736	4,188	4,022	11,959	15,54[illegible]
Total	175,991	182,219	170,967	158,291	187,420
Pocahontas District—					
Chesapeake & Ohio	31,795	28,198	28,605	13,468	13,974
Norfolk & Western	22,429	21,665	21,789	6,811	9,822
Virginian	5,070	4,441	4,480	1,817	3,503
Total	59,294	54,304	54,874	22,096	27,299
Southern District—					
Alabama, Tennessee & Northern	444	400	331	309	425
Atl. & W. P.—W. R. R. of Ala.	1,031	955	778	2,111	2,542
Atlanta, Birmingham & Coast	†	†	664	†	†
Atlantic Coast Line	15,893	15,013	13,523	10,857	14,994
Central of Georgia	5,028	3,958	3,731	5,223	5,993
Charleston & Western Carolina	490	471	362	1,713	1,546
Clinchfield	1,883	1,713	1,555	3,605	3,591
Columbus & Greenville	362	287	215	278	240
Durham & Southern	98	115	112	738	612
Florida East Coast	4,083	3,914	4,213	1,655	1,683
Gainesville Midland	79	42	33	146	163
Georgia	1,261	1,232	1,229	2,484	2,528
Georgia & Florida	466	388	340	947	861
Gulf, Mobile & Ohio	5,417	4,563	3,975	4,362	4,391
Illinois Central System	29,825	28,753	27,143	14,503	18,699
Louisville & Nashville	27,627	26,410	24,149	10,214	12,688
Macon, Dublin & Savannah	303	212	124	1,144	1,001
Mississippi Central	318	414	259	664	493
Nashville, Chattanooga & St. L.	3,784	3,546	3,297	4,218	4,999
Norfolk Southern	1,438	1,080	966	1,618	1,836
Piedmont Northern	462	455	376	1,639	1,359
Richmond, Fred. & Potomac	444	495	341	9,986	12,793
Seaboard Air Line	12,342	11,835	10,340	8,812	9,620
Southern System	27,251	24,955	23,040	25,824	28,308
Tennessee Central	683	630	810	805	810
Winston-Salem Southbound	143	146	145	1,061	1,448
Total	141,155	131,982	122,051	114,916	133,623
Northwestern District—					
Chicago & North Western	15,491	16,309	15,006	14,571	15,301
Chicago Great Western	2,567	2,621	2,642	3,681	3,859
Chicago, Milw., St. P. & Pac.	21,106	21,476	20,132	11,510	11,10[illegible]
Chicago, St. Paul, Minn. & Omaha	3,663	3,620	3,151	4,667	4,440
Duluth, Missabe & Iron Range	1,231	1,025	1,213	316	263
Duluth, South Shore & Atlantic	624	495	763	581	584
Elgin, Joliet & Eastern	8,216	9,236	8,554	10,349	13,663
Ft. Dodge, Des Moines & South	464	445	375	115	107
Great Northern	10,726	11,026	12,466	5,108	6,221
Green Bay & Western	501	520	519	1,147	1,013
Lake Superior & Ishpeming	233	295	323	47	55
Minneapolis & St. Louis	2,112	2,082	2,062	2,483	3,133
Minn., St. Paul & S. S. M.	5,017	4,475	5,099	4,001	3,161
Northern Pacific	9,757	8,808	10,063	5,042	5,370
Spokane International	110	219	101	356	632
Spokane, Portland & Seattle	1,942	1,881	2,532	2,562	4,113
Total	83,760	84,533	85,001	66,536	73,021
Central Western District—					
Atch., Top. & Santa Fe System	22,527	24,724	21,580	9,532	15,00[illegible]
Alton	2,998	3,676	2,831	3,247	4,677
Bingham & Garfield	5	490	459	7	63
Chicago, Burlington & Quincy	19,093	20,675	18,354	12,176	13,151
Chicago & Illinois Midland	3,235	2,877	3,064	874	895
Chicago, Rock Island & Pacific	11,956	12,477	10,695	12,965	14,523
Chicago & Eastern Illinois	2,999	2,831	2,687	3,484	4,732
Colorado & Southern	772	710	647	1,722	2,282
Denver & Rio Grande Western	2,899	3,516	3,255	3,980	6,942
Denver & Salt Lake	666	523	672	40	54
Fort Worth & Denver City	905	829	836	1,414	1,564
Illinois Terminal	2,109	2,574	2,119	1,645	2,349
Missouri-Illinois	1,032	928	958	641	703
Nevada Northern	1,436	1,112	1,860	108	90
North Western Pacific	509	623	757	587	864
Peoria & Pekin Union	9	11	9	0	0
Southern Pacific (Pacific)	27,808	27,525	29,362	9,228	15,511
Toledo, Peoria & Western	0	290	381	0	2,411
Union Pacific System	14,994	16,520	14,596	11,901	17,118
Utah	881	536	589	2	1
Western Pacific	1,771	2,004	2,250	3,024	5,321
Total	118,604	125,451	117,961	76,577	103,254
Southwestern District—					
Burlington-Rock Island	313	379	481	534	347
Gulf Coast Lines	5,320	7,246	7,445	2,392	2,722
International-Great Northern	2,273	3,036	1,844	3,576	4,043
‡K. O. & G., M. V. & O. C.-A.-A.	1,193	1,198	902	1,787	1,921
Kansas City Southern	2,871	5,463	5,511	3,437	3,367
Louisiana & Arkansas	2,532	3,490	2,860	2,3[illegible]4	2,[illegible]43
Litchfield & Madison	454	355	313	1,211	1,259
Missouri & Arkansas	195	130	188	427	4[illegible]2
Missouri-Kansas-Texas Lines	5,396	6,787	5,135	4,350	5,019
Missouri Pacific	16,927	16,153	15,604	14,549	20,514
Quanah Acme & Pacific	149	106	95	196	322
St. Louis-San Francisco	9,937	9,672	7,515	8,283	8,792
St. Louis-Southwestern	2,667	3,720	3,049	5,106	8,014
Texas & New Orleans	9,362	11,072	12,227	5,662	5,804
Texas & Pacific	3,985	5,364	5,483	6,826	8,311
Wichita Falls & Southern	87	83	81	68	46
Weatherford M. W. & N. W.	28	43	25	21	23
Total	63,695	74,447	68,758	60,759	73,579

†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 1946—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
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	139,9[illegible]3	155,381	500,507	97	93
Mar. 2	198,985	161,122	533,794	98	93
Mar. 9	178,443	158,229	551,081	99	94
Mar. 16	157,227	167,243	538,572	100	94
Mar. 23	169,355	164,267	539,100	99	95

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 Freight Voume Dropped 7.4% in Jan.

The volume of freight transported by motor carriers in February dropped 7.4% below January and decreased 10% below February of last year, reported American Trucking Associations April 1, which further announced as follows:

Comparable reports received by ATA from 208 carriers in 37 states showed these carriers transported an aggregate of 1,542,484 tons in February, as against 1,666,535 tons in January and 1,714,661 tons in February, 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 151.9.

Approximately 87% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category decreased 4.5% below January and was 7.0% below February, 1945.

Transportation of petroleum products, accounting for about 7% of the total tonnage reported, showed a decrease of 15.8% below January and a drop of 22.5% below February, 1945.

Carriers of iron and steel hauled about 2% of the total tonnage. Their traffic volume was 51.4% below January and 57.4% below February, 1945.

Growth in Resources of Savings Loan Assns.

The over $20,000,000 savings and loan associations and co-operative banks which numbered less than a dozen throughout the 1930's now constitute $957,387,000, or 11% of the total resources of the nation's thrift and home financing business. A report made up from the financial statements gathered by the United States Savings and Loan League as of Dec. 31, 1945, and issued by them on March 24 showed it is stated that 29 member institutions of the League, located from Boston to Los Angeles, now top $20,000,000 each. A year ago there were only 20 of them and this was the largest number in this size group since the close of 1930. Morton Bodfish, Chicago, Executive Vice-President of the League, reports that the largest gain by a single institution in 1945 was $15,528,000, while 14 others increased more than $5,000,000 each. The over-$20,000,000 home financing institutions in the United States Savings and Loan League are located in Rhode Island, Massachusetts, New York, New Jersey, District of Columbia, Florida, Ohio, Indiana, Illinois, Michigan, Minnesota, Missouri, Oregon, Washington, and California.

Lumber Movement—Week Ended March 23, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 435 mills reporting to the National Lumber Trade Barometer were 9.8% above production for the week ending March 23, 1946. In the same week new orders of these mills were 18.1% above production. Unfilled order files of the reporting mills amounted to 88% of stocks. For reporting softwood mills, unfilled orders are equivalent to 32 days' production at the current rate, and gross stocks are equivalent to 34 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 9.1%; orders by 10.3%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 2.3% below; shipments were 2.3% below; orders were 5.5% above.

Items About Banks, Trust Companies

(Continued from page 1842)

recent statement was $94,657,209 against $102,852,117 on Dec. 31, 1945; holdings of U. S. Government securities amounted on March 31, 1946, to $300,499,781 compared with $324,192,674 Dec. 31; loans and discounts are now $145,508,342 against $136,793,240 at the end of 1945. The capital and surplus on March 31, 1946, total $22,000,000, the same as on Dec. 31, 1945.

Undivided profits March 31, 1943, were $4,892,178, as compared with $4,892,178 on Dec. 31, 1945.

The Commercial National Bank & Trust Co. of New York reported as of March 31, 1946, total deposits of $231,352,434 and total assets of $261,837,150 compared respectively with $244,444,051 and $270,073,881 on Dec. 31, 1945. The bank held cash on hand and due from banks of $43,357,613 compared with $45,561,970 on Dec. 31, 1945; investments in United States Government securities of $177,935,891 compared with $170,862,818 on Dec. 31, 1945. Loans and discounts of $35,543,225 compared with $48,258,753 on Dec. 31, 1945. The bank's capital account was unchanged at $7,000,000 and its surplus and undivided profit account increased to $12,388,206 from $12,188,420 at Dec. 31, 1945, after payment of the regular dividend.

At a regular meeting of the board of directors of the National City Bank of New York held April 2, Edward E. Eden, Raymond T. Glover and Eugene Lieneck were appointed Assistant Cashiers.

Statement figures by The National City Bank of New York show total resources as of March 31, 1946 of $5,248,215,688 or a decrease of $186,156,911 in comparison with Dec. 31, 1945. Total deposits are $4,948,852,510 against $5,143,422,244 last Dec. 31. In these totals U. S. War Loan deposits are $1,001,642,473 and $1,133,752,278 respectively. Holdings of U. S. Government obligations are reported at $2,577,056,576 compared with $2,773,488,249. Cash and due from banks and bankers is $995,920,778 against $1,102,106,681 and loans and discounts are $1,290,314,552, an increase of $56,470,615 since Dec. 31. Capital and surplus are unchanged at $77,500,000 and $142,500,000 respectively and undivided profits are $33,992,115 against $29,294,238.

The City Bank Farmers Trust Company, the stock of which is beneficially owned by the shareholders of the bank, reports total deposits as of March 31, 1946 of $159,396,527 compared with $165,235,022 last Dec. 31. Total resources are $192,127,921 against $196,968,037. Cash and due from banks amounts to $25,193,100 compared with $29,870,345, and holdings of U. S. Government obligations total $155,785,748, an increase in comparison with Dec. 31, 1945 of $934,302. Capital and surplus are unchanged at $10,000,000 each and undivided profits are $7,893,926 compared with $7,221,636 at the end of last year. The increase in undivided profits includes net profits from sales of securities, a change from the practice of adding these to reserves. The quarter's current earnings were also increased by a large payment of back interest on sale of real estate.

Total deposits for the Bank and Trust Company together as of March 31 amount to $5,108,249,038 and total resources to $5,440,343,610 as compared with corresponding totals at the end of 1945 of $5,308,657,266 and $5,631,340,637 respectively. The total capital funds of the Bank and Trust Company together are $281,886,042 as of March 31, 1946 or $45.47 per share on the 6,200,000 shares outstanding compared with $276,515,874 or $44.60 per share as of Dec. 31, 1945.

The statement of the Chase National Bank of New York for March 30, 1946 shows total resources of the bank at that date were $5,498,510,643. This figure compares with $6,092,601,000 on Dec. 31, 1945. Deposits amounted to $5,140,086,545 compared with $5,742,180,000 on Dec. 31, 1945. Cash in the bank's vault and on deposit with the Federal Reserve Bank and other banks amounted to $875,762,967, compared with $1,366,233,000 Dec. 31, 1945; investments in United States Government securities, $2,960,277,205, compared with $3,078,103,000; loans and discounts $1,315,612,456, compared with $1,271,694,000.

On March 31, 1946 the capital of the bank was $111,000,000, unchanged from Dec. 31, 1945. The surplus on March 31, 1946 was $139,000,000, the same as on Dec. 31, 1945. Undivided profits, after deducting dividends payable May 1, 1946 of $2,960,000 amounted to $56,792,459 on March 31, 1946 compared with $50,240,000 on Dec. 31, 1945. Total capital funds were $306,792,459 on March 31, 1946, compared with $300,240,000 Dec. 31, 1945.

Brown Brothers Harriman & Co., private bankers, in their condition statement of March 31, 1946, report total resources of $208,186,002 compared with $209,702,808 at Dec. 31, 1945, and $183,559,187 as of March 31, 1945. Deposits amounted to $184,610,547 compared with $186,531,590 three months earlier and $161,667,691 a year ago. Capital and surplus of $13,705,542 compared with $13,685,284 at the close of 1945 and $13,625,185 on March 31 a year ago. Loans and discounts totaled $52,756,899 against $48,474,193 on Dec. 31, 1945, and $36,568,536 on March 31, 1945. Other important asset items compare as follows with the figures of three months and a year ago: Cash on hand and due from banks $39,274,169 against $42,171,879 and $34,654,587; United States Government securities $53,352,370 against $58,391,037 and $63,653,091; state, municipal and other public securities $48,879,044 against $46,794,567 and $37,658,108.

The Continental Bank & Trust Company of New York reported as of March 31, 1946, total deposits of $183,270,807 and total assets of $197,684,813, compared respectively with $204,765,283 and $218,680,271 on Dec. 31, 1945. Cash on hand and due from banks amounted to $33,895,483, against $54,687,596; holdings of U. S. Government obligations to $74,924,569, against $72,858,181; loans and discounts to $69,387,382, against $68,115,230. Capital and surplus were unchanged at $5,000,000 each. Undivided profits were $1,471,204, against $1,336,025. General Reserves were $706,953, compared with $528,649 at the end of the last quarter of 1945.

Fulton Trust Co. of New York reports total deposits of $37,607,358 and total assets of $43,192,048 in its statement of March 31, 1946, as compared with deposits of $38,621,840 and total assets of $44,211,804 on Dec. 31, 1945. Cash, U. S. Government securities and demand loans secured by collateral amounted to $40,134,648 as compared with $41,415,149 at the end of last year. Capital and surplus showed no change in total at $4,000,000, but undivided profits increased to $1,260,687, after dividend of $30,000 payable April 1, 1946, as against $1,244,768 shown on Dec. 31 last.

E. Chester Gersten, President of the Public National Bank & Trust Co. of New York, announces that Morris V. Bahar and Joseph O. Zurhellen have been appointed Assistant Cashiers.

Total assets of Clinton Trust Co. of New York as of March 30, 1946, reached a new high at $29,336,982, according to the company's condition statement for the first quarter. This compared with $28,258,720 on Dec. 31, 1945, and $22,131,330 as of March 31, 1945. Deposits totaled $27,408,213 against $26,828,736 and $20,733,027 respectively. Surplus and undivided profits amounted to $748,493 compared with $611,385 and $573,697. Loans and discounts were $4,754,508 compared with $5,132,702 three months earlier and $2,901,663 a year ago. Holdings of United States Government and municipal bonds amounted to $15,756,590 against $15,308,878 and $12,258,389. Cash on hand and due from banks at the end of the quarter totaled $5,948,050 against $5,397,533 and $4,629,489.

William Goldfine, Vice-President of the National Bronx Bank of New York, announced on March 26 a second increase in its surplus account aggregating $150,000 since Dec. 1. Capital and surplus of this institution now total $1,750,000.

The New York State Banking Department announced that on March 19 approval was given to the New York Agency of the Nederlandsche Handel - Maatschappij, N. V., to change its location of business in New York City from 40 Wall St. to 62 William St.

J. P. Morgan & Co. Inc., New York City, reported as of March 31, 1946, total deposits of $663,101,843 and total assets of $732,435,257 compared respectively with $728,989,369 and $796,829,209 on Dec. 31, 1945. Cash on hand and due from banks is shown at $124,084,208 in the present statement against $137,208,564 three months ago. Holdings of U. S. Government securities are now $414,306,976 compared with $467,984,871 in December; loans and bills purchased are shown at $151,799,453 against $150,389,137 three months ago. Capital and surplus remained unchanged from last year at $20,000,000 each, while undivided profits increased to $6,784,767 in the current report against $6,378,367 three months ago.

The statement of condition of Guaranty Trust Company of New York as of March 31, 1946, shows total resources of $3,609,511,466, as compared with $3,813,507,042 at the time of the last published statement, Dec. 31, 1945. Deposits are $3,093,764,158, as compared with $3,309,452,507 on Dec. 31; U. S. Government oblgiations total $2,060,896,996, as compared with $2,059,326,457 and loans and bills purchased total $897,933,684, as compared with $960,041,680. Capital and surplus remain unchanged at $90,000,000 and $170,000,000, respectively, and undivided profits of $54,865,941 compare with $52,676,255 on Dec. 31, 1945.

As of March 31, total resources of the United States Trust Co. of New York were $169,411,530 against $178,537,110 on Dec. 31; deposits of $136,368,157 compared with $140,355,195; Government holdings were $90,317,715 against $83,238,320, and loans amounted to $37,348,412 compared with $48,517,885. Capital and surplus totaled $28,000,000 and undivided profits were $2,728,577 compared with $2,709,917 on Dec. 31.

At a recent meeting of the Board of Trustees of the Dime Savings Bank of Brooklyn, N. Y., William J. Wason, Jr., who has been a Trustee for 29 years, was elected Vice-President. Mr. Wason is President of the Kings County Trust Co. He is active in civic, philanthropic and financial circles, being a director of the Brooklyn Chamber of Commerce, Home for Aged Men, Brooklyn Home for Children, Brooklyn Institute of Arts and Sciences, Brooklyn Union Gas Co., Metropolitan Casualty Insurance Co., New York Dock Co., and Vice-President and director of the Brooklyn "Citizen."

At the same meeting, Walter Hammitt, Secretary and Director of Frederick Loeser & Co., Inc., was appointed First Vice-President.

The statement of condition of the Brooklyn Trust Company of Brooklyn, N. Y., as of March 31, 1946, showed total deposits of $270,113,996 and total resources of $287,271,979, comparing with $278,403,262 and $295,538,969, respectively, on Dec. 31, 1945. Cash on hand and due from banks was $48,218,634 against $52,002,083, and holdings of United States Government securities were $190,996,504 against $189,976,038 at the year-end. Loans and bills purchased totaled $31,250,903 against $35,896,787. Surplus was $5,600,000, an increase of $200,000 since the year-end, while undivided profits were $1,667,075 against $1,592,639, an increase of $74,436. Capital was unchanged at $8,200,000.

Martin V. W. Hall, lawyer and President of the Hempstead Bank, Hempstead, N. Y., died on March 23 at the age of 61. Mr. Hall had been President of the bank since 1916, and had also practiced law at his Hempstead office.

The Manufacturers & Traders Trust Co., Buffalo, N. Y., at its 90th anniversary dinner held on March 25, formed a Quarter Century Club, which includes all employees with the bank 25 years or longer. Four employees who have been with the institution for over 50 years are, according to the Buffalo "Evening News," Frederick H. Kerr, 54 years; Charles C. Dearing and Edmund C. Hausle, 53 years, and Adrian J. Allard, 50 years.

Charles C. Theobald, Vice-President of the Liberty Bank of Buffalo, N. Y., for 25 years, and prominent in Buffalo banking circles since the 1890's, died on March 25, said the Buffalo "Evening News," which also said:

He began his career with the Citizens Bank in 1897 and later was Vice-President and Cashier of the Union Stockyards Bank, both of Buffalo. This bank eventually merged with the Liberty but it was carried on as a branch office and Mr. Theobald was in charge. In 1931 he came to the main office of the Liberty Bank.

First National Bank in Medford, Mass., on March 14 increased its capital from $300,000 to $400,000 by the sale of new stock to the amount of $100,000, the weekly bulletin of the U. S. Comptroller of the Currency reports.

Oscar T. Storch, President of the First National Bank of Bloomingdale, N. J., recently announced the appointment of Lucas E. Bannon as head of the mortgage department. The appointment is in line with the bank's action in enlarging that department, said the Newark "News" of March 22.

The statement of the Philadelphia National Bank of Philadelphia, Pa., for the period ended March 30, 1946, shows deposits on that date of $764,124,700, consisting of $159,904,981 of U. S. Treasury deposits and $604,219,719 representing all other deposits. This compares with deposits of $806,759,816—$168,037,068 of U. S. Treasury deposits and $638,692,749 covering all other deposits—reported on Dec. 31, 1945. Total resources amounted to $827,720,601, compared with $868,517,977 at the end of December; cash and due from banks aggregated $186,950,970, compared with $194,761,881; U. S. Government securities, $483,054,501, compared with $523,752,891; State, county and municipal securities were $13,862,392, against $13,895,392; other securities, $38,788,378, against $40,022,270; loans and discounts $98,566,888 compared with $90,873,216. The capital stock of the bank and the surplus at the end of March both remained unchanged at $14,000,000 and $28,000,000, respectively. Undivided profits were $12,986,136, compared with $12,443,740 at the end of December.

The Corn Exchange National Bank & Trust Co. of Philadelphia, has opened a new lunchroom, with the atmosphere of a comfortable club for employees at the bank's main office. This "Green Room" provides an attractive meeting place for those who bring their lunches or who wish to prepare a light meal on an electric range. Selected music is "piped" into the room. The "Green Room" has seating accommodations for about 70 at one time and, the staggered luncheon schedule runs from 11 a.m. to 2 p.m., except Saturdays. Displayed in the "Green Room" are cups and plaques, trophies awarded for championships won by Corn Exchange employees in baseball, basketball and bowling.

The Pennsylvania State Secretary of Banking, William C. Freeman, announced on March 27 the final liquidation payment of the closed Franklin Trust Co. of Philadelphia, Pa. The payment, amounting to 5.43%, or $882,482, will be the seventh since the closing of the institution in 1931, and will bring the total payments to more than 7 million dollars, or 44.43%, it is learned from the Philadelphia "Evening Bulletin."

The election of Leon Falk, Jr., as a director of the Farmers Deposit National Bank of Pittsburgh, Pa., succeeding his uncle, the late Maurice Falk, was announced by the bank on March 27, said the Pittsburgh "Post Gazette."

John Y. Meloy, Jr., has been appointed Assistant Treasurer of Chicago Title & Trust Co. of Chicago, Ill., and will have charge of their Investment Field Staff. With that organization since 1929, Mr. Meloy has recently received his discharge from military service.

The directors of the First Wisconsin Trust Co., Milwaukee, Wis., on March 14 promoted Phillip P. Nolte from Secretary-Treasurer to a Vice-Presidency, it was announced in the Milwaukee "Journal," which also stated:

"Mr. Nolte, who succeeds the late Wilbur I. Barth, joined the trust company's investment department in 1927. In 1937 he was named Assistant Trust Officer and became Secretary-Treasurer in 1939.

"The directors named John M. Nuzum, Assistant Trust Officer, to succeed Mr. Nolte as Secretary-Treasurer. Mr. Nuzum joined the company in 1930 and was named Assistant Trust Officer in 1943.

"Paul H. Duback, an employee since 1936, was named Assistant Trust Officer. Mr. Duback, now on terminal leave, joined the Army Air Corps in 1942 and rose from private to major in the law department of the Air Corps Renegotiation Division."

The First National Bank & Trust Co. of Tulsa announces the election of E. F. Allen to the office of Vice-President, effective April 1.