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"On Way to Balanced Budget"—Truman

President issues statement indicating that thus far in fiscal year receipts have exceeded estimates by $4.3 billions and expenditures have been lowered by $2.6 billions. No immediate tax reductions forecast.

President Harry S. Truman released a statement on April 11, in which he called attention to the improved Federal budget situation and predicted that "we are on the way toward a balanced budget." The complete text of the statement follows:

President Truman

Since the Budget Message was issued in January, the outlook for both revenues and expenditures for 1946 has changed materially. Revenues proved to be considerably higher than we anticipated, while expenditures are now expected to be lower than the January estimates. The reasons for these changes are numerous. As usual, as the year advances, revisions of the budget are necessary.

The main reason for the improved revenue outlook is that we are well on the highroad to full peacetime production. There have been many headaches for the Administration; the readjustment pains of our economy have been acute—and they are not yet over. But when we look at the record of production and employment since V-J Day, we see that we have done better than we felt warranted in counting on a few months ago. In spite of the difficulties and complexities of the dynamic period through which we are moving, we are better off than we were after World War I, and we have good reason to be gratified. We now anticipate net receipts for fiscal 1946 of $42.9 billion, which is about $4.3 billion above the January estimate.

The reductions in the expenditure estimates are due to a variety of causes. Some expected expenditures have not materialized; others have been deferred to a future period; some have been reduced; and some savings have been effected. Some of the largest reductions are due to the high civilian demands for goods of every description, which have deferred execution of the Government's programs. The public

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Expansion of Consumer Credit Policy Urged

Paul D. Williams, Comptroller of Corn Exchange National Bank & Trust Co. of Philadelphia, holds banks cannot continue to depend on bonds in their portfolios for earnings and therefore should expand in field of small loans.

There is an increasing demand for credit, down to the consumer level, Paul D. Williams, Comptroller, Corn Exchange National Bank and Trust Company, Philadelphia, asserted at the Pittsburgh Conference of the National Association of Bank Auditors and Comptrollers on April 9. Mr. Williams is National Secretary of the association.

Paul D. Williams

"Banks cannot continue to look to their bond portfolios for their earnings and still justify their existence as servants of the community," he said. "On the basis of figures reported in a national survey just completed, by the American Bankers Association, it is estimated that 12,000 of the 15,000 banks throughout the United States are prepared to make consumer credit loans. Not all of the smaller banks are planning to make all types of installment loans, but all of the 12,000 will participate in some type of installment credit. Here are some interesting figures:

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The Financial Situation

The end of the first year of President Truman's Administration has naturally been a signal for a good deal of soul searching on the part of the Democratic party—or at least of numerous elements which for a dozen years have been in control of what is left of that party—and of some serious, if not ill-mannered criticism, of the President and his accomplishments or lack of them. All this doubtless was inevitable. No one is likely to fail to consider it all in the light of the circumstances which brought it forth. The same is true of the words of adulation and protestations of utter and unending loyalty spoken at Hyde Park last week.

Ordinary Buncombe

But if the circumstances are such as to cause these phrases to flow altogether naturally from the mouths of the leaders of the two major political parties, they are also such as to afford the public good cause for thorough analysis of their underlying significance and of their portent for the future. At Hyde Park the President had this to say:

"The progressive and humane principles of the New Deal embodied the great hope which in an hour of extreme crisis President Roosevelt gave to the American people. As carried out in practice, the New Deal became the realization of that hope. It was a recognition of the basic truth that this Government exists not for the benefit of a privileged few but for the welfare of all the people.

"Those principles and their execution in practice have today become an accepted part of our way of life. When an employee joins a union, when an investor buys a share of stock, when a man buys a house or a farm on credit, when he puts money in the bank, or grows and sells his crops, or gets cheap electricity, when he lays aside part of his income for unemployment or old

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Human Relations in Industry

By SAM A. LEWISOHN*
Capitalist and Philanthropist

Mr. Lewisohn stresses need for changing our emotional background to labor relations. Declares it necessary to remedy the economic, administrative, and political phases of employer-employee relations. Holds both employers and workers should approach the bargaining table with understanding of each other's problems, as a prelude to the recognized mutuality of their interests.

A few weeks ago I happened to meet a friend of mine—a well-known industrialist. Normally he is of even, cheery temperament. But this time he was in a mood so disdisturbed that he could hardly talk. After a while he confided in me what was bothering him so much. He had just been discussing some of his labor problems with a union leader and that, he claimed, "could drive any man crazy." Then he whispered hoarsely, "Thank God, Sam, I have at least one inalienable right: I don't have to live forever. Some day I'll never have to hear the word 'union' again."

Sam A. Lewisohn

Fortunately, my friend still takes nourishment and seems much alive. But, **unfortunately**, his approach to labor problems was not making him happy or more efficient. In tackling other business problems—many, I am sure, as disturbing as those he was complaining about—he was objective and poised. He regarded them as part of the day's work and took them in stride. But normal difficulties with the union hit him as nothing else did.

I wonder if we could not help him—**and ourselves**—by examining the emotional background with which we react to problems of labor relations. In applying such an approach to the realistic situations confronting us, there are broadly three separate phases of employer-employee relations which must be clearly distinguished. Their clarification will give a clue as to how labor difficulties

*An address by Mr. Lewisohn before the Academy of Political Science, April 11, 1946.

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GENERAL CONTENTS

Editorial

*These items appeared in the "Chronicle" of Monday, April 15, on pages indicated.

From Washington Ahead of the News

By CARLISLE BARGERON

About 10 years from now when we have become completely regimented, some of us will look back wistfully to the time when, right after VJ-Day, when it looked as though we might escape from the Bureaucrats. It was scarcely more than a spell and most of us did not appreciate the opportunity we had. But the fact is that our Bureaucrats were in rout. Their lines were broken. There was panic in their midst.

Carlisle Bargeron

The gentlemen had completely run out of crises. A completely irresponsible man, from their viewpoint, was in the White House, a man who was so politically inept as not to know the importance of crises, the business of keeping a people frightened and lacking in initiative. If ever a people were about to get away from a demon's grasp, such as the Jews' repeated attempts to get out of bondage, only to be caught and pulled back at the last moment, so were the American people about to get out of the compound in which they have been, with increasing tightness, for more than 12 years.

We talked with the Bureaucrats in that brief period. They were a forlorn group. All they could say sorrowfully was that Truman was releasing the controls too soon. This lament gradually developed into a mighty chorus on their part and eventually swelled into an attack on him. But for once in their lives, they had no plan; they had no crisis. A Bureaucrat without a crisis is as pathetic as a man with five children without a job.

But instead of running like nobody's business while we had the chance of escape, we tarried and loafed until the enemy recouped his strength. It was inevitable that with all the Bureaucratic minds working desperately to get another crisis, that sooner or later, one would be produced.

The crisis that finally evolved from the Bureaucrats' laboratory

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The State of Trade

The picture of industrial production last week showed little change from that of a week ago with such factors as strikes and material shortages again present to restrict output in some fields. The effect of the coal strike on such industries as steel and millwork was immediate and accumulated back orders are now at a stage where they are approaching peak levels. For the week beginning April 8, the operating rate of the steel companies representing 94% of the industry's capacity declined to 78.5% from 89.4% the week before, the American Iron and Steel Institute reports. In the matter of unemployment compensation claims, they registered a decline for the fourth consecutive week, the number falling to 3.2% for the week ending March 30.

A sharp decline took place in car loadings of revenue freight for the week ended April 6, dropping to 644,663 cars from 809,142 cars in the previous week. Coal loadings were in a large part responsible for the decline, which amounted to 152,316 cars below that of a week ago. Declines of a more moderate nature were registered in miscellaneous freight, ore loadings, merchandise of less than carload lots and grain and grain products, while livestock loadings and forest products increased for the week.

In the automotive industry output advanced approximately 11% with production estimated at 47,735 units, recording the fifth straight weekly rise. The copper industry, however, continued to reflect a lower output with reports revealing that many fabricators have cut production to 50% of capacity. The prospects for the shoe industry look brighter despite present low inventories and leather shortages. Shoe orders recently placed at the Boston show represent approximately six months' steady production in that area and 1946 output according to expectations will be well above the 484,000,000 pairs turned out in 1945. It should be pointed out, however, that the January production rate merely duplicated the monthly average for last year.

The rubber industry, Business Week in its current "Outlook" reports, is turning in one of the outstanding jobs in consumers' goods output. The production rate of passenger car casings is up to about 60,000,000 annually, the magazine notes, adding that this production should take pretty rapid care of the 25,000,000 cars still on the roads. Should 3,000,000 autos come off assembly lines this year their rubber requirements including spares will total 15,000,000 tires, and, the editorial continues, if tire output is increased, hardly 50,000,000 tires will be available for old cars. It concludes by stating that after five years of wear old rubber replacements will be greatly in excess of the available supply.

The debate in Congress last week over the question of extending the life of the Office of Price Administration for one year beyond June 30, next, the date set for its expiration, continued without abatement. Present indications are that following a stiff battle a modified form of the bill will be passed. Last week saw the removal of ceilings on hundreds of items by this agency of the Government, and further action along these lines is looked for in the future. This recent step by OPA is in part expedient, since the agency is seeking to have its authority extended for another year. In any event the new policy of increasing ceilings is proving a boon to those industries and lines affected by it and at the same time is making possible greater production of marginal-profit goods which manufacturers were reluctant to produce heretofore.

An important weakness in OPA is that having to do with multiple orders by wholesalers, jobbers and retailers. Such orders make for a distorted picture of actual civilian demand by giving Government officials a false picture of the true extent of shortages. This condition has come about by retailers concerned over their dwindling stocks playing safe by placing the same order simultaneously with six or more prospective suppliers. The bad effects which develop from such a procedure is that when OPA endeavors to ascertain the amount of unfilled orders in a given industry, its report reflects a much greater than normal demand.

As long as such measures as Price-Control and others stemming from the war powers of the President remain in effect, the outlook for business in general will continue to be obscured by confusion and uncertainty, thus preventing the development of business along normal lines.

Steel Industry—The National crisis and the blow to reconversion on which John L. Lewis has banked to push action on his demands for the coal miners were well on their way last week. Within the near future, the steel ingot rate will take another sharp drop which will be followed by all the unbalances and trouble in getting started again towards higher ground after the coal strike is settled, according to "The Iron Age," national metalworking paper.

The steel industry, not being a seller of coal but a large user from its own mines, has reluctantly become the focal point from which the Government will attempt to end the coal mining stoppage. The national prominence and the serious aspect of a new steel crisis followed so soon after the ending of the steel strike will be the sounding board for various attempts to end the coal impasse.

Factually steel companies are only remotely connected, if at all, with the commercial sale of coal. Their representatives, however, must attend the negotiations between the coal operators and John L. Lewis because the wage scales agreed upon are written into the contracts which the United Mine Workers have with the "captive" coal mines owned by steel companies. Thus, the magazine observes, an industry which is not connected with the main coal controversy in a commercial way has in the past several years become the spearhead which has been involved in the ultimate settlements.

Most major steel companies were able the past week to maintain maximum activity, but an important segment of the industry has been forced rapidly to reduce its output to extremely low levels, thus bringing down the average for the country. Within two weeks those steel firms which have been able to maintain output must cut back sharply if there are no signs of a coal settlement and, according to "The Iron Age," the questions under discussion now between Mr. Lewis and the operators are such as to lead many in the trade to look for a long shutdown.

The significance of the terrific steel loss during the steel strike is only now being realized by most steel consumers. This is made all the more serious by losses already incurred because of the coal strike and those which will materialize over the next several weeks.

Many manufacturing concerns

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Extend Housing Priorities

Priorities Regulation 33, providing priorities for materials in veterans' housing, has been extended under a Civilian Production Administration order to include five non-veteran groups in the housing field coming under the following classifications, according to special Washington advices April 11 to the New York "Journal of Commerce":

"1. Housing needed to increase or maintain production of scarce material or product.'

"2. Houses under construction before the construction control order was issued selling for less than $15,000 or renting for less than $120 a month.

"3. Reconstruction or repair of dwellings destroyed by fire or disaster in 'hardship' cases.

"4. Repair or alteration necessary to maintain or return existing houses to a habitable condition or to provide for additional dwelling units.

"5. Farm houses needed 'to increase or maintain production of essential food products.'"

The new order, although intended to liberalize existing regulations, is nonetheless regarded as a severe limitation on house-building for any group except veterans, the "Journal of Commerce" pointed out in its Washington dispatch. It supplements in the housing field the announcement of the government's policy on nonhousing construction in the Mar. 26 construction control order. Under the terms of the amended PR33, the National Housing Agency, through local Federal Housing Administration offices, will grant housebuilding permits and priorities assistance. "Veterans' preference" is extended by the new order to include:

"1. Present members of the armed forces and merchant marine;

"2. Americans who served with allied forces in the war;

"3. The husband or wife of a member of the armed forces who died in service in World War II;

"4. The husband or wife of a deceased veteran of World War II who is living with a child of the veteran."

Senate Passes Emergency Bill for Housing Subsidies

The Senate, on April 10, approved by a vote of 63 to 14 the Administration's emergency housing program, including provisions for $600,000,000 in building materials subsidies and market guarantees for prefabricated homes. The bill was sent to conference because the House-passed version eliminated the subsidies and guaranteed markets. Also, the House had limited the life of the measure to June 30, 1847, which was six months earlier than the Senate bill. Senate conferees have been instructed to insist on the Senate's version, according to Washington advices to the New York "Journal of Commerce" from its Washington bureau.

As passed by the Senate, the Administration's recommendations for the legislation were accepted in almost every respect, with the exception of ceilings on existing homes and building lots. The Banking and Currency Committee had approved this provision of the measure, but resistance within the Senate succeeded in having it eliminated, before final passage, by a vote of 41 to 33. However, two other proposed amendments which would have seriously curtailed the program were defeated. One would have substituted a direct bonus to veterans buying homes for the premium payments and the other would have cut the authorization for subsidies to $100,000,000. Both House and Senate versions of the bill provide for ceilings on new homes.

Writes Corporations Regarding Stock Split-Ups

Emil Schram, President of New York Stock Exchange, issues circular letter to companies with listed shares, in which he expresses approval of split-ups to create broader markets, increase number of shareholders, and reduce price spreads, but cautions that misconception that split-ups are bonuses or stock dividends be dispelled. Asks that split-ups be explained to the Exchanges and also to shareholders.

On April 11, Emil Schram, President of the New York Stock Exchange, issued a letter to presidents of corporations having stocks listed on the Exchange offering suggestions regarding stock split-ups and expressing approval of such split-ups by listed companies which have had stable records of earnings and whose stocks have had a consistently high dollar market price as a means of enlarging their ownership and reducing price spreads. But he cautions against splitting-up, when earnings fluctuate widely and when the misconception is allowed to prevail that such action results in stock bonuses or stock dividends.

The text of Mr. Schram's letter follows:

To Presidents of Corporations Having Stock Listed on the New York Stock Exchange:

Since V-J Day the New York Stock Exchange has approved an increasing number of applications for the listing of additional amounts of stocks arising out of split-ups. Judging by inquiries received and by other indications it will be called upon to pass upon more applications of this nature in the coming months.

For this reason, it is appropriate to define the Exchange's policy with respect to split-ups of listed shares and some of the factors that will necessarily enter into the consideration of application for the listing of stock resulting from such readjustments. By this means the Exchange desires to assist the managements of listed companies in their determination of the timeliness and the extent of contemplated corporate action to subdivide their shares; and at the same time it hopes to contribute to public understanding of the real nature of split-ups.

It seems particularly important at this time to dispel any misconception that a split-up is a form of bonus or special distribution to stockholders. A split-up even if called a stock dividend or if made only for technical reasons, represents merely a change in the form of a stockholder's holdings which results in no increase in the stockholder's proportionate interest in the company.

Studies made by the Exchange indicate that the reduction in the quoted market price of a stock resulting from a split-up has often had the effect of increasing the number of shareholders and has been followed by the development of a better market for the shares. Thus, a wider public ownership of the securities of representative business and industrial companies may be advantageous both to the investing public and to the issuing company. This conforms to the American concept of democratic capitalism. The Exchange is particularly interested in any steps that can be taken to improve the quality and the stability of the markets for listed securities, to narrow the spreads in quotations, and to make stocks readily available for purchase or sale.

Therefore, the Exchange suggests that the managements of listed companies which have had stable records of earnings and whose stocks have had a consistently high dollar market price consider the effects that a subdivision of their outstanding shares might have in widening public ownership of their companies and improving the market in their stocks.

On the other hand, the Exchange takes the position that it is not in the public interest for companies to split their stock where, because of the nature of their business, capitalization or other factors, they have had a record of widely fluctuating earnings with alternating years of substantial profits or heavy losses. The Exchange will weigh these factors carefully in considering applications for the listing of additional shares resulting from split-ups proposed immediately following a substantial rapid rise in market prices without any record of the shares having consistently maintained such higher price range. Split-ups of stocks that are already selling in a low price range and splits-ups where the subdivision of the shares into so many units would result in an abnormally low price range for the new shares will be carefully scrutinized where application is made for listing on the New York Stock Exchange. There have been occasions in the past when a split-down or "reverse split-up" of shares has later been made to correct the effect of an earlier exaggerated split-up.

When considering the listing of additional shares, the Exchange makes a sharp distinction between the occasional large split-up and the periodic stock dividend. This statement on stock split-ups does not alter the Exchange's policy on listing periodic stock dividends, even if such dividends are effected in the form of split-ups. The Exchange's policy with regard to stock dividends is explained in its circular "Statement on Stock Dividends," of Oct. 7, 1943. The Exchange expects current stock dividends to be capitalized out of earnings at an amount which bears a reasonable relationship to the range of the market price of the stock during the period in which the income being capitalized was earned.

In view of the number and variety of factors which warrant consideration in any particular split-up, the Exchange does not feel it appropriate to adopt any mathematical formula with regard to price range of the old stock or the number of times which it might be subdivided, as a requirement for the listing of the new shares. Managements of listed companies are invited to confer, prior to the time that final corporate action is taken, with the Stock List staff of the Exchange, which will be glad to interpret Exchange general policy with respect to particular factors in individual cases.

To the end that there may be a wider public understanding of the nature and purpose of any split-up, the Exchange will expect a statement, in the application for listing shares to be issued as a split-up, of the reasons for the action taken. Many companies which have recently split their stock have also submitted to their stockholders a statement of the purposes of this action and an explanation of its significance to the individual stockholder. In addition to making such informative disclosure in the listing application, the Exchange suggests that listed companies include such an informative statement in the notice to stockholders to be sent out on the occasion of any split-up.

EMIL SCHRAM,
President.

House Group Approves Amended OPA Extension; Proposal to End Meat Subsidies

Disregarding the recommendations of organized business groups such as the National Association of Manufacturers and the United States Chamber of Commerce that the Office of Price Administration be abolished, the House Banking and Currency Committee, which ended hearings on March 30 on the legislation sought by President Truman for the agency's extension, on April 5 approved the bill which would prolong the life of OPA for a year beyond its present expiration date of June 30, 1946. However, in fulfilling the Administration's request for extension, the House committee also took occasion to vote into the legislation far-reaching revisions and curtailment of the powers of OPA, the Associated Press reported in its dispatch from Washington.

Following are the more important amendments written into the measure according to the press accounts as it will go before the House, where both its sponsors and opponents predict it will meet a hard fight:

1. A requirement that OPA restore the retail profit margins it has trimmed for a large number of reconversion items — automobiles, refrigerators, radios, etc. This revises the OPA cost absorption policy which has required retail outlets to bear a portion of the increased cost of production by reduction of markup or discount margins.

2. A directive that price controls be liquidated in various lines as supply comes into balance with demand, with the gradual decontrol responsibility assigned directly to President Truman rather than to OPA.

3. A provision for early termination of the government's $2,000,000,000 annual subsidy program, including payments to reduce consumer food costs. This amendment would slash subsidy payments in the next fiscal year by 25%, or $500,000,000, and require the government to get out of the subsidy business by June 30, 1947.

4. A repealer for OPA's maximum average price policy by which the agency forces manufacturers to produce low cost clothing.

It has been estimated by OPA officials that the measure, if passed as it is now revised, would result in radically increased costs to consumers in many items in the next twelve months, notably automobiles, where the boost might be as much as $300,000,000. OPA has cut the retailer discount on automobiles to 19.5%. If the amendment remains in the bill the agency would be required to restore the discount to the prewar 24% level.

On April 11 the House Agriculture Committee, according to Washington advices to the United Press, adopted a resolution authorizing its Chairman, Rep. John W. Flannagan, Jr. (D.-Va.) to offer as an amendment to the price control extension legislation a proposal to end meat subsidies July 1 and give meat producers a compensatory price increase. If added to the price control bill, the provision would tend to raise consumer prices of meat about six cents per pound.

Representative Flannagan declared that removal of the subsidies would save the government about $700,000,000 a year.

Reporting that the bill was under fire in both Houses of Congress on April 15, advices on that date to the "Wall Street Journal" from its Washington bureau said:

"While the House settled down to a talkfest preceding the battle of amendments to the price control extension bill now before it, the Senate Banking and Currency Committee opened its hearings on the Administration's price control extension bill with Economic Stabilizer Chester Bowles as first witness.

"Rep. Fred Hartley (R.-N. J.) who is organizing a bloc of House votes to curtail powers of the Office of Price Administration, reiterated the intention of his group to back amendments aimed at eliminating "abuses which have strangled production, caused the consumer to pay higher prices for inferior products and brought an ever-increasing disastrous black market."

"The Hartley group, made up of Republicans and many Southern Democrats, will seek to sharpen the bill's provision for decontrols and will try to write into the law requirements to allow full cost plus profit on every item, rather than a continuation of the maximum average price policy."

Mr. Bowles on April 15 told Senators that if price controls stay in effect there is reasonable hope that "we will be out of the woods of extreme inflationary danger by the end of 1946." The Associated Press added:

"If this happens," he testified at Senate Banking Committee hearings, "controls can be lifted generally by June 30, 1947, in all but the areas of acute shortage."

Mr. Bowles opened the administration's drive for a one-year extension of the Office of Price Administration, which otherwise expires on June 30.

Senator Wagner (D.-N. Y.), the Chairman, read a letter from John W. Snyder, Director of Reconversion, urging continuation of the OPA without crippling change and asking continuation of subsidies to keep down retail prices.

U. S.-British Pacts to Settle Lend-Lease and Other Debts

Announcement was made in Washington on March 27 that the United States and Great Britain had signed nine agreements pertaining to the settling of lend-lease and other wartime obligations. According to the arrangement under the agreements, as to which a memorandum was signed by by Dean Acheson, acting Secretary of State, and Lord Halifax, British Amabassador, the United States will receive aproximately $650,000,000, plus interest, by Jan. 1, 2002, the Associated Press reported.

The 18,000-word document covering the nine agreements, on which general agreement had already been reached last Dec. 6, has been summarized by the Associated Press, as follows:

1. Makes provision for delivery of lend-lease and reciprocal aid (reverse lend-lease) after V-J day, consisting generally of goods in process of procurement or delivery on that date, which are to be paid for "on the basis of actual costs."

2. Lists previously unsettled war claims of each government accepted by the other, and provides for waiver of claims on which agreement was not reached.

3. Tranfers ownership of lend-lease stocks held by British civilian authorities (such things as food, lumber and steel) and reciprocal aid stock held by United States civilan authorities on V-J day.

4. Does virtually the same thing as No. 3 for lend-lease and reciprocal aid military supplies held by the armed forces of both countries. Oil, ships and non-combat aircraft are excepted. The United States retains certain "recapture" rights, but probably will not use them.

5. Gives Britain title to a number of lend-lease transport planes and permits leasing of others, but provides for the return of some non-combat planes to the United States.

6. Defines the share of each country in oil stocks sent to the other under lend-lease or reciprocal aid. Each government may withdraw certain amounts of oil free from its share for use by its military forces.

7. Provides for the transfer generally of United States installations on British territory to Britain and of British installations on American territory to this country.

8. Transfers to Britain, with some exceptions, United States Army and Navy surplus property now in that country.

9. Provides that each country will sift claims of its citizens resulting from the presence of troops of the other on its soil.

From the Associated Press Washington accounts March 27 were also quote:

The $650,000,000—like the $3,750,000,000 loan if approved by Congress—is to be repaid in 50 annual installments beginning December 31, 1951. It will draw interest at 2%.

Of the total sum, about $118,000,000 is due for goods and services furnished—or to be furnished—Britain after V-J day. These either had been contracted for under lend-lease or were agricultural products already allocated to Britain.

The remaining $532,000,000 represents the balance due this country for: (1) Lend-lease supplies on hand in Britain on V-J day and (2) United States Army-Navy surplus property and installations in Britain ownership of which with a few exceptions passes to Britain under today's agreement.

The Senate War Investigating Committee expressed concern last week that military and naval equipment which it said was worth $4,700,000,000 was being turned over to Great Britain. It declared the State Department had bungled the job of selling American surpluses abroad and said that British concessions granted in return were "nebulous."

American Tutor for Hirohito's Son

Emperor Hirohito has asked the members of the American Education Mission at present at Tokyo under the chairmanship of Dr. George D. Stoddard, New York State Commissioner of Education, to recommend an American tutor for the 12-year old Crown Prince Akihito, it was learned in palace circles on March 27, according to a wireless message from Tokyo to the New York "Times," from which we also quote:

The report came as members of the mission were received in audience, later attended a tea party and witnessed court dances in the presence of the Emperor and his younger brother, Prince Nobushito.

Prince Akihito now is enrolled in the Peers School, of which his father also is a graduate. He also has the tutorial services of R. H. Blythe, an Englishman long resident in Japan, who is teaching him English. It is understood that an American tutor is being sought to supplement Mr. Blythe's teachings.

Later advices to the New York "Times" from Washington April 4 stated:

A "mature" American woman teacher will be selected, at the request of Emperor Hirohito to tutor the Crown Prince of Japan in English. Selection will be made by Dr. Stoddard, Commissioner of Education of New York and President-elect of the University of Illinois.

The selection it is said will be subject to the approval of the Advisory Group on Education to Japan, of which Dr. Stoddard is Chairman.

Disillusioned?

"Would we today have the crisis of confidence which has thrown the world into a fearful atomic armament race if we could install again in the nations of the world the confidence in American foreign policy which Roosevelt inspired?

"Would we have the talk and the threat of war in the world today if somehow the unity of the Big Three had not slipped away? Have we, without becoming aware of it, become the guarantor of the status quo and unintentionally become a party to that strategy that seeks to contain Russia within the boundaries of Western imperialism? Do we fully realize that you cannot have the new order in the earth and preserve all the old empires? Are we truly in the spirit of Roosevelt standing before the world today as the spokesman of the principles of the Atlantic Charter, the United Nations Covenant and the Four Freedoms?"—Senator Claude Pepper.

"World peace is envisioned as wholly dependent on some compromise of these various power interests. That may be the road toward world peace, but it has not led there in the past. You who want to follow Roosevelt's aims must consider possible alternatives. You must consider the possibility of building economies for the benefit of the starving people of the world.

"It becomes important for you to ask yourselves the question whether building anew from the bottom up means the building of the economy of India for the Indian people, the economy of China for the Chinese, the economy of Iran for the Iranians, of Poland for the Poles, or integrating the economies of all countries for the good of all the people of all the countries of the world. Perhaps we should discuss as a real possibility the giving up of power politics on the part of all nations."—Justice Hugo L. Black.

Do such words as these herald an approaching disillusionment on the part of the elect?

Apparently they still dream of powers and peoples which ne'er were on land or sea.

Are they incapable of getting down to earth?

Ill. Bankers Convention in St. Louis May 1-3

The 55th Convention of the Illinois Bankers Association, to be held in the New Jefferson Hotel, St. Louis, Mo., May 1, 2, and 3, will feature speakers of national prominence on a wide range of subjects of timely interest to bankers throughout the state, according to the Association President, Floyd M. Condit, President of the First National Bank of Beardstown, Ill. W. J. Hein, Vice-President of the Mississippi Valley Trust Co., of St. Louis, Chairman of the St. Louis Arrangements Committee for the Convention, announces the appointment of the following local committees for the reception and entertainment of Illinois bankers, and their guests:

W. J. Bramman, Exec. Vice-President, Mississippi Valley Trust Company, Chairman Reception Committee; Wm. Moeller, Vice-President, First National Bank Chairman Ladies' Entertainment Committee; Elmer Von Doersten Vice-President, Tower Grove Bank & Trust Company, Chairman Golf Committee; H. Fred Hagemann, Jr., Vice-President Boatmen's National Bank, Chairman St. Louis Banks Special Entertainment Committee; Leo D Kelly, Vice-President, Mercantile-Commerce Bank & Trust Company, Chairman Registration Committee; Jos. F. Holland, Vice-President, Manufacturers Bank & Trust Co., Chairman Publicity Committee.

Signs Bill for Housing For Veterans; Further Legislation

President Truman, on March 28 signed legislation authorizing $250,000,000 in temporary housing additional 100,000 units for veterans and their families. In Associated Press accounts, March 28, from Washington reporting this, it was stated:

"The bill which President Truman signed today is the second 100,000-unit temporary housing program. It calls for remodeling barracks and temporary wartime housing.

"It also involves movement of temporary housing from wartime industrial centers, if no longer needed, to college towns with a housing shortage because of enrollment of veterans under the GI Bill of Rights.

"Senator Mead of New York, the author, and Mr. Wyatt (Federal Housing Administrator) witnessed the signing. Mr. Mead predicted that Congress would enact legislation contemplating construction of more than 2,000,000 homes by the end of 1947.

"The emergency housing bill, embodying the Wyatt plan, aims at construction of 1,200,000 homes this year and 1,500,000 in 1947."

A new $253,727,000 fund to provide temporary homes for war veterans was approved by the House Appropriations Committee March 26, on which date it was adopted by the House and sent to the Senate by a vote of 355 to 1. It is designed to finance placement of 102,350 temporary housing units for veterans. It was passed by the Senate on April 8 and sent to the White House.

Referring to the adoption of the bill on March 26 by the House, Associated Press advices from Washington said:

"It supplements $191,900,000 already appropriated to furnish 100,000 temporary dwelling units —largely demountable defense housing and army barracks—and increases funds to recruit construction industry workers and channel building materials into

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(Continued from first page)

age insurance, those principles are right there by him—and on his side.

"These same principles apply to legislation assuring full production and full employment, legislation for a health program, a social security program, an educational program, a program to provide emergency housing for veterans and to solve the long-range problem of decent homes for all Americans. These and other progressive measures stem from the principles for which President Roosevelt fought, and for which we, who are carrying on after him, now fight, and for which we shall continue to fight."

Now, in any analysis of such statements as these it is always necessary, first of all, to separate and disregard the mere froth, or if one may be excused for changing the metaphor, the political genuflections, which could mean almost anything, but which more often than not mean nothing at all. In this category we must, of course, place the "basic truth that this Government exists not for the benefit of a privileged few but for the welfare of all the people." Upon such meat hath the politicians and the demagogues fed the people since the memory of man runneth not to the contrary. By the same token when the President says that "those principles and their execution in practice" are constant companions, guides and defenders of the investor, the farmer, and many other elements in the population, the thoughtful observer is likely to smile indulgently and leave it at that.

This Must Be Challenged

It is when the President gets more nearly down to earth and makes a plea for "legislation assuring full production and full employment, legislation for a health program, a social security program, an educational program, a program to provide emergency housing for veterans and to solve the long-range problem of decent homes for all Americans," that what the President has to say must be challenged by the thoughtful citizen who, of course, is fully as much concerned about the welfare of the country — and "of all the people"—as is the President. To such a student—although with deep regret be it said perhaps not to the man in the street—it at once becomes obvious that the President has drawn an unexpressed conclusion or inference which involves a complete *non sequitur*.

It is this flaw in all such political reasoning which lies at the root of a great deal of the misconception prevailing today not only in the New Deal party, but among the opposition, indeed among those elements in the opposition which upon occasion have much to say in condemnation of the New Deal. That fallacy lies in the unspoken conclusion that because New Deal managers, and particularly the author and finisher of the New Deal faith, have and had so much to say about the welfare "of all the people," they, or the programs they lay out provide effective means for protecting the interests "of all the people." The fact of the matter is, of course, that for the most part these programs, whatever they appear to do or even actually do for a very short period of time or under very special circumstances, must in the long run be deeply injurious to the welfare "of all the people."

Those "Privileged Few"

Some of them, perhaps very nearly all of them, do deep injury to what are now commonly referred to as the "privileged few"—quite without regard to whether they really are privileged or whether they are in a more fortunate economic position by reason of their own ability, energy and initiative or by some other less commendable means — but the fact should be obvious that any policy which stands over the economy and strikes down any head that may be raised can hardly fail in the long run to injure many, many individuals and elements in the community which never directly feel the weight of the public bludgeon. Elaborately prepared preambles declaring that this or that program is designed to be of benefit to the public at large, does not make it so, or, for that matter, prevent it from having an effect diametrically opposite to that suggested.

The fact of the matter is that were the circumstances somewhat different in certain particulars the Truman Administration might quite warrantably be highly commended for failing to "carry on" with the programs, principles and policies of his predecessor. Some of these plans of Mr. Roosevelt now languish and others of them are in danger of extinguishment when enabling legislation expires in the not very distant future. If the Truman Administration had "planned it that way," one could easily find it in his heart to applaud — even if methods lacked something in directness.

How It Happened

But the fact is that the situation is as described merely because President Truman has not been able to have his way. He has lacked the force, the political shrewdness, and the what-not to keep the New Deal going as his predecessor had been able to do. Perhaps the times have changed in such a way that even Mr. Roosevelt would not have been able to hold together the diverse elements which he had brought into some some of working coalition under the name and style of the Democratic party. Whatever the cause, the fact is that President Truman has simply failed to succeed—despite his earnest efforts—where his predecessor on the whole succeeded. Possibly gift horses should not be examined too closely, but such failures seem to us to constitute a rather dubious foundation upon which to build for the future.

In a politically minded document the Republican National Committee has pointed out some of these failures and shortcomings. The trouble is, as has been true so often in the past, that the statement leaves the public uncertain as to what the opposition would give us in place of the Truman infirmities, and, where some intimation appear, they suggest that New Deal measures under another name might be their prescription.

This, after all, is the most discouraging aspect of the current situation.

Debt Adjustment Plan on Brazilian Dollar Bonds

Notices are being currently published by the Brazilian Government in various European centers, directing attention of holders of United States of Brazil dollar bonds to the special circumstances under which such holders may still make application to elect Plan B of the Debt Adjustment offered by the United States of Brazil in 1944. The announcement in the matter says:

"Mario da Camara, Brazilian Treasury Delegate in New York, states that this extension of the Plan, as far as nonassenting holders are concerned, applies only to those cases where bondholders have been prevented from acting on the Plan due to circumstances independent of their will. Some bondholders, said Mr. da Camara, were for various reasons unable to make an election before the Offer of Debt Adjustment expired on Dec. 31, 1945. In such cases application can be made on or before June 30, 1946, but not thereafter, asking the Minister of Finance to waive consequences of their failure, provided such bondholders are able to satisfy the Brazilian Treasury authorities that the circumstances were, in fact, beyond the control of the holders of bonds.

"Mr. da Camara made it clear that this did not constitute a new extension of the Brazilian Offer of Debt Adjustment but that it makes provisions only for special cases. Forms of application, addressed to the Minister of Finance, can be obtained from the respective Fiscal Agents for the dollar bonds."

Bill Given Senate for Merging Services; President Criticizes Navy's Attitude

After months of closed-door meetings, a three-member subcommittee of the Senate Military Affairs Committee recommended and introduced in the Senate on April 9 legislation to merge the armed forces under a single secretary of common defense. The measure, long sought by the President, according to Associated Press Washington advices of April 9, would: provide a completely new plan for organization of the armed services, with abolition of the War and Navy departments to be accomplished when determined by the President. The three Senators comprising the three-man commitee summarized the proposed legislation as follows it was reported by the Associated Press.

"A single department is created. The Air force is given autonomy. Integrated strategic plans and a unified military program and budget are provided for. Civilian control is clearly fixed in a single civilian, subject to the direction of the President. An organization structure is set up which will foster coordination between the military and the remainder of the Government. A unified system of training for combined operation for land, sea, and air is provided for, under the direction of an assistant secretary. And lastly, within the broad framework established by the bill, there is ample opportunity for such further organization changes and improvements as experience indicates to be necessary or advisable."

These advices added:

In addition to the proposed new Secretary of Common Defense, who would take over present duties of the secretaries of War and Navy, the new department would include these civilian leaders:

An Under-Secretary of Common Defense.

Secretaries for the Army, Navy, and Air Forces, all serving under the cabinet member.

Four Assistant secretaries who would head up scientific research, intelligence activities, procurement of supplies, and educational and training activities.

The military side would include:

A chief of staff to the new secretary, who would replace the present wartime chief of staff to the President. This place would be rotated among the various services.

The joint chiefs of staff representing commanders of the Army, Navy and Air Forces. This also is a wartime agency but would be shifted from the President to the new Secretary.

Commanders of the land, sea and air forces.

A new "Council of common defense" would be created, which would include the Secretary of State, the Secretary of Common Defense and the Chairman of the National Security Resources Board.

The Security Resources Board would be a permanent organization "to establish policies and programs for use of resources in peace and war for national security."

A new "central intelligence agency" also would be created, reporting to the Council of Common Defense.

The Navy's known opposition to the merger plan brought sharp criticism from President Truman on April 11 when he protested against the lobbying said to be carried on by naval officials to defeat the proposal.

From the Associated Press we quote:

The President was particularly outspoken on the unification issue, although he refused to commit himself on a bill drafted by a Senate military affairs sub-committee to merge the armed forces under a new Cabinet officer—the Secretary for Common Defense.

He said the bill, which envisaged subordination of the three services to a civilian secretary without destroying their separate identities, has lots of good points but that any further comment on it now would be improper.

But he minced no words in warning the Navy to stop opposing merger with the Army and Air Forces.

Under date of April 15, special advices from Washington to the New York "Times" by C. P. Trussell, it was stated in part:

It was reported that the Navy was planning to send a spokesman to the White House Wednesday (April 17) to discuss with the President some form of compromise on the single-department program recommended recently to the Senate Military Affairs Committee by its special sub-committee on unification.

Vice-Admiral Arthur W. Radford, Deputy Chief of Naval Operations for Air, was expected to be the emissary and was expected to present a plan which, while effecting a consolidation under the proposed Department of Common Defense, would be more acceptable to the Navy.

French Director of Ind. Relations of NAM

The appointment of Carroll E. French as director of the Industrial Relations Department of the National Association of Manufacturers was announced on Mar. 25 by NAM Executive Vice-President Walter B. Weisenburger. Mr. French's experience in the industrial Relations field covers 23 years, the last two of which he served as director of industrial relations for Boeing Aircraft Co., of Seattle, Wash. A graduate of Monmouth College, Monmouth, Ill., Mr. French took up graduate work at John Hopkins University where he received his Ph. D., in Labor Economics.

Starting with Standard Oil of New Jersey in 1923, Mr. French spent 12 years with the company and its subsidiaries as director of training, personnel manager and industrial relations director. From there he went to Industrial Relations Counselors, Inc., of New York City where he specialized for nine years in counselling, survey and research work.

Removal by Mexico Of Silver Export Tax

The lifting by Mexico of the export tax of 3.23 cents an ounce on silver was made known in Associated Press advices from Mexico City, April 5, which further stated:

"Officials estimated this would mean an additional profit of $2,000,000 to Mexican mine companies, largely American-owned. An estimated nine-tenths of Mexican silver comes from American-owned mines.

"The abolition of the silver export tax led mine officials here to believe the Government would gradually adjust taxes so miners of other metals would get relief.

"When the price of silver in the United States was raised from 45 cents to 71.111 cents a troy ounce Sept. 20, 1945, the Mexican Government absorbed about 15 cents of the 26 cent margin as a tax.

"In December silver miners struck for what they regarded as their share in the increase. The mine operators, after paying these higher wages, had only from 5 cents to 10 cents an ounce left out of the boost in price, and this, they said, failed to cover higher material and operation costs."

WSB Wage-Price Decisions

The National Wage Stabilization Board on April 8 ruled that the entire 18-cent hourly wage increase awarded milk workers in Detroit could not be used as the basis of a price boost, Associated Press advices stated. The decision, awarding the use of 10 cents of the wage increase for application to raise prices, affecting 14 Detroit milk dealers who supply 75% of the city's milk, does not mean that the employes cannot continue to receive the 18-cent addition to their pay, but the Board told the companies that if they were unable to absorb the 8 cents difference they might apply for permission to reduce the current wage by that amount.

The majority opinion of the WSB disallowed the full 18-cent increase on the following grounds, according to the Associated Press:

"1. That it does not follow a general pattern in a 'related industry.'

"2. That it is not necessary in order to relieve a gross inequity between related industries.

"Labor members of the Board dissented. They contended that the board should recognize a relationship between the milk and automobile industries in Detroit."

The following day, however, the Wage Stabilization Board approved for pricing purposes the full 18-cents-an-hour pay increase to workers by General Electric Company. The Board said that the General Electric rise for 110,000 workers was necessary to follow a pattern set in the closely allied automobile and steel industries.

In both decisions, the Associated Press stated on April 9, the Board rejected the idea that the new wage-price policy allows any "single pattern of increases generally throughout all industry." The Associated Press further said:

"However, in the G. E. case, where 95,000 of the workers are represented by the CIO Electrical Workers, the WSB said that wage rate adjustments in the automobile, steel and electric industries 'have been virtually coincidental both as to time and amount' for the last five years. Moreover, the Board said there had been considerable postwar reduction in take-home pay in the three heavy industries as compared to the dairy industry."

In Detroit, the Associated Press continued, Carl F. Burger, Secretary of the Detroit Milk Dealers Association, said that the decision "certainly puts the small dealers over the barrel." The press advices added:

"William H. Gibson, President of Dairy Workers Local 83, agreed that Burger might be right, asserting that the wage stabilization rules 'are unfair to the employees and companies alike.' Gibson said the entire 18-cent increase was binding on the dealers, despite the Government ruling, but assailed what he termed 'the application of a 10-cent policy on an essential industry.'

"Mr. Burger said the dealers' association probably will ask the Government to reconsider its decision."

In a further decision April 10 the National Wage Stabilization Board again decided that part of a wage increase was not approvable for price relief purposes and in so doing rejected the theory that a wage pattern involving cents per hour could be translated into percentage terms to give a more liberal application to the stabilization regulations. Reporting this, special advices April 10 from Washington to the New York "Times" also said in part:

"An increase of 20 cents an hour proposed for 6,000 employes of 111 Detroit tool and die shops had been approved by a majority of the Detroit Regional Board with the public members in the minority. The minority appealed and the National Board ruled that 18½ cents was the maximum which was approvable for price relief purposes. The ruling, however, does not require a reduction from 20 cents an hour.

"In the tool and die case the application for approval of the increase of 20 cents emphasized that it represented a real increase of only about 12%. The increase of 18 and 18½ cents given to employees in the automobile industry represented an increase over previous rates of only 15 and 17%.

"It is accordingly suggested that the tool and die increase is within the automobile pattern," said an opinion by W. Willard Wirtz, Chairman of the Stabilization Board, and Vice Chairman Jack G. Day.

"These reconversion wage 'patterns' are not set by the Wage Stabilization Board," the opinion continued. "They are, by definition, patterns which developed during the August, 1945, February, 1946 period in private collective bargaining and through the awards and recommendations of arbitrators and fact-finding panels."

Retail Store Sales In February Reported

Sales of all retail stores in February are estimated at $6,190 millions, 21% above February, 1945, the Department of Commerce reported on April 4. The percentage gain for February is the largest recorded for any month over the corresponding month of the preceding year since 1941, it was said. It is added that sales of durable goods stores in February, 1946, increased 37% over February, 1945, while sales of nondurable goods stores advanced 19%.

The seasonally adjusted index of all retail stores (1935-39=100) reached 234 in February, 1946, to exceed the peak established in January. Continuation of peak levels of purchases reflects in part the huge purchasing power available and optimism concerning economic prospects, the Commerce Department reported. The department further stated:

"Postwar population shifts and establishment of new family units by veterans are also increasing retail sales, particularly for food, house furnishings, and apparel, it was said.

"Indications of increasing inventory values and of merchandise shortages in some lines in February accompanied the high dollar volume of sales. This situation is explained to some extent, the Commerce Department reported, by increases in supplies of merchandise and extremely rapid turnover combined with the continued lack of lower priced items. Another factor in raising the level of sales above a year ago, especially in the durable goods field, is the appearance in some volume of items which had not been available for a number of years, the announcement stated.

"In the nondurable goods group, filling stations recorded the largest gain in February, 1946, over February a year ago—38%. These sales exceeded their prewar high for the first time in January, 1946. They were maintained in February at 5% above the peak month of January, 1942. Food, apparel, drug and general merchandise stores registered gains in February, 1946, ranging from 16 to 19% above February of the previous year, while sales of eating and drinking places showed a 10% increase.

"Among the durables the building materials, hardware and home furnishings groups recorded gains of about 40% in February, 1946, as compared with February of the previous year. Jewelry store sales which had continued high throughout the war period were 30% above those of February, 1945, and were exceeded only by sales during the pretax buying wave of March, 1944.

"In February, 1946, the automotive group alone continued below prewar levels—awaiting the return to market of new cars. However, a sales volume one-third above that of February, 1945, indicates an active used car market and heavy servicing expenditures."

Sees Hidden Subsidy On Cuban Sugar

Taxpayers of the United States will pay a hidden "subsidy" of almost 2 cents per pound on all sugar purchased from Cuba under an agreement announced by the Cuban Ambassador, it was stated at Clewiston, Fla., by Clarence R. Bitting, President of the United States Sugar Corporation, according to advices recently made available, which also stated:

"Disclosing some of the concessions which have been granted in order to procure for the United States 3,630,000 tons of the estimated 4,300,000 tons of raw sugar in the Cuban 1946 crop, Mr. Bitting termed the agreement as a 'raw deal in sugar' rather than a raw sugar deal.

"Mr. Bitting made some rapid calculations to show that the Cuban producer will be receiving the equivalent of 5.625 cents per pound against the present 3.896 cents allowed the Floridian and other American producers."

"'The Cuban producers are to be paid 3.675 cents per pound net for their sugar. Since this sugar will be permitted to be shipped in free of statutory duty this adds three-fourths of a cent freight. Cartage allowances together with ocean haulage adds another three-fourths of a cent per pound, while the sale by the United States to Cuba of 1,200,000 tons of wheat, flour, and other millions of pounds of lard, vegetable oils, rice, tallow and other products at 1942 prices gives Cuba another half cent break,'" Mr. Bitting said.

Coffee Subsidy Extended

On March 19 Economic Stabilizer Chester Bowles announced that the Government will extend until June 30 its subsidy of 3 cents a pound on green coffee imports to bring in 7,000,000 additional bags of coffee. Originally the subsidy was announced (last November) to cover 6,000,000 bags. In announcing the subsidy extension, Mr. Bowles described it as a necessary means to avoid rerationing of coffee as present stocks in this country are estimated to be sufficient for only three months of normal consumption. Mr. Bowles credited much of the success of the original subsidy program to the cooperation of the coffee-producing countries.

To conserve available stocks, limitations on inventories heretofore not imposed will be enforced and applied to all green coffee in the country.

In Washington advices March 19 to the New York "Times" it was stated:

The Department of Agriculture will be authorized to establish quotas up to 500,000 bags in addition to the 7,000,000 to be allocated, to correct inequities in the distribution to roasters. "Hardship cases" will be limited to roasters who were not in business in 1941, those who expanded their business after 1941 to meet military demands or those whose 1941 operations were "unrepresentative because of peculiar circumstances."

Senate Committee Approves British Loan

The Senate Banking and Currency Committee, by a vote of 14 to 5, sent to the Senate for debate on April 10, the proposal to extend a loan of $3,750,000,000 to Great Britain, while majority leader, Alben W. Barkley of Kentucky, who served as acting Chairman of the Committee during its consideration of the loan, predicted that "a substantial majority" of the Senate would approve it. Action in the Committee, however, appeared to offer evidence that the measure would meet with sharp debate.

The bill as approved would set up a $3,750,000,000 credit which would be interest-free until 1951 and then carry an annual rate of 2%. The following proposals were rejected by the Committee before it took final action, according to Associated Press Washington advices:

By Senator Taft (R.-Ohio) to give Great Britain $1,250,000,000 outright provided the money be spent in the United States. Mr. Taft told reporters that only Senators Capehart (R.-Ind.) and Capper (R.-Kan.) voted with him on this.

By Senator McFarland (D.-Ariz.) to require Great Britain to turn over to the United States permanently the bases now used in this country on a 99-year lease. This vote was reported to be 7 for 11 against.

By Senator Capehart to set up a $1,500,000,000 credit for Britain against which she could borrow up to the extent of the annual deficit between her imports and exports. Committeemen later said the vote on the Capehart amendment was 3 to 15.

Senator Taft has indicated his intention of offering his proposal again on the Senate floor and of voting against the loan if his suggestion is turned down. He emphasized that his objection was based more on the precedent it would set in the eyes of other nations seeking credits than on the loan itself. Opponents of the loan have called it unwise charity, a bad precedent and a mistaken attempt to buy good-will. Its proponents argue that without the loan, Britain would be forced into continuing restrictive trade practices harmful to the United States and the rest of the world. They said the loan is needed to help Great Britain back on her feet and to expand world trade generally.

It was reported from London on April 6, according to Associated Press advices, that British government sources have stated that the nation's next budget has been written on the assumption that the United States will grant her the loan.

The assertion that the proposed $3,750,000,000 loan and trade agreement with Great Britain is the key to the entire foreign economic policy of the United States was made by William L. Clayton, Assistant Secretary of State for Economic Affairs, at the semi-annual dinner meeting on April 11 of the Academy of Political Science at the Hotel Astor, New York. We quote from the New York "Herald Tribune" of April 12, in which is was also stated in part.

"If that policy is to have a fair chance of success," he emphasized, "it is essential that the Congress approve this agreement."

Mr. Clayton told the 1,200 guests that the unparalleled economic strength of the United States made it necessary for this country to take the lead in the effort to put world trade on a healthy basis.

"Great Britain," he continued, "leader of the greatest international trading area in the world, is prepared to assume full partnership in this high enterprise, provided we can assist her throughout the next critical three or four year period of reconversion from war to peace."

The United States believes, he asserted, that trade policies which "give effect to the principle of equal treatment for all nations will tend to eliminate some of the important causes of international friction and ill-will and will thus tend to strengthen the peace."

The State Department tends to the theory that "wise and farsighted economic policies will stimulate world trade and prosperity," he said, "and that prosperity itself is a direct bulwark of peace.

Administration Backs Rural Power Co-ops

The opening session of the National Rural Electric Cooperative Association's fourth annual convention at Buffalo on March 4 heard a message read from President Truman in which he pledged his full support of rural electric cooperatives, according to Associated Press advices, which quoted the President as stating:

"The part which cooperatives and power districts have played in the progress of rural electrification in America during the past decade warrants a feeling of real pride. Your record of accomplishments has confounded your critics and exceeded the most optimistic predictions made in your behalf in the early days before you had proved yourselves.

"Millions of rural families in this big, resourceful country still do not have electricty. Until they get it, you will not have discharged your full responsibility. So long as you keep working on the task at which you are now engaged, you will have the full and active support of this nation. The Administration will provide every possible aid."

The delegates also heard Secretary of Agriculture Anderson describe the farmer-owned cooperative as the most effective agency for the small farmer to hold his own in a big business economy. Commenting on the value to the farmers of the experience they are realizing through their own cooperation, Mr. Anderson went on to say that production efficiency has given Americans a living standard unequalled in the world, and added: "We must find a way to introduce similiar efficiences in agriculture and small business, both to perpetuate our system of individual enterprise and to give the individual enterprisers a fair share of the national income."

Urges Cancer Control Education Campaign

President Truman has proclaimed April as Cancer Control Month, and urged a public program of education for controlling the disease. In a preamble to his proclamation, according to a dispatch from Washington, March 25, to the New York "Times," he called attention to the fact that "deaths from cancer in the United States during the period of hostilities in World War II exceeded the number of war casualties of the United States armed forces." The President invited the Governors of States, Territories and Possessions to follow his lead in proclaiming April as Cancer Control Month, adding:

"I also invite the medical profession, the press, the radio, the moving picture industry and all agencies and individuals interested in a national program for the control of the disease of cancer by education and other cooperative means to unite during this month in a public dedication to such a program and in a concerted effort to impress upon the people of the nation the necessity of that program."

Agricultural Department General Crop Report As of April 1

The Department of Agriculture at Washington on April 10 issued its crop report as of April 1, 1946, which we give in part below:

Unusually good progress in spring farm activities and in development of vegetative growth, resulting from an unseasonably warm March, has started off the 1946 crop season with prospects at an optimistic level. Pastures and hay crops are making excellent starts. Winter wheat is "greening" up to the northern border and in some areas has had to be pastured to prevent too rank growth. Production prospects for this crop have improved 80 million bushels since December, 1945. Other fall-sown grains are making a promising showing. The seeding of small grains has made unusual progress throughout most of the country. Stocks of feed grains, while at a relatively low level, seem to be in adequate supply over most of the surplus producing areas, though in short supply in deficit areas. The rapid progress of tree fruits, however, has aroused considerable apprehension, because of their vulnerability to April and May frosts.

The rainfall and soil moisture situation improved during March in some areas where it had been critical. Precipitation was relatively light but soil moisture was ample in the Northeast and East North Central regions. Rains were heavy in an area from Arkansas to South Carolina and Georgia, slowing down field work which at the time was not particularly pressing. West North Central and upper Great Plains areas received helpful moisture, improving prospects for wheat and spring sown grains from Kansas northward. A dry area persists in the Oklahoma Panhandle, western Texas, southern Colorado, New Mexico and Arizona, with crops dependent upon rains as timely as those that helped California crops in late March. In the north Pacific Coast areas, wet and cold weather delayed spring work. Temperatures during March were unseasonably warm east of the Rockies, averaging from a few degrees to 14 or more above normal. The season is reported two to three weeks ahead of usual in northern crop areas and at least normal in most of the South and Pacific Coast States. Moderate overflows were reported along the Red River of the North and in the Mississippi lowlands of Iowa and Illinois; light overflows occurred in scattered streams from east Texas and Arkansas across to the Atlantic. To date, little has occurred in the way of weather conditions to cause any significant shifts in spring planting intentions.

Winter grains and grass have made unusual early growth. Reported condition of pastures on April 1 was uniformly high, except in the southwest droughty area, with the average for the country nearly as high as the peak level of April 1, 1945, and exceeding any other year of record. Hay meadows wintered well and hay prospects rarely have been better at this time of year. The early pasture, from grass and winter grains, has been a significant factor in reducing quantities of supplement feeds required by livestock, enabling farmers to conserve supplies. Peaches are blooming nearly to the Lake region, and apples are coming into bloom in the Ohio Valley. Another result of the early spring, both milk production per cow and egg production per hen during March averaged higher than for any previous March, with total production of each near record levels for March. Feeding continued at a very high level despite the relative scarcity of feed grains. By finding it possible to start spring work so early, farmers are enabled to stretch out their farm work and lower peak loads, thus making the most advantageous use of their tight supplies of manpower and machinery.

Winter wheat prospects have shown improvement in practically all portions of the country, except the area from the Panhandles of Oklahoma and Texas westward through southern California. Abandonment of planted acreage is expected to exceed that of the 1945 crop only slightly and to be less than half of average. Production of 831 million bushels is currently in prospect, 80 million more than estimated Dec. 1, 1945. The condition of rye is 10 points above average for this date and only 3 points below a year earlier, the good condition being rather uniform over the country. Reports on oats and barley in the South, where most of the acreage is fall-sown, indicate favorable prospects.

A large early crop of peaches, but neither as large nor as early as last year, appears probable at this time, as condition is reported above average in the ten Southern early peach States. Midwest peach prospects are favorable, but depend heavily upon whether usual April frosts occur. A good crop is indicated in all western areas. Commercial apples wintered well and the bud set favors at least an average crop. Prospects for pears, plums, prunes, apricots, cherries, grapes and nuts are favorable. The unseasonable progress in areas east of the Rockies, however, makes all these tree fruits throughout the area vulnerable to late spring frosts. Prospects for both oranges and grapefruit declined slightly during March, but the combined citrus crop is still expected to reach record proportions. Early potatoes are extremely promising, as the condition of the crop as a whole in ten Southern States and California is the best ever reported. A tonnage of spring vegetables at least 10% larger than the production of these same crops last year, 47% above average, is indicated on the basis of partial information available at this time.

Consumption of feed grains by livestock and poultry has continued at a relatively high level. The tonnage of feed grains remaining on farms, though bolstered by the largest stocks of oats on record, has been severely reduced from the near record level of last fall. The current total, as well as the average per animal unit, is the lowest for the date since 1938, with the exception of April 1, 1944. Disappearance of 32 million tons since Jan. 1, 1946 compares with about 30 million in the same periods of 1945 and 1944. Farm stocks of corn are lower than on April 1 of any year since 1938, partly because of the necessity of using up "soft" or "wet" corn in some areas before warm weather.

Wheat has moved from farms since Jan. 1 at a record rate. Over a billion bushels have been moved from farms since the new crop was harvested, a quantity that has never before been approached. Current farm stocks of 204 million bushels are the lowest for April 1 since 1941. Because of difficulty of moving wheat over winter-bound roads, farm stocks are relatively largest in the Dakotas-Montana area.

Winter Wheat

A record winter wheat crop of 830,636,000 bushels is forecast as of April 1. Such a crop would be a little above last year's production of 823,177,000 bushels and 5 million bushels above the previous record crop of 1931. The indicated yield of 16.0 bushels per seeded acre is about half a bushel lower than last year but considerably above average. Winter losses were unusually light. Abandonment (and diversion) of 7.2% interpreted from April-reports and conditions is about equal to last year's low abandonment, and less than half of average.

Winter wheat prospects improved during the winter months in all parts of the country except the southwest. In the Great Plains, where moisture deficiencies caused apprehension at times during the winter, February and March rains brightened prospects in southwestern Kansas and areas to the north and east. Although there was some relief from the dryness in Oklahoma, Texas and New Mexico, conditions are still unfavorable in portions of those States. Subsoil moisture is still short in northwestern Texas, and there was practically no rainfall in New Mexico during March. Green bugs have appeared in Oklahoma with heavy damage reported in local areas. Wheat in western Kansas and Nebraska was much improved by February and March rains. The plant growth in that area is quite heavy, however, placing considerable dependence on future moisture supply. The moisture supply is considered adequate on summer-fallowed fields.

Although fall growth was below average in the eastern half of the country, wheat had good snow cover in general during the coldest weather and less abandonment than last year is expected. Fall seedings were curtailed in the southeastern States by late harvest and wet fields last fall, but the ample moisture induced good winter growth and prospects at this date are good. Some damage occurred in the northeastern States as a result of the small growth of wheat last fall and exposure from lack of snow cover during some of the coldest weather in parts of New York and Pennsylvania. The Pacific Northwest is experiencing one of its most favorable years. Ample mosture at seeding time resulted in a marked increase in winter wheat seedings, and in Washington a corresponding decrease in spring wheat. Conditions in California have deteriorated in all districts because of dryness.

Wheat Stocks on Farms

Stocks of wheat on farms April 1, 1946, are estimated at 204 million bushels, about 122 million bushels below the record stocks of 326 million bushels on April 1, 1943. This is the lowest farm reserve of wheat that has been recorded on April 1 since 1941. Current stocks are 34 million bushels less than a year ago, but 31 million bushels more than the 1935-44 April 1 average. April 1 stocks amount to about 18% of the 1945 production of 1,123 million bushels, compared with 22% of the 1944 crop on hand April 1, 1945, and the 10-year April 1 average of 21%.

The disappearance of wheat from farms since Jan. 1 amounted to 165 million bushels, the largest January to April disappearance of record but only slightly more than the farm disappearance recorded in each of the three previous years. This rapid disappearance has been fostered by unusual demands for wheat for relief purposes and for feeding as a supplement to high protein feeds for dairy and poultry feeds. Wheat disappearance since January has been more marked in the hard red winter wheat and soft red winter wheat areas than in the hard red spring wheat areas.

Farm stocks of wheat on April 1 were larger than a year ago in Ohio, Michigan, South Dakota and Nebraska, but were generally lower in all other important producing states. Stocks in the North Central States, as a whole, are only about six million bushels below April 1, 1945. In all other regions, stocks are very low compared with April 1 last year. Farm stocks are about 30% below a year ago in the Western States. Stocks in the South Central and South Atlantic States are considerably below last year and the April 1 average.

Rye

The condition of rye is uniformly good in most parts of the country, and is particularly good in the Northeast. The April 1 condition of rye is 88% of normal, 3 points below the April 1, 1945, condition, 5 points above the Dec. 1 condition and 10 points above the 10-year (1935-44) average condition of 78%.

Condition improved since Dec. 1 in each of the North Central States, ranging from 1 point in Minnesota to 11 points in South Dakota and Kansas. Condition also improved since December in New York, New Jersey, Pennsylvania, Virginia, Oklahoma and Oregon, but declined in Texas and Colorado. The general improvement in condition since Dec. 1 was primarirly due to a relatively mild winter, good snow during the critical winter months in most of the important producing states. The present moisture supply is generally adequate, and rye is making good growth.

Rye Stocks

Stocks of rye on farms April 1 were the lowest for that date of any of the seven years of record and only half as large as on April 1 a year ago. Very little rye is being fed to livestock in the important rye producing States of Minnesota, North Dakota, South Dakota and Nebraska. Less than 10% of the 1945 production was still on farms on April 1 in these four states. Last April about 36% of the 1944 crop was still on farms in these states. Disappearance of rye stocks from farms Jan. 1 to April 1 this year amounted to a little more than 4.5 million bushels, compared with only 4 million bushels during the same period last year.

Corn Stocks

The supply of corn on farms as of April 1, 1946, about 1,072 million bushels, is the smallest since 1938 and about 19% smaller than the 1,325 million bushels of a year ago. These current stocks compare with the 10-year April 1 average of 1,018 million bushels.

The relatively rapid disappearance of corn since Jan. 1, 1946, about 859 million bushels, represented a utilization on farms and a movement away from farms of about 8% more than during the first three months of 1945. It was also about 36% larger than the 10-year average disappearance of 633 million bushels for the quarter.

Stocks of corn on farms in the North Central States are about 26% smaller than a year ago and the lowest since 1938, but about 3% more than average. The disappearance of about 656 million bushels in the Corn Belt States since Jan. 1, 1943, reflects partly the low quality corn, particularly in Illinois, Minnesota and Iowa where high moisture content corn encouraged heavier than normal feeding. In some areas, spoilage sorting and re-cribbing was necessary. Stocks of corn on farms on April 1 in all regions other than the Corn Belt and the Western group were larger than a year ago.

Oats Stocks

A record quantity of oats, 578,-568,000 bushels, remained on farms April 1, 1946. This is 36% above the 426 million bushels on farms April 1, 1945, and about 44% above the 10-year April 1 average of 401 million bushels. Current farm stocks are equivalent to 37% of the 1½ billion bushel crop produced in 1945.

Although farm stocks of oats are the highest on record for the date, disappearance from farms has also been at a rapid rate. About 410 million bushels disappeared from farms during the quarter Jan. 1 to April 1, 1946. This compares with 316 million bushels for the same quarter last year and the 10-year average disappearance for the quarter of only 275 million bushels.

Farmers, especially in areas where soft corn was prevalent, have held much larger than usual quantities of oats on farms since it was necessary to feed and move the corn to market as soon as possible to avoil spoilage. There was also a heavy demand for cars to move wheat to market which further hindered the transportation of oats. About 370 million bushels, or 64% of the nation's farm stocks of oats, are in the five heavy producing States of Illinois, Wisconsin, Minnesota, Iowa and South Dakota. Stocks in these states, and in the North Central area as a whole are well above both last year and average. In most of the Eastern and Southern States, farm stocks are well above average with the important exceptions of Oklahoma and Texas where oat stocks are substantially below average. In most of the Western States stocks are also above average but well below the high stocks of April 1, 1945.

Barley Stocks

Farm stocks of barley totalled 70,309,000 bushels on April 1, the smallest for the date during the short period for which data are available (since April 1, 1940). This was to be expected, partly because of the relatively small production of the last two years and partly because of the heavy demand for food grains. Current stocks are a sixth less than than a year ago and a third smaller than the 1940-44 average for April 1. They are equivalent to 27% of 1945 production, compared with 30.5% of the previous year's production on April 1, 1945, and the 5-year average of 31%. Disappearance from farms since Jan. 1 was about 56 million bushels, compared with 50 million in the first quarter of 1945, and an average of about 70 million bushels for the quarter in 1940-44 period when annual production was larger than last year. Stocks held on farms in North Dakota and South Dakato make up nearly half of the total in the United States, though these two States produced only a third of the country's barley last year. If stocks on farms in Minnesota, Nebraska, Montana, Idaho and Colorado are also included, more than three-fourths of the Nation's total stocks are accounted for in the seven States.

Annual Exhibit Book of Financial Advertisers

The Financial Advertisers Association recently distributed its fourth annual Exhibit Book of financial advertising to member banks throughout the country. The organization comprises some 1,100 members representing the advertising and public relations fields of the nation's banks.

This year's book, says the Association, is somewhat larger than the previous issues, consisting of 323 pages and containing the advertisements of 157 banks and other financial organizations. It was prepared by a committee of which John J. Lawlor, of the National City Bank of New York, is Chairman, and W. Leroy Ward, Jr., Executive Vice-President of the Fidelity National Bank of Baton Rouge, La., is Vice-Chairman. Chester L. Price, Advertising and Publicity Manager of the City National Bank and Trust Company of Chicago, prepared the index of subjects.

The announcement also states:

"The Exhibit Book was conceived originally four years ago when the annual conventions of the association were discontinued due to war conditions. Even though the conventions have now been resumed, the Exhibit Book is being continued on account of its popularity among the association's members."

Human Relations in Industry

(Continued from first page)
occur and how they may be remedied.

The Three Phases of Employer-Employee Relations

The first of these phases, which is **economic** in character, many people, unfortunately, mistake for the whole problem. It is the most familiar because it is headlined in the press and emphasized in the schools. It includes crises over wages, hours and conditions of employment. The struggle is one over the question: to whom do the proceeds of progress belong and in what proportion? The issue is not solely between employer and employee. It also involves the interests of the consumers and the public.

But this economic phase should not obscure the importance of the second phase—the **administrative** one. The most significant observation made about industrial disputes during the past two decades is that many could have been avoided through good management of human relations. Because the particular item in an industrial dispute may be economic, should not blind up to the closely related human factor involved in the administrative side of labor relations. Furthermore, this second phase is much more important than is ordinarily appreciated.

When a labor dispute arises, one should ask: How have the employees been treated previously? Was there mutual respect between them and management? Has a sound administrative tradition been established?

A suitable preparation for situations of tension materially reduces their impact and their seriousness. Also, the manner in which the difference in interest and point of view between employer and employee is **presently** handled, is crucial as to what will happen. It depends on the spirit in which the negotiations are pitched. If, for example, it is impossible for a company to increase a wage or if, as at certain times, it is necessary to reduce it, the manner in which this delicate situation is conducted may determine how the employees react to it. A proposal made in a sympathetic manner may be met with understanding acquiescence, while a brusque gesture may be countered with a spontaneous resistance. In such a case, what seems to be an economic issue is to a large extent, or entirely, an administrative one. The method of handling the problem rather than its innate difficulty led to the trouble.

In other words, in addition to the stereotype of our classical economists—the "Economic Man"—there is an "Administrative Man" who is part of a complicated organization trying to achieve results. Employers and employees partake of both. In his role as "Economic Man" an employer's concern is with profits. As "Administrative Man" his concern is the teamwork and satisfaction of those in his employ. For labor was corrected when it resented being called solely a commodity. And not to recognize that besides the economic problems there were human administrative problems, was a cardinal error of our 19th century economics.

The Administrative Phases

One of the difficulties with labor relations is that the economic and the human, administrative phases are so enmeshed that it takes an intellectual and emotional effort to disentangle them. But if we are to have satisfactory relations, disentangle then we must. For this mingling of the administrative and economic, and failure to distinguish between the two, has been the cause of much of the confusion that exists.

A third phase of labor relations which further complicates the problem is what may be called the **political** factor—that involved in rivalries and disputes between different organizations of workers striving for control—unfortunately not only between different organizations, but between different factions and different personalities within the same organization. Such unhappy conflicts, today so prominent, have almost no relation to the employer except as a suffering bystander. Indeed, in a large area of such disputes he must be quiescent. As the victim of this bitter struggle between contending groups and factions he has to sit by with his hands folded and suffer in silence.

Using this classification of labor difficulties as a background, I shall proceed to discuss them briefly, not to offer a large-scale program or panacea but to emphasize one method of approach which has both immediate and long-range significance.

With respect to the first phase of labor relations, the **economic**, it is not my function even to attempt to amplify the illuminating discussions of this morning's sessions on the problems of wage policies, now uppermost in everyone's mind.

Stop the Bullying?

However, the economic aspect of labor problems will come to a satisfactory conclusion more readily if collective bargaining is marked by a minimum of threatening and bullying, if it is free from arbitrary refusals and hasty condemnations, and if employers and union leaders negotiate in the same spirit and on the same plane as is customary with ordinary commercial contract. It should be possible to conduct these affairs, **no matter how much is involved,** with a sense of social responsibility, with calm and efficiency, and with a recognition of joint goals and enlightened self-interest. Business men should be the last to inject a class-conscious spirit or allow these negotiations to be the football of their emotions. Indeed just because the negotiations are between employer and employee should make it the more important that they be not conducted at arm's length. The atmosphere should be one of **understanding** rather than of **hostility.**

As an example of this sort of leadership, I cite a paragraph from a letter from an experienced negotiator for a company with whose operations I am familiar. He states:

"In our negotiations the manager and I frequently encounter wholly unacceptable proposals of the Unions, but after investigation we find these are directed toward the curing of a specific grievance or injustice. As a result of past experience we now ask the Union negotiators frankly just what they are trying for, and why. In many cases we learn that the words used in the Union's proposal are inept or cover much more territory than is required for the curing of the grievance in question. Many times the company is just as interested in adjusting the particular situation as are the employees. With a thorough understanding of the situation and the absence of any prejudice, a compromise is frequently arrived at to cover the situation, whereas without investigation and understanding, this could have led to a complete breakdown of negotiations. In a great many instances the Unions either acquiesce or request us to redraft the section in question in such form that the Union's real objectives are achieved without including in the contract any commitments objectionable to the company."

This instance is significant to me because it shows clearly that very often it is possible for management to take the initiative in developing a sounder approach to even the economic aspect of labor relations.

Unfortunately, if we look at some of the industrial situations, in plants small and large, where labor relations have reached an impasse, we observe that too frequently neither side is in the frame of mind to conduct its negotiations on an intelligent, human basis. Or, from the standpoint of the administrative managerial methods, the minner in which various conditions antecedent to the particular occasion have been handled, may have left a strong atmosphere, indeed a habit of suspicion and mistrust, with disastrous results to the two sides and to society. **It cannot be too often emphasized that if the workers come to the bargaining table without bitterness and with a heritage of respect and goodwill there is a better chance for settling individual issues.**

Now that industry is largely unionized it is more than ever important that there be no diminution in perfecting labor administration. For modern management methods are the most effective means of minimizing trifling irritations which are often symbolic of deeper resentments. A wise, attentive, considerate management is the best way of creating a favorable atmosphere for the settlement of economic issues in which the two sides may stand far apart.

Just at present, as in all periods of economic readjustment, we employers are overwhelmed by the economic phase — with collective bargaining and wage rates. But despite this preoccupation we must not forget the importance of the administration of every-day relations with the employees. The real difficulty of this administrative phase is that frequently it has been treated as a minor matter and not as a major problem. Too often employers have failed to realize that their responsibility as assemblers and organizers of manpower is just as great as in mechanical and financial matters.

It is well that we itemize some of the administrative responsibilities to which employers, taking the initiative, should give special attention. In many cases there is a regrettable neglect of the modern personnel practices which have proved so valuable to some companies in establishing a human, satisfying relationship between the employee and the institution with which his life is joined. The employer must provide the sense that he is the leader and is furnishing the initiative in making his company an effective one both from the human and technical point of view. He must create a sense of esprit de corps and morale. And, above all, the employer must provide — justice, opportunity and status. To satisfy these desires is an important part of modern employer leadership.

Justice is, of course, just the elemental idea of fair play. I am leaving aside the matter of wages, as this is the economic side of the problem. I am rather referring to the sort of justice which should inhere in the daily relations between executives and their subordinates. The feeling that they are unjustly treated is often created by overbearing, tactless executives, higher up and lower down. In a large organization, officials must make certain that every superintendent and manger has a human point of view toward his problems. Harsh, inconsiderate executives should be eliminated, or persuaded to adopt a more constructive attitude.

When it comes to the matter of **Opportunity**, employers who are alive to the human problems in their organization do everything to make it possible for the workmen to grow and make use of any particular ability they possess.

Status is always prominent in the conscious as well as the unconscious motivation of workmen, as survey after survey has shown. One survey in the nature of a "Gallup" poll, for instance, indicated that the chief desire of workmen was to have their jobs recognized as of some importance in the scheme of things. They wanted to feel that they "belonged."

The Need for Mutual Understanding

An essential here is the matter of mutual understanding. The employer should explain to employees the conditions which face them both. Workers may have a vague feeling that some of the things they should like to have from industry are not attainable. But that is only a general feeling which may be belied by misconceptions regarding the course of the company's business. This is great value in making employees know what the problems of the business are, and what practical limitations are imposed by conditions which neither the employer nor workers can change in a given case. For example, if shut-downs or lay-offs are necessary, the reasons and the procedure should be carefully explained either directly or through foremen. **I think industrial executives are appreciating the desire of the worker for mutuality of information as a prelude to mutuality of interest.** Above all, in every single operation within the plant, management should make clear just **what** is required as well as **why** it is required.

Security of Employment

Then there is the matter of security. Unfortunately the attainment of security of employment is largely determined by impersonal economic and financial forces which have an employer at their mercy. But there are various steps of an administrative nature that an employer can take within this general economic framework to straighten out the peaks and valleys of his employment. And insofar as he is ingenious and effective in this direction he has contributed to a profound need of a worker's existence.

Joint Participation in Management

Finally, we come to the matter of how far labor should participate with management in actual operation of industry. Here the economic becomes enmeshed with the administrative phase with a vengeance, and we are faced with the necessity of reconciling two seemingly divergent positions: on the one hand, there is the necessity of preserving the leadership of management which we have stressed so much as an integral part of the administrative aspect; on the other hand, there is the feeling on the part of union leaders that as part and parcel of the economic protection of their constituents, they must set up rules and regulations involving such matters as grievances, length of work, seniority problems, matters of discipline, and procedures for suspension or discharge. Such regulations regarded as so essential by unions, are regulations which management frequently feels put the brakes on their efficiency. This is more often the case when union leadership is irresponsible, ineffectual or shortsighted. Of course, these are principles which must be reconciled and are being reconciled.

There is one danger to be avoided. Any regulations, contractual or otherwise, should be limited to the purely labor aspects of operating processes. Such regulations must not go so far as to encroach upon or intrude into wider management policies or responsibilities. For obviously, in any undertaking, economic or non-economic, a dual and overlapping authority is calamitous. Personally, from what inquiries and observations I have made, I do not believe that unions really desire to intrude in these broader aspects of management.

Having determined the proper balance between preserving management leadership and providing adequate protective safeguards, we come to the spirit in which these principles are to be applied. It is essential that in practice management interprets its union contract in a constructive spirit and that, on the other side, union leaders show an appreciation of making it possible for management to exercise its dynamic initiative.

A good deal has been said lately about the matter of labor-management committees. Obviously there is much room for enlisting the assistance of workers in constructive suggestions. The largest experiment in obtaining such co-operation in production was that promoted by the War Production Drive of the War Production Board. In 4600 war plants and shipyards employing nearly 8 million, there were set up so-called "Labor-Management Production Committees." More than two-thirds of such committees were affiliated with unions and the rest were in plants having no unions. Some of these efforts were perfunctory, some of them were kept alive only by the stimulus of the emergency, but many proved that labor's help could be enlisted in cooperative assistance and that such assistance need not interfere with or violate the principle of management leadership and control. They furnish a useful byproduct in promoting a psychology of understanding and goodwill.

The Responsibility of Union Leadership

While the initiative and responsibility of management must be preserved, there is a certain responsibility of union leadership. It must give every assurance that the spirit and letter of its obligations will be fully honored. The complaints from various industries that the union contract has given management insufficient protection against unauthorized stoppages, undisciplined actions by various groups and individual workmen, suggests that often a small recalcitrant minority rather than the union and its leadership decide the fate of the plant. As far as possible unions must strengthen management in maintaining discipline within the factory. Their function should be not merely negative, but also affirmative and constructive.

The aspect of our national life that I have just discussed—industrial relations and its economic, administrative and political angles—is clearly at the threshold of important developments. Business leaders and union executives will exercise far-reaching influence on the course of these developments. Their human understanding and leadership will determine what road we shall follow. The adoption by employers of effective leadership in their human relations, an appreciation by union executives of the importance of that leadership, and a statesman-like attitude by both in negotiating the economic aspects will mean much for our national stability. Even in these troubled times, by patience and wisdom a proper balance can be attained despite our difficulties of readjustment. I am hopeful that despite our present trials and tribulations progress will be made in this direction. For the constructive spirit—the spirit of give and take—is the genius of America.

"On Way to Balanced Budget"—Truman

(Continued from first page)

works program has been delayed owing to shortages of materials and the difficulty of placing contracts. Disbursements by the Export-Import Bank have fallen below expectations since the countries to which we extended lines of credit have been unable to get goods. Outlays of the Commodity Credit Corp. have been much lower than anticipated because buoyant demand has kept agricultural prices at their ceiling levels. Consequently, price support operations have been lower than anticipated and the corporation has been able to liquidate large inventories.

Part of the reduction in expenditures can be ascribed to greater economies of Government operation and more rapid demobilization than we had expected. On the other hand, veterans' expenditures are expected to be above the original estimates. It is now estimated that budget expenditures will amount to about $64.7 billion in fiscal 1946, which is about $2.6 billion below the January estimate.

Thus, with receipts of $4.3 billion higher, and expenditures of $2.6 billion lower, we expect a budget deficit of about $21.7 billion, which is almost $7 billion below the January estimate.

For the second half of fiscal year 1946, we expect a deficit of about $3.6 billion. For the January-March quarter in 1946 receipts exceeded expenditures by $0.8 billion—for the first time since 1930. This surplus was, of course, due to the heavy tax receipts in March. For the April-June quarter, expenditures are expected to exceed receipts by $4.4 billion, owing largely to the payment on account of the International Monetary Fund and increases in interest, refunds, and public works expenditures.

We are on the way toward a balanced budget. Receipts in fiscal 1947 will be substantially higher than estimated. However, some of the reduction in expenditures for 1946 is a deferral of expenditures into 1947 or subsequent years. It is too early, therefore, to make any reasonably accurate betterment of estimates for 1947.

It is the aim of our fiscal policy to balance the budget for 1947 and to retire national debt in boom times such as these. In our present fight against inflation, fiscal policy has a vital role to play. A continuation of our present policy, which is to maintain the existing tax structure for the present, and to avoid non-essential expenditures, is the best fiscal contribution we can make to economic stability.

The following table summarizes the budget outlook for fiscal 1946:

FEDERAL BUDGET EXPENDITURES AND BUDGET RECEIPTS
FISCAL 1946

Including net outlays of Government corporations and credit agencies
(based on existing and proposed legislation)
(000,000's omitted)

	January *Budget Estimate	Revised Estimate	Change
Expenditures:			
Defense, war, and war liquidation	$49,004	$48,683	— 321
Aftermath of war; veterans, interest, refunds	10,953	11,303	+ 350
International finance (incl. proposed legislation)	2,614	1,614	—1,000
Other activities	4,408	3,004	—1,404
Activities based on proposed legislation (excl. international finance)	250	50	— 200
Total expenditures	$67,229	$64,654	—2,575
Receipts (net)	38,609	42,932	+4,323
Excess of expenditures	$28,620	$21,722	6,898

*Expenditures under supplemental appropriations are distributed among categories.

Lauds FDR Policies

President Truman at exercises dedicating Franklin D. Roosevelt's home as a national shrine, asserts that New Deal principles embodied the great hope which President Roosevelt gave the people. Praises late President's foreign policy and promises to carry forward the same principles.

In a brief address at the dedication exercises which transferred the late President Roosevelt's home into a national shrine, President Harry S. Truman praised his predecessor's domestic and foreign policies, and pledged to maintain them fundamentally, "though changes may be required here and there to meet changing conditions."

The text of the President's address, as reported by Associated Press, is as follows:

We stand in reverence at this hallowed spot consecrated to the memory of a great American who has become a great citizen of the world. We stand here in solemn tribute. All over the globe, plain people join with leaders and statesmen in recognition that it was largely because of him that civilization has survived. Only history can do him full justice.

The loss which America suffered through the death of Franklin D. Roosevelt cannot be softened by the spoken word. Tributes can only emphasize our loss. But those of us who have survived him in the seat of Government can pay homage to his memory by our deeds.

Lauds New Deal Principles

The progressive and humane principles of the New Deal embodied the great hope which in an hour of extreme crisis President Roosevelt gave to the American people. As carried out in practice, the New Deal became the realization of that hope. It was a recognition of the basic truth that this Government exists not for the benefit of a privileged few but for the welfare of all the people.

Those principles and their execution in practice have today become an accepted part of our way of life. When an employee joins a union, when an investor buys a share of stock, when a man buys a house or a farm on credit, when he puts money in the bank, or grows and sells his crops, or gets cheap electricity, when he lays aside part of his income for unemployment or old age insurance, those principles are right there by him—and on his side.

Those same principles apply to legislation assuring full production and full employment, legislation for a health program, a social security program, an educational program, a program to provide emergency housing for veterans and to solve the long-range problem of decent homes for all Americans. These and other progressive measures stem from the principles for which President Roosevelt fought, for which we, who are carrying on after him, now fight, and for which we shall continue to fight.

F. D. R.'s Foreign Policy

In the foreign field, President Roosevelt's guiding thought was that this nation as a good neighbor must play an active, intelligent and constructive part in world affairs. He saw clearly that we cannot continue to live isolated from other nations. He knew that what happens on other continents must affect the welfare of our country.

He recognized, above all, that our hope for the future of civilization, for the future of life itself, lay in the success of the United Nations. He not only recognized these truths. He determined to do something about them. And he did.

His foreign policy called for fair, sympathetic and firm dealing with the other members of the family of nations. At the same time, it recognized our obligations to the starving and homeless of other lands. It recognized the solemn duty of this country toward nations which have been weakened in the death struggle against tyranny.

For these principle of international cooperation we are determined to fight with all our strength. We are determined to do all within our power to make the United Nations a strong, living organization; to find effective means of alleviating suffering and distress; to deal fairly with all nations. These principles were the basis of the foreign policy under Franklin D. Roosevelt. They are still the basis of our foreign policy.

Same Objectives

In the aftermath of a global war the over-all task is difficult. But it can be simply stated: It is to carry forward the underlying principles and policies, foreign and domestic, of Franklin D. Roosevelt. Changes may be required here and there to meet changing conditions. Fundamentally the objectives are the same.

We are here not only to do honor to the immortal spirit of Franklin D. Roosevelt. We are here to gain strength for what is ahead—to gain it from the inspiration of his deeds, and the inspiration of the humane principles which brought them to pass.

Here, where he was born, in the spot which he loved the best in all the world, he is now at rest. We shall not soon see his like again.

May Almighty God, who has watched over this Republic as it grew from weakness to strength, give us the wisdom to carry on in the way of Franklin D. Roosevelt.

Contends Business Still Geared to War

Business activities must be geared to the continuation of a war economy, as recent international developments clearly indicate that the period we are going through is not peace by any standard, Leo Cherne, Executive Secretary of the Research Institute of America, asserted on Mar. 21. This is learned from the New York "Times" which stated that Mr. Cherne, who spoke at the luncheon meeting of the annual convention of the National Knitted Outerwear Association at the Hotel Astor, told knitwear manufacturers that changes in events since the end of the war had pushed into the background such things as the full employment bill and public works projects and brought to the fore legislation to increase expenditures for the Army and Navy. Congressional approval of the loan to Britain was a certainty, he said, not because of growing affection for the British, but due to the international situation. The "Times" in noting this likewise quoted Mr. Cherne as follows:

In the immediate business picture, speed-up of reconversion since the adjustment of major labor disputes would mean that purchasing power this year would be 50% above the 1940 level, Mr. Cherne estimated, and there would be a 20% increase demand for goods over 1945.

From Washington Ahead of the News

(Continued from first page)

was the housing problem, and the "genius" who produced it, not the problem but the crisis which will undoubtedly cause a Bureaucratic monument to be erected to him, was no one but Chester Bowles. The housing shortage, now made a National crisis, has given the Bureaucrats a new lease on life, not only a new lease on life, but in the minds of many observers here, such a regimenting hold on the country that it will never be able to unravel its affairs.

By way of studying the subject, we made a tour of Washington and its suburbs Sunday. We visited ghost real estate projects one after another.

It is doubtful that any city in the country feels the housing shortage more than Washington, though there is the inescapable fact that at least a third of the people here should be back on the farms or otherwise engaged in some worthwhile pursuit. However, the fact is that local builders, not with any sense of making the world safe for Democracy, but by way of making money, were moving along right handsomely to build houses. It is fair to say that some 100 developments were underway, embracing at least 2500 homes. Looking over them now, they appear as communities from which the Army has moved out. There are the foundations. There are houses in various stages of construction. Not a hammer is hitting on any one of them. Why?

The housing shortage has been made a National crisis. Every move now in home building must be by Bureaucratic decree. Materials have been frozen. You get them only through a certificate. We have talked with editors arriving here for their spring meeting and they say the situation is the same around the country.

The proposition of building homes has switched from that into the realm of political controversy. All around the country homes are left in an unfinished state while the debate continues in Congress as to whether a man from Louisville, Ky., Wilson Wyatt, should be given $600,000,000 with which the Bureaucrats can help the builder who is playing ball with them and crucify the fellow who isn't. Nobody thinks, of course, that this amount is intended to be more than a drop in the bucket.

Part of this money is to be used for "experimenting" in new types of housing. There is a provision in the bill, as sent up to Congress by the Administration, that entrepreneurs of prefabricated housing will be guaranteed against their losses, and when you look into faces of these entrepreneurs you will find many familiar ones who have thrived upon the crises which the New Dealers have been evolving all these years. Those who are opposing the subsidy and guarantee provisions are "greedy" interests.

One of these "greedy" interests is Mr. Austin, the delightful free-lance carpenter who has been doing work for your correspondent for years. He says, philosophically, that he doesn't care what the United States government does, or whether we have prefabricated houses or not. He simply leaves the thought that it would be a considerable remaking of our economy, if that prefabricated industry, with Government support, should become predominant. All the carpenters, plumbers and building men generally, the salesmen, etc., would come to live in one place, at the plant of the prefabricator. It tickles him no end when he compares this outcome with the political professions in behalf of small business.

What tickles him more is that this Bureaucratic crisis is all pitched on the need of housing for veterans.

"I suppose none of these boys have come back and gone right up there to the room they always had in their parents' home," he says. "They have all come back with families and want homes."

He adds with his quaint observations that it is pretty hard on those veterans who want to go into business and can't get the materials on account of the Bureaucrats building homes for them.

It is a fact, though, that had it not been for Chester's genius, we might have escaped this crisis and been well on our way to freedom. You wouldn't think that Chester, with his OPA job, could have thought this one up. But, seeing the walls falling around him, he put his mind to work, and you can be certain that all the other Bureaucrats are tremendously appreciative. They are anxious to start him on the road to the Presidency, by way of being Senator from Connecticut first.

Military "Brain Trust" to Be Created

At a press conference on March 28 President Truman announced his plans for a military "brain trust" of 10 top wartime Army, Navy and air leaders to help work out a program of national defense. The group will consist of 10 American Army and Navy leaders of World War II, who will hold their top ranks for life, although four of those named have already retired and a fifth has requested retirement. According to United Press advices from Washington, the President has nominated, subject to Senate approval, the following to be permanent Generals of the Army:

George C. Marshall, retired Army Chief of Staff and now special Presidential envoy to China; Douglas MacArthur, Supreme Commander for the Allies in Japan; Dwight D. Eisenhower, Army Chief of Staff, and H. H. Arnold, retired Chief of the Army Air Forces.

The following were named to be permanent Fleet Admirals:

William D. Leahy, the President's Chief of Staff; Ernest J. King, retired Chief of Naval Operations and Commander in Chief of the Fleet; Chester W. Nimitz, Chief of Naval Operations, and William F. Halsey, Jr., wartime Commander of the Third Fleet, who has requested retirement.

Gen. Alexander A. Vandegrift, Commandant of the Marine Corps, will receive the permanent rank of four-star General. Admiral R. R. Waesche, wartime Commander of the Coast Guard and now retired, also will receive permanent four-star rank.

The President stated that the permanent ranks would assure the men named the salaries and emoluments paid to them during the war for the rest of their lives, and that his action had been taken under legislation approved March 23. The United Press, Washington advices, also stated:

Specific functions of the "big ten" were not outlined, but it was presumed their advice and guidance will be sought on such matters as national defense requirements in an atomic age, the long-range composition and size of the country's armed forces, universal peacetime military training, the draft, the question of merging the armed forces, bases and the United States phase of the United Nations military force.

The State of Trade

(Continued from page 2134)

whose steel supply has been reduced below what they had hoped to obtain are rapidly eliminating all overtime and establishing a 40-hour week with prospects of a still shorter work week at many plants if the steel stringency becomes more severe as well it may with a long coal strike. The curtailment trend because of lack of steel may also be influenced by inventories becoming more and more unbalanced due to the varying availability of particular products.

Substantially all makers of stainless steel which is not under OPA control have advanced their prices 8.2%. Whether or not this advance will stick in all cases remains to be seen. Due to competition from other materials and the highly competitive setup in the stainless steel industry, posted prices have not always been maintained and going prices have become quite elastic in certain periods. Some steel sources are seriously worried about the inroads which might be made by other metals if the stainless steel price goes too high. On the other hand labor costs and the fact that alloy steel was not advanced as much as the industry was led to believe has forced an increase on stainless steels.

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 77.4% of capacity for the week beginning April 15, compared with 78.3% one week ago, 88.9% one month ago and 91.9% one year ago. This represents a decrease of 0.9 point or 1.1% from the previous week.

This week's operating rate is equivalent to 1,364,100 tons of steel ingots and castings and compares with 1,379,900 tons one week ago, 1,566,800 tons one month ago and 1,683,300 tons one year ago.

Electrical Production—The Edison Electric Institute reports that the output of electricity decreased to 3,987,673,000 kwh. in the week ended April 6, 1946, from 3,992,283,000 kwh. in the preceeding week. Output for the week ended April 6, 1946, was 7.7% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 183,800,00 kwh. in the week ended April 7, 1946, compared with 164,900,000 kwh. for the corresponding week of 1945, or an increase of 11.5%. Local distribution of electricity amounted to 179,700,000 kwh., compared with 162,000,000 kwh. for the corresponding week of last year, an increase of 10.9%.

Railroad Freight Loadings—Car loadings of revenue freight for the week ended April 6, 1946, totaled 644,663 cars, the Association of American Railroads announced. This was a decrease of 164,479 cars (or 20.3%) below the preceding week and 121,009 cars, or 15.8% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 144,322 cars, or 18.2%, is shown.

Paper and Paperboard Production—Paper production in the United States for the week ending April 6 was 104.1% of mill capacity, against 104.9% in the preceding week and 86.8% 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 92% a year ago.

Business Failures Higher—Increasing in the week ending April 11th, commercial and industrial failures rose to the highest number in any week since mid-February, reports Dun & Bradstreet, Inc. Concerns failing numbered 24 as compared with 19 in the previous week and 17 in the corresponding week of last year, thus resuming the trend above the 1945 level which has appeared in 10 of the past 13 weeks.

The week's upswing occurred entirely in large failures involving liabilities of $5,000 or more. At 17 in the week just ended, concerns failing in this size group rose from 13 last week and were almost double the nine occurring in the same week a year ago. Only five small concerns failed with losses under $5,000, as compared with six a week ago and eight last year.

Trade, both wholesale and retail, showed a marked increase in failures in the week just ended. Wholesalers failing this week numbered nine. Last week only one wholesaler failed; in the corresponding week of 1945, there were none. Nine concerns failed in retailing, almost twice as many as in any other trade or industry group. This represented a rise of six from the retail failures occurring a week ago and of two from the previous year's level. While failures in all other lines of trade and industry trended upward, failures in manufacturing fell to less than half the number last week and also fell short of the number in the comparable week a year ago.

Three Canadian failures were reported, the same as last week. In the corresponding week a year ago there were no failures in Canada.

Wholesale Commodity Price Index—Holding within a narrow range, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., reached a further new peak of 189.46 on April 6 and again on April 9. This represented a rise of 7.4% over the 176.47 recorded a year ago.

Trading in wheat futures on the Chicago Board of Trade was fairly active in the past week but interest in other grains declined. Total sales of all grains for the week were the smallest for some time. Country offerings and arrivals of cash wheat at terminal markets dwindled to very small proportions, reflecting talk of higher wheat ceilings. Fears were expressed that the Government's export program would be greatly hindered unless drastic steps were taken to increase the movement of wheat from farms. Flour sales were limited to immediate needs of bakers.

The scarcity of wheat supplies has already affected grinding operations with prospects of extensive shutdowns in the near future if the situation is not alleviated. Reports on the progress of the winter wheat crop in the Southwest were very favorable.

All livestock markets were very firm. Hogs cleared easily at permissible ceilings as receipts at Western markets exceeded those of a year ago but were still insufficient to meet the demand and continued to affect the production of lard.

Continuing the upward climb in values begun last fall, cotton scored further gains during the past week to reach the highest levels since the 1924-1925 season. The rise was attributed to various causes, including the improved supply and demand situation resulting from large export demands and sales from Government-held cotton stocks. Strength was also derived from active mill demand to fill their requirements and from the persistent efforts of the farm bloc to raise parity by including farm-wage rates in the formula. The Department of Agriculture issued its new order requiring uniform higher margin requirements for speculative trading in cotton futures.

Registrations of cotton for export continued in good volume, totaling 139,802 bales during the week ended March 30. This brought total registrations under the export program to 1,768,545 bales. The shortage of cotton textiles remained acute despite some increase in production. Conditions in the industry were still unsettled as uncertainties over distribution problems for the second quarter, coupled with rising staple costs, held trading to a minimum.

There was steady demand for domestic wools in the Boston market last week, with sales said to be averaging from 5,000,000 to 7,000,000 pounds a week. Affected by lack of offerings of desirable types, activity in foreign wools dropped below that prevailing during the first three months of the year. Foreign wool arrivals continued in substantial volume but most of such wools were reported sold when allocations were made. The Bureau of the Census reported commercial stocks of raw wool in the United States at 485,000,000 pounds, scoured basis, on December 31, 1945. This represented a new high and exceeded stocks held at this time a year previous by 121,000,000 pounds.

Wholesale Food Price Index Unchanged—The wholesale food price index, compiled by Dun & Bradstreet, Inc. showed no change this week from the high level recorded a week previous. The April 9 figure at $4.19 is 2.2% above last year's $4.10 and represents a gain of 3.7% above the comparative 1944 index of $4.04. The only price changes during the week again occurred in rye, sheep and lambs which moved slightly upward. The index represents the sum total of the price per pound of 31 foods in general use.

February Hardware Wholesale Sales Up 23%—Wholesale hardware distributors' sales showed an average increase of 23% in February, over last year, "Hardware Age" reports, in its every-other-Thursday market summary. A slight gain in sales will also be shown comparing February sales with January volume. Sales, for the first two months of this year were 22% better than for 1945.

Inventories of wholesale hardware houses, as of Feb. 28, averaged 18% more than for the same period last year. Stocks on hand, however, totaled 1% less than as of Jan. 31.

Accounts receivable, in February, increased 17% over last year and 13% over the previous month. Collections on accounts receivable in February were 17% over February, 1945, and 13% above January of this year.

Wholesale and Retail Trade—Slowly rising inventories in many lines and the advent of Easter stimulated consumer buying. Total retail volume for the country as a whole rose moderately the past week and it was well above that of the corresponding week a year ago, states Dun & Bradstreet, Inc., in its weekly review of trade. Many reports indicated that current stocks of most items were above the 1945 level during the corresponding post-Easter period.

Retail food volume rose slightly last week and remained well above that of the similar week last year. Spot checks of retail meat stores revealed that daily stocks varied widely with the over-all supply low. Ample quantities of fresh vegetables were evident due to an early season in many sections which tended to increase the number of available varieties. Citrus fruits continued to be the most abundant of the fresh fruits and pineapples appeared in slightly larger quantities.

Shoppers thronged to department stores and specialty shops this week. Apparel continued to be a best seller. Increased attention was directed toward graduation and bridal clothes and interest in women's suits and coats continued to mount. Larger inventories of men's clothing attracted many eager consumers and some localities reported suit volume more than 50% above that of the like period a year ago.

Many curtain and drapery departments reported that retail volume was limited only by the size of current inventories. Interest in piece goods was sustained at a high level but stocks were generally low.

Home furnishings and household appliances maintained a high position among best sellers and selections generally were increased both in variety and amount last week. Limited stocks of furniture and lamps were on display in consumer crowded departments. Garden supplies and hardware continued to attract much attention.

Retail volume for the country was estimated to be from 23 to 27% over the corresponding post-Easter week a year ago. Estimates of regional percentage increases were: New England 18 to 22, East 25 to 28, Middle West 29 to 33, Northwest 17 to 21, South 19 to 22, Southwest 13 to 17 and Pacific Coast 28 to 32.

Wholesale volume increased moderately this week and was well above that of the corresponding week a year ago. Buyers continued to press for early delivery on almost all orders and reorder and new order volume the past week compared favorably with that of the week previous.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended April 6, 1946, increased by 50% above the same period of last year. This compared with an increase of 12% in the preceding week. For the four weeks ended April 6, 1946, sales increased by 20% and for the year to date by 18%.

The largest weekly percentage increase on record was established in retail trade here in New York the past week. Sales volume for retail establishments was placed at more than 100% larger than the year before. In a comparison with the post-Easter period of 1945 consideration must be given to the fact that the week past had six business days against five a year ago.

Strong pressure was exerted in wholesale markets for last-minute deliveries of merchandise for pre-Easter selling. Coat, suit and dress manufacturers continued to be confronted with fabric shortages. The result has been to place deliveries for the spring season behind schedule, orders being far short of completion.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to April 6, 1946, increased 55% above the same period last year. This compared with an increase of 18% in the preceding week. For the four weeks ended April 6, 1946, sales rose by 26% and for the year to date by 24%.

Plan 1946 Session of Graduate School of Banking

The 1946 summer resident session of The Graduate School of Banking of the American Bankers Association will be held at Rutgers University, New Brunswick, N. J., June 17 to 29 inclusive, according to the 1946 catalogue of the school mailed to member banks of the A.B.A., G.S.B. students, and others. While it is stated that there are already indications of a record number of applications for enrollment, the student body of necessity will, it is indicated, have to be limited to 600 students, approximately 200 to each of the three classes. This means for the new class coming in this year the first 200 applicants meeting the entrance requirements will be accepted.

Three new members are to be added to the faculty this year. They are: Faulkner Broach, Vice-President of the National Bank of Tulsa, Okla.; Harry C. Culshaw, Vice-President, of the Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, Pa.; and Carl M. Flora, Vice-President of the First Wisconsin National Bank, Milwaukee, Wis. Mr. Broach will lecture on Government securities. He has written numerous articles for financial magazines and lectured extensively in the Middle West before bankers' groups on government securities. Mr. Culshaw is himself a graduate of The Graduate School, class of 1940, and has been a guest lecturer on credits occasionally since his graduation. He will lecture on specialty credits. Mr. Flora, an authority on consumer credit, is Chairman of the A.B.A. Committee on Consumer Credit. He will lecture on consumer credit with special emphasis on loans to small business.

With the opening of the 1946 season at Rutgers, The Graduate School of Banking will enter its twelfth year. It was inaugurated in 1935 with an original class of 200. In 1936 another class of 200 was accepted, and in 1937 still another class of 200. The first class was graduated in 1937. Except for two war years, the demand for enrollment has always exceeded the capacity of the school. The class of 1946, which will be graduated on June 29, will be the tenth class graduated since The Graduate School started. It will raise the number graduated to a total of 1,546. The national character of the school is indicated by the fact that every state in the Union is represented among the alumni of the G.S.B.

Inquiries should be addressed to William Powers, registrar of The Graduate School of Banking, 12 East 36th Street, New York 16, N. Y.

Utility Gas Sales In February Higher

Sales of the gas utility industry in February totaled 2,625,255,000 therms this year, an increase of 0.7% over sales of 2,608,717,000 therms in February, 1945, the American Gas Association reported on March 23. The association's new index number of total gas utility sales was at 186.1 for February (1935-1939=100.0).

For the 12 months ending Feb. 28, 1946, utility gas sales totaled 24,905,806,000, a decline of 2.2% comparable to the same period a year ago. Non-utility channels is excluded.

Natural gas sales gained 0.8% in February, was increased from 2,310,129,000 therms last year, to 2,328,745,000 therms. The association's natural gas sales index number for February was 188.1 (1935-1939=100.0).

For the 12 months ending Feb. 28, 1946, natural gas sales approximated 21,939,556,000 therms, a decrease of 2.6% compared with the same period last year.

February sales of manufactured and mixed gas were about 297,510,000 therms a decrease of 0.4% compared with February, 1945. The index number combined manufactured and mixed gas sales in February stood at 171.0 (1935-1939=100.0).

For the 12 months ending Feb. 28, 1946, manufactured and mixed gas sales combined, totaled 2,966,240,000 therms a gain of 0.8% over the same period last year.

Changes in Holdings of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The New York Stock Exchange announced on March 18 that the following companies have reported changes in the amount of stock held as heretofore reported by the Department of Stock List:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
American Crystal Sugar Co., 6% 1st preferred	160	None	
American Ice Co., 6% non-cum. preferred	28,116	32,116	
Atlas Corp., common	82,839	102,041	
International Minerals & Chemical Corp., common	40,019	38,919	
Jewel Tea Co., Inc., common	1,740	1,650	
Johnson & Johnson, common	26,911	24,235	(1)
Johnson & Johnson, 2nd preferred ser.	1,217	1,101	(1)
Plymouth Oil Co., common	2,384	3,384	
Purity Bakeries Corp., common	13,859	13,269	
Sheaffer (W. A.) Pen Co., common	4,017	3,909	
Sinclair Oil Corp., common	954,149	954,151	
United Merchants and Manufacturers, Inc., common	54,622	54,244	
United States Rubber Co., common	None	4	

NOTES

(1) Decrease represents shares delivered under the Employee Extra Compensation Plan.

The New York Curb Exchange made available on March 16 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
American General Corp. (common)	483,738	489,381
Carman & Co., Inc. (class A)	209	359
International Utilities Corp. (common)	290	304
Morris Plan Corp. of America (common)	None	148
Pharis Tire & Rubber Co. (capital)	10,000	8,000
Utility Equities Corp. ($5.50 div. pr. stk.)	13,150	13,250

Real Estate Financing in February 1946

Although slightly below the January record total, the nation's non-farm real estate financing during February continued at a high level, with aggregate mortgage recordings of $618,800,000, according to estimates made public on April 6 by the Federal Home Loan Bank Administration. The advices from the FHLBA further said:

This is 83% greater than for the same month a year ago and nearly double the financing activity of February 1944.

By type of lender, mutual savings banks showed the largest increase in mortgage financing over February last year, 141%, and individual lenders the least, with 51%. Loans by banks and trust companies rose 120%, resulting in an increase in the proportionate contribution of such institutions to the total from 19% in February 1945 to 23% twelve months later.

Gains over February 1944 for the remaining types of mortgage lenders were 96% for savings and loan associations, 63% for insurance companies and 56% for miscellaneous lending institutions. Banks and trust companies and mutual savings banks were the only classes of lenders to report increases for February over the previous month.

The estimates are based on reports of recordings of mortgages of $20,000 or less. February totals were as follows:

	Number	Amount	Percent
Savings and loan associations	56,631	$217,621,000	35
Insurance companies	4,772	26,099,000	4
Banks and trust companies	34,585	140,890,000	23
Mutual savings banks	5,239	24,973,000	4
Individuals	45,589	140,477,000	23
Miscellaneous lending institutions	16,160	68,703,000	11
	162,976	$618,763,000	100

Latest Summary of Copper Statistics

The Copper Institute on April 11 released the following statistics pertaining to production, deliveries and stocks of duty-free copper.

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE

(In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production *Crude	Production Refined	Deliveries to Customers †Domestic	Deliveries to Customers Export	‡Refined Stocks End of Period	Stock Increase (+) or Decreases (—) §Blister	Stock Increase (+) or Decreases (—) Refined
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,417	— 16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	—48,671	— 67,208
Year 1942	1,152,344	1,135,708	1,635,236	----	65,309	+16,636	— 10,255
Year 1943	1,194,699	1,206,871	1,643,677	----	52,121	—12,172	— 13,188
Year 1944	1,056,180	1,098,788	1,636,295	----	66,780	—42,608	+ 14,659
Year 1945	841,667	843.113	1,517,842	----	76,512	— 1,446	+ 9,732
3 Mos., 1946	140,887	139,070	260,280	909	70,249	+ 1,817	— 6,263
Jan., 1945	73,754	67,726	145,904	----	59,715	+ 6,028	— 7,065
Feb., 1945	67,496	69,950	172,585	----	57,142	— 2,454	— 2,573
Mar., 1945	76,537	76,395	218,488	----	51,861	+ 142	— 5,281
Apr., 1945	74,392	75,436	161,111	----	55,453	— 1,044	+ 3,592
May, 1945	74,469	85,319	139,203	----	63,841	—10,850	+ 8,388
June, 1945	72,271	74,377	94,031	----	70,738	— 2,106	+ 6,897
July, 1945	72,855	72,995	88,661	----	76,166	— 140	+ 5,428
Aug., 1945	68,253	69,127	86,840	----	80,316	— 874	+ 4,150
Sept., 1945	64,091	45,145	83,478	----	68,675	+18,946	— 11,641
Oct., 1945	69,322	70,363	104,104	----	73,913	— 1,041	+ 5,238
Nov., 1945	65,586	70,218	119,973	----	74,425	— 4,632	+ 512
Dec., 1945	62,641	66,062	103,464	----	76,512	— 3,421	+ 2,087
Jan., 1946	58,178	69,008	115,601	----	72,799	—10,830	— 3,713
Feb., 1946	41,667	49,923	86,089	909	74,339	— 8,256	+ 1,540
Mar., 1946	41,042	20,139	58,590	----	70,249	+20,903	— 4,090

*Mine or smelter production or shipments, and custom intake including scrap.

†Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.

§Computed by difference between mine and refined production.

NOTE—Statistics for the month of February, 1946, have been revised.

Moody's Common Stock Yields

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

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
Oct., 1945	3.7	5.2	4.2	3.1	3.1	3.8
Nov., 1945	3.6	4.8	4.0	3.2	3.2	3.7
Dec., 1945	3.6	4.8	4.1	3.3	3.1	3.7
January, 1946	3.4	4.5	3.8	3.4	2.9	3.5
February, 1946	3.6	5.1	4.0	3.7	3.0	3.8
March, 1946	3.4	5.1	4.0	3.6	3.0	3.6

Hotel Sales in January

Horwath and Horwath, New York public accountants, in their March "Hotel Bulletin" announced that "even with so many increases piled up behind it in the last few years, 1946 started off with sizable advances on all points over the beginning of 1945. The January increase in total sales was 12% compared with one of 8% for the first month of last year. The largest gain for a city or section was 14%, which was scored by New York, Philadelphia and Cleveland." From the advices we also quote:

"With a countrywide average occupancy of 92% and an average rise of 5% in room rate, room sales increased 8%. Chicago and Cleveland led on this point with a gain of 10% each over January 1945, and that significant group, All Others, which consists of scattered hotels, came next with 9%. The moderate pickup of 4% in room sales for New York and its rise of only 3% in room rate, with such a high occupancy as 96%, is explained by the fact that, as the occupancy for January, 1945 was 95% there was not much room for improvement.

"After considerable scattering of December occupancies in the 80's, there was none below 91% in January. The highest was 96%, which was reached by Cleveland as well as New York. Chicago followed closely with 95%, and Washington jumped from 82% in the politically quiet month of December, to 91%.

"The increase in restaurant business far exceeded that in room sales, the general average being 17%; food sales were up 16% and beverage sales, 17%. This is, of course, the effect of the discontinuance of rationing, for not only did it mean an increase in regular sales, but also a resumption of banquet business which was sharply curtailed by most hotels during the war. New York City gives the most striking illustration of this with increases of 26% in both total restaurant sales and food sales and 27% in beverage sales."

JANUARY, 1946, COMPARED WITH JANUARY, 1945

	Sales, Increase or Decrease *Total	Rooms	Total Restaurant	Food	Beverages	Occupancy Jan. 1946	Occupancy Jan. 1945	†Room Rate Increase or Decrease
New York City	+14%	+ 4%	+26%	+26%	+27%	96%	95%	+ 3%
Chicago	+13	+10	+15	+16	+13	95	92	+ 6
Philadelphia	+14	+ 8	+21	+17	+26	93	89	+ 3
Washington	0	+ 2	— 1	0	— 1	91	90	+ 1
Cleveland	+14	+10	+16	+17	+13	96	93	+ 6
Detroit	+ 7	+ 4	+10	+ 8	+16	94	91	+ 1
Pacific Coast	+ 8	+ 8	+ 9	+ 8	+10	93	87	+ 1
Texas	+ 6	+ 4	+ 9	+11	0	92	90	+ 2
All others	+13	+ 9	+17	+17	+18	91	89	+ 6
Total	+12%	+ 8%	+17%	+16%	+17%	92%	90%	5%
MONTHLY TOTALS FOR LAST SIX MONTHS								
January, 1946	+12%	+ 8%	+17%	+16%	+17%	92%	90%	+ 5%
December, 1946	+13	+10	+14	+13	+16	88	83	+ 4
November	+13	+11	+16	+14	+19	94	88	+ 4
October	+11	+ 9	+12	+11	+14	95	90	+ 3
September	+ 8	+ 8	+ 9	+10	+ 7	93	89	+ 3
August	+ 7	+ 7	+ 7	+ 8	+ 5	92	89	+ 3

*Rooms and restaurant only. †The term "rates" wherever used refers to the average daily rent per occupied room and not to scheduled rates.

Rathje of ABA Sees Inadequate Understanding of the Proper Function of Credit

Legislation in the housing field now pending before Congress was cited by Frank C. Rathje, President of the American Bankers Association, as an illustration of the pressures that continue to be put upon Congress for "increased liberalization of credit terms in almost every field of economic activity," in an address he delivered at Palm Beach, Fla., on April 5 before the annual convention of the Florida Bankers Association on the subject of management of the public debt.

According to Mr. Rathje, who is President of the Chicago City Bank & Trust Co., liberal credit provisions illustrate "an inadequate understanding of the proper function of credit. At a time of high incomes and high prices, credit should be curtailed, rather than extended," he said, pointing out that "in the present situation, such liberalization of credit terms gives rise to further increases in demand, which is already so large as to constitute an extreme upward pressure on prices. Rather than further liberalizing credit terms, at this time, in view of the inflationary pressure of an already expanded demand, it would be much sounder, to make financial terms more stringent for all groups, with the exception of the veteran," he continued. "In view of the high prices now prevailing, it would be a favor to the veteran himself to advise him against entering into commitments which he might find burdensome in a few years."

In connection with home financing, he said that it might serve the economy better to require a larger equity position on the part of buyers so that the credit structure would remain sound. This, he added, would be in the interest of the lender and the borrower alike.

Granted sound management, Mr. Rathje was optimistic about the national debt. "By some it is feared that the debt will be a permanent retarding factor in the American economy," he said. "However, after the Napoleonic War, England and the European nations likewise had large national debts. They managed those debts wisely and the countries grew and developed to the point where their debts at the beginning of World War I, were no longer a serious burden to the peoples of those nations. In a like manner, sound management of the present Federal debt of the United States can contribute to a stable prosperity, with our present standard of living maintained and improved."

Harriman Sworn in as Ambassador to Britain

W. Averell Harriman of New York took the oath of office on April 10 as Ambassador to Great Britain, to succeed John G. Winant of New Hampshire. In Washington advices to the New York "Times" it was stated that the oath was administered by Stanley Woodward, chief of protocol of the State Department, in the presence of Secretary of State James F. Byrnes and other officials. Mr. Harriman's nomination was sent to the Senate by President Truman on March 26 and was confirmed by the Senate on April 1. The Senate Foreign Relations Committee approved the nomination on March 27. The committee also on March 27 approved the nomination of Mr. Winant, former Ambassador to London, to be American member on the Economic and Social Council of the United Nations. Mr. Winant's name for the latter post was sent to the Senate at the same time as that of Mr. Harriman.

Mr. Harriman recently resigned as Ambassador to Moscow, and was succeeded by Lieut. Gen. Walter Bedell Smith. The naming of Mr. Harriman to the London post was said to have come as a surprise. He first entered Government service in June, 1940, at the age of 47, according to the New York "Times," serving in the Industrial Materials Division of the National Defense Advisory Commission. He was serving as Lend - Lease Administrator in London at the time of his appointment as Ambassador to the Soviet Union. In private life, the "Times" noted Mr. Harriman is a banker and railroad director.

Speaking of Mr. Winant, the "Times" mentions that he is a native of New York, 57 years of age, and that his appointment to London came in 1941. During the war he represented the United States on the European Advisory Commission. He was twice Governor of New Hampshire.

Plantz Joins N. Y. Savings Banks Life Ins. Fund

Clarence B. Plantz, Vice-President and Treasurer of the New York Savings Bank, has resigned to accept the position of Executive Vice-President of the Savings Banks Life Insurance Fund of New York, it was announced on April 1 by Harris A. Dunn, Chairman of the Fund. Everett M. Hatch, General Manager and Secretary of the Fund, has resigned to become Director of Public Relations of the Syracuse Savings Bank.

"This corporation," Mr. Dunn said, "prescribes policy forms and premium rates, furnishes actuarial, medical and other technical services, and guarantees, through the operation of its Guaranty Fund, all policies issued by the savings banks in New York State. There are now 55 savings banks in the system."

Pointing out that over $65,000,000 of savings bank life insurance is in force, Mr. Dunn said: "Savings Bank Life Insurance has enjoyed a healthy growth since its inception. It is steadily expanding both in the amount of insurance written and the number of banks offering the service. A large post-war growth is certain." Long active in Savings Bank Life Insurance, Mr. Plantz, in accepting the position, pointed out that "this over-the-counter system of insurance has become an established service of the savings banks which should, together with the insurance offered by the life insurance companies, result in broadened insurance protection for the American people. Millions of servicemen have learned to appreciate the value of life insurance and the banks are prepared to advise and serve them in retaining their insurance."

Mr. Plantz received his B. S. from St. Lawrence University in 1921 and his L.L. B. in 1924 from the Albany Law School of Union University. He later joined the New York City law firm of Coombs & Wilson, and then left in 1932 to become an attorney for the Title Guarantee & Trust Co. and the Bond & Mortgage Guarantee Co. Mr. Plantz joined the New York Savings Bank in 1935. He successively became Assistant Vice-President, Vice-President, and in 1944 was elected Vice-President and Treasurer. He was elected to the Board of Trustees in 1945.

Mr. Plantz was one of the first Presidents of the Savings Bank Life Insurance Council of New York, and is a former Chairman of the Savings Bank Life Insurance Committee of the Savings Banks Association of the State of New York. He is presently Chairman of a similar committee for the National Association of Mutual Savings Banks.

Trading on New York Exchanges

The Securities and Exchange Commission made public on April 10 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 March 23, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended March 23 (in round-lot transactions) totaled 2,413,088 shares, which amount was 17.24% of the total transactions on the Exchange of 6,999,770 shares. This compares with member trading during the week ended March 16 of 2,290,310 shares, or 17.88% of the total trading of 6,403,750 shares.

On the New York Curb Exchange, member trading during the week ended March 23 amounted to 597,650 shares, or 13.46% of the total volume on that Exchange of 2,219,875 shares. During the week ended March 16, trading for the account of Curb members of 635,635 shares was 14.71% of the total trading of 2,160,945 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 23, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	226,600	
‡Other sales	6,773,170	
Total sales	6,999,770	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	714,900	
Short sales	128,810	
‡Other sales	577,030	
Total sales	705,840	10.15
2. Other transactions initiated on the floor—		
Total purchases	171,410	
Short sales	10,100	
‡Other sales	135,240	
Total sales	145,340	2.26
3. Other transactions initiated off the floor—		
Total purchases	319,598	
Short sales	54,920	
‡Other sales	301,080	
Total sales	356,000	4.83
4. Total—		
Total purchases	1,205,908	
Short sales	193,830	
‡Other sales	1,013,350	
Total sales	1,207,180	17.24

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

WEEK ENDED MARCH 23, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	29,780	
‡Other sales	2,190,095	
Total sales	2,219,875	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	191,945	
Short sales	11,945	
‡Other sales	169,540	
Total sales	181,485	8.41
2. Other transactions initiated on the floor—		
Total purchases	42,350	
Short sales	1,900	
‡Other sales	26,400	
Total sales	28,300	1.59
3. Other transactions initiated off the floor—		
Total purchases	52,000	
Short sales	13,700	
‡Other sales	87,870	
Total sales	101,570	3.46
4. Total—		
Total purchases	286,295	
Short sales	27,545	
‡Other sales	283,810	
Total sales	311,355	13.46
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	94,260	
Total purchases	94,260	
Total sales	93,587	

*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."

Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of $178,200,000 of open market paper outstanding on Feb. 28, 1946, compared with $173,700,000 on Jan. 31, 1946, and $157,300,000 on Feb. 28, 1945, the bank reported on March 19.

The following are the totals for the last two years:

	$		$
1946—		1945—	
Feb. 28	178,200,000	Feb 28	157,300,000
Jan 31	173,700,000	Jan 31	162,400,000
1945—		1944—	
		Dec 30	166,000,000
Dec 31	158,900,000	Nov 30	166,900,000
Nov 30	156,100,000	Oct 31	141,700,000
Oct 31	127,100,000	Sep 29	140,800,000
Sep 28	111,100,000	Aug 31	140,900,000
Aug 31	110,200,000	July 31	142,900,000
July 31	106,800,000	Jun 30	136,500,000
Jun 29	100,800,000	May 31	150,700,000
May 31	102,800,000	Apr 29	171,500,000
Apr 30	118,300,000	Mar 31	194,800,000
Mar 30	146,700,000	Feb 29	213,700,000

Electric Output for Week Ended April 13, 1946 7.3% 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 April 13, 1946, was 4,014,652,000 kwh., which compares with 4,332,400,000 kwh. in the corresponding week a year ago, and 3,987,673,000 kwh. in the week ended April 6, 1946. The output for the week ended April 13, 1946 was 7.3% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

	Week Ended			
Major Geographical Divisions—	April 13	April 6	March 30	March 23
New England	§0.1	1.0	2.7	6.1
Middle Atlantic	§0.5	0.2	1.4	3.6
Central Industrial	8.8	11.6	13.6	13.6
West Central	0.5	2.5	0.2	§0.7
Southern States	10.8	9.4	8.4	8.9
Rocky Mountain	4.8	§4.7	§3.8	§4.0
Pacific Coast	12.9	12.2	10.0	10.8
Total United States	7.3	7.7	7.8	8.7

§Increase.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

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
April 6	3,987,673	4,321,794	— 7.7	4,361,094	1,480,738	1,696,543
April 13	4,014,652	4,332,400	— 7.3	4,307,498	1,469,810	1,709,331
April 20		4,411,325		4,344,188	1,454,505	1,699,822
April 27		4,415,889		4,336,247	1,429,032	1,688,434

Cottonseed Receipts to February 28

On March 13 the Bureau of the Census issued the following statement showing cottonseed received, crushed and on hand, and cottonseed products manufactured, shipped out, on hand and exported for the month ended Feb. 28, 1946, and 1945.

COTTONSEED RECEIVED, CRUSHED AND ON HAND (TONS)

State—	Received at mills, *Aug. 1-Feb. 28 1945-46	1944-45	Crushed Aug. 1-Feb. 28 1945-46	1944-45	Stocks at mills, Feb. 28 1945-46	1944-45
United States	2,934,836	4,087,579	2,671,178	3,132,771	482,006	1,066,564
Alabama	247,540	266,654	212,824	224,733	45,272	49,038
Arizona	47,544	51,001	39,516	35,216	8,405	15,912
Arkansas	291,091	446,025	275,064	300,838	62,353	154,987
California	129,013	109,294	83,576	75,864	47,530	33,624
Georgia	281,213	349,450	257,105	295,970	42,561	73,332
Louisiana	110,875	159,528	110,510	145,036	2,121	16,467
Mississippi	513,140	668,731	418,971	486,787	111,575	197,510
North Carolina	148,272	259,113	137,600	202,719	25,802	63,781
Oklahoma	95,238	207,819	89,128	175,939	7,237	33,942
South Carolina	167,384	217,119	161,457	194,559	10,439	28,232
Tennessee	224,743	324,458	204,283	243,745	34,650	90,490
Texas	612,819	904,177	626,906	680,468	70,112	255,355
All other states	65,964	124,230	54,238	70,897	13,949	53,894

*Includes 992 and 6,500 tons destroyed during 1945-46 and 1944-45, respectively. Does not include 219,340 and 118,256 tons on hand Aug. 1, 1945 and 1944, respectively, nor 37,241 and 53,399 tons reshipped during the seasons 1945-46 and 1944-45.

COTTONSEED PRODUCTS PRODUCED, SHIPPED AND STOCKS

Products—	Season	Stocks at beginning of Season Aug. 1	Produced Aug. 1-Feb. 28	Shipped Aug. 1-Feb. 28	Stocks Feb. 28
Crude oil	1945-46	*55,121	830,541	807,600	†105,255
(thousand pounds)	1944-45	29,759	965,762	926,814	158,919
Refined oil	1945-46	‡275,625	§707,898	------	¶406,486
(thousand pounds)	1944-45	239,934	773,645	------	328,976
Cake and meal	1945-46	52,258	1,178,491	1,174,748	56,001
(tons)	1944-45	28,050	1,437,410	1,371,188	94,272
Hulls	1945-46	61,697	638,573	660,186	40,084
(tons)	1944-45	14,793	725,388	689,545	50,636
Linters	1945-46	18,576	**808,653	752,175	††75,054
(running bales)	1944-45	61,920	915,579	864,636	112,863
Hull fiber	1945-46	323	13,060	12,468	915
(500-lb. bales)	1944-45	476	16,124	15,336	1,264
Grabbots, motes, &c.	1945-46	2,451	33,584	26,758	9,277
(500-lb. bales)	1944-45	10,025	34,722	30,786	13,961

*Includes 11,323,000 pounds at oil mills, 37,297,000 pounds at refining and manufacturing establishments and 6,501,000 pounds in transit.

†Includes 34,264,000 pounds at oil mills, 55,913,000 pounds at refining and manufacturing establishments and 15,078,000 pounds in transit.

‡Includes 257,591,000 pounds at refining and manufacturing establishments and 18,034,000 pounds held elsewhere and in transit.

§Produced from 778,791,000 pounds of crude oil.

¶Includes 375,851,000 pounds at refining and manufacturing establishments and 30,635,000 pounds held elsewhere and in transit.

**Includes 208,397 bales first cut, 516,501 bales second cut and 83,755 bales mill run.

††Includes 33,917 bales first cut, 36,214 bales second cut and 4,923 bales mill run.

Bank Debits for Month of March

The Board of Governors of the Federal Reserve System issued on April 10 its usual monthly summary of "bank debits" which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	Mar. 1946	Mar. 1945	—3 Months Ended— Mar. 1946	Mar. 1945
Boston	3,745	3,668	10,774	10,412
New York	38,270	34,338	112,419	102,946
Philadelphia	3,808	3,493	10,846	10,124
Cleveland	4,957	4,972	14,164	14,158
Richmond	3,159	2,828	8,981	8,150
Atlanta	3,108	2,750	8,900	7,977
Chicago	12,831	12,983	34,727	34,814
St. Louis	2,423	2,235	6,812	6,462
Minneapolis	1,594	1,355	4,583	3,958
Kansas City	2,823	2,733	8,054	7,641
Dallas	2,592	2,349	7,426	6,735
San Francisco	8,268	7,372	22,985	20,705
Total, 334 centers	87,578	81,077	250,673	234,082
*New York City	35,670	31,884	104,987	95,939
*140 other centers	43,448	41,722	121,635	116,750
193 other centers	8,459	7,471	24,051	21,393

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

ABA Trust Conferences To Be Resumed

Two annual regional trust conferences of the American Bankers Association, which were discontinued during the war period, will be resumed this year, according to James W. Allison, President of the A.B.A. Trust Division, who is Vice-President of the Equitable Trust Company, of Wilmington, Del. They are the Regional Trust Conference of the Pacific Coast and Rocky Mountain states, which was discontinued for the past four years, and the Mid-Continent Trust Conference, which was omitted last year. The 20th Regional Trust Conference of the Pacific Coast and Rocky Mountain states will be held in Los Angeles, Calif., August 7-9, at the Alexandria Hotel. Local arrangements are in charge of the Southern California Trust Officers Association. The 15th Mid-Continent Trust Conference will be held in Chicago, Ill., Nov. 7-8, at the Drake Hotel. The Corporate Fiduciaries Association of Chicago will be the host.

Pan-American Week

On March 29 President Truman proclaimed the week of April 14 as "Pan-American Week" to symbolize "the bonds of friendship and common interest among the nations of the Western Hemisphere," the Associated Press reported from Washington; and on the same date Governor Dewey of New York, according to Albany Associated Press advices, proclaimed April 14 "Pan-American Day."

The President's proclamation declared that the war had "brought to the nations of the world new realization of their interdependence and new determination to join together to achieve a just and lasting peace and to promote and maintain the welfare, security and prosperity of all peoples everywhere."

Governor Dewey asserted that with the end of the war the Western Hemisphere is more than ever in need of solidarity.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 10, a summary for the week ended March 30 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 30, 1946

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of Orders	33,828
Number of Shares	1,006,679
Dollar Value	$45,813,879
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	101
*Customers' other sales	33,051
Customers' total sales	33,152
Number of Shares:	
Customers' short sales	3,514
*Customers' other sales	915,288
Customers' total sales	918,802
Dollar Value	$40,826,595
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	110
†Other sales	203,450
Total sales	203,560
Round-Lot Purchases by Dealers—	
Number of shares	298,470

*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."

Wholesale Prices Rose 0.4% in Week Ended April 6, Labor Department Reports

Price advances for farm products and for a number of non-agricultural commodities raised average primary market prices 0.4% during the week ended April 6, 1946, it was reported on April 11 by the Bureau of Labor Statistics of the U. S. Department of Labor, which stated that wholesale price index of the Bureau rose to 109.1% of the 1926 average, 0.8% above early March 1946 and 3.8% above the corresponding week of 1945. The Bureau further reported:

Farm Products and Foods—Higher prices for livestock, fresh fruits and vegetables, and cotton raised average market prices of farm products 1.4% during the week to a level 6.3% above a year earlier. Quotations for steers, sheep, and live poultry rose more than seasonally with limited supplies on the market. Predominance of larger sizes and seasonal price increases were reflected in higher average prices for citrus fruits. Sweetpotato quotations were higher. Old crop potatoes declined in price in most areas and onions were lower. Spot market quotations for cotton rose sharply on speculative buying. Average prices for grains were fractionally lower.

Higher prices for fresh fruits and vegetables also were responsible for an advance of 0.2% in the group index for foods. In addition rye flour quotations were lower and dried apple prices declined with increased selling. Food prices were 0.5% above a month ago and 4.6% above early April 1945.

Other Commodities—Higher prices for cotton goods, building materials, and metals were largely responsible for an advance of 0.1% in the group index for all commodities other than farm products and foods. Non-agricultural commodity prices were 0.8% above four weeks earlier and 2.9% above a year ago. The higher quotations for cotton goods represented further adjustments to new ceilings granted earlier. Refractory brick prices in Eastern States rose 11% to higher ceilings allowed by OPA. Average lumber prices were fractionally higher and butyl acetate quotations rose. OPA ceiling adjustments for brass mill products to cover higher costs on peacetime products were followed by price advances of 6 to 7% for copper and copper base products. The recent 10¢ per barrel increase in crude oil ceiling prices was reflected in the advance of 0.1% in average prices for fuel and lighting materials. Corrugated paper quotations rose with ceiling adjustments made to stimulate the production of standard products.

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 March 9, 1946 and April 7, 1945 and (2) percentage changes in subgroup indexes from March 30, 1946 to April 6, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR THE WEEK ENDED APRIL 6, 1946

						Percentage changes to April 6, 1946, from—		
Commodity group—	4-6 1946	3-30 1946	3-23 1946	3-9 1946	4-7 1945	3-30 1946	3-9 1946	4-7 1945
All commodities	109.1	108.7	108.4	108.2	105.1	+0.4	+0.8	+3.8
Farm products	135.2	133.3	132.9	133.9	127.2	+1.4	+1.0	+6.3
Foods	109.7	109.5	109.4	109.2	104.9	+0.2	+0.5	+4.6
Hides and leather products	120.1	120.1	120.1	120.1	118.3	0	0	+1.5
Textile products	104.5	104.3	102.4	101.9	99.2	+0.2	+2.6	+5.3
Fuel and lighting materials	85.5	85.4	85.4	85.4	84.0	+0.1	+0.1	+1.8
Metal and metal products	108.0	107.9	107.9	107.8	104.3	+0.1	+0.2	+3.5
Building materials	124.0	123.6	123.6	121.1	117.0	+0.3	+2.4	+6.0
Chemicals and allied products	96.0	96.0	96.0	96.0	94.9	0	0	+1.2
Housefurnishings goods	108.7	108.5	108.4	108.3	106.2	+0.2	+0.4	+2.4
Miscellaneous commodities	95.4	95.4	95.4	95.4	94.6	0	0	+0.8
Raw materials	122.2	121.1	120.9	121.4	116.1	+0.9	+0.7	+5.3
Semi-manufactured articles	100.6	100.5	100.3	99.6	94.9	+0.1	+1.0	+6.0
Manufactured products	104.6	104.5	104.3	103.8	101.9	+0.1	+0.8	+2.6
All commodities other than farm products	103.4	103.3	103.0	102.6	100.3	+0.1	+0.8	+3.1
All commodities other than farm products and foods	102.4	102.3	102.0	101.6	99.5	+0.1	+0.8	+2.9

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 30, 1946 TO APRIL 6, 1946

Increases

Other farm products	1.9	Lumber	0.4
Brick and tile	1.8	Hosiery and underwear	0.3
Livestock and poultry	1.2	Furnishings	0.2
Non-ferrous metals	1.2	Other building materials	0.2
Fruits and vegetables	1.1	Petroleum and products	0.2
Cotton goods	0.7	Meats	0.1
Paper and pulp	0.1		

Decreases

Grains	0.1	Other foods	0.1

Weekly Coal and Coke Production Statistics

As a result of work stoppages in the mines, bituminous coal production during the week ending April 6 was estimated at 850,000 tons, compared with 13,270,000 tons mined in the week ending March 30, J. A. Krug, Solid Fuels Administrator, announced on April 13.

One year ago, despite work stoppages resulting in a break-down of wage negotiations, soft coal production totaled 7,716,000 tons in the week ending April 7, 1945. The loss of production of an estimated 4,000,000 tons of soft coal at that time led to the Government take-over on April 11 of 235 mines which remained idle after UMWA officials issued a return-to-work call following a directive from the War Labor Board. In the week ending April 6, 1946, more than 4,000 mines manned by members of the United Mine Workers of America were idle, accounting for the much greater loss in production.

During the first week of the work stoppages this month, about 200 soft coal mines employing some 13,000 men continued in operation. These included a number of non-union strip mines and 55 mines operated under contract with the Progressive Mine Workers of America. The 55 mines produce approximately 64,000 tons a day. Also included is a Montana strip pit which is producing 7,500 tons daily.

The two Southern Appalachian Districts Nos. 7 and 8, in Virginia, southern West Virginia, eastern Kentucky and northeastern Tennessee, mined an estimated 3,842,000 tons during the week ending March 30, (the last week preceding the strike) compared with about 3,949,000 tons mined in the preceding week, and with 3,591,000 tons mined in the comparable week in 1945, which ended March 31. Total production of the two districts during the fuel year, April 1, 1945, through March 30, 1946, was estimated at 170,812,000 tons, compared with an output of 185,649,000 tons mined in the preceding fuel year, a decrease of 8.0%.

Pennsylvania anthracite produced during the week ending April 6 approximately some 1,061,000 tons, as compared with 1,310,000 tons output in the preceding week, and with 1,036,000 tons mined in the week ending April 7, 1945. Monday, April 1, the mines were idle in celebration of the inauguration of the 8-hour day.

The estimated production of beehive coke for the week ended April 6, 1946 was 17,700 net tons, a decrease of 86,100 tons when compared with the output for the week ended March 30, 1946, and 57,200 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—	Apr. 6, 1946	Mar 30, 1946	Apr. 7, 1945	*Apr. 6, 1946	Apr. 7, 1945
Total, including mine fuel	850,000	13,270,000	7,716,000	161,789,000	161,311,000
Daily average	‡170,000	2,212,000	1,484,000	1,995,000	1,948,000

*Subject to current adjustment. ‡Average based on five working days, April 1, "Eight-hour Day" being a recognized holiday in the soft coal industry.

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

	Week Ended			Calendar Year to Date		
Penn. Anthracite—	‡Apr. 6, 1946	§Mar. 30, 1946	Apr. 7, 1945	Apr. 6, 1946	Apr. 7, 1945	Apr. 10, 1937
*Total incl. coll. fuel	1,061,000	1,310,000	1,036,000	16,323,000	14,914,000	14,873,000
†Commercial produc.	1,019,000	1,258,000	995,000	15,670,000	14,317,000	14,129,000
Beehive coke—						
United States total	17,700	103,800	74,900	1,200,100	1,564,100	1,014,700

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery coal. ‡Subject to revision. §Revised.

ESTIMATED WEEKLY PRODUCTION OF BITUMINOUS COAL AND LIGNITE, BY STATES, IN NET TONS

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended		
State—	Mar. 30, 1946	Mar. 23, 1946	Mar. 31, 1945
Alabama	447,000	446,000	390,000
Alaska	6,000	7,000	7,000
Arkansas and Oklahoma	91,000	91,000	92,000
Colorado	172,000	160,000	168,000
Georgia and North Carolina	1,000	*	*
Illinois	1,537,000	1,603,000	1,492,000
Indiana	622,000	578,000	563,000
Iowa	44,000	37,000	43,000
Kansas and Missouri	137,000	129,000	159,000
Kentucky—Eastern	1,147,000	1,150,000	1,046,000
Kentucky—Western	445,000	475,000	372,000
Maryland	62,000	60,000	40,000
Michigan	4,000	4,000	3,000
Montana (bitum. & lignite)	74,000	82,000	87,000
New Mexico	34,000	31,000	33,000
North & South Dakota (lignite)	34,000	31,000	28,000
Ohio	824,000	787,000	669,000
Pennsylvania (bituminous)	3,347,000	3,272,000	3,013,000
Tennessee	150,000	165,000	145,000
Texas (bituminous & lignite)	4,000	2,000	3,000
Utah	141,000	150,000	137,000
Virginia	393,000	400,000	378,000
Washington	26,000	23,000	34,000
†West Virginia—Southern	2,198,000	2,282,000	2,120,000
‡West Virginia—Northern	1,115,000	1,130,000	1,078,000
Wyoming	215,000	194,000	197,000
§Other Western States	*	1,000	*
Total bituminous & lignite	13,270,000	13,290,000	12,297,000

†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.

Civil Engineering Construction Totals $118,860,000 for Week

Civil engineering construction volume in continental United States totals $118,860,000 for the week ending April 11, 1946 as reported to "Engineering News-Record." This volume is 9% below the previous week, 128% above the corresponding week of last year, and 16% above the previous four-week moving average. The report issued on April 11th added:

Private construction this week, $79,809,000, compares with $79,870,000 and is 189% above the week last year. Public construction, $39,051,000, is 24% below last week and 59% greater than the week last year. State and municipal construction, $25,168,000, 37% below last week, is 480% above the 1945 week. Federal construction, $13,883,000, 26% above last week and 31% less than the week last year.

Total engineering construction for the 15-week period of 1946 records a cumulative total of $1,230,136,000, which is 164% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $813,069,000, which is 456% above that for 1945. Public construction, $417,067,000, is 30% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $282,284,000 to date, is 429% above 1945. Federal construction, $134,783,000, dropped 49% below the 15-week total of 1945.

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

	Apr. 11, 1946	Apr. 4, 1946	Apr. 12, 1945
Total U. S. Construction	$118,860,000	$130,993,000	$52,157,000
Private Construction	79,809,000	79,870,000	27,651,000
Public Construction	39,051,000	51,123,000	24,506,000
State and Municipal	25,168,000	40,148,000	4,343,000
Federal	13,883,000	10,975,000	20,163,000

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

New Capital

New capital for construction purposes this week totals $17,449,000, and is made up of $9,779,000 in State and municipal bond sales and $7,670,000 in corporate security issues. New capital for the 15-week period of 1946 totals $400,655,000, 54% greater than the $259,784,000 reported for the corresponding period of 1945.

Offering of Federal Land Bank Bonds

The 12 Federal Land Banks offered publicly on April 16 through Charles R. Dunn, their Fiscal Agent, $217,000,000 consolidated Federal Farm Loan Bonds dated May 1, 1946, due May 1, 1952, and callable May 1, 1950. The bonds bear interest at 1¼% per annum payable semi-annually, and are being offered at 100% and accrued interest. They are being distributed on a nationwide basis through a large selling group of recognized dealers in securities.

Net proceeds from the sale, together with the proceeds from a joint and several borrowing of $112,500,000 from commercial banks on May 1, 1946, and cash on hand, are to be used to retire approximately $170,000,000 of 3% consolidated Federal Farm Loan Bonds of May 1, 1946-1956; to retire approximately $55,000,000 of the capital investment of the United States in the Federal Land Banks and $98,000,000 borrowings from commercial banks; and to purchase approximately $9,000,000 of mortgages and real estate sales contracts from the Federal Farm Mortgage Corp.

The consolidated bonds being offered are not Government obligations and are not guaranteed by the Government, but are the joint and several obligations of the 12 Federal Land Banks. The banks are Federally chartered institutions and operate under the supervision of the Farm Credit Administration, which is under the general direction and supervision of the Secretary of Agriculture.

A reference to the proposed offering appeared in our issue of April 11, page 1996.

On April 11 the 12 Federal Land Banks called all outstanding 3% consolidated Federal Farm Loan bonds of May 1, 1946-56, for redemption on May 1, 1946, in accordance with their terms. Interest on the bonds will cease on May 1, 1946, and the bonds will be payable at par on and after that date. The bonds will be redeemed in cash on and after May 1, 1946, without an exchange offering of securities.

Farrier Quits NHA

Resignation of Clarence W. Farrier as Director of the Technical Division of the National Housing Agency was announced on April 8 by National Housing Expediter and NHA Administrator Wilson W. Wyatt. Mr. Farrier, who has been NHA Technical Director since the early days of the Agency, leaves Government service to become assistant to the President of Gunnison Homes, Inc., New Albany, Ind., a subsidiary of the United States Steel Corp., and one of the country's leading prefabricators of houses. For the time being, Mr. Farrier's duties are being assumed by Howard P. Vermilya, who is serving as a technical consultant to Mr. Wyatt while on leave as Research Director of the John B. Pierce Foundation.

From 1934 to 1937 Mr. Farrier was head assistant coordinator of the Tennessee Valley Authority at Knoxville, Tenn., and from 1937 to 1941 was television coordinator for the National Broadcasting Company. After a short connection with the chemical division of the Office of Price Administration he joined the National Housing Agency and directed the technical division during the war years when he worked closely with private industry in developing new materials and new techniques in home building. Mr. Farrier expects to assume his new duties with Gunnison on May 1.

Daily Average Crude Oil Production for Week Ended April 6, 1946 Increased 22,250 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 6, 1946, was 4,446,400 barrels, an increase of 22,250 barrels per day over the preceding week. It was, however, 337,465 barrels per day less than in the corresponding week of 1945 and 173,600 barrels below the daily average figure of 4,620,000 barrels estimated by the United States Bureau of Mines as the requirement for the month of April, 1946. Daily production for the four weeks ended April 6, 1946 averaged 4,429,000 barrels. The Institute further reported as follows:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,533,000 barrels of crude oil daily and produced 13,718,000 barrels of gasoline; 1,946,000 barrels of kerosine; 5,060,000 barrels of distillate fuel, and 8,401,000 barrels of residual fuel oil during the week ended April 6, 1946; and had in storage at the end of the week 104,226,000 barrels of finished and unfinished gasoline; 10,134,000 barrels of finished and unfinished gasoline; 10,134,000 barrels of kerosine; 29,253,000 barrels of distillate fuel, and 37,289,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements April	State Allowables Begin. Apr. 1	Actual Production Week Ended Apr. 6, 1946	Change from Previous Week	4 Weeks Ended Apr. 6, 1946	Week Ended Apr. 7, 1945
Oklahoma	367,000	367,000	†368,500	+ 3,300	368,150	374,550
Kansas	250,000	245,200	†236,000	— 17,200	250,350	255,450
Nebraska	800	----	†750	— 50	800	1,000
Panhandle Texas			82,000	+ 1,000	81,250	90,000
North Texas			149,000	+ 2,950	146,800	150,000
West Texas			450,000	+ 13,450	439,900	489,500
East Central Texas			130,500	+ 3,000	128,250	145,550
East Texas			327,200	+ 9,800	319,850	378,100
Southwest Texas			295,700	+ 5,500	291,600	352,150
Coastal Texas			430,000	+ 11,200	421,600	565,250
Total Texas	2,080,000	‡1,816,819	1,864,400	+ 46,900	1,829,250	2,170,550
North Louisiana			84,850	+ 1,000	83,450	71,050
Coastal Louisiana			286,800	— 6,550	291,700	295,000
Total Louisiana	374,000	398,022	371,650	— 5,550	375,150	366,050
Arkansas	78,000	81,526	77,500	+ 450	77,200	80,500
Mississippi	53,000		55,850	+ 1,150	55,800	51,450
Alabama	800		1,150	+ 150	1,050	250
Florida	----		100	----	100	15
Illinois	197,000		209,050	— 650	208,400	198,750
Indiana	14,000		19,150	+ 750	18,250	12,100
Eastern— (Not incl. Ill., Ind., Ky.)	61,900		64,400	— 1,450	64,750	63,150
Kentucky	29,500		32,800	+ 500	32,300	16,450
Michigan	46,000		95,800	+ 150	95,650	104,750
Wyoming	92,000		46,400	— 500	45,200	47,050
Montana	21,000		104,200	— 4,300	108,650	105,700
Colorado	2 2,000		20,150	----	20,150	19,750
New Mexico	99,000	106,000	23,450	+ 300	23,650	9,550
Tot. East of Calif.	3,786,000		3,591,300	+ 21,650	3,574,850	3,877,065
California	834,000	§830,000	855,100	+ 600	854,150	906,800
Total United States	4,620,000		4,446,400	+ 22,250	4,429,000	4,783,865

*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 April. As requirements may be supplied either from stocks or from new production, contemplated withhdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced. In some areas the weekly estimates do, however, include small but indeterminate amounts of condensate which is mixed with crude oil in the field.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m., April 3, 1946.

‡This is the net basic allowable as of April 1 calculated on a 30-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 nine 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 9 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 APRIL 6, 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	751	94.9	1,719	23,549	5,007	9,990	6,349
Appalachian—								
District No. 1	76.8	98	67.1	297	2,912	213	435	214
District No. 2	81.2	48	96.0	171	1,181	27	83	219
Ind. Ill., Ky.	87.2	714	83,3	2,642	23,948	1,389	3,529	2,985
Okla., Kan., Mo.	78.3	370	78,9	1,322	9,823	417	1,603	1,098
Inland Texas	59.8	208	63.0	859	3,148	323	322	727
Texas Gulf Coast	89.3	1,102	89.1	3,458	15,608	1,374	4,546	4,194
Louisiana Gulf Coast	96.8	301	115.8	811	4,135	563	1,435	998
No. La. & Arkansas	55.9	55	43.7	147	1,970	178	418	256
Rocky Mountain—								
District No. 3	17.1	13	100.0	39	118	20	37	34
District No. 4	72.1	102	64.2	311	2,446	106	384	607
California	86.5	771	79.7	1,942	15,388	517	6,471	19,608
Total U. S. B. of M. bases April 6, 1946	85.7	4,533	83.9	13,718	*104,226	10,134	29,253	37,289
Total U. S. B. of M. basis Mar. 30, 1946	85.7	4,684	86.7	13,896	104,715	9,307	28,240	37,746
U. S. B. of M. basis April 7, 1945		4,720	---	14,663	†96,611	7,237	27,046	40,816

*Includes unfinished gasoline stocks of 8,582,000 barrels. †Includes unfinished gasoline stocks of 11,699,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,946,000 barrels of kerosine, 5,060,000 barrels of gas oil and distillate fuel oil and 8,401,000 barrels of residual fuel oil produced during the week ended April 6, 1946, which compares with 2,011,000 barrels, 5,357,000 barrels and 8,738,000 barrels, respectively, in the preceding week and 1,518,000 barrels, 4,627,000 barrels and 9,138,000 barrels, respectively, in the week ended April 7, 1945.

National Fertilizer Association Commodity Price Index Continues Rise at Slower Pace

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on April 15, rose last week, April 13, 1946, for the sixth consecutive week. At 145.8% of the 1935-1939 average price level, the index is now at the highest point reached in the 20 years of its history. The peak in 1929 was 126.7. In August, 1939, just before the war started in Europe, the index was 90.2. A week ago the index was 145.7; a month ago 143.6, and a year ago 140.3 all based on the 1935-1939 average as 100. The Association's report added:

Three of the composite groups of the index advanced during the latest week and the remaining groups were unchanged. The farm products group rose fracionally reflecting higher quotations for rye, lambs and sheep but lower prices for cotton. The chemicals and drug group advanced slightly because of higher prices for quibracho. The miscellaneous commodities group was slightly higher due to a rise in leather prices. The quotations for pajama checks advanced but the rise was not sufficient to change the level of the textiles index.

During the week 6 price series in the index advanced and 1 declined; in the preceding week 9 advanced and 2 declined; in the second preceding week 6 advanced and 1 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 Apr. 13, 1946	Preceding Week Apr. 6, 1946	Month Ago Mar. 16, 1946	Year Ago Apr. 14, 1945
25.3	Foods	144.0	144.0	141.9	141.9
	Fats and Oils	147.4	147.4	147.4	145.3
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	175.1	175.0	172.5	166.5
	Cotton	263.8	264.1	251.8	209.6
	Grains	173.8	173.4	172.4	163.0
	Livestock	161.5	161.3	160.2	160.6
17.3	Fuels	131.7	131.7	126.5	130.4
10.8	Miscellaneous commodities	133.9	133.8	134.3	133.7
8.2	Textiles	166.9	166.9	163.7	156.3
7.1	Metals	117.2	117.2	116.9	104.7
6.1	Building materials	167.8	167.8	167.8	154.2
1.3	Chemicals and drugs	127.5	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	145.8	145.7	143.6	140.3

*Indexes on 1926-1928 base were: April 13, 1946, 113.6; April 6, 1946, 113.5; and April 14, 1945, 109.3.

Steel Operations Slightly Lower—Mills Yield Slowly to Effects of Coal Strike

"Gambling on the chance that the coal strike would be settled in time to prevent a drastic shutdown in the steel industry, many companies this week maintained a higher operating rate than had been expected," "The Iron Age," national metalworking paper, states in its issue of today (April 18), further adding:

"Another segment of the industry, however, was forced to curtail operations further. Diminishing supplies of coal and coke by this weekend will force the whole steel industry to scrutinize operating schedules on a day-to-day basis.

"Up to this weekend more than 350,000 tons of steel have been lost to the reconversion program because of the coal strike. Hopes that 1946 would show the biggest peacetime production of steel have been dashed because of the tremendous losses due to the steel strike and the coal stoppage.

"Significant steel market changes were disclosed this week when it became apparent that active markets close to steel mills and the high cost of freight absorption are rapidly accomplishing what the Federal Trade Commission has unsuccessfully attempted to achieve for years by regulation. Many steel mills are rapidly withdrawing from distant territories.

"Nearly every steelmaker is reestablishing the areas in which he can sell profitably and has started to cut off sales beyond these economic boundaries on certain products. Simultaneously, low profit items are being dropped altogether from schedules. The realignment has hit particularly hard the Chicago, Western and Pacific Coast territories on sheets, wire rods, wire aind tubular products. Reflecting this situation, one large pipe manufacturer notified its customers this week that it would close its Chicago sales office and withdraw from business in that territory and adjacent western states.

"Withdrawals from these various markets have left in their wake scores of customers without a source of steel. Local mills have been forced to turn a cold shoulder to pleas of steel users to be placed on schedules. These companies find their order books already loaded with deliveries scheduled far into the future. This tightening up and revision of sales policies is a direct aftermath of the wage and price increase.

"Aggregate steel order volume this past week remained heavy with deliveries extended far into this year. Tubular products of all types including pressure tubing, mechanical tubing and oil country goods are in extremely heavy demand with all firms having unusually heavy backlogs. Flat-rolled steel is currently tighter than at any time in years. Companies which have been affected by the coal strike are concentrating attention on the output of sheets and strip in an attempt to alleviate the critical supply outlook.

"In the non-ferrous field, the plight of the low cost producers of metals such as copper and lead, which the Premium Payment Plan is not designed to aid, has been brought to the attention of Congress and considerable pressure has been brought to bear on the need for legislative action in the interest of such producers. These producers have been squeezed between higher costs and fixed prices, but the country's need for their products would prevent any closing down of mine properties."

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 77.4% of capacity for the week beginning April 15, compared with 78.3% one week ago, 88.9% one month ago and 91.9% one year ago. This represents a decrease of 0.9 point or 1.1% from the preceding week. The operating rate for the week beginning April 15 is equivalent to 1,364,100 tons of steel ingots and castings, compared to 1,379,900 tons one week ago, 1,566,800 tons one month ago, and 1,683,300 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on April 15 stated in part as follows:

"Production of sheets, among the most critical of all steel products, has not yet been materially affected by the soft coal strike, but output of plates, bars and rails and some other items has been cut into severely. Another week of the coal strike may see considerable effect on sheets.

"Demand for all products remains strong, notably for small diameter bars and light flat-rolled products. The fuel situation adds to uncertainty and some mills operating on a quarterly quota and recently planning to announce third quarter quotas at this time have postponed action for at least two weeks. In one case a sheet producer considering setting up quotas for entire last half has abandoned that idea.

"Because of difficulty in getting desired quantities of steel from mills Government surplus and contract termination materials are being scrutinized more closely for the salvageable steel that might be uncovered. Tonnagewise the principal items thus obtained are plates and shapes, because of closing of various shipyards. Much of this finds its way into warehouses and to some extent is exported.

"Relatively few cancellations have followed construction restrictions by Civilian Production Administration and these have had no effect on nearby shape mill schedules. Delivery promises on shapes are as tight as ever, with leading producers able to offer relatively little for the remainder of the year. New work continues to come out and some important contracts are being let. Much depends on final interpretation of the order as projects come up for approval.

"Because of fuel shortage blast furnaces are being banked and pig iron supply is much curtailed, though every effort is being made to distribute it as widely as possible. In some cases furnaces are being continued in operation after they had been scheduled to go down for relining. Foundries are operating at low rate in the face of heavy backlogs of orders and a better labor supply than in recent months. In addition to lack of iron, foundries also are unable to obtain scrap in sufficient quantities.

"The general scrap situation is tight, with steelworks and foundries pressing for all the tonnage than can be obtained, high springboards being paid to attract remote supply. Steelmakers are taking all that is offered, in spite of lower steel production rates.

"Steel ingot production in March snapped back from the depths reached in January and February, during the steel strike, and totaled 6,534,648 net tons, almost equaling output of March last year, when it was 7,707,965 tons. However, first quarter production at 11,799,219 tons, was lowest for any three months since second quarter of 1939 and was almost 10 million tons below first quarter of 1945. Average weekly production in first quarter was 917,513 tons, at 83.7% of capacity, compared with an average of 1,677,199 tons, at 95% in first quarter last year."

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
April 16	125.58	120.02	124.20	122.09	119.41	114.08	117.60	120.22	121.88
15	125.77	120.02	124.20	122.09	119.41	114.08	117.60	120.22	121.88
13	125.74	120.02	123.99	122.29	119.61	114.27	117.60	120.22	121.88
12	125.77	120.02	123.99	122.29	119.61	114.27	117.60	120.22	121.88
11	125.83	120.02	124.20	122.29	119.61	114.27	117.60	120.43	121.88
10	125.86	120.02	123.99	122.29	119.61	114.27	117.60	120.43	121.88
April 9	125.86	120.02	123.99	122.29	119.61	114.46	117.60	120.43	121.88
8	125.89	120.02	123.99	122.29	119.61	114.46	117.60	120.22	122.09
6	125.92	120.02	123.99	122.29	119.61	114.46	117.60	120.22	122.09
5	125.92	120.02	123.99	122.29	119.61	114.46	117.60	120.22	122.09
4	125.89	120.02	124.20	122.29	119.61	114.46	117.60	120.43	122.29
3	125.92	120.02	124.20	122.29	119.41	114.46	117.60	120.43	122.09
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. 29	125.61	119.82	123.99	122.29	119.41	114.27	117.40	120.22	122.09
22	125.74	119.82	123.77	122.29	119.41	114.08	117.20	120.22	122.09
15	125.[illegible]0	119.82	123.77	122.29	119.20	114.27	117.00	120.22	122.29
8	125.86	119.82	123.56	122.50	119.20	114.46	116.80	120.43	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	120.02	124.20	122.50	119.61	114.46	117.60	120.43	122.50
Low 1946	124.97	117.60	121.46	119.82	117.40	112.19	114.40	117.80	120.63
1 Year Ago April 16, 1945	122.57	115.04	120.84	118.60	115.04	106.56	111.81	114.27	119.41
2 Years Ago April 15, 1944	119.86	111.62	118.21	116.61	111.62	101.14	105.17	113.70	116.41

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
April 16	1.36	2.65	2.45	2.55	2.68	2.95	2.77	2.64	2.56
15	1.35	2.65	2.45	2.55	2.68	2.95	2.77	2.64	2.56
13	1.35	2.65	2.46	2.54	2.67	2.94	2.77	2.64	2.56
12	1.35	2.65	2.46	2.54	2.67	2.94	2.77	2.64	2.56
11	1.35	2.65	2.45	2.54	2.67	2.94	2.77	2.63	2.56
10	1.34	2.65	2.46	2.54	2.67	2.94	2.77	2.63	2.56
April 9	1.34	2.65	2.46	2.54	2.67	2.93	2.77	2.63	2.56
6	1.34	2.65	2.46	2.54	2.67	2.93	2.77	2.64	2.55
5	1.34	2.65	2.46	2.54	2.67	2.93	2.77	2.64	2.55
4	1.34	2.65	2.45	2.54	2.67	2.93	2.77	2.63	2.54
3	1.34	2.65	2.45	2.54	2.68	2.93	2.77	2.63	2.55
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. 29	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
22	1.35	2.66	2.47	2.54	2.68	2.95	2.79	2.64	2.55
15	1.34	2.66	2.47	2.54	2.69	2.94	2.80	2.64	2.54
8	1.34	2.66	2.48	2.53	2.69	2.93	2.81	2.63	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	2.65	2.45	2.53	2.67	2.93	2.77	2.63	2.53
1 Year Ago April 16, 1945	1.63	2.90	2.61	2.72	2.90	3.36	3.07	2.94	2.68
2 Years Ago April 15, 1944	1.82	3.08	2.74	2.82	3.08	3.68	3.44	2.97	2.83

*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.

Non-Ferrous Metals — British Increase Prices— United States Pays 7¾c. for Foreign Lead

"E. & M. J. Metal and Mineral Markets," in its issue of April 11, stated: "Outstanding in developments in non-ferrous metals last week was the announcement that the British Ministry of Supply has advanced home prices for copper, lead, and zinc, raising quotations to the level at which replacements may be obtained and doing away with subsidies. At the same time, the price of aluminum in the British market, which was maintained above the world basis, was reduced to the equivalent of about 12.05c. per pound. The movement of metals in the United States continues substantially below requirements because of work stoppages. The fact-finding body will open hearings in Washington April 18, and settlement of the labor dispute may not be possible before next month." The publication further went on to say in part as follows:

Copper

Demand for foreign copper was quite active last week, with sellers shy. The net result was that business was booked at higher prices, with sales as the week ended at the equivalent of 12.375c., f.a.s. Recent purchases by the Government have brought in hesitant buyers.

The domestic supply situation has not improved. A strike was called at the Butte mines of Anaconda on April 10, and it was feared that work stoppages would spread to other Montana properties. The strike at Chase Brass & Copper was settled last week.

The British Ministry of Supply raised the price of electrolytic copper for the home market on April 8 from £62 per long ton, delivered, to £72. Calculating exchange at $4.03, the new price is equivalent to 12.95c per pound. Based on recent sales of copper to the British, the revised quotation is roughly the same as the prevailing world price. The Ministry of Supply recently purchased Chilean copper on the basis of 11.875c., Chilean ports, equivalent to 12.647c. c.i.f. British ports. Northern Rhodesian copper has been purchased on the basis of £70 per ton, according to advices from London.

Lead

Domestic sales of lead for the week were limited to 5,380 tons, owing to strikes. Interest centered in the action taken by the British to raise the home price of lead to the world level for free metal. Also, it became known that the United States has agreed to purchase Canadian lead at the rate of 2,500 tons a month for three months on the basis of 7¾c., delivered. Negotiations are on for purchasing 5,000 tons monthly of Latin-American lead for shipment in the next three months on approximately the same basis. The domestic ceiling continued at 6½c., New York.

In raising the price of soft lead for the home market to £45 per long ton, delivered, the British have lifted their quotation to the equivalent of 8.096c. per pound. The previous equivalent in United States currency was 7c. per pound.

Zinc

The March statistics of the American Zinc Institute revealed that production of slab zinc increased, shipments were substantially higher, and stocks at the end of the month declined 12,080 tons, to 260,995 tons. Owing to actual and threatened work stoppages, the statistics for March were not accepted as a true index of conditions in the zinc industry. However, it was known that galvanizing operations and die casting have stood out as outlets for zinc in recent months, with brass more or less inactive because of strikes.

Shipments of slab zinc in March totaled 83,692 tons, against 54,856 tons (revised) in February. The high deliveries offset a gain in production sufficiently to bring about the first reduction in stocks in ten months.

The February and March slab zinc statistics of the American Zinc Institute are summarized as follows, in tons:

	March	Feb.
Stock at beginning	273,075	266,657
Production	71,612	*61,274
Production, daily rate	2,310	2,188
Shipments:		
Domestic	81,368	*53,970
Export	2,324	886
Totals	83,692	*54,856
Unfilled orders	38,168	32,707
Stock at end	260,995	*273,075

*Revised figures.

Production of slab zinc in the United States in the first three months of 1946 amounted to 198,787 tons, against 206,954 tons in the Jan.-March period of 1945. Shipments in the first quarter totaled 197,183 tons, against 269,802 tons in the first quarter last year.

The upward revision in the price of zinc in the British market to £39 5s. per long ton for G.O.B. establishes the cost to the consumers to 7.06c. per pound, United States currency. The previous quotation was £31 5s. for foreign duty-paid metal.

Tin

It was announced last week that tin concentrates produced at Billiton, Netherlands East Indies, will be shipped to Holland and the United States. Production will be shared equally.

Advices received here from Singapore state that tin smelting has been resumed.

The news from the Far East indicates that world supplies of tin will gradually increase in the second half of the year, which points to a moderate easing of controls on consumption.

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

	April	May	June
April 4	52.000	52.000	52.000
April 5	52.000	52.000	52.000
April 6	52.000	52.000	52.000
April 8	52.000	52.000	52.000
April 9	52.000	52.000	52.000
April 10	52.000	52.000	52.000

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

Quicksilver

During the last week 700 flasks of quicksilver arrived from Spain and 600 flasks from Mexico. Offerings of foreign metal on spot increased, which was reflected in further unsettlement in quotations. During the last week prices on spot ranged from $103 to $105 per flask, or $1 lower than in the preceding week. Foreign metal for shipment was offered at $101.50, New York. With production costs in the United States substantially higher than in prewar years, sellers of domestic metal are not inclined to take an aggressive position on prices. Demand last week was moderate.

Silver

To ease the tax burden on producers of silver, the Mexican Government has repealed the "aforo" tax on silver, which amounted to approximately 3¼c. an ounce troy. Removal of this tax reduces total taxes on silver to the equivalent of 18c. an ounce The move also makes it possible for producers in Mexico to meet the higher wages granted earlier in the year and thereby stimulate production.

Mine production of silver in the United States in February amounted to 1,692,845 oz., according to preliminary figures of the Bureau of Mines. Production in January was 1,859,086 oz., and the monthly average for 1945 was 2,391,196 oz. The drop in output resulted largely from strikes at base-metal mines.

The New York Official price of foreign silver was unchanged last week at 70¾c. London continued at 44d.

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

Apr.	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
4	11.775	12.125	52.000	6.50	6.35	8.25
5	11.775	12.125	52.000	6.50	6.35	8.25
6	11.775	12.125	52.000	6.50	6.35	8.25
8	11.775	12.150	52.000	6.50	6.35	8.25
9	11.775	12.175	52.000	6.50	6.35	8.25
10	11.775	12.225	52.000	6.50	6.35	8.25
Average	11.775	12.154	52.000	6.50	6.35	8.25

Average prices for calendar week ended April 6 are: Domestic copper f.o.b. refinery, 11,775¢; export copper f.o.b. refinery, 12.088¢, 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.

SEC Adopts New Rule On Reports of Sales

The Securities and Exchange Commission announced on March 28 the adoption of a reporting program providing for the disclosure to investors and the public of current information as to the volume of business being done by most issuers having securities registered on a national securities exchange. At the same time the Commission announced the rescission of Rule X-13A-6A and paragraph (f) of Rule X-13A-6. The rescinded rules were adopted on July 23, 1945 to provide for the reporting of changes in the dollar volume of war business handled by listed companies. The Commission, in making this known, said in part:

"Under the provisions of a new rule, designated X13A-6B, and the revised Item II of Form 8-K, most issuers filing annual reports pursuant to the requirements of Rule X-13A-1 will henceforth be required to file quarterly reports on Form 8-K, setting forth the dollar amount of sales or other gross revenues during the fiscal quarter for which filed. A report must be filed not later than 45 days after the close of each fiscal quarter beginning after Dec. 31, 1945, or not more than 45 days after the effective date of the new rule, whichever date is the later. Issuers previously filing reports under Rule X-13A-6A will, however, begin immediately to report under the new rule so as to provide a continuous series of reports as to such companies. Insurance companies, investment companies, common carriers and public utility companies are exempted from the requirements of the new rule due to the nature of their business and because, in the case of most listed public utility companies, the Federal and State regulatory agencies to which such companies are generally subject presently require the filing of more extensive information on at least as frequent a basis."

Truman May Visit Philippine Islands; Will Not Attend Bomb Test

Rumors that President Truman would witness the atom bomb tests tentatively scheduled for the first part of July in Bikini lagoon have received White House denials, according to advices from Washington to the New York "Times" on April 9. These advices stated that the President's press Secretary, Charles G. Ross, quoted the President as saying: "It's the first I've ever heard of it," when queried in the matter. It is reported that Mr. Truman is planning to go to the Philippines for the independence celebration of the Islands scheduled for July 4, but Mr. Ross intimated that this trip too was subject to conditions permitting the President to leave the country at that time.

Some skepticism is now felt as to whether the bomb tests at Bikini will actually take place on July 1 as anticipated. Although preparations are said to be continuing, some observers consider it likely that the tests will be indefinitely postponed.

Moody's Daily Commodity Index

	273.9
Tuesday, April 9, 1946	274.1
Wednesday, April 10	273.5
Thursday, April 11	272.4
Friday, April 12	272.7
Saturday, April 13	272.9
Monday, April 15	272.9
Tuesday, April 16	273.6
Two weeks ago, April 2, 1946	271.1
Month ago, March 16	255.9
Year ago, April 16, 1945	265.0
1945 High, Dec. 27	252.1
Low, Jan. 24	274.2
1946 High, April 6	264.7
Low, Jan. 2	

Revenue Freight Car Loadings During Week Ended April 6, 1946 Decreased 164,479 Cars

Loading of revenue freight for the week ended April 6, 1946 totaled 644,663 cars the Association of American Railroads announced on April 11. This was a decrease below the corresponding week of 1945 of 121,009 cars, or 15.8%, and a decrease below the same week in 1944 of 143,322 cars or 18.2%.

Loading of revenue freight for the week of April 6, decreased 164,479 cars or 20.3% below the preceding week due to coal strike.

Miscellaneous freight loading totaled 367,607 cars, a decrease of 5,653 cars below the preceding week, and a decrease of 21,863 cars below the corresponding work in 1945.

Loading of merchandise less than carload lot freight totaled 128,314 cars a decrease of 428 cars below the preceding week, but an increase of 19,247 cars above the corresponding week in 1945.

Coal loading amounted to 33,901 cars, a decrease of 152,316 cars below the preceding week, and a decrease of 84,351 cars below the corresponding week in 1945.

Grain and grain products loading totaled 37,637 cars, a decrease of 4,994 cars below the preceding week and a decrease of 8,704 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of April 6 totaled 24,917 cars, a decrease of 3,111 cars below the preceding week and a decrease of 5,479 cars below the corresponding week in 1945.

Livestock loading amounted to 15,982 cars, an increase of 128 cars above the preceding week and an increase of 1,408 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of April 6 totaled 12,360 cars an increase of 181 cars above the preceding week, and an increase of 1,250 cars above the corresponding week in 1945.

Forest products loading totaled 42,666 cars an increase of 3,158 cars above the preceding week and an increase of 3,578 cars above the corresponding week in 1945.

Ore loading amounted to 9,607 cars, a decrease of 141 cars below the preceding week and a decrease of 25,830 cars below the corresponding week in 1945.

Coke loading amounted to 8,949 cars a decrease of 4,233 cars below the preceding week, and a decrease of 4,494 cars below the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
5 weeks of March	3,982,229	4,022,088	3,916,037
Week of April 6	644,663	765,672	787,985
Total	10,377,222	10,843,902	11,016,838

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 6, 1946. During this period only 46 roads reported gains over the week ended April 7, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED APRIL 6

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
Eastern District—					
Ann Arbor	398	273	245	1,726	1,499
Bangor & Aroostook	3,042	2,982	2.436	431	496
Boston & Maine	7,632	6,990	6,801	14,273	16,592
Chicago, Indianapolis & Louisville	992	1,009	1,222	1,846	2,044
Central Indiana	39	28	31	47	43
Central Vermont	1,072	1,055	1,104	2,015	2,025
Delaware & Hudson	4,494	4,593	4,753	10,820	14,107
Delaware, Lackawanna & Western	8,071	7,352	7,210	9,199	12,231
Detroit & Mackinac	295	214	252	245	140
Detroit, Toledo & Ironton	*2,637	1,659	1,582	*1,582	1,376
Detroit & Toledo Shore Line	289	429	337	2,365	3,631
Erie	12,080	12,175	13,006	12.839	18.099
Grand Trunk Western	3,721	3,987	3,724	7,482	9,949
Lehigh & Hudson River	218	206	181	3,003	3,628
Lehigh & New England	2,237	1,717	1,718	1,291	1,386
Lehigh Valley	8,230	7,941	8,080	8,009	12,114
Maine Central	2,680	2,387	2,137	4,698	4,620
Monongahela	212	4,226	6,596	293	280
Montour	43	1,546	2,542	27	19
New York Central Lines	41,854	47,422	45,977	39,510	49,571
N. Y., N. H. & Hartford	19,494	10,251	10.143	15,351	18,912
New York, Ontario & Western	940	952	1,032	3,030	3,626
New York, Chicago & St. Louis	5,923	6,466	6,148	12,312	15,843
N. Y., Susquehanna & Western	412	430	440	2,131	2,405
Pittsburgh & Lake Erie	6,178	7,490	8,042	3.292	6,765
Pere Marquette	5,648	5,040	4,725	6,581	8,462
Pittsburgh & Shawmut	146	687	729	32	39
Pittsburg, Shawmut & North	141	170	280	117	270
Pittsburgh & West Virginia	248	775	828	1,966	3,358
Rutland	396	372	375	1,189	1,100
Wabash	5.589	5.945	5,469	10,649	11,827
Wheeling & Lake Erie	2.624	5,146	5,179	3,485	5,070
Total	138,975	151,915	153,324	181,836	231,527
Allegheny District—					
Akron, Canton & Youngstown	675	836	674	1,066	1,415
Baltimore & Ohio	28,547	40,324	42.458	21,756	29,404
Bessemer & Lake Erie	901	2,047	3,047	1,378	1,777
Cambria & Indiana	3	988	1,692	2	6
Central R. R. of New Jersey	6,443	6,696	6,717	15,221	22,564
Cornwall	416	401	593	68	65
Cumberland & Pennsylvania	18	139	233	7	6
Ligonier Valley	0	64	122	10	42
Long Island	1.538	1,875	1,180	5.388	5,284
Penn-Reading Seashore Lines	1,862	1,998	1,763	2,202	2,555
Pennsylvania System	60,691	75.167	80.103	47,103	62,030
Reading Co.	14.348	14,795	13.685	21.574	31,259
Union (Pittsburgh)	14.950	18.837	20.210	2.352	3,625
Western Maryland	2.497	3,310	4,400	9,366	14,888
Total	132.889	167,477	176,877	127,493	174,920
Pocahontas District—					
Chesapeake & Ohio	8,034	21.328	27,769	9 571	14.378
Norfolk & Western	6,835	15,361	21,218	5.672	8.860
Virginian	637	3,150	4,177	1,271	3,075
Total	15,506	39,839	53,164	16,514	26,313
Southern District—					
Alabama, Tennessee & Northern	485	365	368	238	432
Atl. & W. P.—W. R. R. of Ala.	891	969	852	2,053	2,576
Atlanta, Birmingham & Coast	†	†	671	†	†
Atlantic Coast Line	16,301	14,340	13,458	10,631	14,268
Central of Georgia	4,695	3,772	3,952	4,733	5,741
Charleston & Western Carolina	501	477	423	1,492	1,542
Clinchfield	834	1,486	1,643	2,386	2,732
Columbus & Greenville	396	274	282	298	216
Durham & Southern	113	94	123	544	711
Florida East Coast	4,171	3,550	3,421	1,725	1,340
Gainesville Midland	94	47	38	114	160
Georgia	1,378	1,205	1,384	2,247	2,435
Georgia & Florida	501	371	417	934	836
Gulf, Mobile & Ohio	4,514	4,542	4,163	4,089	4,203
Illinois Central System	19,741	26,569	27,552	11,054	17,290
Louisville & Nashville	14,152	19,126	24,673	9,928	12,397
Macon, Dublin & Savannah	282	229	218	1,264	1,088
Mississippi Central	373	464	213	422	418
Nashville, Chattanooga & St. L.	3,238	3,372	3,267	3,902	4,444
Norfolk Southern	1,378	1,010	950	1,584	1,531
Piedmont Northern	458	433	404	1,424	1,248
Richmond, Fred. & Potomac	448	453	435	9,988	12,394
Seaboard Air Line	13,233	11,304	10,832	8,418	8,880
Southern System	24,667	23,056	23,795	22,056	25,124
Tennessee Central	505	648	736	591	724
Winston-Salem Southbound	129	130	153	839	1,214
Total	113,478	118,286	124,423	102,954	123,944
Northwestern District—					
Chicago & North Western	15,396	17,827	16,754	13,307	13,689
Chicago Great Western	2,542	2,308	2,609	3,052	3,538
Chicago, Milw., St. P. & Pac.	18,666	19,168	19,130	9,766	10,424
Chicago, St. Paul, Minn. & Omaha	3,543	3,162	2,959	3,442	3,641
Duluth, Missabe & Iron Range	1,000	10,921	2,488	315	200
Duluth, South Shore & Atlantic	487	497	650	620	641
Elgin, Joliet & Eastern	8,061	8,984	9,295	8,148	11,091
Ft. Dodge, Des Moines & South	454	350	391	106	109
Great Northern	9,880	14,242	13,283	4,736	6,282
Green Bay & Western	415	411	504	890	931
Lake Superior & Ishpeming	204	1,634	748	68	77
Minneapolis & St. Louis	1,610	1,830	1,992	2,235	2,420
Minn., St. Paul & S. S. M.	4,820	4,544	5,509	3,608	3,174
Northern Pacific	8,646	9,693	10,072	4,474	5,345
Spokane International	84	240	99	497	689
Spokane, Portland & Seattle	2,254	2,413	2,686	2,396	3,372
Total	78,062	98,224	89,169	57,660	65,623
Central Western District—					
Atch., Top. & Santa Fe System	22,286	24,834	21,761	9,972	13,752
Alton	*2,997	3,918	2,765	*3,074	4,200
Bingham & Garfield	3	382	503	3	53
Chicago, Burlington & Quincy	15,588	18,360	18,627	10,336	11,741
Chicago & Illinois Midland	182	2,580	3,240	830	914
Chicago, Rock Island & Pacific	12,355	11,398	11,244	12,146	14,171
Chicago & Eastern Illinois	1,951	2,303	2,541	4,204	4,213
Colorado & Southern	556	599	716	1,494	2,067
Denver & Rio Grande Western	1,333	2,899	3,363	2,992	6,191
Denver & Salt Lake	125	337	758	90	26
Fort Worth & Denver City	924	973	868	1,370	1,506
Illinois Terminal	1,963	2,480	2,138	1,570	2,179
Missouri-Illinois	990	984	1,029	542	605
Nevada Northern	1,338	1,318	1,710	93	102
North Western Pacific	522	673	777	523	764
Peoria & Pekin Union	20	2	10	0	0
Southern Pacific (Pacific)	28,288	28,582	29,041	9,615	15,006
Toledo, Peoria & Western	0	258	290	0	2,270
Union Pacific System	13,023	16,178	15,291	10,396	16,351
Utah	3	380	469	0	3
Western Pacific	1,924	1,820	1,792	2,461	4,330
Total	106,371	121,258	118,933	71,711	100,444
Southwestern District—					
Burlington-Rock Island	223	367	206	440	341
Gulf Coast Lines	5,748	6,561	7,015	2,454	4,224
International-Great Northern	2,347	2,424	2,049	4,131	3,160
‡K. O. & G., M. V. & O. C.-A.-A.	1,246	1,223	968	1,810	2,581
Kansas City Southern	3,161	4,873	6,275	3,284	3,279
Louisiana & Arkansas	2,454	2,543	3,287	2,411	2,839
Litchfield & Madison	338	314	352	1,154	1,245
Missouri & Arkansas	197	119	202	346	297
Missouri-Kansas-Texas Lines	5,328	7,041	6,441	4,365	5,768
Missouri Pacific	13,538	14,541	15,610	14,012	17,856
Quanah Acme & Pacific	150	89	124	166	511
St. Louis-San Francisco	8,007	8,515	8,129	5,949	8,430
St. Louis-Southwestern	2,669	3,108	2,967	4,842	7,712
Texas & New Orleans	9,376	10,803	12,272	5,080	6,184
Texas & Pacific	4,478	6,022	6,090	6,974	5,734
Wichita Falls & Southern	91	95	76	58	40
Weatherford M. W. & N. W.	31	35	32	17	25
Total	59,382	68,673	72,095	58,493	70,226

*Previous week's figure. †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	529,787	97	91
Feb. 16	139,681	149,794	516,211	94	92
Feb. 23	139,993	155,381	500,507	97	93
Mar. 2	198,985	161,122	533,794	98	93
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
Mar. 30	183,509	167,541	549,928	100	95
April 6	225,192	164,562	607,799	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.

Vardaman Sworn In On Federal Reserve Board

Commodore James K. Vardaman, Jr., President Truman's Naval Aide, whose nomination as a member of the Board of Governors of the Federal Reserve System was confirmed by the U. S. Senate on April 3, was sworn into his new office on April 4 by Supreme Court Justice Stanley A. Reed for a term of 14 years from Feb. 1, 1946. The nomination of Mr. Vardaman to his new post was sent to the Senate by President Truman on Jan. 23. Under date of April 3 Associated Press accounts from Washington stated:

The Senate gave the Vardaman nomination its approval by a vote of 66 to 9 after a final flurry of arguments on the qualifications of the 51-year-old Missouri banker for the post.

All the votes against confirmation were cast by Republicans. Senators Donnell (Mo.) and Morse (Ore.), who led the fight against the nomination, were joined by Ball (Minn.), Brewster (Me.), Brooks (Ill.), Knowland (Cal.), Moore (Okla.), Smith (N. J.) and Young (N. D.).

Mr. Morse made a last-minute effort to postpone the confirmation ballot until next Tuesday, but lost out, 58 to 17.

The Senate Banking and Currency Committee recommended approval of the nomination on March 27 by a vote of 9 to 1; Senator Tobey (Republican) of New Hampshire, voted against it, according to Associated Press advices from Washington. Under date of March 27 the Associated Press stated:

Delay in committee approval resulted from charges made against Commodore Vardaman by former banking and business associates in St. Louis, his former home.

Senator Radcliffe, Democrat, of Maryland, who presided over the public hearings, said earlier today that the Five-Member Banking Subcommittee had decided that the charges "were without foundation." Commodore Vardaman stated on April 4 that he would leave the Navy immediately. Those present when he took the oath of office as a member of the Reserve Board included Chairman Marriner S. Eccles and other Reserve Board members; Treasury Secretary Fred M. Vinson, Assistant Navy Secretary John L. Sullivan, Reconversion Director John W. Snyder, Supreme Court Justice William O. Douglas, and Presidential Secretary Charles Ross.

Mr. Vardaman succeeds John McKee, who retired after 15 years' service.

Lumber Movement—Week Ended April 6, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 429 mills reporting to the National Lumber Trade Barometer were 1.5% below production for the week ending April 6, 1946. In the same week new orders of these mills were 0.3% below production. Unfilled order files of the reporting mills amounted to 89% 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 9.0%; orders by 9.1%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 3.8% below; shipments were 7.0% below; orders were 8.0% below.

Items About Banks, Trust Companies

The First National Bank of the City of New York, in its report of condition at the close of business on March 30, 1946, shows total resources of $893,707,426 and total deposits of $750,673,227, compared with $1,011,960,488, and $800,221,214, respectively on Dec. 31, 1945. Cash on hand and due from Federal Reserve banks and other banks, including exchanges was $139,816,046 on March 30 against $136,391,825 three months ago; while holdings of U. S. government obligations are listed now at $537,250,805 as compared with $648,875,777, and loans and discounts at $119,893,375, while in the year-end report they were shown to be $124,979,782. Capital and surplus have remained unchanged during the three months at $10,000,000 and $100,000,000 respectively, while undivided profits have increased to $23,973,094 after making provision for the April 1 dividend of $2,000,000 from $23,378,671 on Dec. 31 last after making provision for the Jan. 2 dividend of $2,000,000.

Howard A. Grant and Peter F. X. Sullivan, Assistant Cashiers of Sterling National Bank & Trust Company of New York, have returned to the bank after serving with the armed forces. Mr. Grant was a lieutenant (j. g.) in the Navy, and served in the Pacific for two years. Mr. Sullivan, who was a sergeant in the Army, served in the Pacific for 32 months.

E. Chester Gersten, President of the Public National Bank and Trust Company of New York, announces the formal opening on April 15 of the bank's new office at the southeast corner of Fifth Avenue and 42nd Street. The new office will serve the interests of its many depositors in the midtown area. The lease for the office was negotiated several months ago with the Oceanic Investment Corporation, owners of the 20-story building. Since then alterations and improvements have been made. The office comprises 15,000 square feet of banking space Adequate safe deposit facilities are provided.

Thomas M. Keefe, Vice-President, who comes from the main office of the Public National Bank and Trust Company at 37 Broad Street, heads the new office. Prior to joining the Public National, Mr. Keefe was associated with the uptown office of the New York Trust Company. Associated with Mr. Keefe are Henry S. Sanders, Vice-President, who was a senior credit officer for many years, supervising the lending activities of a large branch group, and James P. Walsh, Assistant Vice-President, who was chief operating officer at the Broadway and 24th Street office. In addition to these officers, the office will be staffed with experienced and efficient personnel, many with long service in the bank, including several who are returned veterans. The most recent statement of condition, March 31, 1946, of the bank discloses capital, surplus and undivided profits totaling $27,276,000; deposits of $524,091,000, and total resources of $558,422,000.

Arthur S. Kleeman, President of the Colonial Trust Company of New York, has announced that following the April 10 meeting the board of directors voted to transfer $150,000 from undivided profits to surplus, effective April 10. Thus the bank now has capital funds and surplus of $2,500,000.

Announcement is made that Dr. Frank D. Fackenthal has recently been elected a trustee of the Bushwick Savings Bank of Brooklyn, N. Y. Dr. Fackenthal has, since October last, been acting President of Columbia University.

Walter Roy Manny has recently ben elected a trustee of the South Brooklyn Savings Bank, Brooklyn, N. Y. Mr. Manny is President of the Atlantic Zinc Works, Inc., and a director of the Brooklyn Chamber of Commerce, it was stated in the Brooklyn "Eagle" of April 10.

Walter G. Barker was recently elected President of the Hempstead Bank of Hempstead, L. I. Mr. Barker, who is 35 years of age first become associated with the bank in 1936 as Assistant Cashier, according to the New York "Times" which also reported:

Other newly elected officers are John K. Van Vranken, Vice-President, Joseph C. Muller, Cashier, and Edward Sheron, Assistant Cashier.

Harris N. Snyder, has recently been elected a trustee of the Buffalo Savings Bank, Buffalo, N. Y., it was reported on April 9 by M. S. Short, President of the bank, according to the Buffalo "Evening News."

Sponsored as a measure of public service the Troy Savings Bank, of Troy, N. Y., aims to combat inflation by urging the American people, as a measure of self-protection, to continue to save a part of their earnings, as they did throughout the war. As the first step in that direction, the bank's President, Barnard Townsend, prevailed upon Joseph Stagg Lawrence, economist and Vice-President of the Empire Trust Company of New York, to write a series of economic essays setting forth the underlying principles of saving and their far-reaching application. The next step it is pointed out was to translate these principles into terms the public would readily understand. Doremus & Company, New York advertising agency, was given the assignment and prepared a series of newspaper advertisements built around the theme "This is your crossroads year." Each advertisement varies widely both in type of copy approach and illustration.

The advertisements, it is stated, can be run over any desired signature, there being no reference to the Troy Savings Bank either in text or illustrations. Savings accounts, Government savings bonds and life insurance are impartially recommended as mediums for saving.

The board of directors of the Pittsfield National Bank of Pittsfield, Mass., has announced the selection of Kingsbury S. Nickerson as President, succeeding Charles W. Power, effective April 22. This is learned from the Boston "News Bureau" of April 12, from which the following is also taken:

"At present an officer of the Chemical Bank & Trust Company of New York, Mr. Nickerson will terminate his connection there to accept the Pittsfield position. Mr. Power retires after 23 years of active service but will continue as Chairman of the board of directors.

"Mr. Nickerson comes of an old New England family, and for a number of years before his graduation from Dartmouth College, lived in Massachusetts. His association with the Chemical Bank, which dates back to 1929, includes eight years of active participation in handling New England business. As a result he has a wide acquaintance among business men and bankers in the New England States.

The First National Bank and Trust Company of Kearny, N. J., increased its capital April 1 from $200,000 to $300,000 by the sale of new stock according to the Bulletin issued by the Office of Comptroller of the Currency.

The issuance of a charter on March 29 for the Cumberland County National Bank and Trust Company of New Cumberland, Pa., was announced April 8 by the Treasury Department. The bank has been formed with a capital of $150,000 ali common stock. M. A. Hoff is President and J. E. Brucklacher, Cashier. The new bank represents a conversion, effective April 1 of the New Cumberland Bank of New Cumberland, Pa.

Louis P. Oehm, who has been head of the First National Bank of Bellevue, Ohio, for 58 years, resigned on March 28. Mr. Oehm will be succeeded as President by Walter P. Raish, at present Cashier and who has been in the bank's employ for 43 years. William P. Greenslade will become Cashier, said the Toledo "Blade" from which this information is learned.

Donald Riley, retired Vice-President and Treasurer and a director of the Chicago Title and Trust Company of Chicago, Ill., died on April 7 in Los Angeles. Mr. Riley had lived in Pasadena, Calif., since last fall. He was the son of the late Harrison B. Riley, who was President of Chicago Title and Trust Company from 1907 to 1929. Mr. Riley, who was 55 years of age, served in World War I as a Commander in the Navy, and in 1919 was a member of the American delegation to the Peace Conference. He held the degree of Doctor of Philosophy from the University of Berlin. He joined the title company in 1924, was elected Vice-President in 1928 and a director in 1929. In 1936 he was given the additional post of Treasurer of the company.

Wiley R. Reynolds, President of the First National Bank in Palm Beach, Fla., on April 1, purchased controlling interest in the First National Bank in Miami, Fla., and its three affiliates from Edward C. Romfh. A brief reference to this appeared in our issue of April 4, page 1815. The purchase from the Romfh family also included the First National Bank eight-story building and First Trust Co., 15-story building in the heart of Miami. The affiliates included the First Trust Company of Miami, First National Bank of Coral Gables and the Little River Bank & Trust Company of Little River. Mr. Reynolds' other bank holdings are the First National Bank in Palm Beach, First National Bank in Lake Worth, First National Bank in Ft. Lauderdale, aud American National Bank in Miami, all within a distance of 70 miles along the lower East Coast of Florida. The Reynolds' group of banks is now the second largest in the State of Florida, with deposits over $274,981,000; total cash and investments $263,686,000, and total capital funds and reserves $12,969,000 as of March 30, 1946.

A statement by Mr. Romfh said that "after 45 years as head of the First National Bank of Miami, I have decided to retire from active business. I have sold my interest and that of my family in the bank and its affiliated institutions to Wiley R. Reynolds of Palm Beach."

Merger of the First National Bank and American National Bank in Miami is now being planned by a committee of directors from the two banks headed by Blake Oliver, President of the American and George E. Whidden, director of the First National Bank. When the merger is competed, the First National Bank in Miami it is stated will be the largest bank in the State of Florida, with deposits of around $163,000,000 according to their latest published figures.

Senior officers of the bank are: Wiley R. Reynolds, President; H. Blake Oliver, First Executive Vice-President; J. G. Leybourne, Carl Meeks, William C. Hill, Harry G. Retalick, Charles E. Buker, Charles E. Klugh, Russell Sohn, Robert M. McDonald, R. M. Doyle, Clarence C. Nielsen, H. Frank Northrop, Olin G. Symons, Vice-Presidents; David B. Alter, Jr., Vice-President and Trust Officer; O. E. Roush, Cashier.

The Second National Bank of Houston, Texas, has increased its capital, effective April 4 from $3,250,000 to $5,000,000 by the sale of new stock.

See Record Attendance At Meeting of Trust Div.

Advance reservations and interest in the program of the forthcoming ninth annual meeting of the Trust Division of the Illinois Bankers Association, to be held at Hotel Orlando, in Decatur, April 18th, indicates a record attendance, according to President John L. Sunde, Trust Officer of the Pioneer Trust and Savings Bank of Chicago. It is pointed out that with the trend towards smaller estates caused by the high tax rates occasioned by the burdensome cost of the war, more importance is being attached by trust people to ways and means of securing and profitably handling the smaller estate.

Paul E. Farrier, Assistant Vice-President of the First National Bank of Chicago, will speak on "Common Trust Fund—New Investment Rule." Donald C. Miller, Vice-President of the Harris Trust & Savings Bank, Chicago, will speak on "Trust Investment Problems for 1946."

The Farm Management Section of the Division headed by Walter B. Carver, Agricultural Economist of the Federal Reserve Bank of Chicago, will hold a separate meeting in the morning and will hear an address by R. H. Bauman, Extension Economist of Purdue University, on "Farm Programs for 1946-47."

Prewar Small Housing Loans Restored by Govt.

The Federal Housing Administration announced on April 7 that the prewar type of loan insurance, under the so-called Title I, Class 9 small home program, was to be restored in order to "stimulate home construction by private builders in the lowest cost bracket." According to the FHA announcement, as reported by the Associated Press from Washington, the plan is "designed to furnish homes for veterans at a cost of as little as $25 a month, including principal and interest charges, taxes, insurance and special assessments." The press accounts further reported:

"In general, the statement explained, 'the Class 3 Plan of financing small homes under Title 1 remains the same as the prewar plan. The maximum loan is for 95% of FHA's valuation, or up to $3,000.

"The maximum term is 20 years and five months, with a maximum allowable interest rate of 4½% and an FHA insurance charge of ½ of 1%.

"The maturity is five years longer than the former plan, and a service charge of ½ of 1% is eliminated. Allowable foreclosure costs have been increased to two thirds of actual cost where such amount exceeds the $75 now permitted."

Urges That Banks Expand Consumer Credit Policy

(Continued from first page)

10,500 banks are planning to make personal loans; 8,000 will finance time sales of goods and equipment; 9,400 will make automobile loans; 5,100 will make FHA Title 1 loans, and 7,900 will make modernization loans.

"It is evident from these figures that the small business man, or individual has just as much need for a term loan as do those with large financial responsibility. This large anticipated expansion in the field of small loans by banks is evidence that 'Consumer Credit is here to stay'."

Mr. Williams made many technical suggestions for audit and control of the details of installment credit. He recommended careful survey and supervision of operating details so that accounting systems are adequate and capable of expansion; that streamlining of operations can be made consistent with safety; that the maintenance of a close, daily audit procedure is included in the setup, and that a comprehensive analysis is made in order to determine costs.

Veterans Investments In Homes in 1945

That $175,000,000 was invested in home ownership in 1945 by veterans of World War II was shown it is stated by figures from the United States Savings and Loan League issued March 17. Reports from savings and loan associations and cooperative banks which are doing most of the lending to veterans for homes under the GI Bill of Rights indicated that as of Dec. 31, 1945, they had supplied $173,265,000 to 37,000 veterans under the no down payment, 4% interest rate, home loan provisions of the Servicemen's Readjustment Act. Henry P. Irr, Baltimore, Md., President of the League, the nationwide organization of the savings and loan institutions, pointed out that the average purchase price or building cost of these veterans' homes was around $4,700. The figure is encouraging he said because it shows that diligent searching and the aid of the savings and loan institutions to the veteran in may instances has made it possible for ex-servicemen to find homes within their economic reach.

It is stated that home construction loans accounted for 18% of the dollar volume of GI loans reported as of Dec. 31, and their percentage of the total has been steadily increasing, Mr. Irr indicated. By comparison at the end of the third quarter of 1945, only 14% of the GI loans made by the associations and cooperative banks were for construction. The League President said that four of the institutions had lent more than $1,000,000 each to the returning servicemen by the close of last year, and that 28 of them had made GI loans equivalent to more than 10% of their own total resources.

Lee Named Gov. of Fed. Home Loan Bank

Announcement of the appointment of Col. Harold Lee as Governor of the Federal Home Loan Bank system has been made by John H. Fahey, Commissioner of the Federal Home Loan Bank Administration, according to special advices from Washington March 24 to the New York "Journal of Commerce," which added:

Associated with the Federal Home Loan Bank Administration since 1934 Col. Lee has been its general counsel for the past seven years.