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## "Which Way Americans?"

By ERNEST T. WEIR\*  
Chairman, National Steel Corporation

Leading steel executive warns mistakes by government usually result in more power to government, and that present Democratic Party is dominated by radical element that seeks a planned economy. Holds New Deal policies have retarded recovery by "bum guesses," and have interfered with collective bargaining by establishing government-fixed wages. Attacks "phony fact finding," and claims Administration's policy is destroying small business by "a system of Big Government, Big Business and Big Unions." Holds OPA snarls our economy and is wrong in principle, and urges all who believe in individual freedom to participate in politics on broader scale.

Detroit has had the dubious pleasure of serving as host to the strike which — in length of time and numbers involved — has been the greatest



Ernest T. Weir

in American history. The wave of strikes, of which General Motors was part, continues. And in this strike wave the country has one of its clearest demonstrations yet of the dangerous effects of false theory and false practice in government. Many of the strikes have been settled, and the rest will be. But nothing fundamental has been settled. In fact the manner in which these strikes were created, and in which some of them have been settled, has added to and aggravated our present condition of domestic weakness and confusion. Unless the American people act soon to secure a basic change in the philosophy and methods of Federal Government, our country will find itself at the dreary end of the road we have been traveling. The end of that road is Statism which, in one form or another, has engulfed most of the countries of the world.

### Mistakes of Government

It is characteristic of governments, when they make mistakes with power they already have, to attempt to correct the mistakes by securing new and larger powers. With these they then proceed to make new and larger mistakes. The founders of our country clearly understood this trait of governments. That is why they made the individual citizen the chief repository of power, and strictly limited and defined the powers to be entrusted to government. For the past 13 years, the dominant feature of our national life has been a steady reduction of the power and freedom of individuals and a proportionate increase in the power and authority of government. We have been moved away from government based on the American principle of individual freedom and responsibility. We have not yet reached government based on the European principle of state control. In this circumstance, we find the explanation for much of our national confusion. The issue that confronts the American people today is the decision as to the type of government they want.

Many good Americans do not

believe that a fundamental change has been brought about in the American system. They scoff at the idea that the innovations of recent years can make any great difference in the way Americans live, can limit the freedom of the individual, or can depress standards of living. That is because the issue of the American system versus the European system has never been submitted to them directly or in its entirety. The change has been produced piecemeal. And it did not just happen that way. The small but clever and energetic radical minority that wants a state-controlled America knew well that the vast majority of Americans would promptly and violently reject state control if it were openly and honestly presented. So that minority, working inside and outside of government, moved toward its objective by separate steps. Each step was offered to achieve some social or economic gain, which was the basis on which it was accepted by the public. But each step also extended and increased the authority of government while it limited the freedom of the individual. These steps fit into a pattern. It is a pattern of social revolution. It has been in progress for years. It has moved us closer than most people realize to the radical objective of state control.

### An Administration Divided Against Itself

The administration of our government is in the hands of a political party that is divided against itself. On one side stand those who believe in American principles. They are mainly from the South. On the other side are those who do not believe in American principles. They are mainly from the big cities of the North. This separation within the party has been present for quite some time. It was dormant during the early New Deal, but has been growing steadily since the days of the "Rubber Stamp" Congresses. The situation merely underscores what is well known, namely, that the Democratic party today is by no definition the Democratic party that existed for many years before the New Deal. And on a larger scale but for similar reasons, American Government and American life are not the same.

\*An address by Mr. Weir before the Detroit Section, Society of Automotive Engineers, Detroit, Mich., April 22, 1946.

(Continued on page 2420)

## The Economic Value of Music

By ROGER W. BABSON

Mr. Babson points to the universality of the spoken language of music as an insurance of world peace. Declares that music, having potential power far exceeding that of atomic bombs, should be used to supplement armaments. Economist reports his growing interest in culture in lieu of statistics, concerning whose importance he has become disillusioned.

The immediate lesson from the recent Russian negotiations is that we must keep America strong—physically, intellectually and especially spiritually. This is the only way to "win the peace."



Roger W. Babson

### World Peace and Education

A price must be paid for everything we accept. In the case of the most worthwhile things, this price includes something more than money or what can be purchased with money. It includes sacrifice of time, energy, thought and prejudices. This will require radical changes in our schools and colleges. There is no short-cut to world peace.

Of course, the first thing which our educators should do to insure world peace would be to develop a universal language, accompanied by the teaching of a universal history. There is no more reason why all nations cannot see the same language and history books as they now use the same

(Continued on page 2422)

## GENERAL CONTENTS

Editorial	Page
Financial Situation.....	2413
<b>Regular Features</b>	
From Washington Ahead of the News.....	2413
Moody's Bond Prices and Yields.....	2423
Trading on New York Exchanges.....	2426
NYSE Odd-Lot Trading.....	2426
Items About Banks and Trust Cos.....	2428
Changes in Reacquired Stock.....	2419
<b>State of Trade</b>	
General Review.....	2415
Commodity Prices, Domestic Index.....	2427
Weekly Carloadings.....	2425
Weekly Engineering Construction.....	2426
Paperboard Industry Statistics.....	2425
Weekly Lumber Movement.....	2425
Fertilizer Association Price Index.....	2426
Weekly Coal and Coke Output.....	2426
Weekly Steel Review.....	2422
Moody's Daily Commodity Index.....	2423
Weekly Crude Oil Production.....	2423
Non-Ferrous Metals Market.....	2427
Weekly Electric Output.....	2419
Federal Reserve Business Indexes for February.....	2422
Gross and Net Railroad Earnings During 1945.....	2424

\*Not available this week.

## The Financial Situation

Some time ago the House of Representatives passed and sent on to the Senate a bill which would "emasculate" the law under which the OPA operates. It was a signal setting into feverish action Mr. Bowles, Mr. Wallace, and various other elements working through or with Mr. Hillman's "Political Action Committee." The picture these astute propagandists and political manipulators have painted of the results of action such as that proposed by the House is frightening. The rank and file have become fearful of "inflation." Our thinking under the influence of European refugees and communistic fifth columns has been tinged with notions quite alien to American traditions. We have become accustomed to being "pushed around" by paternalistic governments. There is, accordingly, an evident tendency even on the part of the more understanding in the community to "wince and relent and refrain"—to condemn the obvious inadequacy, the evident incompetence, the almost incredible arrogance and the constant blundering of the present management of OPA, but to concede that control is still essential either under new and better management or under rigorous restrictions imposed by Congress.

### Shrewd Propagandists

It was to be expected that the shrewd manipulators of the public mind would center their attack upon the "excesses" of the House bill, and it may be taken for granted that a number of influential individuals and organizations which during the past week or two have come modestly and gently before the public to speak a word for "moderation" have been inspired by the radical labor elements centering in the Political Action Committee, but when men like Senator Taft come forward in support of "middle-of-the-road" dealing with this subject, it may be taken for granted that

(Continued on page 2416)

## From Washington Ahead of the News

By CARLISLE BARGERON

The friends of Governor Stassen are propagandizing to the effect that the trouble with the Republicans, of whom he is supposed to be one, is that they are still campaigning against Roosevelt. Governor Stassen, we take it, would not do this. He would campaign against Truman. The Stassen propagandists have gotten considerable publicity on this. It has tended to develop him as a forward



Carlisle Bargeron

looking man and one who is not looking back, the two of them being the same thing anywhere else except in the field of current politics where descriptions, labels and slogans have ceased to mean a thing. Unfortunately, however, from the standpoint of the Stassen adherents, the next Republican candidate will be running against Roosevelt, unless the New Dealers change their plans. In death as in life he is still their candidate. Particularly will this be true in the forthcoming Congressional campaigns. It is inconceivable that the New Deal candidates, or any other Congressional candidate, will be going

around declaiming: "Send me to Congress to support Truman." To those who follow the party line, it will be: "Send me to Washington to carry out Roosevelt's policies."

Truman, himself, has subscribed to this procedure several times, most recently at Hyde Park when he dedicated Roosevelt's grave. In his Jackson Day dinner address, he accepted and stated a line which had been inserted in his speech for him. It was a sly denunciation of the pre-Pearl Harbor Isolationists, so-called.

From much other evidence it is clear that the next campaign will revolve around Roosevelt at the New Dealers' choosing.

This being the case, the New Dealers should be able to create considerable of a nostalgia for him in view of the present crime wave and rackets that are breaking out all over the country. With our elephant-like memory, we recall that we were in the throes of gangsters when Roosevelt

(Continued on page 2418)

## Consistency and Absurdity

"The fight against inflation is the most immediate and urgent problem facing our members and the American people. Inflation is our No. 1 economic enemy. To win the peace we must defeat the forces of inflation as decisively on the home front as we defeated the forces of aggression on the battlefield.

"The forces of inflation daily grow more threatening as big business pushes its power drive to force Congress to abandon price control. Inflation is the major obstacle in the way of achieving our goals of full employment, full production and full consumption.

"If this mad drive of reaction and inflation is not stopped, the skyrocketing of prices will cancel out our wage increases within a few months and will lead to economic chaos which will threaten the very ideals for which we fought this bloody and costly war.

"Our first task, therefore, is to keep prices down. Price control must be maintained, and we must do everything in our power to see that effective price control legislation is enacted, and that such legislation is strictly enforced.

"We subscribe to the policy that wage increases must not be passed along to consumers in higher prices whenever it is within the capacity of the employer to pay higher wages out of the current prices charged by the industry, or by bringing his efficiency up to the level of the industry in which he operates.

"We recognize the need for higher prices in industries or parts of industries which cannot otherwise raise their wage to a decent level. And we recognize that efficient employers are able to pay higher wages than an industry wage pattern might require them to pay."—Walter P. Reuther.

Mr. Reuther at least makes an effort to appear logical in demanding higher wages at the same time that he undertakes anti-inflationary propaganda!

But the obvious absurdity of his reasoning is only a little short of ridiculous.

## Wyatt Issues New Housing Order

An order issued by National Housing Expediter Wilson W. Wyatt on April 20, apportioning certain definite percentages of new housing construction into rental units and low-cost homes, with allowances for geographical differences in construction costs, is described by Mr. Wyatt as the first step toward channeling building materials under the Veterans' Emergency Housing Program. The action is designed to steer most of the country's residential building materials into homes well under the present \$10,000 sales and \$80 rental limit. As summarized by the Associated Press in a dispatch from Washington, the order directs that:

"One-fourth of the dwellings henceforth authorized in any city must be built for rental; and of these, at least half must rent at or below ceilings which range from \$40 monthly in New Orleans to \$65 in New York.

"Half of all homes built to be sold must come below a new price line which also varies from city to city; \$4,500 in New Orleans, for instance, and \$9,000 in New York. "Ceilings on construction are for the buildings alone and do not include the price of lots."

Federal housing officials throughout the country will be expected to induce builders to undertake the low-priced housing projects. The Government's whip for builders who dislike this type of construction will be withholding priorities on scarce lumber, materials and supplies. The announcement of Mr. Wyatt said:

"Approximately one-third of the priorities issued through the Federal Housing Administration (FHA) during the first quarter of this year were for homes costing \$6,500 or less. The immediate effect of the new order, Mr. Wyatt said, would be to increase by 50% the homes built under \$6,500 in the second quarter."

Mr. Wyatt also said: "The Veterans' Emergency Housing Program contemplates channeling of the largest part of available materials into homes and rental housing selling for not

more than \$6000 or renting for not more than \$50 per month. Obviously these are objectives for the total program of 2,700,000 houses. It does not mean that houses will be produced today under \$6000 in all parts of the country, but it does mean that as we increase the production of materials and eliminate many of the present unnecessary costs due to delay, increased overhead, additional interest charges during construction, low volume, restrictive building codes, and the substitution of more expensive materials because ordinary materials are not available, we will obtain more and more housing under \$6000 or under \$50 until our goal is reached."

Veterans who apply to build their own homes will receive first preference in the issuance of priorities, according to the order, with next preference going to builders who agree to sell or rent under the new dividing line, it was noted in the Associated Press, which said:

"The new 'dividing line' is to be worked out in each city by the local Federal Housing Administration director, under a method set forth in the order. For some major cities it will establish approximately these sales marks:

"New York, \$9,000; Washington and Chicago, \$8,500; Pittsburgh, \$8,000; Philadelphia, Providence and Boston, \$7,500; Los Angeles and Milwaukee, \$7,000; Indianapolis and Kansas City, Mo., \$6,500; Denver and Seattle, \$6,000; Atlanta, Louisville and Fort

Worth, \$5,500; New Orleans, \$4,500.

"Sample rental dividing lines are approximately:

"Providence, Philadelphia and New York, \$65; Pittsburgh Indianapolis and Fort Worth, \$60; Chicago and Washington, \$55; Boston and Seattle, \$50; Atlanta, Denver, Kansas City, Los Angeles, Louisville, Milwaukee and New Orleans, \$40.

"Aim of the order is to provide as many homes as possible below the \$6,000 price class in meeting President Truman's veterans' housing goal of 2,700,000 homes in two years.

"Mr. Wyatt said this does not mean that houses under \$6,000 will be produced at once in all parts of the country, but as building costs are lowered through big-volume construction the dividing lines will be lowered.

"The order will work this way, he related:

"A housing goal for each State or FHA district is set up in Washington; then each FHA director sets local targets for each city or area he may designate.

"The local target is then broken down as follows:

"25% is set aside for rental dwellings. At least half of these must be rented for a figure at or below the dividing line. The dividing line is fixed at the highest approved rent shown in the lowest third of the applications approved by FHA between Jan. 15 and March 29 of this year.

"If the dividing line works out higher than \$60, it must be reduced to that sum, unless it is submitted to the Washington office of FHA for approval and—probably—reduction.

"The rest of the dwellings making up the local housing target may be sold, but at least half of these must come below a sales dividing line.

"This line is an amount equal to the highest approved sales ceiling in the lowest third of applications received in the Jan. 15-March 29 period. No line above \$7,500 may be set without Washington approval.

"In support of its drive for moderately priced homes for veterans, the National Housing Agency reported that the cost of low-priced homes has soared 65.1% since 1940.

"The rise for such small homes—those which cost less than \$6,000 in 1940—has been greater than that for medium-priced dwellings in the \$6,000 to \$12,000 class, the agency said. The latter have increased 57%.

"Raw land has risen 60.1% and prepared building lots have gone up 61.8% on the average, said the statement, which was based on a recent survey made by several agencies in the housing field."

## Officers Elected by AIB Alumni Association

Leroy Clark, an Assistant Vice-President of the Marine Midland Trust Company, was elected President of the Alumni Association of the New York Chapter, American Institute of Banking, at the association's annual meeting and dinner held on April 23rd at the Stockholm Restaurant, New York City. Other officers elected were: First Vice-President, Charles H. Schoch, Deputy Superintendent of Banks of the State of New York; Second Vice-President, G. Russell Clark, Assistant Manager, New York Clearing House Association; Treasurer, Emerson Stiles, Assistant Manager of investment analysis department, Chemical Bank & Trust Company of New York; and Secretary, Wilhelmina A. Wendel, Assistant Cashier, Barr Brothers & Co., Inc.

## ABA Has Anti-Inflation Program

Association's Executive Council recommends (1) continued vigorous sale of Treasury savings bonds; (2) using Treasury balances in banks to repay Government debt; (3) the offer of long-term refunding bonds from time to time to individual investors; and (4) the reduction of speculation in Government securities by loan restrictions on holders. Also suggests discontinuance of preferential discount rate on short-term Government securities.

National monetary policies necessary to the avoidance of further inflation were set forth by the American Bankers Association on April 22 in a four-point anti-inflation program adopted by the Association's executive council, which is being sent to all ABA members.

Included in the anti-inflationary program are recommendations for efforts to refund the Government debt out of the banks into the hands of non-bank investors by means of offerings of refunding bonds with rate and maturity to appeal to such investors. Also, the vigorous sale of Treasury savings bonds and plans to persuade bondholders to keep their bonds. The recommendations call for the continued use of Treasury war loan accounts in banks to repay Government debt and for the taking of steps to reduce speculation in Government securities, including the termination of the preferential discount rate on such securities available at the Federal Reserve banks.

In addition, the program calls for a balanced national budget as "the greatest single necessity to resist inflation."

### Program Sent to Members

The anti-inflation program is contained in a letter being sent to ABA member institutions throughout the country by Association President, Frank C. Rathje of Chicago, who is President of the Chicago City Bank & Trust Co. in that city.

In calling for the vigorous selling of Treasury savings bonds as of the greatest importance in combating inflation, the ABA program also urges plans to persuade bondholders to keep their bonds. In urging the continuation of the policy of using war loan accounts in banks to repay Government debt, it points out that this has the anti-inflationary effect of reducing bank deposits, which are potential buying power. Although it recognizes that this practice will have the effect of reducing the earning assets of banks and hence, to some extent their earnings it, nevertheless, regards this as a sound step.

In accumulating institutional and private funds, the ABA Executive Council sees an opportunity for the Treasury to carry further the refunding of Government debt held by banks into the hands of non-bank investors, and states that in addition to the savings bond issues, the Treasury should make offerings having a maturity and rate to appeal to such investors in order to bring this result about.

In the matter of reducing speculation in Government securities, the ABA program suggests that the banks review their loans on such securities. In urging reconsideration of the preferential discount rate on short-term Government securities, the four-point program observes that this preferential rate had a special and useful war purpose in encouraging banks to carry their share of Government securities. "Today," it says, "when a gradual reduction in bank holdings of Governments is desired, this invitation to credit expansion is unwise and is inflationary in tendency."

### The Program

The ABA anti-inflationary pronouncement in full, as contained in ABA President Rathje's letter, is as follows:

These four points constitute the principal monetary policies which appeared to the Council most essential at this time in avoiding further in-

flation from the present huge accumulation of buying power in the form of bank credit, currency, and cashable U. S. securities.

First, the continued vigorous sale of Treasury savings bonds by the banks is of the great importance in combating inflation. This program should include plans to persuade bondholders to keep their bonds.

Second, the Council approves the Treasury policy of using its war loan balances in the banks to repay Government debt. That action has the anti-inflationary effect of reducing bank deposits which are potential buying power. This is a sound step, although it does have the effect of reducing the earning assets of the banks, and so reducing to some extent their earnings. It will also call for a reappraisal by each bank of its Government portfolio to see that it has liquidity to meet Treasury calls on war loan account and other possible demands.

Third, refunding bonds of long-term should be offered from time to time to non-bank investors. Accumulating institutional and private funds provide an opportunity for the Treasury to carry further the refunding of debt held by the banks into the hands of non-bank investors. To do this it is necessary that the Treasury in addition to the saving bond issues, should make offerings of bonds that have a maturity and rate to appeal to such investors.

Fourth, steps should be taken to reduce speculation in Government securities. The banks can do something to improve this condition by reviewing carefully their own loans on Government securities, particularly the loans that were made on securities issued in the Victory Loan Drive. The banks certified to the Treasury in connection with every subscription that loans against these securities were of a type that could be liquidated within six months. Those six months will elapse by June 8. Banks have an obligation to review these and other loans on Government securities carefully to see that they are not encouraging speculation in such securities.

In this connection the Council also suggests that the Reserve System reconsider the preferential discount rate on short-term Government securities at the Reserve Banks which is now one-half of 1%. This rate had a special and useful purpose during the war in encouraging banks to carry their share of Government securities. Today when a gradual reduction in bank holdings of Governments is desired this invitation to credit expansion is unwise and is inflationary in tendency.

The Council commends these points to the attention of the banks of the country. They concern only the monetary phase of the inflation problem; a balanced National budget continues to be the greatest single necessity to resist inflation.

## House Passes Curbed Price Control Extension; Senate Seeks Moderation; Public, Continuance

The House on April 18 passed and sent to the Senate legislation to extend the Price Control Act for nine months beyond its expiration date of June 30, 1946, but, according to Associated Press Washington advices, in a form which Stabilization Director Chester Bowles said would make price control "impossible." Although administration leaders look to the Senate to reduce the drastic restrictions in the House-passed measure, it was generally conceded that the extension bill, approved by the overwhelming vote of 356 to 42, with its sweeping changes was the most serious defeat President Truman's policies have yet been dealt.

An estimate by OPA chief Paul Porter places the rise in consumer prices at 50% if there is a general collapse in his agency as a result of the limiting amendments in the new bill.

Besides calling for complete abolition of price control on March 31, 1947, the following broad amendments were adopted by the House, according to advices to the "Wall Street Journal":

Mandatory decontrol of any commodity when production of it over a period of 12 months equals or exceeds production recorded in the period between July 1, 1940 and June 30, 1941, approved on a roll call vote of 228 to 166.

Mandatory pricing of every commodity to allow current costs, as calculated in established accounting practice, plus "a reasonable profit," for producers, processors, and distributors, including retailers, approved by roll call vote to 259 to 137.

Elimination of all meat subsidies after June 30, 1946, approved by roll call vote of 214 to 182.

Termination of food subsidies on December 31, 1946, by means of a cut-back program calling for reduction of subsidy payments by 25% every 45 days after June 30, 1946. This amendment also would require ceilings on agricultural products to include increases in cost to producers since January 1, 1941.

Reduction in money authorized for food subsidies to \$654,250,000 from the \$1,870 million sought by the Administration, in line with the six-month cutback program.

The effect of the measure as passed by the House would be to wipe out the most important controls which OPA now possesses, and is indicative of the growing tendency within Congress to end what has been generally termed as regimentation.

The action has been generally protested by the public in the flood of letters and telegrams received by Congressional committees, but, so far as the House Banking and Currency Committee is concerned, these appear to have had little effect of deterring the limiting amendments, as many of the messages were received before the amended legislation had been approved. Economic Stabilizer Chester Bowles was reported by the Associated Press to have declared on April 21 that the people would press their insistence upon Congress for extension of price control without the "destructive amendments." Administration leaders in the Senate however, have not been so sanguine that anything material would be done to offset the House-passed measure. The Senate bill as it stands calls for a full year's extension of the Price Control Act, but this was also true of the House legislation before the Committee amended it. There seems little doubt that the provision to eliminate price controls on any item after it reaches 1940-41 levels will be retained in the Senate measure.

Senator McClellan (Dem.-Ark.) predicted, according to the Associated Press, that the Senate Banking and Currency Committee would send the extension bill to the floor "about as the Administration wants it," but that after it gets there he anticipates re-

visions similar to those passed by the House.

Senate Republicans are being organized by Senators Robert A. Taft (R.-Ohio) and Warren R. Austin (R.-Vt.) into a group to support what the sponsors called a "moderate program of extending price controls," the Associated Press reported on April 27. Senator Taft, chairman of the minority Steering Committee, is said to have stated that the Republicans hope to enlist enough Democratic backing to beat off what he called "irresponsible last-minute amendments" and put through a planned-in-advance program curtailing some of OPA authority but retaining major anti-inflation controls. Senator Austin went on record as saying that he and Senators of like views "want to save the necessary controls but to provide for relaxation of those controls as fast as the war-to-peace timetable will permit."

The Associated Press added:

As outlined tentatively by Senator Taft, the projected Republican program would revise a House-approved "cost plus" amendment to provide that the Office of Price Administration must fix price ceilings which would give manufacturers a margin over cost on major items similar to that in a certain pre-war period. If there was no pre-war margin, there would be none now. The House provided that manufacturers and distributors must have a "reasonable profit" on all items. Senator Taft said most Republicans agree that the OPA's maximum average price order, by which it requires production of a certain proportion of low cost clothes, must go. OPA officials have charged this would increase clothing prices 10%.

The Republican group is thinking, the Ohio Senator said, of offering a liquidation formula under which the OPA would have to lift price ceilings on any product as its output reaches 120% of 1941 production.

The House made this figure 100% of 1941, but Senator Taft said less unemployment now, plus population increases, indicate a higher production rate is necessary.

Senator Bourke B. Hickenlooper (R.-Iowa), a member of the Banking Committee, said to be often critical of OPA policy, on April 28, according to the Associated Press, expressed himself in favor of the agency's continuance "in reasonable form." He continued, according to the press accounts:

"I don't want to see OPA emasculated," he added, "but it must change some policies if the flow of key goods is to be increased. It must begin to make decisions quickly instead of waiting months and slowing production meantime."

The consumer advisory committee to OPA said in its statement:

"We are convinced by overwhelming evidence that existing price-control policies do not stand in the way of full production and feel strongly that Congress should protect the nation against those special interests which are seeking to destroy price control for their own speculative gain.

"The pent-up savings are so great that, especially in food, clothing, housing, refrigerators and other durable goods, inflationary pressure is intense."

Meanwhile, spokesmen for organized groups throughout the country have sought to impress upon the Banking Committee the desirability of eliminating the limiting amendments imposed by

the House on the price control extension measure. On April 25, the Associated Press Washington dispatch stated, Secretary James B. Carey of the Congress of Industrial Organizations told the Committee that unless the House action is reversed by the Senate, labor's wage demands which have recently been settled on the basis of continued price control, will have to be renewed until increases are given to correspond with the increased cost of living. "Chaos and confusion" was his prediction for the country in the event control over prices were lost.

Farm groups, although for the most part seeking a termination of subsidies, asserted through their representatives their beliefs in the need for continued price controls. Edward A. O'Neal, President of the American Farm Bureau Federation, declared, according to the "Journal of Commerce" on April 26, that the bill passed by the House "goes too far in eliminating price controls." James G. Patton, President of the National Farmers Union, also asserted that the House bill goes too far and said that the House took an "awful risk with the future of all of us."

A young business organization called the New Council of American Business, declared itself opposed to the program of the National Association of Manufacturers which seeks to have OPA controls abolished by June 30, according to Associated Press Washington advices of April 26. H. L. McCarthy, executive director of the council, questioned the right of the NAM to speak for industry as a whole. He said that every poll of business opinion "contradicts the findings of NAM" that 97% of business is against the OPA.

## ABA Memberships 95.7% of US Banks

Over 95.7% of all banks in the United States are now members of the American Bankers Association, according to Robert L. Dominick, Chairman of the ABA Organization Committee, in a report for the six month period ending March 31, 1946. The report shows that 15,635 banks, of which 15,498 are located in the continental United States, representing 99% of the banking resources of the nation, are now members of the ABA.

Mr. Dominick, who is also President, of the Traders Gate City National Bank, Kansas City, Mo., reported that all banks in 16 states and the District of Columbia are now ABA members. The 100% states are Arizona, Arkansas, Colorado, Delaware, District of Columbia, Florida, Idaho, Louisiana, Nevada, New Mexico, North Carolina, North Dakota, Oregon, Utah, Virginia, Washington, and Wisconsin.

"Despite the small number of non-members at the beginning of the year, the Organization Committee was successful in enrolling 165 new members including six banks from United States territories and foreign countries," Mr. Dominick reported. He added:

"To increase the membership percentage, it was necessary for the committee to enroll practically all of the new banks organized in order to offset the normal number of liquidations and mergers of banks. Although we aim for a membership of 100% in every state, I think we should recognize that this objective may never be attained." He stated, however, that efforts will be continued to enroll all of the remaining non-members because "we still believe it is important that we help these banks run the best possible institutions; and the addition of the remaining non-members will add strength to the representative influence of the American Bankers Association."

## The State of Trade

The soft coal strike and its resultant adverse effect on the production of steel caused industrial output in some industries to register slight declines the past week. At present there is little indication that the situation will improve, since John L. Lewis and his United Mine Workers are sticking to their original demands in the soft coal controversy and show little inclination toward a compromise with the soft coal operators. It was

reported on Monday of this week, however, that the operators and the United Mine Workers would resume joint negotiations on Tuesday. Previous conferences were broken off on April 10, last. The inroads the coal strike has made in the production of steel may be seen by the latest report of the American Iron & Steel Institute, which places scheduled steel output of companies having 94% of the industry's steel capacity for the week beginning April 29, at 67.7%, as against 73.6% a week ago, representing a decline of 8%.

Automobile production made progress in the week rising 20% above the level of the preceding week, with output estimated at 57,565 units as compared with 49,425 units the week before. To date the automobile manufacturers are at the highest level of their reconversion output, approximating an annual rate of close to 3,000,000 cars and trucks, but future output is in good measure contingent upon their ability to obtain sufficient steel.

Carloadings of railroad freight move ahead slightly in the week ending April 20, the increase amounting to 1,549 cars or 0.2% over that of the week previous. Here again the current soft coal strike has worked to curtail loadings of revenue freight. Electric kilowatt production, on the other hand, dropped in the same week to 3,987,145,000 kwh., or 9.6%, below the corresponding weekly period of 1945. Paper output for the week ended April 20, also revealed a slight decline of 1.1%, while production of paperboard remained without change for the like period.

The picture of new order volume for industry as a whole was still on the increase last week with back orders continuing to pile up.

Claims for unemployment compensation for the week ending April 13, declined by 5.5% and between now and midsummer no important increase is looked for in unemployment except for labor disputes intervening which could well upset current prospects.

The Bureau of the Census estimates the jobless at 2,710,000 in March, up only 60,000 from that of February, figuring that 6,440,000 veterans had found non-agricultural jobs by March and that an additional 600,000 had been re-employed in farming.

"About 1,500,000 veterans who are not now actively seeking jobs remain to be absorbed. Approximately as many more will enter the labor market from the 2,000,000 to be discharged by July," states Business Week in its "Outlook."

"Construction, which now employs 1,328,000 (more than double a year ago), may provide up to a million jobs.

"Manufacturing has been adding to payrolls right along. Strike-ridden metal-working lines, whose expansion has been throttled, should be in the market for an increasing number of hands in coming months. The price-cost squeeze being what it is, they can't afford to boost output with overtime.

"All things considered, midsummer unemployment looks like 3,000,000. That's a far cry from the 6,000,000 to 10,000,000 once anticipated."

**Steel Industry**—By the end of next week the coal mine stoppage will have cost the country more than 1,000,000 tons of steel ingots and in terms of finished steel prod-

ucts about 700,000 net tons. Before the strike is settled, the ingot loss may exceed 2,000,000 tons," so states "The Iron Age," national metal-working paper in its review of the steel trade dated April 24.

Considering the 7,500,000 tons of steel ingots lost because of the steel strike earlier this year, and the 1,000,000 tons which will be irretrievably lost by the end of this week because of the coal strike, this 8,500,000 tons of raw steel represents the disappearance of approximately 5,900,000 tons of finished steel—the total shipments to the automotive industry during the full year of 1939, according to the magazine.

Some steel companies continued to operate at high levels last week, but by the end of this week at least two large firms will be forced to cut production by as much as 50%. The gamble which many companies took that the coal strike would be short-lived has been definitely lost.

Present indications are that the coal strike will run well into May. Governmental plans for ending the tieup, so far have no substance, and the controversy has settled down to the usual coal dispute pattern. In the past in Mr. Lewis' dealings with the coal operators he has held out for his demands despite the drastic effects of the coal shutdown.

There is more than a 50-50 chance that the steel industry will become paralyzed and reduced to an insignificant operating level before the coal situation is cleared up, "The Iron Age" states. Several companies in the East and in some other parts of the country will be able to operate on cold pig iron and scrap charges, but even these firms will be hampered due to the growing scarcity of pig iron due to blast furnace shutdowns.

Many small plants throughout the country are unable to obtain various types of steel products in order to round out their own production program and unless some means are found to take care of them, wholesale shutdowns and curtailments will result. Large users, too, are in for a series of headaches within the next few weeks because many of their sources of steel supply will be curtailing operations and shipments.

Around May 2 the OPA is expected to revise the increase on alloy steel from 4% to 8.2%. Many steel firms have not billed their customers on the 4% increase basis, but have notified them that when the price question is finally settled, additional billings to compensate for the price increase will be made, the magazine discloses.

It is certain that at the end of the 90-day period from the time steel prices were increased, the steel industry will require further action from OPA on the steel price structure. It may be that the unbalances claimed by the industry will be straightened out by a revision in steel price extras.

The strike, wage and price situation in the nonferrous industries is very similar to that of the steel industry some three months ago, with the establishment of fact-finding boards to study the wage and price structure of copper mines and smelters. Price increases have now been granted to the brass mills, and all but one major wage adjustment have been settled in the industry. Other stoppages in the lead and zinc mines are awaiting the establish-

(Continued on page 2419)

# The Financial Situation

(Continued from first page)

the notion that the House "went too far" has taken hold in quarters not under the thumb of any of these professional agitators. It is well to recall at this point also that the attack on price control has for the most part been directed not at control as such so much as at the blunders and general shortcomings of those who have been doing the controlling.

Now it is a fact, of course, that the management of the OPA has been about the last word in maladroitness, incompetence and arrogance. But all of us would fare much better in the future if we came at once to a full realization of the fundamental fact that Mr. Bowles and his colleagues have been essaying a wholly impossible task, that though the wisest amongst us were to replace him and his staff the effect of price control would still be quite unsatisfactory—that among the sons of men there is none wise enough to devise and execute a price control system which would at one and the same time be effective and permit the economic system to function efficiently and vigorously in supplying us with precisely what we as a people want from day to day.

### How Much It Would Save Us

How much anguish we should save ourselves if we could accept once for all the obvious fact that prices—meaning thereby not merely, indeed not even chiefly, what is known as the price level, but rather the interrelationships between various prices—have always acted as a sort of pituitary gland of the economic system, causing first one and then another of the branches of industry and trade to expand or to contract in order that the system as a whole might not only function vigorously but function in such a way as to produce the things we want in our every day life. It is nothing short of folly for man to suppose that he can remove or inactivate this gland and substitute therefor synthetic hormones devised and administered by any man or group of men—that is, at least, that he can do so without something approaching disaster to our economic and social organism.

It is difficult to believe that the observant individual could fail at least to get a glimmering conception of this central truth if he were only to sit down calmly for a short time and cast his mind over the history of price control, particularly over the attempts that have been made since the end of hostilities to fix and re-fix prices in such a way as to bring out this, that or the other type of goods to

the markets of the country. How many times have we been told that certain changes had been made in certain sections of the price complex for the purpose of stimulating certain classes of goods for which the public had been clamoring? How many times have we been told that such changes would increase production of these goods by some large percentage within a very short time? And how uniformly have such assurances proved to be quite without warrant or substance! Possibly the textile field has supplied most numerous illustrations of this type of folly, and still more are now being instituted to achieve results which have been promised time and time again in the past as a result of other adjustments!

### Many Other Cases

But many, many other illustrations could be cited without difficulty. The economic system, as we have found on several other occasions to suggest, is shot through with "corn-hog ratios," which have not had the talents of a Mr. Wallace to popularize. To put the matter in another and more prosaic way, what is known as "prices" is an infinitely complex, delicate, and, in a free economy, self-adjusting system of values expressed in terms of money, but which really constitute an intricate mechanism determining and measuring the value of very large numbers of commodities each in terms of many, many others. When any arbitrary outside force is exerted which disturbs these relationships or prevents them from promptly adjusting themselves to the differential demands of consumers for this variegated multitude of goods, the whole system ceases to function.

Men in recent months have gained reputations for great wisdom from pointing to the obvious fact that wages are a part of the price system, and that it is not feasible to control other prices, or rather prevent other prices from rising, when the price of labor is left to rise largely at will. Somewhat the same observation could be made concerning the prices of farm products. Cautiously and with due regard for implications which may not always be pleasant for them, price control authorities have laid the blame for their failures upon failure of others to observe these elementary principles. What is not mentioned, possibly not even realized or understood by the authorities, is the fact that experience has proved similar principles operate when changes are made elsewhere in the price

economy. Time and time again OPA has ordered changes in price ceilings to stimulate production of certain goods in popular demand—with results quite different from those expected. Sometimes changes made more or less simultaneously elsewhere in the economic system nullified alterations made for another purpose. Sometimes such changes brought unexpected complications affecting the production of still other types of goods also greatly in demand by the public. More often perhaps have the complications, the impracticalities, and the uncertainties of the situations created by a mass of complicated rules and regulations driven enterprises out of existence, into the production of some other kind of goods, or into the black markets.

Much of all this of course is a situation easily and frequently observed by the man in the street. What is needed is a general understanding of the fact that it all is inherent not merely in OPA as now constituted but in any system of general price control in peacetime.

## High Court Rules Oath to Fight Not Required

A ruling of the Supreme Court on April 22 makes it possible for an alien to become a citizen of the United States without promising to bear arms in the country's defense, which overturns a decision refusing citizenship to a Canadian who had refused to fight but had expressed willingness to perform other non-combatant military service, according to Associated Press Washington advices. A dissent, written by the late Chief Justice Stone, whose death occurred on the day the decision was handed down, and joined in by Justices Reed and Frankfurter, made it a 5-to-3 decision, which was delivered by Justice Douglas. From the Associated Press we quote:

"The ruling was on an appeal by James Louis Girouard of Stoneham, Mass. He was born at Moncton, New Brunswick, Canada, and is a member of the Seventh Day Adventist Church. The United States District Court in Massachusetts directed that Girouard be admitted to citizenship after he said he was willing to serve as a non-combatant but would not bear arms. The Federal Circuit Court at Boston reversed the district court.

"Justice Douglas said that the oath required of aliens 'does not in terms require that they promise to bear arms.' Nor has Congress expressly made any such finding a prerequisite to citizenship, he said. 'To hold that it is required is to read into the act (Nationality Act of October 14, 1940) by implication. But we could not assume that Congress intended to make such an abrupt and radical departure from our traditions unless it spoke in unequivocal terms.'

Justice Douglas said the bearing of arms, important as it is, is not the only way in which our institutions may be supported and defended.

Chief Justice Stone in his dissent said the latest action taken by Congress gave "no hint of any relaxation," at least for persons who had rendered no military service, of the requirements of the oath of allegiance and proof of attachment to the Constitution.

## German Bishop's Letter Criticizing Conditions in Soviet Occupied Germany Withdrawn

A pastoral letter by Catholic Bishops of Western Germany which, it is stated, criticized what it termed the "revolting proceedings" in Soviet occupied Eastern Germany was withdrawn in the United States zone at the request of military Government officials, who, according to Associated Press accounts from Wiesbaden, Germany, April 26 said it "incited resentment, unrest and possibly riot. From what is purported as official sources, it is indicated that the letter (it is learned from the Associated Press), assailed Allied occupation policies; it is added that it compared the denazification program to a "nightmare," and said "hundreds of thousands, if not millions, of German war prisoners were being forced to do slave labor. From the Associated Press advices as given in the New York "Times" from Wiesbaden, we also quote.

"An official United States source said the letter was to have been read by Catholic priests in the British, French and United States zones, not including Bavaria, on Easter Monday.

"The Americans learned of the letter's existence last Saturday (Apr. 20) and discussed it with several Bishops, who agreed to instruct their priests not to read it from the pulpit.

"[The letter was read in all Catholic churches throughout the British occupied zone, a dispatch from Hamburg said. Its reading was not discouraged there because "it is impossible to interfere with the liberty of the church," a British Military Government officer said.

"[The officer, connected with the legal division, said that letter was not directed specifically against British policy, but against the four-power Control Council in Berlin, which will hold Joseph Cardinal Frings, Archbishop of Cologne, responsible.

"[Whether the letter was read in the French zone was determined immediately.] United States Military Government officials described the letter as "offensive and derogatory to the Allies."

"Already a few weeks ago we felt bound to give our opinion on the revolting proceedings in eastern Germany, especially in Silesia and the Sudeten region, where more than ten millions of Germans are most brutally driven from their ancestral homes without any investigation, whether personally guilty or not," it said.

"No pen can describe the dreadful misery caused there by the disregard of all humaneness and justice. All these people are crowded closely together in the remaining parts of Germany without any property whatsoever, without any possibility of gaining their livelihood.

"It is hard to imagine how these vast numbers, driven from their homes, may be prevented from turning into quarrelsome and peace-breaking elements."

The letter asserted that the land appropriation program in eastern Germany "violates right and law," and threatened "the Christian order of property." It said that "under the slogan 'reform of the soil' a radical expropriation of landed property has taken place."

"We, the Bishops, are of the conviction that the unequal distribution of land is one of the deepest sources of social abuses," the letter said, and it expressed willingness of the church to dispose of "some ecclesiastical property" so that a better distribution of earthly goods might be attained. But it said that "what is happening now in the German east has hardly anything to do with a true reform of soil."

Of the denazification program the letter commented:

"We are obliged to declare that the German people's sense of justice is sorely touched by the dismissal of thousands of officials

and managers without a moment's notice, by the arrest of thousands of others without judicial sentence, by their being deprived of freedom without any possibility of self-defense, without any connection with their nearest relatives."

"The letter added that the German "sense of justice suffers also lately from the fact that today, almost 12 months after the cessation of hostilities, millions of German prisoners, of war are still being kept back indefinitely, often under miserable conditions, and deprived of their freedom."

"Hundreds of thousands, if not millions, are put like slaves to forced labor, although the only thing with which they can be reproached is the fact that they were soldiers," it declared.

From London, Associated Press advices under date of April 26, as given in the New York "Times" stated:

"The Vatican radio, joining Catholic Bishops of western Germany in denouncing conditions in the Russian zone of eastern Germany, said tonight that 2,000 to 4,000 Germans were dying weekly in camps there and that disease, starvation and rape were widespread.

In a broadcast recorded in London, the Vatican radio read a report of an unidentified eyewitness of conditions in eastern Germany who said that "the German press is not allowed to mention the extent of the suffering."

"The eastern half of the Russian zone has been thoroughly plundered," the radio report asserted "There are not even seeds for the coming year."

"Only some 2 to 4% of the cattle is still there," it continued. "Thousands of children have been without any teaching for a year. They just vegetate, are undernourished, broken in body and spirit."

"The report said cries for help were going up from "girls and women who are being brutally raped and whose bodily and spiritual health is completely shaken, so that they are unable to give birth to a healthy child."

"There are no doctors to cope with venereal diseases, and if there were any, there are no medicines," it added.

The radio, which did not identify the eyewitness it quoted, described as "refugees" the persons confined in the camps, which it said had weekly death rolls of 2,000 to 4,000 persons.

"Many of the priests who have shared their bread with the refugees are to weak to celebrate a service," the radio said. "Added to the great physical suffering is the great spiritual burden. There is no food, no blankets, no medicine, no nothing."

The broadcast, describing the transfer of "some 5,500,000 persons" from the eastern provinces of the Russian zone to new residences in the west declared:

Their suffering is immense, horrible and cannot be expressed in figures.

"One must have seen the plight—trains packed with people plundered both spiritually and materially. Their cry for material help is reinforced by a cry for priests, priests who could help them die humanely and give them a Christian burial.

"Never before has there been such an opportunity for the church in the German east as today."

## Preferential Discount Rate Discontinued By New York and Other Reserve Banks

The boards of directors of the Federal Reserve Banks of Philadelphia, New York, and San Francisco have voted to discontinue the special wartime preferential discount rate of 1/2 of 1% per annum on advances to member banks secured by Government obligations due or callable in not more than one year; announcement to this effect was made on April 24, by the Board of Governors of the Federal Reserve System. The Boston Federal Reserve Bank announced on April 26 that it would discontinue the preferential rate, as of April 27.

Changes in rates, to become effective at the Reserve Banks, must be approved by the Board of Governors said Board's announcement of April 24, which also stated:

"The Board has approved discontinuance of the preferential rate because it has served the purpose of facilitating the war-financing program for which it was adopted in 1942. The Board does not favor a higher level of interest rates on U. S. securities than the Government is now paying. Discontinuance of the special rate will not involve any increase in the cost to the Government of carrying the public debt.

"The preferential rate encourages member banks to borrow at Federal Reserve Banks in order to hold or to purchase additional Government securities, or to lend to others at low rates for the purpose of holding or purchasing Government securities. While such encouragement was justified early in the war to induce the banks to utilize their reserves more fully in financing huge war expenditures, it has subsequently made for speculation in Government securities and has resulted in unnecessary expansion of the money supply through monetization of the public debt. The Government's program no longer calls for expansion of bank credit to help finance huge war expenditures. Instead, it calls for action that will stop additions to and bring about reductions in the country's monetary supply in order to reduce inflationary pressures. Discontinuance of the preferential rate, therefore, signifies an appropriate adjustment from wartime to postwar conditions in accordance with the Government's program of economic stabilization."

At the same time (April 24) the Treasury Department issued an announcement stating that Secretary Vinson said "the Treasury was fully informed of the proposal to eliminate the preferential discount rate." The Treasury's announcement went on to say:

"In a letter of April 19, to Secretary Vinson, the Federal Reserve Board gave assurance that the elimination of the preferential discount rate will not be allowed to disturb the security markets.

"Secretary Vinson stated that the Treasury has been and is concerned to see that the reconversion of industry, which has progressed so rapidly, should not be disturbed by uncertainty in the money markets.

"Secretary Vinson pointed out that in the past two months the Treasury has been paying off the debt, with particular emphasis on the debt held by the banks. By May 1st the Treasury will have paid off nearly \$7,000,000,000 of maturing obligations without disturbing the money markets.

"The Treasury will continue its orderly repayment of the debt as rapidly as its financial position permits, Secretary Vinson said.

"The New York Sun of April 25 had the following to say in part:

"The money market today was slow to adjust itself to the elimination of the preferential discount rate of one-half of 1% on short-term Federal securities, announced late yesterday afternoon. The elimination meant that the basic cost of money had been doubled to 1%; yet this afternoon

banks still were making funds available at less than that cost.

"Federal funds, for example, were supplied at seven-sixteenths to one-half of 1% although it was widely predicted, that three-fourths to seven-eighths of 1% soon would be the rate quoted. The rate on loans to Government security dealers was raised from five-eighths of 1%, to three-quarters of 1%, effective immediately or on May 1, according to the policy of individual banks.

"The banks hailed the action of the Federal Reserve Bank, taken last Thursday but approved by the Federal Reserve Board only yesterday, as restoring a measure of freedom to the money market. The banks also took the view that whatever rates they quoted for short-term borrowing below the discount rate of 1% was only on the assumption that they had the surplus funds; if short they would not lend at less than 1%. There was a general disposition to view the action of the New York, San Francisco and Philadelphia Reserve banks in eliminating the preferential discount rate as a compromise with the Treasury rather than as a declaration of independence by the banks. The Reserve Board apparently has undertaken to guarantee that the Treasury will not have to pay higher coupon rates on its future issues of securities. Under this informal guaranty the Federal Reserve banks seem to be stopped from making any change in their three-eighths of 1% buying rate for Treasury bills, which has been and still is far out of line with the actual value of money for 90 day periods.

## Record Mlge. Loans for NY Savs. & Loan Assns.

For the second time in the first three months of 1946 savings and loan associations in the State of New York set a new record for mortgage loans made. According to figures just released April 22 by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations, mortgage loans granted by all savings and loan associations in the State during the month of March, 1946, amounted to \$16,960,886. This represents an increase of \$2,907,701 or 20.6% above the previous record set this year in January, 1946, when loans amounted to \$14,053,185. Loans by savings and loan associations for the first quarter of 1946 amounted to \$43,657,507 as compared with \$19,227,864 for the corresponding period of 1945. The advices further state:

"Loans for the purchase of homes for the month of March amounted to \$14,128,607, representing almost 90% of the total amount loaned. Loans for the construction of new homes amounted to \$714,350 and refinanced loans amounted to \$1,333,384 while loans for repairs and all other purposes amounted to \$784,546.

"Savings during the month of March increased \$8,925,959 and for the first quarter of 1946 the increase amounted to \$25,570,967 representing an increase in the total share capital of 4.2%.

"Total resources of all savings and loan associations reached \$747,069,429 as of March 31, 1946, representing an increase of 2.5% for the quarter."

## Governors Urge Balanced Nat'l Budget

A prepared statement, released on April 21 simultaneously in 26 State capitals in the United States, by the Governors of those states, endorsed the principle that a balanced budget is essential to national solvency and criticized deficit spending and continued borrowing as an "unsound Federal fiscal practice," according to advices to the New York "Times." The Governors' statement called on Congress to provide a balanced Federal budget beginning July, and were reported to have been made in response to suggestions from state taxpayer organizations, Chambers of Commerce and other civic groups. Coming from Republican and Democratic State executives alike, the recommendations follow a similar plea for a balanced budget made recently by 16 leading members of Congress, both Democratic and Republican.

Seventeen of the Governors signed and released an identical statement prepared by a coordinating committee of state taxpayer organizations. According to the "Times," these were Governors Chauncey M. Sparks, Democrat, of Alabama; John C. Vivian, Republican, of Colorado; Dwight H. Green, Republican, of Illinois; Ralph F. Gates, Republican, of Indiana; Robert D. Blue, Republican, of Iowa; Horace A. Hildreth, Republican, of Maine; Herbert R. O'Connor, Democrat, of Maryland; Sam C. Ford, Republican, of Montana; Charles M. Dale, Republican, of New Hampshire.

Also Fred G. Aandahl, Republican, of North Dakota; Ransome J. Williams, Democrat, of South Carolina; M. Q. Sharpe, Republican, of South Dakota; Jim Nance McCord, Democrat, of Tennessee; Coke R. Stevenson, Democrat, of Texas; Mortimer R. Proctor, Republican, of Vermont; Frank J. Lausche, Democrat, of Ohio, and Dwight Griswold, Republican, of Nebraska.

In addition, the executive heads of nine other states issued original statements. These, said the "Times" were Governors Walter W. Bacon, Republican, of Delaware; Simeon S. Willis, Republican, of Ky.; Edward J. Thye, Republican, of Minnesota; Vail Pittman, Democrat, of Nevada; Walter E. Edge, Republican, of New Jersey; R. Gregg Cherry, Democrat, of North Carolina; Earl Snell, Republican, of Oregon; Lester C. Hunt, Democrat, of Wyoming, and Herbert B. Maw, Democrat, of Utah.

The text of the signed statement which had been prepared by the taxpayer organizations' committee was given by the "Times" as follows:

"As Governor of the State of \_\_\_\_\_, I endorse the principle that a balanced Federal budget is essential to national solvency.

"I am convinced:

"That further deficit spending and continued borrowing are major threats to the nation's welfare;

"That the alarming growth of inflationary trends is increasingly aggravated by unsound Federal fiscal practices;

"That the further use of such practices is a constant menace to the constitutional position of our State and local governments, a threat to their fiscal solvency; and

"That, if these trends and practices continue, they will lead inevitably to increased costs, increased prices and increased taxes; and thus affect adversely every individual in this country.

"I, therefore, sincerely hope that Congress will provide a balanced Federal budget beginning July 1, 1946, and I urge the people of this State to support their Congressmen in the achievement of this important result."

## League of Nations Passes From Existence

After existing for 26 years, the League of Nations came to an end at 5:43 p.m. (12:43 p.m. E.S.T.) on April 18, when, at Geneva, Carl J. Hambro of Norway, President of the Assembly, pronounced the words: "I declare the twenty-first and last session of the General Assembly of the League of Nations closed." Gallery spectators outnumbered delegates from the 34 nations represented as the first major organization for the establishment of world peace in the 20th century ceased existence, which dated from the entry into force of the Treaty of Versailles on Jan. 10, 1920.

The League's work to maintain peace among the nations of the earth has been inherited by the United Nations Organization, which received from the outgoing body thousands of treaty texts, the Associated Press stated in its report of the final session. The United Nations will also inherit property valued at \$11,700,000, including the League palace, other real estate and the League's office equipment and supplies.

In other final actions on April 18, according to the Associated Press, the League formally terminated its Permanent Court of International Justice and sent a congratulatory message to the new International Court being organized at The Hague, seat of the old court.

The League also confirmed Sean Lester of Eire as Secretary General as from 1940 and Seymour Jacklin of South Africa as Treasurer from 1944. They will continue to serve until the last of the League's affairs is liquidated, which will be undertaken by a board of liquidators and probably last at least another year.

A last act of the Assembly was to approve a resolution expressing the intention of various powers with mandated territories to continue to administer these countries as mandates until they were placed under trusteeship of the United Nations. This was objected to by Egypt whose delegate, abstaining from voting, declared that it was the view of his government that "mandates have terminated with the dissolution of the League of Nations, and that so far as Palestine is concerned, there should be no question of putting it under trusteeship." The Assembly President, Dr. Hambro, replied that the matter would probably be discussed by the United Nations in September.

According to United Press accounts from Geneva the resolution, read by President Hambro, said:

"Considering that the charter of the United Nations has created, for purposes of the same nature as those for which the League was established, an international organization known as the United Nations to which all States may be admitted as members . . . desiring to promote so far as it lies in its power the continuation and development of the success of international co-operation . . . Resolved from the day following the close of the present session, the Assembly of the League shall cease to exist except for the sole purpose of the liquidation of its affairs."

From the United Press we also quote:

Immediately after the resolution was adopted, P. J. Moel, leader of the British delegation, said in a speech that, "our work is not ended. It has only just begun. We start again from this afternoon."

Austria's delegate was not allowed to vote, and Colombia's Daniel Henao was present only as a spectator, because his credentials were not in order.

## Nationalization of Ins. Cos. and Coal Mines In France Voted

The proposal to nationalize 45 large insurance companies in France, holding 85% of total French insurance premiums, was voted 487 to 63, by the French Constituent Assembly on April 24. In Associated Press advices from Paris, published in the "Wall Street Journal" of April 25, is was stated:

"Since last fall the Assembly has nationalized deposit banks and the gas and electric industries. Bills to nationalize business banks and coal mines are in the legislative hopper, but the Assembly is scheduled to adjourn tomorrow and may not have time to pass them."

With the adjournment of the Assembly on April 26 a special cablegram April 26 from Paris to the New York "Times" by Kenneth Campbell, said among other things:

"The National Constituent Assembly, France's first elected law-making group since the country was liberated, ended today in a rush of business in which the Communists stole a march on the Socialists by putting through the nationalization of part of the coal and power industry while the Socialists were unable to obtain the nationalization of two more large banks.

"Nationalization of the elements of the coal and power interests was voted by an overwhelming majority on a show of hands. The Socialist-sponsored bill to nationalize the Banque de Paris et des Pays Bas and the Banque de l'Union Parisienne, two of the largest French industrial banks, was lost in the shuffle."

Special advices to the New York "Times" from Paris April 24 by Kenneth Campbell had the following to say in part regarding the action of the Assembly on the nationalization of insurance business:

The vote was taken after a two-day debate in which the Socialist-Communist group blocked all attempts by Deputies of the Right to obtain any important modifications of the bill. Proponents of these modifications claimed they were essential if the French insurance business was to survive the competition of foreign-owned companies. Shareholders in the nationalized insurance companies will receive 3% Government bonds in return for their holdings, and the State becomes sole owner of the companies.

The account in the "Times" also stated that the Assembly voted in favor of the proposal in spite of the "warning by former Finance Minister Rene Pleven and other Deputies of the moderate Right that the proposed nationalization . . . might ruin the French insurance business beyond repair."

## Equitable Trust Joins Nat. Sales Finance Plan

Announcement was made on April 20 by William B. Hall, Coordinator of the National Sales Finance Plan, that the Equitable Trust Company of Baltimore, Md., has become a signatory bank. Stromberg-Carlson Company, nationally known radio manufacturer, is among the more recent ones to sign with the National Sales Finance Plan for distributor, dealer and customer financing. It was also announced that by the coverage secured by the First National Bank of Kansas City and the First National Bank and Trust Company of Oklahoma City operating as key banks under the Mercantile-Commerce Bank and Trust Company of St. Louis, there are 1,322 banks now participating in the National Sales Finance Plan.

## From Washington Ahead of the News

(Continued from first page)

vult came in. The indications are that these gangsters are moving in again.

We shall never forget the Hearst motion picture at the outset of the Roosevelt Administration called "Gabriel Over the White House." Hearst had been one of Roosevelt's most aggressive supporters in 1932. This picture, according to the cynics, was designed to tell Roosevelt, now that he was elected, what to do. Roosevelt carried through faithfully, manifestly not because of his affection for the publisher because they split after the New Deal had been in power only a few months, but apparently because it had a lot of melodramatic ideas and Roosevelt liked that sort of stuff.

One idea was to break up gangsterism. It is a fact that the FBI moved in and broke it up. Now it is developing again in a serious way. In a Middle Western city recently, dairy farmers complained, showing an unusual hardihood for citizens in such a position, that an A.F. of L. union was seeking to exact tribute from them.

Under the circumstances, we can expect by next November that the New Dealers will be citing the elimination of gangsterism as another reason why Roosevelt should be back. His coming back having now proved to be beyond human expectations, the proper tact would be that if Truman got the proper support, he would continue with those Roosevelt policies.

The facts are, of course, that the elimination of gangsters coincided with the end of prohibition. Their return is coinciding with the black market, steadily expanding to engulf most of our economy. Ordinarily respectable people are once more coming to look upon dealing with black marketeers as a sporting sort of proposition, as a challenge against authority.

The great test of what we intend to do about that is now up to the Senate, and this is to report that the opponents of the OPA in its present form are beginning to weaken. Senator Taft is believed to wield the greatest single influence on the question of whether his body will stick pretty close to the House amendments, clarifying the language in some instances, tightening up the bill generally, or seek to undo the House's work.

He has been severely critical of the OPA. He has made a most exhaustive study of its operations and many months ago came up with the conclusion that something drastic had to be done to the agency in the interest of preserving our economy.

But those who have talked with him in the past few days are convinced that the pressure which the OPA has applied is weakening him. This pressure is something the industrialists, the NAM and the Power Trust, as we used to hear about it, should study. They have been babes in the woods in the matter of propaganda. We remember it was a tremendous sensation once when the politicians revealed that the so-called Power Trust had introduced its philosophy into the schools, by having professors on its payroll, and again, when it was disclosed that some of its proponents had arranged for the flooding of Congress with telegrams from names taken from the telephone directory and tombstones. Such tactics would be outmoded in the light of what the OPA is doing. There is a lobby here, for example, and a tremendous lot of agitation is being done, by a hastily gotten together "organization" of business men. But

a cursory investigation reveals it to be headed up by radio men beholden to Paul Porter, the OPA administrator, and doing his bidding.

The OPA campaign managers also have gone around the country and primed, for a price, leaders of women's organizations, some of whom represent long established organizations but who have long been notorious as tools and recognized and used as such by smart propagandists. The present propaganda in favor of OPA would make delightful reading if some Senate committee would go into it, as committees have blown the lid off similar activities in the past. No such committee is likely to develop, however. In the meantime, the total people in this country wanting OPA to remain as is, number, according to the lobbyists professing to represent them here, some 500,000,000 as against the some 140,000,000 in our country. Not in all our experience in Washington have the spokesmen stood on flimsier ground. But the pressure is having its effect.

### Treasury to Collect Ship Line Taxes

A House Maritime subcommittee was told on April 26 by Vance N. Kirby, of the Treasury Department's Tax Division, that the Department was taking steps to collect about \$40,000,000 in taxes which it considered owing to the Government by ten American shipping companies from wartime steamship operations. Mr. Kirby asserted, according to Associated Press Washington advices, that the Treasury believed the taxes were owing on about \$90,000,000 which a number of ship operators paid into a Maritime Commission fund during the years from 1942 to 1945 inclusive, the Department having decided the \$90,000,000 was subject to taxation because it was paid into the fund during years in which the operators were not receiving Government subsidies. The Associated Press had the following to say in Washington advices April 26:

Under the Maritime Act, he explained, the fund was established so that subsidized operators could build up reserves to purchase and repair ships. Money so deposited was free from taxation, he said. But during the war years when the Government took over the ship concerns no subsidies were paid and, therefore, he contended, the operators were not entitled to tax exemption on the money deposited.

Mr. Kirby told the Committee, which called the hearing to learn if the taxes would be collected and to consider the possibility of amending the Merchant Marine Act, that the Treasury feels that reserve funds deposited with the Commission should not be free from taxation, even when subsidies are paid. If Congress wishes to assist shipping companies, he said, it should do it directly and not through tax exemptions.

Raymond S. McKeaugh, a member of the Maritime Commission, testified that the Commission would assist the Treasury in collecting any taxes which might be determined to be owing, but defended the operators from any charges of "trickery" or any attempt to avoid their tax liabilities.

Chairman Jackson (D., Wash.) said that ship operators will be given an opportunity to testify at a later hearing.

## Senate Group Approves Chief Justice Stone Compromise USES Bill Dies Suddenly

The Senate Education and Labor Committee approved a measure on April 28 to return the United States Employment Service to the States on Dec. 31, 1946, which is a compromise of the House-passed bill providing for USES return to state supervision on June 30, 1946, and may have the effect of bringing about passage of final legislation which will win the President's signature. Mr. Truman has indicated that he would veto a measure such as that passed by the House.

In a formal report to the Senate, the Committee, according to United Press Washington advices, said that it would be unwise to return the USES to the States on the date proposed by the House.

The United Press Washington account as given in the New York "Herald Tribune" added:

"It said that our immediate concern right now is feeding Europe, and that this requires 'the maximum utilization of all our agricultural and food processing resources.'"

The Committee said that recruitment of the necessary food workers was therefore a national problem — not a local or intrastate one.

President Roosevelt took over the USES from the States in the early days of the war. At the time the States were promised that the offices would be returned to them as soon as the emergency was over. The issue has been a hot one on Capital Hill ever since.

### Czech, Luxembourg Assets Unfrozen by United States

The unfreezing of assets of Czechoslovakia and Luxembourg in the United States was made known on April 24 by the Treasury Department. According to Associated Press accounts from Washington the amounts involved were given as \$33,400,000 for Luxembourg and \$9,400,000 for Czechoslovakia. From these accounts we also quote:

"Simultaneously, it said those countries had reported that they were relaxing restrictions on transfers of funds to the United States.

"Property of Americans in those countries will be treated as favorably as that of nationals of any other country," Secretary Vinson said he had been advised by authorities of the two countries.

"The freeze was decreed almost five years ago to prevent assets from falling into German hands. Similar freezes already have been lifted for a number of other countries."

Secretary of the Treasury Vinson, in announcing that Czechoslovakia and Luxembourg have been added to the list of countries whose blocked accounts may be released under the certification procedure of General License No. 95, said on April 25:

"The National Bank of Czechoslovakia and the Institut Belgo-Luxembourgeois du Change have been designated by the Czechoslovak and Luxembourg Governments, respectively, as the certifying agents under the license."

"In exchange of letters similar to those written in connection with the defrosting of the countries previously named in General License No. 95, Dr. Srobar, the Czechoslovak Minister of Finance, and Mr. Dupong, the Luxembourg Prime Minister and Minister of Finance, have advised Secretary Vinson that restrictions on transfers of funds to the United States will be liberalized and that property in their countries belonging to United States nationals will be treated as favorably as that of nationals of any other country. Copies of the letters are available at the Federal Reserve Banks of New York, Chicago and San Francisco."

Stricken ill on the bench of the U. S. Supreme Court on April 22, Chief Justice Harlan F. Stone died a few hours later of a cerebral hemorrhage. His ailment had at first been diagnosed as a "small attack of indigestion" and complete rest for a few days at home was ordered for him by a doctor. A few hours later his death was announced. Associated Press advices from Washington, April 22, stated the Justice's illness dramatically interrupted the court session. It was added that it was the first time the court had convened after a three-week recess during which the opinions handed down on April 22, were prepared. From these advices we also quote:

Justice Stone had worked hard during the recess, Elmore Cropley, clerk of the court, told a reporter, and probably had "over-taxed himself."

In one of his most recent and well known opinions, Justice Stone upheld the conviction as a war criminal of Japanese General Tomoyuki Yamashita. Yamashita later was executed by the military of the Philippines.

On his last day on the bench, a few hours before his death, Justice Stone delivered two dissenting opinions. He also had three majority opinions ready to read to a packed court room, but he faltered on the first and Justice Black had to finish for him.

Before his Supreme Court service, he had spent only 11 months in public office—as Attorney General in the Coolidge Administration. He was picked by Coolidge to reorganize the Justice Department following the turbulent tenure of Harry M. Daugherty during the Warren G. Harding Administration.

Previously he had been Dean of the Columbia University law school and had practiced his profession in New York City.

He was born October 11, 1872, on a farm near Chesterfield, N. H. He obtained a B.S. degree at Amherst in 1894, taught school two years, returned for an M.A. degree at Amherst in 1897, took an LL.B. degree from Columbia law school in 1898 and was admitted to the New York bar in the same year.

It was also noted that President Franklin D. Roosevelt, a Democrat, appointed Justice Stone, a Republican, Chief Justice after the jurist became widely known in judicial circles as a "liberal." He had been an Associate Justice for 16 years at that time.

The Associated Press likewise on April 22, said:

The death of Justice Stone left the court with only seven of its nine Justices available. The work of presiding over the court now devolves upon Justice Hugo F. Black, pending the appointment by President Truman of a new Chief Justice.

When it became obvious during today's session of the Supreme Court that Justice Stone was ailing, he was assisted from his chair at the center of the bench by the two Justices who sit alongside him—Stanley F. Reed and Justice Black. They supported him by the arms as he walked into the chambers behind the bench 15 minutes before the usual half-hour recess at 2 o'clock for lunch.

The Supreme Court chair occupied by the late Chief Justice was draped in black on April 23, as the tribunal heard a eulogy of his work. The funeral was scheduled to be held today (April 25) at 2 p.m. — in the Washington Cathedral. The Court had planned to hear argument on April 23, and the remainder of the week, but Justice Black announced it would recess until April 29.

The Senate also adjourned early as a mark of respect after adopting a resolution of condolence and listening to eulogies by majority

leader Senator Barkley, minority leader White and other Senators. On April 23, said special advices from Washington to the New York "Times" by Lewis Wood, President Truman sent a message of condolence to Mrs. Stone and had an Executive order issued from the White House directing that the flag be flown at half-staff on all public buildings in this country and American official buildings abroad for thirty days.

The President's order said in part:

"The death of the Honorable Harlan Fiske Stone, Chief Justice of the United States, occurred on the evening of April 22, 1946. Through his untimely death the people of the United States have lost the services of an eminent jurist and a distinguished public servant.

"His service on the Supreme Court of the United States was characterized by his high sense of duty, his great legal learning and the clarity of his judicial reasoning."

The President interrupted a vacation cruise on his yacht Williamsburg, to attend the funeral at the National Protestant Episcopal Cathedral on April 25.

## Opportunities in Foreign Trade Field—Pamphlet

A 16-page pamphlet for veterans describing opportunities for a career in the foreign trade field was issued on April 24 by the Commerce and Industry Association of New York, simultaneously with its announcement of a series of panel interviews beginning on April 25 for service men wishing to enter foreign trade. The panels which will be held every Thursday, will handle approximately 30 veterans at each session, by appointment only. A panel of three or more experienced foreign traders will discuss each veteran's problem and advise him. All panel sessions will be held at the Association's offices in the Woolworth Building, 233 Broadway. Thomas Jefferson Milley, Secretary, said the Association, cooperating with the New York State Division of Veterans Affairs in its on-the-job training program, will shortly place a number of veterans in its various departments for training. Production of the pamphlet is part of the efforts of the Association's Foreign Trade Bureau, under Joseph A. Sinclair, to open careers in that field for veterans. The booklet lists employment opportunities in various branches of the export and import fields and the qualifications necessary for success.

The booklet warns that there is nothing glamorous about world trade or foreign service. "No field requires a more detailed knowledge of geography, history, economics, trade techniques and current world developments," it says. "Acquiring the proper basic knowledge and background means work, concentrated study and application. Export technique is learned only with long and seemingly tedious routine training and practice. The opportunity to work abroad may not come until the individual has acquired the necessary specialized knowledge and experience in American industries, products and practices."

The Association points out that: "More important than knowledge of a foreign language is the knowledge of products and American methods. In fact, as export and import operations consist largely in handling documents—invoices, bills of lading, certificates of origin, sanitary certificates, letters of credit, warehouse receipts, dock receipts and many others—the man or woman with knowledge of typewriting, stenography and office procedure should not have much difficulty in obtaining a job with an export-import or shipping company."

# The State of Trade

(Continued from page 2415)

ment of a pattern in the copper and brass industry.

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 67.7% of capacity for the week beginning April 29, compared with 73.6% one week ago, 87.1% one month ago and 95.8% one year ago. This represents a decrease of 5.9 points or 8% from the previous weeks.

This week's operating rate is equivalent to 1,193,100 tons of steel ingots and castings and compares with 1,297,100 tons one week ago, 1,535,000 tons one month ago and 1,754,700 tons one year ago.

**Electrical Production**—The Edison Electric Institute reports that the output of electricity decreased to 3,987,145,000 kwh. in the week ended April 20, 1946, from 4,014,652,000 kwh. in the preceding week. Output for the week ended April 20, 1946, was 9.6% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 177,500,000 kwh. in the week ended April 21, 1946, compared with 168,400,000 kwh. for the corresponding week of 1945, or an increase of 5.4%. Local distribution of electricity amounted to 170,600,000 kwh., compared with 163,800,000 kwh. for the corresponding week of last year, an increase of 4.2%.

**Railroad Freight Loadings**—Car loadings of revenue freight for the week ended April 20, 1946, totaled 650,743 cars, the Association of American Railroads announced. This was an increase of 1,549 cars (or 0.2%) above the preceding week and 213,957 cars, or 24.7% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 187,994 cars, or 22.4%, is shown.

**Paper and Paperboard Production**—Paper production in the United States for the week ending April 20 was 102.5% of mill capacity, against 103.6% in the preceding week and 90.7% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 101% unchanged from the preceding week, and compared with 98% a year ago.

**Change in Business Failures Slight**—Commercial and industrial failures showed only mild fluctuations in the week ending April 25, reports Dun & Bradstreet, Inc. Concerns failing numbered 17, exceeding by 1 those occurring in the previous week, but falling 3 short of the 20 in the comparable week of 1945. This marked the fifth time, and the second consecutive week, in the past fifteen weeks in which failures have been lower than in the corresponding weeks of 1945.

Large failures involving losses of \$5,000 or more were more than two times as numerous as small failures. Remaining at 12, the same number as in the previous week, these large failures exceeded by one the number occurring a year ago. Five small concerns failed with liabilities under \$5,000. Although up slightly from last week, small failures were only half as high as in the same week of 1945.

Manufacturing accounted for 10 of the week's 17 failures. Increasing from six a week ago, the number of manufacturers failing was over three times as high as in the comparable week last year. Increases from the preceding week also appeared in construction and commercial service where no failures were reported a week ago. The only declines came in trade, both wholesale and retail.

Four Canadian failures were reported, as compared with one

in the previous week and none in the corresponding week of 1945.

**Wholesale Commodity Price Index**—Continuing its irregular movement, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., moved slightly higher in the past week. Registering 189.48 on April 23, the latest figure is fractionally under the post-war peak of 189.64 recorded on April 10, but compares with 176.67 on the corresponding date last year.

Principal activity in leading grain markets during the past holiday week was again centered in rye and oats. All wheat, corn and barley futures were firm at ceilings. Deferred oats deliveries sold at new seasonal highs, reflecting the offer of the Government to purchase unlimited quantities of oatmeal for foreign relief. The May rye contract on the Chicago Board of Trade advanced to a new all-time high of \$2.58 1/2 per bushel, as the result of active buying induced by the announcement of the new Government order providing for bonus payments of 30 cents per bushel on wheat and oats. Visible wheat supplies continued to recede and are now at the lowest point since 1937.

Flour mill grindings showed further signs of curtailment due to the new Government moves designed to divert a greater percentage of domestic wheat into export channels. Hogs were steady at ceilings. Swine receipts at western markets continued below demand but the new Government order raising wheat and corn prices to farmers for a limited period is expected to result in increased marketings.

With trading limited by the Good Friday and Saturday closings, cotton prices fluctuated rather widely last week but regained some of the ground lost during the preceding period. The market received considerable stimulation from Congressional action on the Price Control Bill which would sharply curtail the powers currently held by the Office of Price Administration. Demand on the whole was moderate with some buying noted by mills to fill requirements. Consumption of cotton during March according to the Bureau of the Census, amounted to 804,000 bales, or slightly below previous estimates.

Selling volume in the carded gray cotton goods markets expanded appreciably over recent weeks, aided by the issuance of long-awaited Government distribution controls.

Activity in the Boston raw wool market continued quiet. Mills were still reported operating at capacity with ample inventories of apparel wools. Buying of both domestic and foreign wools was mainly to fill urgent needs and consisted mostly of small and scattered lots. There was considerable distress selling of South African wools noted due to the overcrowded condition of warehouses in Boston and vicinity. Imports of apparel wools into the three leading Eastern ports in the first week of April totaled approximately 13,325,000 clean pounds, as compared with 14,544,000 in the preceding week. Slaughter of sheep and lambs declined in March, but the total for the first quarter was the largest on record for that period.

**Food Price Index Declines**—In the first downward move since mid-January, the wholesale food price index, compiled by Dun & Bradstreet, Inc., for April 23 fell 1¢ to \$4.19 from the 25 1/2-year peak of \$4.20 recorded a week previous. The current index compares with \$4.10 last year, a rise of 2.2%. Rye and eggs continued upward during the week, but declines occurred in potatoes, cur-

rants, steers and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

**Wholesale and Retail Trade**—Retail volume for the country as a whole, spurred by last-minute Easter shopping, continued to rise the past week and was considerably above that of the corresponding week a year ago, Dun & Bradstreet, Inc., states in its weekly review of trade. The high volume of consumer buying that was in evidence over the week-end declined only slightly during the immediate post-Easter shopping days. The trend was toward greater emphasis being placed on home and garden items while interest in apparel ebbed.

A continued high volume in retail food has been important in sustaining overall retail volume. The selection of fresh vegetables remained large. Citrus fruits were the most plentiful of the fresh fruits; the supply of pineapples was increasing and small quantities of bananas and rhubarb were evident. Current shortages of meat were acute in many localities, though supply of fish and poultry was generally adequate. Reports indicated that supplies of butter and other fats were scant.

Interest in women's apparel tended to center on accessories last week. White blouses and millinery proved very popular. The continued warm weather drew much consumer attention to summer clothing, and print dresses were a big favorite. Many apparel shops reported that demand was more selective with consumers seeking quality goods in all price lines. Selections of formal gowns and lingerie continued to be limited. Demand for children's wear was on the increase the past week. Scattered reports of increased stocks of men's clothing helped but little in alleviating the overall shortages.

Retail volume of housewares continued high for the week. Interest in seasonal items such as garden supplies and outdoor furniture was rising. A highly selective demand for floor coverings was reported in many localities. Florists generally reported a high volume in both potted plants and cut flowers.

Retail volume for the country was estimated to be from 29 to 33% over the corresponding week a year ago. Estimates of regional percentage increases were: New England 17 to 20, East 33 to 37, Middle West 23 to 27, Northwest 25 to 29, South 35 to 39, Southwest 27 to 31, and Pacific Coast 36 to 40.

Wholesale volume continued to increase the past week, estimates placing it from 10 to 15% above that of the corresponding week a year ago. New order volume rose as buyers turned their attention to summer goods, and stocks of durable goods increased slightly. In general, deliveries on many orders were more regular last week than they have been for some time.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended April 20, 1946, increased by 51% above the same period of last year. This compared with an increase of 81% in the preceding week. For the four weeks ended April 20, 1946, sales increased by 45% and for the year to date by 23%.

Retail trade in New York last week continued to reflect a high volume of sales, though percentage gains over that of a year ago were lower. However, this was

\*In using year-ago comparisons for this week an allowance should be made, in addition to that made for the differing dates of Easter, for the fact that last year many stores were closed on either all or a part of Saturday, April 14 a day of mourning for President Roosevelt.

to be expected in a post-Easter period.

Quiet ruled last week in wholesale markets for the most part but increased pre-season purchases were evident in garment and apparel departments. There was no letting up of demand in fabric lines and demand for cottons and rayons prove stronger than ever.

In the retail field merchants showed concern over another period of withholding of clothing

deliveries because of MPA limitations. At the present time their stocks are at a very low level.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to April 20, 1946, increased 51% above the same period last year. This compared with an increase of 89% in the preceding week. For the four weeks ended April 20, 1946, sales rose by 50% and for the year to date by 29%.

## Electric Output for Week Ended April 27, 1946 9.9% 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 27, 1946, was 3,976,750,000 kwh., which compares with 4,415,889,000 kwh. in the corresponding week a year ago, and 3,987,145,000 kwh. in the week ended April 20, 1946. The output for the week ended April 27, 1946, was 9.9% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Major Geographical Divisions	Week Ended			
	April 27	April 20	April 13	April 6
New England	2.2	2.3	80.1	1.0
Middle Atlantic	3.7	3.0	80.5	0.2
Central Industrial	12.9	11.0	8.8	11.6
West Central	5.1	4.1	0.5	2.5
Southern States	11.8	12.3	10.8	9.4
Rocky Mountain	13.1	14.1	4.8	84.7
Pacific Coast	10.9	12.6	12.9	12.2
Total United States	9.9	9.6	7.3	7.7

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	1,728,206
Feb. 2	3,982,775	4,538,552	-12.2	4,524,134	1,578,817	1,726,163
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	4,473,262	-12.3	4,444,939	1,519,879	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	4,446,138	-11.1	4,425,330	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	4,408,707	1,465,076	1,673,291
April 6	3,987,673	4,321,794	-7.7	4,361,094	1,480,738	1,696,543
April 13	4,014,652	4,324,400	-7.3	4,307,498	1,469,810	1,709,331
April 20	3,987,145	4,411,325	-9.6	4,344,188	1,454,505	1,699,822
April 27	3,976,750	4,415,889	-9.9	4,336,247	1,429,032	1,688,434

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

The New York Stock Exchange announced on April 16 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 Ice Co., 6% non-cum. pfd.	32,116	32,124
American Rolling Mill Co. (The), 4% cum. conv. pfd.	70	5,080
Associates Investment Co., common	42,604	40,063 (1)
Associates Investment Co., 5% cum. pfd.	90	7 (1)
Atlas Corp., common	102,041	46,471 (2)
Borden Co. (The), common, \$15 par	178,058	184,958
Burlington Mills Corp., common, \$1 par	35,532	35,332
Eastern Stainless Steel Corp., common	4,700	3,200 (3)
International Minerals & Chemical Corp., common, \$5 par	38,919	38,009
Jewel Tea Co., Inc., common	1,650	1,640
Johnson & Johnson, common	24,235	23,709 (4)
Johnson & Johnson, 2d pfd., ser. A 4%	1,101	1,081
Meat Corp. (The), \$5.50 cum. pfd., ser. B	2,799	2,996
Newport Industries, Inc., common	None	1,100
Plymouth Oil Co., common, \$5 par	3,384	4,384
Purity Bakeries Corp., common	13,269	12,019
Reynolds Spring Co., common	132	432
Safeway Stores, common	45,303	45,304
Sterling Drug, Inc., capital	70 [35]	2,370 (5)
United States Rubber Co., common	4	None
Virginia Iron Coal and Coke Co., 5% pfd.	5,897	6,177
S. S. White Dental Manufacturing Co., capital	1,322	1,282
Wilson & Co., common	31	35 (6)

### NOTES

- (1) 2,541 shares of common stock were sold during February and March, 1946.
- (2) Acquired 4,738 during month of March and retired 60,532 shares.
- (3) 1,500 shares of common stock were disposed of by Industrial Steels, Inc., a wholly owned subsidiary.
- (4) Decrease represents shares delivered under the Employee Extra Compensation Plan.
- (5) Each share of common stock of \$10 par exchanged for two shares of \$5 par since last reported.
- (6) Shares acquired during February and March.
- (7) As of Jan. 31, 1945.

The New York Curb Exchange made available on April 20 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
Air Investors, Inc., conv. pref.	26	31
American General Corp., common	489,381	493,268
Bridgeport Oil Co., Inc., common	6,300	5,300
Carman & Co., Inc., class A	359	384
Dennison Manufacturing Co., A common	10,359	9,936
Hygrade Food Products Corp., common	36,667	37,969
International Utilities Corp., common	304	316
King-Seeley Corp., common	None	1,457
Morris Plan Corp. of America, common	148	149
Niagara Share Corp., common	232,781	226,267
Starrett Corp., common	23	30
Stein (A.) & Co., common	8,706	7,456

## "Which Way Americans?"

(Continued from first page)

This change first occurred when some of our people repudiated the American principle that each individual's success or failure in life is the responsibility of that individual. In their minds, that principle was replaced by a principle of radical philosophy, namely, that the individual's success or failure is not his responsibility but that of the system under which he lives. Under the first principle, rewards come from the individual's own work and are in proportion to the value of his work. It encouraged the individual to put maximum effort into his work. Under the second principle, rewards depend upon the system. It encourages the individual to devote his energies to political action designed to make the system give him more for less work.

The second principle is doctrine that has long been preached by radicals. Not until the New Deal, however, was it ever sponsored by accepted American leaders. The second principle can apply only in a class society. The New Deal created classes, the "Haves," and the "Have-nots." It told the American people that the way to national prosperity was through political action that would force the "Haves," who—according to the New Deal—owned and controlled the great bulk of the country's wealth, to provide more jobs and pay higher wages for less production. Now this was advice that would be readily accepted by the ignorant and shiftless at any time. I do not believe, however, that it would have been accepted, as it was, by so many Americans, except under the prevailing conditions of the most serious depression in the history of our country. The idea of political action to change our system was sold by the largest, highest-pressured, most continuous, and most costly propaganda campaign ever known. It was endorsed by labor unions and politicians. It was grafted into the teachings of many of our churches and schools.

The political action asked by the New Deal was action that would give it power to control the economy. But most New Dealers were more politician than ideologist. They did not tell people the truth, namely, that government can control successfully only if it controls completely. They knew this would be political dynamite. Therefore they sought only partial controls, placed where they would directly affect the fewest votes but create the appearance of carrying out the New Deal objectives. This was a half-way measure and like most such measures was doomed to failure.

### New Deal Prevented Recovery

The New Deal sold itself and its objectives to the country primarily on the basis that it would end the depression and solve the problem of unemployment. Yet the depression dragged on because the New Deal's attempts to control the economy prevented recovery. Unemployment stayed close to 10,000,000. These facts were apparent to everyone, yet the New Deal managed to remain in power by binding together diverse elements of political support. Broadly, these were: First, groups who acquired a vested interest in the New Deal through participation in Federal spending; second, organized labor, the greatest single-beneficiary of the New Deal, and third, the radicals, whose interest was of a very special nature. These, plus the tradition-bound South and big city political machines of the North, were sufficient to give the New Deal its necessary margin of support. The New Deal covered its continuous failure to bring permanent improvement as advertised by creating a series of "emergencies"—and that is the

one job it was really good at. When it came face to face with a real emergency, the war, the depression had not ended and millions were still unemployed.

Now I do not know who was responsible for the original New Deal version of State control. But it is certain that the New Deal and its works were adopted from the outset, and enthusiastically, by radicals of every shade down to the deep-red Communists. They emerged from obscurity and descended on Washington to take places in the swelling bureaucracy. Names new to the American public appeared in the newspapers in connection with important offices. Ideas that were first propounded in radical publications were next seen in official statements and "must" legislation. Radicals were treated with marked deference by the Administration, and were admitted to the delights of companionship with such eminent statesmen as Mr. Wallace and Mr. Ickes. Parallel to this infiltration of the New Deal, the radicals moved in on the labor unions—over many of which they exercise dominant influence today.

Radicals have no illusions about either the Democratic party or the New Deal. The Democratic party was simply the first political vehicle in the United States on which they were able to steal a ride. They will stay with it only so long as they can control it. They would throw it overboard tonight if they were able and it suited their purpose. They supported the New Deal because they saw it as a medium through which the American people could be gradually accustomed to the idea of control, and as an instrument which would create the class enmity, confusion, huge debt, depreciation of money, and general disorganization which would set the stage for final radical action.

### Radical Influence Dominant in New Deal

Radical influence is still dominant in the New Deal under its new management. Since the end of the war, the Administration's legislative program has been the program of the CIO and behind the CIO, the radicals. The legislation the Administration has opposed is opposed by the CIO and by the Radicals. For confirmation, read the radical newspapers and magazines. Now, the ultimate objective of Radicals everywhere is complete state control of the economy. State control has only one claim to recommend it. That is the contention that a small group of Government officials can better plan the lives and better direct the lives of millions of individuals than the individuals themselves. Make no mistake about it! State control operates—provided that strict obedience can be enforced from every individual and group within the State—a detail that has been taken care of by purges, concentration camps and firing squads. State control operates—but never well enough to give the people who live under it anything approaching a decent living standard. If the American people need any proof that state control is undesirable, they have it abundantly in the partial government control now established here.

As I said, the only possible basis for government control is that government can plan better and direct better. New Dealers believe devoutly that this is true. Raymond Moley, who certainly knows the New Deal from the inside, said recently: "Throughout the past 13 years, intellectual leadership in the Administration has been talking of what we must do for them. We are those who know best, the elite. They are to have what we decide to do." That is the end of Mr. Moley's remark.

Now, as Al Smith used to say, let's look at the record.

### "Bum Guesses" Regarding Reconversion

It is a record of guesses—bum guesses. You will remember that toward the end of the war, and after it, we were all assured that reconversion would be the first order of national business. Everything was to be done to expedite it—nothing to delay it. At that time the Administration was greatly concerned about deflation and unemployment. That was its reason—it said—for wanting quick passage of the Full Employment Bill. The idea of that bill was that the Administration "experts" would budget jobs so that the country would be sure of enough to go around. Now at that time—from August to October—here are the estimates of probable unemployment for next spring (that's right now). Arthur J. Altmeyer—5,500,000 to 10,000,000. Secretary Wallace—8,000,000. Secretary Schwellenbach—8,000,000. John W. Snyder—8,000,000. It is a bit odd that three officials would make an identical estimate. And there is some evidence that this estimate was not properly cleared because another gentleman—not in the Administration but rumored to be close to it—gave his guess as 10,000,000. His name is Sidney Hillman.

The fact is that our unemployment today, despite the strikes and other interference with reconversion, is no greater than the amount statisticians regard as normal under conditions of full employment. On the basis of those guesses, gentlemen, what would happen if Government "experts" could really run our economy—instead of just interfere with it?

During that same season of bum guessing, the series of events started which culminated in the present strike wave. The first thing that happened was a report by certain anonymous Government economists that supposedly leaked out. The gist of the report was that business in general was able to grant wage increases of about 25% without any increase in prices. That was the first intimation of the bizarre new economic theory that there is no connection between prices and their principal component—the cost of labor. Almost immediately the CIO unions came forward with their demand not for 25% but for a 30% increase. Your friend, Mr. Reuther, made the kickoff and his play was quickly followed by the CIO in other major industries. Was it just coincidence that such a large section of American industry should be struck simultaneously? Or was the CIO purpose not collective bargaining but a demonstration of power to intimidate government and public?

### No "Collective Bargaining"

The fact is that there was no collective bargaining all the way through. From the outset, Mr. Reuther's attitude was, "Grant my demand—or else." In Steel, Mr. Murray threw his demand on the table with the statement that it "was not subject to quibbling or compromise." I submit that anything not subject to compromise is not a subject for collective bargaining. It is a plain holdup. When a handful of companies rejected the CIO's demand, the several hundred companies of the steel industry were struck. There was not even a pretense of collective bargaining. Some of the smaller companies received a telephone call from a CIO agent. "There was just one question, 'Will you pay \$2 a day more?' Others were struck without even the courtesy of the phone call.

Why this stiff-necked attitude? Could it be that the CIO had a suspicion that Government would step into the picture? If not the

CIO was certainly pleasantly surprised. The alleged fact-finding panel was appointed for General Motors. I don't know yet what "facts" were found by this board, nor on what information they based their decision that 19½ cents per hour was exactly the amount of a raise to which the CIO was entitled. I don't know anyone else who does. In the steel case, the fact finding board did not get to work until after President Truman handed down 18½ cents as the figure for the steel industry. Mr. Truman did not reveal the basis for his decision, but amazingly, the fact-finding panel later found that his figure was exactly right. It also found—gratuitously—that the CIO had not broken its "no strike" clause in the steel contracts, just as President Truman found—gratuitously—that Mr. Reuther's demand to "look at the books" was strictly in accord with American tradition.

### "Phony Fact-Finding"

While we are on the subject of "fact-finding" and "looking at the books" there is another little matter which throws an interesting sidelight on how our governmental agencies find their "facts." You will remember that during the General Motors negotiations, Mr. Reuther placed a great deal of emphasis on an economic brief that had been prepared by the union. The brief was issued under date of Oct. 26, 1945. In November, 1945, Secretary Wallace gave out a statement that economists had discovered that the automobile industry could afford to raise wages 15% immediately and follow with another of 10% in a year without any increase in prices. The statistical basis for that peculiar statement was not made public until Dec. 29. It was then revealed that the Department of Commerce report bore the date of Oct. 25, 1945—just one day earlier than the Reuther brief.

Now here is what is really interesting. Both the Wallace and Reuther documents use figures that were not available to others until months later. Both cite the same original source of material, and in tabular matter both make four identical errors in computations based on the original material. Both contain identical indexes of matter never before published. Both make identical mistakes in referring to the page numbers of a source book. There are other instances of similarity, but I think you have enough to get the idea. Then to cap the climax, just last month, Secretary Wallace, the darling of the left wing, came out with the statement that the figures were phony and should not have been relied upon. That was after the strike was settled. But what he said in November was, "It is apparent that present cost-price relationships are such throughout the (automotive) industry that a basic wage increase is possible without raising prices."

And—against a background of such conduct—the New Deal still maintains the fiction that in America all men stand equal before their Government—even businessmen.

Settlement by collective bargaining? The whole thing was a burlesque of collective bargaining. It was collusion between the Administration and the CIO, followed by a Government-directed settlement. In the steel industry, not a word was spoken to nor solicited from a single representative of the steel industry other than Mr. Fairless, President of the United States Steel Corp. As a result the settlement—if it can properly be called a settlement—for the entire steel industry was made by agreement between the Administration, the CIO, and the United States Steel Corp., and consequently, every steel company, regardless of size or commercial or competitive conditions, must absorb the same labor cost

as the industry's biggest and richest company. Hundreds of companies were involved by this decision. Not one of them had the opportunity to state a position or express a viewpoint. It is not generally known, but many smaller companies are still strikebound because they cannot pay the wage increase and stay in business. A few have gone out of business. If this is to be the future pattern of wage settlements, there is no future for small business in any branch of industry in this great United States.

### Big Government, Big Business, and Big Unions

As every businessman knows and as most workers know, conditions differ widely among individual companies. Costs that are possible to some simply cannot be absorbed by others. In Pittsburgh, a CIO local union, representing workers of a particular company, accepted a substantially lower increase than 18½ cents per hour, and its members started back to work. Before the first day passed, they were ordered out again by the national union which refused to accept less than the Government-dictated scale. This was natural. When Government sets wages, it establishes a national pattern, and no union will accept less even where it knows that individual companies cannot afford the increase. The final result of this new type of pseudo collective bargaining can be only one thing—a system of Big Government, Big Business and Big Unions in the United States—a complete elimination of the small man. And I point out that this result is the objective of radicals.

In any well-balanced economy, you must have small business as well as large, and small business must have the opportunity to develop and grow. In one respect, small business is a necessary complement to large business; in another it is both a competitor and stimulator. There is a great incentive for a man in a small business that is growing. He has a "get up and go," a keen aliveness to every opportunity, and a forward-pushing spirit that is sometimes difficult to maintain in the larger enterprise. For these reasons, small business has an energizing influence that is invaluable to our country and its entire economy. The small business also is more seriously affected by economic hazards than strongly financed larger companies. It would be nothing less than tragic if small business were to diminish because the burdens created by Government became too heavy to bear.

### Wages Fixed by Political Action

It is my opinion some kind of a wage increase was in the cards following the war. If Government had stayed out of the picture those increases would have been agreed upon by real collective bargaining. A union doesn't set its demand too high when it knows that a final agreement can result only from genuine bargaining with an individual company. It enters negotiations with the attitude of compromise—give and take. The final figure is usually about the right figure in relation to costs, prices and other economic factors. When the union knows that the final decision will be made by Government decree, however, it makes its demand unreasonably high to start with and sticks to it. Furthermore, the figure then becomes the general pattern to which all industry must conform regardless of individual conditions. In other words, wages are fixed not by collective bargaining but by political action—by collusion between union and government. And that, plus the Government's idiotic price policies, has produced economic chaos—and always will.

In another way, these strikes have differed from any we have known before. They were not



merely strikes for wages. They were open moves toward the radical objective of union participation in management. Mr. Reuther's conduct of the General Motors strike is an excellent illustration. I imagine you gentlemen remember Mr. Reuther's interesting suggestion that the CIO should regulate the activities of automotive engineers. I believe the activity he had in mind was sweeping floors. It is true that after the strike Mr. Reuther said that his "look at the books" talk was "just a maneuver to put the company over a barrel." But it is also true that union invasion of management has been a constant CIO and radical objective. Unless they are stopped—abruptly and now—you can be sure we will hear more of it. The way in which the current strikes are conducted also merits close attention. The unions not only assert the right to stop production, but also the right to keep anyone they please out of plants and offices—company officials, clerical employees, and even maintenance workers. In Pennsylvania and New Jersey they defied court injunctions and raised the Communist cry of "cossack" when the police power was used to enforce the court orders.

In certain quarters—some of which are highly placed—it is the fashion to smear anyone who points to the Communist influence in strikes as a red-baiter. I want to read you some brief extracts from an article: "The members of the UAW know that Communists were well represented among those who laid the foundation stones for the UAW. Communists were the principal leaders of the 1937 GM sidwalk strike. Incidentally, I witnessed the signing of the 1937 contract. The chief signer, negotiator for the union and leader of the strike, was a Communist." . . . "The tradition established by Communists at Ford's is well reflected in the strong Communist influences in local 300 and the big block of progressive votes that local's delegation delivers at every UAW convention." . . . "Communists, not to count many friends they influence, cast big blocks of votes among the 8,830 in the Atlantic City convention."

These statements, gentlemen, were not made by a red-baiter. They are the exact words of a column writer on the editorial page of the Tuesday, April 2, 1946, issue of the "Daily Worker," official publication of the Communist Party in the United States.

#### OPA Snarls Our Economy

The Government's encouragement of strikes and its arbitrary settlement of wage demands, in themselves, have increased and intensified the complexities of an economy already badly snarled from years of depression, previous Government mismanagement, and war. The new complexities are compounded by the existence of OPA. The advocates of this most bureaucratic of bureaus support it with fanatical fervor. It is OPA or ruin, they say. Yet from industries all over the country, evidence piles up that OPA is now a principal barrier to a free flow of economic processes. No one, of course, can realize this so clearly as the businessman who must go to Washington and attempt to get something done about restrictions that make it impossible to operate his particular business. He must deal with men whose minds are fixed with almost religious devotion on what they regard as broad economic principles which they are determined to uphold at any cost. He must butt his head against the stone wall of their inability to understand what he is talking about. Men like Chester Bowles, for instance. Now, I do not doubt for a second that Mr. Bowles is a very good advertising man. He probably knows the advertising business thoroughly. But he cer-

tainly does not know everything about every business. No one does. I have spent a lifetime in the steel industry. I know something about it, but I tell you sincerely that neither myself nor anyone else knows enough about the steel industry to lay down general, inflexible rules for the operation of any part of it. If this is true of one industry, how can any group of men in Washington—most of them with narrow business experience—lay down general, inflexible rules for all American industry?

#### OPA Wrong in Principle

However, it is not with the detail of OPA operation that we should be most concerned. OPA is wrong in principle. The Administration raises a great hue and cry about inflation, then points to price control as the sovereign preventive. Prices are but one of the economic factors. They are not the cause of inflation; they are the effect of it. They are the mercury in the thermometer—not the temperature that causes the mercury to go up and down. Yet through OPA, the Administration preaches the unfounded economic theory that it can control the temperature—the excess money supply versus the insufficient supply of goods and services—if only it can hold down the mercury—prices. Here again the motive is political and not economic. The hullabaloo about prices is intended to divert public attention from the real causes of inflation.

One of the best things that could happen would be discontinuance of OPA and the restoration of a free market. Naturally some prices would go up. Speculators and shysters would try to get every last dime that the traffic would bear. As a matter of fact, they are doing so now in the biggest black market of all time. Certainly, this would not be done by established legitimate business firms. They would not damage their reputations and good will by a greedy attempt to rake in windfall profits. Free prices would open the congested arteries of business. They would bring products and services into proper relation with each other and reestablish the overall proper relation between business revenues and business costs. Production now frozen would be stimulated. Badly needed products would begin to appear in volume. Scarcities would disappear and as they did, the best regulator of prices ever discovered would take its effect—competition. I don't need to labor this point with a group of automobile men. You men were brought up on competition. No industry is more competitive than yours, and you know that without this competition, the industry would never have grown to its present magnitude nor have developed the world's best automobiles at the world's lowest prices. But OPA urges its continuance for "just one more year" with the moth-eaten plea of "emergency." Next year it will be back with the same old plea asking that it be permitted to continue the hopeless task of holding down prices while, for political reasons, wages remain uncontrolled, goods remain unrationed, and Government goes on adding to the money supply. For a Government agency, an emergency never ends.

#### The Real Cause of Inflation

Government blandly ignores the one thing that is at the heart of the whole inflation problem. That is the Government "manufacture" of money to meet unbalanced budgets. Unfortunately, all too many others also ignore it—probably under the impression that it is unpatriotic or dangerous to tell the public the truth. The real threat of inflation is the existence of first, the Federal debt, approaching \$300,000,000, piled up by New Deal spending and the war, and second, the Federal fis-

cal policies. At times during the war, only about 40% of our production was in goods and services that people could buy, leaving a very large percentage of our national income in floating money that had no place to go except into taxes and savings. This money, of course, represented our war production—only part of which was paid for by taxes. The remainder was borrowed by the Government and the consequent debt exists as a demand on current and future production. Serious enough in itself, the inflationary effect of this borrowing is multiplied many times by the Government method of financing. Much Government borrowing was not from individuals and business firms, which would have withdrawn money from circulation, but from banks. The banks did not pay out actual money; they made bookkeeping entries by issuing deposit slips to the Government's credit. Every dollar thus loaned was, in effect, an additional dollar created. Of course, this method of financing was necessary during the war. There is no excuse for it now. But Government goes right on with an unbalanced budget, creating new debt, monetizing it, and thus further widening the gap between the supply of money and things for which money can be spent. If Government is to make a sincere and effective fight against inflation, it must balance the budget—reduce Government expenses to the bone, see that income exceeds outgo—stop encouraging wage inflation with consequent price inflation, stop interfering with production and restore the free market.

Concerning the effect of money manipulation by governments on the social structures of nations, Lord Keynes had this to say in one of his essays: "Lenin is said to have declared that the best way to destroy the capitalist system was to debauch the currency. . . . Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose."

#### Radicals Favor Inflation

It is not an accident that radicals favor governmental measures that lead to inflation. Their program is one of increased Government spending, and therefore the creation of more debt and more dollars; still higher wages, continuance of price controls, and the extension of other Government controls over the American economy. What is their motive? Do they want to see this country emerge from its troubles strong, prosperous, and united? Obviously not. They want to supplant the American form of government with their form of government which is complete state control. The American people could never be induced to consciously accept state control so long as conditions are reasonably tolerable. Therefore, the real objective of the Radicals is to bring about intolerable conditions. So they are for inflation. They are for higher wages, lower production—and consequently excessive costs. They are for the inefficient, short-sighted mishandling of the economy by our present Administration. They are for strikes, racial feeling, class antagonism. In short, they are for anything that will break this country down and create chaos. And certainly the present Administration, knowingly or through ignorance, plays directly into their hands.

#### Return to Principles of Individual Freedom

What is to be done about this very serious situation? We have only one hope. That is, to return by the shortest route to Govern-

ment based on the American principles of individual freedom of thought and action. Americans must reaffirm their determination to make their own important decisions in life and their willingness, as individuals, to accept the responsibility for those decisions. Individuals must again look to their own efforts and their own work for their own advancement, and not hope to gain special advantage through political group action.

Many persons will agree thoroughly that something should be done about this situation, but always think in terms of someone else doing it. They will say, "What can I do as an individual?" I never quite get over being surprised by this statement. Every idea the world has ever had was conceived by an individual. Anything ever accomplished was done by individuals. Wars are fought and won by individuals acting in concert. The processes of our economy and the world's economy are carried on by individuals each at his own job. Our country was brought to its present state by individuals. It can be restored by individuals—working alone or with others of like mind. Here are some of the things I think you can do as individuals.

1. As the essential first step, you can make up your own mind as to where you stand. You must decide what you really believe in—whether it is better for our country to maintain its present direction or to restore American freedom.

2. You can study every action of Government to determine whether it is in line with your principles or the other fellow's principles, and oppose or support it accordingly.

3. You can look with a searching eye upon your community. What individuals and groups support the principles you stand for? What individuals and groups stand for opposite principles? What can you do to aid the former and oppose the latter?

4. You can discuss this issue with your friends and acquaintances—make them realize that this is the real issue. And on this point, it is just not true that businessmen are without influence just because they are businessmen. Most men have an influence that is broader than they think. And even the man whose range is actually restricted can serve by inspiring others to action.

5. You can secure the discussion of this issue before any group with which you have connections.

6. You can communicate your position to your representatives in Congress and to state and local officials—both generally and on specific measures. Despite statements to the contrary, contact of private citizens with elected officials does have an effect and an important one when it is sincere and spontaneous.

7. You can bring pressure to bear on the leaders of your political party to make that party more accurately reflect your own ideas.

8. You can get active in the work of your political party—not because you have political ambitions but to make that party a more effective instrument in representing you. I want to say this about political activity. Under any system, it is through politics that the character of government is determined. You can't have good government without first having good politics. And you won't have good politics if it is left exclusively in the hands of the relatively few who make it a profession or use it for narrow, personal advantage. The radicals through many organizations, including the CIO-PAC and this new Artists' group, headed by former Secretary Ickes, make politics a real job of work—not only at election time, but every day. They know exactly what they want and are willing to work for it. They will be successful

unless those of our citizens who hold the opposite political faith are willing to give equal time and energy. There is only one practical way to get the kind of government you want. That is through politics. It is a job you can not leave to others. You must do it yourself.

These are just a few suggestions. Many others will suggest themselves to ingenious minds. Anyone who sees the issue is not helpless before it. Our situation is far from hopeless. There is nothing wrong with our country that can't be corrected if some thousands of citizens—ordinarily inactive in a political way—would become active in politics on its highest plane—would make it a personal job of work to bring this issue before their fellow countrymen squarely and plainly. You know from your own work that problems can be solved. It just depends upon how important they are. There are probably 1,000 men in this room. You know from your experience with production how far reaching the cumulative effect would be if each of this number would take this matter seriously to heart and make it a real, personal responsibility.

Anyone who advocates a return to American principles these days is branded as a "reactionary." He is a fellow who yearns for the "good old days"; who wants time to stand still. I want to point out that the concepts of human freedom on which this nation were founded still represent the farthest advance in the political thinking of mankind. It affords the individual—and I mean the average individual—the best assurance in all history for opportunity, advancement, and good living. The so-called "progressive" governmental ideas of our day are in reality throwbacks to autocratic and repressive forms of government which our Founders rejected. He who advocates the return to American principles is not a reactionary; he is the true "progressive."

Gentlemen, the important thing is that America live not according to radical principles, but according to American principles. This is the issue—and this is a call to action!

## Reduce U S Nonmilitary Holdings Abroad

United States Government non-military agency holdings of personal property abroad, except surplus property, were reduced \$32,000,000 during the fourth quarter of 1945 chiefly because of shipments of stockpiled metals to this country, the Clearing Office for Foreign Transactions, Department of Commerce, said on April 18. The Department's announcement further stated,

"These foreign holdings totaled \$118,000,000 on Dec. 31, 1945, but current heavy shipments to the United States should sharply reduce all stockpiles except rubber, which may increase, according to the Clearing Office. More than 80% of the inventories consisted of scarce and critical supplies, chiefly metals and cotton and other fibers. The remainder was chiefly unclassified equipment, materials and supplies generally used for administrative and maintenance operations by United States agencies abroad.

"The bulk of the \$118,000,000 in foreign holdings was owned by the United States Commercial Company whose inventories totaled \$71,000,000. The Office of Metals Reserve had inventories abroad of \$19,000,000 and the Rubber Development Corporation \$18,000,000. Of the total, \$30,000,000 was held in Peru, \$24,000,000 in Canada, \$20,000,000 in Turkey, \$15,000,000 in Bolivia and \$13,000,000 in Brazil, the Clearing Office said.

Steel Output Again Off Due to Coal Miners' Strike—Scrap and Pig Iron Supply Critical

"Serious from a manufacturing standpoint is the effect of the coal strike this week on steel users through curtailment of the use of industrial power..."

"Steel ingot output will take a much sharper dive next week as additional steel firms find their coal piles dwindling..."

"The steel industry this week was on the verge of starting successively sharp reductions in activity..."

"In an effort to supply steel companies with a better return for those products on which the profit is small or non-existent..."

"Steel officials, CPA and OPA are meeting this week to allocate increases to the various low-return steel products..."

"While the steel industry was granted permission to raise tinsplate \$5 a ton as of Feb. 15..."

"Steel production is scheduled to decline sharply this week to 67.7% of capacity..."

"The National operating rate this week will result in the production of only 1,193,100 tons of steel ingots and steel for castings..."

"Preceding the start of the miners' walkout the steel industry was operating approximately 88% of capacity..."

been lost so far during the strike, counting the expected output of the current week.

"That estimated loss of 1,000,000 tons is only part of the total loss. Even after the strike ends, some time will be required to restore the operations of the steel industry..."

"The strike is the second by the miners since the war ended last August. In October steel operations declined to 65% as a result of a miners' walkout..."

"STEEL" of Cleveland, in its summary of the iron and steel markets, on April 29 stated in part as follows:

"STEEL production continues to decline and with no indication of early settlement of the coal strike it will go substantially lower..."

"Some districts, in sharp contrast to others, have been able to maintain exceptionally high operations during April but fuel supply is being exhausted..."

"Decline in production of light flat-rolled steel, a most critical product, is beginning to reflect more seriously the reduction in ingot output..."

"Pressure for sheets is heavier than ever, as fabricators have been able to attain the highest schedule of operations since the end of the war..."

"Consumption of Lake Superior iron ore in March regained practically the level of prestrike months, reaching 6,021,018 gross tons compared with only 1,748,469 tons in February..."

"Scrap shortage continues and is increased by enlarged use in open hearths as pig iron supply dwindles and steelmakers seek to keep up production."

Federal Reserve February Business Indexes

The Board of Governors of the Federal Reserve System issued on March 22 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time, the Board made available its customary summary of business conditions...

Table with columns: BUSINESS INDEXES, 1939 average, 1923-25 average, 1935-39 average, Adjusted for Seasonal Variation (1946, 1945), Without Seasonal Adjustment (1946, 1945). Rows include Industrial production, Manufactures, Construction contracts, Factory employment, and Factory payrolls.

Note—Production, carloading, and department store sales indexes based on daily averages. To convert durable manufactures, nondurable manufactures, and minerals indexes to points in total index...

Construction contract indexes based on 3-month moving averages, centered at second month of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book...

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

INDUSTRIAL PRODUCTION

Table showing Industrial Production (1935-39 average = 100) for various categories: MANUFACTURES (Iron and steel, Pig iron, Steel, etc.) and MINERALS (Fuels, Bituminous coal, etc.).

\*Preliminary or estimated. †Data not yet available.

FREIGHT CARLOADINGS

Table showing Freight Carloadings (1935-39 average = 100) for Coal, Coke, Grain, Livestock, Forest products, Ore, Miscellaneous, and Merchandise.

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

The Economic Value Of Music: Babson

(Continued from first page) arithmetics. Furthermore, the United Nations could teach all their people a universal language and a universal history in one generation.

Music a Universal Language As a practical move in this direction, every nation should give more attention to music. All nations now use the same musical scores...

But I want to emphasize something about music of even greater importance. Music is more than a universal written language; it is a universal spoken language.

Music As An Influence Music can convey thoughts without words and may do it much better than words. Music can develop confidence or fear, hope or discouragement...

I often urge upon parents the importance of training children to become experts in some one thing. The chosen line is not important provided the boy or girl can pass a competitive examination thereon...

National Federation of Music Clubs

Parents should join the Music Club of their community and support community music in all its phases. This will show your children that you are interested in music and will enable you to help them become interested...

Five thousand music clubs are now joined in the National Federation of Music Clubs. Mrs. Guy P. Gannett of Portland, Maine, is President. This Federation is encouraging music in all homes and communities...

A Personal Confession

My entire life has been given to the study of figures, — or what the professors call "statistics". These figures, I have laboriously collected, compiled and used in an endeavor to measure and forecast business, investment and social trends...

### Daily Average Crude Oil Production for Week Ended April 20, 1946 Decreased 5,100 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 20, 1946 was 4,686,300 barrels, a decrease of 5,100 barrels per day from the preceding week, and 11,615 barrels per day less than in the corresponding week of 1945. The current figure, however, was 66,300 barrels in excess of 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 output for the four weeks ended April 20, 1946 averaged 4,562,050 barrels. The Institute further reports as follows:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,789,000 barrels of crude oil daily and produced 14,029,000 barrels of gasoline; 2,201,000 barrels of kerosine; 5,211,000 barrels of distillate fuel, and 9,230,000 barrels of residual fuel oil during the week ended April 20, 1946; and had in storage at the end of the week 101,059,000 barrels of finished and unfinished gasoline; 11,225,000 barrels of kerosine; 30,284,000 barrels of distillate fuel, and 38,124,000 barrels of residual fuel oil.

#### DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements April	State Allowables Begin. Apr. 1 1946	Actual Production Week Ended Apr. 20, 1946	Change from Previous Week	4 Weeks Ended Apr. 20, 1946	Week Ended Apr. 21, 1946
Oklahoma	367,000	367,000	378,750	+ 650	372,950	347,350
Kansas	250,000	245,200	262,400	+ 3,250	252,700	273,150
Nebraska	800	800	7750		7500	9000
Panhandle Texas			82,000		81,750	90,000
North Texas			158,700		153,100	150,000
West Texas			495,000		469,150	489,500
East Central Texas			139,700		134,350	145,500
East Texas			372,000		347,150	378,100
Southwest Texas			326,500		309,750	352,150
Coastal Texas			480,700		452,550	565,250
<b>Total Texas</b>	<b>2,080,000</b>	<b>1,816,819</b>	<b>2,054,600</b>		<b>1,947,800</b>	<b>2,170,550</b>
North Louisiana			85,950	+ 750	84,950	71,050
Coastal Louisiana			286,800		288,450	295,000
<b>Total Louisiana</b>	<b>374,000</b>	<b>398,022</b>	<b>372,750</b>	<b>+ 750</b>	<b>373,400</b>	<b>366,050</b>
Arkansas	78,000	81,526	77,500	- 400	77,500	79,900
Mississippi	53,000		55,700	+ 650	55,900	52,400
Alabama	800		1,100		1,100	300
Florida			100		100	15
Illinois	197,000		207,600	- 4,350	209,550	206,850
Indiana	14,000		18,700	- 2,800	19,450	11,400
<b>Eastern</b>	<b>(Not incl. Ill., Ind., Ky.)</b>					
Kentucky	61,900		64,750	- 1,350	65,250	64,150
Michigan	29,500		31,100	+ 500	31,700	25,750
Wyoming	46,000		44,350	- 4,900	46,700	43,300
Montana	92,000		114,250	+ 850	110,100	106,050
Colorado	21,000		20,050	- 500	20,100	19,800
New Mexico	22,000		26,350	+ 1,150	24,550	9,050
	99,000	106,000	95,800		95,750	104,750
<b>Tot. East of Calif.</b>	<b>3,786,000</b>		<b>3,826,600</b>	<b>- 7,300</b>	<b>3,705,350</b>	<b>3,881,715</b>
<b>California</b>	<b>834,000</b>	<b>830,000</b>	<b>859,700</b>	<b>+ 2,200</b>	<b>856,700</b>	<b>916,200</b>
<b>Total United States</b>	<b>4,620,000</b>		<b>4,686,300</b>	<b>- 5,100</b>	<b>4,562,050</b>	<b>4,797,915</b>

\*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 withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced. In some areas the weekly estimates do, however, include small but indeterminate amounts of condensate which is mixed with crude oil in the field.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. April 17, 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 six 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 six days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

#### CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSENE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL OIL, WEEK ENDED APRIL 20, 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 Refining Capac.	Crude Runs to Still, Daily % Op-erated	% Gasoline Prodn'g at Ref. Inc. Nat. Gasoline Blended	Unfin. Gasoline Stocks	Stocks of Kerosine	Stocks of Gas Oil & Dist. Fuel	Stocks of Resid. Fuel Oil
East Coast	99.5	742	93.8	1,758	22,670	5,074	9,918
Appalachian							
District No. 1	76.8	94	64.4	295	2,813	203	433
District No. 2	81.2	58	116.0	181	1,206	50	80
Ind., Ill., Ky.	87.2	736	85.9	2,703	22,920	1,648	5,821
Okl., Kan., Mo.	78.3	385	82.1	1,239	9,143	513	1,560
Indand Texas	59.8	223	67.6	878	3,075	326	318
Gulf Coast	89.3	1,193	96.4	3,806	15,502	1,783	5,102
Louisiana Gulf Coast	96.8	355	136.5	856	3,944	819	1,500
No. La. & Arkansas	55.9	59	46.8	154	1,877	196	414
Rocky Mountain							
District No. 3	17.1	13	100.0	41	105	10	40
District No. 4	72.1	119	74.8	351	2,328	113	378
California	86.5	812	84.0	1,907	15,475	490	6,720
<b>Total U. S. B. of M. basis Apr. 20, 1946.</b>	<b>85.7</b>	<b>4,789</b>	<b>88.6</b>	<b>14,029</b>	<b>101,059</b>	<b>11,225</b>	<b>30,284</b>
<b>Total U. S. B. of M. basis Apr. 13, 1946.</b>	<b>85.7</b>	<b>4,636</b>	<b>85.8</b>	<b>13,351</b>	<b>102,581</b>	<b>10,409</b>	<b>30,047</b>
<b>U. S. B. of M. basis Apr. 21, 1945.</b>	<b>4.715</b>			<b>15,100</b>	<b>193,241</b>	<b>7,940</b>	<b>28,576</b>

\*Includes unfinished gasoline stocks of 8,888,000 barrels. †Includes unfinished gasoline stocks of 11,736,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. †Not including 2,201,000 barrels of kerosine, 5,211,000 barrels of gas oil and distillate fuel oil and 9,230,000 barrels of residual fuel oil produced during the week ended April 20, 1946, which compares with 1,985,000 barrels, 5,265,000 barrels and 8,608,000 barrels, respectively, in the preceding week and 1,463,000 barrels, 4,633,000 barrels and 9,050,000 barrels, respectively, in the week ended April 21, 1945. ‡Revised in Texas Gulf (finished gasoline) due to error by reporting company.

### 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	Avg. Corporate-rate*	Corporate by Ratings*			Corporate by Groups*				
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
April 30	124.36	118.80	122.92	121.25	118.40	113.12	116.22	119.41	120.84	
29	124.39	119.00	123.34	121.46	118.60	113.12	116.41	119.61	121.04	
27	124.45	119.00	123.34	121.25	118.40	113.12	116.41	119.41	121.04	
26	124.33	119.00	123.34	121.25	118.40	113.12	116.41	119.41	121.04	
25	124.24	119.00	123.34	121.25	118.40	113.12	116.80	119.41	121.04	
24	124.49	119.00	123.56	121.25	118.60	113.12	116.80	119.61	121.04	
23	124.74	119.41	123.77	121.67	118.60	113.50	117.00	119.61	121.25	
22	124.99	119.61	123.99	121.88	119.20	113.89	117.20	120.02	121.67	
20	125.24	119.61	123.77	121.88	119.20	113.89	117.20	120.02	121.46	
19										
18	125.30	119.61	123.99	121.88	119.20	113.89	117.20	120.22	121.67	
17	125.45	119.61	123.99	121.88	119.41	113.89	117.40	120.22	121.67	
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	
9	125.86	120.02	123.99	122.29	119.61	114.27	117.60	120.43	121.88	
8	125.89	120.02	123.99	122.29	119.61	114.27	117.60	120.43	121.88	
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	122.09	
3	125.92	120.02	124.20	122.29	119.61	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	125.84	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	125.70	119.82	123.77	122.29	119.20	114.08	117.00	120.22	122.29	
8	125.86	119.82	123.56	122.50	119.20	114.27	117.00	120.43	122.29	
1	125.84	119.61	123.56	121.88	119.20	114.27	116.80	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	120.22	122.09	
8	126.15	119.61	123.34	121.88	119.20	114.27	116.41	120.22	122.09	
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	126.18	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	124.74	117.60	121.46	119.82	117.40	112.19	114.46	117.80	120.63	
1 Year Ago	122.38	115.24	120.63	118.40	115.43	107.09	112.19	114.27	119.20	
April 30, 1945	122.38	115.24	120.63	118.40	115.43	107.09	112.19	114.27	119.20	
2 Years Ago	119.34	111.62	118.40	116.41	111.62	101.47	105.34	113.70	116.41	
April 29, 1944	119.34	111.62	118.40	116.41	111.62	101.47	105.34	113.70	116.41	

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)										
1946—Daily Averages	U. S. Govt. Bonds	Avg. Corporate-rate*	Corporate by Ratings*			Corporate by Groups*				
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
April 30	4.15	2.71	2.51	2.59	2.73	3.00	2.84	2.68	2.61	
29	4.15	2.70								

## Gross and Net Earnings of U. S. Railroads For the Calendar Year 1945

For the calendar year 1945 the railroads showed a decrease in both gross and net earnings as compared with the previous 12-month period. However, the gross earnings were the third highest ever recorded, being exceeded only by the two previous war-time years of 1944 and 1943.

In turning to net revenues from railway operations, we note there was a decrease of \$1,304,177,065 as compared with the year of 1944. Approximately 49% of this decrease is reflected in the amortization of defense projects, which amounted to \$634,049,037 more than in 1944. Despite the large increase in operating expenses, the net earnings for the year of 1945 were the fourth highest ever recorded for a calendar year. The highest net earnings ever recorded were \$3,396,943,710 in the year of 1943.

We now add a tabulation showing the totals for the year of 1945 as compared with 1944 and also a breakdown of the gross and net earnings into semi-annual periods:

Calendar Year	1945	1944	Incr. (+) or Decr. (-)	
			Amount	%
Mileage of 131 roads	223,473	228,692	-5,219	-0.10
Gross earnings	\$8,902,349,173	\$9,436,789,812	-\$534,440,639	-5.66
Operating expenses	7,051,799,111	6,282,062,685	+ 769,736,426	+12.25
Ratio of exps. to earn.	(79.21)	(66.57)		
Net earnings	\$1,850,550,062	\$3,154,727,127	-\$1,304,177,065	-41.34
	First Six Months		Second Six Months	
	1945	1944	1945	1944
Gross earnings	\$4,699,870,508	\$4,636,071,620	\$4,202,478,665	\$4,800,718,192
Operating expenses	3,195,745,901	3,077,777,848	3,856,053,210	3,204,284,837
Net earnings	\$1,504,124,607	\$1,558,293,772	\$346,425,455	\$1,596,433,355

Let us now turn to a table showing a month-by-month comparison of both gross and net earnings for 1945 as contrasted with 1944. We note that the highest gross earnings were shown in May for the year of 1945, whereas in 1944 the highest gross was recorded in the month of August. In net earnings the most conspicuous figure is the deficit of \$349,639,433 for the month of December. As was noted in our monthly article, the principal factor for this large decrease was the amortization of defense projects. Following is the table furnishing comparisons of the monthly totals for 1945 and 1944:

Month	Gross Earnings				Mileage			
	1945	1944	Incr. (+) or Decr. (-)	%	1945	1944	Incr. (+) or Decr. (-)	%
January	751,336,771	740,671,731	+10,665,040	+1.44	228,561	228,858	-297	-0.13
February	712,806,326	735,305,464	-22,499,138	-3.06	228,545	228,844	-299	-0.13
March	813,627,614	797,929,215	+15,698,399	+2.04	228,530	228,811	-281	-0.12
April	778,985,436	759,534,145	+19,451,291	+2.56	228,529	228,765	-236	-0.10
May	823,024,606	804,055,622	+18,968,984	+2.36	228,528	228,698	-170	-0.07
June	820,389,756	799,475,442	+20,914,314	+2.62	228,509	228,667	-158	-0.07
July	796,126,617	809,038,158	-12,909,541	-1.60	228,506	228,631	-125	-0.05
August	755,218,617	836,183,413	-80,964,796	-9.68	228,507	228,615	-108	-0.05
September	679,177,735	799,238,982	-120,051,247	-15.02	228,494	228,615	-121	-0.05
October	696,991,354	818,302,899	-121,311,545	-14.82	228,258	228,361	-103	-0.04
November	661,181,176	780,230,525	-119,049,349	-15.26	228,119	228,350	-231	-0.10
December	613,691,363	756,857,662	-143,166,299	-18.92	227,857	228,533	-676	-0.29

Month	Net Earnings			
	1945	1944	Incr. (+) or Decr. (-)	%
January	221,104,586	236,658,658	-15,554,072	-6.57
February	213,153,750	243,211,633	-30,047,883	-12.35
March	268,517,737	269,595,860	-1,078,123	-0.40
April	247,296,330	250,530,342	-3,234,012	-1.29
May	275,360,657	277,288,369	-1,927,712	-0.70
June	278,632,349	281,009,912	-2,377,563	-0.85
July	247,111,553	283,981,413	-36,869,860	-12.98
August	207,954,824	297,694,552	-89,739,728	-30.15
September	57,984,402	277,964,935	-219,980,533	-79.14
October	70,338,993	279,343,308	-209,004,315	-74.82
November	112,631,526	255,995,436	-143,363,910	-56.00
December	349,639,433	200,988,958	+148,650,475	+73.96

In turning to a geographical classification of the roads, we find that every region showed a decrease in both gross and net earnings for the year as compared with 1944. The largest percentage decrease of 9.53% was recorded by the Great Lakes region. This is in contrast to the smallest decrease of 1.35%, which was recorded by the Central Western region. The decreases in net earnings were considerably greater, and once again the Great Lakes region showed the largest decrease (55.98%). The smallest decrease in net earnings was 25.06% and was recorded by the Southwestern region. The following tabulation, which is arranged in conformity with the classification of the Interstate Commerce Commission, indicates the earnings of the railroads in a geographical arrangement. The boundaries of the various regions are indicated in the appended footnote.

SUMMARY BY GROUPS—JAN. 1 TO DEC. 31

District and Region	Gross Earnings				Net Earnings			
	1945	1944	Incr. (+) or Decr. (-)	%	1945	1944	Incr. (+) or Decr. (-)	%
<b>Eastern District—</b>								
New England region (10 roads)	312,945,167	326,563,163	-13,617,996	-4.17				
Great Lakes region (23 roads)	1,336,153,959	1,476,917,659	-140,763,700	-9.53				
Central Eastern region (18 roads)	1,706,802,606	1,835,984,730	-129,182,124	-7.04				
<b>Total (51 roads)</b>	<b>3,355,901,732</b>	<b>3,639,465,552</b>	<b>-283,563,820</b>	<b>-7.79</b>				
<b>Southern District—</b>								
Southern region (2 roads)	1,229,534,611	1,332,947,262	-103,412,651	-7.76				
Poconatas region (4 roads)	409,849,521	443,676,157	-33,826,636	-7.62				
<b>Total (6 roads)</b>	<b>1,539,384,132</b>	<b>1,776,623,419</b>	<b>-237,239,287</b>	<b>-13.33</b>				
<b>Western District—</b>								
Northwestern region (16 roads)	950,285,763	963,729,805	-13,444,042	-1.39				
Central Western region (16 roads)	2,143,557,200	2,172,847,932	-29,290,732	-1.35				
Southwestern region (18 roads)	813,220,346	884,123,104	-70,902,758	-8.02				
<b>Total (50 roads)</b>	<b>3,907,063,309</b>	<b>4,020,700,841</b>	<b>-113,637,532</b>	<b>-2.83</b>				
<b>Total all districts (131 roads)</b>	<b>8,902,349,173</b>	<b>9,436,789,812</b>	<b>-\$534,440,639</b>	<b>-5.66</b>				

Total all districts (131 roads) --- 8,902,349,173 --- 9,436,789,812 --- \$534,440,639 --- -5.66

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

**EASTERN DISTRICT**  
New England Region—Comprises the New England States.  
Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.  
Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.  
**SOUTHERN DISTRICT**  
Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.  
Poconatas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.  
**WESTERN DISTRICT**  
Northwestern Region—Comprises the section, adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.  
Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.  
Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

In the following we furnish a summary of annual comparisons in both gross and net earnings for each year back to and including 1907:

Calendar Year	Gross Earnings				Mileage			
	Year Given	Year Preceding	Incr. (+) or Decr. (-)	%	Year Given	Year Preceding	Incr. (+) or Decr. (-)	%
1907	\$2,287,501,605	\$2,090,595,451	+ \$196,906,154	+ 9.42	173,028	171,316	+ 1,712	+ 1.00
1908	2,235,164,873	2,536,914,597	-301,749,724	-11.89	199,726	197,237	+ 2,489	+ 1.26
1909	2,605,003,302	2,322,549,343	+ 282,453,959	+12.16	228,508	225,027	+ 3,481	+ 1.54
1910	2,636,795,091	2,597,783,833	+ 39,011,258	+ 9.20	237,554	233,829	+ 3,725	+ 1.60
1911	2,805,084,723	2,835,109,539	-30,024,816	-1.06	241,423	238,275	+ 3,148	+ 1.32
1912	3,012,390,205	2,790,810,236	+ 221,579,969	+ 7.94	239,991	236,000	+ 3,991	+ 1.70
1913	3,162,451,434	3,019,929,537	+ 142,521,797	+ 4.72	242,931	239,625	+ 3,306	+ 1.38
1914	2,972,614,302	3,180,792,377	-208,178,075	-6.54	246,356	243,636	+ 2,720	+ 1.11
1915	3,166,214,616	3,013,674,851	+ 152,539,765	+ 5.06	249,081	247,936	+ 1,145	+ 0.46
1916	3,702,940,241	3,155,292,405	+ 547,647,836	+17.36	249,098	247,868	+ 1,230	+ 0.49
1917	4,138,433,260	3,707,764,140	+ 430,669,120	+11.62	250,193	249,879	+ 314	+ 0.12
1918	4,900,759,309	4,036,866,565	+ 863,892,744	+21.40	233,014	232,639	+ 375	+ 0.16
1919	5,173,647,054	4,915,516,917	+ 258,130,137	+ 5.25	233,985	234,264	-279	-0.12
1920	6,204,785,141	5,178,639,216	+ 1,026,145,925	+19.82	235,765	234,579	+ 1,186	+ 0.50
1921	5,522,022,979	6,216,050,959	-694,027,980	-11.16	235,690	234,777	+ 913	+ 0.39
1922	5,522,522,416	5,478,328,452	+ 44,193,964	+ 0.80	235,654	235,378	+ 276	+ 0.12
1923	6,342,038,872	5,608,371,650	+ 733,667,222	+13.08	235,461	235,705	-244	-0.10
1924	5,961,186,643	6,332,874,535	-371,687,892	-5.87	234,795	234,622	+ 173	+ 0.07
1925	6,177,280,802	5,977,687,410	+ 199,593,392	+ 3.34	236,330	236,139	+ 191	+ 0.08
1926	6,435,539,259	6,169,453,120	+ 266,086,139	+ 4.31	236,891	235,809	+ 1,082	+ 0.46
1927	6,195,259,346	6,448,564,574	-253,305,228	-3.93	238,527	237,536	+ 991	+ 0.42
1928	6,198,119,487	6,196,364,829	+ 1,754,658	+ 0.03	240,626	239,536	+ 1,090	+ 0.45
1929	6,339,246,862	6,176,941,101	+ 162,305,761	+ 2.63	241,625	239,482	+ 2,143	+ 0.90
1930	5,335,131,510	6,349,330,347	-1,014,198,837	-15.97	242,517	242,189	+ 328	+ 0.13
1931	4,220,360,653	5,325,664,398	-1,105,303,745	-20.72	242,764	242,582	+ 182	+ 0.07
1932	3,157,463,014	4,229,261,933	-1,071,798,919	-25.34	242,043	242,056	-13	-0.01
1933	3,128,862,541	3,156,755,105	-27,892,564	-0.88	241,111	225,653	+ 15,458	+ 6.84
1934	3,267,044,412	3,091,492,502	+ 175,551,910	+ 5.68	239,075	240,840	-1,765	-0.73
1935	3,445,521,612	3,267,164,788	+ 178,356,824	+ 5.46	237,659	238,960	-1,301	-0.54
1936	4,046,637,111	3,445,337,606	+ 601,299,505	+17.45	236,759	237,918	-1,159	-0.49
1937	4,158,453,384	4,044,634,921	+ 113,818,463	+ 2.81	235,413	235,991	-578	-0.24
1938	3,558,925,166	4,158,453,384	-599,528,218	-14.42	234,842	235,470	-628	-0.27
1939	3,987,692,675	3,558,263,834	+ 429,428,841	+12.07	233,468	234,436	-968	-0.41
1940	4,287,446,017	3,987,692,675	+ 299,753,342	+ 7.52	232,781	233,464	-683	-0.29
1941	5,342,255,003	4,288,847,139	+ 1,053,407,864	+24.56	232,192	232,824	-632	-0.27
1942	7,466,233,077	5,342,255,003	+ 2,123,978,074	+39.76	231,012	232,188	-1,176	-0.51
1943	9,054,730,217	7,466,233,077	+ 1,588,507,140	+21.28	229,256	230,836	-1,580	-0.68
1944	9,436,789,812	9,054,050,730	+ 382,739,082	+ 4.23	228,624	229,096	-472	-0.20
1945	8,902,349,173	9,436,789,812	-534,440,639	-5.66	228,473	228,692	-219	-0.10

Calendar Year	Net Earnings			
	Year Given	Year Preceding	Incr. (+) or Decr. (-)	%
1907	\$650,753,545	\$665,280,191	-\$14,526,646	-0.68
1908				

## Revenue Freight Car Loadings During Week Ended April 20, 1946 Increased 1,549 Cars

Loading of revenue freight for the week ended April 20, 1946 totaled 650,743 cars the Association of American Railroads announced on April 25. This was a decrease below the corresponding week of 1945 of 213,957 cars, or 24.7%, and a decrease below the same week in 1944 of 187,994 cars or 22.4%.

Loading of revenue freight for the week of April 20, increased 1,549 cars or 0.2% above the preceding week.

Miscellaneous freight loading totaled 375,379 cars, an increase of 2,159 cars above the preceding week, but a decrease of 25,428 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 128,216 cars a decrease of 2,332 cars below the preceding week, but increase of 14,396 cars above the corresponding week in 1945.

Coal loading amounted to 29,709 cars, a decrease of 1,852 cars below the preceding week, and a decrease of 135,487 cars below the corresponding week in 1945, due to coal strike.

Grain and grain products loading totaled 34,396 cars, a decrease of 900 cars below the preceding week and a decrease of 16,903 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of April 20 totaled 21,578 cars, a decrease of 1,454 cars below the preceding week and a decrease of 12,242 cars below the corresponding week in 1945.

Livestock loading amounted to 18,605 cars, an increase of 1,071 cars above the preceding week and an increase of 3,204 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of April 20 totaled 15,073 cars an increase of 1,487 cars above the preceding week, and an increase of 3,411 cars above the corresponding week in 1945.

Forest products loading totaled 45,086 cars an increase of 1,383 cars above the preceding week and an increase of 2,544 cars above the corresponding week in 1945.

Ore loading amounted to 12,269 cars, an increase of 2,437 cars above the preceding week but a decrease of 48,878 cars below the corresponding week in 1945.

Coke loading amounted to 7,083 cars a decrease of 417 cars below the preceding week, and a decrease of 7,405 cars below the corresponding week in 1945.

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

	1946	1945	1944
4 weeks of January	2,883,620	3,005,655	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	767,985
Week of April 13	649,194	847,013	798,683
Week of April 20	650,743	864,700	838,737
<b>Total</b>	<b>11,677,159</b>	<b>12,555,615</b>	<b>12,654,258</b>

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 20, 1946. During this period only 39 roads reported gains over the week ended April 21, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED APRIL 13)

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1946	1945	1944	1946	1945	1944
<b>Eastern District—</b>						
Akron, Canton & Youngstown	661	781	744	1,056	1,215	
Baltimore & Ohio	25,764	46,227	44,998	21,114	28,618	
Besemer & Lake Erie	758	6,174	6,658	716	1,378	
Cambria & Indiana	7	1,672	1,652	10	15	
Central R. R. of New Jersey	6,544	6,775	7,497	13,352	22,369	
Cornwall	434	489	19	34	56	
Cumberland & Pennsylvania	22	166	222	9	49	
Ligonier Valley	0	96	128	9	49	
Long Island	1,602	1,882	1,256	5,298	5,973	
Penn-Reading Seashore Lines	1,826	2,001	1,787	2,120	2,606	
Pennsylvania System	60,382	50,031	84,330	43,461	64,057	
Reading Co.	14,237	16,069	15,816	17,471	30,740	
Union (Pittsburgh)	9,958	16,701	20,375	1,373	7,099	
Western Maryland	2,170	3,975	4,356	7,511	14,925	
<b>Total</b>	<b>124,365</b>	<b>193,039</b>	<b>189,840</b>	<b>113,714</b>	<b>179,111</b>	
<b>Peachontas District—</b>						
Chesapeake & Ohio	8,420	28,624	28,956	8,645	15,702	
Norfolk & Western	6,743	21,238	21,695	5,447	9,061	
Norfolk	614	4,377	4,270	1,306	3,261	
<b>Total</b>	<b>15,777</b>	<b>54,239</b>	<b>54,921</b>	<b>15,398</b>	<b>28,024</b>	
<b>Allegheny District—</b>						
Akron, Canton & Youngstown	661	781	744	1,056	1,215	
Baltimore & Ohio	25,764	46,227	44,998	21,114	28,618	
Besemer & Lake Erie	758	6,174	6,658	716	1,378	
Cambria & Indiana	7	1,672	1,652	10	15	
Central R. R. of New Jersey	6,544	6,775	7,497	13,352	22,369	
Cornwall	434	489	19	34	56	
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Penn-Reading Seashore Lines	1,826	2,001	1,787	2,120	2,606	
Pennsylvania System	60,382	50,031	84,330	43,461	64,057	
Reading Co.	14,237	16,069	15,816	17,471	30,740	
Union (Pittsburgh)	9,958	16,701	20,375	1,373	7,099	
Western Maryland	2,170	3,975	4,356	7,511	14,925	
<b>Total</b>	<b>142,919</b>	<b>167,226</b>	<b>162,525</b>	<b>160,296</b>	<b>235,608</b>	
<b>Northwestern District—</b>						
Chicago & North Western	16,265	19,037	18,161	12,201	14,085	
Chicago Great Western	2,292	2,978	2,374	3,068	3,167	
Chicago, Milw., St. P. & Pac.	19,236	20,167	19,949	8,709	10,130	
Chicago, St. Paul, Minn. & Omaha	3,255	3,463	3,217	4,085	3,640	
Duluth, Missabe & Iron Range	3,621	19,201	20,227	209	182	
Duluth, South Shore & Atlantic	641	800	560	494	578	
Elgin, Joliet & Eastern	6,722	9,225	8,572	6,723	11,139	
Ft. Dodge, Des Moines & South	503	434	394	107	96	
Great Northern	9,469	18,702	20,027	4,596	6,575	
Green Bay & Western	424	412	502	996	1,043	
Lake Superior & Ishpeming	216	2,403	1,325	63	50	
Minneapolis & St. Louis	1,589	2,073	1,864	2,471	2,402	
Minn., St. Paul & S. S. M.	4,601	6,532	6,091	3,445	2,990	
Northern Pacific	8,299	9,686	10,199	4,485	5,598	
Spokane International	136	235	157	399	803	
Spokane, Portland & Seattle	2,148	2,497	2,641	2,206	3,464	
<b>Total</b>	<b>79,417</b>	<b>117,845</b>	<b>116,260</b>	<b>54,257</b>	<b>65,942</b>	
<b>Central Western District—</b>						
Atch., Top. & Santa Fe System	22,987	24,238	21,475	10,756	15,698	
Aiton	2,793	3,950	3,058	2,800	3,949	
Bingham & Garfield	41	426	495	3	57	
Chicago, Burlington & Quincy	15,893	19,439	17,745	9,514	12,069	
Chicago & Illinois Midland	209	3,223	3,138	762	1,075	
Chicago, Rock Island & Pacific	11,951	12,551	10,854	12,090	14,749	
Chicago & Eastern Illinois	2,099	2,908	2,547	3,071	5,166	
Colorado & Southern	640	789	708	1,620	2,413	
Denver & Rio Grande Western	1,281	3,242	3,173	3,788	6,329	
Denver & Salt Lake	139	481	758	56	82	
Fort Worth & Denver City	1,045	3,057	2,783	1,544	1,655	
Illinois Terminal	1,950	2,472	1,937	1,351	2,242	
Missouri-Illinois	1,541	926	1,017	513	421	
Nevada Northern	1,501	1,372	2,036	61	118	
North Western Pacific	564	743	785	539	788	
Peoria & Pekin Union	7	19	3	0	0	
Southern Pacific (Pacific)	31,550	31,090	29,436	9,799	15,425	
Toledo, Peoria & Western	0	301	305	0	2,317	
Union Pacific System	12,442	15,978	13,314	11,616	18,538	
Utah	0	543	516	1	2	
Western Pacific	2,011	1,875	2,011	2,624	4,699	
<b>Total</b>	<b>110,644</b>	<b>127,471</b>	<b>116,094</b>	<b>72,508</b>	<b>107,730</b>	
<b>Southwestern District—</b>						
Burlington-Rock Island	308	414	256	341	400	
Gulf Coast Lines	6,803	7,064	7,306	2,437	2,794	
International-Great Northern	2,682	3,131	2,676	5,380	4,378	
K. O. & G., M. V. & O. C.-A.-A.	1,267	860	284	1,493	829	
Kansas City Southern	2,959	5,297	6,093	3,007	2,306	
Louisiana & Arkansas	2,386	3,668	3,318	2,456	2,830	
Litchfield & Madison	405	300	375	1,024	1,447	
Missouri & Arkansas	210	89	187	364	208	
Missouri-Kansas-Texas Lines	5,343	6,301	6,227	4,450	5,129	
Missouri Pacific	14,391	16,329	16,493	15,912	22,520	
Quannah Acme & Pacific	129	84	123	207	374	
St. Louis-San Francisco	8,076	8,506	8,100	7,140	12,123	
St. Louis-Southwestern	2,783	3,712	3,193	5,007	8,237	
Texas & New Orleans	9,832	11,287	12,645	5,702	5,486	
Texas & Pacific	5,185	5,607	6,101	7,355	8,914	
Wichita Falls & Southern	93	68	101	47	42	
Weatherford M. W. & N. W.	50	34	14	18	24	
<b>Total</b>	<b>62,902</b>	<b>72,751</b>	<b>74,193</b>	<b>62,340</b>	<b>78,043</b>	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1946	1945	1944	1946	1945
<b>Southern District—</b>					
Alabama, Tennessee & Northern	438	441	265	198	341
Atl. & W. P.—W. R. R. of Ala.	935	825	741	1,852	2,656
Atlanta, Birmingham & Coast	4,479	3,939	3,602	4,462	5,615
Atlantic Coast Line	16,228	14,956	13,348	10,326	12,991
Central of Georgia	4,479	3,939	3,602	4,462	5,615
Charleston & Western Carolina	515	496	418	1,306	1,460
Clinchfield	715	1,775	1,607	2,182	2,642
Columbus & Greenville	413	242	245	281	260
Durham & Southern	116	130	128	343	761
Florida East Coast	4,423	2,538	4,327	1,649	1,381
Gainesville Midland	91	58	39	125	175
Georgia	1,399	1,248	1,245	2,016	2,363
Georgia & Florida	481	438	361	763	730
Gulf, Mobile & Ohio	4,061	4,940	4,045	3,263	4,294
Illinois Central System	21,141	29,784	27,882	13,045	20,467
Louisville & Nashville	14,611	25,509	24,808	10,336	12,055
Macon, Dublin & Savannah	260	225	158	1,175	1,032
Mississippi Central	391	402	278	376	470
Nashville, Chattanooga & St. L.	3,274	3,733	3,302	3,906	4,874
Norfolk Southern	1,257	1,103	1,166	1,333	1,624
Piedmont Northern	402	410	403	1,194	1,202
Richmond, Fred. & Potomac	519	531	483	10,655	12,284
Seaboard Air Line	13,381	11,783	11,131	8,175	8,928
Southern System	24,521	25,708	23,313	20,867	27,264
Tennessee Central	541	761	680	530	772
Winston-Salem, Southbound	127	154	154	880	1,299
<b>Total</b>	<b>114,719</b>	<b>132,129</b>	<b>124,904</b>	<b>101,168</b>	<b>127,950</b>

Northwestern District—					
Railroads	1946	1945	1944	1946	1945
Chicago & North Western	16,265	19,037	18,161	12,201	14,085
Chicago Great Western	2,292	2,978	2,374	3,068	3,167
Chicago, Milw., St. P. & Pac.	19,236	20,167	19,949	8,709	10,130
Chicago, St. Paul, Minn. & Omaha	3,255	3,463	3,217	4,085	3,640
Duluth, Missabe & Iron Range	3,621	19,201	20,227	209	182
Duluth, South Shore & Atlantic	641	800	560	494	578
Elgin, Joliet & Eastern	6,722	9,225	8,572	6,723	11,139
Ft. Dodge, Des Moines & South	503	434	394	107	96
Great					

## Trading on New York Exchanges

The Securities and Exchange Commission made public on April 23 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 April 6, 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 April 6 (in round-lot transactions) totaled 2,916,282 shares, which amount was 16.19% of the total transactions on the Exchange of 9,009,910 shares. This compares with member trading during the week ended March 30 of 2,397,448 shares, or 16.13% of the total trading of 7,430,600 shares.

On the New York Curb Exchange, member trading during the week ended April 6 amounted to 803,530 shares, or 12.66% of the total volume on that Exchange of 3,147,595 shares. During the week ended March 30, trading for the account of Curb members of 648,620 shares was 12.95% of the total trading of 2,504,250 shares.

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

WEEK ENDED APRIL 6, 1946

A. Total Round-Lot Sales:		
Short sales	268,920	
Other sales	8,740,990	
Total sales	9,009,910	
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	853,980	
Short sales	178,170	
Other sales	701,850	
Total sales	880,020	9.62
2. Other transactions initiated on the floor—		
Total purchases	162,360	
Short sales	12,600	
Other sales	161,250	
Total sales	173,850	1.87
3. Other transactions initiated off the floor—		
Total purchases	393,235	
Short sales	40,960	
Other sales	411,877	
Total sales	452,837	4.70
4. Total—		
Total purchases	1,409,575	
Short sales	231,730	
Other sales	1,274,977	
Total sales	1,506,707	16.19

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

WEEK ENDED APRIL 6, 1946

	Total for Week	%
A. Total Round-Lot Sales:		
Short sales	40,880	
Other sales	3,133,715	
Total sales	3,174,595	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	247,910	
Short sales	18,580	
Other sales	259,105	
Total sales	277,685	8.28
2. Other transactions initiated on the floor—		
Total purchases	38,485	
Short sales	2,300	
Other sales	37,700	
Total sales	40,000	1.24
3. Other transactions initiated off the floor—		
Total purchases	106,925	
Short sales	9,720	
Other sales	82,805	
Total sales	92,525	3.14
4. Total—		
Total purchases	393,320	
Short sales	30,600	
Other sales	379,610	
Total sales	410,210	12.66
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
Customers' other sales	132,312	
Total purchases	132,312	
Total sales	130,246	

\*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.  
†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.  
‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."  
§Sales marked "short exempt" are included with "other sales."

## Civil Engineering Construction Totals \$131,594,000 for Week

Civil engineering construction volume in continental United States totals \$131,594,000 for the week ending April 25, 1946, as reported to "Engineering News-Record." This volume is 15% below the previous week, 309% above the corresponding week of last year, and 10% above the previous four-week moving average. The report continues as follows:

Private construction this week, \$83,937,000, is 20% below last week and 1,502% above the week last year. Public construction, \$47,657,000 is 6% below last week and 72% greater than the week last year. State and municipal construction, \$26,882,000, 16% below last week, is 488% above the 1945 week. Federal construction, \$20,775,000 is 17% above last week and 8% below the week last year.

Total engineering construction for the 17-week period of 1946 records a cumulative total of \$1,516,473,000, which is 191% above the

total for a like period of 1945. On a cumulative basis, private construction in 1946 totals \$1,001,950,000, which is 536% above that for 1945. Public construction, \$514,523,000, is 42% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, \$341,243,000 to date, is 459% above 1945. Federal construction, \$173,280,000, dropped 43% below the 17-week total of 1945.

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

	April 25, '46	April 18, '46	April 26, '45
Total U. S. Construction	\$131,594,000	\$154,743,000	\$32,332,000
Private Construction	83,937,000	104,944,000	5,240,000
Public Construction	47,657,000	49,799,000	27,092,000
State & Municipal	26,882,000	32,077,000	4,568,000
Federal	20,775,000	17,722,000	22,524,000

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

### New Capital

New capital for construction purposes this week totals \$16,051,000, and is made up of \$14,788,000 in State and municipal bond sales and \$1,263,000 in corporate security issues. New capital for the 17-week period of 1946 totals \$439,959,000, 58% greater than the \$278,693,000 reported for the corresponding period of 1945.

## Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended April 20, 1946, as estimated by the United States Bureau of Mines, was 710,000 net tons, an increase of 60,000 tons over the preceding week. In the corresponding week of 1945, output amounted to 11,234,000 tons. For the calendar year to April 20, 1946, production of bituminous coal and lignite amounted to approximately 163,149,000 net tons, a decrease of 10.7% when compared with the 182,770,000 tons produced in the period from Jan. 1 to April 21, 1945.

Production of Pennsylvania anthracite for the week ended April 20, 1946, as estimated by the Bureau of Mines, was 1,100,000 tons, a decrease of 239,000 tons, or 17.8%, from the preceding week. When compared with the corresponding week of 1945 there was a decrease of 187,000 tons, or 14.5%. The calendar year to date shows an increase of 7.5% when compared with the corresponding period of 1945.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended April 20, 1946, showed a decrease of 2,800 tons when compared with the output for the week ended April 13, 1946; and was 102,600 tons less than for the corresponding week of 1945.

Most of the production since April 1 has been from mines operating under contract with the Progressive Miner workers in Illinois and about 200 unorganized mines, located in various other producing regions. Since the beginning of the strike and through April 20, approximately 2,210,000 tons of bituminous coal have been mined, compared with 29,175,000 tons mined in the same period of last year.

Remaining stocks of bituminous coal held under orders of the Federal Government since March 28, to take care of critical emergencies, on April 28 were estimated by J. A. Krug, Solid Fuels Administrator, to be about 1,150,000 tons. This coal was accumulated through the operation of an order issued March 28, three days before the mine strike was called on April 1.

### ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE

	(In Net Tons)				
	Week Ended			Jan. 1 to Date—	
	Apr. 20, 1946	Apr. 13, 1946	Apr. 21, 1945	Apr. 20, 1946	Apr. 21, 1945
Bituminous coal & lignite—	710,000	650,000	11,234,000	163,149,000	182,770,000
Total, including mine fuel—	118,000	108,000	1,872,000	1,752,000	1,928,000

\*Subject to current adjustment.

### ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	(In Net Tons)					
	Week Ended			Calendar Year to Date—		
	Apr. 20, 1946	Apr. 13, 1946	Apr. 21, 1945	Apr. 20, 1946	Apr. 21, 1945	Apr. 24, 1937
Penn. Anthracite—	1,100,000	1,339,000	1,287,000	18,762,000	17,447,000	18,141,000
*Total incl. coal fuel	1,056,000	1,285,000	1,236,000	18,011,000	16,749,000	17,234,000
†Commercial produce.						
Beehive coke						
United States total	3,800	6,600	106,400	1,210,600	1,739,000	1,167,300

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

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

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

State—	Week Ended		
	Apr. 13, 1946	Apr. 6, 1946	Apr. 14, 1945
Alabama			136,000
Alaska			6,000
Arkansas and Oklahoma			60,000
Colorado			130,000
Georgia and North Carolina			*
Illinois			1,302,000
Indiana			320,000
Iowa			28,000
Kansas and Missouri		DATA	147,000
Kentucky—Eastern			792,000
Kentucky—Western			390,000
Maryland			34,000
Michigan		NOT	3,000
Montana (bitum. & lignite)			69,000
New Mexico			28,000
North & South Dakota (lignite)			27,000
Ohio	AVAILABLE	AVAILABLE	552,000
Pennsylvania (bituminous)			2,188,000
Tennessee			52,000
Texas (bituminous & lignite)			1,000
Utah			135,000
Virginia			339,000
Washington			27,000
†West Virginia—Northern			2,152,000
†West Virginia—Southern			1,127,000
Wyoming			180,000
Other Western States			—
Total bituminous & lignite	650,000	850,000	10,225,000

\*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.

## Vinson Entertained by Johnston of Chemical

Fred M. Vinson, Secretary of the Treasury, was entertained at a luncheon on April 26 at the Chemical Bank & Trust Co. of New York by Percy H. Johnston, Chairman of the Executive Committee and Harold H. Helm, First Vice-President and fellow Kentuckians. Mr. Vinson was the guest of honor at the Annual Dinner of "The Kentuckians" held at the University Club the night of April 26.

John B. Hutson, Assistant Secretary General in charge of Administrative and Financial Services of United Nations, another fellow Kentuckian was also present at the luncheon and other guests included:

Trygve Lie, Secretary General, United Nations; George L. Harrison, President, New York Life Insurance Co.; Lewis W. Douglas, President, Mutual Life Insurance Co. of New York; Allen Sproul, President, Federal Reserve Bank of New York; E. Tappan Stannard, President, Kennecott Copper Corp.; Harold Stanley, and Perry E. Hall, Partners, Morgan Stanley & Co.; John M. Schiff, Partner, Kuhn, Loeb & Co.; Clarence Francis, Chairman, General Foods Corp.; Robert T. Swaine, Cravath, Swaine & Moore; Jay E. Crane, Financial Vice-President, Standard Oil Company (N. J.); Harold J. Roig, Vice-Chairman, W. R. Grace & Co.; Dr. Henry W. Cave, Head Surgeon, Roosevelt Hospital; Wayne Johnson, Partner, Johnson & Shores, John J. Rust, President, "The Kentuckians" Vice-President, Equitable Securities Corp.; George F. Lee, Former President, "The Kentuckians"; Assistant Vice-President, United States Trust Company of N. Y.; Frank K. Houston, Chairman, and N. Baxter Jackson, President, Chemical Bank & Trust Co.; Joseph A. Bower, Chairman of Trust Committee, Chemical Bank & Trust Co.

## NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 23, a summary for the week ended April 13 of complete figure 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 April 13, 1946			
—Odd-Lot Sales by Dealers—			
	Total	Per Week	
(Customers' purchases)	40,653		
Number of orders	1,198,571		
Number of shares	\$54,179,228		
Dollar value			
—Odd-Lot Purchases by Dealers—			
(Customers' sales)	110		
Number of Orders	39,608		
Customers' short sales			
Customers' other sales	39,608		
Customers' total sales	39,718		
Number of Shares	4,029		
Customers' short sales	1,087,115		
Customers' other sales	1,091,144		
Customers' total sales	\$48,313,373		
Dollar value			
Round-Lot Sales by Dealers—			
Number of Shares	120		
Short sales	238,760		
Other sales			
Total sales	238,880		
Round-Lot Purchases by Dealers—			
Number of shares	335,580		

\*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 0.3% in Week Ended April 20, Labor Department Reports

Stating that "primary market prices continued to advance during the week ended April 20, 1946 as a result of sharp increases for certain industrial commodities and smaller increases for agricultural commodities," the Bureau of Labor Statistics of the U. S. Department of Labor reported on April 25 that "the index of commodity prices prepared by the Bureau rose 0.3% during the week to 109.6% of the 1926 average, 1.1% above four weeks ago and 3.8% higher than the corresponding week of 1945. The Bureau further stated:

**"Farm Products and Foods—**Average primary market prices of farm products were fractionally higher during the week. With speculative buying rye quotations reached the highest level since March, 1918. Sheep quotations were higher reflecting light supplies. Prices of lemons and oranges rose seasonally and apples and onions were higher with short supplies. Prices of potatoes in Eastern markets advanced with good demand. Sweetpotatoes declined sharply. Egg quotations rose particularly for poorer grades as Easter demand increased. Cotton quotations were lower. On the average farm product prices were 1.9% above a month ago and 4.6% above a year ago.

"The group index for foods rose 0.5% during the week largely because of higher prices for fruits and vegetables. There were small advances for dried fruits as OPA adjusted ceilings to cover wage increases. Rye flour prices advanced 15% to record levels. Food prices averaged 0.9% above late March 1946 and 4.4% above the corresponding week of 1945.

**"Other Commodities —** Continuing the trend of recent weeks, average prices for all commodities other than farm products and foods advanced 0.3% during the week to 103.1% of the 1926 average. This group of commodities has increased 1.1% during the last four weeks and 3.6% in the last year. Prices of several types of lumber, plumbing and heating equipment advanced sharply reflecting adjustments to new OPA ceilings, and there were small increases for common brick and plaster. Prices of farm machinery rose as higher ceilings were approved for individual manufacturers. OPA increased ceilings for work clothing to cover higher fabric costs."

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 23, 1946 and April 21, 1945 and (2) percentage changes in subgroup indexes from April 13, 1946, to April 20, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS FOR THE WEEK ENDED APRIL 20, 1946

Commodity group—	Percentage changes to April 20, 1946, from—							
	4-20 1946	4-13 1946	4-6 1945	3-23 1946	4-21 1945	4-13 1946	3-23 1945	4-21 1946
All commodities.....	109.6	109.3	109.1	108.4	105.6	+0.3	+1.1	+3.8
<b>Farm products.....</b>	<b>135.4</b>	<b>135.1</b>	<b>135.2</b>	<b>132.9</b>	<b>129.5</b>	<b>+0.2</b>	<b>+1.9</b>	<b>+4.6</b>
Foods.....	110.4	109.9	109.7	109.4	105.7	+0.5	+0.9	+4.4
Hides and leather products....	120.3	120.3	120.1	120.1	118.3	0	+0.2	+1.7
Textile products.....	105.2	105.0	104.5	102.4	99.1	+0.2	+2.7	+6.2
Fuel and lighting materials....	86.6	86.5	85.5	85.4	83.9	+0.1	+1.4	+3.2
Metal and metal products.....	109.0	106.2	108.0	107.9	104.3	+0.7	+1.0	+4.5
Building materials.....	126.0	124.0	124.0	123.6	117.0	+1.6	+1.9	+7.7
Chemicals and allied products..	96.1	96.1	96.0	96.0	94.9	0	+0.1	+1.3
Household goods.....	108.7	108.7	108.7	108.4	106.2	0	+0.3	+2.4
Miscellaneous commodities.....	95.4	95.4	95.4	95.4	94.6	0	0	+0.8
Raw materials.....	123.0	122.8	122.2	120.9	117.7	+0.2	+1.7	+4.5
Semi-manufactured articles....	100.8	100.8	100.6	100.3	94.8	0	+0.5	+6.3
Manufactured products.....	105.1	104.8	104.6	104.3	101.9	+0.3	+0.8	+3.1
All commodities other than farm products.....	103.9	103.7	103.4	103.0	100.3	+0.2	+0.9	+3.6
All commodities other than farm products and foods.....	103.1	102.8	102.4	102.0	99.5	+0.3	+1.1	+3.6

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM APRIL 13, 1946 TO APRIL 20, 1946

Commodity group—	Increases		Percentage
	4-20 1946	4-13 1946	
Plumbing and heating.....	5.8	Brick and tile.....	0.3
Other building materials.....	3.8	Other farm products.....	0.3
Fruits and vegetables.....	2.2	Other foods.....	0.2
Iron and steel.....	1.3	Cereal products.....	0.2
Lumber.....	0.7	Grains.....	0.1
Clothing.....	0.6	Livestock and poultry.....	0.1
Agricultural implements.....	0.4	Meats.....	0.1
Paint and paint materials.....	0.1		
	<b>Decreases</b>		
Cotton goods.....			0.1

## Non-Ferrous Metals—Market Reflects Early Settlement of Strikes and Price Relief

"E. & M. J. Metal and Mineral Markets," in its issue of April 25, stated: "With settlement of labor disputes that have crippled production and distribution of major non-ferrous metals since January believed to be near at hand, and relief in the form of higher ceiling prices for copper, lead, and zinc viewed as imminent, sellers last week became shy in offering these metals for delivery next month and thereafter on a flat-price basis. The level at which new ceiling prices will be set is not known, but most observers guess that 14¢ will be named for copper, 8 1/2¢ for lead, and 9¢ or higher for zinc. Rationing of copper and lead has returned and will continue until the "emergency" ends. The strike at Butte has been settled and negotiations to end the labor dispute at Ameri-

can Brass have been resumed." The publication further stated in part as follows:

### Copper

Voluntary rationing of copper and copper products by producers was requested by CPA in a statement of policy issued April 22. This step was taken because mine and smelter production of copper

has dropped more than 50%; brass mill production to 15% of capacity; wire mills to 25%; and rod mills to 25%, CPA officials said. Though the stockpile at the end of March contained 444,402 tons of copper, a shortage exists in certain shapes, notably wire bars. During the emergency the Copper Branch of CPA will work closely with the War Assets Administration to keep them informed of manufacturers' urgent needs, Frank H. Hayes, head of the Metals and Minerals Division of CPA, declared.

The fact-finding board resumed hearings on the labor dispute in Washington April 24.

Though demand for wire bars and cakes was active, the shortage in these shapes made for a very tight situation. The price developments expected here were also reflected in the foreign market. Offerings, except on an average price basis, were light all around. Export quotations at times were largely nominal.

### Lead

The Lead Industry Advisory Committee met with CPA officials in Washington on April 23 in reference to allocating May metal. Requests for lead, as expected, were cut down sharply, and effort was directed toward maintaining operations at plants consuming the metal.

Sales of lead in the week that ended yesterday amounted to 2,968 tons.

John W. Snyder, head of War Mobilization and Reconversion, stated on April 20 that chiefs of Government agencies and representatives of the lead industry have agreed on four emergency measures designed to increase substantially both domestic and world supplies of lead. The four requirements are:

- 1—Intensified efforts to salvage scrap lead.
- 2—Conservation and allocation to eliminate non-essential use of lead.
- 3—Early settlement of strikes.
- 4—Exploration of new sources of supply in the United States and in foreign countries.

Domestic refineries produced 25,336 tons of lead in March, against 41,643 tons in February and 48,029 tons in March last year, the American Bureau of Metal Statistics reports. The drop in production was caused by strikes. Figures for February and March, in tons, follow:

	March	Feb.
Stock at beginning.....	45,312	51,929
Production:		
Primary.....	24,179	40,070
Secondary.....	1,187	1,573
Shipments.....	25,336	41,643
Stock at end.....	28,702	48,257
	41,939	45,312

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

Apr.	Electrolytic Copper—		Straits Tin, —Lead—			Zinc
	Dom. Refy.	Exp. Refy.	New York	New York	St. Louis	
18	11.775	12.050	52.000	6.50	6.35	8.25
19	11.775	12.050	52.000	6.50	6.35	8.25
20	11.775	12.175	52.000	6.50	6.35	8.25
22	11.775	12.175	52.000	6.50	6.35	8.25
23	11.775	12.175	52.000	6.50	6.35	8.25
24	11.775	12.175	52.000	6.50	6.35	8.25
Average	11.775	12.133	52.000	6.50	6.35	8.25

Average prices for calendar week ended April 20 are: Domestic copper f.o.b. refinery, 11.775¢; export copper f.o.b. refinery, 12.104¢; 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.

### Zinc

Early settlement of labor disputes at major brass mills is expected, which would lead to a gain in consumption of those grades of zinc that have been relatively inactive so far this year, namely Regular High Grade and Brass Special. The call for Prime Western and Special High Grade was active last week. The industry is following developments in Washington because of possible revision of OPA's price policy. Sentiment among zinc producers is not as bullish as in copper and lead, owing to price competition with aluminum and other basic materials.

### Tin

The stockpile of tin at the end of March contained 53,818 long tons, of which 21,903 tons was in the form of pig tin and 31,915 tons was contained in ore and concentrate. A year ago the total on hand was 61,282 tons, of which 25,285 tons was pig tin and 35,998 tons was in ore and concentrate.

The price at which metal is moving to consumers continues unchanged on the basis of 52¢ for Straits quality. Forward quotations follow:

	April	May	June
April 18.....	52.000	52.000	52.000
April 19.....	52.000	52.000	52.000
April 20.....	52.000	52.000	52.000
April 22.....	52.000	52.000	52.000
April 23.....	52.000	52.000	52.000
April 24.....	52.000	52.000	52.000

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

### Quicksilver

The price situation in quicksilver was about unchanged last week. The domestic market at present is following the price pattern set by Spanish agents. However, there was no pressure to sell from any direction and quotations on spot held at \$102 to \$105 per flask, depending on quantity involved. Forward metal was offered by importers on the basis of \$101.50 per flask, New York.

### Silver

Until legislators arrive at a decision on the price level at which the Treasury may release "free" silver, the market situation is not expected to improve. Most sellers still look for a compromise, which means a higher price than the 71.11¢ basis.

Washington advices state that a compromise on Treasury silver at 90¢ an ounce for the next two years and \$1.29 thereafter has virtually been agreed upon.

The New York Official price of foreign silver was unchanged last week at 70 3/4¢. London held at 44d., with no quotation on Monday, owing to a holiday.

## Peacetime Control of Atomic Energy Speeded

When the atomic energy bill was reported out on April 19 by the special Senate Committee which had been studying the legislation, it was accompanied by a 125-page report telling of the Committee's work over a period of nearly five months to draft a measure which would seek to control the most destructive power yet known to man. In discussing the legislation on a radio round-table broadcast sponsored by the State Department the following evening, Senator Brien McMahon of Connecticut, Chairman of the Atomic Energy Committee, expressed the hope that the bill would receive quick action by the legislature.

On the same broadcast, as reported from Washington to the New York "Times," Dr. E. U. Condon, director of the National Bureau of Standards and scientific adviser to the Senate Committee, warned that delay in establishing civilian control, a provision of the legislation, was injuring our program of atomic research.

From London, on April 21, came reports to the "Times" of the protests of Harold J. Laski, Chairman of the Labor party, who criticized the United States policy of secrecy in atomic-bomb manufacture as a threat to international relations.

On April 23, Major-Gen. Leslie R. Groves, officer-in-charge, Manhattan Project, under which the atomic bomb was developed, told the annual conference of the Society of the Plastics Industry that it would be ten to fifteen years before industrial use of atomic energy could be expected to be a reality. The General told his audience, according to the "Journal of Commerce," that a new program of research on atomic energy was soon to get under way. He went on to say that building up of a uranium stockpile designed to produce atomic energy for industrial use will be started. The same advices stated:

"The experimental pile is not expected to be an economical producer or afford the basis for any exact estimate of what atomic power may cost industry.

The future of atomic energy must remain clouded, Gen. Groves said, until Congress passes legislation governing its development and use. He added that the bomb was dropped Aug. 6 last year and that the Manhattan Project had been waiting since that time to proceed with the development of peacetime applications.

## Result of Treasury Bill Offering

The Secretary of the Treasury announced on April 29 that the tenders for \$1,300,000,000 or thereabout of 91-day Treasury bills to be dated May 2 and to mature Aug. 1, which were offered on April 26, were opened at the Federal Reserve Banks on April 29.

Total applied for, \$1,850,058,000.

Total accepted, \$1,309,246,000 (includes \$43,723,000 entered on a fixed price basis of 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

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

There was a maturity of a similar issue of bills on May 2 in the amount of \$1,315,867,000.

## Items About Banks, Trust Companies

John E. Biewirth, President of the New York Trust Company, announced on April 24 the promotion of Granger Costikyan from Assistant Trust Officer to Assistant Trust Officer to Assistant Vice-President. Mr. Costikyan a graduate of Yale University, A. B. degree, 1929, has held several positions since joining the company in 1929 and is at present in charge of the Investment Service Department. As Assistant Vice-President, he will be in charge of a new department resulting from the consolidation of credit and statistical operations.

Harvey L. Schwamm, President of the National Bronx Bank of New York, announces that the bank's newest branch, located at White Plains Avenue, just off Pelham Parkway, opened for business on Monday, April 29th. The new branch is known as the Van Nest Office and occupies its own modern building fronting on White Plains Avenue. In addition to providing complete banking service and facilities the Van Nest Office is equipped with safe deposit vaults as well as travel and foreign remittance departments. Mr. Schwamm also announced that Jack Gutstein, Assistant Vice-President, who will be assisted by Frank W. Fitzpatrick, Assistant Cashier, will manage the Van Nest Office. The main office of the National Bronx Bank is located at 150th Street and Melrose Avenue and maintains other branches serving the needs of several Bronx communities.

Walter S. Bergh completed 40 years as an employe of the State Bank of Albany, N. Y. on April 23, according to the Albany "Times-Union" which stated that Mr. Bergh, Assistant head teller at the banking institution, entered the bank's service as a messenger boy on April 24, 1906, and has filled many positions in it during the last 40 years, occupying his present post for several years.

The 100th anniversary of the Buffalo Savings Bank of Buffalo, N. Y. will be observed on May 9. From the Buffalo "Evening News" it is learned that Myron S. Short, President of the bank on April 26 announced that "The whole week of May 6-11 is being set aside as Open House Week in honor of our birthday. Historical exhibits will be arranged in the bank and visitors will receive color brochures of 'A Century of Service in Buffalo.'"

From the "Evening News" we also quote:

"The institution was the 12th savings bank to be organized in New York State. Millard Fillmore, later to become President of the United States, was one of its incorporators. Today the bank is 19th in size among 532 savings banks in the United States. Created by an act of the Legislature May 9, 1846, when Buffalo had a population of nearly 30,000 and prided itself on being the metropolis of the West, the bank opened its doors two months later in the old Spaulding's Exchange, 162 Main Street, just below the Terrace.

"Four months after the banks opening, there were 104 depositors and deposits totaled \$13,466. By the end of the year, resources had grown to \$18,585. Today Buffalo Savings has 135,510 accounts and resources of \$190,381,357.

"Mr. Short is the bank's 12th President. His predecessors have been Charles Townsend, the first President; Russell H. Heywood,

Albert H. Tracy, Elijah D. Efner, Edward L. Stevenson, Warren Bryant, Edward Bennett, Jewett M. Richmond, Spencer Clinton, E. Corning Townsend and Charles L. Gurney, now Chairman."

The Mercantile Trust Co. of Baltimore, Md., announced on April 25 the election of Ellicott H. Worthington as a Vice-President. The "Baltimore Sun" in reporting this said:

"Mr. Worthington, now connected with the investment banking firm of Baker, Watts & Co., will assume his new duties on May 1.

"He will be associated with H. Elmer Singewall, Vice-President in charge of the trust company's uptown office at Charles and Chase Streets."

James Dixon, President of the Easton National Bank of Easton, Md., and also President of the Maryland Bankers Association since 1944, died on April 18, at the age of 72. The Baltimore "Sun" in reporting Mr. Dixon's death also said:

"He became a director of the Easton National Bank in 1906, Vice-President in 1915 and succeeded his father as President three years later. He was a former director of the Baltimore branch of the Federal Reserve Bank of Richmond."

The Farmers State Bank, Plainville, Ind., became a member of the Federal Reserve System on April 23, it is announced by the Federal Reserve Bank of St. Louis, which states:

"The new member was organized as a private bank in 1908 with a capital of \$10,000. It obtained its State charter in November, 1937 and has a capital of \$25,000, surplus of \$10,000 and total resources of \$841,679.05. Its officers are: Emery S. Harstine, President; Frank B. Goshorn, Vice-President; W. Lyle Witsman, Cashier, and Orby R. Chandler, Assistant Cashier."

The addition of the Farmers State Bank brings the total membership of the Federal Reserve Bank of St. Louis to 493 as compared with 480 a year ago.

Following the organization meeting of the stockholders of the new North Shore State Bank of Milwaukee, Wisc., on April 19, it was announced that the bank will open for business on May 4—The Milwaukee "Journal" reporting this stated:

"The new institution will open with a capital of \$100,000 in common stock, surplus of \$25,000 and a contingent fund of \$25,000. Officers elected are Ralph M. Rosenheimer, President and Cashier; Floyd A. Fuller, Vice-President, and Harvey O. Kneser, Assistant Cashier."

Mr. Rosenheimer, President of the new institution has been Vice-President of the Cudahy State Bank of Cudahy, Wis. He is a director of the State Bank of Fredonia, Wis., and the Bank of Jackson, Wis., as well as several civic organizations.

John Pisarkiewicz, who recently returned to the Mercantile-Commerce Bank & Trust Co., St. Louis, Mo., after four and one-half years of military service, has been appointed Manager of the bank's War Veterans' Loan Department. He will handle all interviews in connection with loans to veterans under the provisions of the Servicemen's Readjustment Act (GI Bill).

The stockholders of the Morris Plan Industrial Bank of Louis-

ville, Ky., will act on May 16 on the question of changing the name to the Bank of Louisville and to change its capitalization, Jesse F. Streng, President, announced on April 26. Indicating this, the Louisville "Courier-Journal" of April 27 further said:

"It is planned to increase capital stock from \$100,000 to \$200,000 and to split present \$100 par value shares into five shares of \$20 par value stock. At the same time holders of each \$100 par value share will be given two additional shares of \$20 par value stock and be given the right to purchase three additional shares of \$20 par value stock at \$45 a share.

Completion of the plan would give the bank in addition to capital stock a surplus of \$200,000 and undivided profits of \$60,000. Streng said under a new lease concluded, the bank will enlarge and remodel its present banking room, and take over the second floor and part of the basement in the building it rents."

## 1945 Resources of Community Trusts in U. S. and Canada

Community Trusts in the United States and Canada had aggregate charitable resources of \$75,092,009 at the end of 1945, compared with \$67,041,684 at the close of 1944, according to a survey published on April 22, by the New York Community Trust. During 1945 \$2,021,890 was disbursed, compared with \$1,918,475 in the preceding year. The number of unit funds administered has risen to 627 from 543 at the end of 1944. From the announcement we also quote:

"Reported holdings of the largest community trusts at December 31, 1945, were New York Community Trust, \$17,090,046; Chicago Community Trust, \$12,274,073; Cleveland Foundation, \$9,607,644; and Boston Permanent Charity Fund, \$5,994,791. Next in order were similar foundations in Los Angeles, \$4,194,669; Winnipeg, \$3,609,603; and Indianapolis, \$2,888,045. Among community trusts as a whole approximately 20% of reported resources are temporarily devoted to non-philanthropic uses but in a number of localities, including New York, Boston and Indianapolis, all funds held are currently applicable for charitable purposes.

"In amount of disbursements during 1945, New York was first with \$567,349, followed by Chicago with \$351,211, Boston with \$250,715, Cleveland with \$253,929, and Hartford with \$114,742.

"The largest volume of new incoming funds was \$1,030,510 received by the Cleveland Foundation. Other sizable additions reported included those of the Hartford Foundation for Public Giving, \$848,016; Chicago Community Trust, \$776,000 and Kalamazoo Foundation, \$586,650.

"Community Trusts receiving their first funds during 1945 were the St. Paul (Minn.) Foundation, the Mt. Vernon (O.) Community Trust, the Wilmington (N. C.) Community Welfare Foundation and the Rochester (Minn.) Community Foundation. Initial out-payments were made in 1945 by community trusts in Spartanburg (S. C.) and Columbus (O.), Alameda County (Cal.), and Centralia (Ill.).

The survey was based on reports from 75 community foundations. Of these, 65 are now in possession of funds and 54, compared with 48 a year earlier, are currently making appropriations.

## Urge Halting Double Tax on Residents and Corporations in US and Britain

"Double taxation of incomes and estates of residents and corporations in the United States and the United Kingdom should be halted" the Commerce and Industry Association of New York declared on April 17 urging adoption of the Tax Convention by the U. S. Senate.

"The provisions of the Convention, which is now pending between the United States and the United Kingdom of Great Britain and Northern Ireland, conform substantially to the conventions which have been adopted in the past," said the Association.

In a letter to the Senate Foreign Relations Committee, Thomas Jefferson Miley, Association Secretary, wrote:

"Discriminatory taxation of foreign business and investment is a practice that must be avoided or corrected if we are to enjoy free and uninterrupted international economic and financial intercourse. Business enterprise has always tended to expand beyond national frontiers. Communications are rapid, raw materials are located in distant lands and production depends upon the maintenance of large foreign markets.

"It has become vital, therefore, to give particular attention to the taxation problems of these international enterprises. Each country makes its own tax laws, so that difficult and intricate questions arise as to the taxability of businesses operating in more than one country. The worst damage done by double taxation lies in the barriers which it presents to a further development of efficient enterprise. It should be emphasized that without such agreements double taxation is likely to hinder international enterprise and checkmate efforts to promote international economic cooperation. The unfettered exercise of unlimited national sovereignty is as dangerous in the field of taxation as elsewhere."

## English Gold and Silver Markets

We reprint below the quarterly bullion letter of Samuel Montagu & Co., London, written under date of April 1:

### Gold

The amount of gold held in the Issue Department of the Bank of England was unaltered at £247,833.

The Bank of England's buying price for gold remained unchanged at 172s. 3d. per fine ounce, at which figure the above amount was calculated.

The gold output of the Transvaal for the months of January and February 1946 is given below, together with the figures for the corresponding months of 1945 for the purpose of comparison:

	1946	1945
January	1,016,458	1,029,384
February	946,577	965,569

The Indian Budget statement made on February 28, 1946 provided for a duty on the import of gold into India of Rs. 25 per tola, which is the equivalent of £5 per ounce.

### Silver

Throughout the three months under review the official price of 44d. per ounce .999 fine for both cash and two months' delivery remained unaltered and silver continued to be supplied by the authorities for use in essential industries. The purposes for which such silver may be acquired were officially reviewed and, as a result, a notification issued towards the end of March extended the uses considered as "essential" to requirements for photography, soldiers and certain engineering requirements for home consumption.

In Bombay the year opened with the price quoted at Rs. 135 per 100 tolas (64½d. per ounce) and conditions were fairly steady until January 12, when an ordinance, aiming at black market activities, was issued by the Government of

India under which bank notes of Rs. 500 and over ceased to be legal tender. Generally unsettled conditions ensued and the Bombay Bullion Exchange decided to close until further notice; in the meantime, "ceiling" and "floor" prices for trading were fixed at Rs. 140 and Rs. 136 for silver and Rs. 85 and Rs. 81 for gold. The Exchange re-opened for dealing on January 15th, but business was spasmodic and on several days quotations were nominal or no trading reported. At the end of the month the situation appeared more normal, with prices showing a firmer tendency, and on February 11th silver was quoted at Rs. 148.14.0; this level was not maintained and prices declined following a Government notification easing the restrictions on the period for forward dealings and allowing for monthly deliveries as from March 12th.

When the contents of the Indian Budget became known on February 28th it was revealed that it was proposed to increase the import duty on silver into India from 3.6d. per ounce to 9d. per ounce; this unsettled the market and, in consequence, it was not until March 29th that dealings on a monthly basis were resumed. Following the Budget statement there was no trading in ready silver until March 14th, when it was quoted at Rs. 145.8.0, but thereafter there was a rapid upward movement and the highest price of the first quarter of the year, namely Rs. 159.5.0 (76 7/16d. per ounce) was reached on Mar. 30th.

## First Assembly of World Court at Hague

The first meeting of the new Permanent Court of International Justice, elected by the United Nations Assembly and the Security Council, took place on April 18 in the Peace Palace at The Hague, the Netherlands, a wireless to the New York "Times" stated. The court, during a purely formal ceremony in which 15 Judges took an oath to administer the law impartially for the benefit of all nations, was described by speakers from several of the United Nations as equal in importance with the General Assembly and the Security Council in the maintenance of world order. Said Paul-Henri Spaak, President of the Assembly: "If we had lost the war there most certainly never would have been such a body in existence." The "Times" dispatch continued:

"The significance of the new court, which replaces the old Permanent Court of International Justice established here in 1922 under the aegis of the League of Nations, may be much greater, since it includes representatives of the United States and the Soviet Union, Green H. Hackworth of the United States, who is a member of the court, said before the session. He explained that it was impossible to foretell the exact nature or volume of the work to be handled by the court until after the peace treaties have been signed.

"At present the court is busy changing rules of procedure to meet the requirements of the United Nations instead of the League. The Judges were confident today that their decisions would be supported by the Security Council and consequently would be respected by the nations appearing before it."