Final Edition ESTABLISHED OVER 100 YEARS In 2 Sections—Section 2

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 163 Number 4488 New York, N. Y., Thursday, May 9, 1946 Price 60 Cents a Copy

Releases Report on Coal Strike Impact

President publicizes data furnished by Office of War Mobilization and Reconversion. Says local inventories are nearly exhausted and that damage to reconversion progress will take months to mend. Reports rails, utilities, as well as basic industries, threatened with shutdowns. Steel, chemicals and building materials producers hard hit.

On May 4 President Harry S. Truman made public the following report received from the Office of War Mobilization and Reconversion on the Impact of the Coal Strike on Reconversion, based on data assembled by the Civilian Production Administration:

President Truman

Manufacturing plants are closing down all over the country as a result of the month-old soft coal strike. And yet the American people have barely begun to feel the full impact of this national disaster. The basic industries — particularly steel—have received the initial body blow from the strike. The impact on even these industries has been cushioned by stocks on hand and in transit. But from now on the effects will spread rapidly throughout the economy and the damage to reconversion progress will take months to mend.

Not only have inventories of coal been nearly exhausted, but inventories of raw materials dependent upon coal are being depleted. Even after the miners return to the pits, it will take ten days to two weeks before coal consumers begin to receive a regular supply, and it will probably take another week for closed plants to build up sufficient stocks to resume operations. Then the first weeks of production of basic materials will have to be used by manufacturers of consumer goods to fill depleted pipelines — inventories of both raw materials and goods in process.

Railroads

Drastic curtailment of both passenger and freight railroad service has been imposed on coal-burning railroads effective May 10 by the Office of Defense Transportation. Coal-consuming carriers are ordered to stop all railroad freight shipments except foods, fuels, and a few other essential products, and to reduce passenger service by 25% on that date. In the meantime the direc-

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Krug Warns of Serious Coal Shortage

Solid Fuels Administrator says strike has caused loss of 60 million tons and that less than a million tons remains in the emergency stock. Export of coal to liberated countries is halted, and there is danger of food shipments ending. Railroad traffic affected and industrial operations curtailed.

Further drastic curtailment of industrial activity and stricter limitations on public service in the United States were forecast on May 3 by Solid Fuels Administrator J. A. Krug. He declared that the relief and rehabilitation program for Europe is on the verge of collapse, due to the bituminous coal strike which began on April 1, and has resulted to date in the loss of 60,000,000 tons of coal.

J. A. Krug

Since the beginning of the strike, the Solid Fuels Administration has been distributing coal

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The Financial Situation

From superficial appearances the unwary observer might very easily obtain the impression that an almost unparalleled popular clamor, altogether spontaneous in nature, had arisen the burden of whose song is "save the OPA." An unbroken stream of daily dispatches flows out of Washington telling of an "avalanche" of letters and telegrams which is said to have "buried" Senators and Congressmen many feet under. One hears almost every day of another newly organized group whose main, if not sole purpose in life, is to make certain that the OPA is continued unmolested and unrestricted at least for another year. In inadvertent moments the aim of these organizations is permitted to appear to be what it really is—permanent life for the OPA. Those who do not read the newspapers or listen to news commentators can scarcely fail to obtain the same sort of impression from the numerous requests made for their signatures to petitions demanding that the wicked conspiracy seeking to kill or to cripple OPA be crushed at once and for all time.

Spontaneity Lacking

It would be difficult—for us indeed it would be impossible, at this time at least—to estimate the degree in which the rank and file of the people detect the lack of spontaneity in all of this. About as difficult would it be to appraise the direct strength of the movement, or assess the safety of measuring its strength by the number of signatures appearing upon such appeals as these. Doubtless there are a good many members of both branches of the national legislature who would give a good deal to be able to reach dependable conclusions about these matters. No one can doubt, of course, that all this is the shrewdly planned, carefully organized and efficiently executed work of the extreme

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The Coal Strike

By EDWARD R. BURKE*

President, Southern Coal Producers' Association

Holding that the coal strike was not caused by a dispute over wages, hours, working conditions, or failure to bargain collectively, prominent coal operator asserts that, in addition to a more than $100 million loss in miners' wages, an incalculable sum has been lost to others because of mine shutdown. Says bituminous miners are among highest paid of industrial workers and have shortest working hours. Points out that mine operators favor greater safety measures for reducing accident hazards and that they have made the most constructive safety proposals ever presented. Denies that operators oppose collective bargaining, and scores the Lewis proposed royalty tax on coal as a tribute "which the union would be free to spend as it pleased." Attacks unionization of supervisory personnel.

On April 1, 400,000 employees of an essential industry quit work. Was there dissatisfaction with wages? Were the hours of work too long? Were working conditions bad? Did the employer refuse to engage in real collective bargaining with the union?

May we examine each of these four points? When I have finished, you will agree that this coal strike was not caused by any dispute over wages, hours, working conditions, or failure to collectively bargain.

The miners quit work because one man, John L. Lewis, told them to quit. They followed his orders even though it meant forfeiture to them and their families of $5,000,000 a day in wages. Their April holiday has cost them something like $100,000,000. They imposed a staggering loss on the very industry which provides them with the opportunity for profitable employment. They forced idleness upon increasing thousands of innocent workers in other industries. The Lewis strike means continued misery for millions of unhappy men, women, and little children in foreign lands whom he has reprived of the coal we promised them to aid in their recovery from the ravages of war. Can we blame them if they question whose guilt is greater, the leaders who ruthlessly brought on the world war, or the one responsible for this economic madness?

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*A radio address by Mr. Burke over the Mutual Broadcasting Network, May 4, 1946.

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*These items appeared in our issue of Monday, May 6, on pages indicated.

Free Markets in A Free Society

By ODY H. LAMBORN*

President, Lamborn & Co.

President, National Association of Commodity Exchanges and Allied Trades, Inc.

Mr. Lamborn contends controlled markets generate black markets and despoil honest trade. Holds that without a free market democracy is degenerating into many pressure groups each working to get "the grease from the Federal Pork Barrel." Denounces lip service given free enterprise by those who are working for its destruction, and contends OPA, together with subsidies, is stifling production. Cites failure of controlled prices and regimented economy in past, and concludes law of supply and demand cannot be defeated.

One does not have to be an economist to know that the American economy is dangerously ill. We see it all around us.

We know that there are many essential products we cannot buy freely and many we cannot buy at all. We know that there are many products that the fabricators will not produce. We know that there are severe price dislocations between many related products which are checking or stopping the production and natural flow of much needed raw materials and finished products. We know that strikes are working a great hardship on the nation and taking a vast toll on the production side. We know that black markets have honeycombed the nation, breaking down the sense of moral values of the people and putting vast sums, untaxable, into the hands of the scum of the nation. We know, in general, that our machinery of production and trade is dangerously out of kilter and that it be-

Ody H. Lamborn

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*An address by Mr. Lamborn before the Fort Wayne Chamber of Commerce, Fort Wayne, Ind., April 26, 1946.

From Washington Ahead of the News

By CARLISLE BARGERON

You can imagine the feeling your correspondent has been having when he says that for a period of more than 12 years, he has been wondering what would happen if the country were to get into two crises at once. Coming in here to write this piece we saw a line three blocks long waiting for nylons. We thought that there was the America which Roosevelt dominated and it would be a good idea to ask them which of the two crises now over our heads worried them more. Invariably, they said, nuts with the crises, we want nylons.

Carlisle Bargeron

To this writer, that is a frightening aspect of our civilization, as our better columnists might say. Manifestly, unless these people who are what are called the heart of America, realize that we have got to pursue a leadership in world affairs in a "real sense" we are obviously sunk. Frankly, we don't know anything more about what it is for a people to be "obviously sunk" than not to deal with world affairs in a "real sense."

But the thing that annoyed us about these people in the nylon line was that they were not concerned about crises. The poor boobs, and you can understand where Roosevelt got his votes, had not the slightest idea that crises, beyond getting nylons, were abrook. A situation like this frightens our leaders in Government and our leaders in the business of moulding public opinion.

You can imagine what we are up against—that is, the leaders in our Government on the one hand and our columnists, the leaders of free journalism, on the other. They have both assured us that we were up against crises. One, the most amazing crisis ever to be worked up in our life, is the crisis about the OPA. While the people were sleeping, or working, or going about their ordinary pursuits, a bunch of greedy interests descended upon Washington and caused the House of Representatives, whom the people thought were representing them while they did their every day work—these greedy interests slipped in here, the Congressmen being up for reelection this year, and put something over on the people.

The people would have been really sunk "in a real sense" had it not been for one honest man in all America, Chester Bowles. Just as Paul Revere or the ancestor of Dawes, who later became a bigwig in our Government, by virtue of his saying "hell and Maria" at the proper time when the Congress was trying to get at the outrageous expenditures of World War I; well, just as these two gentlemen did, along comes Chester Bowles to awaken the American people as to what is about to be done to them after World War II.

The Congressmen really got frightened. Chester went on the radio and shouted "disaster, disaster." It was an amazing commentary on our form of government that this Bureaucrat, the creature of Congress, could do this. Congress had employed him, Congress had a right to get him off the payroll. But could it? Bowles said no. With his milliferous speech and access to the radio, with his connections with the CIO and the American Veterans Committee which brags about its being but another agitating group, the Congress was flooded with mail in favor of the OPA. Should Chester win this fight, it will be one of the most amazing commentaries on our Government which your correspondent has ever known. Some Republicans and Democrats are fumbling around on the problem of how to deal with this kind of situation, a situation whereby their views get little or no publicity but a man and agency of their creation has free access to the radio. They are bewildered and do not know just how to approach it.

But, in the meantime, with the Congressmen talking about "modification" of what they have done to the OPA, talking about their having "gone too far" and the Senators saying yes, the House did go too far, they get a rainbow in the sky, which is a commentary on what we are up against.

The rainbow is Fulton Lewis, a commentator, with a wide audience, who told his listeners that the mail was flooding in against doing anything to OPA and if they were against OPA they had better send in their messages. These messages, we are informed by members of Congress, are strengthening them in their original determination to curb OPA.

But isn't that a pleasant picture. A week ago we reported that Congress was weakening under the agitation which Chester had organized. Now, we are told that a broadcast by Fulton Lewis has brought them support. Government by stampede is the picture you have!

But another thing in our favor, that is, those of us who think something should be done to OPA, and you may have been wondering about our second crisis. There is a crisis also in the coal strike. Mr. Truman says so, and all of his subordinates are rushing in to inflict this penalty and that penalty, this curtailment of fuel and that curtailment of fuel, to back him up. This crisis, about which the Government has no idea of what to do aside from calling it a crisis, makes too many crises. Unbeknowing to the Bureaucrats the people can't digest that many crises. They are getting more docile all the time, but when it comes to multiple crises, they take their place in the nylon line.

Hearings Held on Anti-Royalty Bill

House Judiciary Committee begins consideration on proposed measure to outlaw royalty exactions by unions. Hear testimony of Mosher of NAM and Jackson, new President of U. S. Chamber of Commerce.

On May 6, just a short time after its introduction, the House Judiciary Committee began hearing on the bill introduced by Representative A. Willis Robertson of Virginia (H.R. 6259) which would make unlawful the exaction of royalties by labor unions. Among the first witnesses were Ira Mosher, Chairman of the Board of the National Association of Manufacturers, and William K. Jackson, recently elected President of the Chamber of Commerce of the United States. Both strongly urged the immediate passage of the measure.

Mr. Mosher testified that "the time had come to settle this question once and for all by outlawing forever any private levy on the many for the benefit of the few." He warned Congress not to lose sight of the real issue—the power to tax—"and that is the issue no matter how thin you slice it or try to perfume it."

Pointing out the dangers of allowing the principle of a royalty tax to become public policy through failure to recognize the issue, Mr. Mosher said that "Nothing succeeds like success and once this principle is established as a national policy, there can be no stopping. The success of any union demand automatically becomes the basis for the 'gimmes' by every other union. The second and third round would up the ante again and again. The force of competition among unions would inevitably make their demands pyramid. They have to do as well or better than the next one to stay in business."

Mr. Jackson told the committee that his organization held that royalties levied by trades unions should be outlawed on the following grounds:

1. They constitute in effect the levying of a tribute by unions simply because they have the necessary strength to make the exactions. These tributes inevitably would increase the cost of production and bring about higher prices to the consumer; but entirely apart from that, they are wrong in principle and should be prevented.
2. Where the exactions take the form of royalties upon production, the arrangement goes outside the accepted purposes of collective bargaining, which purposes are to deal with wages, hours and working conditions; and they, therefore, set up a new and artificial advantage to union membership at the cost of the employer and of the public.
3. If the precedent is established, such royalty exactions could become universal in their application; and they might be extended to any purpose desired by labor leaders.

"We favor this legislation," continued Mr. Jackson, "because we believe that royalty agreements of the kind against which the legislation is aimed are not in the public interest. The kind of levy upon industry proposed by certain union leaders is simply an exaction for the interest of a limited group chargeable to the expense of all.

"We are aware that various arrangements are now in effect under which employers pay certain sums to unions for sick and health benefits. I am not going to discuss the origin of these plans, nor the extent to which they have been exacted by the unions, adopted as subterfuges under wage stabilization, or passed on to the public in the form of increased prices by the employer.

"I am aware that to date some of the demands for such royalties have been accompanied by pledges that they would be used for providing hospital services and sick benefits for union members. Actually, the funds so raised would be entrusted to labor organizations to be used at their discretion, and they might be made to serve any other purpose which the union leaders decided upon."

The Whirlwind

"Manufacturing plants are closing down all over the country as a result of the month-old soft coal strike. And yet the American people have barely begun to feel the full impact of this national disaster. The basic industries — particularly steel—have received the initial body blow from the strike. The impact on even these industries has been cushioned by stocks on hand and in transit. But from now on the effects will spread rapidly throughout the economy and the damage to reconversion progress will take months to mend.

"Not only have inventories of coal been nearly exhausted, but inventories of raw materials dependent upon coal are being depleted. Even after the miners return to the pits, it will take ten days to two weeks before coal consumers begin to receive a regular supply, and it will probably take another week for closed plants to build up sufficient stocks to resume operations. Then the first weeks of production of basic materials will have to be used by manufacturers of consumer goods to fill depleted pipelines—inventories of both raw materials and goods in process. . . .

"In the first three weeks of the strike the Government's emergency stock of 1,650,000 tons of soft coal was reduced by nearly a third to maintain operations at food processing plants, gas and water works, hospitals and other vital activities. If all requests for coal were granted, the emergency stocks would last only thirty-six hours.

"Soft coal production in April amounted to about 3,000,000 tons compared with an output of more than 50,000,000 tons in March. The daily rate of production in May is even lower than in April, owing to the walkout of the Progressive Mine Workers who are not affiliated with the United Mine Workers and who were not on strike during April.

"Reports collected by the Civilian Production Administration indicate that the coal strike is cutting deeper and deeper into the activity of all segments of the economy." — Report of the OWMR to the President.

For a decade and more we have been sowing the wind. Now comes the whirlwind.

A.B.A. Makes Four Staff Promotions

Four promotions of members of the A.B.A. staff were made at the annual spring meeting of the Executive Council of the A.B.A., it was announced by Harold Stonier, Executive Manager. John L. DeJong was made Assistant Director of the News Bureau; G. Edwin Heming was made Assistant Director of the Advertising Department; Robert G. Taylor was named Assistant to the Economist; and Carroll A. Gunderson was advanced from Assistant Secretary to Secretary of the Credit Policy Commission. Mr. DeJong, who has been with the A.B.A. News Bureau for two years, was formerly identified with the Associated Press and before that with country newspapers in New Jersey and the Middle West. Mr. Heming joined the Association's Advertising Department two years ago. For 12 years he was in charge of the advertising and new business activities of the First National Bank and Trust Co. of Freeport, Long Island, N. Y., and for eight years thereafter he was associated with the Merrill Anderson Co., a financial advertising agency. Mr. Taylor, a former Washington newspaper man, was associated with the A.B.A. News Bureau for four years before entering the U. S. Navy. He has recently returned after two years of duty in the South Pacific area. Mr. Gunderson joined the A.B.A. staff more than two years ago as Staff Director of its Small Business Credit Commission. He continues in that post. He was formerly Vice-President and Director of the Bank Credit Corp., St. Paul, Minn., and later in charge of the midwestern territory of the Credit Utility Company of New York. He is past President of the St. Paul Chapter of the American Institute of Banking.

Office of Comptroller Of Currency Assigned

It is announced by the Treasury Department that effective April 23 the Office of the Comptroller of the Currency has been assigned to the supervision of Edward H. Foley, Jr., Assistant Secretary of the Treasury. Secretary Vinson added that Department Circular No. 244, dated July 15, 1943, and Treasury Department Order No. 28, dated Jan. 18, 1940, are modified accordingly. Confirmation by the Senate of the nomination of Mr. Foley to be Assistant Secretary of the Treasury in place of Herbert E. Gaston, resigned, was noted in our issue of April 25, page 2278.

Rail Travel Cut of 50% Ordered by ODT

The Office of Defense Transportation on May 3 ordered a 50% reduction in passenger service on trains powered by coal-burning locomotives, effective May 15, according to an Associated Press dispatch, which adds:

This follows the order on May 2 cutting such passenger service 25%, effective May 10, and prohibiting all freight shipments, except fuel, food and medicines.

Truman Signs Bills for Money Aid to Philippines And Giving Islands Preferential Market in U. S.

Legislation, in the form of two bills, has been enacted by Congress in the interest of the Philippine Islands, signed by President Truman on April 30. One of the bills, it was noted in the Associated Press, sets up mutually advantageous trade relations between the islands and the United States for a 28-year period beginning July 4, the date on which the Philippines get their freedom.

The other provides for $525,000,000 and for transfer of $100,000,000 in surplus property to help in the restoration of the war-ravaged country.

In signing the new legislation President Truman said:

"I am happy to approve these two measures, which give notice to the people of the Philippines and to the entire world that we are redeeming our promises to the heroic Philippine people."

At the time of the adoption on April 18 by the House of the Conference reports on the trade and rehabilitation bills, Washington advices to the New York "Times" said:

"The trade bill now goes to the White House. It guarantees the Philippines a preferential market in the United States for 28 years, with the first eight years free of duty under a quota system and the next 20 years on the basis of a gradual imposition of tariffs at the rate of 5% annually, calculated on the Cuban duty.

"The bill stipulates that United States citizens shall have equal property rights in the Philippines, a provision opposed by the Philippine Government.

"The rehabilitation bill now goes back to the Senate for action on the House-approved conference report. The conferees agreed to the House addition of $70,000,000 to the Senate-approved authorization. A total of $520,000,000, plus the transfer of $100,000,000 in surplus property, is authorized in the legislation as approved by the conferees.

The conference report on the trade bill was adopted by the Senate on April 17 and the House on April 18, while the rehabilitation bill was approved by the House on April 18 and the Senate on April 19. Under the trade bill the Philippine Islands will be permitted to ship 850,000 long tons of sugar a year into the United States tariff free during the next eight years. Seven pens were used by President Truman in signing the bills. In the Associated Press advices April 30 from Washington, it was stated:

"He distributed five of the pens to Secretary of the Interior Krug; Carlos P. Romulo, Philippine Resident Commissioner in Washington; Senator Tydings (D.-Md.), Chairman of the Senate Territories Committee; Richard Ely, Special Assistant to the High Commissioner to the Philippines, and James C. Penman, Administrative Consultant to the Commissioner."

Further Associated Press advices of that date (April 30) said:

The trade legislation has these major objectives:

1. Establishment of customs duties on a reciproacl basis, preferential as against all other countries.

2. Determination of quotas on the imports of major Philippine products.

3. Reciprocal, non-discriminatory treatment in the field of taxes.

4. Adjustments in the immigration laws of both countries to meet future needs.

5. Protection of United States citizens and American business enterprises against discriminatory treatment.

Until July 3, 1954, all Philippine articles are permitted duty-free entry into this country on an annual quota basis. After that time, they will be subject, with certain exceptions, to graduated duties.

Beginning with the calendar year 1946 and extending throughout the life of the agreement, the following annual quotas are imposed on major Philippine articles:

Sugar, 850,000 long tons; cor- [illegible] ,000,000 pounds; rice, 1,040,000 pounds; cigars, 200,000,000; scrap and filler tobacco, 6,500,000 pounds; coconut oil, 200,000 long tons; pearl buttons, 850,000.

The money to be appropriated under the financial-aid bill will be used to restore public and industrial buildings, schools, transportation, utilities and other property damaged by war.

In his statement made with the signing of the legislation, President Truman said:

"I have today signed H. R. 5856 and S. 1610, the two bills which constitute the heart of the program for Philippine rehabilitation and recovery.

"On Oct. 6, 1943, President Roosevelt called upon the Congress 'to make provisions of law which govern the economic relations between the United States and the Philippines, so as to assist in making the Philippines, as an independent nation, economically secure.'

"That recommendation was made in the heat and desperation of struggle. It climaxed promises made to the people of the Philippines that not only would their land be liberated from the tyranny of the enemy, but that they would be given their full independence and would be rehabilitated from the ravages of war.

"The enactment of H. R. 5856 and S. 1610 into law marks the fulfillment of the last of these promises.

"In S. 1610, we are making provision for war damage payments to those who suffered war losses in the Philippines, and for the reconstruction and rehabilitation of public property. We are also undertaking to rehabilitate and develop those technical skills and services which will be essential for the survival and growth of the Philippines as an independent nation.

"In H. R. 5856, we are providing for the establishment, through an executive agreement, of an unprecedented plan of preferential trade relations with the Philippines to last for 25 years. We have never entered into similar agreement with any foreign government. Preferential trade relations are alien to the policy of this administration. In substance, however, H. R. 5856 is a rehabilitation act. Its sole purpose and guiding philosophy is to furnish a formula for the rehabilitation of the Philippine national economy through the encouragement of private enterprise and private initiative. H. R. 5856 provides an economic function for the buildings and factories which will be restorted and rebuilt under the terms of S. 1610.

"While it is unfortunate that the Congress saw fit to provide in S. 1610 that no war damage payment in excess of $500 shall be made until the executive agreement shall have been entered into between the President of the United States and the President of the Philippines under the terms of H. R. 5856, to all practical purposes this provision is surplusage, as the benefits which will flow under the enactment of the two bills are so great as to insure execution of the executive agreement by the Republic of the Philippines.

"This is unprecedented legislation for the United States, but the situation itself is unprecedented. We are about to grant political independence to these people. Today we are giving them a chance to preserve and develop their nation on a temporary economic basis of trade preferences. Political independence without economic stability would be totally ineffective."

Credit Men to Back Appeal on Non-Par-Check Law of Neb.

The filing of notices of appeal to the Nebraska Supreme Court on the decision by Judge H. D. Landis in the Saunders County District Court, which declared the Nebraska par clearance law as unconstitutional, recently announced by Walter R. Johnson, Attorney General of Nebraska, is of interest to credit men throughout the nation; on May 1 the statement was made by Henry H. Heimann, Executive Manager of the National Association of Credit Men, which has been aggressively fighting for the par clearance of checks, that his organization stood ready to assist the Attorney General in every way possible in the appeal from this decision. It is noted by the Association that the Nebraska Par Clearance Law was passed in 1945. It requires that State banks clear their checks at par. All national chartered banks are required by Federal Legislation to clear their checks at par.

Mr. Heimann stated that if the Nebraska decision is upheld in the higher court, it might change the banking practice as well as some of the commercial practices of the nation. He pointed out that checks are the principal currency of the United States and that as such they must be worth their face value. He emphasized that his organization was not opposed to service charges and had supported these in the interest of better earnings for banks. Exchange charges are another matter, he pointed out, as no creditor would definitely know the value of his check if this practice of making charges is legalized, as the amount charged by the various banks differs considerably and there is no legal limitation as to the charges. The advices from the Association add:

"Mr. Heimann stated that as this was the first decision on a State law governing par clearance that had been made, his organization, composed of more than 25,000 of the credit and financial officers of manufacturing and wholesaling institutions throughout the country, is vitally interested in the results of the appeal. He stated that while there are only two states now that have so-called par clearance laws, similar legislation is pending in other states, through the efforts of various business organizations, including the credit men's group.

"The banks in the majority of the States now pay their checks at par. There has been during the past two years a general trend among state banks to pay their checks at full face figures. The effort by the credit men's organization to obtain state laws to compel par payment of checks, Mr. Heimann pointed out, has been pushed only in those States where banks have shown an unwillingness to follow the usual custom of paying their checks at par.

Swiss-UN Pacts Signed

Associated Press advices from Geneva, April 20, published in the New York "Times" said:

"Two agreements consigning the privileges and immunities of the League of Nations in Switzerland to the United Nations have been signed by a United Nations subcommittee and the Swiss Government, said a Swiss announcement today. One agreement involves properties. The other is a temporary assignment of privileges and immunities to United Nations representatives in Switzerland."

The State of Trade

The national coal crisis continued to grow worse the past week hampering production and causing the suspension of some passenger traffic schedules by the railroads. Compelled by the seriousness of the situation, the Office of Defense Transportation issued an order on Thursday last, calling for a general freight embargo to take effect on Friday of this week. This was followed by a new order from the same office the next day requiring all railroads to cut their coal-burning passenger locomotive mileage by 50% on May 15.

The freight embargo eliminates the movement of all freight with the exception of food, medical supplies and other essentials, and, according to rough estimates of railroad officials, only 25% of the freight the roads were carrying prior to the coal strike will continue to move.

Conferences between the miners and operators continued stalemated the past week and there is no present indication of compromise or agreement after a walkout by the miners now exceeding a period of five weeks. Seizure of the mines by the Government was discussed in some quarters, but it was pointed out, such a move would be to no avail if the miners could not be persuaded to return to work. Such a possibility exists in view of the fact that there are several wartime precedents for their refusal to do so.

Overall industrial output last week declined slightly and backlogs of orders continued to mount as limited supplies of both raw materials and component parts hindered further output in many industries.

Steel production as was to be expected declined the past week, but auto output continued to reflect steady progress since the first week in March, and last week increased 12.3% over that of a week ago. Production of many types of farm machinery, on the other hand, lagged. Demand for almost all scrap metals remained high with available stocks low.

For the current week beginning Monday, May 6, steel operations are scheduled at 58.7% of ingot capacity against 67.7% in the previous week, or a decrease of nine points, or 13.3%, the American Iron & Steel Institute reports.

A slight falling off was noted the past week in retail trade for the country at large, but it nevertheless remained considerably above that of the corresponding period a year ago.

In wholesale markets the volume increased further last week and was also well above that for the like period of 1945. New orders volume rose for the week with a slight improvement noted in the delivery situation.

For the first quarter of 1946 consumer spending on goods and services was at the rate of $120,000,000,000 a year, the Department of Commerce reports. This represents an all-time high and exceeds the annual rate of a year ago by $20,000,000,000.

Steel Industry—Steel ingot output last week dropped $5\frac{1}{2}$ points to 68.5% of rated capacity but it will take a much sharper dive this week as additional steel firms find their coal piles dwindling. The total loss of steel ingots up to the end of last week because of the strike is more than 1,000,000 tons. By the end of this week the total loss will come close to 1,750,000 tons unless the coal strike is ended, which is less than a remote possibility, according to the "Iron Age," national metal-working paper in its review of the steel trade dated May 1, last.

From a manufacturing standpoint the effect of the coal strike the past week was serious on steel users through curtailment of the use of industrial power. Varying utility company coal stocks provide no uniform national basis for curtailment of services, states the magazine, but in some important industrial centers regulations are beginning to appear which will cut power consumption for manufacturing as much as 50%.

If the coal controversy is not settled by June 1, the overall effect will approach the chaotic production and order situation which resulted from the steel strike earlier this year. Production schedules have already been disrupted to some extent and many companies have found their delivery promises further and further extended.

In an effort to supply steel companies with a better return for those products on which the profit is small or non-existent, the OPA will soon take action to revise the prices of certain steel products upward. This action, it is hoped, will also serve the purpose of stepping up production of these low-return products.

Steel officials, CPA and OPA met last week to allocate increases to the various low-return steel products. It was expected that part of the increase would involve alloy steels which will receive an advance of 8.2% instead of the 4% recently granted by the OPA. The OPA does not believe that the increases to be made soon will be any more inflationary than was the general steel price increase made on Mar. 1 because of certain deficiencies in the total amount of increases allocated to steel products at that time.

While the steel industry was granted permission to raise tinplate $5 a ton as of Feb. 15, the action was nullified because all large tinplate producers had already signed 1946 contracts at the old price.

Reports of isolated black market transactions in steel are becoming more frequent, the "Iron Age" points out. One method involves the resale of materials secured on quotas by firms which do not require the steel but such transactions are definitely few and far between. Some customers located in remote terrritories from sources of supply are taking delivery near the point of production in some instances so as to continue to secure steel from producers who otherwise would withdraw because of high freight absorption.

According to reports some producers have been approached by persons offering commissions of from $5 to $10 a ton for flat-rolled products and small rounds, but such cases the magazine adds, are by no means descriptive of anything but a very small part of the steel market situation. They, however, are straws in the wind reflecting the extremely tight steel supply.

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 58.7% of capacity for the week beginning May 6, compared with 67.7% one week ago, 78.3% one month ago and 95.1% one year ago. This represents a decrease of 9 points or 13.3% from the previous weeks.

This week's operating rate is equivalent to 1,034,500 tons of steel ingots and castings and compares with 1,193,100 tons one week ago, 1,379,900 tons one month ago and 1,741,900 tons one year ago.

Electrical Production—The Edison Electric Institute reports that the output of electricity decreased

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The Financial Situation

(Continued from first page)

left elements which are the support of Mr. Bowles, Mr. Wallace, and Mr. Hillman—and which used to be a very important element in support of President Roosevelt and his New Deal.

Time doubtless will tell how effective all these tricks will be this time—now that the master hand of Mr. Roosevelt is not at the controls. Concerning that phase of the matter, about all that can be said at this moment is that the more successful it proves to be the less bright the future of this country will appear. But there is another and far more fundamental aspect of such phenomena as this which must not be permitted to escape attention. The danger that it will so elude the man in the street is always great—particularly in the midst of the emotional strife such as we appear doomed to suffer in these postwar years. Such campaigns as these almost invariably reveal — and when they do not reveal they conceal within themselves—the degree in which concepts, procedures, and practices alien to traditional American notions of democracy have entered into the life stream of the American people. Responsive to various influences—not the least among them being an enormous infiltration of communistic, socialistic and fascist ideas and even personnel from other countries—the American people, politically speaking, are crystallizing into "classes," "groups," or "interests," and on a constantly increasing scale the shaping of our affairs is largely controlled by "coalitions" of this, that or the other class or group for some specific purpose immediately in hand.

The Cause of Many Wrecks

It was largely upon this rock that a number of European ships of state have been wrecked in the past decade or two. Rarely does such a situation yield political stability and progress. Often political and governmental stalemates result which block all progress, and even make orderly government extremely difficult. It was from such soil as this that Nazism and Fascism sprang. It was largely if not solely responsible for the impotence of France in the face of German aggression. Russia is finding such situations in Eastern Europe made to order for its intrigue in those regions. It certainly is not helping France recover its lost position among the nations of the world today. At an earlier date one such element or class—the proletariat—was able to take over the state, boots and baggage, in Russia, and institute a regime which through the years has proved itself as ruthless in act if not in preachments as the Nazis in later years.

Of course, the phenomenon is not wholly new in this country. We have had our left wing movement, usually largely recruited from and directed by emigres from Europe, which have day and night preached the "class struggle" conception of society, and which have done what they could to organize and activate the people in this country along such lines as their preachments suggested. The "farm vote" has been an important reality to the politician in this country for a number of decades at least. Through the years farmers have tended to become more "class conscious," as it were, and to vote as a group. In the earlier years of the century there was regularly a good deal of talk about labor union leaders swinging their membership to or against this or that candidate for office, but practical results rarely matched promises or predictions. There are those who today assert that the vote of the unions is not in the hollow of the hands of the leaders in the degree commonly supposed. This may be true, but the fact remains that "labor" as a bloc in our population seems to vote as a bloc in much larger degree than in past decades.

Prohibition as an Example

We had one rather sad experience with this type of bloc Government immediately follow World War I. It was what is now known as the "prohibition era." It was once referred to as an "experiment, noble in purpose," or some such term. The fact of the matter is that it was the brain-child, the protege, of certain religious denominations which were able to swing the votes of their memberships in large degree so far as one particular issue was concerned. Campaigns mounted in support of prohibition in those days were about as thoroughly and as skillfully organized and managed as those of the Political Action Committee of today, and they were fully as successful. Indeed it may well be that Mr. Hillman has learned a good deal of his technique from these religious organizations, which most of us now-a-days are certain made the fatal mistake of stepping beyond the boundaries of legitimate religious activity. The movement, which had gone to great extreme, ultimately received one of the most severe repudiations ever inflicted upon any political movement in our history.

The basic techniques continue, however, and with constantly developing procedures become more and more a menace to true democracy as we in this country have conceived it. The prohibitionists were interested only in prohibition. The modern group organization such as the PAC finds its interests as broad as the activity and interests of society at large. It is active not only in support of candidates for political office whose records and promises are satisfactory to it, but remains active throughout the inter-election years for the purpose of initiating, supporting and giving effect to specific programs of a varied sort. Its outlook is not so much that of an American citizen as that of a "class," and its strength—and the danger it presents—is a product of the class consciousness, the class solidarity, the unthinking acceptance by its members of what they are told is the "line" formulated by their leaders.

We should feel much more confident about the future of this country if we had more plain American citizens and fewer enslaved members of classes or groups within society.

N. Y. Savings Banks Retirement System

The Fifth Anniversary of the establishment of The Savings Banks Retirement System was observed on May 1 by the addition of one more participating institution—the Staten Island Savings Bank—and by the fact that the assets of the System passed the $3,000,000 mark. The System now has 62 participating banks and 2,700 participating employees, respective gains of 35% and 37% over the number of banks and employees participating one year ago. Organized on May 1, 1941, The Savings Banks Retirement System commenced operation with but 21 participating banks and 502 participating employees. The System was the culmination of studies conducted by several committees of The Savings Banks Association of the problem of the retirement on reasonable pensions of officers and employees of New York State savings banks. The System affords service retirement, disability and death benefit coverages to the participating employees and makes special provision for the crediting of service rendered prior to participation—a feature adopted by 41 of the participating banks. Created as a non-profit trust under authority granted by the State banking law, the System is self-administered by a Board of Trustees all of whose members are officers of savings banks in the State, and its operations are supervised by the State Insurance Department.

Principal advantages of participation in the System from an employee's point of view are the assurance of an adequate old age retirement benefit measured entirely by his service and salary record, as well as protection in the event of his death or disability. From the bank's point of view, participation in this formal and funded contributory retirement plan reduces long term pension costs, strengthens the morale and continuity of services of employees, and systematizes the retirement of officers and employees.

March Class I RR. Gross Earnings $166,818,981 Lower—Net Income Drops About $105,331,000

The Class I railroads of the United States in March, 1946, had an estimated deficit, after interest and rentals of $42,400,000 compared with a net income of $62,931,000 in March, 1945, according to reports filed by the carriers with the Bureau of Railway Economics of the Association of American Railroads and made public May 3. Net railway operating deficit, before interest and rentals of $20,459,240 compare with a net railway operating income of $102,003,623 in March, 1945. The Association further reported as follows:

In the first three months of 1946, these roads, which represent a total of 227,799 miles, had an estimated net income, after interest and rentals of $17,100,000 compared with $146,698,000 in the corresponding period of 1945. Net railway operating income, before interest and rentals totaled $108,706,637 compared with $249,879,982 in the same period of 1945.

In the 12 months ended March 31, 1946, the rate of return on property investment averaged 2.56% compared with a rate of return of 3.91% for the 12 months ended March 31, 1945.

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

Total operating revenues in the first three months of 1946 totaled $1,866,113,380 compared with $2,276,234,529 in the same period of 1945, or a decrease of 18.0%. Operating expenses in the first three months of 1946, amounted to $1,568,170,303 compared with $1,574,092,307 in the corresponding period of 1945, or a decrease of 0.4%.

Expenses for the first quarter of 1946 include approximately $147,000,000 of back pay resulting from the recent wage increases of 16 cents per hour. These charges were made in the March accounts.

Fifty-nine Class I railroads failed to earn interest and rentals in the first three months of 1946, of which 26 were in the Eastern District, ten in the Southern Region, and 23 in the Western District.

Eastern District

The Class I railroads in the Eastern District in the first three months of 1946 had an estimated deficit, after interest and rentals of $11,500,000 compared with a net income of $57,330,000 in the same period of 1945. For the month of March alone, their estimated deficit, after interest and rentals, was $26,000,000, compared with a net income of $30,951,000 in March, 1945.

The same roads in the first three months of 1946 had a net railway operating income, before interest and rentals of $29,118,162 compared with $100,538,996 in the same period of 1945. Their net railway operating deficit before interest and rentals, in March amounted to $14,086,592 compared with a net railway operating income of $48,537,146 in March, 1945.

Operating revenues of the Class I railroads in the Eastern District in the first three months of 1946 totaled $825,576,670, a decrease of 15.3% compared with the same period of 1945, while operating expenses totaled $720,610,388 or a decrease of 1.3% below 1945.

Southern Region

The Class I railroads in the Southern Region in the first three months of 1946 had an estimated net income, after interest and rentals of $6,200,000 compared with a net income of $26,973,000 in the same period of 1945. For the month of March alone, they had an estimated deficit, after interest and rentals of $5,800,000 compared with a net income of $8,991,000 in March, 1945.

Those same roads in the first three months of 1946 had a net railway operating income, before interest and rentals, of $22,729,868 compared with $42,548,475 in the same period of 1945. Their net railway operating deficit before interest and rentals, in March amounted to $854,137 compared with a net railway operating income of $14,988,964 in March, 1945.

Operating revenues of the Class I railroads in the Southern Region in the first three months of 1946, totaled $274,688,891 a decrease of 19.1% compared with the same period of 1945, while operating expenses totaled $222,156,738 or an increase of 3.9% above 1945.

Western District

The Class I railroads in the Western District in the first three months of 1946 had an estimated net income, after interest and rentals of $22,400,000 compared with $62,395,000 in the same period of 1945. For the month of March alone they had an estimated deficit, after interest and rentals, of $10,600,000 compared with a net income of $22,989,000 in March, 1945.

Those same roads in the first three months of 1946 had a net railway operating income, before interest and rentals, of $56,858,607 compared with $106,792,511 in the same period of 1945. Their net railway operating deficit, before interest and rentals, in March amounted to $5,518,511 compared with a net railway operating income of $38,477,513 in March, 1945.

Operating revenues of the Class I railroads in the Western District in the first three months of 1946 totaled $765,847,819, a decrease of 20.4% compared with the same period of 1945, while operating expenses totaled $625,403,177 a decrease of 0.7% below 1945.

CLASS I RAILROADS—UNITED STATES

Period End. Mar. 31—	1946—Month	—1945	1946—3 Months	—1945
Total operating revenues	$646,099,474	$812,918,455	$1,866,113,380	$2,276,234,529
Total operating expenses	627,990,132	544,588,578	1,568,170,303	1,574,092,307
Operating ratio—percent	97.20	66.99	84.03	69.15
Taxes	26,133,265	151,559,292	154,752,578	410,600,960
Net railway operating inc. before charges	*20,459,240	102,003,623	108,706,637	249,879,982
Net income after charges (estimated)	*42,400,000	62,931,000	17,100,000	146,698,000

*Deficit.

Truman Pacific Trip Only Tentative

President Truman's trip to the Pacific in July, in time for the inauguration of Philippine independence on July 4, announced early in April, was described by White House Press Secretary Charles G. Ross as being "extremely tentative" on April 16, Associated Press Washington advices stated, adding that the projected Philippine visit has long been under consideration and planned to take place if affairs at home do not prevent. Asked if the President might go on to Japan if he arrived as far as the Philippines, Mr. Ross said again that the whole trip was "just one of those tentative things on which there are only the vaguest details," and that the President "might go anywhere—he doesn't know."

Industrial Activity in March Reported by Federal Reserve Board

"Industrial production advanced considerably in March and appears to have declined only moderately in the early part of April notwithstanding a complete shutdown in the bituminous coal industry and some reduction in output at steel mills," it is indicated in the summary of general business and financial conditions in the United States, based upon statistics for March and the first half of April, and issued on April 23 by the Board of Governors of the Federal Reserve System. "The value of retail trade has continued to set new records during this period and wholesale commodity prices have risen further," according to the Board, which continued:

Industrial Production

"Production at factories and mines, according to the Board's seasonally adjusted index, rose from a level of 153% of the 1935-39 average in February to 169 in March. This is slightly above the level reached last November before production was reduced by strikes in the automobile, electrical equipment, and steel industries. In April the index will probably show a decline of 3 or 4 points as decreases in coal and steel are only partly offset by continued increases in other industries.

"The large increase shown by the total index in March was due for the most part to a sharp recovery in steel ingot production following settlement of the labor dispute. There were production gains also in industries manufacturing automobiles, machinery, stone, clay and glass products, furniture, textiles, paper and rubber products. These gains in steel and other industries were offset only in small part by declines in the nonferrous metal industries, some food industries, and crude petroleum.

"Steel ingot production for the month of March averaged 84% of capacity as compared with 20% in February and at the end of March was close to 90%. Subsequently, due to reduced coal supplies, steel output declined and by the fourth week of April was down to a rate of 74% of capacity. In the automobile and machinery industries production increased substantially during the latter part of March and the early part of April, reflecting improvement in steel supplies and settlement of important wage disputes.

"Output of stone, clay, and glass products continued to advance in March and production in the first quarter of this year exceeded the previous peak levels reached at the beginning of 1943.

"Output of nondurable goods rose further in March to a level of 168% of the 1935-39 average, the highest level since last June. Production of nondurable goods for civilian use is now in larger volume than at any previous time. Activity at woolen mills has shown an exceptionally large advance since the end of last year and, with marked increases in cotton consumption and rayon shipments, the Board's index of textile production in March was at a level of 162% of the 1935-39 average. This equals the previous peak rate at the beginning of 1943.

"Mineral production declined in March as a further advance in coal production was more than offset by a decline in crude petroleum output and by work stoppages at important metal mines. Activity at bituminous coal mines was suspended beginning April 1 owing to a labor-management dispute over a new wage contract.

Employment

"Employment in nonagricultural establishment rose by about 600,000 in March after allowance for seasonal changes. This rise reflected increased employment in manufacturing — largely in the iron and steel group—and continued gains in trade and construction. There were further substantial releases from the armed forces. The total number of persons unemployed remained at a level of about 2,700,000 in March.

Distribution

"Department store sales rose sharply in March and continued at a high level in the first half of April. Total sales during the Easter season are estimated to have been about one-fourth higher than last year.

"Freight carloadings during March were close to the record rate for that month reached last year. In the first three weeks of April loadings declined, reflecting the stoppage of bituminous coal production. Shipments of most other classes of revenue freight continued to increase.

Commodity Prices

"Wholesale prices of agricultural and industrial commodities continued to advance from the middle of March to the third week of April. The general level of wholesale prices is now higher than last September by something over 4%. In recent weeks ceiling prices for a number of products have been raised considerably and where ceilings have been removed prices have generally risen. A bonus of 30 cents a bushel has been granted on wheat delivered by May 25 under the certificate plan to help meet the critical food situation abroad, and a like payment has been offered for 50,000,000 bushels of corn. Subsidy payments for some commodities have been increased to prevent further price advances.

Bank Credit

"Member bank reserve positions tightened in the last half of March as Treasury deposits at the Reserve Banks were increased by large income tax collections. Banks sold short-term Government securities largely to the Reserve Banks, and drew down their reserve balances to meet this loss of funds. Reserve positions were eased on April 1 in connection with the cash redemption of 2.0 billion dollars of Treasury certificates on that date, and in the following weeks banks bought Government securities and reduced borrowings at Reserve Banks.

"Commercial and industrial loans at member banks in leading cities increased further. Loans to brokers and dealers rose at the end of March in connection with Treasury security retirement operations and declined sharply in the week ending April 3. Deposits, other than those of the Treasury, fluctuated considerably, reflecting large income tax payments and the April 1 tax assessment date in Illinois.

"Yields on long-term Treasury bonds have remained relatively steady following a sharp decline in January and the first half of February."

100,000,000-Pengoe Note Out

From the New York "Times" of April 30 we take the following Associated Press advices April 29 from Budapest, Hungary:

"A 100,000,000-pengoe note was issued today as Hungary's inflation soared to new heights. The American dollar, which before the war would buy five pengoes, will purchase 220,000,000 today. Financial circles said the 100,000-pengoe note probably would be withdrawn soon because it costs more to print than the bill is worth. In September one egg cost 60 pengoes, in March 60,000, in early April 350,000 and today 2,400,000."

Retail Store Sales High in First Quarter

During the first quarter of 1946 the nation's retail stores enjoyed their biggest business in hisory with estimated total sales reaching an annual rate of $90,000,000,000, the Department of Commerce said on April 25. This represents a gain of 20% over the sales of the first quarter of 1945, according to the commerce department's advices, which added:

"Sales in the nondurable goods field—including filling stations, food, drug, apparel and department stores—were chiefly responsible for the increase. These sales reached an annual rate of $75,000,000,000 during the first quarter, $16,500,000,000 more than the annual rate established during the quarter just prior to V-J day (April-June, 1945), according to the Office of Business Economics.

"Grocery and other food store sales showed the largest single increase since V-J Day, reaching an annual rate of $23,200,000,000 during the first quarter of 1946 and accounting for about ¼ of the total retail sales gain, the department said. Sales by retail apparel stores were 40% higher on an annual basis than they were nine months ago and general merchandise stores showed increases of 30%.

"In the durable goods field, including stores selling primarily automobiles, parts and accessories, furniture, electrical appliances, and jewelry, the increases were much less pronounced because of a lack of goods to sell, the Department of Commerce said.

"During the first quarter of 1946 durable goods stores were selling at the annual rate of $14,500,000,000, compared with an annual rate of $10,100,000,000 during the second quarter of 1945 and total sales of $15,600,000,000 in 1941.

"Prices are now substantially above what they were in 1941 and in recent months have tended to move further upward. Thus price advances account for a very substantial part of the increase in the dollar volume of sales, it was pointed out.

"Measured against the sales that might be expected on the basis of the pre-war (1941) relationship of sales and income, total retail sales were only $1,000,000,000 below the pre-war norm; sales of durable goods stores were $14,000,000,000 below and sales of nondurable goods stores were $13,000,000,000 more."

During the entire period of the war the dollar totals of retails sales increased steadily, the Department of Commerce said but the increase was far below what could have been expected in relation to current incomes. This was due primarily to shortages in consumer goods and to price, and rationing controls, the Department reported, further stating:

"During 1944 and the first half of 1945 the difference between actual retail sales and the 'expected' total amounted to an annual rate of $20,000,000,000, virtually all of the deficiency was in the durable goods field.

"Although durable goods sales are only about half what could be expected on the basis of prewar relationships of such sales to income, the dollar amounts are now about 35% above what they were a year ago and less than 10% below the average for 1941. During the first quarter of 1946 jewelry store sales were at the annual rate of $1,300,000,000, compared with $600,000,000 in 1941; sales of home furnishings stores $3,500,000,000 compared with $2,600,000,000, and sales of building material and hardware dealers $5,500,000,000 compared with $3,900,000,000. On the other hand sales of automobile dealers were at the annual rate of only $4,200,000,000 compared with $8,500,000,000 sales in 1941.

New Proposals of Federal Reserve System For Control of Banking Holding Companies

The withdrawal by the Federal Reserve System of its request to Congress for legislation to freeze existing bank holding companies at their present size and preventing the creation of new bank holding companies was made known in Associated Press advices from Washington April 30, in which it was also stated:

"At the suggestion of Reserve Chairman Marriner S. Eccles, Chairman Spence (D.-Ky.) of the House Banking Committee introduced a substitute bill proposing a much milder control of such banking concerns.

"The revised bill would permit new bank holding companies to come into existence and also the expansion of existing such companies through acquisition of stock or assets of banks if the board found this would not be detrimental to the public interest.

"A statement prepared by the Reserve Board said:

"'In its revised bill the Board has recommended that Congress treat bank holding companies in much the same manner as it has dealt with banks themselves.

"'It recognizes that bank holding companies, if limited solely to managing, operating and controlling banks and placed under appropriate governmental supervision, including control over their creation and expansion, are and can be legitimate and efficient forms of banking enterprise.'"

According to advices to the "Wall Street Journal" of May 1, from its Washington bureau, the chief purpose of the bill is to require banks to withdraw from all non-banking business except where the Board itself feels such operations may be in the public interest. The Board itself would be given wide authority to exempt any particular bank, at its discretion, from the restrictions of the law. The "Wall Street Journal" account further said:

"Both Board officials and Congressional leaders indicated that the bill will not be acted on at the present session of Congress, but Representative Spence said if it passed over, he will reintroduce it at the next session.

"The current bill is a revision of an earlier measure which would have, in effect, 'frozen' bank holding companies at their present size and prohibited the formation of new holding companies. The revised measure would permit controlled expansion of present companies at the discretion of the Board. It would also allow the formation of new companies.

"In brief, the Spence Bill would:

"1. Require all bank holding companies to register with the Federal Reserve Board;

"2. Require such companies to disclose fully their relations with subsidiary banks;

"3. Require the companies to divorce themselves from all non-banking subsidiaries;

"4. Require them to submit to examinations from time to time;

"5. Require them to obey such rules, regulations and orders as the Board might make for the protection of investors and depositors.

"New bank holding companies could come into existence and old ones could expand if the Board found that the action would not be 'detrimental to the holding interest.'

"Prohibited under the bill would be inter-company loans and sale of securities, except under conditions allowed by the Board, and exacting of 'exorbitant or unreasonable' managerial fees from banks controlled by the holding companies.

"All interests in non-banking organizations — except such interests as companies holding property in which subsidiary banks are located—would have to be disposed of within two years after passage of the bill.

"The bill also would require a holding company to accumulate a reserve fund equal to at least 12% of the aggregate book value of all bank shares owned. This fund, to be built up by use of all net earnings over 6% of the par value of its own shares, could be used by a holding company to replace capital of subsidiary banks and to eliminate losses and depreciation from the assets of such banks. It would have to be made up of cash and U. S. Government obligations, and kept clear of liens or pledges of any kind.

"The Reserve Board would be able to exempt any particular bank or holding company from the restrictions of the law by the simple device of ruling that it was not a holding company. Regardless of the extent of the holdings of a bank in a subsidiary company, the Board may declare it not a holding company within the meaning of the law if it decides that the management or policies of the subsidiary are 'not subject to a controlling influence, directly or indirectly, by such holding company.'

"The effect of this provision would be to make the Reserve Board the determinant as to whether any particular organization is or is not subject to the law.

"By means of this provision, the Reserve Board would have the power to let certain banks continue to hold more than a 10% interest in a non-banking business. Similarly, a bank holding company could retain the controlling interest in two or more banks without liability under the Act if the Board finds it not 'necessary or appropriate in the public interest.'

"Over such banks and holding companies as the Board might apply the law, the Board would have full authority to require full reports of operations, subpoena witnesses and documents and issue general control regulations."

OPA Head Urges Fight Against Opposition of Price Control

Taking exception to the views enunciated by the National Association of Manufacturers, Chester Bowles, Director of the Office of Economic Stabilization asserted on May 2 that the nation must not surrender the prospects of a stable economy in the near future to the whims of the NAM. During the course of his remarks, Mr. Bowles, addressing a forum sponsored by the American Veterans Committee, also said, according to the New York "Herald Tribune":

"Minority pressure groups like the NAM the meat-packers associations and others gather in swarms in Washington to seize their own ends whenever the opportunity presents itself." Unless the "obvious overwhelming popular desire for retention of price controls" until supply equals demand is voiced loudly with organized representation, he added, "the nation will lose its fight against disastrous inflation."

Air Mail to Austria

It was announced by Postmaster Albert Goldman on May 2, that effective at once, articles acceptable for dispatch to Austria will be forwarded by air when prepaid at the rate of 30 cents per half ounce or fraction thereof. Articles for Austria may not exceed one ounce in weight.

President's Message for Extension of Life of RFC—Budget Proposal for Federal Corporations

President Truman has asked Congress to extend the statutory authority of the Reconstruction Finance Corporation beyond its present expiration date of Jan. 22. Without specifying the length of the extension sought, the President went on to describe the agency as a major instrumentality for conducting postwar Government business activities and classified it as one of those bureaus set up during the depression which "will probably continue as more or less premanent Federal agencies."

The President's recommendation was made in a message transmitting the next fiscal year's budget proposal for all wholly-owned Government corporations, in which, according to advices from Washington on May 2 to the Associated Press, it was stated that a net loss of $4,000,000,000 was anticipated for the whole group of corporations for the year starting July 1. Approximately $3,400,000,000 of this amount will come from subsidy payments and sales of surplus war goods, war housing and other assets, the President is reported to have stated.

Mr. Truman again urged, said the press accounts, that Congress approve a $600,000,000 allowance for subsidies to expand the supply of scarce building materials as a part of the emergency housing bill. The House rejected the provision. He also urged prompt House action on the 10-year housing program already approved by the Senate. From the Associated Press we also quote:

"Many of the corporations have finished the depression and war jobs for which they were created," Mr. Truman said, "and are well on the road to liquidation."

"Others, however, will probably continue as more or less permanent Federal agencies, with major functions changing from time to time. The Reconstruction Finance Corporation, for example, has proved so useful during the depression and war that it has become one of the major instrumentalities for conducting the postwar business activities of the Federal Government. I recommend therefore, that its statutory authority be extended beyond the present expiration date of Jan. 22, 1947."

The RFC was set up in 1932, during the administration of President Hoover, to combat the depression.

The corporations' budget programs were transmitted for the first time in compliance with the Government Corporation Control Act, enacted by Congress last year to give it a firmer grip on the activities of the Federally-owned businesses. Mr. Truman said he is directing Budget Director Harold D. Smith to "reexamine and redefine the role of Government corporations," as required by the act.

Reporting that the level of operations of the corporations as a group will decline next year as wartime programs are ended, Mr. Truman presented these prospects:

"Commodity purchases of $3,100,000,000 will amount to less than half the 1945 levels. Subsidy payments of $1,800,000,000 will be somewhat lower than in 1946. On the other hand, lending activities will jump from $2,500,000,000 to $4,400,000,000 as both domestic and foreign borrowers make use of the Government's financial facilities.

"Total assets by the close of the fiscal year 1947 will be $16,100,000,000 a decline of over $300,000,000 during the fiscal year. Book value of plant and equipment will be $6,800,000,000. Outstanding loans will amount to $6,800,000,000. Inventories of $1,300,000,000 include $470,000,000 in metals and minerals declared surplus and available for transfer to stock pile.

Export-Import Bank

"With its broadened lending authority the Export-Import Bank anticipates disbursements possibly as high as $2,000,000,000 to finance purchase of American commodities and to provide the necessary minimum credit for postwar reconstruction abroad.

"The principal corporation engaged in the regional development of resources and transportation facilities, the Tennessee Valley Authority, the Panama Railroad Co., and the Inland Waterways Corp., are all planning to make substantial expenditures on plant and equipment to meet peacetime needs."

Speakers at ABA Mid-West Conference in Des Moines May 27-28

Some of the leading authorities in the fields of savings management and mortgage financing will speak at the Mid-Western Regional Savings and Mortgage Conference sponsored by the Savings Division of the American Bankers Association at Des Moines, Iowa, May 27-28, according to Myron F. Converse, President of the Savings Division, who is also President of the Worcester Five Cents Savings Bank, Worcester, Mass. In a letter, announcing the two-day program, mailed to the 3,000 banks of Iowa, Missouri, Minnesota, North and South Dakota, Kansas, and Nebraska, which have been invited to participate in the conference, Mr. Converse said:

"We have secured some of the leading authorities in the country to discuss many of the most pressing problems confronting our banks today. Morning and afternoon sessions on Monday, May 27, will be devoted primarily to savings management. Mortgage merchandising will be emphasized at the Tuesday morning session. Tuesday afternoon will be devoted entirely to loans to veterans including credit for business and modernization as well as home and farm mortgages. Most of the addresses will be short so that there will be plenty of time for a full and free discussion from the floor. It has been cur experience that often the best results of the conference come from the ideas presented by those in the audience."

Mr. Converse will address the meeting on "Savings Trends." There will also be addresses on "Planning the Advertising Program" by John B. Mack, Jr., Deputy Manager, ABA and manager, Advertising Department; and "Advantages and Opportunities for Banks in the Savings Business" by Edward E. Brown, Chairman of board, First National Bank, Chicago, Ill. Other speakers will include J. R. Dunkerley, Deputy Manager, ABA, and Secretary, Savings Division; Fred F. Spellissy, Vice President, Savings Division, and Executive Vice President, Market Street National Bank, Philadelphia, Pa: Dr. Melchior Palyi, economist, Chicago, Ill.; Warren Garst, cashier, Home State Bank, Jefferson, Iowa: Howard B. Smith, director, Department of Research in Mortgage and Real Estate Finance, ABA; Dr. Ernest M. Fisher, Professor, Urban Land Economics, Columbia University, New York, N. Y.; Walter T. Robinson, loan guarantee officer, Veterans' Administration, Des Moines, and Vice President and Cashier, Newton National Bank, Newton, Iowa; and Chester R. Davis, Chairman, Committee on Service for War Veterans, and Vice President and Trust Officer, Chicago Title and Trust Company, Chicago, Ill.

Draft Fails to Meet Army Needs

With the expiration of Selective Service scheduled for May 15 unless Congress takes early steps to extend it, the Army reported on May 1 that man-power requirements had fallen far behind with the draft evidently failing to meet needs and a drop apparent in voluntary recruiting. According to Associated Press advices from Washington, official but preliminary War Department figures showed that in April 17,000 selectees were sworn in during the first two weeks, as against Army requirements of 125,000 for the month. In the same period, the recruiting rate dropped to approximately 15,000 a week, about a third that of the November peak. Officials declared their belief that Congress's delay in reaching a decision whether to extend the draft beyond May 15 was the primary explanation for the two declines.

Although an extension bill with limiting amendments has been passed by the House, the Senate has not yet acted.

Reports from Selective Service headquarters, on the other hand, state that in March the draft made its best record in months, inducting 48,594 men toward a combined Army-Navy quota of 51,000. The Associated Press further said:

The War Department called for 75,000 draftees in April in addition to the regular Army monthly quota of 50,000 because the draft had piled up this total deficiency in the previous five months. Men were accepted for limited service who had been barred under previous standards.

In an effort to meet the call, local boards were directed by Major-Gen. Lewis B. Hershey, National Selective Service Director, to comb their lists of 4-Fs and of other physically sub-standard men who had been deferred because of civilian occupations.

Eisenhower Outlines 18-Month Training Plan

The War Department on April 26 made public an outline of the Army's plans for organization and training during the next eighteen months, with emphasis on air power, "full, free and open-minded" scientific research and a world-wide intelligence service. Warning that it was now "possible for any country possessed of scientific resources and ruthless purposes to inflict devastating blows against the most powerful nations", General Eisenhower, who was setting out for an inspection trip in the Pacific, laid stress on the continued importance of the foot soldier and weapons now available. He urged, the Associated Press reported from Washington, the maintaining of a large reserve army, arguing that "the ever-multiplying complexities of the world's economy increase the probability that any war of the future will eventually extend to global proportions."

Of air-power, scientific research and intelligence work he said according to the Associated Press:

"Under current conditions and those of the predictable future, the influence of air-power cannot be over-emphasized. The nation which supports the most efficient and the least restricted program of scientific research will lead the world in the development of arms and the other accouterments of war. The nation maintaining the most effective world-wide intelligence service will be the least likely to be surprised by sneak attacks and newly developed weapons."

Army-Navy Merger Bill Held Not Likely This Session; Forrestal Hits Army Plan; Nimitz's Views

Although hearings continued by the Senate Naval Affairs Committee on a bill approved by the Military Affairs Committee for unifying the armed services under a single head, it is generally believed that Congress will not take action this session on the legislation. Opposition to the Army's merger plan by Secretary of the Navy James Forrestal on May 1, with the admission the following day by President Truman that he had read and authorized Mr. Forrestal's statement before it was presented to the Naval Committee, led observers to conclude that the President did not intend to make any appeal for the measure as it now stands.

Mr. Forrestal told the Naval Affairs Committee, according to Associated Press advices from Washington, May 1, that the current proposal for merging the services is "based on a major premise which is false." He went on to assert that the Navy is in favor of a "practical improvement in the coordination of the armed services," but warned against: (1) concentration of power in the hands of one man, (2) the idea of "merge now and organize later," and (3) curtailing naval aviation and the Marine Corps. The Naval Secretary declared that "outright abolishment of the Marine Corps" is a possibility under the proposed legislation.

The bill which a majority of the Military Affairs Committee approved provides for a Secretary of Common Defense with Cabinet rank under which Army, Navy and Aviation Departments would have separate identities in a single department. They would be headed by Secretaries who would not be in the Cabinet. Republican Senators Hart of Connecticut and Bridges of New Hampshire, members of the Military Committee, in a minority report described the legislation as "militaristic" and an "administrative monstrosity," the Associate Press reported on April 29.

Secretary Forrestal said that the main fault in the pending bill was confusing the need of "unified command in combat areas" and the command at the seat of Government, which he said was too much for any one man to handle. From the Associated Press we quote:

"He objected to a proposed single department with a Secretary of Common Defense and five assistants as 'illogical administratively' and said in some cases 'vacuums of authority' would exist.

"I have deep misgivings about the danger of the concentration of huge authority in the hands of one military man," he said, adding: "I mistrust the principle of relying on a single genius to make all basic decisions. I also know that it was a most fortunate thing that the Navy was able to speak as an equal partner in presenting the requirements of the Pacific war."

While conceding the need of coordinating research, logistics, training and intelligence functions of the Army and Navy, Mr. Forrestal opposed, the Associated Press continued, what he called "the Army proposal," as putting too much power into the hands of one man—"a supreme chief of staff"—and because it would "reduce our present department to the status of agencies." He suggested that a director of common defense have supervisory jurisdiction—the "alter ego of the President"—making the decisions that the President does not have to make.

The Associated Press further quoted him:

"I would describe the duties of this proposed executive and his office as duties of a co-ordinating and staff character, as opposed to the Army's concept of an overlord of all the services," he explained. "I have been in the Navy Department now for nearly six years. I believe I am more familiar with it than most civilians, but there is still a vast area about which I am not as familiar as I would like to be. It is with this background that I assert that no man I know of would be able to act in the capacity that I have advocated here for the Director of Common Defense and at the same time be responsible for the actual operation of the three departments, as advocated by the Army."

On May 2 it was reported by Senator Robertson (Republican of Wyoming, that the Senate Naval Committee may present an Army-Navy unification bill along the lines recommended by the Navy.

Before the Senate Naval Committee on May 3 Admiral Chester W. Nimitz urged the laying aside by Congress of its bill for the merger of the War and Navy Departments pending a study by the services themselves. The Associated Press accounts said:

"The chief of naval operations told the Senate Naval Committee that any legislation on the subject 'should be the product of detailed joint studies made within the services and reaching Congress through the President.'"

Business Failures in April

Business failures in April were lower in number and amount of liabilities involved than in March. When compared with April a year ago, business failures were lower in number but higher in amount of liabilities involved. Business failures in April, according to Dunn & Bradstreet, Inc., totaled 81 and involved $3,785,000 liabilities as compared with 86 in March, involving $4,421,000 liabilities and 90 involving $980,000 in April a year ago.

All groups into which the report is divided, with the exception of the Retail Group which had more failures and the Wholesale Group which had the same number, had less failures in April than in March. When the amount of liabilities is considered only the Manufacturing and the Wholesale Groups had more liabilities involved in April than in March.

Manufacturing failures in April were down to 34 from 41 in March but liabilities were up to $2,734,000 in April from $2,285,000 in March. Wholesale failures numbered 10 the same as in March but liabilities were up to $629,000 in April from $529,000 in March. Retail failure were up to 25 in April from 17 in March but liabilities dropped to $249,000 in April from $269,000 in March. Construction insolvencies in April numbered 7 with liabilities of $133,000 compared with 10 in March with liabilities of $436,000. Commercial Service failures in April were down to 5 from 8 in March and liabilities were down to $40,000 in April from $902,000 in March.

When the country is divided into Federal Reserve Districts, it it found that the Chicago, Kansas City and San Francisco Reserve Districts had fewer failures in April than in March. The Richmond, Philadelphia, Atlanta and Dallas Reserve Districts had the same number, while all the remaining districts had more insolvencies in April than in March. When the amount of liabilities involved is considered it is seen that the New York, Minneapolis, Dallas and San Francisco Reserve Districts had more liabilities involved in April than in March, while all of the remaining Districts had less.

Free Markets in a Free Society

(Continued from first page)
hooves us to make major repairs as quickly as possible.

The Bible exhorts us to realize that we are our brothers keepers. If we miss the importance of this in the spiritual sense we assuredly cannot do so in the practical sense, because in our great country it is obvious that no one is sufficient unto himself in the producing and obtaining of the necessities of life. In many instnaces our various industries are so interdependent that if only one major industry fails to function properly it cripples or closes a host of others, and millions of people suffer. More and more we are awakening to the stern realization that we are utterly dependent upon each other if our standard of living is to be maintained. Only the stupid man or industry can take the attitude "me first and the devil take the hindmost." By the same token, one segment of our population cannot call for, or tolerate, the regimentation of another segment, and itself remain free.

Degenerated Democracy

Our so-called democracy has degenerated into many pressure groups each working on the theory that the squeaking wheel gets the grease—of course from the Federal Pork Barrel. And there is no question about it—we have now such a vicious system of regimentation that all roads must lead to Washington, because Washington, these days, controls almost everything except the air we breathe.

More and more we find ourselves in a veritable vortex of confused thinking and conflicting economic theories—if you can dignify some of our present crazy-quilt programs by classifying them under the general heading of Economics.

We can list many reasons for the present chaos but underneath the surface of our internal strife—composed of strikes, black markets, shortages, ill-will, and so forth, we inevitably get down to the fact that we are no longer a truly free society as we once were. We have suspended, but I hope we have not eliminated for good, the only true "Governor" of economic machinery so necessary to a free society—namely the free market. We have substituted for free markets a myriad of Government controls—all in keeping with the idea that through a planned or regimented economy we can decree satisfactory production and distribution for 140,000,000 people. The idea is fantastic in a democracy! It will not work unless we go whole hog and regiment the people as completely as the communistic state. Even then it cannot "deliver the goods" as efficiently as free markets in a free society because it substitutes the judgment of a few bureaucrats for the combined judgment of industry, and the pepole at large.

And do not think for one moment that there are not those who see current controls as an opportunity for the incubation of further controls until their ends are more readily attained.

We cannot remain "half free" and "half regimented"!

Lip Service to Free Enterprise

We hear much about free enterprise these days—and much of it is merely lip service. The bureaucrat at his desk in Washington says controls are necessary to save free enterprise. Many business men say "lift all controls from my back but for heaven's sake, keep them on the other fellow." The union man, the farmer, and others, are seemingly for free enterprise. But too many groups want something extra for themselves—and want the Administration, and Congress particularly, to make exceptions in their favor. It's like the special plea to the butcher—"save the steak for me and let the other fellow have the entrails." Secretary of Commerce, Henry Wallace, wants us to believe that he is the No. 1 champion of the free enterprise system. John L. Lewis' heart is bleeding for the free enterprise system, and so on, ad infinitum.

Is anyone doing anything to get us out from under shackling Government controls? It is true Congress is attempting to rationalize OPA, but its program thus far does not appear to be thoroughly thought out. In this connection, remember that the cries from the left you hear today about the emasculation of OPA will be repeated next year or the following year or whenever an attempt is made to restrict or abolish that agency.

Now let's see what this expression "free enterprise" means, of which so many speak glibly and too many with tongue in cheek. Free enterprise is synonymous with free markets. Free enterprise is the antithesis of Government control. Free enterprise is the fifth freedom—the freedom so necessary to a democratic people in getting full production and the type of distribution where the person of modest circumstances who "doesn't know somebody" has a chance to get his share of the goods available. Free enterprise develops the best—whether it be ideas, production, the standard of living, esprit de corps, or citizenship.

To put it in even simpler terms, until the time comes when John Jones and Pete Smith can bargain with each other and arrive at a mutually satisfactory price for a sack of potatoes, a bushel of wheat, or a pound of coffee, without the Government's sitting in judgment as a kind of referee or umpire or without a Government agency's directing what it thinks is the right price for the commodity bought and sold, we will not have free enterprise.

Too many people think that free enterprise has something to do with big business only—with transactions running into tens of thousands or hundreds of thousands of dollars. This is, of course, wrong—for the source of all big business is little business. Free enterprise or free marketing must begin with the basic commodity produced on or from the land or mined from the earth's interior. And obviously if the prices of basic commodities are controlled by Government decree the price of every commodity processed from those commodities must also be controlled by Government. Controls in every detail must follow in every process if the basic raw material is controlled. You cannot stand the pyramid on its head without its toppling over. The marketing structure must have a sound foundation.

Generating Black Markets

Controlled markets generate black markets. They are the parents of the most iniquitous system in America. Black markets are the despoilers of character and honest trade. And all the white paint in the world won't make the black market white. You cannot, even with Government whitewash, make a black market white. The free market is a white market!

Professor F. A. Harper, of Cornell University, recently wrote a book entitled "The Crisis of the Free Market" which is, incidentally, must reading for all serious thinkers. In it he says, in part:

"A free economy cannot exist without free prices. Any statements or inferences to the contrary are delusive. Actions based on any other assumptions are either pitfalls or baited traps. Free prices are so much at the heart of a free economy as to be almost another name for the same thing. Prices are the forms or expression of all economic decisions, and free decisions have no other means of expression than through free prices. Prices in our economic affairs are the counterpart of the decisions of juries. A free (honest) decision of a jury rests on the freedom of jurors to express their honest opinions, and it is the same within a price system.

"Devices to prevent prices from being free and from being freely determined in the market, when created by law and enforced by law, become the equivalent of convicting a jury that persists in objecting to having its decision altered."

Once a nation of great traders, keen bargainers, and discriminating judges of values—wielding as buyers a dominating influence on what the producer would make—today we find ourselves, like the stray dog, taking the scraps and licking the hand of the maker or purveyor.

Stifling Production

Instead of encouraging production the existing system of controlled prices is stifling it. Instead of insuring an equitable distribution of available goods at proper ceiling prices present controls are expanding the black market. And I would like to add a word for the smug and satisfied business executive who finds that the Government fixing of price and guaranteeing margins gives him more time for golf and bridge with, in some cases, more money. He should not be rocked to sleep by this soothing drug of Government control for as it continues and extends itself his company won't require topflight men to run it. Rather, first class clerks will be able to carry out the instructions of Washington as well as he.

Subsidies

And how futile and wasteful the subsidy has been! Few people realize the startling and stupendous costs. These subsidies are running at the rate of almost two billions of dollars per year. With the passage of the building material subsidy program this figure would be boosted to three billions of dollars per annum. These subsidies are sucked from the Federal Treasury in lieu of higher prices. You and I know that the cost has been terrific and the results in increased production questionable. Subsidies have been an unsatisfactory substitute for a part of the price which would have gone to the farmer and others for increased production and the subsidy program places the farmer and producers of subsidized goods in a position of dependence on the generosity of Government and subject to disastrous effects of ill-conceived judgments of a political agency.

After commenting on the evils of subsidies a recent editorial aptly said:

"Meanwhile, the Administration, asking consumers to eat less, proposes to make it easier for them to eat more by continuing to pay a part of their grocery bill through food subsidies."

Subsidies are throwing our Government into economic conflicts. We have every evidence needed that our Government is now in the quicksands of its own creation. And at the same time it is intensifying the dependence of the people on Government. Acceleration is being given the idea of Government protection and support "from the cradle to the grave." Less and less under such conditions will people be able to stand on their own two feet. But in time the invalid will pay, and pay heavily. Ancient Romans also had their day with bread and circuses.

Subsidies and their extension invariably lead to increased Government controls. They place the "big stick" in the hands of the Government employee and help him to entrench himself more deeply. And parenthetically I might observe that despite the fact that the war is over there are almost as many Federal Government employees as there were at the height of the war—approximately 3,000,000. We have been able to demobilize rapidly our Army of many millions but our Army of Federal employees will, it seems, like taxes, be with us forever. Since Government does not produce either goods or wealth and is merely administrative in character that part of these millions of Federal employees (and the number would be very substantial) which is not absolutely needed in the legitimate functioning of Government represents a waste of productive power which the nation can ill afford. These people should be turned out to produce much needed goods and materials.

Embroiling Government in Red Tape

The Government has become so embroiled in its own network of red tape and controls that we find that much of Congress' time is absorbed in investigating this and that Government agency's activities. Our President is forced to drop matters of State and of great international importance to settle wage and price disputes. In the meantime, a pitched battle is going on between labor and management and all related groups largely because Government controls won't permit adjustments without reporting to the Captain's desk (a) to get approval of the wage increase, and (b) to find out if the producer may increase his price. All of this contributes to the weakening of our nation at a time when we should be producing in a big way and singing at our work.

It should be obvious that all of the most brilliant minds in the world cannot devise or make work a regimented economy which would equal that which we could have if we were a free people economically. And our weakness serves us ill in a period when we need to be strong.

Now, as the people of the nation gradually relinquished, in a critical period some ten years ago—presumably for an "emergency"—certain of their God-given prerogatives and permitted the centralization of our economy, they became drugged by the seeming simplification of life. It seemed so much easier to have a paternalistic Government worry about their problems—and create during any period of seeming "crisis" new types of controls or aids. The war thrust us deeper into this quicksand, so that today we are indeed a nation on crutches. And there we will stay until some of the spirit of our forefathers gives us the gumption and guts to throw the crutches away. In the meantime we should do some soul searching and realize that actually no one took anything away from us. No—we gave it away—and if we are not alert to the trend and tide and fail to fight we will continue to drift down the stream until it is too late to turn back. After all, we get in life pretty much what we "earn" by our acts. We are "earning" a day of grim reckoning!

On this subject of Government control of prices it is interesting to note that a Roman Emperor—Diocletian—tried to control the price not only of wheat but of almost every product: beef, grain, eggs, clothes, and other articles. This was 305 A. D. He set official prices for these products and the penalty for buying or selling at any other price was death. The result was that producers refused to deliver when prices were low and consumers refused to buy when prices were high and the plan failed completely. Writing on this subject in 314 A. D., Lactantius said:

"Diocletian set himself to regulate the prices of all vendible things. There was much bloodshed upon very slight trifling accounts and the people brought provisions no more to markets, since they could not get a reasonable price for them; and this increased the dearth so much that at least, after many had died by it, the law itself was laid aside."

The Ancient Greeks tried out the system of controls. The Athenian Government took over the entire wheat business. The Government set prices on wheat. It also appointed what it called "market masters" to control the market. The market masters could not control the forces of supply and demand and therefore could not keep the price under control. There was a dearth of wheat in Athens and black markets started just as they do anywhere and everywhere when Government attempts to control prices and markets. At that time a famous orator made speeches against black marketeers and the inefficiencies of Government control. He suggested that one way to correct the situation would be to execute a number of the "market masters" as an example to others. Many people were executed but naturally neither supply nor prices fluctuated any less and so the whole price program failed and had to be abandoned.

Can't Defeat Law of Supply and Demand

In closing my remarks I want to observe that the United States, in its fiscal and economic policies, is ignoring the law of supply and demand. It is attempting to sweep the ocean back with a broom. We will all grant that we were able to do a magnificent job in smashing our enemies, the Germans and the Japs, but there is one thing in the long run the United States cannot defeat and that is the law of supply and demand. The sooner we realize that the better off we will all be.

After the last war a fellow Hoosier, Tom Marshall, then Vice-President of the United States, when asked for an observation on conditions, said, "What this country needs is a good five-cent cigar."

I should say that what we need now is at least five cents worth of good, common, horse sense.

Gift Parcels for Poland

Postmaster Albert Goldman announced on April 25 that information has been received from the Postal Administration of Poland that gift parcels, as aid to indigent persons or charitable institutions, containing new or used clothing, shoes, food and other articles for daily use, including medicines, are admitted importation into that country without duty or import restrictions. A handling fee of 10 zlotys is charged on each parcel.

In addition to the articles prohibited transmission by parcel post to foreign countries generally, it is specifically forbidden to include the following in gift parcels for Poland: weapons of all kinds, medicines containing narcotics, artificial sweetening, yeast, vinegar, printed matted, money, playing cards and labels without merchandise. In order to be admitted free of duty, a gift parcel must not contain more than two ounces of tobacco, two-fifths ounce of snuff, 50 cigarettes, or 20 cigars. The Postal Administration of Poland states that from 20 to 30% of the parcels from the United States are received in a damaged condition due to insufficient packing. Parcels will not be accepted for mailing that do not comply with the packing requirements prescribed for parcels in the international mails.

The State of Trade

(Continued from page 2559)

to 3,976,750,000 kwh. in the week ended April 27, 1946, from 3,987,-145,000 kwh. in the preceding week. Output for the week ended April 27, 1946, was 9.9% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 180,700,000 kwh. in the week ended April 28, 1946, compared with 167,100,000 kwh. for the corresponding week of 1945, or an increase of 8.1%. Local distribution of electricity amounted to 172,300,000 kwh., compared with 163,300,000 kwh. for the corresponding week of last year, an increase of 5.5%.

Railroad Freight Loading—Car loadings of revenue freight for the week ended April 27, 1946, totaled 659,952 cars, the Association of American Railroads announced. This was an increase of 9,209 cars (or 1.4%) above the preceding week and 239,998 cars, or 26.7% below the corresponding week for 1945. Compared with the similar period of 1944, a decrease of 190,-489 cars, or 22.4%, is shown.

Paper and Paperboard Production—Paper production in the United States for the week ending April 27 was 100.6% of mill capacity, against 102.5% in the preceding week and 87.0% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was against 101% in the preceding week, and compared with 99% a year ago.

Business Failures Slightly Higher—Increasing in the week ending May 2, commercial and industrial failures were higher than in the previous week but remained at the same level as in 1945. Dun & Bradstreet, Inc., reports 23 concerns failing as compared with 17 last week and 23 in the corresponding week a year ago.

Large failures involving liabilities of $5,000 or more were three times as numerous as small failures. Numbering 18 in the week just ended, these large failures were higher than the 12 occurring both a week ago and last year. Concerns failing with losses under $5,000 remained at 5, the same number as in the previous week, and only half the number reported in the comparable week of 1945.

There were two times as many concerns failing this week in manufacturing as in any other trade or industry group. Manufacturers' failures totalled 12, slightly higher than last week or a year ago. The second highest number of failures, 5, occurred in retail trade, but in this line they fell far short of the number occurring in the corresponding week of 1945. An increase appeared in commercial service where 4 concerns failed, as compared with 2 a week ago and none in the same week of last year.

One Canadian failure occurred, as compared with 4 in the previous week and none in the corresponding week of 1945.

Food Price Index Unchanged—The wholesale food price index for April 30, as compiled by Dun & Bradstreet, Inc., held unchanged at $4.19, following a slight drop recorded in the preceding period. The current index represents a gain of 2.2% over the $4.10 for the corresponding 1945 date. Advances were listed during the week for eggs and lambs, while rye, steers and sheep declined. The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale Commodity Price Index—The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., trended slightly lower in the past week, due mainly to declines in rye, lambs, and steers. The index fell to 188.91 on April 30, from 189.48 a week earlier. It was, however, higher than the April 1 figure of 188.44, and exceeded last year's level of 176.81 by 6.8%.

Oats led in activity on the Chicago Board of Trade last week. Cash oats and nearby contracts held at ceilings but the distant months turned downward. Rye sales declined as the May delivery went sharply lower after reaching a new all-time high in early dealings. Receipts of corn at terminal markets showed some increase as a result of the Government bonus program. The cash wheat situation remained very critical with the Bureau of Agricultural Economics estimating stocks of wheat in all storage positions as of April 1 at 339,000,000 bushels, the smallest in recent years.

Cotton prices continued to fluctuate nervously during the past week, influenced largely by continued uncertainty over the outcome of pending price control legislation in Washington. Volume of trading was comparatively light. Moderate buying took place for immediate or nearby needs but mills were very cautious about making commitments for the future. Sales of the staple to date under the cotton export program, which began in November 1944, have approximated 1,867,000 bales. Announcement was made by the Department of Agriculture that this program is to be continued through June of next year. Weather conditions continued favorable for the new crop. Planting became more active with good progress reported over most of the belt. The final report on 1945 cotton production, as issued by the Department of Agriculture, placed the yield at 9,015,000 bales of 500 pounds each, gross weight, as compared with the Dec. 1 estimate of 9,196,000 bales.

Seeding in the spring wheat belt has been aided by dry weather but the new winter wheat crop has suffered from heat and drought in the southwest. With grinding operations greatly curtailed by the lack of wheat, flour mills were generally in a withdrawn position with very little prospect of improvement until the new wheat crop begins to move. Hog marketings increased over the previous week and year, but output of lard failed to improve owing to the lighter weight of arrivals.

Activity in the Boston raw wool market continued limited, with only a few sales of small lots of foreign and domestic wools reported sold. Imports of apparel wools into Boston, New York, and Philadelphia continued in good volume, totalling 17,322,400 pounds in the second week of April, as against 13,325,400 in the previous week. There was some improvement noted in South African wools coincident with the easing up of the distress selling of such wools in evidence for the past few weeks.

Demand for leather of all kinds showed no let up as shoe factories continued operating at record-breaking levels. First quarter production of civilian shoes, as estimated by the Tanners' Council, was said to have exceeded all previous records.

Hardware Sales—Sales of independent retail hardware dealers, in all parts of the United States showed an average gain of 39% in February, compared with the same month, last year, "Hardware Age" reports in its every-other Thursday market summary. Sales for the reporting stores were 2% better in February, than in the month previous. Volume for these stores averaged 37% more for the first two months of 1946, than in the same period last year.

Wholesale and Retail Trade—Total retail volume for the country at large during this post-Easter week was reported to be the same or slightly below that of the preceding week and it continued to be considerably above that of the corresponding week a year ago, according to Dun & Bradstreet, Inc., in its weekly review of trade. Interest in apparel tended to shift from spring to summer styles and to sportswear; the demand for durable goods increased.

A high retail food volume was reported again this week. The supply of meat generally was low while fish and poultry continued to be adequate. An abundant supply of fresh fruits and vegetables were available in nearly all retail markets. The acute shortage of butter and butter substitutes continued to exist in practically all sections.

Interest in apparel declined slightly this week. Attention generally shifted from spring suits and coats to summer dresses. limited selections of bridal gowns, formals, and graduation dresses were viewed by many consumers. Inventories of summer dresses were reported to be larger than during the corresponding period a year ago. A scarcity in practically all lines of men's wear continued to exist although some reports indicated that stocks were slightly larger the past week than during the previous several weeks.

Hard goods continued to attract an increasing amount of attention. Housewares were very popular and outdoor items and kitchenware were among the best sellers. Stocks of aluminumware have increased and, in some localities, were plentiful; those of metal and electrical appliances rose slightly last week. Wallpaper and paint departments were very busy. Furniture and floor coverings continued to attract much attention and inventories generally remained low. Limited selections of piece goods, curtains, and draperies were available to the many consumers who crowded these departments during the week.

Retail volume for the country was estimated to be from 21 to 25% over the corresponding week a year ago. Estimates of regional percentage increases were: New England and Southwest 16 to 20, East and South 24 to 28, Middle West 20 to 23, Northwest 21 to 24, and Pacific Coast 19 to 22.

Wholesale volume continued to increase for the fourth consecutive week. Estimates from some localities indicated that over-all volume last week was 20% above that of the corresponding period a year ago. New order volume continued to rise and deliveries of many items improved slightly.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended April 27, 1946, increased by 26% above the same period of last year. This compared with an increase of 51% in the preceding week. For the four weeks ended April 27, 1946, sales increased by 51% and for the year to date by 24%.

Retail trade in New York the past week was substantially ahead of that for a like period a year ago. Interest in wholesale markets displayed a pronounced tendency in the direction of fall merchandise which will be exhibited generally the latter part of this month. Men's wear buyers arrived here in large numbers seeking immediate and fall lines. Clothing shipments suffered no interruption as a result of OPA sanctioning a 30-day reprieve on MAP surcharges. In other apparel and textile markets activity was generally slow. Allotments of finished cottons for the second quarter were practically completed during the week.

Shortages, principally of meat, were responsible for lower food sales, though furniture sales continued to set records and there was evidence of some easing of the dearth of merchandise.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to April 30, 1946, increased 30% above the same period last year. This compared with an increase of 51% in the preceding week. For the four weeks ended April 27, 1946, sales rose by 55% and for the year to date by 29%.

Krug Warns of Serious Coal Shortage

(Continued from first page)

to essential users; such as hospitals, public utilities, bakeries and laundries. This fuel accumulated through the operation of an order issued by Administrator Krug on March 28, directing producers to hold on mine track all unbilled coal. The equivalent of a day's production, 1,689,700 tons, was frozen. During the month of April, 713,300 tons were distributed by SFA, the rate of distribution accelerating each day as more essential consumers' stocks came nearer the exhaustion point.

"As of May 1," Mr. Krug said, "there were only 19,528 cars, or 976,400 tons of coal remaining in the emergency stock. When this supply is exhausted, and if the strike is still in force, the majority of bituminous coal users, and that includes the railroads, public utilities, hospitals, sewage plants and water works, will be forced to suspend operations completely or to maintain only minimum service.

"During the past week, many large electric power companies have filled requests for emergency supplies. Railroads which had limited supplies of coal when the strike started are coming to SFA for fuel in an effort to maintain at least minimum service. We have endeavored to spread the limited amount of coal remaining, but the stocks are not inexhaustible.

"It has not been possible to release any of the emergency coal to general industrial users. Depriving these consumers of coal has seriously handicapped industrial reconversion, but it has been necessary to restrict distribution of emergency stocks to those users upon which the health and welfare of the nation depends.

"Preliminary estimates show that consumption of bituminous coal was reduced about 25% during the month of April. If the strike continues well into May, it will be necessary to bring about a sharper reduction in the consumption with a consequent curtailment in the activity of those industries which depend upon bituminous coal. It will take several weeks after coal production is resumed before industries dependent upon coal can resume their maximum operations.

"In some communities where the coal shortage is most critical, consumers with substantial stockpiles are sharing coal with other users in a less fortunate position. Such help should be extended wherever possible, particularly to such consumers as public utilities which render public service by supplying electricity, water, gas, sewage disposal service or street railroad transportation, and to other consumers who provide health and welfare services to a community.

"While the strike is imposing a growing burden on the people of the United States," Mr. Krug said, "the movement of coal, so necessary for the relief of the starving millions in liberated Europe, is practically at a standstill.

"Famine stalks all the liberated nations. Millions of bushels of wheat and other foodstuffs are being shipped by the United States to Europe. Medicine and other necessities of life must be procured in the United States, transported overseas and distributed to the war victims of Europe; but without coal to power the railroads of Europe, wheat and other foodstuffs cannot be transported from seaports to the famine areas. There is also a grave possibility that great quantities of these foods will not reach starving people in the liberated nations in time to avert an international catastrophe.

"Coal is needed to operate processing plants, to make electric power and gas and to provide fuel so that the wrecked industrial machinery of Europe can be rehabilitated. It has been the policy of the Solid Fuels Administration to approve or direct for export to Europe only that coal which is not required in our own markets. At the beginning of the coal strike, there was a limited quantity of such coal at northern United States ports awaiting shipment to Europe. These supplies are now exhausted and except for minor quantities of coal moving out of a few Gulf ports there is no coal being forwarded to Europe at this time.

"It was hoped that during the summer a sufficient supply of United States coal could be exported to permit stockpiling in Europe so that by next winter industries in the liberated areas (including Italy) could attain some degree of self-sufficiency. If the coal strike continues much longer, it must be realized that the restoration of anything resembling normal life in the liberated nations will be dangerously retarded and the threat of revolution, starvation and widespread suffering will increase."

Since August 1, 1945, 12,443,816 tons of solid fuels were shipped to Europe and North Africa under the direction of the Solid Fuels Administration, cooperating with the Department of State and other Federal agencies. Of this total amount, 10,699,424 tons went to the liberated nations and Italy. The other 1,744,392 tons were forwarded to neutral countries in Europe and French North Africa. Quantities of this coal have been used by the United States Occupation Forces for the operation of public utilities and in heating hospitals and barracks.

From April 1, the first day of the miners' strike, to May 1, there have been loaded into ships 841,-648 tons for Europe and North Africa. Of this amount, 704,656 gross tons went to liberated areas and the balance, 136,992 tons, to neutral nations in Europe and French North Africa. Most of the coal shipped during April was at dockside or in transit on April 1, when the strike started. Total exports of solid Fuel for the month of April were 50.2% of the 1,572,-500 gross tons allocated for shipment under the relief program, and 67.8% for other European countries and North Africa.

In addition to the coal designated for direct relief abroad, large quantities of United States coal are required for bunkering foreign flag ships which are being used in the transport of American wheat and other relief supplies to Europe. So far this coal has been provided from emergency stocks of coal.

Resumption of cargo loading will be delayed from 10 days to 2 weeks after the mines begin operating because of the transit time between mines and the ports and the need for accumulation of sufficient tonnage at the piers to make up cargoes.

Aside from bituminous coal, quantities of anthracite in steam sizes and coke have been released for export but there is a limited use for this fuel in the areas most critically in need of coal.

Releases Report on Coal Strike Impact

(Continued from first page)

tor of ODT has urged the carriers to extend their voluntary curtailment of service to conserve shrinking coal stocks. On May 1, the country's Class I railroads had an average of less than four weeks' supply of coal, and five of these roads were desperately short with 9 days' supply or less.

In the first three weeks of the strike the Government's emergency stock of 1,650,000 tons of soft coal was reduced by nearly a third to maintain operations at food processing plants, gas and water works, hospitals and other vital activities. If all requests for coal were granted, the emergency stocks would last only 36 hours.

Soft coal production in April amounted to about 3 million tons compared with an output of more than 50 million tons in March. The daily rate of production in May is even lower than in April, owing to the walkout of the Progressive Miner workers who are not affiliated with the United Mine Workers and who were not on strike during April.

Reports collected by the Civilian Production Administration indicate that the coal strike is cutting deeper and deeper into the activity of all segments of the economy.

Utilities

Electric power companies, hard-pressed for coal, are taking drastic steps to curtail power consumption. On May 2 Northern Indiana joined Illinois in reviving the wartime brownout affecting entertainment establishments, advertising, and other uses not essential to public health and safety. Industries throughout the area have been asked to cut their electric current consumption to an aggregate of 24 hours from Monday through Friday each week. Gas utilities have also been hard hit by the coal strike.

Food

As a result of the coal strike the Department of Agriculture is receiving daily complaints in ever increasing numbers from the dairy industry, perishable food packing plants, and related industries engaged in the processing and packaging of poultry and other perishable food for domestic consumption and for export to the starving peoples of Europe. Until recently it has been possible to keep these plants operating on a bare minimum of fuel, but the situation has become alarming. For example, the following milk-processing plants of the Borden Company now have less than ten days' supply of coal, and several of these have less than three days' supply: Columbus, Wis.; Dixon, Ill.; Lewisburg, Tenn.; Gouverneur, N. Y.; Dixon, Ind.

One telegram, typical of those currently deluging the Department of Agriculture, is the following received May 1 from the A. Costiglianno Stella Cheese Company of Chicago:

"Our coal supply Wisconsin plants now processing 700,000 pounds milk daily is exhausted. Closing today Whey Whey Drying Plant at Clayton, Wis. Plant at Clayton, Wis., producing 15,000 pounds of Whey powder daily. Suggest Government action for priority dairy industry. Please advise."

Chemicals

A practical standstill in the production of nylon hose, a shortage of anti-freeze which will affect next winter's transportation, a loss of 50% of plastic raw materials and a serious setback in the fertilizer program will be the fourfold result of the closedown of the Belle, W. Va., plant of E. I. duPont de Nemours & Company, Inc., brought about by the coal strike.

Operations of the West Virginia plant have been restricted to the minimum. Only the smallest amount of coal is being used to maintain high pressure units at a minimum temperature to prevent cracking and to avoid any other serious damage to the plant.

The Bell plant is the principal producer of nylon, the basic raw material from which nylon yarn and ultimately nylon hose are made.

This plant is also the country's largest producer of methanol, the principal ingredient used in the manufacture of automobile anti-freeze. Loss of the bulk of the country's methanol production will have very serious effects.

A shortage of urea, which is also produced at the plant as well as ammonia, will seriously curtail production in the plastic industry. The loss of the ammonia output is expected to affect the fertilizer program as ammonium sulfate is a necessary ingredient of fertilizer. UNRRA is demanding 200,000 tons of fertilizer for use abroad; and as the steel strike brought about a loss of 125,000 tons in ammonium sulfate, any further curtailment in its production will seriously affect the fertilizer program.

Steel

One million ingot tons of steel were lost during April as a direct result of the coal strike, which started April 1. The Civilian Production Administration estimates that losses during May will accrue at an increasing rate as follows, if the strike continues:

	Thousands of Ingot Tons
May 5	475
10	655
15	830
20	1,180
Total through May 20	3,140

Unless the coal strike is settled by May 20, steel production will drop to almost negligible proportions, and remaining stocks of coal will be used to bank furnaces to prevent serious damage to equipment.

The coal strike is not affecting tin mill production at the present time because the steel industry, at CPA's request, is maintaining production of this item even at the expense of other products. However, if the strike continues beyond May 15, tin mill production, which is urgently needed to preserve the food pack, will have to be curtailed at a rapidly increasing rate during the following ten days. Such a cutback in the output of ingots for tin plate production would affect canning after July 1.

Copper

No copper plants are as yet shut down by the coal strike, but several have indicated that it will be necessary to cease operations in the near future if the strike continues. Two refineries with a total monthly capacity of 15,000 tons of refined copper will have to close, leaving only 16% of total domestic refining capacity still in operation, or a total of 13,000 tons of refined copper a month.

One major wire producer reports only two to three weeks' supply of coal. If a shutdown is necessary, about 3 million pounds of finished wire will be lost each month until operations are resumed. Similarly, two large brass mills report only four to five weeks' supply of coal, and when that is used up there will be a production loss of 50 million pounds of brass mill products per month.

Tin, Lead and Zinc

The coal strike has affected the zinc and lead industries to such an extent that two companies have already closed down and a third is partly down. The Sandoval Zinc Company, Chicago, which produces 300 tons of secondary zinc a month, and the Willard Smelting Company, Charlotte, N. C., which produces 200 tons of secondary lead a month, are now completely shut down. The New Jersey Zinc Company, Depue, Ill., which ordinarily produces 4,500 tons of zinc metal a month, is partly down. Four other companies expect to close during May. One of these includes 50 plants employing 9,000 and producing 9,000 tons of secondary and fabricated lead a month.

Aluminum and Magnesium

Almost all of the aluminum industry will be closed down by July 1 if the coal strike is not over by the end of this month. It is expected that within the next seven days the secondary aluminum smelters will be heavily hit by the lack of the coal.

Graphite and Mica

Mineral producing companies are feeling the pinch of the coal strike to such an extent that one company, which produces about 12 million pounds of carbon-graphite electrodes per month, has found it necessary to transfer coal from one plant to another in order to remain open for the balance of the month. Another company, producing about 700 tons of dry-ground mica per month (used for roofing), can operate only until approximately the middle of May with its present supply of coal.

Building Materials

Plants manufacturing building materials essential for the Veterans' Emergency Housing Program are now suffering from the coal strike. Two building materials plants have already closed and seven others are about to close as a result of the strike. Plants closed include one brick and structural tile manufacturer employing 130 persons and a plumbing manufacturer employing 200 persons. Plants about to close include: one plumbing manufacturer employing 500 persons, five heating manufacturers employing a total of 2,250 persons, and one hand tool manufacturer employing 100 persons.

Paperboard

The Paperboard Industry reports that five companies, employing a total of approximately 2,100 persons, have from one to six days' supply of coal on hand. Four plants belonging to one company depend entirely upon the coal their trucks can pick up from day to day in order to keep production rolling.

Magnesia Pipe Coverings

The Ehret Magnesia Manufacturing Company, Valley Forge, Penn., was forced to close down on April 26 as a result of the coal strike. This company manufactures 85% magnesia pipe coverings, as well as low pressure pipe coverings, asbestos paper, millboard and insulating cements.

Cotton

Fifty per cent of the cotton mills in the country will be completely shut down within a very short time as a result of the coal strike and, judging from present indications, the cotton industry will be forced to cut its production rate by 25% within the next few days. The following three mills have already closed completely, throwing more than a thousand persons out of work: Liberty Cotton Mills, Easley, S. C., 450 employees; Alice Cotton Mills, Easley, S. C., 575 employees; Halifax Cotton Mills, Halifax, Va., 250 employees.

Rubber Products

Widespread curtailment of the production of tires and mechanical rubber goods is imminent as a result of the coal strike. The rate of operation in plants producing rubber tires and other rubber products has already been reduced to conserve coal. The supply of bead wire and other components has become dangerously low and it is expected that tire manufacturing plants will be affected by these shortages next week. Two companies manufacturing clay, an inert filler used in rubber compounding, report they are unable to make any future deliveries in view of the shortage of coal.

Moody's Daily Commodity Index

Tuesday, April 30, 1946	273.1
Wednesday, May 1,	272.8
Thursday, May 2,	272.9
Friday, May 3,	273.0
Saturday, May 4,	272.9
Monday, May 6.	272.7
Tuesday, May 7,	272.9
Two weeks ago, April 23, 1946	273.7
Month ago, April 6	274.2
Year ago, May 7	256.9
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, April 6	274.2
Low, Jan. 2	264.7

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
May 7	124.33	118.80	122.92	121.46	118.60	112.93	116.61	119.41	120.84
6	124.45	118.80	122.92	121.46	118.60	112.93	116.61	119.20	120.84
4	124.49	119.00	122.92	121.46	118.60	113.12	116.61	119.41	121.04
3	124.49	119.00	122.92	121.67	118.60	113.12	116.61	119.41	121.04
2	124.52	119.00	122.92	121.46	118.60	113.12	116.61	119.41	120.84
1	124.45	118.80	122.92	121,46	118.40	113.12	116.41	119.41	120.84
Apr. 26	124.33	119.00	123.34	121.25	118.40	113.12	116.41	119.41	121.04
18	125.30	119.61	123.99	121.88	119.20	113.89	117.20	120.22	121.67
12	125.77	120.02	123.99	122.29	119.61	114.27	117.60	120.22	121.88
5	125.92	120.02	123.99	122.29	119.61	114.46	117.60	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	125.80	119.82	123.77	122.29	119.20	114.27	117.00	120.22	122.29
8	125.86	119.82	123.56	122.50	119.20	114.46	116.80	120.43	122.29
1	125.84	119.61	123.56	121.88	119.20	114.27	116.61	120.22	122.09
Feb. 21	126.02	120.22	123.34	121.88	119.00	114.27	116.41	120.22	122.09
15	126,14	119.61	123.56	121.88	119.20	114.27	116.80	120.02	122.29
8	126.15	119.61	123.34	121.88	119.20	114.27	116.41	120.02	122.29
1	126.05	119.20	123.34	121.46	118.80	113.50	115.82	119.41	122.29
Jan. 25	126.28	119.00	123.12	121.25	119.00	113.31	115.63	119.41	122.09
High 1946	126.28	120.02	124.20	122.50	119.61	114.46	117.60	120.43	122.50
Low 1946	124.24	117.60	121.46	119.82	117.40	112.19	114.46	117.80	120.63
1 Year Ago May 7, 1945	122.38	115.24	120.84	118.20	115.43	107.09	112.19	114.27	119.41
2 Years Ago May 6, 1944	119.48	111.81	118.40	116.80	111.62	101.47	105.52	113.70	116.41

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
May 7	1.45	2.71	2.51	2.58	2.72	3.01	2.82	2.68	2.61
6	1.44	2.71	2.51	2.58	2.72	3.01	2.82	2.69	2.61
4	1.44	2.70	2.51	2.58	2.72	3.00	2.82	2.68	2.60
3	1.44	2.70	2.51	2.57	2.72	3.00	2.82	2.68	2.60
2	1.44	2.70	2.51	2.58	2.72	3.00	2.82	2.68	2.61
1	1.44	2.71	2.51	2.58	2.73	3.00	2.83	2.68	2.61
Apr. 26	1.45	2.70	2.49	2.59	2.73	3.00	2.83	2.68	2.60
18	1.38	2.67	2.46	2.56	2.69	2.96	2.79	2.64	2.57
12	1.35	2.65	2.46	2.54	2.67	2.94	2.77	2.64	2.56
5	1.34	2.65	2.46	2.54	2.67	2.93	2.77	2.64	2.55
Mar. 29	1.36	2.66	2.46	2.54	2.68	2.94	2.78	2.64	2.55
22	1.35	2.66	2.47	2.54	2.68	2.95	2.79	2.64	2.55
15	1.34	2.66	2.47	2.54	2.69	2.94	2.80	2.64	2.54
8	1.34	2.66	2.48	2.53	2.69	2.93	2.81	2.63	2.54
1	1.34	2.67	2.48	2.56	2.69	2.94	2.82	2.64	2.55
Feb. 21	1.33	2.67	2.49	2.56	2.70	2.94	2.83	2.64	2.55
15	1.32	2.67	2.48	2.56	2.69	2.94	2.81	2.65	2.54
8	1.32	2.67	2.49	2.56	2.69	2.94	2.83	2 65	2.54
1	1.33	2.69	2.49	2.58	2.71	2.98	2.86	2.68	2.54
Jan. 25	1.31	2.70	2.50	2.59	2.70	2.99	2 87	2.68	2.55
High 1946	1.46	2.77	2.58	2.66	2.78	3.05	2.93	2.76	2.62
Low 1946	1.31	2.65	2.45	2.53	2.67	2.93	2.77	2.63	2.53
1 Year Ago May 7, 1945	1.63	2.89	2.61	2.74	2.88	3.33	3.05	2.94	2.68
2 Years Ago May 6, 1944	1.85	3.07	2.73	2.81	3.08	3.66	3.42	2.97	2.83

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

NOTE—The list used in compiling the averages was given in the Nov. 22, 1945 issue of the "Chronicle" on page 2508.

Moody's Common Stock Yields

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

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
Oct., 1945	3.7	5.2	4.2	3.1	3.1	3.8
Nov., 1945	3.6	4.8	4.0	3.2	3.2	3.7
Dec., 1945	3.6	4.8	4.1	3.3	3.1	3.7
January, 1946	3.4	4.5	3.8	3.4	2.9	3.5
February, 1946	3.6	5.1	4.0	3.7	3.0	3.8
March, 1946	3.4	5.1	4.0	3.6	3.0	3.6
April, 1946	3.3	5.1	3.9	3.6	3.0	3.5

Overby Asst. V. P. of N. Y. Reserve Bank

Andrew N. Overby, who left the Federal Reserve Bank of New York to enter military service in September 1942, has returned to the Foreign Function of the bank as Assistant Vice-President effective May 1. He will be concerned particularly with operations of the Federal Reserve Bank on behalf of the International Monetary Fund and the International Bank for Reconstruction and Development, said the Reserve Bank announcement May 1, which stated:

"From February 1943 to May 1945 he was Chief of the Reciprocal Aid Branch, International Division, Headquarters, Army Service Forces, in which capacity he was responsible for the initiation and administration of War Department policy on reciprocal aid. From May 1945 until his release from the Army in April 1946 with the rank of Lieutenant-Colonel, he was Executive Officer to the Director of Materiel, Headquarters, Army Service Forces."

The Coal Strike

(Continued from first page)

Even the so-called "sacred right to strike" does not justify shutting down an industry producing so essential a commodity as coal unless there is no other way to secure vital concessions to which the workers are clearly entitled. The facts belie such justification here. Let us examine them.

Consider first the question of:—

Wages

This is the heart of every collective bargaining agreement. Other matters may be important, but it is the pay envelope that primarily concerns the worker. You will be astounded to know that the question of wages had nothing to do with the calling of this strike. The union negotiators have refused to discuss wages. They left the conference rather than consider the increases offered by the operators. Was there ever such another wage conference where the one subject that could not be mentioned was wages?

The reason behind the attitude of the union leaders is clear. They know that bituminous miners are among the highest paid of all industrial workers. Prior to April 1st, 1941 their average hourly earnings was .885 cents. On that date it increased to $1.07. In March, 1943, the National War Labor Board found that the earnings were such as "puts the mine workers up among the higher paid workers in war industries." By October, 1944, hourly earnings had risen to $1.19. In December, 1945, $1.28.

That is not all. While the contract was in force, while the mines were in full production, the operators proposed to the union to again increase wages by whatever amount was required to meet the Government wage policy and the pattern of increases established in other industries. That offer was renewed from day to day. The operators are ready now to sit down with the union negotiators and translate the proffered increase into cents per ton and per hour. But the union leaders refuse. Can anyone claim that a dispute over wages had anything to do with the coal strike?

Consider next the question of:—

Hours of Work

Wages and hours of work are necessarily tied together. The agreement which the union cancelled on March 31st fixed seven hours as the basic work day, thirty-five hours as the basic work week. All daily or weekly time exceeding that base must be paid for at time and one-half. By reason of a much criticized court decision, the time spent by the miners in riding from the portal to the working place is work time. Adding this theoretical, law-made work time to that actually spent mining coal, makes a comparatively long work week.

The operators offered to negotiate with the union the question of any desired reduction in hours. We are ready now to do so. But here, also, as in the matter of wages, the union has made no specific demand, and would tolerate no discussion. Can anyone claim that a dispute over hours of work has anything to do with the coal strike?

Consider next the question of working conditions with particular reference to:—

Safety

The union spokesmen have had much to say about the hazards of the industry and their desire to bring about greater safety in the mines. The operators say more power to them in every good-faith effort to decrease the accident and fatality rate. The operators welcome this cooperation by the union, belated as it is. This is the very thing the operators have long been seeking. Mining is hazardous. We are determined to continue with redoubled energy all safety efforts until every avoidable mine accident is prevented.

At this conference the industry representatives have made the most constructive safety proposals ever presented to a joint conference. For example, we agree to select at once a nationally known mine safety engineer. The union to do likewise. These two to be joined by a third, designated by the Director of the Federal Bureau of Mines. This committee to seek at once the cooperation of the chief State mine inspector in each coal producing State. The State mining laws must be examined to see wherein they can be strengthened to promote safety. Company safety practices, employee attitudes, mining conditions affecting safety, all these should have expert scrutiny. The operator negotiators, speaking for the entire bituminous coal industry, and the union, representing all of the production workers, by their united support of the recommendations of this committee, can eliminate avoidable accidents.

Let no one think because of this discussion of safety that coal operators have been neglectful of their responsibilities. The Federal Bureau of Mines says:—

> "* * * the over-all picture in health and safety in coal mining in the United States in 1945 is one of outstanding accomplishment and of hope for the future * * *."

Considering these facts concerning working conditions and safety practices, it becomes apparent that the known hazards of this industry are being capitalized to win support for extraneous demands. As in the case of wages and hours, there is no dispute concerning working conditions, and improved safety measures, that offers the slightest justification for the coal strike.

Many strikes occur because employers are charged with refusal to bargain in good faith with the union selected by their employees. May we now examine the subject of:—

Collective Bargaining

On March 2nd, the union requested a wage conference. At the same time it served a thirty day strike notice alleging that a labor dispute existed, although no demands had been presented and necessarily there had been no rejection by the operators.

Negotiations continued for fifteen days. Because the union leaders elected to have it so, these were negotiations in name only. They presented no details of demands for contract changes. They used up half the time in denunciatory and largely irrelevent charges against the industry. They continued the same tactics in committee meetings. Promptly at the earliest moment permitted by the contract, they served notice cancelling the wage agreement. So, the strike began.

There is a strike in the coal industry because that is what John Lewis wanted. He served the strike notice. He demanded the wage conference. He refused to collectively bargain. He cancelled the contract. It was he who refused to permit work on any terms after March 31st. It was Lewis who withdrew from the conference without ever mentioning wages or hours of work and without any real effort to reach an agreement on conditions of work and safety provisions.

Since Lewis thus deliberately planned to shut down the mines and force a crisis, what did he hope to gain thereby? Not higher wages than could have been secured without a strike. Not shorter hours of work. Not improved working conditions and greater safety. All of those were available through the normal process of collective bargaining as urged by the operators. What then did he have in mind? First and foremost:—

Royalty Tax on Coal

The union demands that the contract require all producers to pay into the union treasury a tax of ten cents per ton for every ton of coal mined. This tribute levied on the industry in excess of $50,000,000 a year would constitute what it calls a health and welfare fund.

The purposes to which this vast accumulation of money would be devoted were only vaguely outlined. One thing was made clear. These millions of annual revenue would belong absolutely to the union. No limitations of any kind would be imposed on its expenditure. The union would be free to spend that money as it pleased. It need make account to no person.

The operators rejected that demand. They will persist in that rejection. They are convinced that to grant to John Lewis the right to levy a tribute on production would be to vest him with economic and political power so farreaching as to undermine the very foundations of our economy. They say that the power to tax is a governmental function. It is a power that cannot with safety, be farmed out to an individual, a corporation, or a labor union.

The legal taxing authorities now collect from the coal industry about ten cents per ton for social security, workmens' compensation and welfare purposes. If, in spite of governmental activities, community and charitable efforts, and the high wages paid in the industry, there are still cases of unusual hardship, the operators are willing to meet that problem. They will join the union in an examination of the facts. If the need for further relief is shown to exist, they will share in the creation of a fund to be administered jointly or by an outside agency.

The union made acceptance of the principle of a royalty tax upon coal, the proceeds to go into the union treasury, to be spent at the sole discretion of the union, a condition precedent to the making of a contract. Until the union recedes from that position, there can be no contract made. The operators feel that if the pattern be set in coal, every other industry must fall in line. Many thousands of irresponsible taxing authorities would be created overnight. An intolerable situation would result. Congress can settle this matter by outlawing all such private taxing proposals. It will do so, if the people of the country insist upon action.

There is also a demand for:—

Unionization of Supervisory Personnel

Under the union shop contracts that have prevailed in the coal industry since 1939, all employees in and around the mines are required to be members in good standing of the United Mine Workers of America, with the exception of designated supervisory, technical, and confidential employees comprising less than 7.5% of the total.

The union now seeks to take over all of this management personnel save only the superintendent and one general foreman at each mine. This is an unwarranted intrusion on the rights and responsibilities of management. That demand has been rejected.

Coal mining is a hazardous and a highly technical industry, one in which responsibilties lie heavy on management. The industry cannot delegate its responsibilities to the union, nor permit a divided loyalty on the part of its management personnel. In the widely separated underground areas of a modern coal mine, management has no contact with its production employees except in the person of these supervisors. They are management to the workers and must continue as such. Enforcement of safety regulations, disciplinary measures of all kinds, application of contract provisions which are not self-executing, efficiency in production, and countless other considerations require that supervisors, unhampered by union membership and union oath, shall continue to represent the management side.

Two out of the three members of the National Labor Relations Board feel that under the language used by Congress they have no discretion and must put the full weight of that agency behind the drive to force all supervisors into the union. We think that is an erroneous decision. We trust that it will be corrected by the courts under the procedure provided by the Act. Congress can remove this obstacle to the making of a contract. The House has already done so. The Senate should follow its lead. Until judicial decision or legislative action has resolved the question as to whether supervisors are covered by the Labor Relations Act, we propose to contract with the United Mine Workers as the representative of our production and maintenance employees, and those only.

There is finally the question of:—

Union Security

The third and last of the arbitrary demands put forth by the union as a condition precedent to the making of a contract, it calls union security. The union fears that Congress may pass a law which would obligate both parties to a wage agreement to observe its terms. Obviously, the one sure way to avoid liability under such a statute, a way open to union and employer alike, is not to become a contract breaker. This matter did not cause the strike. It need not stand in the way of a new contract.

Conclusion

We suggest that the union leaders put aside their grandiose ideas about a multi-million dollar fund to be extracted from the industry by an excise tax. We suggest that the union refrain from pressing its demand to take over the responsibilities of management, as it would have to do if all supervisory personnel were union members. We suggest that the union lay aside its fears concerning penalties for contract violation and resolve to carry out its agreements in good faith.

Coal operators want to make a contract under which the miners can return to work without delay. They agree to pay the best wages ever earned in the coal industry in this, or any other country. They agree to negotiate a shorter work day and work week, having in mind one consideration only—sufficient coal to meet the Nation's requirements. They agree "to move heaven and earth" in the effort to present all avoidable accidents. They agree to examine the extent of hardship cases and to jointly establish a fund for their alleviation.

Here is the basis for resumption of the wage conference—for the speedy negotiation of an agreement that will enable 400,000 miners to end their enforced holiday—for the filling of empty coalbins at home and abroad—for the resumed flow of millions of dollars in daily wages to mine workers and their families.

Real Estate Financing in March, 1946

Non-farm real estate financing in the nation ascended to a new post-depression high during March, with mortgage recordings estimated at $766,000,000, an increase of 24% over February and 77% above the total for March, 1945, it was reported by the Federal Home Loan Bank Administration on May 4. The announcement continued:

"Roughly keeping pace with increased prices of houses in recent years, the average mortgage in March was $3,911—$114 more than in February and $554 in excess of March, 1945. In early 1939, the size of the average mortgage recorded was only $2,700.

"All types of financing institutions as well as individual lenders shared in the upswing from February activity. The March total for savings and loan associations was $227,408,000, a rise of 27.5% over the previous month. Other increases ranged from 36% for mutual savings banks to 16% for individual lenders. The ratio of total lending represented by individual mortgagees has fallen from about 24% in January to 21% in March.

"During the first quarter of 1946 real estate financing was 79% greater than in the same three months last year, reaching a total of $2,018,850,000. Savings and loan associations, banks and trust companies and mutual savings banks increased their share of all recordings to 35%, 23% and 4%, respectively, compared with 33%, 19% and 3.2% during the first quarter of last year. There was a corresponding decrease in the participation of insurance companies, individuals and miscellaneous lending institutions.

"The estimates are based on reports of recorded mortgages of $20,000 or less. Totals for the first quarter of 1946 are as follows:

	Number	Amount	%
Savings and loan associations	183,823	$715,449,000	35%
Insurance companies	15,383	84,118,000	4
Banks and trust companies	111,829	460,672,000	23
Mutual savings banks	17,287	83,288,000	4
Individuals	145,484	455,064,000	23
Miscellaneous lending institutions	50,954	220,262,000	11
	524,760	$2,018,853,000	100%

N. Y. Reserve Drops 1% on Advances to Non-Members

In advices April 24 to Member banks in the local Reserve District, Allan Sproul, President of the Federal Reserve Bank of New York said:

"Effective April 25, 1946, we have discontinued the differential rate of ½% per anum on advances to member banks under the eighth and thirteenth paragraphs of section 13 of the Federal Reserve Act secured by obligations of the United States maturing or callable in one year or less. The rate of 1% heretofore applicable to advances to member banks secured by obligations of the United States which do not mature or become callable until after one year will hereafter be applicable to advances to member banks secured by any obligations of the United States irrespective of the date upon which the obligatios mature or may be called.

"We have also discontinued the rate of 1% per annum on advances to nonmember banks under the last paragraph of section 13 secured by direct obligations of the United States. The rate of 2½% heretofore applicable to advances to individuals, partnerships and corporations other than banks under such paragraph secured by direct obligations of the United States will be applicable hereafter to similar advances to nonmember banks."

Wholesale Prices Drop 0.1% in Week Ended April 27, Labor Department Reports

Lower prices of agricultural products were responsible for a fractional decline (0.1%) in primary market prices during the week ended April 27, 1946, said the Bureau of Labor Statistics of the U. S. Department of Labor on May 2. The Bureau reported that "at 109.5% of the 1926 average, the index of commodity prices prepared by the Bureau was 0.7% above a month ago and 3.6% above the corresponding week of last year." The Bureau's advices continued:

"**Farm Products and Foods**—Average primary market prices of farm products and foods decreased 0.3% and 0.1% respectively during the week because of lower prices of fresh fruits and vegetables and livestock and poultry. Sheep quotations averaged 5% lower due to heavy shipments of animals to market before the May 1 reduction of subsidy. Prices of onions dropped sharply with a good Texas crop. Elimination of the government set-aside reduced apple prices in Portland. Prices of sweetpotatoes declined. There was a sharp rise in prices of lemons, following ceiling adjustments for citrus fruits to meet parity requirements and to cover higher labor costs. Price movements for white potatoes were mixed. Rye quotations rose sharply, reflecting relative scarcity of other grains and the government's procurement program for corn and wheat. Egg prices were higher. Quotations for cotton advanced. Group indexes for farm products and foods were 1.3% and 0.7% higher respectively than four weeks ago and about 3½% higher than late April 1945.

"**Other Commodities**—The group index for all commodities other than farm products and foods was unchanged at the level of the previous week, 0.8% higher than in late March and 3.6% above a year ago. Prices of cotton goods rose 1% during the week, in response to ceiling adjustments under the Bankhead Amendment to the Stabilization Extension Act of 1944. On the average prices of cotton goods were more than 9% higher than at the end of February. Higher prices for red cypress developed during the week from OPA adjustments to bring prices for this species in line with ceilings for other lumber species. Prices for woodpulp rose sharply as OPA raised ceilngs to encourage increased output and imports. Quotations for mercury were lower."

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 30, 1946 and April 28, 1945 and (2) percentage changes in subgroup indexes from April 20, 1946 to April 27, 1946.

CHANGES IN WHOLESALE PRICES BY COMMODITY GROUPS
FOR WEEK ENDED APRIL 27, 1946
(1926=100)

Commodity group—	4-27 1946	4-20 1946	4-13 1946	3-30 1946	4-28 1945	Percentage changes to April 27, 1946, from— 4-20 1946	3-30 1946	4-28 1945
All commodities	109.5	109.6	109.3	108.7	105.7	—0.1	+0.7	+3.6
Farm products	135.0	135.4	135.1	133.3	130.5	—0.3	+1.3	+3.4
Foods	110.3	110.4	109.9	109.5	106.5	—0.1	+0.7	+3.6
Hides and leather products	120.3	120.3	120.3	120.1	118.3	0	+0.2	+1.7
Textile products	105.5	105.2	105.0	104.3	99.1	+0.3	+1.2	+6.5
Fuel and lighting materials	86.6	86.6	86.5	85.4	83.9	0	+1.4	+3.2
Metal and metal products	109.0	109.0	108.2	107.9	104.3	0	+1.0	+4.5
Building materials	126.0	126.0	124.0	123.6	117.0	0	+1.9	+7.7
Chemicals and allied products	96.1	96.1	96.1	96.0	94.9	0	+0.1	+1.3
Housefurnishings goods	108.7	108.7	108.7	108.5	106.2	0	+0.2	+2.4
Miscellaneous commodities	95.5	95.4	95.4	95.4	94.6	+0.1	+0.1	+1.0
Raw materials	122.7	123.0	122.8	121.1	118.2	—0.2	+1.3	+3.8
Semi-manufactured articles	101.2	100.8	100.8	100.5	94.8	+0.4	+0.7	+6.8
Manufactured products	105.1	105.1	104.8	104.5	101.9	0	+0.6	+3.1
All commodities other than farm products	103.9	103.9	103.7	103.3	100.3	0	+0.6	+3.6
All commodities other than farm products and foods	103.1	103.1	102.8	102.3	99.5	0	+0.8	+3.6

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
APRIL 20, 1946 TO APRIL 27, 1946

Increases

Cotton goods	1.0	Grains	0.3
Other foods	0.4	Paper and pulp	0.3
Lumber	0.1		

Decreases

Fruits and vegetables	0.9	Other farm products	0.5
Livestock and poultry	0.4		

Steel Production Continues to Decline—Mills Unable to Make Delivery Promises

"The coal strike has so accentuated and added to the bad effects of the steel strike that manufacturers' inventories have become so unbalanced that it will take months to get smooth production even after the coal controversy is settled," "The Iron Age," national metalworking paper, states in its issue of today (May 9), further adding: "In its sixth week and with the probability that it will not be settled before June, he coal strike has seriously held back production of urgently needed refrigerators, household appliances, building materials, automobiles and a whole list of items needed for reconversion from war scarcities.

"The inflationary affect of both the steel and coal strikes is fully realized by 'The Iron Age' statistics which indicate that by the end of next week more than 10,000,000 tons of steel ingots will have been eliminated from the market since the first of the year because of these two stoppages.

"Indications are that the rate will drop at least 10 points next week unless the coal strike is immediately settled, a move which is looked for by no one. Even after the mine impasse has been eliminated, the steel industry will need at least two weeks or more to climb from its low operating rate.

"A survey of the various districts in which the steel operating rate in the week before the coal strike is compared with the rate this week shows the following: Pittsburgh, 100%, down 57%, a loss of 43 points; Chicago, 91.5% to 54.5%, down 37 points; Youngstown, 82.5% to 45.5%, down 37 points; Philadelphia, 91.5% to 55%, down 36.5 points; Cleveland, 94% to 85%, down 9 points; Buffalo, 99% to 78%, down 21 points; Wheeling, 94% to 71%, down 23 points; South, 95% to 46%, down 49 points; Detroit, 95% to 98.5%, up 3.5 points; West, 62% to 49%, down 13 points; Cincinnati, 90% to 73%, down 17 points; St. Louis, 71.5% to 59%, down 12.5 points; East, 113% to 84%, down 29 points, and the total for the country, 89.5% to 59%, down 30.5 points.

"The effects of the coal strike are being particularly felt in Illinois and Indiana where power consumption is being restricted to 24 hours per week. Two steel plants which depend on purchased power discontinued steelmaking and rolling operations altogether this week and a third made a sharp cut in finishing operations. Some manufacturing plants there tossed in the sponge and declared an enforced vacation for their employees, while others worked one shift for the first three days of the week.

"Manufacturing concerns which have been fortunate to keep their wheels going so far were to be curtailed this week by the freight embargo brought on as a direct result of the coal strike. Incoming shipments to industrial plants are being limited to material which can be moved by truck. Lack of storage space in many cases will halt operations soon. At least one major steel producer on the Great Lakes will inaugurate a program of heavy water shipments to consuming centers in the Lakes region.

"The nicely-laid plans of the OPA to readjust upward the prices on some low-return items in order to increase their production blew up last week with the result that for the time being the only upward adjustment which will be made is slated for alloy steels. These will be advanced approximately 3% and above the 4% raise which they were recently granted. The steel price problem, however, is still active and steel companies are expected to keep OPA supplied with arguments as to why certain steel products should be advanced.

"The scrap situation throughout the country is becoming tighter than at any time since the war ended. The coal strike has not lessened the demand as many steel mills were using scrap to make up for the shortage in pig iron. Now that the embargo will stop scrap shipments the end of the coal controversy will find the nation's steel mills scrambling for scrap in all directions."

The American Iron and Steel Institute announced on May 6 that steel production is scheduled to take another sizable drop this week which will result in the loss of close to 500,000 tons, because of the acute shortage of coal at many plants. The national steel operating rate has declined to 58.7% of capacity for the week beginning May 6, a reduction of 29.3 points since late March immediately before the start of the strike. The Institute's statement continued:

"Approximately 1,500,000 tons of steel ingots and steel for castings have been lost so far during the strike. This figure is computed by comparing operations week by week during the course of the strike with average operations in the weeks immediately preceding the start of the strike. The figure includes the expected output of the current week. In addition to the loss of steel, the strike has cost large sums in wages and has further impaired the steel industry's earnings.

"This week's rate is 58.7% of capacity, equivalent to 1,034,500 tons of ingots and steel for castings. Last week the rate was 67.7% of capacity, equal to 1,193,100 tons. A month ago the rate was 78.3% of capacity, equal to 1,379,900 tons. A year ago it was 95.1% of capacity, equal to 1,741,900 tons."

"Steel" of Cleveland, in its summary of the iron and steel markets, on May 6 stated in part as follows:

"Steel producers find increasing difficulty in making delivery promises, most of them not attempting it, and also in meeting those already made. Practically all are well behind on shipments already scheduled.

"Production is declining as the soft coal strike enters its sixth week, and some plants that have been able to maintain operations fairly well until now are at a reduced rate, with others suspended entirely. Some steelmaking units confronted by serious curtailment are setting up vacation schedules for this time instead of later. This policy is being adopted also by various consuming plants, notably foundries, who find they have gone as far as fuel and metal supply will permit. In some foundries lack of coke is more of an obstacle than the pig iron shortage.

"Coal shortage is increasingly affecting output of coke and some by-product plants have been reduced to 25% of capacity.

"Numerous steel plants have reduced operations while some others, in better position on fuel, estimate they can continue at practically full rate until the middle of May and after that will be forced to reduce sharply.

"Blast furnaces continue to be banked as coke supply fails and a number are on reduced blast to conserve fuel. Pig iron shipments are being apportioned carefully to supply melters as well as possible. Melters have long since stopped insisting on close specifications and are resorting to ferroally additions to sweeten mixtures. Attempts to eke out pig iron supply by larger use of scrap bring little success on account of lack of cast scrap.

"Warehouses in general did more business in April than in any recent month, supplying consumer needs that mills could not fill. As a result their stocks are depleted and outlook for May is not as bright. In many items seasonally in demand stocks are practically sold out, including wire nails and fencing, while structuals and sheets are scarce.

"Pig iron production in March went back to normal after the low rate in January and February, during the steel strike, with output of 4,384,057 net tons of pig iron and 39,859 tons of ferromanganese and spiegeleisen, a total of 4,423,916 tons. This was at 77.3% of capacity, compared with an average of 49.5% for first quarter. Production for April will be smaller because of numerous interruptions during the soft coal strike.

"In spite of reduced steel production no easing in pressure for steel and iron scrap is noted, as scrap is being substituted for pig iron during shortage of that material and steelmakers seek to build reserves for use when production is resumed at a higher rate. Shrinkage in industrial scrap is noted as fabricators taper operations because of lack of steel and railroad offerings are much below normal. Low phos grades continue to be bought for openhearth use in spite of the higher price, and consumers pay high freight charges to bring in material from a distance."

Civil Engineering Construction Totals $108,809,000 for Week

Civil engineering construction volume in continental United States totals $108,809,000 for the week ending May 2, 1946 as reported to "Engineering News-Record." This volume is 17% below the previous week, 168% above the corresponding week of last year, and 6% below the previous four-week moving average. The report issued on May 2, went on to say:

Private construction this week, $69,405,000, is 17% below last week and 432% above the week last year. Public construction, $39,404,000, is 17% below last week and 43% greater than the week last year. State and municipal construction, $28,059,000, 4% above last week, is 243% above the 1945 week. Federal construction, $11,345,000 is 45% below last week and 41% below the week last year.

Total engineering construction for the 18-week period of 1946 records a cumulative total of $1,625,282,000, which is 190% above the total for a like period of 1945. On a cumulative basis, private construction in 1946 totals $1,071,355,000, which is 528% above that for 1945. Public construction, $553,927,000, is 42% greater than the cumulative total for the corresponding period of 1945, whereas State and municipal construction, $369,302,000 to date, is 434% above 1945. Federal construction, $184,625,000, dropped 43% below the 18-week total of 1945.

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

	May 2, 1946	April 25, 1946	May 3, 1945
Total U. S. Construction	$108,809,000	$131,594,000	$40,576,000
Private Construction	69,405,000	83,937,000	13,038,000
Public Construction	39,404,000	47,657,000	27,538,000
State & Municipal	28,059,000	26,882,000	8,185,000
Federal	11,345,000	20,775,000	19,353,000

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

New Capital

New capital for construction purposes this week totals $38,989,000, and is made up of $12,750,000 in State and municipal bond sales and $26,239,000 in corporate security issues. New capital for the 18-week period of 1946 totals $478,948,000, 65% greater than the $289,840,000 reported for the corresponding period of 1945.

Vacation Cruise of Truman

President Truman left Washington in the late afternoon of Easter Sunday for a week's cruise aboard the Presidential yacht Williamsburg. He and his party, consisting of members of the White House staff, as well as secret service men and correspondents, joined Admiral Marc A. Mitscher, commander of the new Eighth Fleet, aboard the aircraft carrier Franklin D. Roosevelt early the following morning to witness maneuvers off the Virginia Capes. After spending a day and a half aboard the carrier, the President returned to his yacht to continue his cruise of Chesapeake Bay and the Potomac River, according to Associated Press Washington advices. On April 25 Mr. Truman interrupted his vacation to spend most of the day in Washington attending the funeral services for Chief Justice Harlan F. Stone.

Accompanying the President on the yachting cruise were his personal chief of staff, Admiral William D. Leahy; Capt. Clark Clifford, naval aid; Brig.-Gen. Harry H. Vaughan, military aid; John R. Steelman and Edward Locke, special assistants; Richmond B. Keech, administrative assistant; Col. Wallace Graham, Presidential physician, and Presidential Secretaries Charles G. Ross and William D. Hassett.

Daily Average Crude Oil Production for Week Ended April 27, 1946 Decreased 14,250 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 27, 1946, was 4,672,050 barrels, a decrease of 14,250 barrels per day from the preceding week and 132,765 barrels per day less than in the corresponding week of 1945. The current figure, however, was 52,050 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 27, 1946, averaged 4,624,050 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 4,685,000 barrels of crude oil daily and produced 14,228,000 barrels of gasoline; 2,010,000 barrels of kerosine; 5,568,000 barrels of distillate fuel, and 9,204,000 barrels of residual fuel oil during the week ended April 27, 1946; and had in storage at the end of the week; 99,631,000 barrels of finished and unfinished gasoline; 11,016,000 barrels of kerosine; 30,466,000 barrels of distillate fuel, and 39,404,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements April	State Allowables Begin. Apr. 1	Actual Production Week Ended Apr. 27, 1946	Change from Previous Week	4 Weeks Ended Apr. 27, 1946	Week Ended Apr. 28, 1945
Oklahoma	367,000	367,000	†367,150	— 11,600	373,450	363,550
Kansas	250,000	245,200	†257,350	— 5,050	253,700	264,600
Nebraska	800	----	†750	----	750	900
Panhandle Texas			82,000	----	82,000	90,000
North Texas			158,700	----	156,300	150,000
West Texas			495,000	----	483,750	489,500
East Central Texas			139,700	----	137,400	138,550
East Texas			372,000	----	360,800	378,100
Southwest Texas			326,500	----	318,800	352,150
Coastal Texas			480,700	----	468,000	565,250
Total Texas	2,080,000	‡1,816,819	2,054,600	----	2,007,050	2,163,550
North Louisiana			86,150	+ 200	85,550	71,300
Coastal Louisiana			286,800	----	286,800	295,000
Total Louisiana	374,000	398,022	372,950	+ 200	372,350	366,300
Arkansas	78,000	81,526	77,200	— 300	77,500	79,800
Mississippi	53,000		55,200	— 500	55,450	52,400
Alabama	800		1,100	----	1,100	500
Florida			50	— 50	100	15
Illinois	197,000		209,500	+ 1,900	209,550	200,050
Indiana	14,000		19,300	+ 600	19,650	11,650
Eastern— (Not incl. Ill., Ind., Ky.)	61,900		66,000	+ 1,250	65,300	64,050
Kentucky	29,500		30,700	— 400	31,300	27,600
Michigan	46,000		44,800	+ 450	46,200	48,000
Wyoming	92,000		113,350	— 900	111,300	106,900
Montana	21,000		20,050	----	20,100	20,500
Colorado	22,000		27,700	+ 1,350	25,700	10,250
New Mexico	99,000	106,000	95,800	----	95,800	104,800
Tot. East of Calif.	3,786,000		3,813,550	— 13,050	3,766,350	3,885,415
California	834,000	§830,000	858,500	— 1,200	857,700	919,400
Total United States	4,620,000		4,672,050	— 14,250	4,624,050	4,804,815
‖Pennsylvania Grade included above			63,300	+ 1,000	62,900	61,550

*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 tended 7:00 a.m. April 24, 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 STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL OIL, WEEK ENDED APRIL 27, 1946

(Figures in thousands of barrels of 42 gallons each)

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

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	§Gasoline Produc'n at Ref. Inc. Nat. Blended	†Finish'd and Unfin. Gasoline Stocks	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks. of Resid. Fuel Oil
East Coast	99.5	744	94.1	1,735	23,102	5,027	10,036	6,669
Appalachian—								
District No. 1	76.8	102	69.9	357	2,754	223	429	203
District No. 2	81.2	52	104.0	163	1,195	59	92	233
Ind., Ill., Ky.	87.2	770	89.8	2,712	22,221	1,521	3,917	3,098
Okla., Kan., Mo.	78.3	363	77.4	1,269	8,700	504	1,660	1,090
Inland Texas	59.8	206	62.4	865	3,044	308	321	747
Texas Gulf Coast	89.3	1,144	92.5	3,694	14,871	1,654	4,988	4,382
Louisiana Gulf Coast	96.8	332	127.7	982	3,946	830	1,552	1,122
No. La. & Arkansas	55.9	54	42.9	146	1,898	230	449	219
Rocky Mountain—								
District No. 3	17.1	13	100.0	42	103	10	42	51
District No. 4	72.1	113	71.1	341	2,272	115	380	628
California	86.5	792	81.9	1,922	15,525	535	6,600	20,962
Total U. S. B. of M. basis Apr. 27, 1946	85.7	4,685	86.7	14,228	*99,631	11,016	30,466	39,404
Total U. S. B. of M. basis Apr. 20, 1946	85.7	4,789	88.6	14,029	101,059	11,225	30,284	38,124
U. S. B. of M. basis Apr. 28, 1945		4,815		14,965	†91,981	8,158	28,802	39,891

*Includes unfinished gasoline stocks of 8,461,000 barrels. †Includes unfinished gasoline stocks of 11,312,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 2,010,000 barrels of kerosine, 5,568,000 barrels of gas oil and distillate fuel oil and 9,204,000 barrels of residual fuel oil produced during the week ended April 27, 1946, which compares with 2,201,000 barrels, 5,211,000 barrels and 9,230,000 barrels, respectively, in the preceding week and 1,498,000 barrels, 4,692,000 barrels and 9,092,000 barrels, respectively, in the week ended April 28, 1945.

National Fertilizer Association Commodity Price Index Remains Steady

The weekly wholesale commodity price index compiled by the National Fertilizer Association made public on May 6, remained unchanged in the week of May 4, 1946 at 145.7, the same as in the preceding week. A month ago the index stood at the same level of 145.7, and a year ago at 140.4, all based on the 1935-1939 average as 100. The Association's report continued as follows:

The foods index advanced fractionally during the latest week primarily reflecting higher prices for dressed chickens. The farm products index was slightly lower with the declines in the cotton and grains subgroups more than offsetting the advance shown in the livestock subgroup. The grains index was lower due to a decline in rye prices. Prices in the livestock index were mixed, with higher quotations for lambs, poultry and eggs more than offsetting lower quotations for calves and sheep. The textiles group declined during the week. The remaining groups of the index were unchanged.

During the week five price series in the index declined and four advanced; in the preceding week seven declined and six advanced; in the second preceding week two declined and six advanced.

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

% Each Group Bears to the Total Index	Group	Latest Week May 4, 1946	Preceding Week Apr. 27, 1946	Month Ago Apr. 6, 1946	Year Ago May 5, 1945
25.3	Foods	144.6	144.3	144.0	141.8
	Fats and Oils	147.4	147.4	147.4	145.3
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	175.0	175.2	175.0	167.2
	Cotton	260.4	263.6	264.1	213.5
	Grains	173.9	174.0	173.4	163.6
	Livestock	162.0	161.6	161.3	160.8
17.3	Fuels	130.8	130.8	131.7	130.4
10.8	Miscellaneous commodities	134.5	134.5	133.8	133.7
8.2	Textiles	166.5	167.0	166.9	156.9
7.1	Metals	117.9	117.9	117.2	104.7
6.1	Building materials	167.8	167.8	167.8	154.4
1.3	Chemicals and drugs	127.5	127.5	127.2	125.4
.3	Fertilizer materials	118.2	118.2	118.2	118.3
.3	Fertilizers	119.8	119.8	119.8	119.9
.3	Farm machinery	105.8	105.8	105.3	104.8
100.0	All groups combined	145.7	145.7	145.7	140.4

*Indexes on 1926-1928 base were: May 4, 1946, 113.5; April 27, 1946, 113.5 and May 5, 1945, 109.4.

We also give below the report of the previous week:

After seven weeks of steadily registering new high peaks, the weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on April 29, reversed the trend and declined in the week of April 27, 1946 to 145.7 from 145.9 in the preceding week. When the index began the upward swing March 2, it stood at 141.9, and it had risen 2.8% before it was halted in the latest week. A month ago the index stood at 144.9, and a year ago at 140.3, all based on the 1935-1939 average as 100. The Association's report went on to say:

Three of the composite groups of the index declined and three advanced during the latest week. Of the declining groups, the fuel index showed the most pronounced decline due to lower quotations for gasoline. The farm products group was lower with the cotton and livestock subgroups declining and the grain subgroup slightly higher. The livestock index declined with lower quotations for cattle and lambs more than offsetting higher prices for eggs. The gain in the grain index reflected higher prices for rye. The textile group declined fractionally. The metal group advanced carrying the figure for that group to a new high point with the higher prices for brass rods and sheets and copper sheets responsible for the advance. The farm machinery index advanced moderately. The miscellaneous commodities group also advanced to a new high point reflecting higher prices for wood pulp sulphite. The remaining groups of the index were unchanged.

During the week 7 price series in the index declined and 6 advanced; in the preceding week 2 declined and 6 advanced; in the second preceding week 1 declined and 6 advanced.

Electric Output for Week Ended May 4, 1946 8.8% Below That for Same Week a Year Ago

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended May 4, 1946, was 4,011,670,000 kwh., which compares with 4,397,330,000 kwh. in the corresponding week a year ago, and 3,976,750,000 kwh. in the week ended April 27, 1946. The output for the week ended May 4, 1946, was 8.8% below that of the same week in 1945.

PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Major Geographical Divisions—	Week Ended— May 4	April 27	April 20	April 13
New England	4.1	2.2	2.3	§0.1
Middle Atlantic	3.1	3.7	3.0	§0.5
Central Industrial	12.2	12.9	11.0	8.8
West Central	5.6	5.1	4.1	0.5
Southern States	9.2	11.8	12.3	10.8
Rocky Mountain	3.2	13.1	14.1	4.8
Pacific Coast	10.7	10.9	12.6	12.9
Total United States	8.8	9.9	9.6	7.3

§Increase.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1946	1945	% Change under 1945	1944	1932	1929
Feb. 2	3,982,775	4,538,552	—12.2	4,524,134	1,578,817	1,726,161
Feb. 9	3,983,493	4,505,269	—11.6	4,532,730	1,545,459	1,718,304
Feb. 16	3,948,620	4,472,298	—11.7	4,511,562	1,512,158	1,699,250
Feb. 23	3,922,796	4,473,962	—12.3	4,444,939	1,519,679	1,706,719
March 2	4,000,119	4,472,110	—10.6	4,464,686	1,538,452	1,702,570
March 9	3,952,539	4,446,136	—11.1	4,425,630	1,537,747	1,687,229
March 16	3,987,877	4,397,529	— 9.3	4,400,246	1,514,553	1,683,262
March 23	4,017,310	4,401,716	— 8.7	4,409,159	1,480,208	1,679,589
March 30	3,992,283	4,329,478	— 7.8	4,408,703	1,465,076	1,633,291
April 6	3,987,673	4,321,794	— 7.7	4,361,094	1,480,738	1,696,543
April 13	4,014,652	4,332,400	— 7.3	4,307,498	1,469,810	1,709,331
April 20	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
May 4	4,011,670	4,397,330	— 8.8	4,233,756	1,436,928	1,698,942
May 11		4,302,381		4,238,375	1,435,731	1,704,426
May 18		4,377,221		4,245,678	1,425,151	1,705,460
May 25		4,329,605		4,291,750	1,381,452	1,615,085

UAW Protests Auto Price Increases

A protest to the Office of Price Administration against a regulation "giving automobile manufacturers a second round of price increases" was ordered on May 1 by Walter P. Reuther, President of the Congress of Industrial Organizations, United Auto Workers, it is learned from an Associated Press dispatch from Detroit, which went on to say:

In the event the OPA rejects the protest, Mr. Reuther added, the UAW will take the case to the Emergency Court of Appeals.

Contending that "second round" increases of $16 to $60 on General Motors Corporation cars announced Tuesday [Apr. 30] were in addition to price boosts averaging $150 to $250 above pre-war cars, Mr. Reuther's statement said:

"OPA explains that most of the increase reflects the engineering changes and improvements. . . . It appears that they (the auto manufacturers) have found a loop-hole for turning normal peacetime practice into a profitable racket under Government price control.

"Auto manufacturers always made minor changes in their cars from year to year and frequently made important changes and improvements. Yet it was not their peace-time practice to reflect these developments in high prices.

"The 'second round' increases are explained by OPA as being required by President Truman's wage-price policy. The UAW challenges this interpretation."

Result of Treasury Bill Offering

The Secretary of the Treasury announced on May 6 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated May 9 and to mature Aug. 8, which were offered on May 3, were opend at the Federal Reserve Banks on May 6.

Total applied for, $1,961,048,000.

Total accepted, $1,308,242,000 (includes $42,473,000 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, 99.908; equivalent rate of discount approximately 0.364% per annum.

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

(64% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on May 9 in the amount of $1,314,823,000.

Lumber Movement—Week Ended April 27, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 432 mills reporting to the National Lumber Trade Barometer were 9.4% above production for the week ending April 27, 1946. In the same week new orders of these mills were 6.5% above production. Unfilled order files of the reporting mills amounted to 93% of stocks. For reporting softwood mills, unfilled orders are equivalent to 31 days' production at the current rate, and gross stocks are equivalent to 32 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 9.3%; orders by 8.7%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 1.1% above; shipments were 0.2% above; orders were 1.0% below.

Trading on New York Exchanges

The Securities and Exchange Commission made public on April 30 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 13, 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 13 (in round-lot transactions) totaled 2,671,635 shares, which amount was 15.79% of the total transactions on the Exchange of 8,465,070 shares. This compares with member trading during the week ended April 6 of 2,916,282 shares, or 16.19% of the total trading of 9,009,910 shares.

On the New York Curb Exchange, member trading during the week ended April 13 amounted to 810,170 shares, or 13.78% of the total volume on that Exchange of 2,939,190 shares. During the week ended April 6, trading for the account of Curb members of 803,530 shares was 12.66% of the total trading of 3,147,595 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 13, 1946

A. Total Round-Lot Sales:		
Short sales	223,570	
‡Other sales	8,241,700	
Total sales	8,465,070	
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	867,810	
Short sales	145,410	
‡Other sales	655,560	
Total sales	800,970	9.86
2. Other transactions initiated on the floor—		
Total purchases	114,040	
Short sales	7,000	
‡Other sales	152,630	
Total sales	159,650	1.62
3. Other transactions initiated off the floor—		
Total purchases	334,915	
Short sales	33,520	
‡Other sales	360,730	
Total sales	394,250	4.31
4. Total—		
Total purchases	1,316,765	
Short sales	185,930	
‡Other sales	1,168,940	
Total sales	1,354,870	15.79

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

WEEK ENDED APRIL 13, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	60,280	
‡Other sales	2,878,910	
Total sales	2,939,190	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	260,795	
Short sales	26,035	
‡Other sales	257,150	
Total sales	283,185	9.25
2. Other transactions initiated on the floor—		
Total purchases	31,875	
Short sales	2,900	
‡Other sales	28,075	
Total sales	30,975	1.07
3. Other transactions initiated off the floor—		
Total purchases	92,235	
Short sales	19,300	
‡Other sales	91,805	
Total sales	111,105	3.46
4. Total—		
Total purchases	384,905	
Short sales	48,235	
‡Other sales	377,030	
Total sales	425,265	13.78
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	144,917	
Total purchases	144,917	
Total sales	154,117	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Non-Ferrous Metals — Fact-Finding Board Backs Wage Rise; Opens Way for Price Relief

"E. & M. J. Metal and Mineral Markets," in its issue of May 2, stated: "The fact-finding board in the non-ferrous metals industry, in a report to the Department of Labor on April 29, recommended a general wage increase of 18½¢ per hour. It also suggests that 5¢ of this increase be retroactive to Sept. 1, 1945, or the date when unions demanded wage increases, whichever is later. The next step in settling the dispute rests with stabilization authorities. After wage adjustments have been made, producers may apply for price relief. Most observers believe that the program has been agreed upon, and long delay in settling the wage-price debate is not expected. The platinum metals were freed of price control. Business in these metals temporarily ceased and sellers have not yet established a firm trading basis." The publication further went on to say in part as follows:

Copper

Aside from speculation on the changing price situation, the industry was concerned last week with handling the May requirements of consumers. Owing to the scarcity of certain shapes, the problem of taking care of essential needs first is likely to continue until refineries now closed by strikes resume production.

Technicalities stand in the way of quick action on price relief. Some observers expected word on the new ceiling for copper in the domestic market on May 1. The position of the market was decidedly firm, and this was reflected in prices paid for foreign copper by European and other consumers situated outside of this country. Quotations on foreign copper showed a range of 12¼¢ to 13¢ per found, f.a.s. basis.

Lead

May allocations of lead for tetraethyl fluid have been set at 4,160 tons, which will produce approximately 25% less fluid on a quarterly basis than was used in the first quarter, CPA announced last week.

Pending resumption of work at smelters and refiners now closed down, and clarification of the price situation, trading in lead last week continued on a greatly restricted basis. Sales for the week amounted to 2,071 tons.

In an address before the Mining and Metallurgical Society of America on April 30, Clinton H. Crane, President of St. Joseph Lead Co., maintained that in a free market, the world outside of the Russian sphere can produce enough lead to take care of all our essential needs and, in fact, more. He holds that a price not greatly in excess of the present London price plus emergency duty will be necessary to bring about needed adjustments.

Zinc

Buying interest in Prime Western and Special High Grade was in evidence throughout the week, and both of these grades remain in light supply. Uncertainty over the expected revision of the price ceiling continues, with most observers holding to the view that the new figure may not be much above 9¢ per pound for Prime Western, St. Louis basis.

Consumption of slab zinc in the United States in January totaled 57,291 tons, which compares with 56,953 tons in December and 86,228 tons in January a year ago, the Bureau of Mines reports. Stocks at consumers' plants at the end of January amounted to 84,051 tons, against 71,231 tons a month previous.

Platinum Metals

Effective April 29, 1946, the Office of Price Administration exempted the platinum group of metals, products, and waste material from price control. Though this step was expected in most quarters, the price situation in all of the metals in the platinum group was so confused as the week ended that published quotations were nominal.

Tin

Production of tin-plate in the United States in the first two months of 1946 totaled 222,620 tons, against 472,456 tons in the January-February period of 1945, according to the American Iron and Steel Institute. The sharp decline in output resulted from the stoppage of work at steel plants. Shipments in the first two months of this year totaled 266,934 tons, against 444,993 tons in the same period last year.

Consumption of pig tin in the United Kingdom for the home market in January amounted to 1,580 long tons, against 1,230 tons in December and 1,350 tons in January a year ago.

The tin situation in the United States remains unchanged. The selling basis continues at 52¢ per pound. Forward quotations for Straits quality tin, in cents per pound:

	May	June	July
April 25	52.000	52.000	52.000
April 26	52.000	52.000	52.000
April 27	52.000	52.000	52.000
April 29	52.000	52.000	52.000
April 30	52.000	52.000	52.000
May 1	52.000	52.000	52.000

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

Quicksilver

Most sellers reported an uninteresting market for quicksilver. With no pressure to sell from either foreign or domestic sources, quotations in New York continued at $102 to $105 per flask. Spanish metal was available for shipment at $101.50 per flask. The E. & M. J. average for April is $102.462 per flask, against $103.923 in March.

Silver

Without taking a vote of record, the Senate Appropriations Subcommittee on Tuesday approved legislation authorizing the Treasury to purchase domestic silver on the basis of 90¢ an ounce for two years and $1.29 thereafter, and resell "free" silver to commercial users on the same terms. The measure, attached as a rider to the Treasury-Post Office Appropriations Bill, now goes to the full committee for consideration. Quick approval is expected, after which the measure will be returned to the House. The rider attached to the bill late last year by the House provided for the sale of Treasury silver at 71.11¢.

The market for the metal remains extremely tight, pending clarification of the price situation. The New York Official was unchanged last week at 70¾¢ an ounce. London was unchanged at 44d.

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

Apr.	—Electrolytic Copper— Dom. Refy.	Exp. Refy.	Straits Tin, New York	—Lead— New York	St. Louis	Zinc St. Louis
25	11.775	12.175	52.000	6.50	6.35	8.25
26	11.775	12.425	52.000	6.50	6.35	8.25
27	11.775	12.425	52.000	6.50	6.35	8.25
29	11.775	12.175	52.000	6.50	6.35	8.25
30	11.775	12.250	52.000	6.50	6.35	8.25
May 1	11.775	12.300	52.000	6.50	6.35	8.25
Average	11.775	12.292	52.000	6.50	6.35	8.25

Average prices for calendar week ended April 27 are: Domestic copper f.o.b. refinery, 11.775¢; export copper f.o.b. refinery, 12.258¢; 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.

Chase Bank Opens Consumer Credit Dept.

The Chase National Bank of New York, opened on May 2 at its main office and 27 branches in New York City a Consumer Credit Department for small loans repayable on an installment basis out of income to meet both personal and business needs, at low rates. The bank's advices stated:

"The new department is organized to cover a broad range of consumer credit requirements, including loans for payment of medical bills, taxes, insurance premiums, consolidation of debts and other obligations, improvement of residential and business properties, automobiles and home appliances, and for small business purposes.

"Loans to individuals will be made from $60 up, at a discount rate of 3.83%, including life insurance protection. Loans secured by collateral such as acceptable securities, thrift account pass books or life insurance policies will be made at a discount rate of 3.33%. Rates on loans for property improvements are flexible, varying with the amount involved and the repayment schedule. Purchase of cars and motor trucks may be financed at a discount rate of 3.33%; insurance may be included in cost of financing. Loans will also be made on cars and trucks already owned.

"Loans in general will be made for periods of from 12 to 24 months. The service is available to persons who are not customers of the bank as well as to its depositors."

Abrahams in NRDGA Post

Lew Hahn, general manager of the National Retail Dry Goods Association announced the appointment of Howard P. Abrahams as Manager of the Sales Promotion Division. Mr. Abrahams has held executive sales promotion and advertising positions at Rothschild's in Ithaca, N. Y., Bloomingdale's, Ludwig Baumann, The New York "Times" and currently at I. J. Fox. He resigned the latter on April 27 and assumed the post at the National Retail Dry Goods Association in May.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 30, a summary for the week ended April 20 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended April 20, 1946

	Total Per Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	36,389
Number of shares	1,061,211
Dollar value	$45,884,986
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	91
*Customers' other sales	31,686
Customers' total sales	31,777
Number of Shares:	
Customers' short sales	3,187
*Customers' other sales	885,455
Customers' total sales	888,642
Dollar value	$38,355,131
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	150
†Other sales	163,640
Total sales	163,790
Round-Lot Purchases by Dealers—	
Number of shares	341,320

*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."

Revenue Freight Car Loadings During Week Ended April 27, 1946 Increased 9,209 Cars

Loading of revenue freight for the week ended April 27, 1946 totaled 659,952 cars, the Association of American Railroads announced on May 2. This was a decrease below the corresponding week of 1945 of 239,998 cars, or 26.7%, and a decrease below the same week in 1944 of 190,489 cars or 22.4%.

Loading of revenue freight for the week of April 27, increased 9,209 cars or 1.4% above the preceding week.

Miscellaneous freight loading totaled 374,485 cars, a decrease of 894 cars below the preceding week, and a decrease of 37,276 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 129,298 cars, an increase of 1,082 cars above the preceding week, and an increase of 15,125 cars above the corresponding week in 1945.

Coal loading amounted to 31,167 cars, an increase of 1,458 cars above the preceding week, but a decrease of 144,515 cars below the corresponding week in 1945, due to coal strike.

Grain and grain products loading totaled 33,103 cars, a decrease of 1,293 cars below the preceding week and a decrease of 19,622 cars below the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of April 27 totaled 20,560 cars, a decrease of 1,018 cars below the preceding week and a decrease of 14,971 cars below the corresponding week in 1945.

Livestock loading amounted to 19,359 cars, an increase of 754 cars above the preceding week and an increase of 2,796 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of April 27 totaled 15,141 cars, an increase of 68 cars above the preceding week, and an increase of 2,318 cars above the corresponding week in 1945.

Forest products loading totaled 45,315 cars, an increase of 229 cars above the preceding week and an increase of 4,329 cars above the corresponding week in 1945.

Ore loading amounted to 20,828 cars, an increase of 8,559 cars above the preceding week but a decrease of 52,093 cars below the corresponding week in 1945.

Coke loading amounted to 6,397 cars, a decrease of 686 cars below the preceding week, and a decrease of 8,742 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	3,003,655	3,158,700
4 weeks of February	2,866,710	3,052,487	3,154,116
5 weeks of March	3,982,229	4,022,088	3,916,037
Week of April 6	644,663	765,672	787,985
Week of April 13	649,194	847,013	798,683
Week of April 20	650,743	864,760	838,737
Week of April 27	659,952	899,950	850,441
Total	12,337,111	13,455,565	13,504,699

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 27, 1946. During this period only 36 roads reported gains over the week ended April 28, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED APRIL 27.)

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Eastern District—					
Ann Arbor	359	278	238	1,369	1,639
Bangor & Aroostook	2,033	1,988	2,109	372	464
Boston & Maine	7,711	7,258	7,299	11,689	15,226
Chicago, Indianapolis & Louisville	1,116	1,136	1,346	1,650	2,286
Central Indiana	31	23	41	33	36
Central Vermont	1,096	1,165	1,042	2,022	2,299
Delaware & Hudson	4,434	5,059	5,015	8,805	13,571
Delaware, Lackawanna & Western	7,793	7,968	8,271	8,142	11,580
Detroit & Mackinac	421	245	303	158	119
Detroit, Toledo & Ironton	2,466	1,686	1,826	992	1,412
Detroit & Toledo Shore Line	359	428	369	1,555	3,438
Erie	11,871	12,881	13,980	11,653	17,687
Grand Trunk Western	4,802	4,412	3,914	6,096	8,972
Lehigh & Hudson River	196	167	194	2,087	2,894
Lehigh & New England	2,265	2,282	2,143	762	1,624
Lehigh Valley	7,946	8,512	9,756	6,489	12,646
Maine Central	2,657	2,453	2,228	3,253	3,797
Monongahela	207	6,507	5,876	255	302
Montour	17	2,775	2,708	37	25
New York Central Lines	43,296	51,559	51,596	33,596	56,800
N. Y., N. H. & Hartford	10,605	11,090	10,354	13,783	18,947
New York, Ontario & Western	1,038	1,056	1,238	2,248	3,877
New York, Chicago & St. Louis	6,268	6,969	6,765	11,174	15,894
N. Y., Susquehanna & Western	369	518	478	1,320	2,495
Pittsburgh & Lake Erie	6,347	8,424	8,464	2,853	9,549
Pere Marquette	6,078	5,285	5,033	5,295	8,151
Pittsburgh & Shawmut	116	816	760	32	22
Pittsburg, Shawmut & North	134	286	326	108	246
Pittsburgh & West Virginia	219	1,155	1,280	1,855	3,112
Rutland	419	395	444	1,039	1,212
Wabash	6,502	6,858	5,028	9,781	13,302
Wheeling & Lake Erie	2,681	6,238	6,240	3,102	5,097
Total	141,852	167,872	166,664	153,605	238,721
Allegheny District—					
Akron, Canton & Youngstown	682	749	679	1,017	1,336
Baltimore & Ohio	25,464	48,271	45,279	20,520	30,655
Bessemer & Lake Erie	853	6,865	6,098	630	2,029
Cambria & Indiana	3	1,658	1,741	5	7
Central R. R. of New Jersey	6,355	6,777	7,310	12,283	22,830
Cornwall	371	533	15	28	73
Cumberland & Pennsylvania	23	170	222	14	5
Ligonier Valley	0	98	146	10	46
Long Island	1,502	1,997	1,249	4,748	5,502
Penn-Reading Seashore Lines	1,698	1,973	1,622	1,956	2,658
Pennsylvania System	62,086	92,249	88,789	43,298	69,083
Reading Co.	16,318	16,283	14,628	16,356	31,979
Union (Pittsburgh)	8,492	22,291	20,665	1,709	7,767
Western Maryland	2,256	4,325	4,314	7,033	15,298
Total	126,103	204,239	192,757	109,607	189,268
Pocahontas District—					
Chesapeake & Ohio	8,381	30,019	29,504	8,658	16,031
Norfolk & Western	6,536	22,161	21,706	5,304	8,993
Virginian	593	4,751	4,663	1,411	2,670
Total	15,510	56,931	55,873	15,373	27,694

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Southern District—					
Alabama, Tennessee & Northern	390	400	309	204	344
Atl. & W. P.—W. R. R. of Ala.	877	708	792	2,001	2,503
Atlanta, Birmingham & Coast	†	†	748	†	†
Atlantic Coast Line	16,167	13,635	13,524	10,105	12,130
Central of Georgia	4,481	3,608	3,275	4,505	4,668
Charleston & Western Carolina	518	466	380	1,225	1,530
Clinchfield	623	1,727	1,597	2,273	2,936
Columbus & Greenville	385	228	234	262	243
Durham & Southern	84	108	144	215	666
Florida East Coast	4,424	2,551	3,352	1,514	1,393
Gainesville Midland	72	48	43	92	143
Georgia	1,270	1,190	1,078	1,882	2,399
Georgia & Florida	489	351	433	740	700
Gulf, Mobile & Ohio	4,141	4,862	4,036	3,978	4,006
Illinois Central System	21,547	29,848	30,387	12,865	20,767
Louisville & Nashville	15,010	27,492	25,365	9,981	11,835
Macon, Dublin & Savannah	234	219	189	1,153	1,019
Mississippi Central	353	425	218	398	526
Nashville, Chattanooga & St. L.	3,341	3,621	3,238	3,922	4,777
Norfolk Southern	1,218	1,064	1,094	1,336	1,724
Piedmont Northern	445	422	413	1,145	1,148
Richmond, Fred. & Potomac	510	556	468	10,583	11,801
Seaboard Air Line	12,969	11,607	10,534	7,923	9,203
Southern System	23,813	25,590	22,936	21,136	27,128
Tennessee Central	566	788	827	612	779
Winston-Salem Southbound	133	156	146	851	1,586
Total	114,060	131,670	125,810	100,928	125,954
Northwestern District—					
Chicago & North Western	16,611	20,782	18,315	12,321	14,722
Chicago Great Western	2,270	2,675	2,493	2,906	3,558
Chicago, Milw., St. P. & Pac.	20,380	20,922	20,808	8,443	11,221
Chicago, St. Paul, Minn. & Omaha	3,494	3,970	3,183	3,756	3,938
Duluth, Missabe & Iron Range	13,024	26,289	22,221	175	207
Duluth, South Shore & Atlantic	628	983	520	520	547
Elgin, Joliet & Eastern	6,619	9,389	8,936	6,621	10,679
Ft. Dodge, Des Moines & South	502	415	372	110	76
Great Northern	9,621	19,739	20,071	4,436	7,516
Green Bay & Western	456	416	535	1,065	1,063
Lake Superior & Ishpeming	224	2,784	2,099	57	71
Minneapolis & St. Louis	1,495	2,099	1,928	2,376	2,929
Minn., St. Paul & S. S. M.	4,621	7,002	6,125	3,304	3,142
Northern Pacific	8,541	10,415	9,969	4,387	6,166
Spokane International	124	289	136	494	707
Spokane, Portland & Seattle	2,332	2,466	2,687	2,131	3,724
Total	90,942	130,635	120,398	53,102	70,266
Central Western District—					
Atch., Top. & Santa Fe System	23,166	25,411	20,101	10,866	16,321
Alton	2,715	4,116	2,810	2,884	4,387
Bingham & Garfield	31	361	437	6	64
Chicago, Burlington & Quincy	15,900	20,532	18,152	9,892	12,492
Chicago & Illinois Midland	229	3,165	3,506	801	1,097
Chicago, Rock Island & Pacific	11,548	12,971	10,500	11,552	15,419
Chicago & Eastern Illinois	2,194	3,068	2,757	2,980	4,882
Colorado & Southern	571	647	714	1,506	2,200
Denver & Rio Grande Western	1,307	3,324	3,078	3,965	7,778
Denver & Salt Lake	166	513	677	51	28
Fort Worth & Denver City	1,135	1,022	858	1,513	1,636
Illinois Terminal	*1,950	2,184	2,071	*1,351	2,261
Missouri-Illinois	1,509	1,239	986	507	587
Nevada Northern	1,471	1,414	1,873	72	95
North Western Pacific	572	761	810	558	706
Peoria & Pekin Union	5	5	2	0	0
Southern Pacific (Pacific)	32,312	32,733	30,404	9,507	15,251
Toledo, Peoria & Western	0	333	324	0	2,112
Union Pacific System	12,434	16,655	13,996	12,292	19,089
Utah	0	558	534	1	7
Western Pacific	1,977	2,076	1,965	2,825	5,167
Total	111,192	133,088	116,635	73,129	111,579
Southwestern District—					
Burlington-Rock Island	450	377	307	370	464
Gulf Coast Lines	6,152	7,327	7,249	2,681	2,639
International-Great Northern	2,205	2,816	2,558	5,430	4,429
‡K. O. & G., M. V. & O. C.-A.-A.	1,263	1,154	920	1,619	1,445
Kansas City Southern	2,900	5,103	6,183	3,083	3,080
Louisiana & Arkansas	2,384	3,204	3,795	2,584	3,210
Litchfield & Madison	424	280	309	1,051	1,632
Missouri & Arkansas	202	77	200	309	306
Missouri-Kansas-Texas Lines	4,861	6,822	6,078	4,512	4,483
Missouri Pacific	14,132	17,218	14,463	15,347	23,146
Quanah Acme & Pacific	156	49	106	250	509
St. Louis-San Francisco	7,766	9,467	7,915	7,355	10,810
St. Louis-Southwestern	2,529	3,538	3,092	5,513	6,829
Texas & New Orleans	9,440	12,271	13,008	5,928	5,671
Texas & Pacific	5,314	5,697	5,983	7,123	9,308
Wichita Falls & Southern	92	89	112	53	30
Weatherford M. W. & N. W.	23	26	26	22	23
Total	60,293	75,515	72,304	63,230	78,014

*Previous week's figure.

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

NOTE—Previous year's figures revised.

Grimm Elected Pres. Of N. Y. State Chamber

Peter Grimm, Chairman of the Board of William A. White & Sons was elected on May 2 President of the Chamber of Commerce of the State of New York for the term of one year at the 178th annual meeting. He succeeded Leroy A. Lincoln, President of the Metropolitan Life Insurance Co., who had served the limit of two consecutive terms. William B. Given, Jr., President, of the American Brake Shoe Co.; Carl Whitmore, President of the New York Telephone Co., and Charles E. Adams, Chairman of the Board of the Air Reduction Co., were elected Vice-Presidents to serve four years.

Arthur M. Reis, President, Robert Reis & Co., succeeded Mr. Grimm as Chairman of the Executive Committee and George McAneny, Richard W. Lawrence and Roy E. Tomlinson were reelected members-at-large. Jacob Aronson, Vice President of the New York Central Railroad Co., was elected a member of the Committee. Treasurer William J. Graham, Assistant Treasurer William B. Scarborough and Executive Secretary B. Colwell Davis, Jr., were reelected.

Mr. Grimm, who is the 50th President of the chamber, served as Assistant to the Secretary of the Treasury in 1935 and 1936 and was also assistant director of the National Emergency Council. He is a former President and now a Governor of the Real Estate Board of New York and was one of the organizers and for several years Chairman of the Board of Trustees of the Citizens Budget Commission. He served as Chairman of the Mayor's Tax Committee under Mayors LaGuardia, O'Brien and Walker.

The Chamber also elected five new Chairmen of standing committees—John M. Schiff, Finance & Currency; Bethune M. Grant, Internal Trade & Improvements; Lynn H. Korndorff, Harbor & Shipping; Theodore M. Riehle, Insurance; Herbert G. Wellington, Admissions.

The nominations were referred to in our issue of May 2, page 2388.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1946—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
Feb. 2	178,590	150,634	516,776	95	90
Feb. 9	169,482	152,066	529,767	97	91
Feb. 16	139,681	149,794	516,211	94	92
Feb. 23	139,993	155,381	500,507	97	93
Mar. 2	198,985	161,122	533,794	98	93
Mar. 9	178,443	158,229	551,081	99	94
Mar. 16	157,237	167,243	538,572	100	94
Mar. 23	169,355	164,267	539,100	99	95
Mar. 30	183,509	167,541	549,928	100	95
April 6	225,192	164,562	607,799	99	95
April 13	154,235	169,627	591,661	101	96
April 20	143,946	167,627	566,152	101	96
Apr. 27	148,161	156,291	553,274	95	96

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

Supreme Court Allows Challenge of OPA Rewritten Ruling

By an 8-0 decision, delivered by Justice Frankfurter, the U. S. Supreme Court ruled on April 22 that after a pricing regulation of the Office of Price Administration has been rewritten it may be challenged. The case involved was that of the Utah Junk Company which sought to have an early price regulation on heavy melting steel ruled not applicable to its sales of fluxing scrap because, the firm asserted, such scrap required special treatment and it had long been customary to pass on the extra cost of this to the buyer. The OPA regulation was amended to permit the extra charge in future, after which Utah Junk tried to collect an extra $1.50 per ton for scrap previously sold to the United States Smelting, Refining and Mining Company, according to the report of the Associated Press from Washington, which said:

The Price Administrator and United States Emergency Court of Appeals held the company could not attack the early regulation after it was changed. Justice Frankfurter said that Congress liberalized the right to challenge the validity of price regulations "so extensively as it did because it felt that rights were unfairly lost through unfamiliarity of the technical requirements of emergency legislation."

Gross and Net Earnings of United States Railroads for the Month of January

The railroads for the month of January once again recorded decreases in both gross and net earnings, when compared with the corresponding figures for January, 1945, which still reflected much war-time traffic.

The gross earnings were down $110,039,291 (or 14.65%) as compared with January, 1945, but showed an increase of $27,180,517 when contrasted with the previous month of December, 1945. Operating expenses also showed a decrease, but the ratio of expenses to earnings jumped from 70.59% in January, 1945, to 76.47% in January, 1946. Net earnings in January, 1946, were $150,812,525 as compared with $220,865,926 for the corresponding month last year or a decrease of 31.72%. The gross and net earnings of all the roads for the month of January, 1946, in comparison with the similar month in 1945 are now presented in tabular form:

Month of January—	1946	1945	Incr. (+) or Decr. (—) Amount		%
Mileage of 128 roads	227,904	228,322	—	418	— 0.18
Gross earnings	$640,871,880	$750,911,171	—	$110,039,291	—14.65
Operating expenses	490,059,355	530,045,245	—	39,985,890	— 7.54
Ratio of exps. to earns.	(76.47)	(70.59)			
Net earnings	$150,812,525	$220,865,926	—	$70,053,401	—31.72

We now break these totals down into geographical groups and note that the largest decreases in gross earnings were recorded by the Southwestern and Southern regions respectively. The Southwestern region showed a decrease of 25.61% and the Southern region indicated one of 20.65%. The New England region with a drop of 5.80% showed the smallest fluctuation in the gross category. In net earnings we have a repetition of the gross indications. Once again the Southwestern region showed the largest decrease (48.54%) followed by the Southern region with one of 46.29%. The decrease of 2.35% compiled by the New England region in net earnings was also the smallest by far in comparison with all others in net earnings. A summary by groups in geographical arrangement is now appended, and an explanation of the boundaries of the various districts and regions is subjoined to the table:

SUMMARY BY GROUPS—JAN. 1 TO DEC. 31

District and Region	Gross Earnings 1946 $	1945 $	Inc. (+) or Dec. (—) $	%
Eastern District—				
New England region (10 roads)	23,898,916	25,370,145	— 1,471,229	— 5.80
Great Lakes region (23 roads)	100,469,852	110,960,379	— 10,490,527	— 9.45
Central Eastern region (18 roads)	123,037,517	141,080,050	— 18,042,533	—12.79
Total (51 roads)	247,405,285	277,410,574	— 30,004,289	—10.82
Southern District—				
Southern region (25 roads)	89,876,835	113,269,393	— 23,392,558	—20.65
Pocahontas region (4 roads)	[illegible],556,455	36,292,598	— 2,736,143	— 7.54
Total (29 roads)	[illegible],433,290	149,561,991	— 26,128,701	—17.47
Western District—				
Northwestern region (16 roads)	66,312,134	71,405,169	— 5,093,035	— 7.13
Central Western region (14 roads)	149,261,349	179,323,096	— 30,061,747	—16.76
Southwestern region (18 roads)	54,458,822	73,210,341	— 18,751,519	—25.61
Total (48 roads)	270,032,305	323,938,606	— 53,906,301	—16.64
Total all districts (128 roads)	640,871,880	750,911,171	—110,039,291	—14.65

District and Region—	Mileage 1946	Mileage 1945	Net Earnings 1946 $	1945 $	Inc. (+) or Dec. (—) $		%
Eastern District—							
New England region	6,538	6,563	5,070,293	5,192,522	—	122,229	— 2.35
Great Lakes region	25,551	25,564	16,649,325	20,954,361	—	4,305,036	—20.54
Cent. East. region	23,881	23,894	20,432,248	28,855,626	—	8,423,378	—29.19
Total	55,970	56,021	42,151,866	55,002,509	—	12,850,643	—23.36
Southern District—							
Southern region	37,262	37,333	22,046,890	41,049,452	—	19,002,562	—46.29
Pocahontas region	6,024	6,005	12,493,186	13,512,486	—	1,019,300	— 7.54
Total	43,286	43,338	34,540,076	54,561,938	—	20,021,862	—36.70
Western District—							
Northwestern region	45,638	45,668	12,437,666	17,174,765	—	4,737,099	—27.58
Cent. West. region	54,534	54,687	46,407,737	64,442,374	—	18,034,637	—27.99
Southwestern region	28,476	28,608	15,275,180	29,684,340	—	14,409,160	—48.54
Total	128,648	128,963	74,120,583	111,301,479	—	37,180,896	—33.41
Total all distr's	227,904	228,322	150,812,525	220,865,926	—	70,053,401	—31.72

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.

Pocahontas 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 conclusion we now present a comparison of the gross and net earnings for the month of January from the current year back to and including 1909:

Month of Jan.	Gross Earnings Year Given	Year Preceding	Inc. (+) or Dec. (—)		%	Mileage Year Given	Year Preced'g
1909	$181,027,699	$171,740,858	+	$9,286,841	+ 5.41	222,456	219,515
1910	207,281,856	180,657,628	+	26,424,228	+14.61	229,204	225,292
1911	204,168,709	199,186,255	+	4,982,454	+ 2.50	225,862	225,941
1912	210,704,771	213,145,078	—	2,440,307	— 1.15	237,888	239,402
1913	246,663,737	208,535,060	+	38,128,677	+18.28	235,607	235,179
1914	233,073,834	249,958,641	—	16,884,807	— 6.76	243,732	234,469
1915	220,282,196	236,880,747	—	16,598,551	— 7.01	246,959	246,958
1916	267,043,635	220,203,595	+	46,840,040	+21.27	247,620	247,169
1917	307,961,074	267,115,289	+	40,845,785	+15.29	248,477	248,238
1918	282,394,665	294,002,791	—	11,608,126	— 3.95	240,046	239,882
1919	395,552,020	284,131,201	+	111,420,819	+39.21	232,655	232,710
1920	494,706,125	392,927,365	+	101,778,760	+25.90	232,511	232,210
1921	469,784,542	503,011,129	—	33,226,587	— 6.61	232,492	231,513
1922	393,892,529	469,195,808	—	75,303,279	—16.05	235,395	234,236
1923	500,816,521	395,000,157	+	105,816,364	+26.79	235,678	235,627
1924	467,887,013	501,497,837	—	33,610,824	— 6.70	238,698	235,886
1925	483,195,642	467,329,225	+	15,866,417	+ 3.40	236,149	235,498
1926	480,062,657	484,022,695	—	3,960,038	— 0.82	236,944	236,105
1927	485,961,245	479,841,904	+	6,119,441	+ 1.28	237,846	236,590
1928	456,560,897	486,722,646	+	30,161,749	— 6.20	239,476	238,808
1929	486,201,495	457,347,810	+	28,853,685	+ 6.31	240,833	240,417
1930	450,526,039	486,628,286	—	36,102,247	— 7.42	242,350	242,175
1931	365,416,905	450,731,213	—	85,314,308	—18.93	242,677	242,332
1932	274,976,249	365,522,091	—	90,545,842	—24.77	244,243	242,365
1933	228,889,421	274,890,197	—	46,000,776	—16.73	241,881	241,991
1934	257,719,855	226,276,523	+	31,443,332	+13.90	239,444	241,337
1935	263,877,395	257,728,677	+	6,148,718	+ 2.39	238,245	239,506
1936	298,704,814	263,862,336	+	34,842,478	+13.20	237,078	238,393
1937	330,968,057	298,664,465	+	32,303,592	+10.82	235,990	236,857
1938	278,751,313	330,959,558	—	52,208,245	—15.77	235,422	236,041
1939	305,232,033	278,600,985	+	26,631,048	+ 9.56	233,824	234,853
1940	344,718,280	305,232,033	+	39,486,247	+12.94	233,093	233,820
1941	376,628,399	344,859,189	+	31,769,210	+ 9.21	232,431	232,825
1942	480,688,115	376,530,212	+	104,157,903	+27.66	231,638	232,441
1943	671,334,151	480,688,115	+	190,646,036	+39.66	229,693	231,644
1944	740,671,564	671,322,168	+	69,349,396	+10.33	228,796	229,385
1945	751,336,771	740,671,731	+	10,665,040	+ 1.44	228,561	228,858
1946	640,871,880	750,911,171	—	110,039,291	—14.65	227,904	228,322

Month of January—	Net Earnings Year Given	Year Preceding	Increase (+) or Decrease (—)		%
1909	$49,900,493	$40,841,298	+	$9,059,195	+ 22.18
1910	56,393,506	50,062,699	+	6,330,807	+ 12.65
1911	50,946,344	53,280,183	—	2,333,839	— 4.38
1912	45,940,706	52,960,420	—	7,019,714	— 13.25
1913	64,277,164	45,495,387	+	18,781,777	+ 41.28
1914	52,749,869	65,201,441	—	12,451,572	— 19.10
1915	51,582,992	52,473,974	—	890,982	— 1.70
1916	78,899,810	51,552,397	+	27,347,413	+ 53.05
1917	87,748,904	79,069,573	+	8,679,331	+ 53.05
1918	17,038,704	83,475,279	—	66,436,574	— 79.59
1919	36,222,169	13,881,674	+	22,340,495	+160.94
1920	85,908,709	36,099,055	+	49,809,654	+137.99
1921	28,451,745	88,803,107	—	60,351,362	— 67.96
1922	57,421,605	28,331,956	+	29,089,649	+102.67
1923	93,279,686	58,266,794	+	35,012,892	+ 60.09
1924	83,953,867	93,366,257	—	9,412,390	— 10.08
1925	101,022,458	83,680,754	+	17,341,704	+ 20.72
1926	102,270,877	101,323,883	+	946,994	+ 0.93
1927	99,428,246	102,281,496	+	2,853,250	— 2.79
1928	93,990,640	99,549,436	—	5,558,796	— 5.58
1929	117,730,186	94,151,973	+	23,578,213	+ 25.04
1930	94,759,394	117,764,570	—	23,005,176	— 19.53
1931	71,952,904	94,836,075	—	22,883,171	— 24.13
1932	45,940,685	72,023,230	—	26,082,545	— 36.21
1933	45,603,287	45,964,987	—	361,700	— 0.79
1934	62,262,469	44,978,266	+	17,284,203	+ 38.43
1935	51,351,024	62,258,639	—	10,907,615	— 17.52
1936	67,383,511	51,905,000	+	15,478,511	+ 29.82
1937	77,941,070	67,380,721	+	10,560,349	+ 15.67
1938	46,633,380	77,971,930	—	31,338,550	— 40.19
1939	72,811,019	46,609,996	+	26,201,023	+ 56.21
1940	88,052,852	72,810,660	+	15,242,192	+ 20.93
1941	108,463,461	88,299,414	+	20,164,047	+ 22.84
1942	131,949,179	108,299,877	+	23,649,302	+ 21.84
1943	247,132,860	131,949,179	+	115,183,681	+ 87.29
1944	236,658,766	247,146,242	—	10,487,476	— 4.24
1945	221,104,586	236,658,658	—	15,554,072	— 6.57
1946	150,812,525	220,865,926	—	70,053,401	— 31.72

Weekly Coal and Coke Production Statistics

The total production of soft coal in the week ended April 27, 1946, as estimated by the United States Bureau of Mines, was 750,000 net tons, an increase of 40,000 tons over the preceding week. In the corresponding week of 1945, output amounted to 12,213,000 net tons. For the calendar year to April 27, 1946, production of bituminous coal and lignite totaled 163,899,000 net tons, a decrease of 15.9% when compared with the 194,983,000 tons produced in the period from Jan. 1 to April 28, 1945.

Production of Pensylvania anthracite for the week ended April 27, 1946, as estimated by the Bureau of Mines, was 1,113,000 tons, an increase of 13,000 tons (1.2%) over the preceding week. When compared with the corresponding week of 1945 there was a decrease of 195,000 tons, or 14.9%. The calendar year to date shows an increase of 6.0% 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 27, 1946, showed a decrease of 1,800 tons when compared with the output for the week ended April 20, 1946; and was 129,100 tons less than for the corresponding week of 1945.

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

Bituminous coal & lignite—	Week Ended Apr. 27, 1946	Apr. 20, 1946	Apr. 28, 1945	Jan. 1 to Date *Apr. 27, 1946	Apr. 28, 1945
Total, including mine fuel	750,000	710,000	12,213,000	163,899,000	194,983,000
Daily average	125,000	118,000	2,036,000	1,654,000	1,934,000

*Subject to current adjustment.

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

Penn. Anthracite—	Week Ended ‡Apr. 27, 1946	§Apr. 20, 1946	Apr. 28, 1945	Calendar Year to Date Apr. 27, 1946	Apr. 28, 1945	May 1, 1937
*Total incl. coll. fuel	1,113,000	1,100,000	1,308,000	19,875,000	18,755,000	19,560,000
†Commercial produc.	1,058,000	1,056,000	1,256,000	19,079,000	18,005,000	18,582,000
Beehive coke—						
United States total	2,100	3,900	131,200	1,212,800	1,870,200	1,241,000

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

Foreign Trade Week Observed May 19-25

Arrangements for the observance in New York of National Foreign Trade Week, May 19 to 25, are taking form, according to James S. Carson, Chairman, 1946 New York Foreign Trade Week Committee, who has announced that the principal event of the week will be the World Trade Luncheon to be held at the Waldorf Astoria on Friday, May 24. Committees dealing respectively with arrangements, window displays and exhibits, flags and publicity are active on various phases of the week's celebration.

"At this stage of postwar reconstruction," said Mr. Carson, who is also Chairman of the Foreign Trade Education Committee of the National Foreign Trade Council and Vice-President of the American & Foreign Power Co., "an excellent opportunity is offered by Foreign Trade Week to focus public interest on the value of foreign trade to the nation, and on the relationship of international commerce to peace through the promotion of the economic interdependence of the enire world."

Eugene P. Thomas, President, of the National Foreign Trade Council, and winner in 1941 of the Captain Robert Dollar Memorial Award, presented annually for distinguished contribution to the advancement of American foreign trade, is serving as honorary Chairman of the New York Committee. Other former recipients of the award have been appointed Honorary Vice-Chairman as follows: Eric A. Johnston, President, Chamber of Commerce of the United States, (1944); Fred I. Kent, director, Bankers Trust Company, New York (1945); Juan T. Trippe, President, Pan American World Airways, (1943); Thomas J. Watson, Chairman, International Business Machines, (1940); and Sumner Welles, former Under Secretary of State, (1942). Former Secretary of State Cordell Hull, although not on the New York Committee, won the award in 1938. The winner in 1939 was the late James A. Farrell, founder of the Council.

Recipient of the 1946 Dollar Award will be announced at the World Trade Luncheon.

Upwards of 40 associations are cooperating with the New York Committee in sponsoring the luncheon as well as the complete program for the week. The luncheon is open to the public, tickets being available through Robert A. Breen, Secretary of the Committee, 26 Beaver Street, New York 4, N. Y.

Initiated nationally and sponsored annually by the Chamber of Commerce of the United States, National Foreign Trade Week is observed each May throughout the country and by various American Chambers of Commerce abroad to direct public attention to the contribution of world trade to employment and prosperity, and to methods of expanding international commerce. "World Trade Puts Men To Work" has been adopted as the theme of this year's celebration.

William S. Swingle, Vice President, of the National Foreign Trade Council, is Treasurer, and Mr. Breen, Secretary of the Council, is Secretary of the New York Committee.

NRDGA Meeting June 11

The second in a series of dinner meetings of the National Retail Dry Goods Association, under the auspices of the Smaller Stores Division, is scheduled for June 11, at the Hotel New Yorker, beginning at 6:30 p.m. Marvin Oreck, Vice-President Oreck's, Inc., Duluth, Minn., and Chairman of the Smaller Stores Division, will preside as Chairman of the meeting.

Items About Banks, Trust Companies

J. Spencer Love, President of the Burlington Mills Corp., Greensboro, N. C., was elected a Trustee of the New York Trust Company on May 7, it was announced by John E. Bierwirth, President of the New York Trust Company. Mr. Love is prominently identified with the textile industry and has been President of the Burlington Mills Corp. and affiliated mills since 1930. He started in the industry in the South in 1919 after serving with the A. E. F. in World War I and during the late emergency served as Director of the Textile, Clothing and Leather Bureau of the War Production Board. He is a graduate of Harvard University and is an active member of various textile associations, clubs and societies, including the New York Southern Society.

President Bierwirth also announced the reappointment on May 7 of Alfred Hayes as Assistant Secretary of the New York Trust Company. Mr. Hayes has returned to the Investment Division of the Trust Company after serving in the Navy as a Lieutenant since July, 1944.

At a regular meeting of the board of directors of the National City Bank of New York held on April 30, William H. Youngblood was appointed an Assistant Cashier.

Frank K. Houston, Chairman of the Board of Chemical Bank & Trust Co. of New York announces the appointment of Harmon L. Remmel as Assistant Vice-President. Mr. Remmel is a native of Little Rock, Ark., where his family has been well known, his great uncle, for whom he was named, having been the first President of the old Bankers Trust Co. of that City. Mr. Remmel attended Princeton University and graduated from the University of Virginia in June, 1933. He entered the banking business immediately and after being connected with two other institutions went with the Chemical Bank & Trust Co. on Jan. 1, 1938, and was connected with the bank's Chicago office until December, 1940, when he returned to New York and assisted in handling the bank's business in Pennsylvania, Indiana and Ohio. Leaving the bank in June, 1942, he entered the Army Air Corps as a Second Lieutenant and rose to a Lieutenant Colonelcy. His last assignment was in Germany where he worked under General Draper in making a study of the valuation and productive capacity of German industry to aid in determining Germany's ability to pay reparations. He will be associated with Howard W. McCall, Vice-President in handling the bank's business in Texas, Arkansas, Oklahoma and Louisiana.

S. Sloan Colt, President of the Bankers Trust Co. of New York, announced on May 2 the election of Harvey L. Smedley as an Assistant Treasurer. Mr. Smedley will be in direct charge of the vaults at all offices, including the Bankers Safe Deposit Co.

Harry L. Severson has joined the Development Department of Bankers Trust Co., New York. For the last eight years Mr. Severson was with the Federal Deposit Insurance Corporation, Washington, D. C., where he was Assistant Chief, Division Research and Statistics from 1944 to 1946. Prior to joining the Federal Deposit Insurance Corporation, Mr. Severson taught economics and finance at several mid-western universities. He graduated from the University of Minnesota in 1924 and from the Graduate School of the University of Chicago in 1931 with an M. A. in finance.

The New York agency of the Standard Bank of South Africa, Ltd., at 67 Wall Street, announced on May 6 the receipt of advices from its Head Office in London that The Earl of Athlone, K. G. has rejoined the board of directors of the bank. The Earl of Athlone was at one time Governor General of the Union of South Africa and more recently the Governor General of Canada.

Manufacturers Trust Co. of New York, announced on May 6, the opening of a new banking office at 2101 Mermaid Avenue, corner West 21st Street, Brooklyn. The new office, the bank's 70th in Greater New York and it's 20th in Brooklyn, will supplement the present office at 2701 Mermaid Avenue, thereby it is stated enabling the bank to serve a larger area of the Coney Island section.

In line with the current publicity being given to the dangers of "playing the market without awareness of the risks involved," the Union Dime Savings Bank of New York has brought out a folder called "SO-YOU WANT TO INVEST." In the folder the bank says:

"The experienced investor wants facts. He does not rely on tips or rumors. The investor is interested primarily in the conservation or safety of the funds he invests—for this reason he is willing to accept a moderate return on his money. He is also aware that in every investment there is an element of risk. * * * To sum up: for a successful and balanced financial program, we recommend that you—1. Build up a Savings Account and keep an adequate cash reserve in the account; 2. Carry a reasonable amount of life insurance; 3. Hold your U. S. War Bonds; 4. Buy U. S. Savings Bonds—the best investment in the world—and; 5. If there are additional funds for other investments—HAVE THE FACTS—KNOW THE RISKS—before you purchase."

Alexander E. Leighton, Assistant Comptroller of the Williamsburgh Savings Bank of Brooklyn, N. Y., retired on May 1st after 45 years of service with the bank. Prior to 1901 he had been with the Brooklyn National Bank. Mr. Leighton is one of the pioneers in bank advertising. Largely as a result of his enthusiasm, the bank become one of the very first savings banks to advertise in a consistant and agressive manner. Although in those early years the expression "Public Relations" was not yet coined, he instinctively practiced the basic principles of making many friends for the bank. In recognition of his leadership in the field he was elected and re-elected Chairman of the Group V. Advertising Committee of the Savings Banks Association for ten years. He is a member of both the National and New York Advertisers Associations and of the Bankers Club of Brooklyn.

The Flemington National Bank & Trust Co. of Flemington, N. J., has increased its capital stock from $100,000 to $150,000 by a stock dividend, it is announced under date of April 22 by the Comptroller of the Currency.

Robert L. Ross, retired President of the Franklin Savings Institution of Newark, N. J., died on April 23, at the age of 80 years. The Newark "Evening News" reports that Mr. Ross had served 17 years as President of the Franklin Institution when he resigned in 1944. He had succeeded the late Adrian Riker as President. Mr. Riker's son, Irving Riker, now is President of the bank. Mr. Ross had also been President of the Essex County Sinking Fund and had otherwise been active in civic and business affairs.

The Comptroller of the Currency reports the voluntary liquidation of the Pitt National Bank of Pittsburgh, Pa., effective April 20. The bank has been absorbed by the Farmers Deposit National Bank of Pittsburgh. Reference to the merger plans appeared in our issue of April 25, page 2284.

President John K. Thompson of the Union Bank of Commerce of Cleveland, Ohio, has announced that Walter L. Kyle has joined the bank as Assistant Cashier. For the past four years Mr. Kyle has been in the Army, being mustered out a month ago with the rank of Lieutenant Colonel. He is the son of W. F. Kyle, former official of the Cleveland Trust Co. and now retired. His brother, Harvey Kyle, is Vice-President of the Bankers Trust Co., New York. Mr. Kyle was graduated from Ohio Wesleyan University in 1928 and for three years studied in Europe at the Sorbonne and the University of Heidelberg. From 1932 to 1940 he was with the Federal Reserve Bank of New York, where he became statistician for the Government Securities Department, and from 1940 to 1942 he was wih tthe Cleveland Trust Co. doing credit analysis work.

Walter J. Schatz has been named a director and Vice-President of the Cincinnati Bank & Trust Co. of Cincinnati, Ohio, to fill the vacancy created by the recent death of L. E. Guntrum, George A. Schulze, President, announced on April 29, according to the Cincinnati "Enquirer," which said: "Mr. Schatz, who started as messenger for the bank in 1910, has been Cashier since 1923. He will continue as Cashier."

According to the April 29 Bulletin of the Comptroller of the Currency, the Halsted Exchange National Bank of Chicago, Chicago, Ill., has changed its name to the Exchange National Bank of Chicago effective April 24.

A charter was issued on April 19 for the Michigan Avenue National Bank of Chicago, Ill. The Bulletin of the Comptroller of the Currency states that its capital consists of $500,000, all common stock. Ben Mills is President and Moussa K. Moussa Cashier of the primary organization.

The Chicago "Tribune" of April 23 said:

"Howard F. Bishop, Chicago attorney and organizer and chairman of the Michigan Avenue National Bank of Chicago, 30 N. Michigan Ave., yesterday said a charter has been received from the Comptroller of the Currency and the bank will begin operations about June 30."

Warren Wright, it is stated, is Vice-President.

A permit to organize the Champaign County Bank & Trust Co. in Urbana, Ill., has been issued by the office of the State Auditor of Public Accounts, it was announced on April 29, according to the Chicago "Journal of Commerce." The bank will have a $100,000 capital, and $20,000 surplus and $40,000 reserve, it is stated.

Gus Cook, who has recently received his discharge from the U. S. Navy, has been elected a Vice-President of the Republic National Bank, Dallas, Tex., it was announced on April 27 by Fred F. Florence, President of the institution. Mr. Cook, according to the Dallas "Times Herald," was formerly Vice-President, Cashier and director of the Oak Cliff Bank & Trust Co. of Dallas. He was recently discharged from the Navy as a Commander, it is stated.

A. P. Giannini, Founder-Chairman of Bank of America, San Francisco, announces a shortened work week of approximately 40 hours, on the average, for staff members of the bank's state-wide organization, and substantial increases in basic salaries of $500 and under, amounting in some cases to as much as 30%. It is stated that since the termination of hostilities a substantial majority of the staff has reurned from military service and more are continuing to return daily. These reinforcements, together with many new employees, have added in excess of 2,000 to the staff and have made it possible to return to the shorter work week immediately. Mr. Giannini stated that the directors have authorized upward salary revisions of 30% for those now receiving $200 per month or less. For those receiving more than $200 per month and less than $333.33 the increase will be $60 per month, and those receiving $333.33 but not more than $500 will be increased $50 per month. These changes, it is stated, represent an estimated annual increase of $8,000,000 in the basic salary structure of the bank.

It is contemplated that the employees' profit-sharing bonus plan would be kept in effect for those who have had five years or more service with the bank, including military leave. The salary changes are scheduled to take effect July 1, but if the great majority of branches and departments complete their reorganizations under the shortened work week by the end of May an attempt, it is said, will be made to put the whole plan into effect by June 1.

IBA Seeks Federal Tax Reforms and Better Government Debt Management

From Philadelphia advices in the "Wall Street Journal" of May 1 it is learned that the investment dealers of that city were asked to back a national program seeking tax reforms, improved Government debt management and dealing with other "aspects of national affairs which apply specifically to the investment banking business."

Charles S. Garland, President of the Investment Bankers Association of America, outlined at a dinner of IBA's eastern Pennsylvania group the objectives for which the organization asks "grass roots" support according to the paper indicated. Advices to which added:

Mr. Garland was accompanied by Murray Hanson, General Counsel of the Association, who discussed Federal regulation of the securities business.

Five projects for concentrated attention were set forth by Mr. Garland, who is a partner in the Baltimore firm of Alex. Brown & Sons. Included were:

1. Management of the Government debt and its relation to the forces of inflation.
2. The Federal budget and tax program.
3. Encouragement of small business enterprises.
4. World finance and participation of the U. S. in the international bank and monetary funds.
5. Training new personnel for the investment business.

A balanced Federal budget is prerequisite to a sound economy, Mr. Garland said, adding that it would require a long period of high taxes, be politically unpopular and require political courage. He said that the IBA hoped to join other organizations in preparing "an intelligent, equitable and comprehensive" tax program to replace the present "hodge-podge" of Federal taxes.

Mr. Garland said that the IBA is working with Government committees in the formulation of plans to aid in the financing of small business. It is also, he said, cooperating with the Government on plans to put the International Bank for Reconstruction and Development in operation as speedily as possible. He urged approval by Congress of the British loan.

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of March 31, 1946, and show that the money in circulation at that date (including of course, that held in bank vaults of member banks of the Federal Reserve System) was $27,878,621,746, as against $27,954,295,890 on Feb. 28, 1946, and $25,899,060,223 on March 31, 1945, and compares with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, the total was $3,459,434,174.

Curb to Celebrate Silver Anniversary As Indoor Market

During the last week of June this year the New York Curb Exchange, which traces its origin to broker groups flourishing as outdoor security traders in lower Manhattan before the Civil War, will celebrate its silver anniversary as an indoor securities market.

The announcement of the celebration issued May 1 continued:

"Arrangements are rapidly being concluded for the principal event of the celebration, a 25th anniversary dinner to be held in the grand ballroom of the Waldorf Astoria Hotel on the evening of Thursday, June 27. Approximately 1,500 persons are expected to be present at the dinner, to which the presidents of corporations whose securities are listed on the Curb Exchange, officials of many exchanges in this country and abroad, and many others prominent in financial and business circles have been invited.

Harold J. Brown is Chairman of the Anniversary Dinner Committee, which also includes Harold A. Baker, Thomas W. Bartsch, Horace E. Dunham, Alan L. Eggers, James J. Hopkins, Chas. S. Leahy, Charles Leichner, Carl F. Muller, Edward A. O'Brien and Lawrence M. Stern.

Bank of Montreal's First 1946 Crop Report

As a result of generally dry weather and above-normal temperatures, the seeding in Canada's prairie provinces is well advanced, according to the Bank of Montreal's first crop report of the season, issued May 2. Estimates indicate that the acreage of wheat and flax being sown is larger than last year, with a slightly decreased acreage in coarse grains. The bank also says that in the Province of Quebec present conditions in most districts approximate those of an average year, while in Ontario the season opened about two weeks earlier than usual, with seeding of spring grains practically completed. In the Maritime Provinces little work has yet been done on the land, wet, cool weather in April having retarded operations. Fall sown grain and fruit trees are said to have wintered well in British Columbia, where early prospects for good crops are favorable.